



**SOMERSET COUNTY, NEW JERSEY REGULATORY BASIS FINANCIAL  
STATEMENTS AND SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2021 AND 2020**

**TOWNSHIP OF FRANKLIN**  
**COUNTY OF SOMERSET, NEW JERSEY**

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Franklin  
Somerset County, New Jersey

### *Report on the Audit of the Financial Statements*

#### Opinion

We have audited the financial statements of the Township of Franklin, (the “Township”), County of Somerset, State of New Jersey, which comprise the comparative balance sheets-regulatory basis of the various funds and account group, as of December 31, 2021 and 2020, and the related comparative statements of operations and changes in fund balances-regulatory basis and the related notes to the financial statements for the year then ended and the statements of fund balance–regulatory basis, the statements of revenues-regulatory basis and the statements of expenditures-regulatory basis of the various funds for the years ended December 31, 2021, which collectively comprise the Township’s regulatory basis financial statements as listed in the accompanying table of contents.

#### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to above present fairly, in all material respects, the comparative balance sheets-regulatory basis of the various funds and account group of the Township as of December 31, 2021 and 2020, and the results of its operations and changes in fund balances of such funds – regulatory basis for the years then ended, and the revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2021 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) as described in Note 1.

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the each fund and account group of the Township as of December 31, 2021 and 2020 or the results of its operations and changes in fund balances for the years then ended.

#### *Basis for Opinions*

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS), requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards and requirements are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to met our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 1 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### *Responsibility of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, requirements prescribed by the Division and *Government Auditing Standards* will always detect a material misstatements when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, requirements prescribed by the Division and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

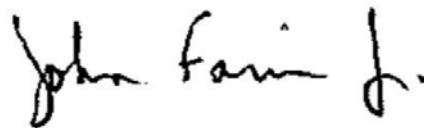
***Report on Other Regulatory Requirements***

*Report on Supplementary Information as Required by the Division in Accordance with the Regulatory Basis of Accounting*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township’s regulatory basis financial statements. The accompanying supplementary information, as identified in the table of contents as Schedules A-4 through E-5 the comments section and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis as required by the Division and are not a required part of the regulatory basis financial statements of the Township. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, on our consideration of the Township’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township’s internal control over financial reporting and compliance.



John Farina, Jr.  
Registered Municipal Accountant  
No. 588



WISS & COMPANY, LLP

Florham Park, New Jersey  
June 28, 2022



**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and Members  
of the Township Council  
Township of Franklin  
Somerset County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (“Division”); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the regulatory basis financial statements of the Township of Franklin (“Township”), County of Middlesex, New Jersey as of and for the year ended December 31, 2021, and the related notes to the regulatory basis financial statements, and have issued our report thereon dated June 28, 2022, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the regulatory basis financial statements, we considered the Township’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Township’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



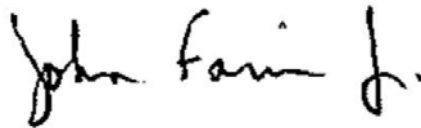
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and requirements prescribed by the Division.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



John Farina, Jr.  
Registered Municipal Accountant  
No. 588



WISS & COMPANY, LLP

Florham Park, New Jersey  
June 28, 2022

TOWNSHIP OF FRANKLIN  
CURRENT AND GRANT FUNDS

A  
Sheet # 1

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Current Fund:			
Cash - Treasurer	A-4	\$ 43,461,616.46	\$ 42,911,780.92
Cash - Change Fund	A-5	1,255.00	1,255.00
Due from State of New Jersey - Sr. Cit. and Vets. Deductions	A-6	<u>36,026.03</u>	<u>33,500.34</u>
		<u>43,498,897.49</u>	<u>42,946,536.26</u>
Receivables With Full Reserves:			
Taxes Receivable	A-7	2,769,562.04	3,094,452.88
Tax Title Liens Receivable	A-7	253,045.70	230,639.98
Property Acquired for Taxes at Assessed Valuation	A	329,973.00	329,973.00
Revenue Accounts Receivable	A-8	16,401.87	17,203.55
Interfunds Receivable Trust Other	A-12	587,053.86	568,411.94
Interfunds Receivable Payroll/Payroll Agency	A-12	85,010.21	82,727.91
Interfunds Receivable Recreation	A-12	32,592.28	31,532.86
Interfunds Receivable Self Insurance	A-12	37,360.49	35,468.02
Interfunds Receivable Animal Control	A-12	141,929.19	141,929.19
Interfunds Receivable Workers Compensation	A-12	1,615.39	1,615.39
Interfunds Receivable Open Space	A-12	<u>485,196.00</u>	<u>485,196.00</u>
		<u>4,739,740.03</u>	<u>5,019,150.72</u>
Total Current Fund		<u>48,238,637.52</u>	<u>47,965,686.98</u>
Grant Fund:			
Cash - Treasurer	A-4	6,313,887.33	2,017,876.73
State and Federal Grants Receivable	A-14	3,502,057.77	3,731,906.88
Interfunds Receivable - Current Fund	A-16	45,840.70	10,158.77
Interfunds Receivable - Trust Other Fund	A-16	<u>2,670.00</u>	<u>2,670.00</u>
Total Grant Fund		<u>9,864,455.80</u>	<u>5,762,612.38</u>
Total Assets		<u>\$ 58,103,093.32</u>	<u>\$ 53,728,299.36</u>

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
CURRENT AND GRANT FUNDS

A  
Sheet # 2

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-13	\$ 3,908,149.42	\$ 6,710,487.29
Reserve for Encumbrances	A-3, A-13	1,919,930.78	1,909,475.70
Various Payables and Reserves	A-9	3,844,537.36	2,949,033.63
Tax Overpayments	A-10	60,930.73	97,238.54
Prepaid Taxes	A-7	2,412,189.07	3,109,879.47
Interfunds Payable:			
General Capital Fund	A-12	2,558,012.17	2,369,486.74
Grant Fund	A-12	45,840.70	10,158.77
Water Operating	A-12	3,926.36	3,926.36
		14,753,516.59	17,159,686.50
Reserve for Receivables	Reserve	4,739,740.03	5,019,150.72
Fund Balance	A-1	28,745,380.90	25,786,849.76
		33,485,120.93	30,806,000.48
Total Current Fund		48,238,637.52	47,965,686.98
Grant Fund:			
Interfund Payable - General Capital Fund	A-16	468,500.00	468,500.00
Interfund Payable - Recreation Trust Fund	A-16	50.34	50.34
Reserve for Encumbrances	A-15	334,150.98	74,003.65
Reserve for State and Federal Grants:			
Appropriated	A-15	5,062,159.07	5,217,558.39
Unappropriated	A-17	3,999,595.41	2,500.00
		9,864,455.80	5,762,612.38
Total Grant Fund		9,864,455.80	5,762,612.38
Total Liabilities, Reserves and Fund Balance		\$ 58,103,093.32	\$ 53,728,299.36

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
CURRENT FUND

A-1

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

		Years Ended December 31,	
<u>Ref.</u>		<u>2021</u>	<u>2020</u>
<u>Revenues and Other Income Realized</u>			
Fund Balance - Appropriated	A-2	\$ 9,130,229.10	\$ 8,178,335.66
Miscellaneous Revenue Anticipated	A-2	14,041,152.23	13,937,720.20
Receipts from Delinquent Taxes	A-2	2,549,112.71	2,597,668.65
Receipts from Current Taxes	A-2	246,485,338.33	238,607,844.87
Miscellaneous Revenue Not Anticipated	A-2	667,956.71	1,090,519.48
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	5,681,272.38	2,063,097.90
NJDOT Cottontail Grant		330,000.00	
Cancellation of Accounts Payable			2,329,116.48
Grants Canceled (Net)			10,138.00
		<u>278,885,061.46</u>	<u>268,814,441.24</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	23,884,624.01	23,979,737.08
Other Expenses	A-3	21,965,669.62	21,486,860.92
Public and Private Programs	A-3	1,467,324.87	772,990.06
Deferred Charges and Statutory Expenditures	A-3	6,701,577.00	6,340,800.00
Capital Improvements	A-3	1,743,957.00	3,277,460.00
Municipal Debt Service	A-3	3,478,229.46	2,460,365.66
County Taxes	A-11	39,485,460.77	37,142,422.14
Local District School Taxes	A-11	154,463,543.00	151,105,752.00
Special District Taxes	A-11	7,828,206.55	7,453,451.00
Municipal Open Space	A-11	5,547,384.00	5,305,699.00
Prior Year Sr. Citizens/Veterans Deductions Disallowe	A-6	10,297.27	
Grants Receivable/Reserves cancelled, Net	A-12	40,733.95	
Interfund Loans Advanced (Net)	A, A-12	179,293.72	500,000.00
		<u>266,796,301.22</u>	<u>259,825,537.86</u>
Excess in Revenues / Statutory Excess to Fund Balance		12,088,760.24	8,988,903.38
<u>FUND BALANCE</u>			
Balance December 31,	A	<u>25,786,849.76</u>	<u>24,976,282.04</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1, A-2	37,875,610.00	33,965,185.42
		<u>9,130,229.10</u>	<u>8,178,335.66</u>
Balance December 31,	A	<u>\$ 28,745,380.90</u>	<u>\$ 25,786,849.76</u>

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
CURRENT FUND

STATEMENT OF REVENUES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

A-2  
Sheet # 1

Ref.	2021 Anticipated Budget	Added by N.J.S.A. 40A:4-87	Total Budget	Amount Realized	Excess or (Deficit)
A-1	\$ 9,130,229.10		\$ 9,130,229.10	\$ 9,130,229.10	
Surplus Anticipated					
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	80,000.00		80,000.00	84,126.00	\$ 4,126.00
Other	150,000.00		150,000.00	182,776.00	32,776.00
Fees and Permits	610,000.00		610,000.00	721,652.06	111,652.06
Fines and Costs:					
Municipal Court	220,000.00		220,000.00	249,142.32	29,142.32
Interest and Costs on Taxes	650,000.00		650,000.00	621,218.40	(28,781.60)
Interest on Investments and Deposits	180,000.00		180,000.00	75,060.64	(104,939.36)
Fire Prevention Fees	590,000.00		590,000.00	643,698.29	53,698.29
Subtotal - Local Revenues	2,480,000.00		2,480,000.00	2,577,673.71	97,673.71
Energy Receipts Tax	4,585,177.99		4,585,177.99	4,585,178.00	0.01
Garden State Trust Payments	70,219.00		70,219.00	108,134.00	37,915.00
Subtotal - State Aid Revenues	4,655,396.99		4,655,396.99	4,693,312.00	37,915.01
Dedicated Uniform Construction Code Fees:					
Uniform Construction Code Fees	2,375,000.00		2,375,000.00	2,269,397.34	(105,602.66)
Subtotal - Uniform Construction Code Revenues	2,375,000.00		2,375,000.00	2,269,397.34	(105,602.66)
Interlocal:					
Franklin Township Board of Education -					
Maintenance of School Equipment	239,322.00		239,322.00	255,048.31	15,726.31
School Police Officers	400,645.00		400,645.00	492,542.25	91,897.25
Subtotal - Interlocal Revenues	639,967.00		639,967.00	747,590.56	107,623.56

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
CURRENT FUND

STATEMENT OF REVENUES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

A-2  
Sheet # 2

Public and Private Revenues Off-Set with Appropriations:	<u>Ref.</u>	Anticipated <u>Budget</u>	Added by N.J.S.A. <u>40A:4-87</u>	Total <u>Budget</u>	Amount <u>Realized</u>	Excess or <u>(Deficit)</u>
NJ DEP Recycling Tonnage Grant		\$ 59,004.59	\$ 9,945.00	\$ 59,004.59	\$ 59,004.59	
NJ DOA - Summer Food Service Program			271,864.00	271,864.00	271,864.00	
CDBG - 2021			413,473.00	413,473.00	413,473.00	
CDBG COVID-19 CARES Grant		6,638.28		6,638.28	6,638.28	
Body Armor Fund			2,400.00	2,400.00	2,400.00	
Somerset County Summer Youth Employment		10,000.00		10,000.00	10,000.00	
EMPG/Emerg. Management Agency Asst. Program		2,500.00		2,500.00	2,500.00	
Investors Foundation		190,000.00		190,000.00	190,000.00	
NJ DOT 2021 - Belmont		1,500.00		1,500.00	1,500.00	
SEP Clean Fleet Elec Vehicle				500,000.00	500,000.00	
NJDCA - Kingston Interconnect Project				1,197,682.00	1,197,682.00	
Subtotal - Public and Private Revenues	A-14	289,642.87	1,197,682.00	1,467,324.87	1,467,324.87	
Other Special Items Offset With Appropriations:						
Reserve for Debt Service		350,000.00		350,000.00	350,000.00	
Township Hotel Tax Revenue		500,000.00		500,000.00	722,647.81	\$ 222,647.81
N.J. State PBA Officer		143,861.00		143,861.00	114,984.34	(28,876.66)
Franklin Fire Districts		213,311.00		213,311.00	184,391.63	(28,919.37)
Cell Tower Rental Fees		125,100.00		125,100.00	138,207.24	13,107.24
PILOT Payments		524,260.00		524,260.00	437,174.13	(87,085.87)
Cable Franchise Fees		475,000.00		475,000.00	338,448.60	(136,551.40)
Subtotal - Other Special Item Revenues		2,331,532.00	-	2,331,532.00	2,285,853.75	(45,678.25)
Total Miscellaneous Revenues	A-1	12,751,538.86	1,197,682.00	13,949,220.86	14,041,152.23	91,931.37
Receipts from Delinquent Taxes	A-1, A-7	2,450,000.00	-	2,450,000.00	2,549,112.71	99,112.71
Subtotal General Revenues		24,331,767.96	1,197,682.00	25,529,449.96	25,720,494.04	191,044.08

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
CURRENT FUND

STATEMENT OF REVENUES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

A-2  
Sheet # 3

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Added by N.J.S.A. 40A:4-87</u>	<u>Total Budget</u>	<u>Amount Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes						
a) Including Reserve for Uncollected Taxes		\$ 35,136,502.00		\$ 35,136,502.00	\$ 40,585,314.01	\$ 5,448,812.01
c) Minimum Library Tax		3,775,430.00		3,775,430.00	3,775,430.00	
Total Amount to be Raised by Taxes for Support of Municipal Budget	A-2, A-7	38,911,932.00		38,911,932.00	44,360,744.01	5,448,812.01
Total General Revenues		63,243,699.96	\$ 1,197,682.00	64,441,381.96	70,081,238.05	5,639,856.09
Non-Budget Revenues	A-1, Below				667,956.71	667,956.71
<u>Current Taxes Realized:</u>	<u>Ref.</u>	\$ 63,243,699.96	\$ 1,197,682.00	\$ 64,441,381.96	\$ 70,749,194.76	\$ 6,307,812.80
Sr. Citizens & Vets	A-6, A-7		A-3	A-3	273,304.46	
Cash Receipts	A-7				243,102,136.40	
Prepaid Taxes - Prior Year	A-7				3,109,897.47	
Subtotal	A-1, A-7				246,485,338.33	
Res. For Uncoll. Tax	A-3				5,200,000.00	
Subtotal					251,685,338.33	
Allocated to School, County and Fire Districts	A-11				(201,777,210.32)	
Municipal Open Space	A-11				(5,547,384.00)	
Current Taxes Realized	Above				\$ 44,360,744.01	
Miscellaneous Revenues:						
Grants Realized	A-8				\$ 1,467,324.87	
Miscellaneous Revenues - Cash received	A-4, A-8				12,223,827.36	
Miscellaneous Revenues - Reserve for Debt Service	A-8				350,000.00	
Total	A-1				\$ 14,041,152.23	
Miscellaneous Revenues Not Anticipated:						
Cash Receipts	A-4, A-8				\$ 667,956.71	

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
CURRENT FUND

STATEMENT OF EXPENDITURES- REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 <u>Budget</u>	Budget After <u>Modification</u>	Paid Or <u>Charged</u>	Expended	
				<u>Encumbered</u>	<u>Reserved</u>
<b>OPERATIONS WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
General Administration					
Salaries and Wages	\$ 455,917.94	\$ 455,917.94	\$ 420,128.33	\$ 32,919.20	\$ 35,789.61
Other Expenses	380,690.00	380,690.00	127,028.91		220,741.89
Human Resources (Personnel)					
Salaries and Wages	126,755.53	126,755.53	122,635.80	7,146.60	4,119.73
Other Expenses	115,070.00	115,070.00	95,850.99		12,072.41
Mayor and Council					
Salaries and Wages	77,465.14	77,465.14	76,303.94	180.00	1,161.20
Other Expenses	17,562.00	17,562.00	8,963.58		8,418.42
Municipal Clerk					
Salaries and Wages	238,039.45	249,831.45	227,285.35	13,912.35	22,546.10
Other Expenses	73,412.00	73,412.00	52,241.89		7,257.76
Finance Administration					
Salaries and Wages	65,158.64	66,726.64	59,985.22		6,741.42
Other Expenses	330,012.00	330,012.00	302,139.40	1,763.50	26,109.10
Audit Services					
Other Expenses	38,000.00	38,000.00	862.50	31,713.75	5,423.75
Computerized Data Processing					
Salaries and Wages	180,372.92	200,772.92	191,172.04		9,600.88
Other Expenses	298,605.00	298,605.00	169,110.88	47,391.90	82,102.22
Revenue Administration (Tax Collection)					
Salaries and Wages	154,823.36	133,433.36	127,451.66		5,981.70
Other Expenses	14,518.00	14,518.00	11,566.07		2,951.93



TOWNSHIP OF FRANKLIN  
CURRENT FUND

STATEMENT OF EXPENDITURES- REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget	Budget After Modification	Paid Or Charged	Expended		Reserved
				Encumbered	Reserved	
Tax Assessment Administration						
Salaries and Wages	\$ 351,293.98	\$ 316,813.98	\$ 299,561.01	\$	\$	17,252.97
Other Expenses	122,600.00	122,600.00	33,253.22	52,619.14		36,727.64
Legal Services (Legal Dept.)						
Other Expenses	505,000.00	505,000.00	246,145.14	253,604.86		5,250.00
Engineering						
Salaries and Wages	193,760.74	195,966.74	191,325.80			4,640.94
Other Expenses	111,345.00	111,345.00	56,288.04	11,753.50		43,303.46
Economic Development Agencies						
Other Expenses	125,675.00	125,675.00	23,474.05			102,200.95
Planning Board						
Salaries and Wages	264,527.70	213,757.70	184,399.23			29,358.47
Other Expenses	61,250.00	61,250.00	21,932.62	13,111.19		26,206.19
Liability Insurance						
Other Expenses	1,035,069.00	1,035,069.00	1,034,508.68	560.32		
Workers Compensation Insurance						
Other Expenses	50,000.00	50,000.00	49,607.40			392.60
Employee Group Insurance						
Salaries and Wages (Payment in Lieu)	150,000.00	172,109.38	86,039.31			86,070.07
Other Expenses	7,394,350.00	7,372,240.62	7,330,317.01	965.50		40,958.11
Police						
Salaries and Wages	14,725,351.68	15,305,680.68	14,279,897.66			1,025,783.02
Other Expenses	818,990.00	818,990.00	565,504.79	215,139.18		38,346.03
Community Activities:						
Aid to Fire Services						
Other Expenses	\$ 26,500.00	\$ 26,500.00	\$ 26,500.00			
Aid to Rescue Squads						
Other Expenses	58,500.00	58,500.00	58,500.00			
Fire Prevention						
Salaries and Wages	815,461.06	875,135.06	776,874.11			98,260.95
Other Expenses	7,856.00	7,856.00	1,091.88	6,720.68		43.44
Municipal Prosecutor						
Other Expenses	76,000.00	76,000.00	68,099.89	7,500.05		400.06
Emergency Management						
Salaries and Wages	15,000.00	17,000.00	16,612.36			387.64
Other Expenses	5,250.00	5,250.00	107.48	1,325.00		3,817.52
State Aid Payments to Fire Districts						
Other Expenses	16,774.00	16,774.00	16,774.00			
Municipal Court						
Salaries and Wages	380,262.74	380,262.74	350,579.79			29,682.95

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
CURRENT FUND

STATEMENT OF EXPENDITURES- REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget	Budget After Modification	Paid Or Charged	Expended	
				Encumbered	Reserved
Other Expenses	24,150.00	24,150.00	18,730.64	2,729.49	2,689.87
Public Defender					
Other Expenses	35,000.00	35,000.00	35,000.00		
Public Works - General					
Salaries and Wages	2,085,126.98	1,797,548.98	1,675,303.89		122,245.09
Streets and Roads Maintenance					
Salaries and Wages	110,000.00	110,000.00	110,000.00		-
Other Expenses	489,200.00	492,200.00	341,508.28	146,052.54	4,639.18
Public Works - Recycling					
Other Expenses	670,824.00	670,824.00	507,683.82	150,659.73	12,480.45
Shade Tree Commission					
Other Expenses	1,000.00	1,000.00	684.97		315.03

TOWNSHIP OF FRANKLIN  
CURRENT FUND

STATEMENT OF EXPENDITURES- REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget	Budget After Modification	Paid Or Charged	Expended	
				Encumbered	Reserved
Public Works - Building and Grounds					
Other Expenses	\$ 399,000.00	\$ 396,000.00	\$ 140,340.07	\$ 99,358.47	\$ 156,301.46
Public Works - Vehicle Maintenance					
Other Expenses	213,000.00	213,000.00	133,865.64	58,414.90	20,719.46
Community Services Act (Condo Community)					
Other Expenses	100,000.00	100,000.00	81,679.59	9,089.54	9,230.87
Animal Control Services					
Salaries and Wages	182,067.80	246,305.80	228,948.95		17,356.85
Other Expenses	42,780.00	42,780.00	26,526.70	4,049.15	12,204.15
Department of Recreation and Park Administration					
Division of Recreation and Park Administration					
Salaries and Wages	732,472.89	591,483.89	552,399.67		39,084.22
Other Expenses	90,140.00	90,140.00	31,701.00	465.65	57,973.35
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4.17)					
Code Enforcement					
Salaries and Wages	1,126,863.03	919,863.03	871,559.13		48,303.90
Other Expenses	389,220.00	389,220.00	94,931.96	6,018.10	288,269.94

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
CURRENT FUND

STATEMENT OF EXPENDITURES- REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget	Budget After Modification	Paid Or Charged	Expended	
				Encumbered	Reserved
<u>UNCLASSIFIED:</u>					
Accumulated Leave Compensation	800,000.00	800,000.00	\$ 800,000.00		
Tax Appeals					
Other Expenses	750,000.00	750,000.00	750,000.00		
Tax Title Lien and Foreclosure					
Other Expenses	50,000.00	50,000.00	16,649.00		\$ 33,351.00
Environmental Commission					
Other Expenses	11,200.00	11,200.00	5,857.00	4,668.00	675.00
Historical Commission					
Other Expenses	1,000.00	1,000.00			1,000.00
Salary Adjustment	\$ 100,000.00	\$ 100,000.00			\$ 100,000.00
Franklin Township Board of Education - Transp.					
Other Expenses	171,800.00	171,800.00	132,537.08	\$ 11,536.02	27,726.90
Utilities:					
Gasoline	350,000.00	350,000.00	207,227.79	20,020.65	122,751.56
Telephone	300,000.00	300,000.00	270,852.61	22,994.41	6,152.98
Electricity/Heat	510,000.00	510,000.00	385,253.96	19,045.70	105,700.34
Street Lighting	1,125,000.00	1,125,000.00	912,011.45		212,988.55
Total Operations Within "CAPS"	40,737,063.58	40,737,063.58	36,041,373.23	1,253,429.07	3,444,261.28
Contingent	2,000.00	2,000.00			2,000.00
Total Operations Including Contingent Within "CAPS"	40,739,063.58	40,739,063.58	36,041,373.23	1,253,429.07	3,444,261.28
DETAIL:					
Salaries and Wages	23,330,721.58	23,352,830.96	21,648,463.25		1,704,367.71
Other Expenses (Including Contingent)	17,408,342.00	17,386,232.62	14,392,909.98	1,253,429.07	1,739,893.57

TOWNSHIP OF FRANKLIN  
CURRENT FUND

STATEMENT OF EXPENDITURES- REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>Budget</u>	<u>Budget After</u>	<u>Paid Or</u>	<u>Expended</u>
			<u>Modification</u>	<u>Charged</u>	<u>Encumbered</u>
					<u>Reserved</u>
Deferred Charges and Statutory Expenditures - <u>Municipal Within "CAPS"</u>					
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	\$	1,288,507.00	\$ 1,288,507.00	\$ 1,277,891.68	\$ 10,615.32
Social Security System (O.A.S.I.)		1,750,000.00	1,750,000.00	1,695,426.63	54,573.37
Defined Contribution Retirement Program		3,000.00	3,000.00	3,000.00	
Police and Firemen's Retirement System of New Jersey		3,660,070.00	3,660,070.00	3,660,070.00	
Total Deferred Charges and Statutory Expend. Municipal Within "CAPS"		<u>6,701,577.00</u>	<u>6,701,577.00</u>	<u>6,636,388.31</u>	<u>65,188.69</u>
Total General Appropriations for Municipal Purposes Within "CAPS"		<u>47,440,640.58</u>	<u>47,440,640.58</u>	<u>42,677,761.54</u>	<u>\$ 1,253,429.07</u>
<u>Operations Excluded from "CAPS"</u>					
Maintenance of Free Public Library					
Total Other Operations -		<u>3,775,430.00</u>	<u>3,775,430.00</u>	<u>3,775,430.00</u>	
Excluded from "CAPS"		<u>3,775,430.00</u>	<u>3,775,430.00</u>	<u>3,775,430.00</u>	
Interlocal Municipal Service Agreements: Franklin Township Board Of Education- Transportation		131,148.32	143,148.32	140,052.49	3,095.83
Salaries and Wages Franklin Township Board Of Education- Police		400,644.73	388,644.73	262,217.31	126,427.42
Salaries and Wages					

TOWNSHIP OF FRANKLIN  
CURRENT FUND

STATEMENT OF EXPENDITURES- REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget	Budget After Modification	Paid Or Charged	Expended	
				Encumbered	Reserved
Senior Transportation					
Other Expenses	\$ 85,418.00	\$ 85,418.00			\$ 85,418.00
Somerset County - Board of Health Services					
Other Expenses	694,589.00	694,589.00	694,589.00		-
Total Interlocal Municipal Service	1,311,800.05	1,311,800.05	1,096,858.80	-	214,941.25
Agreements - Excluded from "CAPS"					
<b>PUBLIC AND PRIVATE PROGRAMS</b>					
<u>OFFSET BY REVENUES:</u>					
Recycling Tonnage Grant	59,004.59	59,004.59	59,004.59		
CDBG Grant - 2021	271,864.00	271,864.00	271,864.00		
CDBG COVID-19 Grant	413,473.00	413,473.00	413,473.00		
Investors Foundation	2,500.00	2,500.00	2,500.00		
Somerset County Summer Youth Employment	2,400.00	2,400.00	2,400.00		
NJDOA - Summer Food Service Program	9,945.00	9,945.00	9,945.00		
Body Armor Fund	6,638.28	6,638.28	6,638.28		
NJ Department of Transportation 2021 Belmont	190,000.00	190,000.00	190,000.00		
EMMA Grant	10,000.00	10,000.00	10,000.00		
SEP Clean Fleet Veh Incent Grant	1,500.00	1,500.00	1,500.00		
NJCA - Kingston Interconnect Project	500,000.00	500,000.00	500,000.00		
Matching Funds	24,000.00	24,000.00			24,000.00
Total Public and Private Programs Offset by Revenues - Excluded from "CAPS"	293,642.87	1,491,324.87	1,467,324.87	-	24,000.00
Total Operations - Excluded from "CAPS"	5,380,872.92	6,578,554.92	6,339,613.67	-	238,941.25
<b>DETAIL:</b>					
Salaries and Wages	531,793.05	531,793.05	402,269.80		129,523.25
Other Expenses	4,849,079.87	6,046,761.87	5,937,343.87	-	109,418.00

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
CURRENT FUND

STATEMENT OF EXPENDITURES- REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget	Budget After Modification	Paid Or Charged	Expended		Reserved
				Encumbered	Reserved	
Capital Improvements - Excluded from "CAPS"						
Capital Improvement Fund	\$ 204,557.00	\$ 204,557.00	\$ 204,557.00			
Engineering:						
Road Resurfacing 2019	1,050,000.00	1,050,000.00	447,322.70	\$ 572,401.30	\$	30,276.00
Information and Technology:						
Computer/Printer/Server/iPad Repl prog./ADS	375,000.00	375,000.00	265,817.39	85,289.41		23,893.20
Digital Signs						
Sidewalk Improvements						
Police OEM	29,400.00	29,400.00		8,811.00		20,589.00
Fire OEM						
Crackseal Program						
Municipal Building:						
HVAC Controller/mgmt Upgrade	85,000.00	85,000.00				85,000.00
Total Capital Improvements - Excluded from "CAPS"	1,743,957.00	1,743,957.00	917,697.09	666,501.71		159,758.20
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Principal	2,140,000.00	2,140,000.00	2,140,000.00			
Interest on Bonds	1,233,033.33	1,233,033.33	1,233,033.33			
Energy Efficient Lease:						
Principal	84,692.29	84,692.29	84,692.29			
Interest	20,503.84	20,503.84	20,503.84			
Total Municipal Debt Service - Excluded from "CAPS"	3,478,229.46	3,478,229.46	3,478,229.46			

TOWNSHIP OF FRANKLIN  
CURRENT FUND

STATEMENT OF EXPENDITURES- REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 <u>Budget</u>	<u>Budget After Modification</u>	<u>Paid Or Charged</u>	<u>Expended</u>	
				<u>Encumbered</u>	<u>Reserved</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 10,603,059.38	\$ 11,800,741.38	\$ 10,735,540.22	\$ 666,501.71	\$ 398,699.45
Subtotal General Appropriations	58,043,699.96	59,241,381.96	53,413,301.76	1,919,930.78	3,908,149.42
Reserve for Uncollected Taxes	5,200,000.00	5,200,000.00	5,200,000.00		
Total General Appropriations	<u>\$ 63,243,699.96</u>	<u>\$ 64,441,381.96</u>	<u>\$ 58,613,301.76</u>	<u>\$ 1,919,930.78</u>	<u>\$ 3,908,149.42</u>
<u>Ref.</u>	Below	Below	Below	A	A
Adopted Budget					
Appropriated by N.J.S.A. 40A:4-87		\$ 63,243,699.96			
		<u>1,197,682.00</u>			
		<u>\$ 64,441,381.96</u>			
Reserve for Uncollected Taxes			\$ 5,200,000.00		
Cash Disbursed			50,991,419.89		
Capital Improvement Fund			204,557.00		
Reserve for Tax Appeals			750,000.00		
Reserve for State and Federal Grants			<u>1,467,324.87</u>		
Above			<u>\$ 58,613,301.76</u>		



TOWNSHIP OF FRANKLIN  
TRUST FUNDS

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

	BALANCE DEC. 31, 2021	BALANCE DEC. 31, 2020	Ref.	LIABILITIES, RESERVES AND FUND BALANCES	Ref.	BALANCE DEC. 31, 2021	BALANCE DEC. 31, 2020
<u>ASSETS</u>							
Trust Assessment Fund:				Trust Assessment Fund			
Cash and Investments - Treasurer	\$ 807,557.76	\$ 805,370.74	B-2, B-6	Reserve for:			
Assessments Receivable		122,166.85	B-3, B-6	Assessments and Liens	B-4, B-6	\$ 122,166.85	\$ 122,166.85
				Fund Balance	B-1, B-6	\$ 807,557.76	805,370.74
Total Trust Assessment Fund	807,557.76	927,537.59		Total Trust Assessment Fund		807,557.76	927,537.59
Animal Control Trust Fund:				Animal Control Trust Fund:			
Cash and Investments - Treasurer	379,858.39	403,533.29	B-6	Due to State of New Jersey	B-6	133.80	133.80
				Due to Current Fund	B-6	141,929.19	141,929.19
				Reserve for Encumbrances	B-6	3,210.00	3,210.00
				Reserve for Animal Control			
				Fund Expenditures	B-5, B-6	234,585.40	258,260.30
Total Animal Control Trust Fund	379,858.39	403,533.29		Total Animal Control Trust Fund		379,858.39	403,533.29
Trust-Other Fund:				Trust-Other Fund:			
Cash and Investments - Treasurer	14,933,214.37	14,884,855.72	B-6	Due to Current Fund	B-6	587,053.86	568,411.94
				Due to Grant Fund	B-6	2,670.00	2,670.00
				Reserve for Encumbrances	B-6, B-8	47,819.64	33,707.82
				Escrow Funds and Reserves	B-6, B-8	14,295,670.87	14,280,065.96
Total Trust-Other Fund	14,933,214.37	14,884,855.72		Total Trust-Other Fund		14,933,214.37	14,884,855.72
Unemployment Insurance Trust Fund:				Unemployment Insurance Trust Fund:			
Cash and Investments - Treasurer	1,129,872.50	1,153,904.42	B-6	Reserve to Pay Unemployment Benefits	B-6	1,129,872.50	1,153,904.42
Total Unemployment Insurance Trust Fund	1,129,872.50	1,153,904.42		Total Unemployment Insurance Trust Fund		1,129,872.50	1,153,904.42
Self-Insurance Trust Fund:				Self-Insurance Trust Fund:			
Cash and Investments - Treasurer	1,362,829.10	1,418,094.90	B-6	Reserve for Other Insurance	B-6	670.57	670.57
				Reserve to Pay Insurance Claims	B-6	624,520.00	681,678.27
				Reserve for LOSAP	B-6	577,419.36	577,419.36
				Reserve for Vehicle Accident	B-6	23,104.91	23,104.91
				Reserve for Environmental Protection Liability	B-6	99,753.77	99,753.77
				Due to Current Fund	B-6	37,360.49	35,468.02
Total Self-Insurance Trust Fund	1,362,829.10	1,418,094.90		Total Self-Insurance Trust Fund		1,362,829.10	1,418,094.90

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
TRUST FUNDS

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

		Ref.	BALANCE DEC. 31, 2021	BALANCE DEC. 31, 2020	LIABILITIES, RESERVES AND FUND BALANCES	Ref.	BALANCE DEC. 31, 2021	BALANCE DEC. 31, 2020
<b>ASSETS</b>								
Open Space Trust Fund:								
Cash and Investments - Treasurer	B-6		\$ 9,941,296.16	\$ 8,999,438.54	Open Space Trust Fund:		\$ 4,697,916.35	\$ 3,457,269.34
Deferred Charges - Funded	B-6		7,235,000.00	9,220,000.00	Reserve for Open Space Trust Fund	B-6	7,235,000.00	9,220,000.00
Due from General Capital Fund	B-6		241,202.98	3,575.85	Serial Bonds Payable	B-6, B-7	485,196.00	485,196.00
					Due to Current Fund	B-6	4,742,149.94	4,728,584.07
					Due to Water Operating Fund	B-6	1,864.15	1,864.15
					Accounts Payable	B-6	255,372.70	330,100.83
					Reserve for Encumbrances	B-6		
Total Open Space Trust Fund			17,417,499.14	18,223,014.39	Total Open Space Trust Fund		17,417,499.14	18,223,014.39
W Cash and Investments - Treasurer								
	B-6		1,176,047.31	1,064,064.29	W Reserve for Workers' Compensation	B-6	1,174,431.92	1,062,448.90
					Due to Current Fund	B-6	1,615.39	1,615.39
Total Worker's Compensation Trust Fund			1,176,047.31	1,064,064.29	Total Worker's Compensation Trust Fund		1,176,047.31	1,064,064.29
R Cash and Investments - Treasurer								
	B-6		734,910.27	806,286.70	R Due to Current Fund	B-6	32,592.28	31,532.86
Due from Grant Fund	B-6		50.34	50.34	Reserve for Encumbrances	B-6	69,024.79	69,024.79
					Reserve for Recreation Programs	B-6	633,343.54	705,779.39
Total Recreation Trust Fund			734,960.61	806,337.04	Total Recreation Trust Fund		734,960.61	806,337.04
D Cash and Investments - Treasurer								
	B-6		1,861,145.96	1,810,859.07	D Reserve for Escrows	B-6	1,861,145.96	1,810,859.07
Total Developers' Escrow Trust Fund			1,861,145.96	1,810,859.07	Total Developers' Escrow Trust Fund		1,861,145.96	1,810,859.07
H Cash and Investments - Treasurer								
	B-6		163,508.69	163,270.80	H Reserve for Historical Preservation	B-6	163,508.69	163,270.80
Total Historical Preservation Trust Fund			163,508.69	163,270.80	Total Historical Preservation Trust Fund		163,508.69	163,270.80

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
TRUST FUNDS

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>BALANCE</u> <u>DEC. 31, 2021</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>	<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>Ref.</u>	<u>BALANCE</u> <u>DEC. 31, 2021</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>
<u>ASSETS</u>							
T: Cash - Collector	B-6	\$ 3,762,246.44	\$ 4,174,881.89	T: Tax Sale Account	B-6	\$ 6,946.44	\$ 6,881.89
Total Tax Collector's Trust Fund		<u>3,762,246.44</u>	<u>4,174,881.89</u>	Premiums Received at Tax Sale	B-6	<u>3,755,300.00</u>	<u>4,168,000.00</u>
				Total Tax Collector's Trust Fund		<u>3,762,246.44</u>	<u>4,174,881.89</u>
P: Cash and Investments - Treasurer	B-6	<u>1,581,540.21</u>	<u>1,445,720.67</u>	P: Due to Current Fund	B-6	<u>85,010.21</u>	<u>82,727.91</u>
Total Payroll and Payroll Agency Fund		<u>1,581,540.21</u>	<u>1,445,720.67</u>	Reserve for Payroll and Payroll Deductions	B-6	<u>1,496,530.00</u>	<u>1,362,992.76</u>
				Total Payroll and Payroll Agency Fund		<u>1,581,540.21</u>	<u>1,445,720.67</u>
Af Cash and Investments - Treasurer	B-6	<u>10,569,310.46</u>	<u>9,543,425.65</u>	Af Reserve for Affordable Housing	B-6	<u>10,569,310.46</u>	<u>9,543,425.65</u>
Total Affordable Housing Trust Fund		<u>10,569,310.46</u>	<u>9,543,425.65</u>			<u>10,569,310.46</u>	<u>9,543,425.65</u>
Pt Cash and Investments - Treasurer	B-6	<u>269,561.95</u>	<u>157,402.06</u>	Pt Reserve for Police Forfeiture	B-6	<u>269,561.95</u>	<u>157,402.06</u>
Total Police Forfeiture Fund		<u>269,561.95</u>	<u>157,402.06</u>	Total Police Forfeiture Fund		<u>269,561.95</u>	<u>157,402.06</u>
Fl Cash and Investments - Treasurer	B-6	<u>27,364.61</u>	<u>27,625.82</u>	Flexi Reserve for Flexible Spending	B-6	<u>27,364.61</u>	<u>27,625.82</u>
Total Flexible Spending Account		<u>27,364.61</u>	<u>27,625.82</u>	Total Flexible Spending Account		<u>27,364.61</u>	<u>27,625.82</u>

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
TRUST FUND

STATEMENT OF ASSESSMENT TRUST FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

B-1

	<u>Ref.</u>	
Balance December 31, 2020	B	\$ 805,370.74
Increased by:		
Funds Collected	B-2	<u>2,187.02</u>
Balance December 31, 2021	B	<u><u>\$ 807,557.76</u></u>

*See accompanying notes to the financial statements.*

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>Ref.</u>	<u>BALANCE</u> <u>DEC. 31, 2021</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>
Cash and Investments - Treasurer	C-2, C-3	\$ 6,641,659.29	\$ 13,319,800.59
Various Grants and Other Receivables	C-4	59,756.24	59,756.24
Interfunds Receivable - Current Fund	C-7	2,558,012.17	2,369,486.74
Interfunds Receivable - Grant Fund	C-7	468,500.00	468,500.00
Deferred Charges to Future Taxation:			
Funded	C-5	33,288,044.25	35,512,736.52
Unfunded	C-6	<u>19,406,679.63</u>	<u>15,654,866.74</u>
Total Assets		<u>\$ 62,422,651.58</u>	<u>\$ 67,385,146.83</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
General Serial Bonds	C-9	\$ 32,795,000.00	\$ 34,935,000.00
Energy Lease Payable	C-10	493,044.25	577,736.52
Interfunds Payable - Open Space Trust Fund	C-7	241,202.98	3,575.85
Reserve for Encumbrances:			
Improvement Authorizations	C-8	3,804,723.05	4,659,712.71
Improvement Authorizations:			
Funded	C-8	10,605,197.56	12,410,516.26
Unfunded	C-8	13,279,095.36	13,273,452.41
Reserve for:			
Capital Improvement Fund	C-12	112,592.74	122,689.74
Various Reserves	C-11	1,007,577.12	1,333,216.38
Fund Balance	C-1	<u>84,218.52</u>	<u>69,246.96</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 62,422,651.58</u>	<u>\$ 67,385,146.83</u>
 Bonds and Notes Authorized But Not Issued at December 31			
	C-13	<u>\$ 19,406,679.63</u>	<u>\$ 15,654,866.74</u>

*See accompanying notes to the financial statements.*

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	C	\$ 69,246.96
Increased by:		
Improvement Authorizations Canceled	C-8	<u>14,971.56</u>
Balance - December 31, 2021	C	<u>\$ 84,218.52</u>

*See accompanying notes to the financial statements.*

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

D

ASSETS	Ref.	BALANCE DEC. 31, 2021	BALANCE DEC. 31, 2020	LIABILITIES, RESERVES AND FUND BALANCE	Ref.	BALANCE DEC. 31, 2021	BALANCE DEC. 31, 2020
Operating Fund:							
Cash and Investments - Treasurer Change Fund	D-6	\$ 6,718,312.71	\$ 8,671,955.97	Operating Fund:			
Interfunds Receivable - Open Space	D-7	200.00	200.00	Liabilities:			
Interfunds Receivable - Current Fund	D-13	4,742,149.94	4,728,584.07	Appropriation Reserves	D-4, D-17	\$ 1,081,369.62	\$ 1,293,213.29
	D-13	3,926.36	3,926.36	Reserve for Encumbrances	D-4, D-17	1,400,347.21	1,082,227.60
				Accounts Payable	D-20	651,985.97	526,055.56
				Water Rent Overpayments	D-18	212,644.73	133,622.85
				Prepaid Fire Service Rents	D-19	3,942.36	4,337.24
				Interfunds Payable			
Receivables and Inventory With Full Reserves:				Water Capital	D-13	184,595.69	78,467.52
Water Rents Receivable	D-10	1,881,527.37	1,698,648.88	Water Assessment	D-13	14,487.70	14,487.70
Water Rent Liens Receivable	D-12	38,117.72	37,438.52				
Fire Service Rents Receivable	D-11	524,032.24	457,749.22				
Inventory	D	688,327.98	639,684.37	Accrued Interest on Bonds	D-21	30,885.42	120,380.76
Total Operating Fund		14,596,594.32	16,238,187.39	Reserve for Receivables Fund Balance	Reserve D-1	3,580,258.70	3,252,792.52
Assessment Trust Fund:				Total Operating Fund		14,596,594.32	16,238,187.39
Interfunds Receivable	D, D-13	14,487.70	14,487.70	Assessment Trust Fund:			
Total Assessment Trust Fund		14,487.70	14,487.70	Fund Balance	D-5, D-8	14,487.70	14,487.70
Capital Fund:				Total Assessment Trust Fund		14,487.70	14,487.70
Cash and Investments - Treasurer	D-6, D-9	7,553,519.51	9,880,961.69	Capital Fund:			
Fixed Capital	D-15	48,821,642.22	48,656,499.86	Serial Bonds Payable	D-24	13,565,000.00	14,810,000.00
Interfunds Receivable	D-14	184,595.69	78,467.52	Reserve for Encumbrances	D-22	2,421,501.55	1,464,102.94
Fixed Capital Authorized and Uncompleted	D-16	22,392,041.01	20,031,619.86	Improvement Authorizations:			
				Funded	D-22	5,299,833.89	6,388,509.35
				Unfunded	D-22	10,053,753.98	9,901,869.99
				Reserve for:			
				Capital Improvement Fund	D-25	1,529,840.01	1,530,015.01
				Various Reserves	D-23	67,589.50	67,589.50
				Amortization	D-26	43,094,122.13	41,683,979.77
				Deferred Reserve for Amortization	D-27	2,037,919.21	1,926,000.00
				Fund Balance	D-2	882,238.16	875,482.37
Total Capital Fund		78,951,798.43	78,647,548.93	Total Capital Fund		78,951,798.43	78,647,548.93
Total Assets		\$ 93,562,880.45	\$ 94,900,224.02	Total Liabilities, Reserves and Fund Balance		\$ 93,562,880.45	\$ 94,900,224.02
				Bonds and Notes Authorized Not Issued	D-28	\$ 12,516,641.89	\$ 10,268,139.95

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY OPERATING FUND  
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

<u>REVENUE AND OTHER INCOME</u>	Ref.	Years Ended December 31,	
		<u>2021</u>	<u>2020</u>
Operating Fund Balance	D-3	\$ 2,273,754.00	\$ 1,000,000.00
Water Rents	D-3	11,650,772.65	11,660,431.48
Fire Service Rents	D-3	1,110,457.58	1,156,592.32
Miscellaneous	D-3	673,752.82	1,189,685.73
Other Credits to Income:			
Unexpended Balance of Approp. Reserves	D-17	401,636.09	625,182.25
Accounts Payable Canceled			947,470.29
Total Revenues		16,110,373.14	16,579,362.07
 <u>EXPENDITURES</u>			
Budget Expenditures:			
Operating	D-4	13,411,627.94	12,623,634.00
Capital Improvements	D-4	530,000.00	530,000.00
Debt Service	D-4	1,661,000.00	1,710,255.66
Statutory Expenditures	D-4	501,126.06	468,000.00
Refunds of Prior Year Revenues	D-6	408.71	
Total Expenditures		16,104,162.71	15,331,889.66
(Deficiency) in Operations/Statutory Excess to Fund Balance		6,210.43	1,247,472.41
 <u>FUND BALANCE</u>			
Balance, December 31,	D	10,151,873.88	9,904,401.47
		10,158,084.31	11,151,873.88
Decreased by:			
Utilized as Anticipated Revenue	D-3	2,273,754.00	1,000,000.00
Balance, December 31,	D	\$ 7,884,330.31	\$ 10,151,873.88

See accompanying notes to the financial statements.



TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 875,482.37
Increased by:		
Improvement Authorizations Canceled -	D-27	<u>6,755.79</u>
Balance, December 31, 2021	D	<u>\$ 882,238.16</u>

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

D-3

WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>2021 Budget</u>	<u>Realized</u>	<u>(Deficiency)</u>
Fund Balance Utilized	D-1	\$ 2,273,754.00	\$ 2,273,754.00	
Water Rents	D-1, Below	11,475,000.00	11,650,772.65	\$ 175,772.65
Fire Service Rents	D-1, Below	1,150,000.00	1,110,457.58	(39,542.42)
Miscellaneous	D-1, Below	<u>1,205,000.00</u>	<u>673,752.82</u>	<u>(531,247.18)</u>
	D-4	<u>\$ 16,103,754.00</u>	<u>\$ 15,708,737.05</u>	<u>\$ (395,016.95)</u>
 <u>Analysis of Realized Revenues:</u>				
Analysis of Water Rents:				
Water Rent Collections	D-6, D-10		\$ 11,538,475.88	
Water Rent Overpayments Applied	D-10		<u>112,296.77</u>	
	Above		<u>\$ 11,650,772.65</u>	
 Analysis of Fire Service Rents:				
Fire Service Rent Collections	D-6		\$ 1,106,120.34	
Prepaid Fire Service Rents Applied	D-11		<u>4,337.24</u>	
	Above		<u>\$ 1,110,457.58</u>	
 Analysis of Miscellaneous:				
Collector:				
Connections		\$ 375,338.28		
Sales of Meters		46,248.65		
Water Taps		110,514.13		
Installation and Inspection Fees		5,720.00		
Interest on Delinquencies		41,359.55		
Miscellaneous		<u>44,259.69</u>		
	D-6		\$ 623,440.30	
Treasurer:				
Miscellaneous	D-6	24,374.82		
Interest - Interfunds	D-13	<u>25,937.70</u>		
			<u>50,312.52</u>	
	Above		<u>\$ 673,752.82</u>	

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Operating:					
Salaries and Wages	\$ 2,414,920.00	\$ 2,414,920.00	\$ 2,013,339.82	\$	401,580.18
Other Expenses	9,714,834.00	9,536,791.94	7,895,466.49	\$ 1,390,270.85	251,054.60
Health Benefits	1,160,000.00	1,324,916.00	1,324,916.00		
Insurance - Other	135,000.00	135,000.00	133,836.60	76.41	1,086.99
Capital Improvements:					
Down Payment on Improvements	118,500.00	118,500.00	118,500.00		
Capital Outlay	411,500.00	411,500.00		9,999.95	401,500.05
Debt Service:					
Payment of Bond Principal	1,245,000.00	1,245,000.00	1,245,000.00		
Interest on Bonds	416,000.00	416,000.00	416,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	305,000.00	310,019.26	310,019.26		
Social Security System (O.A.S.I.)	175,000.00	183,106.80	156,959.00		26,147.80
Disability Insurance	8,000.00	8,000.00	8,000.00		
	\$ 16,103,754.00	\$ 16,103,754.00	\$ 13,622,037.17	\$ 1,400,347.21	\$ 1,081,369.62
	D-3	D-3	Below	D	D
Cash Disbursed			\$ 13,087,537.17		
Accrued Interest on Bonds			416,000.00		
Due to Water Capital Fund			118,500.00		
			\$ 13,622,037.17		

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY TRUST ASSESSMENT FUND  
STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Ref.

Balance, December 31, 2021 and 2020

D

\$ 14,487.70

TOWNSHIP OF FRANKLIN  
PUBLIC ASSISTANCE FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
DECEMBER 31, 2021 and 2020

	<u>Ref.</u>	<u>Balance</u> <u>December 31, 2021</u>	<u>Balance</u> <u>December 31, 2020</u>
<u>ASSETS</u>			
State Aid Receivable	E-3	\$ <u>          -</u>	\$ <u>      2,561.30</u>
		\$ <u>          -</u>	\$ <u>      2,561.30</u>
<u>LIABILITIES</u>			
Accounts Payable	E-1, E-2	\$ <u>          -</u>	\$ <u>      2,561.30</u>
		\$ <u>          -</u>	\$ <u>      2,561.30</u>

*See accompanying notes to the financial statements.*

TOWNSHIP OF FRANKLIN  
GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF GENERAL FIXED ASSETS-REGULATORY BASIS  
DECEMBER 31, 2021 AND 2020

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>General Fixed Assets</u>		
Buildings	\$ 17,892,500.00	\$ 17,892,500.00
Land	36,002,700.00	36,002,700.00
Equipment and vehicles	23,746,719.42	23,288,550.92
	<u>\$ 77,641,919.42</u>	<u>\$ 77,183,750.92</u>
 <u>Reserve</u>		
Investment in General Fixed Assets	<u>\$ 77,641,919.42</u>	<u>\$ 77,183,750.92</u>

See accompanying notes to the financial statements.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 1: FORM OF GOVERNMENT

Reporting Entity

The Township of Franklin (the "Township") is managed under a Council-Manager form of government authorized under Plan D of the "Faulkner Act of 1950." This form of government became effective July 1, 1959. The Township is divided into five wards. One councilperson is elected to represent each ward and four others are elected at large to comprise a governing body of nine councilpersons. Effective with the November 5, 2002 general election, the charter was amended to allow for the election of the Mayor by the citizens. The mayoral election was held on November 4, 2003, and the Mayor began the four (4) year term on January 1, 2004. This form of government provides for the administrative function of government under the Manager, supported by various department heads and for the legislative function under the Township Council.

Except as noted below, the financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S.A. 40A: 5-5. Accordingly, the financial statements of the Township do not include the operations of the municipal library, the board of education, the Township Sewerage Authority, first aid organizations, volunteer fire companies or fire districts.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments. The GASB establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles ("GAAP").

GASB has issued Statement No. 14, which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include those boards, bodies, officers or commissions as required by the provisions of N.J.S.A. 40A:5-5.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Funds

The accounting policies of the Township conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), which is a comprehensive basis of accounting other than generally accepted accounting principles. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds, which differ from the fund structure required by GAAP:

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purposes for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A: 4-39, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

- Affordable Housing
- Animal Control Trust Fund
- Assessment Trust Fund
- Unemployment Compensation Insurance Trust Fund
- Dedicated Law Enforcement Trust Fund
- Self-Insurance Trust Fund
- Developer's Escrow Fund
- Disposal of Forfeited Property (P.L. 1985, Ch. 135)
- Open Space Trust Fund
- Recreation Trust Fund
- Payroll and Payroll Agency Fund

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Water Utility Fund - resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Water Utility.

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes. In 2021, the Township turned its Public Assistance Fund over to the County of Somerset.

General Fixed Assets - the General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their acquisition value on the date of donation. No depreciation is recorded on general fixed assets.



TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The basis of accounting as prescribed by the Division for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a “current financial resources” measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other more significant differences are as follows:

Revenues - Revenues are recognized when cash is received, except for statutory reimbursements and grant funds that are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and water utility consumer charges are recorded with offsetting reserves within the Current Fund and Water Utility Fund, respectively. Other amounts that are due to the Township, which are susceptible to accrual, are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of water utility consumer charges, which would be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as “paid or charged” or “appropriation reserves”. Paid or charged refers to the Township “budgetary” basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP.

For the purpose of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of over-expenditures and emergency appropriations. Over-expenditures occur when expenditures recorded as “paid or charged” exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Over-expenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet.

GAAP does not permit the deferral of over-expenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Jersey Statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library (the "Library") or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized, as a "component unit" of the Township, and discrete reporting of the Library's financial position and operating results would be incorporated in the Township's financial statements.

Compensated Absences - The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Water Utility) fund on a full accrual basis.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed asset account group at fair value.

Self-Insurance Reserves - Charges to self-insurance reserves are recorded when payments of claims and related expenses are made. Increases to self-insurance reserves are recorded from budgetary appropriations in the accounting period in which budgetary expenditures are recorded. Earnings on investments and miscellaneous reimbursements are credited to reserves when received in cash. GAAP requires that liabilities for incurred claims be recorded as determined actuarially, and that operating transfers to self-insurance funds not exceed the amount determined.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the accounting period the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased and is not included on the various balance sheets. Although the expenditure method of accounting for purchases of supplies is in accordance with GAAP, the cost of inventory on hand at the close of the year should be reported on the balance sheet. GAAP would have an offsetting reserve..

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. Year-end balances of reserved proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Property and equipment purchased by the Water Utility Fund are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Water Utility Capital Fund represent charges to operations for the costs of acquisitions of property, equipment and improvements, and costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Capital Lease Purchase Agreements - the Township's participation in capital lease purchase agreements are reflected by the annual appropriation of minimum lease payments within the Township's operating budgets. The terms of the lease, including future minimum lease payments are disclosed in the Note 3. Capital lease payable amounts are recorded within the General Capital Fund. GAAP requires the activity of the capital lease purchase to be recorded in the capital projects fund and the recording of the lease payments in the long-term debt.

Length of Service Awards Program (LOSAP) - The Division does not require the LOSAP to be included as part of the balance sheet of the Trust Fund in the regulatory basis financial statements of the Township. GAAP requires inclusion of such information to be recorded in the financial statements.

Disclosures About Pension Liabilities - the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. Since the Township does not follow GAAP, the GASBs did not result in a change in the Township's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASBs (See Note 8 for additional information).

Disclosures About OPEB Liabilities - The requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* OPEB that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the Township does not follow GAAP, the GASB did not result in a change in the Township's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASB. (See Note 9 for additional information).

Governmental Fixed Assets - New Jersey Administrative Code 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. The Township, in conjunction with a third party inventory service, performed a physical inventory and assessment of fixed assets in June 1992. Assets acquired through June 1992 were valued based on actual costs, where available, and other methods including current replacement values and estimated historical costs. The Township records assets acquired subsequent to June 1992 at original costs.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Disclosures About Fair Value of Financial Instruments - The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments - The carrying amount approximates fair value because of the short maturity of those instruments. Cash and cash equivalents include petty cash, amounts on deposit, money market accounts and short term investments with original maturities of three months or less from date of purchase.

Long-term Debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is disclosed in Note 3 to the financial statements.

Regulatory Basis Financial Statements - The GASB Codification also defines the financial statements of a governmental unit to be presented in the basic financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

Recent Accounting Pronouncements:

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by leasees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after December 15, 2020. Management has reviewed the requirements of this Statement and has determined that it will not have any impact on the financial statements.

The GASB issued Statement No. 91, *Conduit Debt Obligations* in May 2019. This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2021. Management has not determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. This Statement provides guidance on the requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to State No. 53 and Statement No. 63 which are effective immediately upon issuance. Additionally, the Statement provides

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

guidance related to leases, PPPs, and SBITAs which are effective for periods beginning after June 15, 2022. Lastly, the Statement provides guidance related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 which is effective for periods beginning after June 15, 2023. Management has not yet determined the impact of this Statement on the financial statements.

The Township does not prepare its financial statements in accordance with GAAP and as a result these new reporting standards will not impact upon the methodology the Township utilizes to report its financial statements.

Use of Estimates - The preparation of the financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

The Local Bond Law, Chapter 40A:2 et seq, governs the issuance of debt to finance municipal capital expenditures. The Township's debt is summarized as follows:

A. Summary of Municipal Debt for Capital Projects

	2021	2020
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 32,795,000.00	\$ 34,935,000.00
Energy Lease Payable	493,044.25	577,736.52
Open Space Trust:		
Bonds and Notes	7,235,000.00	9,220,000.00
Water Utility:		
Bonds and Notes	13,565,000.00	14,810,000.00
Total Issued	54,088,044.25	59,542,736.52
 <u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	19,406,679.63	15,654,866.74
Water Utility:		
Bonds and Notes	12,516,641.89	10,268,139.95
Total Authorized But Not Issued	31,923,321.52	25,923,006.69
Total Bonds and Notes Issued and Authorized but not Issued	\$ 86,011,365.77	\$ 85,465,743.21

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

A. Summary of Municipal Debt for Capital Projects (Continued)

Summarized below are the Township's individual bond and loan issues which were outstanding at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
<u>General Debt:</u>		
\$9,620,000.00, General Improvement Bonds Series 2014, due in annual installments of \$1,000,000.00 through November 1, 2026, Interest at 2.00% to 3.00%	\$ 5,000,000.00	\$ 5,750,000.00
\$12,725,000.00, General Improvement Bonds Series 2017, due in annual installments of \$550,000.00 to \$1,100,000.00 through December 15, 2032, Interest at 2.13% to 4.00%	8,925,000.00	9,725,000.00
\$6,795,000.00 Open Space Trust Fund Refunding Bonds Series 2014, due in an annual installment of \$1,135,000.00 on January 15, 2022, Interest at 4.00%	1,135,000.00	2,270,000.00
\$3,560,000.00 Open Space Trust Fund Bonds Series 2014, due in annual installments of \$250,000.00 through November 1, 2029, Interest at 2.00% to 3.00%	2,000,000.00	2,250,000.00
\$6,500,000.00 Open Space Trust Fund Bonds Series 2017, due in annual installments of \$300,000.00 to \$600,000.00 through December 15, 2032, Interest at 2.13% to 4.00%	4,100,000.00	4,700,000.00
\$19,460,000.00, General Improvement Bonds Series 2020, due in annual installments of \$635,000.00 to \$1,175,000.00 through June 15, 2040, Interest at 2.00% to 4.00%	18,870,000.00	19,460,000.00
<u>Program Loans:</u>		
\$1,132,878.21 Energy Efficient Equipment Lease; due in annual installments of \$88,369.26 to \$111,713.64 through September 7, 2026, Interest at 3.7529%	<u>493,044.25</u>	<u>577,736.52</u>
<b>Total General Debt</b>	<u>40,523,044.25</u>	<u>44,732,736.52</u>

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

A. Summary of Municipal Debt for Capital Projects (Continued)

Water Utility Debt:

\$6,580,000.00 Water Bonds Series 2014, due in annual installments of \$475,000.00 to \$525,000.00 through November 1, 2029, interest at 2.13% to 3.00%	3,950,000.00	4,405,000.00
\$5,000,000.00, Water Bonds, Series 2017 due in annual installments of \$600,000.00 through December 15, 2027 interest from 2.13% to 4.00%	3,500,000.00	4,100,000.00
\$6,305,000.00, Water Utility Bonds Series 2020, due in annual installments of \$190,000.00 to \$375,000.00 through June 15, 2040, Interest at 2.00% to 4.00%	<u>6,115,000.00</u>	<u>6,305,000.00</u>
Total Water Utility Debt	<u>13,565,000.00</u>	<u>14,810,000.00</u>
Total Debt Issued and Outstanding	\$ <u>54,088,044.25</u>	<u>59,542,736.52</u>



TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

B. Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of:

<u>2021</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 77,845,000.00	\$ 77,845,000.00	\$ -
Water Utility Debt	26,081,641.89	26,081,641.89	-
General Debt	<u>59,929,723.88</u>	<u>11,042,739.47</u>	<u>48,886,984.41</u>
	<u>\$ 163,856,365.77</u>	<u>\$ 114,969,381.36</u>	<u>\$ 48,886,984.41</u>

Net Debt \$ 48,886,984.41 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$11,640,311,647.00 = 0.420%

<u>2020</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 81,620,000.00	\$ 81,620,000.00	\$ -
Water Utility Debt	25,078,139.95	25,078,139.95	-
General Debt	<u>60,387,603.26</u>	<u>14,281,343.42</u>	<u>46,106,259.84</u>
	<u>\$ 167,085,743.21</u>	<u>\$ 120,979,483.37</u>	<u>\$ 46,106,259.84</u>

Net Debt \$ 46,106,259.84 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$10,839,917,397.67 = 0.425%

The Township's Borrowing Power Under N.J.S.A. 40A:2-6 as Amended, at December 31, was as follows:

	<u>2021</u>	<u>2020</u>
3 1/2% of Equalized Valuation Basis Municipal	\$ 407,410,907.65	\$ 379,397,108.92
Net Debt	<u>48,886,984.41</u>	<u>46,106,259.84</u>
Remaining Borrowing Power	<u>\$ 358,523,923.24</u>	<u>\$ 333,290,849.08</u>

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

B. Summary of Statutory Debt Condition (Continued)

Energy Lease Payable

In connection with a program to promote energy saving initiatives, the Township entered into a energy lease in the amount of \$1,091,900.00, which also included capitalized interest of \$40,978.21. The energy lease runs through to year 2026 at an interest rate of 3.7529%. Total payments are scheduled to be \$1,471,568.08, which includes interest payable of \$379,668.13 in total.

Calculation of "Self-Liquidating Purpose"

Water Utility Per N.J.S.A. 40A: 2-45

The calculation of "Self-Liquidating Purpose" for the Water Utility, per N.J.S.A. 40A: 2-45 as follows:

	<u>2021</u>	<u>2020</u>
Cash Receipts from Fees, Rents, Fund Balance Utilized or Other Charges for Year	\$ 15,708,737.05	\$ 15,006,709.53
Deductions:		
Operating and Maintenance Costs	13,912,754.00	13,091,634.00
Debt Service	1,661,000.00	1,710,255.66
	15,573,754.00	14,801,889.66
Total Deductions	15,573,754.00	14,801,889.66
Excess in Revenues	\$ 134,983.05	\$ 204,819.87

Deduction of Self-Liquidating Utility Debt for

Statutory Net Debt - Water Utility per N.J.S.A. 40A: 2-45

The differences between the excess in revenues for debt statement purposes and the statutory cash basis for the Water Utility Fund is as follows:

	<u>2021</u>	<u>2020</u>
Excess in Revenues - Cash Basis (D-1)	\$ 6,210.43	\$ 1,247,472.41
Add: Capital Improvements	530,000.00	530,000.00
Other Deductions to Operations	408.71	-
	536,619.14	1,777,472.41
Less: Reserves Cancelled	401,636.09	625,182.25
Other Additions to Operations	-	947,470.29
	401,636.09	1,572,652.54
Excess in Revenues	\$ 134,983.05	\$ 204,819.87

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

C. Schedule of Annual Debt Service for Principal and Interest for  
Bonded Debt Issued and Outstanding

Year	<u>GENERAL*</u>		<u>WATER UTILITY</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2022	\$ 2,185,000.00	\$ 899,325.00	\$ 1,265,000.00	\$ 383,281.25
2023	2,210,000.00	836,925.00	1,265,000.00	348,181.25
2024	2,210,000.00	772,775.00	1,315,000.00	311,487.50
2025	2,235,000.00	701,875.00	1,330,000.00	266,900.00
2026	2,260,000.00	627,475.00	1,355,000.00	220,325.00
2027	2,090,000.00	546,475.00	1,330,000.00	176,375.00
2028	1,990,000.00	483,500.00	830,000.00	137,800.00
2029	2,010,000.00	413,500.00	855,000.00	109,350.00
2030	2,060,000.00	342,100.00	330,000.00	80,400.00
2031	2,080,000.00	280,100.00	350,000.00	70,300.00
2032	2,090,000.00	228,400.00	350,000.00	63,300.00
2033	1,150,000.00	176,000.00	365,000.00	56,150.00
2034	1,175,000.00	152,750.00	375,000.00	48,750.00
2035	1,175,000.00	129,250.00	375,000.00	41,250.00
2036	1,175,000.00	105,750.00	375,000.00	33,750.00
2037	1,175,000.00	82,250.00	375,000.00	26,250.00
2038	1,175,000.00	58,750.00	375,000.00	18,750.00
2039	1,175,000.00	35,250.00	375,000.00	11,250.00
2040	1,175,000.00	11,750.00	375,000.00	3,750.00
<b>TOTAL</b>	<b>\$ 32,795,000.00</b>	<b>\$ 6,884,200.00</b>	<b>\$ 13,565,000.00</b>	<b>\$ 2,407,600.00</b>

Year	<u>OPEN SPACE</u>		<u>TOTAL</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2022	\$ 1,985,000.00	\$ 204,262.50	\$ 5,435,000.00	\$ 1,486,868.75
2023	750,000.00	158,562.50	4,225,000.00	1,343,668.75
2024	750,000.00	138,250.00	4,275,000.00	1,222,512.50
2025	650,000.00	112,625.00	4,215,000.00	1,081,400.00
2026	550,000.00	90,375.00	4,165,000.00	938,175.00
2027	550,000.00	73,875.00	3,970,000.00	796,725.00
2028	550,000.00	60,000.00	3,370,000.00	681,300.00
2029	550,000.00	43,500.00	3,415,000.00	566,350.00
2030	300,000.00	27,000.00	2,690,000.00	449,500.00
2031	300,000.00	18,000.00	2,730,000.00	368,400.00
2032	300,000.00	9,000.00	2,740,000.00	300,700.00
<b>TOTAL</b>	<b>\$ 7,235,000.00</b>	<b>\$ 935,450.00</b>	<b>\$ 41,230,000.00</b>	<b>\$ 9,235,600.00</b>

\*Annual debt service for the "Energy Lease Loan" is not included in the above tables. See schedule in the general capital section of this report.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2021 and 2020, which were appropriated and included as anticipated revenue in their own respective funds for the succeeding years were as follows:

	Fund Balance <u>December 31, 2021</u>	Utilized in <u>Succeeding Year's Budget</u>
Current Fund	\$ 28,415,380.90	\$ 13,790,895.34
Water Utility Operating Fund	7,884,330.31	3,606,112.00

	Fund Balance <u>December 31, 2020</u>	Utilized in <u>Succeeding Year's Budget</u>
Current Fund	\$ 25,786,849.76	\$ 9,130,229.10
Water Utility Operating Fund	10,151,873.88	2,273,754.00

Note 5: DEFERRED COMPENSATION

The Township has a Deferred Compensation Plan (the "Plan") pursuant to section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the New Jersey Statutes. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The Township has engaged a private contractor to administer the Plan.

Note 6: DEPOSITS AND INVESTMENTS

New Jersey Statutes set forth deposit requirements and investments that may be purchased by local units and the Township deposits and invests its funds pursuant to its policies and an adopted cash management plan.

**Deposits**

New Jersey Statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation ("FDIC") or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey Statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. This statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent, to secure the deposits of governmental units.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 6: DEPOSITS AND INVESTMENTS (CONTINUED)

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

At December 31, 2021 and 2020, the cash and cash equivalents of the Township consisted of the following:

	<u>2021</u>		<u>2020</u>
Cash (Demand Accounts)	\$ 119,389,259.48	\$	123,661,110.46
Change Funds (On-Hand)	<u>1,455.00</u>	<u>\$</u>	<u>1,455.00</u>
	<u>\$ 119,390,714.48</u>	<u>\$</u>	<u>123,662,565.46</u>

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At December 31, 2021, the carrying amount of the Township's deposits was \$119,389,259.48 and the amount of bank balances on deposit was \$122,531,370.41.

The Township has implemented the disclosure requirements of GASB Statement No. 40, *Deposits and Investment Risk Disclosures* (GASB 40), and accordingly, the Township has assessed the Custodial Risk, the Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its cash and investments.

Custodial Credit Risk - The Township's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The deposit risk is that, in the event of the failure of a depository financial institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Township's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either: the counterparty or the counterparty's trust department or agent, but not in the Township's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the Township will not be able to recover the value of the investment or collateral securities that in possession of an outside party.

Concentration of Credit Risk - This is the risk associated with the amount of investments that Township has with any one issuer that exceeds 5 percent or more of its total investments. Investment issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

Credit Risk - GASB 40 requires that disclosure be made as to the credit rating of all debt security investments, except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Township does not have an investment policy regarding Credit Risk except to the extent outlined under the Township's investment policy. The New Jersey Cash Management Fund is not rated.

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 6: DEPOSITS AND INVESTMENTS (CONTINUED)

managing its exposure to fair value losses arising from interest rate fluctuations.

As of December 31, 2021, the Township was subject to Custodial Credit Risk in the following amounts:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured - FDIC	\$ 1,101,523.21
Insured - NJGUDPA (N.J.S.A. 17:941)	119,470,407.98
Uninsured	<u>1,959,439.22</u>
 Total	 <u>\$ 122,531,370.41</u>

The Township does not have a deposit policy for custodial risk. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks (FDIC and NJGUDPA coverage's) for its deposits and investments; concentration of credit risks and interest rate risks for its investments; nor is it exposed to foreign currency risks for its deposits and investments.

**Investments**

New Jersey Statutes establish the following securities as eligible for the investment of Township funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a Federal agency or a Federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of School Districts of which the Township is a part and within which the School District is located;
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is more than 30 days; and
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

The Township did not have any investments at December 31, 2021 and 2020.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the local unit's Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Local School District, County and Fire Districts, the tax rate is struck by the board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the local unit's Tax Collector on or before May 13.

Tax bills are prepared and mailed by the Collector of Taxes of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1<sup>st</sup> and November 1<sup>st</sup> of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1<sup>st</sup> and May 1<sup>st</sup>. The New Jersey Statutes allow a grace period of 10 days for each payment period. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after April 1<sup>st</sup> of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1<sup>st</sup> of the current tax year even though the amount due is not known.

Note 8: PENSION PLANS

Substantially, all Township employees participate in the Public Employees' Retirement System or the Police and Firemen's Retirement System. The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits to plan members and beneficiaries.

The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Township is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions and Benefits.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. The current rate of required contribution of annual covered payroll is 7.50% for PERS employees and 10.00% for PFRS. In addition, the PERS and PFRS bills the Township annually at an actuarially determined rate for its required contribution.

The contribution requirements of plan members and the Township are established and may be amended by the Board of Trustees of the respective plan. The Township's contributions to the PERS for the years ended December 31, 2020, 2019 and 2018 were \$1,439,214.00, \$1,350,315.00, and \$1,316,390.00, respectively, equal to the required contributions for each year. The Township's contributions to the PFRS for the years ended December 31, 2020, 2019 and 2018 were \$3,483,586.00, \$3,394,144.00, and \$3,130,317.00, respectively, equal to the required contributions for each year.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: PENSION PLANS (CONTINUED)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Public Employee's Retirement System (PERS)*

At December 31, 2020 and 2019, the Township's liability for its proportionate share of the net pension liability was \$23,754,202.00 and \$26,180,411.00, respectively. The net pension liability was measured as of June 30, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, which was rolled forward to June 30, 2020 and 2019, respectively. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the Township's proportion was 0.1456653080 percent, which was an increase of 0.003677752 percent from its proportion measured as of June 30, 2019.

At December 31, 2020 and 2019, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

December 31, 2020

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 106,530	\$ 11,349,161
Differences between expected and actual experience	426,786	151,927
Net difference between projected and actual earnings on pension plan investments	2,482,168	
Changes in proportion and differences between Township contributions and proportionate share of contributions	385,443	3,011,500
Township contributions subsequent to the measurement date	1,769,493	
	<u>\$ 5,170,420</u>	<u>\$ 14,512,588</u>

December 31, 2019

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 1,446,166	\$ 13,640,198
Differences between expected and actual experience	356,263	267,206
Net difference between projected and actual earnings on pension plan investments		571,861
Changes in proportion and differences between Township contributions and proportionate share of contributions	904,153	997,950
Township contributions subsequent to the measurement date	1,661,534	
	<u>\$ 4,368,116</u>	<u>\$ 15,477,215</u>



TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: PENSION PLANS (CONTINUED)

\$758,243.00 and \$670,531.00 as of December 31, 2020 and 2019, respectively, are reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows, if the financial statements were prepared in accordance with generally accepted accounting principles:

**Year ended December 31:**

2022	\$ (2,497,596)
2023	(1,257,437)
2024	(541,699)
2025	(133,994)
	\$ (4,430,726)

*Actuarial Assumptions*

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases through 2026	2.00-6.00%
	based on years of service
Thereafter	3.00-7.00%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases through 2026	2.00-6.00%
	based on years of service
Thereafter	3.00-7.00%
Inflation rate:	
Price	3.75%

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: PENSION PLANS (CONTINUED)

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equit	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: PENSION PLANS (CONTINUED)

*Discount rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate*

The following presents the Township's proportionate share of the net pension liability as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
Township's proportionate share of the net pension liability	\$ 29,902,578	\$ 23,754,202	\$ 18,537,138

The following presents the Township's proportionate share of the net pension liability as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: PENSION PLANS (CONTINUED)

	At 1% decrease (5.28%)	At current discount rate (6.28%)	At 1% increase (7.28%)
Township's proportionate share of the net pension liability	\$ 33,300,172	\$ 26,180,411	\$ 20,516,602

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

*Additional Information*

Collective balances of the Local Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$	2,347,583,337
Deferred inflows of resources	\$	7,849,949,467
Net pension liability	\$	16,435,616,426
 Township's Proportion		 0.1456653080%

Collective balances of the Local Group at June 30, 2019 are as follows:

Deferred outflows of resources	\$	3,149,522,616
Deferred inflows of resources	\$	7,645,087,574
Net pension liability	\$	18,143,832,135
 Township's Proportion		 0.1452975328%

Collective pension expense for the Local Group for the measurement periods ended June 30, 2020 and 2019 were \$407,705,399.00 and \$974,471,686.00, respectively.

The average of the expected remaining service lives of all plan members is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015, and 2014, respectively.

*Police and Firemen's Retirement System (PFRS)*

At December 31, 2020 and 2019, the Township's liability for its proportionate share of the net pension liability was \$42,332,765.00 and \$42,204,779.00, respectively. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the Township's proportion was 0.3276195388 percent, which was a decrease of 0.0172522024 percent from its proportion measured as of June 30, 2019.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: PENSION PLANS (CONTINUED)

At December 31, 2020, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 106,530	\$ 11,349,161
Differences between expected and actual experience	426,786	151,927
Net difference between projected and actual earnings on pension plan investments	2,482,168	
Changes in proportion and differences between Township contributions and proportionate share of contributions	385,443	3,011,500
Township contributions subsequent to the measurement date	1,769,493	
	<u>\$ 5,170,420</u>	<u>\$ 14,512,588</u>

At December 31, 2019, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 1,446,166	\$ 13,640,198
Differences between expected and actual experience	356,263	267,206
Net difference between projected and actual earnings on pension plan investments		571,861
Changes in proportion and differences between Township contributions and proportionate share of contributions	904,153	997,950
Township contributions subsequent to the measurement date	1,661,534	
	<u>\$ 4,368,116</u>	<u>\$ 15,477,215</u>

\$1,769,493.00 and \$1,661,534.00 are reported as deferred outflows of resources as of December 31, 2020 and 2019, respectively, related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows, if the financial statements were prepared in accordance with generally accepted accounting principles:

**Year ended December 31:**

2022	\$	(3,363,980)
2023		(1,713,085)
2024		(862,249)
2025		(684,837)
		<u>\$ (6,624,151)</u>

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: PENSION PLANS (CONTINUED)

*Actuarial Assumptions*

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through all future years	3.25 - 15.25%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through all future years	3.25 - 15.25%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: PENSION PLANS (CONTINUED)

with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.90%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

*Discount rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: PENSION PLANS (CONTINUED)

Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate*

The following presents the Township's proportionate share of the net pension liability as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
Township's proportionate share of the net pension liability	\$ 56,293,865	\$42,332,765	\$ 30,737,006

The following presents the Township's proportionate share of the net pension liability as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

	At 1% decrease (5.85%)	At current discount rate (6.85%)	At 1% increase (7.85%)
Township's proportionate share of the net pension liability	\$ 57,045,482	\$42,204,779	\$ 29,921,959

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Police and Firemen's Retirement System.



TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: PENSION PLANS (CONTINUED)

*Additional Information*

Collective balances of the Local Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$	1,601,195,680
Deferred inflows of resources	\$	4,191,274,402
Net pension liability	\$	14,926,648,722
Township's Proportion		0.3276195388%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$949,220,570.00.

Collective balances of the Local Group at June 30, 2019 are as follows:

Deferred outflows of resources	\$	1,198,936,924
Deferred inflows of resources	\$	4,874,748,912
Net pension liability	\$	14,170,193,618
Township's Proportion		0.3448717412%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 is \$1,325,963,796.00.

The average of the expected remaining service lives of all plan members is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53, and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

*Special Funding Situation*

Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8 P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as deferred by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of June 30, 2020 and 2019 is 0.3276195388% and 0.3014830269%, respectively, and the non-employer contributing entities' contribution for the year ended December 31, 2020 and 2019 was \$505,546 and \$392,537, respectively. The State's proportionate share of the net pension liability attributable to the Township for the years ended December 31, 2020 and 2019 was \$6,569,852 and \$5,825,782, respectively.

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of DCRP are as follows:

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 8: PENSION PLANS (CONTINUED)

Plan Membership and Contributing Employers - Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who did not earn the minimum annual salary for their tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for their tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At December 31, 2021, the membership in the DCRP, based on information within the Division's database, was approximately 46,550.

*Contribution Requirement and Benefit Provisions* - State and local government employers contribute 3% of the employees' base salary plus an additional 1.05% for insurance. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the years ended December 31, 2021 and 2020, the DCRP covered payroll was \$381,875.46 and \$389,573.00, respectively. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan. Township contributions to the DCRP was 3% of covered wages.

Note 9: POST-EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS - HEALTHCARE BENEFITS

In addition to the pension and retirement plans described in Note 8, the Township provides post-employment health care benefits, in accordance with State statute N.J.S.A. 40A:10-23 to employees who retire with at least 25 years of service with the Township, or go out on disability with 10 years of service or more. The Township does not issue a publicly available financial report for the plan. Benefit provisions for the plan are established and amended with the approval of the Township's governing body and there is no statutory requirement for the Township to continue this plan for future Township employees. The plan is a contributory plan with 90% of payments for plan benefits being funded by the Township. Employees pay a certain percentage of the premiums.

GASB Statement No. 75 requires that the Township disclose its annual OPEB liability and cost and related changes to the liability for the plan, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actual amounts paid for the OPEB medical benefits, accounted for on the pay-as-you-go basis, for retired Township employees and their spouses during 2021 and 2020 totaled \$2,844,724, and \$2,573,892, respectively and is a closed plan.

The Township hired an actuary to perform the calculation as of December 31, 2021 for the Township plan on a rolled forward basis from 2020 and the required information is presented on the following pages.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9: POST-EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS - HEALTHCARE BENEFITS (CONTINUED)

*Employees Covered by Benefit Terms*

At January 1, 2020, there were 144 retired employees and 198 active employees covered by the plan, as utilized by the actuarial valuation.

*Total OPEB Liability*

The total OPEB liability from the Township's plan as of December 31, 2021 and 2020 is \$157,928,751 and \$150,105,770, respectively.

*Actuarial assumptions and other inputs*

The total OPEB liability of \$157,928,751 was reported in the December 31, 2021 actuarial valuation prepared by the Township's actuary, Aon, which was determined using a discount rate of 2.12% and healthcare cost trend rates of 6.40% for pre 65 retirees and post-65 retirees, decreasing to a 4.50% long-term trend rate after nine years for pre-65 retirees and post-65 retirees. For dental benefits, the trend is 4.50% for all years.

The actuarial assumptions used in the December 31, 2021 report were based upon a valuation date of January 1, 2020 and a measurement date of December 31, 2021. Changes in the total OPEB liability for the year ended December 31, 2021 is as follows:

Balance - December 31, 2020		\$	150,105,770
Changes for the year:			
Sevice cost			4,661,043
Interest cost			3,251,060
Benefit payments			(2,844,724)
Actuarial assumption changes			2,755,602
Net changes			7,822,981
Balance - December 31, 2021			\$ 157,928,751

Changes of assumptions and other inputs reflect a discount rate of 2.06% in 2021 based on the 20-year municipal bond rate at December 31, 2021.

The total OPEB expense for the year ended December 31, 2021 was \$10,544,969.

*Sensitivity of the total and net OPEB liability to changes in the discount rate*

The following presents the total and net OPEB liability of the Township for retirees, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9: POST-EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS - HEALTHCARE BENEFITS (CONTINUED)

	<u>At 1% Decrease 1.06%</u>	<u>At Current Rate 2.06%</u>	<u>At 1% Increase 3.06%</u>
Net OPEB Liability	\$ 193,031,505	\$ 157,928,751	\$ 131,216,725

*Sensitivity of the total and net OPEB liability to changes in the healthcare trend rates*

The following presents the total and net OPEB liability of the Township for Township retirees, as well as what the Township's total OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rate:

	<u>At 1% Decrease</u>	<u>Healthcare Trend Rate</u>	<u>At 1% Increase</u>
Net OPEB Liability	\$ 126,814,952	\$ 157,928,751	\$ 199,992,573

*Funding Status and Funding Progress*

As of December 31, 2021, the date of the most recent actuarial valuation, the plan is currently unfunded.

The projection of future benefit payments for an ongoing plan involves estimates of the value or reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Spouse Age Difference and Marriage Percentage - Spouses are assumed to continue coverage upon the death of the former employee. Upon retirement, 90% of eligible future retirees are assumed to be married and enroll an eligible spouse. Males are assumed to be 3 years older than females. Married actives are assumed to choose two-person coverage at retirement.

Mortality rates were based upon PUBGH2010 with Fully Generational Projection Scale MP 2021, "General" Classification, Headcount-Weighted, Ees & HA Mort.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 10: ACCRUED SICK AND VACATION BENEFITS

The Township has established uniform personnel policies via employee contracts and municipal ordinances that set forth the terms under which an employee may accumulate unused benefits as follows:

Sick Leave - Sick Leave accumulates at the rate of one (1) day per month for all permanent employees and shall be cumulative from year to year to a maximum of 110 days. Upon retirement or death after 10 years of service, the employee or his/her survivor is entitled to receive full payment for any unused accumulated sick leave up to 110 days computed on the basis of final wages. Effective January 1, 1988, allowable accumulations for the Township police officers enrolled in the PFRS increase by 10% per year of the total days accumulated from a zero base as of the effective date of enrollment to 100% of the maximum allowed.

Vacations - Vacation pay for permanent employees accumulates in accordance with the approved schedules. Vacation days may be taken in year earned, but not to exceed the number of days earned at time of vacation. Earned vacation may be accumulated up to two (2) years of current vacation credits. Any employee who has separated his/her employment may be paid the salary equivalent to accrued vacation earned, not to exceed more than two (2) years of current vacation credits earned.

The Township maintains records of each employee's status relating to earned and unused sick and vacation pay. The cost of such unpaid sick and vacation pay calculated, using applicable capped payout limitations, is calculated at \$5,553,909.27, and \$5,208,7158.98 at December 31, 2021 and 2020, respectively. This amount represents the current value of all accumulations, and is not intended to portray amounts that would be recorded under GAAP. The Township has not discounted the total based upon a study of utilization by employees separating from service, nor has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriations.

Note 11: RISK MANAGEMENT

The Township maintains a self-insurance risk management program for claims relating to Automobile Collision Liability (Township Only), Eyeglass Liability and Disability Liability. The Township retains all risks associated with Collision Liability, for Township vehicles only, and Eyeglass Liability, and retains all risks for the second and third months only for Disability Liability. In addition, the Township maintains a reserve for environmental impairment.

The Township continued to carry commercial insurance for other risks of loss, including workers' compensation and employee health and accident insurance through December 31, 2021. In addition, the Township established a self-insured Worker's Compensation fund in 1990, which combines risk retention and reinsurance coverage for claims relating to statutory Workers' Compensation.

For the Fiscal Year Ended December 31, 2021, the Township obtained specific excess insurance coverage as follows:

Company's Limit of Indemnity Each Occurrence	\$ 1,000,000.00
Worker's Compensation & Employer's Liability Combined	\$10,000,000.00

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 11: RISK MANAGEMENT (CONTINUED)

Changes in the Self-Insurance Fund reserves, the Worker's Compensation Fund reserve and the Environmental/Impairment reserve at December 31, 2021 and 2020 were:

2021

	Balance December 31, 2020	Increases to Reserves	Decreases To Reserves	Balance December 31, 2021
Other Insurance Reserves	\$ 705,453.75	\$ 63,324.91	\$ 120,483.18	\$ 648,295.48
Workers's Compensation	1,062,448.90	194,525.79	82,542.77	1,174,431.92
Environmental Impairment	99,753.77	-	-	99,753.77

2020

	Balance December 31, 2019	Increases to Reserves	Decreases To Reserves	Balance December 31, 2020
Other Insurance Reserves	\$ 626,196.48	\$ 122,287.19	\$ 43,029.92	\$ 705,453.75
Workers's Compensation	1,046,291.29	107,629.92	91,472.31	1,062,448.90
Environmental Impairment	99,753.77	-	-	99,753.77

The Township, together with other governmental units, is a member of the Central Jersey Joint Insurance Fund (the "CJ JIF"). The Joint Insurance Fund (the "JIF"), which is organized and operated pursuant to the regulations of the Department of Banking and Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. Payments to the JIF are calculated by the CJ JIF's governing board based upon actuarial and budgetary requirements. Each participant in the CJ JIF is jointly and severally obligated for any deficiency in the amount available to pay all claims. The JIF insures against property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and worker's compensation claims. Additional assessments or premiums can be levied by the CJ JIF to assure payment of the JIF's obligations. The JIF's governing board based upon actuarial and budgetary requirements calculates payments to the CJ JIF. The JIF contracts for excess liability insurance for property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and worker's compensation.

At December 31, 2021, the CJ JIF reported for all years combined, total assets of \$27,476,690, liabilities and reserves of \$17,732,853, which includes case and IBNR reserves of \$12,639,945, and an unrestricted net position of \$9,743,837.

At December 31, 2020, the CJ JIF reported for all years combined, total assets of \$26,098,359, liabilities and reserves of \$13,820,989, which includes case and IBNR reserves of \$11,458,005, and an unrestricted net position of \$12,277,370.

See Note 13 - Commitments and Contingencies with respect to the Township's participation in the CJ JIF. The Township continues to carry commercial insurance for other risks of loss, principally employee health insurance. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 11: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this method, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Following is a summary of Township appropriations, interest earnings and remittances to the State are as follows:

<u>Year</u>	Net Interest Earnings/Employee Contributions/ Remittances	Ending Balance
CY 2021	\$ (24,031.92)	\$ 1,129,872.50
CY 2020	(25,593.73)	1,153,904.42
CY 2019	(17,702.93)	1,179,498.15

Note 12: LONG TERM TAX EXEMPTIONS

The Township provides for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Township are predominately for affordable housing projects. Taxes abated include municipal, local school, county and fire district taxes. The Township is required to remit five percent (5.00%) to the County for any payments received in lieu of taxes (PILOT payments). The Township PILOT billings in 2021 were \$421,844.13 and the taxes in 2021, as listed above, that otherwise would have been due on these long-term tax exemptions amounted to \$617,702.00, based upon the assessed valuations of the long-term tax exemptions properties.

Note 13: COMMITMENTS AND CONTINGENCIES

The Township participates in various Federal awards and State financial assistance grant programs ("programs"). Entitlement to the programs is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2021, the Township believes that it is in compliance with Federal and State laws and regulations, as well as grantor requirements.

As a constituent member of the Central Jersey Joint Insurance Fund (the "CJJIF"), the Township of Franklin, together with the other members of the CJJIF, is jointly and severally responsible for the timely payment of Supplemental and Retrospective Assessments levied with the approval of the CJJIF Commissioners. At December 31, 2016, the CJJIF had outstanding Supplemental and Retrospective Assessments Receivable in the amount of \$3,586,965.00, which were levied and are due in ten equal installments to its members.

The Supplemental Assessments were established as receivables from the constituent members in the same proportion as the original assessments for each Loss Year as levied. At December 31, 2016 and including years 2017 and 2018, it was estimated Franklin Township would be required to make additional payments to the CJJIF or forego dividend payments (if any should be declared) from 2017 through 2023 in the total amount of \$220,594.00 for its allocated share of the Supplemental and Retrospective Assessments. The Township has been making its required supplemental assessment payments annually.

TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 13: COMMITMENTS AND CONTINGENCIES (CONTINUED)

As of the date of this report, the Township was not involved in any pending or threatened litigation or any unasserted claims or assessments that would be of a material nature. There are a number of commercial tax appeals pending before the Tax Court. At December 31, 2021, the Township has \$2,185,834.36 available for this purpose in the reserve for tax appeals in the current fund and has appropriated \$750,000.00 in the 2022 budget, which may be utilized to the extent available.

At December 31, 2021, the Township has commitments outstanding in the General Capital Fund in the amount of \$3,804,723.05 and \$2,421,501.55 in the Water Utility Capital Fund.

The full impact of the COVID-19 pandemic continues to evolve as of the date the financial statements were available to be issued. This pandemic as adversely affected the global economic activity which contributed to significant business disruption in the United States. Additionally, given the uncertainty of any future disruption relating to another surge of COVID-19, such disruption could have a material adverse effect on the revenues and operations of the Township. Notwithstanding, the Township continues to monitor state and local developments and proceeds with proactive strategies to minimize any impact to its current and future operation.

Note 14: INTERFUNDS

The following interfund balances remained on the balance sheets of each respective fund at December 31, 2021:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 1,370,757.42	\$ 2,607,779.23
Grant Fund	48,510.70	468,550.34
Animal Control	-	141,929.19
Trust - Other	-	589,723.86
Self-Insurance	-	37,360.49
Open Space Trust	241,202.98	5,227,345.94
Workers Compensation	-	1,615.39
Recreation Trust	50.34	32,592.28
Payroll and Payroll Agency	-	85,010.21
General Capital	3,026,512.17	241,202.98
Water Operating	4,746,076.30	199,083.39
Water Assessment	14,487.70	-
Water Capital	184,595.69	-
Totals	<u>\$ 9,632,193.30</u>	<u>\$ 9,632,193.30</u>

These interfund balances are not an indication that the respective fund cannot meet its obligation. The interfund amounts are reflective of year-end closing journals and adjustments. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Transfers are used to (1) move revenues from the funds New Jersey Statute or budget requires to collect to fund the appropriation and the statute or budget to expend them. All interfunds are expected to be liquidated within one year.



TOWNSHIP OF FRANKLIN  
SOMERSET COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 15: SUBSEQUENT EVENTS

The Township has evaluated the possibility of subsequent events existing in the Township's financial statements occurring after December 31, 2021, through to the date the financial statements were available to be issued.

The Township has determined that the following event requires disclosure in the Township's financial statements:

The Township authorized the following bond and capital ordinances:

<u>Ord. No.</u>	<u>Description</u>	<u>Total Authorized</u>	<u>Bonds and Notes Authorized</u>
4363-22	Var. 2022 Capital Improvs. & Equip. Acquis.	\$ 3,305,158.00	\$ 3,140,400.00
4364-22	Var. 2022 Capital Improvements - Water Utility	\$ 5,400,000.00	\$ 5,400,000.00
4365-22	Var. Capital Acquis. & Improvs.- Open Space	\$ 480,000.00	\$ 480,000.00

TOWNSHIP OF FRANKLIN  
CURRENT FUND

A-4

SCHEDULE OF CASH  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2020	A	\$ 42,911,780.92	\$ 2,017,876.73
Increased by Cash Receipts			
Miscellaneous Revenue Not Anticipated	A-2, A-8	\$ 667,956.71	
Miscellaneous Anticipated Revenue	A-2, A-8	12,223,827.36	
Prepaid Taxes	A-7	2,412,189.07	
Taxes Receivable	A-7	245,641,996.20	
Tax Title Liens Receivable	A-7	9,252.91	
NJ Sr Citizens and Veterans Deductions	A-6	260,481.50	
Various Accounts Payable and Reserves	A-9	830,622.00	
Petty Cash Returned	A-5	1,650.00	
Tax Overpayments	A-10	60,930.73	
Interfunds (Net)	A-16		\$ 5,052.02
Grants Receivable	A-14		1,381,857.17
Grants Unappropriated	A-17		3,999,595.41
<b>Total Cash Receipts</b>		<u>262,108,906.48</u>	<u>5,386,504.60</u>
Decreased by Cash Disbursements			
Budget Appropriations	A-3	50,991,418.89	
Tax Overpayments	A-10	97,238.54	
Taxes Payable	A-11	207,324,594.32	
Interfunds (Net)	A-12	200,360.31	
Appropriation Reserves	A-13	2,519,481.33	
Various Accounts Payable and Reserves	A-9	424,327.55	
Petty Cash Advanced	A-5	1,650.00	
Grant Appropriations	A-15		1,090,494.00
<b>Total Cash Disbursements</b>		<u>261,559,070.94</u>	<u>1,090,494.00</u>
Balance, December 31, 2021	A	<u>\$ 43,461,616.46</u>	<u>\$ 6,313,887.33</u>

TOWNSHIP OF FRANKLIN  
CURRENT FUND

A-5

SCHEDULE OF PETTY CASH AND CHANGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance December 31, 2020	Advanced	Returned	Balance December 31, 2021
Change Funds:				
Collector	\$ 400.00			\$ 400.00
Township Clerk	125.00			125.00
Municipal Court	100.00			100.00
Health Department	100.00			100.00
Land Use - Engineering	25.00			25.00
Police Records Clerk	75.00			75.00
Public Works	330.00			330.00
Recreation	100.00			100.00
Petty Cash Funds:				
Finance		\$ 500.00	\$ 500.00	
Police		500.00	500.00	
Public Works		400.00	400.00	
Recreation		250.00	250.00	
	<u>\$ 1,255.00</u>	<u>\$ 1,650.00</u>	<u>\$ 1,650.00</u>	<u>\$ 1,255.00</u>

Ref. A A-4 A-4 A

TOWNSHIP OF FRANKLIN  
CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -  
SENIOR CITIZENS AND  
VETERANS DEDUCTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2021

A-6

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 33,500.34
Increased by:		
Sr Citizens & Vet. Deductions - Original Levy	Below	\$ 266,375.00
Deductions Allowed by Tax Collector - Current Year	Below	<u>7,750.00</u>
Total Increases		<u>274,125.00</u> 307,625.34
Decreased by:		
Cash Received from State of NJ	A-4, Below	258,481.50
Deductions Disallowed by Tax Collector - Current Year	Below	820.54
Deductions Disallowed by Tax Collector - Prior Year	A-1, A-7	<u>12,297.27</u>
Total Decreases		<u>271,599.31</u>
Balance, December 31, 2021	A	<u>\$ 36,026.03</u>
<u>Analysis of Realized Revenues:</u>		
Sr. Cit. And Vets. Deduction per Tax Billing	Above	\$ 266,375.00
Add: Deductions Allowed	Above	7,750.00
Less: Deductions Disallowed	Above	<u>820.54</u>
Realized Revenue - 2021	A-2, A-7	<u>\$ 273,304.46</u>
<u>Analysis of Senior Citizens/Veterans Reimbursement by State (P.L. 1976, c.73):</u>		
Funds Received from State of New Jersey		\$ 263,651.13
Less: Administrative Fee	A-2	<u>(5,169.63)</u>
	Above, A-4	<u>\$ 258,481.50</u>

TOWNSHIP OF FRANKLIN  
CURRENT FUND

A-7

SCHEDULE OF TAXES RECEIVABLE AND LEVY ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Year	Balance, December 31, 2020	Added Taxes and Levy	Collected 2020	Collected 2021	State Veterans' and Senior Citizens' Deductions	Transferred to Tax Title Liens	Adjustments and Cancelled	Balance, December 31, 2021
Arrears	\$ 7,637.86						\$ 976.80	\$ 8,614.66
2014	1,795.56							1,795.56
2015	1,821.30							1,821.30
2016	177,710.92							177,710.92
2017	92,579.81							92,579.81
2018	95,612.30			(3,970.48)				91,641.82
2019	95,463.41			(4,749.96)				90,713.45
2020	2,621,831.72			(2,531,139.36)	\$ 10,297.27	\$ (454.56)	(9,986.87)	90,548.20
Subtotal	<u>3,094,452.88</u>			<u>(2,539,859.80)</u>	<u>10,297.27</u>	<u>(454.56)</u>	<u>(9,010.07)</u>	<u>555,425.72</u>
2021		\$ 248,899,871.64	\$ (3,109,897.47)	(243,102,136.40)	(273,304.46)	(39,029.09)	(161,367.90)	2,214,136.32
		<u>\$ 248,899,871.64</u>	<u>\$ (3,109,897.47)</u>	<u>\$ (245,641,996.20)</u>	<u>\$ (263,007.19)</u>	<u>\$ (39,483.65)</u>	<u>\$ (170,377.97)</u>	<u>\$ 2,769,562.04</u>
<u>Ref.</u>	A	Below	A, A-2	A-2, A-4	A-2, A-6	Below	Reserve	A
Prepaid Taxes - 2021		\$ 2,412,189.07						
<u>Ref.</u>	A, A-4	Below						
<u>Analysis of 2021 Property Tax Levy:</u>								
General Purpose Tax:		\$ 245,985,809.72						
Added Taxes		<u>2,914,061.92</u>	\$ 248,899,871.64					
<u>Ref.</u>	Below							
<u>Tax Levy:</u>								
Local District School Tax Levy	A-11	\$ 154,463,543.00						
County Tax	A-11	35,640,052.62						
County Open Space	A-11	3,370,054.34						
County Added and Omitted	A-11	475,353.81						
Special District Taxes	A-11	7,828,206.55						
Municipal Open Space Levy	A-11	5,547,384.00						
	A-11		\$ 207,324,594.32					
Local Taxes:								
Municipal Purposes	A-2	35,136,502.00						
Library	A-2	3,775,430.00						
	A-2	<u>38,911,932.00</u>						
Added taxes		<u>2,663,345.32</u>	41,575,277.32					
			<u>\$ 248,899,871.64</u>					
<u>Ref.</u>	Above							
<u>Tax Title Lien Activity:</u>								
Tax Title Lien Balance - December 31, 2020	A	\$ 230,639.98						
Taxes Transferred to Liens	Above	39,483.65						
Interest and Costs on Liens/Adjust. Collections	Reserve	(7,825.02)						
	A-4	<u>(9,252.91)</u>						
Tax Title Lien Balance - December 31, 2021	A	<u>\$ 253,045.70</u>						
<u>Current Year Tax Collections:</u>								
N.J. Senior Cit. & Vets.	A-6, Above	\$ (273,304.46)						
Prepaid Taxes - 2021 in 2020	Above	(3,109,897.47)						
Current Year Collections	Above	<u>(243,102,136.40)</u>						
	A-1, A-2	<u>\$ (246,485,338.33)</u>						
Delinquent Collections:								
Prior Year Taxes	Above	\$ (2,539,859.80)						
Tax Title Liens	A-4	<u>(9,252.91)</u>						
	A-2	<u>\$ (2,549,112.71)</u>						

TOWNSHIP OF FRANKLIN  
CURRENT FUND

A-8

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLES AND MISCELLANEOUS REVENUES NOT ANTICIPATED  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u> <u>December 31, 2020</u>	<u>Accrued/</u> <u>Adjustments</u>	<u>Cash</u> <u>Receipts</u>	<u>Balance</u> <u>December 31, 2021</u>
Revenue Accounts Receivable:				
Non-Budgetary:				
Collector Receivables:				
Ordinance 181 - Grass & Weeds	\$ 801.68	\$ 9,895.32	\$ (10,697.00)	
Ordinance 4116-15 - Vacant Property		209,000.00	(209,000.00)	
Departmental Receipts	<u>16,401.87</u>			<u>\$ 16,401.87</u>
	<u>17,203.55</u>	<u>218,895.32</u>	<u>(219,697.00)</u>	<u>16,401.87</u>
Total	<u>\$ 17,203.55</u>	<u>\$ 218,895.32</u>	<u>\$ (219,697.00)</u>	<u>\$ 16,401.87</u>
	<u>A</u>	<u>Reserve</u>	<u>Below</u>	<u>A</u>
<u>Analysis of Miscellaneous Revenues:</u>				
Current Year Revenue Collections			\$ 12,470,395.33	
Grant Revenues Realized			<u>1,467,324.87</u>	
			<u>\$ 13,937,720.20</u>	
<u>Miscellaneous Revenues Not Anticipated:</u>				
Miscellaneous Departmental Receipts				
Other			443,090.08	
Escrow and Outside Jobs Admin. Fee				
Sale of Property				
Insurance Refunds				
Senior Citizen/Veterans Administrative Fee			5,169.63	
Ordinance Collections			<u>219,697.00</u>	
Miscellaneous Revenues Not Anticipated			<u>\$ 667,956.71</u>	

TOWNSHIP OF FRANKLIN  
CURRENT FUND

A-9

SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLE AND RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance, December 31, 2020	Cash Receipts	Cash Disbursements	Adjustments	Balance, December 31, 2021
Accounts Payable:					
Vendor Accounts Payable	\$ 759,064.59	\$ 13,564.00	\$ (56,196.24)	\$ 419,209.28	\$ 1,135,641.63
Third Party Elevator Inspections Fees	18,590.00				18,590.00
Marriage License Filing Fees	43,600.00	10,253.00	(28.00)		53,825.00
State Training Fees	104,829.00	251,805.00	(334,466.00)		22,168.00
Subtotal	<u>926,083.59</u>	<u>275,622.00</u>	<u>(390,690.24)</u>	<u>419,209.28</u>	<u>1,230,224.63</u>
Reserve for:					
Rescue Squad Funds	8,560.00				8,560.00
Police Harley	2,456.00				2,456.00
Tax Appeals	1,450,550.36		(14,716.00)	750,000.00	2,185,834.36
Special District Levy	123,153.55		(18,921.31)		104,232.24
Reserve for Library	88,230.13				88,230.13
Reserve for Debt Service Payments	350,000.00			(350,000.00)	
NJ State Grant Receipts for Approp.		225,000.00			225,000.00
Subtotal	<u>2,022,950.04</u>	<u>225,000.00</u>	<u>(33,637.31)</u>	<u>400,000.00</u>	<u>2,614,312.73</u>
Total	<u>\$ 2,949,033.63</u>	<u>\$ 500,622.00</u>	<u>\$ (424,327.55)</u>	<u>\$ 819,209.28</u>	<u>\$ 3,844,537.36</u>
	Ref.	A	A-4	A-4	Below
Transferred from Appropriation Reserves	A-13			\$ 419,209.28	
Realized as Current Year Revenue	A-2			(350,000.00)	
Current Appropriations	A-3			750,000.00	
	Above			<u>\$ 819,209.28</u>	

TOWNSHIP OF FRANKLIN  
CURRENT FUND

A-10

SCHEDULE OF PROPERTY TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Total</u>	<u>Current</u>	<u>Prior Year</u>
Balance, December 31, 2020	A	97,238.54	\$ -	\$ 97,238.54
Cash Receipts - Tax Overpayments	A-4	60,930.73	60,930.73	
Cash Payments - Refunds	A-4	<u>(97,238.54)</u>	<u>                    </u>	<u>(97,238.54)</u>
Balance, December 31, 2021	A	<u>\$ 60,930.73</u>	<u>60,930.73</u>	<u>\$ -</u>



TOWNSHIP OF FRANKLIN  
CURRENT FUND

A-11

SCHEDULE OF TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance,</u> <u>December 31, 2020</u>	<u>Taxes</u> <u>Levied</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>December 31, 2021</u>
County - General	\$ -	\$ 35,640,052.62	\$ (35,640,052.62)	\$ -
County - Open Space		3,370,054.34	(3,370,054.34)	
County - Added & Omitted		475,353.81	(475,353.81)	
Local District School Taxes		154,463,543.00	(154,463,543.00)	
Municipal Local Open Space		5,547,384.00	(5,547,384.00)	
Special Districts		7,828,206.55	(7,828,206.55)	
<b>Total</b>	<b>\$ -</b>	<b>\$ 207,324,594.32</b>	<b>\$ (207,324,594.32)</b>	<b>\$ -</b>
<u>Ref.</u>	A	A-1, A-2, A-7, Below	A-4	A
<u>Special District Taxes Levied:</u>				
Fire District #1		\$ 4,329,230.00		
Fire District #2		1,508,368.70		
Fire District #3		1,928,789.00		
Fire District #4		61,818.85		
<b>A-1, Above</b>		<b>\$ 7,828,206.55</b>		

TOWNSHIP OF FRANKLIN  
CURRENT FUND

A-12

STATEMENT OF INTERFUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance, December 31, 2020	Cash Receipts/ Disbursements/ Adjustments	Balance, December 31, 2021	
Grant Fund	\$ 10,158.77	\$ 35,681.93	\$ 45,840.70	
Animal Control Trust Fund	(141,929.19)		(141,929.19)	
Trust - Other Funds	(568,411.94)	(18,641.92)	(587,053.86)	
Recreation Trust Fund	(31,532.86)	(1,059.42)	(32,592.28)	
Payroll/Payroll Agency Fund	(82,727.91)	(2,282.30)	(85,010.21)	
Self Insurance Fund	(35,468.02)	(1,892.47)	(37,360.49)	
General Capital Fund	2,369,486.74	188,525.43	2,558,012.17	
Water Utility Operating Fund	3,926.36		3,926.36	
Workers Compensation Trust Fund	(1,615.39)		(1,615.39)	
Open Space Trust Fund	(485,196.00)		(485,196.00)	
<b>Total</b>	<u>\$ 1,036,690.56</u>	<u>\$ 200,331.25</u>	<u>\$ 1,237,021.81</u>	Below
<b>Detail:</b>	<u>Ref.</u>	<u>A-1, Below</u>	<u>Below</u>	
Interfunds Receivable ( )	A	\$ (1,346,881.31)	\$ (1,370,757.42)	
Interfunds Payable	A	2,383,571.87	2,607,779.23	
<b>Total</b>	Above	<u>\$ 1,036,690.56</u>	<u>\$ 1,237,021.81</u>	Below
Receipts/(Disbursements) - Net	A-1, A-4	\$ (200,360.31)		
Grant Receivables	A-14	(1,467,324.87)		
Grant Reserves	A-15	1,467,324.87		
Grants Receivable/Reserves Cancelled, net	A-1, A-14, A-15	40,733.95		
Adjustments	A	359,957.61		
<b>Total</b>	Above	<u>\$ 200,331.25</u>		

SCHEDULE OF 2020 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance December 31, 2020	Reserve for Encumbrances December 31, 2020	Amount After Modification	Paid Or Charged	Transferred to Accounts Payable	Balance Lapsed
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT</b>						
General Administration	\$ 46,881.56	\$ 4,504.89	\$ 51,386.45	\$ 3,294.51		\$ 48,091.94
Salaries and Wages	212,035.06	454.20	212,489.26	4,604.29	76.11	207,808.86
Other Expenses	3,612.60		3,612.60	940.20		2,672.40
Human Resources (Personnel)	17,283.10	11,179.60	28,462.70	13,827.57		14,635.13
Salaries and Wages	300.22		300.22			300.22
Other Expenses	12,077.25	60.00	12,137.25	60.00		12,077.25
Mayor and Council						
Salaries and Wages	11,051.04		11,051.04	(38,379.92)		49,430.96
Other Expenses	23,546.60	22,093.35	45,639.95	22,093.35		23,546.60
Finance Administration						
Salaries and Wages	2,207.44		2,207.44	482.24		1,725.20
Other Expenses	27,332.65	75,049.25	102,381.90	75,049.25		27,332.65
Audit Services						
Other Expenses	9,036.25	31,713.75	40,750.00	31,713.75		9,036.25
Computerized Data Processing						
Salaries and Wages	54,677.24		54,677.24	2,345.12		52,332.12
Other Expenses	44,226.39	9,237.31	53,463.70	10,849.86		42,613.84
Revenue Administration (Tax Collection)						
Salaries and Wages	30,311.74		30,311.74	1,013.98		29,297.76
Other Expenses	5,746.32	390.00	6,136.32	385.00		5,751.32
Tax Assessment Administration						
Salaries and Wages	23,082.02		23,082.02	2,431.06		20,650.96
Other Expenses	7,386.42	101,016.49	108,402.91	18,404.85	82,600.00	7,398.06
Legal Services (Legal Dept.)						
Other Expenses	63,045.00	217,379.49	280,424.49	16,951.10		263,473.39
Prosecutor						
Other Expenses	5,200.12	6,699.99	11,900.11	6,299.99	400.00	5,200.12
Municipal Court						
Salaries and Wages	27,686.06		27,686.06	5,726.32		21,959.74
Other Expenses	11,809.97	3,573.16	15,383.13	1,949.09	1,625.20	11,808.84
Engineering						
Salaries and Wages	2,848.16		2,848.16	1,856.35		991.81
Other Expenses	47,243.32	29,482.75	76,726.07	4,809.25	24,673.50	47,243.32
Economic Development Agencies						
Other Expenses	100,135.00		100,135.00	78.91		100,056.09
LAND USE ADMINISTRATION						
Planning Board						
Salaries and Wages	60,407.31		60,407.31	1,781.71		58,625.60
Other Expenses	13,767.11	27,238.38	41,005.49	8,085.17	19,328.95	13,591.37

TOWNSHIP OF FRANKLIN  
CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance December 31, 2020	Reserve for Encumbrances December 31, 2020	Amount After Modification	Paid Or Charged	Transferred to Accounts Payable	Balance Lapsed
INSURANCE						
Liability Insurance						
Other Expenses						
Employee Group Insurance	81,774.41	2,100.32	2,100.32	2,100.32		
Salaries and Wages (Payment in Lieu)			81,774.41	81,774.41		
Other Expenses	3,583.53	805.00	4,388.53	2,202.00		2,186.53
PUBLIC SAFETY						
Police						
Salaries and Wages	877,536.21	3,229.50	880,765.71	214,346.08		666,419.63
Other Expenses	69,408.43	129,068.46	198,476.89	111,276.90	14,826.88	72,373.11
Fire Prevention						
Salaries and Wages	111,861.83	4,616.55	111,861.83	37,166.42		74,695.41
Other Expenses	1,164.45		5,781.00	4,616.70		1,164.30
Emergency Management						
Salaries and Wages	13,611.05		13,611.05	128.78		13,482.27
Other Expenses	5,250.00		5,250.00			5,250.00
PUBLIC WORKS						
Public Works - General						
Salaries and Wages	322,438.61		322,438.61	15,795.35		306,643.26
Streets and Roads Maintenance						
Salaries and Wages	34,000.00		34,000.00	34,000.00		-
Other Expenses	10,319.01	114,075.45	124,394.46	81,142.39	814.72	42,437.35
Public Works - Recycling						
Other Expenses	40,962.05	166,086.10	207,048.15	161,397.19		45,650.96
Public Works - Building and Grounds						
Other Expenses	144,956.09	82,035.77	226,991.86	62,634.03	10,023.98	154,333.85
Public Works - Vehicle Maintenance						
Other Expenses	38,083.17	43,977.35	82,060.52	21,840.83	2,686.12	57,533.57
Shade Tree Commission						
Other Expenses	730.00	50.00	780.00			780.00
Community Services Act (Condo Community)						
Other Expenses	81,357.22	434.65	81,791.87		434.65	81,357.22
HEALTH AND HUMAN SERVICES						
Animal Control Services						
Salaries and Wages	11,697.64		11,697.64	3,895.05		7,802.59
Other Expenses	7,431.09	9,454.89	16,885.98	2,966.77		13,919.21
Community Resources						
Salaries and Wages	882.52		882.52	874.40		8.12
Other Expenses	14,865.19	50.00	14,915.19	1,514.43		13,400.76
PARKS AND RECREATION						
Department of Recreation, Community Celebrations and Park Administration						
Division of Recreation and Park Administration						
Salaries and Wages	122,286.29		122,286.29	4,381.44		117,904.85

TOWNSHIP OF FRANKLIN  
CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance December 31, 2020	Reserve for Encumbrances December 31, 2020	Amount After Modification	Paid Or Charged	Transferred to Accounts Payable	Balance Lapsed
Other Expenses	\$ 51,274.05	\$ 14,392.48	\$ 65,666.53			\$ 65,666.53
UNCLASSIFIED						
Tax Title Lien and Foreclosure						
Other Expenses	37,744.00		37,744.00			37,744.00
Environmental Commission						
Other Expenses	725.00		725.00			725.00
Historical Commission						
Other Expenses	1,000.00		1,000.00			1,000.00
Salary Adjustment	100,000.00		100,000.00			100,000.00
Franklin Township Board of Education - Transp.						
Other Expenses	61,907.26	5,431.44	67,338.70			67,338.70
Franklin Township Board of Education - Officers						
Salaries and Wages	197,946.00		197,946.00			197,946.00
UNIFORM CONSTRUCTION CODE -						
APPROPRIATIONS OFFSET BY DEDICATED						
REVENUES (NJAC 5:23-4.17)						
Code Enforcement						
Salaries and Wages	331,004.60		331,004.60	\$ 6,602.88		324,401.72
Other Expenses	290,368.39	8,539.39	298,907.78	7,862.00		291,045.78
Utilities:						
Gasoline	161,207.81	18,181.42	179,389.23	8,124.45		171,264.78
Telephone	52,819.30	33,129.09	85,948.39	15,548.47	\$ 242.60	70,157.32
Electricity/Heat	45,429.80	92,347.77	137,777.57	75,803.36		61,974.21
Street Lighting	156,690.86	109,032.05	265,722.91	193,145.04		72,577.87
Total Operations Within "CAPS"	4,345,251.81	1,377,110.29	5,722,362.10	1,347,792.69	157,732.71	4,216,836.70
Contingent	2,000.00		2,000.00			2,000.00
Total Operations Including Contingent	4,347,251.81	1,377,110.29	5,724,362.10	1,347,792.69	157,732.71	4,218,836.70
Deferred Charges and Statutory Expenditures -						
Municipal Within "CAPS"						
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System	85,204.80		85,204.80	15,131.08		70,073.72
Total Deferred Charges and Statutory						
Expend. Municipal Within "CAPS"	85,204.80		85,204.80	15,131.08		70,073.72
Total General Appropriations for						
Municipal Purposes Within "CAPS"	4,432,456.61	1,377,110.29	5,809,566.90	1,362,923.77	157,732.71	4,288,910.42
Operations Excluded from "CAPS":						
Interlocal Municipal Service Agreements:						

TOWNSHIP OF FRANKLIN  
CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance December 31, 2020	Reserve for Encumbrances December 31, 2020	Amount After Modification	Paid Or Charged	Transferred to Accounts Payable	Balance Lapsed
Franklin Township Board Of Education- Transportation	926.49		926.49	249.54		676.95
Salaries and Wages				714.37		(714.37)
Other Expenses						
Franklin Township Board Of Education- Police	484.84		484.84			484.84
Salaries and Wages						
Senior Transportation						
Other Expenses	0.20	\$ 64,063.35	64,063.55			64,063.55
Somerset County - Board of Health Services Other Expenses			567,475.00			567,475.00
Total Interlocal Municipal Service Agreements - Excluded from "CAPS"	588,886.53	64,063.35	632,949.88	963.91		631,985.97
<b>PUBLIC AND PRIVATE PROGRAMS</b>						
<b>OFFSET BY REVENUES:</b>						
Matching Funds	12,654.39		12,654.39			12,654.39
Total Public and Private Programs Offset by Revenues - Excluded from "CAPS"	12,654.39		12,654.39			12,654.39
Total Operations - Excluded from "CAPS"	581,540.92	64,063.35	645,604.27	963.91		644,640.36
<b>Capital Improvements - Excluded from "CAPS"</b>						
Engineering						
Road Resurfacing 2020	469,771.10	383,497.29	853,268.39	830,423.59	\$ 22,844.80	(0.00)
Information and Technology Computer/Printer/Server	336,459.70	54,287.13	390,746.83	321,495.06	69,251.77	23,818.60
Digital Signs	13,145.96	14,347.64	27,493.60	3,675.00		596,790.00
Sidewalk Improvements	750,000.00		750,000.00		153,210.00	1,300.00
Police OEM	1,300.00		1,300.00			8,910.00
Fire OEM	8,910.00		8,910.00			100,000.00
Crackseal Program Municipal Building	16,903.00	16,170.00	33,073.00		16,170.00	16,903.00
HVAC Controller						
Total Capital Improvements - Excluded from "CAPS"	1,696,489.76	468,302.06	2,164,791.82	1,155,593.65	261,476.57	747,721.60
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,278,030.68	532,365.41	2,810,396.09	1,156,557.56	261,476.57	1,392,361.96
Total General Appropriations	\$ 6,710,487.29	\$ 1,909,475.70	\$ 8,619,962.99	\$ 2,519,481.33	\$ 419,209.28	\$ 5,681,272.38

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TOWNSHIP OF FRANKLIN  
GRANT FUND

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2021

Account Number	BUDGET YEAR	GRANTS	BALANCE DEC. 31, 2020	2021 BUDGET REVENUE REALIZED	CHP 159	CANCELLED	TRANSFERRED FROM UNAPPROPRIATED RESERVES	COLLECTED	BALANCE DEC. 31, 2021
2003-796	SFY 2003	NJ DOT Livable Communities Pilot Program	\$ 100,000.00						\$ 100,000.00
2004-786	SFY 2004	Municipal Open Space Partnership	100,000.00						100,000.00
2004-731		NJ Juvenile Justice Del. Prev. Grant	52,500.00						52,500.00
2007-760	SFY 2007	Recreation Trails Program	50,000.00						50,000.00
2007-779		Historic Preservation Grant	50,000.00						50,000.00
2007-773		Recreation Opportunities Grant	8,262.80						8,262.80
2007-751		Youth Services Commission Grant	1,000.00						1,000.00
2007-752		USTA Tennis	1,000.00						1,000.00
2008-710	SFY 2008	Div. of Highway Safety - Aggressive Driver	100.01						100.01
2008-713		CDBG	27,845.84			\$ (27,845.84)			25,000.00
2008-734		SC Mun. Planning Transit Feasibility	25,000.00						25,000.00
2008-758	SFY 2008	Assoc. of NJ Environ. Commission	8,000.00						8,000.00
2008-768		Youth Athletic Grant	1.65						1.65
2008-785		Public Health Priority Funding	19,888.00						19,888.00
2008-787		Click It or Ticket	200.00						200.00
2008-790		Neighborhood Housing Rehab	178,389.00			(178,389.00)			3,000.00
2008-795		SC Economic Dev. Improv. Prog	3,000.00						9,000.00
2008-799		You Drink, You Drive, You Lose	9,000.00						50,000.00
2008-879		SC Historic Preservation Cultural & Heritage	50,000.00						10,138.00
2009-755	SFY 2009	Pandemic Influenza Planning Grant	10,138.00						3,000.00
2009-881		March of Dimes Healthy Baby	3,000.00						20,345.10
2009-750		NJ DOT Grant	20,345.10						7,000.00
2009-837		Youth Services Competitive Grant	7,000.00						450,000.00
2009-838		Garden State Preservation Trust - Green Acres	450,000.00						6,891.00
2009-855		NJ EDA Hazardous Dis. Site Remediation fund	6,891.00						7,172.78
2009-855		Recreation Opportunities Grant	7,172.78						1,900.00
2009-771		Child Passenger Safety	1,900.00						3,127.00
2009-704		Safe and Secure Communities	3,127.00						319.19
2009-747		Body Armor Replacement Grant	319.19						

TOWNSHIP OF FRANKLIN  
GRANT FUND

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2021

Account Number	BUDGET YEAR	GRANTS	BALANCE DEC. 31, 2020	2021 BUDGET REVENUE REALIZED	CHP 159	CANCELLED	TRANSFERRED FROM UNAPPROPRIATED RESERVES	COLLECTED	BALANCE DEC. 31, 2021
2010-824	SFY 2010	CDBG 09	\$ 134,833.50			\$ (134,833.50)			
2010-552		CDBG 10	113,827.79			(113,827.79)			
2010-855		Recreation Opportunities Grant	2,590.85						\$ 2,590.85
2010-805		NJ Health Assoc. Grant	2,500.00						2,500.00
2010-890		National Scenic Byway Grant-Griggstown House	107,635.53						107,635.53
2010-771		Child Passenger Safety	4,100.00						4,100.00
2010-703		Municipal Alliance Grant	4,793.31						4,793.31
2010-721		Friends of Somerset County Youth	500.00						500.00
2010-768		2009 Youth Athletic Grant	347.75						347.75
2010-731		NJ Juvenile Justice Grant	855.00						855.00
2011-825	SFY 2011	CDBG Program	2,612.65						2,612.65
2011-828		Child Passenger Safety							
2011-841		Ed Byrne Mem. Justice Assistance Grant	1,310.86						1,310.86
2011-703		Juvenile Justice Summer Expansion Grant	63.69						63.69
2011-855		Municipal Alliance Grant	6,577.78						6,577.78
		Recreation Opportunities Grant	1,617.04						1,617.04
2012-859	TY 2011	Over/Limit Under Arrest-2011	400.00						400.00
20120-703	2012	Municipal Alliance Grant	3,702.49						3,702.49
20120-818		Somerset County Cultural Heritage Grant	375.00						375.00
2012-787		Click It or Ticket	4,000.00						4,000.00
20120-825		CDBG 2012	31,705.50			(31,705.50)			
2013-703	2013	Municipal Alliance	6,403.01						6,403.01
2013-855		Recreation Handicapped Grant	3,961.18						3,961.18
2014-855	2014	Recreation Opportunities Grant	53.99						53.99
2014-703		Municipal Alliance Grant	44,038.67						44,038.67
2014-990		NJ History Grant	5,000.00						5,000.00
2014-770		Clean Communities	999.60						999.60
2014-995		Municipal Aid JFK Blvd.	35,385.72						35,385.72
2015-758	2015	Municipal Alliance Grant 14/15	13,077.60						13,077.60



TOWNSHIP OF FRANKLIN  
GRANT FUND

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2021

Account Number	BUDGET YEAR	GRANTS	BALANCE DEC. 31, 2020	2021 BUDGET REVENUE REALIZED	CHP 159	CANCELLED	TRANSFERRED FROM UNAPPROPRIATED RESERVES	COLLECTED	BALANCE DEC. 31, 2021
2015-759		Municipal Alliance Grant 15/16	8,019.83						8,019.83
2015-775		Click It or Ticket	75.00						75.00
2015-996		NJ DOT Grant, JFK Sec. 1	153,750.00						153,750.00
2016-889	2016	Emergency Management Agency Assistance Program	14,816.04						14,816.04
2016-870		Drive Sober or Get Pulled Over	6,000.00						6,000.00
2016-464		Community Development Block Grant (CDBG)	37,174.79			(37,174.79)			
2016-975		NJ Dept of Law & Public Safety - Hazard Mitigation Grant Program							
		Energy Allocation Initiative	115,000.00						115,000.00
2016-759		Municipal Alliance on Alcoholism and Drug Abuse	5,874.50						5,874.50
2016-997		NJ DOT - 2016 Municipal Aid Program							
		JFK Blvd Section 4 Resurfacing Project	75,743.43						75,743.43
2017-759	2017	Municipal Alliance Grant - 2017-18	2,245.44						2,245.44
2017-855		Rec Opportunities Individuals Disab	6,700.00						6,700.00
2017-860		Youth Service Grant	5,000.00						5,000.00
2017-464		2017 CDBG	6,660.39			(6,660.39)			
2018-800	2018	Recycling Tonnage Grant	31,509.00						31,509.00
2018-464		2018 CDBG	17,181.48						17,181.48
2019-464	2019	Community Development Block Grant	133,368.86					62,222.37	71,146.49
2019-997		FY2019 Municipal Aid Program for the Resurfacing of Cottonial Lane Project	330,000.00					330,000.00	
2019-999		FY2020 Municipal Aid Program for the Resurfacing of School House Rd. Project	360,000.00						360,000.00
2019-898/899		Historical Commission Grant - Stoothoff Cornelius Grants	126,305.50						126,305.50
2019-863		Municipal Youth Service Grant - It Pays to Plug In - NJ's Electric Vehicle Charging Grant	12,000.00						12,000.00
2019-759		Municipal Alliance on Alcoholism and Drug Abuse	38,988.30						38,988.30
2020-759	2020	Municipal Alliance on Alcoholism and Drug Abuse	7,282.44					3,185.50	4,096.94
2020-464		CDBG - 2020	273,530.00			217,620.00		327,008.68	164,141.32
2020-030		COVID-19 Grant	160,933.00					49,273.75	111,659.25
2020-861		Somerset Youth Services Comm. - Competitive Grant	4,000.00					4,000.00	4,000.00
2020-860		Somerset Youth Services Commission - Annual Grant	5,000.00					5,000.00	5,000.00
2020-915		Safe and Secure Communities 2020	15,000.00					15,000.00	
2020-916		Safe and Secure Communities 2021	32,400.00						32,400.00
2020-962		Sustainable Jersey Small Grants Program 2020	20,000.00						20,000.00
2021-800	2021	NJ DEP Recycling Tonnage Grant		59,004.59				59,004.59	
2021-885		NJ DDA - Summer Food Service Program			9,945.00			9,024.00	921.00
2021-464		CDBG - 2021			271,864.00				271,864.00
2021-030		CDBG COVID-19 CARES Grant			413,473.00				413,473.00
2021-744		Body Armor Fund		6,638.28				6,638.28	
2021-862		Somerset County Summer Youth Employment			2,400.00				2,400.00
2021-889		EMPG/Emerg. Management Agency Asst. Program		10,000.00				10,000.00	
2021-886		Investors Foundation		2,500.00					
2021-998		NJ DOT 2021 - Belmont		190,000.00					
2021-863		SEP Clean Fleet Elec Vehicle		1,500.00				1,500.00	
2021-960		NJ DCA - Kingston Interconnect Project			500,000.00			500,000.00	
			\$ 3,731,906.88	\$ 269,642.87	\$ 1,197,682.00	\$ (312,816.81)	\$ 2,500.00	\$ 1,381,857.17	\$ 3,502,057.77
			A	A-2, A-12, A-15, A-16	A-2, A-12, A-15	A-1, A-16	A-17	A-4	A

Ref.

TOWNSHIP OF FRANKLIN  
GRANT FUND

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2021

Account Number	BUDGET YEAR/PROGRAM	BALANCE DEC. 31, 2020	ENC. DEC. 31 2020	TRANSFERRED FROM 2021 BUDGET	PAID OR CHARGED	TRANSFERRED/ CANCELLED	ENC DEC. 31 2021	BALANCE DEC. 31, 2021
	SFY 1998	\$						
98-0132	Housing Rehabilitation	655.23						
98-0236	Plans to Realign Parkside & Van Dyke	29,802.99						
	SFY 2003							
3-0279	Somerset County Hamilton St Façade Prog	94,750.00						94,750.00
3-0745	Drunk Driving Enforcement Grant	80.00				(655.23)		
4-0753	Alcohol Education & Rehab.	66.24				(29,802.99)		
4-0807	Somerset County Open Space Negri Tract	100,000.00					80.00	
	SFY 2005							
	USDA NRCS Conservation Negri Tract							
5-0821	Franklin Park Public Water System	5,570.00						5,570.00
	SFY 2005							
5-0727	Neighborhood Preservation Program	32,102.47						32,102.47
5-0873	Youth Services New Initiative Grant	656.79						656.79
5-0752	Junior Tennis USTA Tennis	202.00						202.00
6-0753	Alcohol Ed. & Rehab	150.00						150.00
6-0824	Safe Streets to Schools	40,000.00				(40,000.00)		
6-0000	CDBG Program	1,623.58				(1,623.58)		
6-0002	CDBG Franklin Inn Acquisition	120,280.00				(120,280.00)		
6-0826	Historic Preservation Program	7,334.88						7,334.88
6-0752	USTA Tennis Grant	500.00						500.00
6-0867	NJ Dot Hamilton Streetscape	3,577.40						3,577.40
6-0703	Municipal Alliance	9,906.25						9,906.25
6-0873	Youth Services Commission Annual Grant	1,214.36						1,214.36
	SFY 2007							
7-0780	Recreation Trails Program	50,000.00						50,000.00
7-0704	Safe and Secure Communities	120,000.00						120,000.00
7-0779	Historic Preservation Grant	100,000.00						100,000.00
7-0795	Economic Dev. Incentive Grant	8,976.00						8,976.00
7-0876	You Drink, You Drive, You Lose	250.00						250.00
7-0727	NPP Grant	54,958.02						54,958.02
7-0749	Family Planning Services	9,245.00						9,245.00
7-0272	Farm Fresh Grant	900.00						900.00
7-0773	Recreation for Individuals with Disabilities	3,193.00						3,193.00
7-0703	Municipal Alliance	1,436.05						1,436.05
7-0874	Public Health Priority Funding	2,436.01						2,436.01
7-0875	Youth Services Mini Grant	29.42						29.42
7-0752	USTA Tennis Grant	26.69						26.69
7-0713	CDBG Program	37,385.00				(37,385.00)		
	SFY 2008							
8-0703	Municipal Alliance	6,226.55						6,226.55
8-0708	Youth Services Commission Annual Grant	355.75						355.75
7-0711	SCYSC Competitive	25.32						25.32
8-0721	Friends of Somerset County Youth	323.84						323.84
8-0722	Youth Athletic Grant	1,010.00						1,010.00
8-0723	Neighborhood Housing Rehab	111,006.06						111,006.06
8-0725	Somerset County Mun. Planning Transit Feasibility	25,000.00						25,000.00
8-0749	NJ Dept. of Health Family Planning Grant	5,920.87						5,920.87
8-0755	Div. of Highway Safety Aggressive Driver	19,300.00						19,300.00
8-0760	Public Health Priority Funding	3,899.34						3,899.34

TOWNSHIP OF FRANKLIN  
GRANT FUND  
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2021

Account	BALANCE DEC. 31, 2020	ENC. DEC. 31 2020	TRANSFERRED FROM 2021 BUDGET	PAID OR CHARGED	TRANSFERRED/ CANCELLED	ENC DEC. 31 2021	BALANCE DEC. 31, 2021
	\$ 2,049.97						\$ 2,049.97
8-0760 Public Health Priority Funding	3,000.00						3,000.00
8-0795 SC Economic Dev. Improv. Program	11,000.00						11,000.00
8-0799 You Drink, You Drive, You Lose	86.00						86.00
8-0801 Youth Athletic Grant-2006	560.00						560.00
8-0823 Planning Partnership Ecotourism Plan	500.00						500.00
8-0834 Forestry Mgt. Green Communities	5,000.00						5,000.00
8-0858 Over the Limit Under Arrest	18,368.27						18,368.27
8-0879 SC Historic Preservation Grant							
SFY 2009							
8-0840 Pandemic Influenza Planning Grant	2,546.31						2,546.31
9-0703 Municipal Alliance	10,310.00						10,310.00
9-0798 Municipal Stormwater Management	51,150.00						51,150.00
9-0836 NJ Historic Trust - Franklin Inn	2,055.96						2,055.96
9-0765 Public Health Priority Funding	1.65						1.65
9-0801 Youth Athletic Grant	3,000.00						3,000.00
9-0766 March of Dimes Healthy Baby	150,000.00						150,000.00
9-0881 NJ DOT Grant Matilda Ave.	500.00						500.00
9-0721 Friends of Somerset County Youth	450,000.00						450,000.00
9-0837 Garden State Preservation Trust Green Acres	75,802.00						75,802.00
9-0838 NJEDA Hazardous Dis. Site Remediation Fund	1,268.95						1,268.95
9-0855 Recreation Opportunities Grant	117,705.00						117,705.00
9-0704 Safe and Secure Communities							
SFY 2010							
10-0824 CDBG Grant - Program Year 2008	14,282.41			\$ 559.25	\$ (14,282.41)	\$ 108.00	491.83
10-0745 Drunk Driving Enforcement Grant	1,159.08						59.85
10-0765 Public Health Priority Funding	59.85						
CDBG Grant - Program Year 2010	24,584.94						
10-0761 CDBG Grant - Program Year 2010	2,500.00						2,500.00
10-0727 NJ Health Assoc. Grant	42,032.47						42,032.47
10-0897 NPP 06.08.09	77,128.84						77,128.84
10-0703 National Scenic Byway Grant-Griggstown House	12,739.34						12,739.34
10-0855 Municipal Alliance Grant	9,858.16						9,858.16
10-0858 Recreation for Individuals with Disabilities	5,000.00						5,000.00
10-0706 Over the Limit Under Arrest	8,000.00						8,000.00
10-0704 Smart Growth Grant	58,127.00						58,127.00
10-0721 Safe and Secure Communities	312.50						312.50
10-0801 Friends of Somerset County Youth	347.75						347.75
10-0731 2009 Youth Athletic Grant	962.72						962.72
10-0898 Summer Expansion Grant Program-JJ	7,381.77						7,381.77
10-0908 Historic Preservation Grant-Cornelius Stoofoff House	36,319.00						36,319.00
Green Acres - Middlebush Park Improvements							
SFY 2011							
11-0825 CDBG Program	27,402.99						(27,402.99)
11-0721 Friends of Somerset County Youth	283.96						283.96
11-0777 JAG Edward J. Byrne	262.22						262.22
11-0776 Recreation Trails Program	25,000.00						25,000.00
11-0898 NJ Historic Trust Stoofoff/Cornelius	33,805.50						33,805.50
11-0708 SCYS Annual Grant	39.71						39.71
11-0711 SCYS Competitive Grant	1,000.00						1,000.00
11-0841 Juvenile Justice Summer Expansion Grant	63.69						63.69
11-0703 Municipal Alliance Grant	7,139.04						7,139.04
11-0855 Recreation Opportunities Grant	863.32						863.32
TY 2011							

TOWNSHIP OF FRANKLIN  
GRANT FUND

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2021

Account	BALANCE DEC. 31, 2020	ENC. DEC. 31 2020	TRANSFERRED FROM 2021 BUDGET	Paid OR CHARGED	TRANSFERRED/ CANCELLED	ENC DEC. 31 2021	BALANCE DEC. 31, 2021
12-0745	\$ 7,393.08	\$ 184.40		\$ 184.40			\$ 7,393.08
2012							
12-0825	35,614.39						
12-0858	400.00						400.00
12-0859	4,400.00						4,400.00
12-0703	16,909.03						16,909.03
12-0818	1,116.64						1,116.64
12-0787	4,000.00						4,000.00
12-8025	56,469.14						
2013							
13-0703	3,296.77						3,296.77
13-0344	198.76						198.76
13-8025	15,782.30						
13-0750		702.25		702.25			
13-0862	616.40						616.40
2014							
14-0344	867.05						867.05
14-0703	6,331.01						6,331.01
14-0770	3,888.19						
14-8025	30,000.00						30,000.00
14-0995		8,051.82		8,051.82			
2015							
15-0758	46,302.07						46,302.07
15-0758	6,296.13						6,296.13
15-0770		380.50		380.50			
15-0775	75.00						75.00
15-0800	42,606.66						42,606.66
15-0800	59,249.52						59,249.52
15-0886	21.12						21.12
15-0898	43,875.00						43,875.00
15-0995	175,000.00						175,000.00
15-0996	205,000.00						205,000.00
15-0998	995.53						995.53
2016							
16-0998	966.90						966.90
16-0867	2,220.94						2,220.94
16-8025	27,707.98						
16-0758	4,842.06						4,842.06
16-0770	70,391.63						70,391.63
16-0886	4,931.78						4,931.78
16-0775	3,185.00						3,185.00
2017							
17-8025	11,617.51						11,617.51
17-0770	123,063.94						123,063.94
17-0344	4,262.73						4,262.73
17-0860	1.38						1.38
17-0998	1,222.46						1,222.46
17-0758	8,662.37						8,662.37
2018							
18-0758	7,559.15						7,559.15
18-0886	5,000.00						5,000.00
18-0860	0.02						0.02

TOWNSHIP OF FRANKLIN  
GRANT FUND

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2021

Account		BALANCE DEC. 31, 2020	ENC. DEC. 31 2020	TRANSFERRED FROM 2021 BUDGET	PAID OR CHARGED	TRANSFERRED/ CANCELLED	ENC DEC. 31 2021	BALANCE DEC. 31, 2021
18-0770	NJDEP - Clean Communities Grant	\$ 119,405.64						\$ 119,405.64
18-8025	Community Development Block Grant (CDBG)	2,469.48	\$ 870.00					3,339.48
	2019							
19-0800	Recycling Tonnage Grant	54,676.00			\$ 54,676.45			0.00
19-0744	Body Armor Fund	2,568.24			1,077.45			1,490.79
19-0770	Clean Communities Program	136,272.48						136,272.48
19-8025	Community Development Block Grant	69,700.50	15,839.33		10,589.00		\$ 20,100.00	54,850.83
19-0997	FY2019 Municipal Aid Program for the Resurfacing of Cottontail Lane Project	330,000.00			330,000.00			
19-0999	FY2020 Municipal Aid Program for the Resurfacing of School House Rd. Project	360,000.00						360,000.00
19-0898	Historical Commission Grant - Stoothoff Cornelius Grants							
19-0886	Investors Foundation Grant	4,573.75						4,573.75
19-0863	It Pays to Plug In - NJ's Electric Vehicle Charging Grant	12,000.00						12,000.00
19-0759	Municipal Alliance on Alcoholism and Drug Abuse	49,707.38						49,707.38
19-0861	Municipal Youth Service Grant - Somerset County Youth Services Competitive Grant		4,000.00		2,604.87			1,395.13
19-0918	Safe & Secure Communities Grant SFY 2018	17,101.04			17,101.04			
19-0919	Safe & Secure Communities Grant SFY 2019	60,000.00			60,000.00			
19-0860	Somerset County Youth Services Annual Grant	3,369.29			541.46			2,827.83
19-0862	Sustainable Jersey Small Grants Program	1,825.00	75.00				75.00	1,825.00
	2020							
20-0800	Recycling Tonnage Grant	62,971.53						30,247.22
20-8025	CDBG Grant	207,333.80	30,361.21		342,911.76	217,620.00		60,476.29
20-8030	CDBG COVID-19 Grant	160,933.00			122,717.67			38,215.33
20-0770	NJDEP - Clean Communities Grant	122,873.09						122,873.09
20-0860	Youth Services Annual Grant (Somerset County)	5,000.00			2,153.55			2,846.45
20-0861	Youth Services Annual Grant (Somerset County Competitive)	4,000.00					930.27	4,000.00
20-0759	2019-2020 Municipal Alliance Grant	9,103.05			2,859.17			5,313.61
20-0915	Safe & Secure Communities Grant 2020	15,000.00			15,000.00			
20-0916	Safe & Secure Communities Grant 2021	32,400.00						32,400.00
20-0862	Sustainable Jersey Small Grants Program 2020	20,000.00			7,500.00		10,000.00	2,500.00
	2021							
21-0800	NJ DEP Recycling Tonnage Grant			\$ 59,004.59				59,004.59
21-0885	NJ DCA - Summer Food Service Program			9,945.00	4,413.30		3,597.95	1,933.75
21-8025	CDBG - 2021			271,864.00	14,746.10		203,164.38	53,953.52
21-8030	CDBG COVID-19 CARES Grant			413,473.00				413,473.00
21-0744	BodyArmor Fund			6,638.28	5,724.95			913.33
21-0862	Somerset County Summer Youth Employment			2,400.00				2,400.00
21-0889	EMPG/Emerg. Management Agency Asst. Program			10,000.00	10,000.00			
21-0886	Investors Foundation			2,500.00				2,500.00
21-0998	NJ DOT 2021 - Belmont			190,000.00				190,000.00
21-0863	SEP Clean Fleet Elec Vehicle			1,500.00				1,500.00
21-0960	NJ DCA - Kingston Interconnect Project			500,000.00				500,000.00
		\$ 5,217,558.39	\$ 74,003.65	\$ 1,467,324.87	\$ 1,090,494.00	\$ (272,082.86)	\$ 334,150.98	\$ 5,062,159.07
		A	A	A-12, A-14	A-4	A-1, A-16	A	A

Ref.

TOWNSHIP OF FRANKLIN  
GRANT FUND

A-16

SCHEDULE OF INTERFUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>RECREATION FUND</u>	<u>TRUST- OTHER FUND</u>
Balance -Dec. 31, 2020		\$ 455,721.57	\$ (10,158.77)	\$ 468,500.00	\$ 50.34	\$ (2,670.00)
Due From	A	(12,828.77)	\$ (10,158.77)	\$ -		\$ (2,670.00)
Due To	A	468,550.34	\$ -	\$ 468,500.00	\$ 50.34	\$ -
Increased by:						
Grant Revenue Realized	A-14	1,467,324.87	1,467,324.87			
Funds Received (Net)	A-4	5,052.02	5,052.02			
Grants Cancelled	A-14, A-15	272,082.86	272,082.86			
		1,744,459.75	1,744,459.75	-	-	-
Decreased by:						
Grants Cancelled	A-14	312,816.81	312,816.81			
Grants Appropriated	A-15	1,467,324.87	1,467,324.87			
		1,780,141.68	1,780,141.68	-	-	-
Balance -Dec. 31, 2021		\$ 420,039.64	\$ (45,840.70)	\$ 468,500.00	\$ 50.34	\$ (2,670.00)
Due From	A	\$ (48,510.70)	\$ (45,840.70)	\$ -		\$ (2,670.00)
Due To	A	\$ 468,550.34	\$ -	\$ 468,500.00	\$ 50.34	\$ -

TOWNSHIP OF FRANKLIN  
GRANT FUND

A-17

SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Cash</u> <u>Receipts</u>	<u>Transferred</u> <u>to</u> <u>Grants Receivable</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Investors Foundation	\$ 2,500.00		\$ 2,500.00	
Clean Communities		\$ 131,996.91		\$ 131,996.91
2021 American Rescue Plan		3,867,598.50		3,867,598.50
	<u>\$ 2,500.00</u>	<u>\$ 3,999,595.41</u>	<u>\$ 2,500.00</u>	<u>\$ 3,999,595.41</u>
<u>Ref.</u>	A	A-4	A-14	A

TOWNSHIP OF FRANKLIN  
TRUST FUND

SCHEDULE OF ANALYSIS OF TRUST ASSESSMENT CASH AND INVESTMENTS  
FOR YEAR ENDED DECEMBER 31, 2021

	Balance <u>December 31, 2020</u>	Cash <u>Receipts</u>	Balance <u>December 31, 2021</u>
Fund Balance	<u>\$ 805,370.74</u>	<u>\$ 2,187.02</u>	<u>\$ 807,557.76</u>
	<u>\$ 805,370.74</u>	<u>\$ 2,187.02</u>	<u>\$ 807,557.76</u>
<u>Ref.</u>	B	B-1	B



TOWNSHIP OF FRANKLIN  
TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Confirmation Date</u>	<u>Due Dates</u>	<u>Balance December 31, 2020</u>	<u>Cancelled</u>	<u>Balance December 31, 2021</u>
Improv. to Sanitary Sewer Sys.	882	4/18/85	6/18/85-94	\$ 110,372.23	\$ (110,372.23)	\$ -
Constr. of Raritan Brook Sewer	992	1/10/85	4/11/85-94	<u>11,794.62</u>	<u>(11,794.62)</u>	<u>-</u>
				<u>\$ 122,166.85</u>	<u>\$ (122,166.85)</u>	<u>\$ -</u>
			<u>Ref.</u>	B	B-4	B

TOWNSHIP OF FRANKLIN  
TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Improvement Description</u>	<u>Ordinance Number</u>	Balance December 31, <u>2020</u>	<u>Cancelled</u>	Balance December 31, <u>2021</u>
Assessments and Liens:				
Improv. to the Sanitary Sewer System	882	\$ 110,372.23	\$ (110,372.23)	\$ -
Constr. of Raritan Brook Sewer	992	<u>11,794.62</u>	<u>(11,794.62)</u>	<u>-</u>
		<u>\$ 122,166.85</u>	<u>\$ (122,166.85)</u>	<u>\$ -</u>
	<u>Ref.</u>	B	B-3	B

TOWNSHIP OF FRANKLIN  
ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	B	\$	258,260.30
Increased by:			
Dog license fees collected		\$	28,927.40
Budget appropriation			30,179.85
Shelter Fees / Donations / Other Fees			12,051.20
	B-6		71,158.45
			329,418.75
Decreased by:			
Expenditures under R.S. 4:19-15.11:			
Cash disbursed	B-6		94,833.35
Balance, December 31, 2021	B, Below	\$	234,585.40

**Maximum Reserve Calculation**

License fees collected:			
2020		\$	260,978.45
2019			117,529.52
	Above	\$	378,507.97

TOWNSHIP OF FRANKLIN  
ANIMAL CONTROL FUND

SCHEDULE OF SPECIAL ACCOUNT BALANCE CALCULATION  
FOR THE YEAR ENDED DECEMBER 31, 2021

B-5  
Sheet #2

Footnote: R.S. 4:19-15.11

" ..... there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next proceeding."

	<u>Year</u>	<u>Ref.</u>	<u>Amount</u>
	2020		\$ 260,978.45
	2019		117,529.52
			\$ 378,507.97
Animal Control Balance - December 31, 2021 (before adjustment)			\$ 234,585.40
Animal Control Balance - December 31, 2021		B	\$ 234,585.40

TOWNSHIP OF FRANKLIN  
TRUST FUNDS

B - 6  
Sheet # 1

SCHEDULE OF CASH AND RESERVE ACTIVITY  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance	Cash		Adjustments	Balance
	December 31, 2020	Receipts	Disbursements		December 31, 2021
<b>Assessment Trust:</b>					
Assessments Receivable	\$ (122,166.85)			\$ 122,166.85	
Reserve for Assessments	122,166.85			(122,166.85)	
Assessment Fund Balance	<u>805,370.74</u>	<u>\$ 2,187.02</u>			<u>\$ 807,557.76</u>
Total	<u>805,370.74</u>	<u>2,187.02</u>		<u>-</u>	<u>807,557.76</u>
<b>Animal Control:</b>					
Due (from)/to Current Fund	141,929.19				141,929.19
Due NJ - State License Fees	133.80	3,201.60	\$ (3,201.60)		133.80
Reserve for Encumbrances	3,210.00				3,210.00
Animal Control Reserves	<u>258,260.30</u>	<u>71,158.45</u>	<u>(94,833.35)</u>		<u>234,585.40</u>
Total	<u>403,533.29</u>	<u>74,360.05</u>	<u>(98,034.95)</u>		<u>379,858.39</u>
<b>Trust - Other Funds:</b>					
Escrow Funds and Reserves	14,280,065.96	7,793,212.29	(7,763,495.56)	(14,111.82)	14,295,670.87
Due (from)/to Current Fund	568,411.94	18,641.92			587,053.86
Due (from)/to Grant Fund	2,670.00				2,670.00
Reserve for Encumbrances	<u>33,707.82</u>			<u>14,111.82</u>	<u>47,819.64</u>
Total	<u>14,884,855.72</u>	<u>7,811,854.21</u>	<u>(7,763,495.56)</u>	<u>-</u>	<u>14,933,214.37</u>
<b>Unemployment Insurance Trust:</b>					
Unemployment Benefits Reserve	<u>1,153,904.42</u>	<u>1,656.05</u>	<u>(25,687.97)</u>		<u>1,129,872.50</u>
Total	<u>1,153,904.42</u>	<u>1,656.05</u>	<u>(25,687.97)</u>		<u>1,129,872.50</u>
<b>Self Insurance Trust Fund:</b>					
Other Insurance Reserves	681,678.27	63,324.91	(120,483.18)		624,520.00
Due (from)/to Current Fund	35,468.02	1,892.47			37,360.49
Environmental Protection	99,753.77				99,753.77
Reserve for Other Insurance	670.57				670.57
Reserve for Vehicle Accident	23,104.91				23,104.91
LOSAP	<u>577,419.36</u>				<u>577,419.36</u>
Total	<u>1,418,094.90</u>	<u>65,217.38</u>	<u>(120,483.18)</u>		<u>1,362,829.10</u>
<b>Open Space Trust Fund:</b>					
Open Space Trust Reserve	3,457,269.34	5,786,653.79	(4,858,362.04)	312,355.26	4,697,916.35
Due (from)/to Current Fund	485,196.00				485,196.00
Due (from)/to General Capital	(3,575.85)			(237,627.13)	(241,202.98)
Due (from)/to Water Operating	4,728,584.07	13,565.87			4,742,149.94
Accounts Payable	1,864.15				1,864.15
Deferred Charges - Funded	(9,220,000.00)			1,985,000.00	(7,235,000.00)
Serial Bonds Payable	9,220,000.00			(1,985,000.00)	7,235,000.00
Reserve for Encumbrances	<u>330,100.83</u>			<u>(74,728.13)</u>	<u>255,372.70</u>
Total	<u>8,999,438.54</u>	<u>5,800,219.66</u>	<u>(4,858,362.04)</u>		<u>9,941,296.16</u>
<b>Workers Compensation Trust:</b>					
Workers' Compensation Reserve	1,062,448.90	194,525.79	(82,542.77)		1,174,431.92
Due (from)/to Current Fund	<u>1,615.39</u>				<u>1,615.39</u>
Total	<u>1,064,064.29</u>	<u>194,525.79</u>	<u>(82,542.77)</u>		<u>1,176,047.31</u>

TOWNSHIP OF FRANKLIN  
TRUST FUNDS

B - 6  
Sheet # 2

SCHEDULE OF CASH AND RESERVE ACTIVITY  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance	Cash		Adjustments	Balance
	December 31, 2020	Receipts	Disbursements		December 31, 2021
Recreation					
Recreation Programs	\$ 705,779.39	\$ 156,502.53	\$ (228,938.38)		\$ 633,343.54
Due (from)/to Current Fund	31,532.86	1,059.42			32,592.28
Due (from)/to Grant Fund	(50.34)				(50.34)
Reserve for Encumbrances	69,024.79				69,024.79
<b>Total</b>	<b>806,286.70</b>	<b>157,561.95</b>	<b>(228,938.38)</b>		<b>734,910.27</b>
Developers' Escrow					
Developers' Escrows (Net Activity)	1,810,859.07	50,286.89			1,861,145.96
<b>Total</b>	<b>1,810,859.07</b>	<b>50,286.89</b>			<b>1,861,145.96</b>
Historical Preservation Trust:					
Historical Preservation Reserve.	163,270.80	237.89			163,508.69
<b>Total</b>	<b>163,270.80</b>	<b>237.89</b>			<b>163,508.69</b>
Tax Collector's Trust:					
Tax Sale Account (Net)	6,881.89	4,642,708.77	(4,640,644.22)	\$ (2,000.00)	6,946.44
Premiums Received at Tax Sale (Net)	4,168,000.00	2,543,300.00	(2,958,000.00)	2,000.00	3,755,300.00
<b>Total</b>	<b>4,174,881.89</b>	<b>7,186,008.77</b>	<b>(7,598,644.22)</b>	<b>-</b>	<b>3,762,246.44</b>
Payroll and Payroll Agency:					
Payroll & Deductions Payable (Net)	1,362,992.76	48,749,126.96	(48,615,589.72)		1,496,530.00
Due (from)/to Current Fund	82,727.91	2,282.30			85,010.21
<b>Total</b>	<b>1,445,720.67</b>	<b>48,751,409.26</b>	<b>(48,615,589.72)</b>		<b>1,581,540.21</b>
Affordable Housing Trust Fund:					
Reserve of Affordable Housing	9,543,425.65	1,233,107.49	(207,222.68)		10,569,310.46
<b>Total</b>	<b>9,543,425.65</b>	<b>1,233,107.49</b>	<b>(207,222.68)</b>		<b>10,569,310.46</b>
Flexible Spending Account:					
Reserve for Flexible Spending	27,625.82	28,030.61	(28,291.82)		27,364.61
<b>Total</b>	<b>27,625.82</b>	<b>28,030.61</b>	<b>(28,291.82)</b>		<b>27,364.61</b>
Police Forfeiture Fund:					
Reserve for Police Forfeiture	157,402.06	130,259.49	(18,099.60)		269,561.95
<b>Total</b>	<b>157,402.06</b>	<b>130,259.49</b>	<b>(18,099.60)</b>		<b>269,561.95</b>
<b>Total</b>	<b>\$ 46,858,734.56</b>	<b>\$ 71,486,922.51</b>	<b>\$ (69,645,392.89)</b>	<b>\$ -</b>	<b>\$ 48,700,264.18</b>

Ref. B

B

TOWNSHIP OF FRANKLIN  
OPEN SPACE TRUST FUND

SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance December 31, 2020</u>	<u>Decreased</u>	<u>Balance December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Refunding Bonds, Open Space - Series 2014	7/1/2014	\$ 6,795,000.00	1/15/2022	\$ 1,135,000.00	4.000%	\$ 2,270,000.00	\$ 1,135,000.00	\$ 1,135,000.00
Open Space - Series 2014	11/1/2014	3,560,000.00	11/1/2022	250,000.00	2.000%	2,250,000.00	250,000.00	2,000,000.00
			11/1/2023	250,000.00	2.125%			
			11/1/2024	250,000.00	2.250%			
			11/1/2025	250,000.00	2.500%			
			11/1/2026	250,000.00	3.000%			
			11/1/2027	250,000.00	3.000%			
			11/1/2028	250,000.00	3.000%			
			11/1/2029	250,000.00	3.000%			
Open Space - Series 2017	12/20/2017	6,500,000.00	12/15/2022	600,000.00	3.000%	4,700,000.00	600,000.00	4,100,000.00
			12/15/2023	500,000.00	3.000%			
			12/15/2024	500,000.00	4.000%			
			12/15/2025	400,000.00	4.000%			
			12/15/2026	300,000.00	3.000%			
			12/15/2027	300,000.00	2.125%			
			12/15/2028	300,000.00	3.000%			
			12/15/2029	300,000.00	3.000%			
			12/15/1920	300,000.00	3.000%			
			12/15/2031	300,000.00	3.000%			
			12/15/2032	300,000.00	3.000%			
						B	B-6	B
<u>Ref.</u>								

TOWNSHIP OF FRANKLIN  
TRUST FUNDS

SCHEDULE OF ESCROW FUND DEPOSITS AND RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021

B-8

Acct. No.	Purpose	Balance		Encumbrances		Increases		Decreases		Encumbrances		Balance	
		December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021
801	CDBG Housing Rehab	\$ 70,995.52	\$ 20,403.00	\$ 48,297.00	\$ 9,403.00								119,542.52
802	Water Meters	156,854.16		59,150.00	49,758.79								166,245.37
803	Street Openings	441,249.25		94,223.28	9,002.50								526,470.03
804	Site Plan Performance	1,210,703.66		244,555.68	56,195.50								1,399,063.84
805	Surety Cash	126,670.20		36,900.43	13,230.00								150,340.63
806	Monument Monies	81,760.00											112,210.00
807	Special Events - Clerk's Office	7,450.00											7,450.00
808	Maintenance Guarantees	275,527.79											275,527.79
809	Parkland Dedication	362,471.13											362,471.13
810	Infrastructure Improvements	54,174.50											54,174.50
811	Outside Jobs	920,991.42	147.38	482,953.10	466,540.08								937,551.82
802-803	Reserve Private Developer Donation	359,124.09											359,124.09
812	Storm Recovery Reserve	754,779.33	2,561.87	554,057.95	958,118.53								353,280.62
813	Accumulated Sick and Vacation	2,070,964.39	180.56	900,000.00	1,292,329.19					180.56			1,678,635.20
815	Off-Tract	178,521.94											178,521.94
816	Parkland Canal Walk LLC	233,259.40											233,259.40
817	NPP Housing	600.00											600.00
824	Veterans Memorial	9,165.59											9,165.59
827	Escrow Miscellaneous	87,866.71											87,866.71
828	Booster Station	5,346.44											5,346.44
829	Summer Child Care	597.75			597.75								
830	Community Resource Donation	4.51			4.51								
832	Community Resource Trips	237.03			237.03								
834	Tree Planting	209,150.18	40.00	69,750.00	1,531.60					12,782.00			284,626.58
836	Dental & Medical CoPay	5,921,556.94		3,537,350.23	3,340,000.00								6,118,907.17
837	Bid Security	106,232.77											106,232.77
838	POAA	3,247.29											
839	Public Defender Fees	6,010.19											
840	Fire Prevention	9,310.65	5,583.33	300.00	2,094.92					80.04			1,372.33
841	Penalty Fire District 1	2,401.71		38,580.00	30,549.96					5,983.33			13,640.23
842	Penalty Fire District 2	9,087.50		5,000.00						593.60			13,717.05
843	Penalty Fire District 3	4,050.00		200.00									2,701.71
844	Penalty Fire District 4	315.67											9,287.50
845	Uniform Fire Safety Penalty	88,624.35											4,050.00
847	Bullet Proof Vests	870.13	3,192.18	29,543.00	17,172.21					13,960.62			90,226.70
850	Defibrillator Donations	2,459.12											870.13
853	Community Relations Bureau	42,344.43		10,000.00									2,459.12
854	Insurance Fund Evidence	232.12		80,000.00	80,000.00								10,000.00
855	Surety Default - Wilson	400.00											42,344.43
855	Soil Improvement Bond	400.00											232.12
859	Police Non Evidence Monies	12,111.07		7,559.96	5,669.97					1,889.99			400.00
860	Bond and Coupon Account	2,488.17											12,111.07
861	Public Assistance Indent Burials	75,935.50											2,488.17
862	Parking Improvements Payments in Lieu	220,231.25											75,935.50
863	Payments in Lieu Sidewalk Improvement	16,056.00											220,231.25
864	Special Master Fee - Petition Judgment	1,000.00											16,056.00
865	Canal Walk in Lieu of Bikepath Constr.	62,600.00	1,599.50							1,599.50			1,000.00
57-811	Jobs 4 Blue	74,036.11		1,287,401.86	1,154,420.22								62,600.00
		\$ 14,280,065.96	\$ 33,707.82	\$ 7,516,572.49	\$ 7,486,955.76					\$ 47,819.64			\$ 14,295,670.87

Ref.



TOWNSHIP OF FRANKLIN  
GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH AND INVESTMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance -December 31, 2020	C	\$ 13,319,800.59
Increased by Receipts:		
Interfunds	C-7	<u>1,585,718.33</u>
		14,905,518.92
Decreased by Disbursements:		
Improvement Authorizations	C-8	<u>8,263,859.63</u>
Balance -December 31, 2021	C	<u><u>\$ 6,641,659.29</u></u>

TOWNSHIP OF FRANKLIN  
GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS  
DECEMBER 31, 2021 AND 2020

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>
Fund Balance	\$ 84,218.52	\$ 69,246.96
Capital Improvement Fund	112,592.74	122,689.74
Improvement Authorizations Funded	10,605,197.56	12,410,516.26
Improvement Authorizations Expended - Not Funded	(6,127,584.27)	(2,381,414.33)
Various Receivables	(59,756.24)	(59,756.24)
Interfunds Receivable	(3,026,512.17)	(2,837,986.74)
Reserve for Encumbrances	3,804,723.05	4,659,712.71
Interfunds Payable	241,202.98	3,575.85
Various Reserves	<u>1,007,577.12</u>	<u>1,333,216.38</u>
	<u>\$ 6,641,659.29</u>	<u>\$ 13,319,800.59</u>
<u>Ref.</u>	C	C

TOWNSHIP OF FRANKLIN  
GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS GRANTS AND OTHER RECEIVABLES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u> <u>December 31,</u> <u>2021 and 2020</u>
Receivables:	
NJ Dot Grant Ord. 3602	\$ 3,577.40
State of NJ DOT - Jacques Lane	<u>56,178.84</u>
	<u>\$ 59,756.24</u>
<u>Ref.</u>	C

TOWNSHIP OF FRANKLIN  
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Total</u>	<u>Serial Bonds</u>	<u>Energy Lease</u>
Balance - December 31, 2020	C	\$ 35,512,736.52	\$ 34,935,000.00	\$ 577,736.52
Decreased by:				
Budget Appropriations to Pay Debt	C-9, C-10	2,224,692.27	2,140,000.00	84,692.27
Balance - December 31, 2021	C	<u>\$ 33,288,044.25</u>	<u>\$ 32,795,000.00</u>	<u>\$ 493,044.25</u>

TOWNSHIP OF FRANKLIN  
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2021

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2020	AUTHORIZED 2021	FUNDED BY RESERVES	CANCELLED	BALANCE DEC. 31, 2021	EXPENDITURES	ANALYSIS OF BALANCE - DEC. 31, 2021	
								UNEXPENDED BAL. OF	IMPR. AUTH.
	General Improvements								
3811	2009 Road Overlay Program	\$ 47,287.06			\$	47,287.06	\$ 47,287.06		
3819	Repaving of Municipal Parking Lot	18,726.85				18,726.85	18,726.85		
3822	Various Capital Improvements - FY2009	96,698.05				96,698.05	33,727.43	\$ 62,970.62	
3922-11	New Telephone System (Amended)	2.92				2.92	2.92		
3981	Various Technology Improvements	23,566.68				23,566.68	23,566.68		
3982	2012 Road Resurfacing Program	6.96				6.96	6.96		
4026	2013 Road Overlay Program	107.88				107.88	107.88		
4029	Improvements to Middlebush Park	250.00				250.00		250.00	
4062	2014 Road Resurfacing Program	35,000.00				35,000.00	35,000.00		
4063	Various Capital Improvements	66,924.18				66,924.18	66,924.18		
4108	Various Capital Improvements - 2015	266,454.16			\$ 455.59	265,998.57			
4140	Various Capital Improvements - 2016	639,078.00		\$ 325,639.26		313,438.74	179,958.35	265,998.57	133,480.39
4141	2016 Road Resurfacing Program	12,000.00			35.26	11,964.74	33.31	11,931.43	
4142	Improv. & Equip Var. Parks - Open Space	2,452,750.00				2,452,750.00		2,452,750.00	
4189	Various 2017 Capital Improv. and Equip. Acquis.	286,522.00				286,522.00		202,321.70	
4190	2017 Road Resurfacing Program	240,300.00				240,300.00		240,300.00	
4191	Improv. to and Equip. Acquis. for Var. Parks (Open Space)	646,323.00				646,323.00	518,088.05	128,234.95	
4192	Imprvs. to Various Historic Houses	644,328.00				644,328.00	73,654.58	570,673.42	
4232	Various 2018 Capital Improvements and Equip. Acquis.	402,900.00				402,900.00	282,065.67	120,834.33	
4281	2019 Road Resurfacing	1,662,500.00				1,662,500.00	939,610.50	722,889.50	
4282	Various 2019 Capital Improvements and Equip. Acquis.	1,151,891.00				1,151,891.00	444,841.99	707,049.01	
4284	Construction of a Youth Center	500.00				500.00		500.00	
4321	Various 2020 Capital Improvements and Equip. Acquis.	5,477,750.00				5,477,750.00	2,095,821.68	3,381,928.32	
4323	Capital Improvements & Equip. Acquis. (Open Space)	1,483,000.00				1,483,000.00		1,483,000.00	
4342-21	Various 2021 Capital Improvements and Equip. Acquis.					4,077,943.00	1,283,959.88	2,793,983.12	
		\$ 15,654,866.74	\$ 4,077,943.00	\$ 325,639.26	\$ 490.85	\$ 19,406,679.63	\$ 6,127,584.27	\$ 13,279,095.36	

Ref.

C-8

C-3

C

C-8, C-13

C-11, C-13

C-8, C-13

C

TOWNSHIP OF FRANKLIN  
GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>TOTAL</u>	<u>CURRENT</u> <u>FUND</u>	<u>OPEN</u> <u>SPACE</u> <u>TRUST</u> <u>FUND</u>	<u>GRANT</u> <u>FUND</u>
Balance - Dec. 31, 2020					
Due From	C	\$ (2,837,986.74)	\$ (2,369,486.74)		\$ (468,500.00)
Due To	C	\$ 3,575.85		\$ 3,575.85	
Adjusted By:					
Funds Received	C-2	1,585,718.33	16,031.57	1,569,686.76	
Funding for Ordinances	C-8	(1,425,467.00)		(1,425,467.00)	
Canceled Improv. Auth.	C-8	93,407.37		93,407.37	
Capital Improv. Fund	C-12	(204,557.00)	(204,557.00)		
		49,101.70	(188,525.43)	237,627.13	-
Balance - Dec. 31, 2021					
Due From	C	\$ (3,026,512.17)	\$ (2,558,012.17)	-	\$ (468,500.00)
Due To	C	\$ 241,202.98	-	241,202.98	-

TOWNSHIP OF FRANKLIN  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Table with columns: ORD. NO., IMPROVEMENT DESCRIPTION, ORDINANCE DATE, ORDINANCE AMOUNT, BALANCE - DEC. 31, 2020 (FUNDED, UNFUNDED), RESERVE FOR ENCUMBRANCES DEC. 31, 2020, 2021 AUTHORIZATIONS, CASH DISBURSED, RESERVE FOR ENCUMBRANCES DEC. 31, 2021, CANCELED, BALANCE - DEC. 31, 2021 (FUNDED, UNFUNDED), and C-C-6.

Summary totals for C, C-2, C-3, C-C-6, Fund Balance, Due to Open Space, C-7, C-6, and C-5.

Capital Improvement Fund  
Deferred Charges to Future Taxation - Unfunded  
Other - Open Space Fund

TOWNSHIP OF FRANKLIN  
GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

DESCRIPTION	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES OF BONDS DATE	AMOUNT	INTEREST RATE	BALANCE DEC. 31, 2020	DECREASED	BALANCE DEC. 31, 2021
General Improvement Bonds	11/7/2014	\$ 9,620,000.00	11/1/2022	\$ 1,000,000.00	2.000%			
			11/1/2023	1,000,000.00	2.125%			
			11/1/2024	1,000,000.00	2.250%			
			11/1/2025	1,000,000.00	2.500%			
			11/1/2026	1,000,000.00	3.000%	\$ 5,750,000.00	\$ 750,000.00	\$ 5,000,000.00
General Improvement Bonds	12/20/2017	12,725,000.00	12/15/2022	550,000.00	3.000%			
			12/15/2023	550,000.00	3.000%			
			12/15/2024	550,000.00	4.000%			
			12/15/2025	575,000.00	4.000%			
			12/15/2026	600,000.00	3.000%			
			12/15/2027	1,100,000.00	2.125%			
			12/15/2028	1,000,000.00	3.000%			
			12/15/2029	1,000,000.00	3.000%			
			12/15/1930	1,000,000.00	3.000%			
			12/15/1931	1,000,000.00	3.000%			
			12/15/1932	1,000,000.00	3.000%	9,725,000.00	800,000.00	8,925,000.00
General Improvement Bonds	6/17/2020	19,460,000.00	6/15/2022	635,000.00	4.000%			
			6/15/2023	660,000.00	4.000%			
			6/15/2024	660,000.00	4.000%			
			6/15/2025	660,000.00	4.000%			
			6/15/2026	660,000.00	4.000%			
			6/15/2027	990,000.00	4.000%			
			6/15/2028	990,000.00	4.000%			
			6/15/2029	1,010,000.00	4.000%			
			6/15/2030	1,060,000.00	4.000%			
			6/15/2031	1,080,000.00	2.000%			
			6/15/2032	1,090,000.00	2.000%			
			6/15/2033	1,150,000.00	2.000%			
			6/15/2034	1,175,000.00	2.000%			
			6/15/2035	1,175,000.00	2.000%			
			6/15/2036	1,175,000.00	2.000%			
			6/15/2037	1,175,000.00	2.000%			
			6/15/2038	1,175,000.00	2.000%			
			6/15/2039	1,175,000.00	2.000%			
			6/15/2040	1,175,000.00	2.000%	19,460,000.00	590,000.00	18,870,000.00
						\$ 34,935,000.00	\$ 2,140,000.00	\$ 32,795,000.00

Ref.

C

C-5

C



TOWNSHIP OF FRANKLIN  
GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL LEASES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>PROJECT DESCRIPTION</u>	<u>AMOUNT OF LOAN</u>	<u>DATE</u>	<u>INTEREST RATE</u>	<u>MATURITIES OF LEASES DATE</u>	<u>AMOUNT</u>	<u>BALANCE</u>	
						<u>DEC. 31, 2020</u>	<u>DEC. 31, 2021</u>
Energy Efficient Equipment	\$1,132,878.21	9/7/12	3.7529%	2022	\$ 89,968.03		
				2023	97,746.67		
				2024	105,246.65		
				2025	111,713.64		
				2026	88,369.26		
					<u>\$ 577,736.52</u>	<u>\$ 84,692.27</u>	<u>\$ 493,044.25</u>
					<u>\$ 577,736.52</u>	<u>\$ 84,692.27</u>	<u>\$ 493,044.25</u>
					C	C-5	C

TOWNSHIP OF FRANKLIN  
GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance	Decreases	Balance
	Dec. 31, 2020		Dec. 31, 2021
Reserve for:			
Cash Reserves:			
To Pay Debt Service	\$ 350,470.13		\$ 350,470.13
Interest Earned - Green Trust Loan	12,146.16		12,146.16
Pierce, Davidson & Elizabeth	402.89		402.89
Due from Rutgers/Huthcheson - VBT	19,482.04		19,482.04
Villagers Lease Program	17,190.16		17,190.16
Developers Agreement	33,565.00		33,565.00
Franklin Township Library	24,632.00		24,632.00
Phillips Road Area Restoration Project - 4140	875,328.00	\$ 325,639.26	549,688.74
	<u>\$ 1,333,216.38</u>	<u>\$ 325,639.26</u>	<u>\$ 1,007,577.12</u>
<u>Ref.</u>	C	C-6, C-13	C

TOWNSHIP OF FRANKLIN  
GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance -December 31, 2020	C	\$ 122,689.74
Increased by:		
Budget Appropriation	C-7	<u>204,557.00</u>
		327,246.74
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-8	<u>214,654.00</u>
Balance -December 31, 2021	C	<u><u>\$112,592.74</u></u>

TOWNSHIP OF FRANKLIN  
GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2021

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2020	AUTHORIZED 2021	FUNDED BY RESERVES	IMPROV. AUTHS. CANCELLED	BALANCE DEC. 31, 2021
	<u>General Improvements</u>					
3811	2009 Road Overlay Program	\$ 47,287.06				\$ 47,287.06
3819	Repaving of Municipal Parking Lot	18,726.85				18,726.85
3822	Various Capital Improvements - FY2009	96,698.05				96,698.05
3922-11	New Telephone System (Amended)	2.92				2.92
3981	Various Technology Improvements	23,566.68				23,566.68
3982	2012 Road Resurfacing Program	6.96				6.96
4026	2013 Road Overlay Program	107.88				107.88
4029	Improvements to Middlebush Park	250.00				250.00
4062	2014 Road Resurfacing Program	35,000.00				35,000.00
4063	Various Capital Improvements	66,924.18				66,924.18
4108	Various Capital Improvements - 2015	266,454.16			\$ 455.59	265,998.57
4140	Various Capital Improvements - 2016	639,078.00		\$ 325,639.26		313,438.74
4141	2016 Road Resurfacing Program	12,000.00			35.26	11,964.74
4142	Improv. & Equip Var. Parks - Open Space	2,452,750.00				2,452,750.00
4189	Various 2017 Capital Improv. and Equip. Acquis.	286,522.00				286,522.00
4190	2017 Road Resurfacing Program	240,300.00				240,300.00
4191	Imprvs. to and Equip. Acquis. for Var. Parks (Open Space)	646,323.00				646,323.00
4192	Imprvs. to Various Historic Houses	644,328.00				644,328.00
4232	Various 2018 Capital Improvements and Equip. Acquis.	402,900.00				402,900.00
4281	2019 Road Resurfacing	1,662,500.00				1,662,500.00
4282	Various 2019 Capital Improvements and Equip. Acquis.	1,151,891.00				1,151,891.00
4284	Construction of a Youth Center	500.00				500.00
4321	Various 2020 Capital Improvements and Equip. Acquis.	5,477,750.00				5,477,750.00
4323	Capital Improvements & Equip. Acquis. (Open Space)	1,483,000.00				1,483,000.00
4342-21	Various 2021 Capital Improvements and Equip. Acquis.		\$ 4,077,943.00			4,077,943.00
		<u>\$ 15,654,866.74</u>	<u>\$ 4,077,943.00</u>	<u>\$ 325,639.26</u>	<u>\$ 490.85</u>	<u>\$ 19,406,679.63</u>
	<u>Ref.</u>	C	C-6	C-6, C-11	C-6	C

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

D-6

SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Operating Fund</u>		<u>Capital Fund</u>
Balance, December 31, 2019	D	\$ 8,671,955.97		\$ 9,880,961.69
Increased by Receipts:				
Treasurer - Misc. Revenue	D-3	\$ 24,374.82		
Collector - Misc. Revenue	D-3	623,440.30		
Water Rent Collections	D-3, D-10	11,538,475.88		
Fire Service Rent Collections	D-3, D-11	1,106,120.34		
Water Rent Overpayments	D-18	212,644.73		
Prepaid Fire Service Rent Collections	D-19	3,942.36		
Interfunds Receivable/Payable	D-14		\$ 12,371.83	12,371.83
		<u>13,508,998.43</u>		<u>12,371.83</u>
		22,180,954.40		9,893,333.52
Decreased by Disbursements:				
Refund of Prior Year Revenues	D-1	408.71		
Budget Expenditures	D-4	13,087,537.17		
Appropriation Reserves	D-17	1,800,516.76		
Water Rent Overpayments Refunded	D-18	21,326.08		
Accrued Interest on Bonds	D-21	505,495.34		
Accounts Payable	D-20	47,357.63		
Improvement Authorizations	D-22		<u>2,339,814.01</u>	
		<u>15,462,641.69</u>		<u>2,339,814.01</u>
Balance, December 31, 2020	D	<u>\$ 6,718,312.71</u>		<u>\$ 7,553,519.51</u>

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

SCHEDULE OF CHANGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance December 31, <u>2021 and 2020</u>
Collector	<u>\$ 200.00</u>
<u>Ref.</u>	D

WATER UTILITY OPERATING FUND  
SCHEDULE OF ANALYSIS OF CASH AND INVESTMENTS  
WATER UTILITY ASSESSMENT TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance December 31, <u>2021 and 2020</u>
Fund Balance	<u>\$ 14,487.70</u>
<u>Ref.</u>	D

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY CAPITAL FUND  
SCHEDULE OF ANALYSIS OF CASH AND INVESTMENTS  
WATER UTILITY CAPITAL CASH  
DECEMBER 31, 2021 and 2020

	Balance <u>December 31, 2021</u>	Balance <u>December 31, 2020</u>
Fund Balance	\$ 882,238.16	\$ 875,482.37
Capital Improvement Fund	1,529,840.01	1,530,015.01
Improvement Authorizations Funded	5,299,833.89	6,388,509.35
Improvement Authorizations Unfunded	10,053,753.98	9,901,869.99
Bonds and Notes Authorized But Not Issued	(12,516,641.89)	(10,268,139.95)
Reserve for Encumbrances	2,421,501.55	1,464,102.94
Reserve to Pay Debt Service	67,589.50	67,589.50
Interfunds Receivable	<u>(184,595.69)</u>	<u>(78,467.52)</u>
	<u>\$ 7,553,519.51</u>	<u>\$ 9,880,961.69</u>
<u>Ref.</u>	D	D

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER RENTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 1,698,648.88
Increased by:		
Water Rents Billed and Adjustments (Net)		11,834,330.34
		<u>13,532,979.22</u>
Decreased by:		
Collections	D-3, D-6	\$ 11,538,475.88
Overpayments Applied	D-3, D-18	112,296.77
Transferred to Liens	D-12	<u>679.20</u>
		<u>11,651,451.85</u>
Balance, December 31, 2021	D	<u><u>\$ 1,881,527.37</u></u>

WATER UTILITY OPERATING FUND  
SCHEDULE OF FIRE SERVICE RENTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 457,749.22
Increased by:		
Fire Service Rent Billings (Net)		1,176,740.60
		<u>1,634,489.82</u>
Decreased by:		
Collections	D-6	\$ 1,106,120.34
Prepays Applied	D-3, D-19	<u>4,337.24</u>
		<u>1,110,457.58</u>
Balance, December 31, 2021	D	<u><u>\$ 524,032.24</u></u>



TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	D	\$	37,438.52
Increased by:			
Transfers from:			
Water Rents	D-10	\$	<u>679.20</u>
			<u>679.20</u>
Balance, December 31, 2021	D	\$	<u><u>38,117.72</u></u>

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY OPERATING FUND  
SCHEDULE OF INTERFUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Total</u>	<u>Current</u>	<u>Water Assessment Trust</u>	<u>Open Space Trust</u>	<u>Water Utility Capital</u>
Balance - December 31, 2020		\$ (4,639,555.21)	\$ (3,926.36)	\$ 14,487.70	\$ (4,728,584.07)	\$ 78,467.52
Due (From)	D	\$ (4,732,510.43)	\$ (3,926.36)	\$ -	\$ (4,728,584.07)	\$ -
Due To	D	\$ 92,955.22	\$ -	\$ 14,487.70	\$ -	\$ 78,467.52
Increased by:						
Capital Improvement Fund	D-4	118,500.00				118,500.00
		(4,521,055.21)	(3,926.36)	14,487.70	(4,728,584.07)	196,967.52
Decreased by:						
Interest Earned	D-3	(25,937.70)			(13,565.87)	(12,371.83)
		(25,937.70)	-	-	(13,565.87)	(12,371.83)
Balance - December 31, 2021		<u>\$ (4,546,992.91)</u>	<u>\$ (3,926.36)</u>	<u>\$ 14,487.70</u>	<u>\$ (4,742,149.94)</u>	<u>\$ 184,595.69</u>
Due (From)	D	<u>\$ (4,746,076.30)</u>	<u>\$ (3,926.36)</u>	<u>\$ -</u>	<u>\$ (4,742,149.94)</u>	<u>\$ -</u>
Due To	D	<u>\$ 199,083.39</u>	<u>\$ -</u>	<u>\$ 14,487.70</u>	<u>\$ -</u>	<u>\$ 184,595.69</u>

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY CAPITAL FUND  
SCHEDULE OF INTERFUNDS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Water Utility Operating</u>
Balance, December 31, 2020	D	\$ 78,467.52
Increased by:		
Capital Improvement Fund	D-4, D-25	118,500.00
		<u>196,967.52</u>
Decreased by:		
Cash Received	D-6	12,371.83
		<u>12,371.83</u>
Balance, December 31, 2021	D	<u>\$ 184,595.69</u>

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Account</u>	<u>Balance</u> December 31, 2020	Additions By <u>Capital Outlay</u>	<u>Balance</u> December 31, 2021
Land & Distribution Rights	\$ 271,211.76		\$ 271,211.76
Distrib. Mains & Appurt.	25,767,912.40		25,767,912.40
Meters, Meter Boxes, Vaults & Equip.	3,998,262.59	\$ 165,142.36	4,163,404.95
Fire Hydrants	283,871.91		283,871.91
Engineering Costs	1,773,124.75		1,773,124.75
Legal Services and Costs	157,771.90		157,771.90
Int. During Constr.	113,834.97		113,834.97
Office Equip.	51,876.32		51,876.32
Construction Equip.	658,910.83		658,910.83
Trailer	2,933.45		2,933.45
Transportation	176,159.51		176,159.51
Building Improvements, Extensions	284,843.03		284,843.03
Fuel Depot and Storage Shed	208,705.36		208,705.36
Miscellaneous	14,907,081.08		14,907,081.08
	\$ 48,656,499.86	\$ 165,142.36	\$ 48,821,642.22
	\$ 48,656,499.86	\$ 165,142.36	\$ 48,821,642.22
<u>Ref.</u>	D	D-4, D-17, D-26	D

The Fixed Capital as reported is taken from the municipal records and does not necessarily reflect the true condition of such Fixed Capital.

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
FOR THE YEAR ENDED DECEMBER 31, 2021

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2020	2021 Authorization	AUTHORIZATIONS CANCELLED	Balance December 31, 2021
		Date	Amount				
3608	Acq. Of Var. Vehicles and Equip.	6/13/2006	\$ 397,000.00	\$ 2,316.08		\$ 2,316.08	\$ 52,861.07
3684	Various Capital Improvements	6/13/2006	1,848,000.00	52,861.07			4,878,269.95
3762	Various Capital Improvements	6/24/2008	4,929,250.00	4,878,269.95			56,527.00
3823	Various 2009 Capital Improvements	4/28/2009	482,000.00	482,000.00			66,233.59
4033	New Brunswick (Amended)	9/10/13	430,000.00	430,000.00			4,672.76
4028	Various Capital Acquisitions & Improvements	7/16/13	656,000.00	656,000.00		4,672.76	130,801.04
4064	Various Capital Acquisitions & Improvements	6/24/14	4,105,000.00	4,105,000.00			301,938.73
4109	Various Capital Acquisitions & Improvements	5/26/15	1,033,000.00	1,033,000.00		85.00	402,929.01
4143	Various 2016 Capital Improvements	4/12/16	1,020,000.00	1,020,000.00		766.95	266,753.32
4145	Various Capital Acquisitions & Improvements - 2016	4/12/16	438,000.00	438,000.00		488.06	15,562.30
4193	Various 2017 Capital Improvements	4/11/17	3,143,100.00	3,143,100.00			961,500.00
4195	Various 2017 Acquis. for the Water Utility	4/11/17	316,500.00	316,500.00			1,020,000.00
4231	Various Capital Acquisitions and Improvements	4/24/18	961,500.00	961,500.00			4,150,000.00
4233	Water Main Replacement, Cleaning and Lining	4/24/18	1,020,000.00	1,020,000.00			7,720,000.00
4292	Various 2019 Capital Improvements	9/10/19	4,150,000.00	4,150,000.00			2,368,750.00
4322	Various Capital Improvements	5/12/20	7,720,000.00	7,720,000.00			\$ 20,031,619.86
4343-21	Various 2019 Capital Improvements	6/10/21	2,368,750.00	2,368,750.00			\$ 2,368,750.00
				\$ 20,031,619.86	\$ 2,368,750.00	\$ 8,328.85	\$ 22,392,041.01

Ref.

D

D-22

D-22

D

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY OPERATING FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u>	<u>Reserve for</u>	<u>Amount</u>	<u>Paid or</u>	<u>Transferred to</u>	<u>Balance</u>
	<u>December 31, 2020</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Accounts Payable</u>	<u>Lapsed</u>
		<u>December 31, 2020</u>	<u>Modification</u>		<u>December 31, 2021</u>	
Operating:						
Salaries and Wages	\$ 247,664.34		\$ 17,380.46	\$ 17,380.46		
Other Expenses	549,816.43	\$ 1,061,651.30	1,841,751.61	1,755,120.02	\$ 44,616.52	\$ 42,015.07
Insurance - Other	292.62	286.41	579.03	286.41		292.62
Capital Improvements:						
Capital Outlay	487,925.16	20,289.89	508,215.05	26,470.89	128,671.52	353,072.64
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	<u>7,514.74</u>		<u>7,514.74</u>	<u>1,258.98</u>		<u>6,255.76</u>
	<u>\$ 1,293,213.29</u>	<u>\$ 1,082,227.60</u>	<u>\$ 2,375,440.89</u>	<u>\$ 1,800,516.76</u>	<u>\$ 173,288.04</u>	<u>\$ 401,636.09</u>

Ref.

D

D

D-6

D-20

D-1

TOWNSHIP OF FRANKLIN  
WATER UTILITY OPERATING FUND

SCHEDULE OF WATER RENT OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 133,622.85
Increased by:		
Overpayments Received	D-6	<u>212,644.73</u>
		346,267.58
Decreased by:		
Overpayments Applied	D-10	112,296.77
Overpayments Refunded	D-6	<u>21,326.08</u>
Balance - December 31, 2021	D	<u>\$ 212,644.73</u>

SCHEDULE OF PREPAID FIRE SERVICE RENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 4,337.24
Increased by:		
Prepayments Received	D-6	<u>3,942.36</u>
		8,279.60
Decreased by:		
Prepaid Fire Service Rents Applied	D-11	<u>4,337.24</u>
Balance - December 31, 2021	D	<u>\$ 3,942.36</u>

SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 526,055.56
Increased by:		
Charged to Appropriation Reserves	D-17	<u>173,288.04</u>
		699,343.60
Decreased by:		
Cash Disbursed	D-6	<u>47,357.63</u>
Balance - December 31, 2021	D	<u>\$ 651,985.97</u>

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 120,380.76
Increased by:		
Charged to Budget Appropriations:		
Interest on Bonds	D-4	416,000.00
		536,380.76
Decreased by:		
Cash Disbursed	D-6	505,495.34
		505,495.34
Balance, December 31, 2021	D, Below	\$ 30,885.42

Analysis of Balance - December 31, 2021

	<u>Principal Outstanding December 31, 2021</u>	<u>Issue</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Water and Refunding Bonds:							
\$	3,950,000.00	Series 2014	Various	November 1, 2021	December 31, 2021	61 days	\$ 18,826.04
	3,500,000.00	Series 2017	Various	December 15, 2021	December 31, 2021	15 days	4,942.71
	6,115,000.00	Series 2020	Various	June 15, 2021	December 31, 2021	194 days	7,116.67
							7,116.67
	Total						\$ 30,885.42
						<u>Ref.</u>	Above



TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Ord No.	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2020		2021 Authorizations	Cash Disbursed	Cancelled	Encumbrances December 31, 2021	Balance, December 31, 2021	
				Funded	Unfunded					Funded	Unfunded
	<b>General Improvements:</b>										
3608	Acq. Of Var. Vehicles and Equipment	6/13/06	\$ 397,000.00	\$ 2,316.08			\$ 2,316.08				
3684	Various 2007 Capital Improvements	6/13/06	1,848,000.00	3,861.07	\$ 49,000.00		\$ 11,462.08			\$ 41,398.89	
3762	Various 2008 Capital Improvements	6/24/08	4,929,250.00	2,674,476.18	549,039.95				\$ 108,000.00	\$ 2,566,476.18	\$ 549,039.95
3823	Various 2009 Capital Improvements, Amended	4/28/09	482,000.00	56,527.00			12,581.00			56,527.00	
4033	New Brunswick (Amended)	9/10/13	430,000.00	66,233.59			55,829.11		36,720.89	11,563.76	
4028	Various Capital Acquisitions & Improvements	7/16/13	656,000.00	3,672.76	1,000.00			4,672.76			
4064	Various Capital Acquisitions & Improvements - 2014	6/24/14	4,105,000.00	130,801.04			586,171.96		213,675.08	55,000.00	
4109	Various Capital Acquisitions & Improvements - 2015	5/26/15	1,033,000.00	3,938.73	298,000.00		45,270.54	85.00	6,229.90		286,353.29
4143	Various 2016 Capital Improvements	4/12/16	1,020,000.00	32,829.01	370,000.00		161,332.05		113,258.06	34,194.75	370,000.00
4145	Various Capital Acquisitions & Improvements - 2016	4/12/16	438,000.00	766.95				766.95			
4193	Various 2017 Capital Improvements	4/11/17	3,143,100.00		267,241.38		334,666.12	488.06	21,759.93	15,562.30	57,019.42
4195	Various 2017 Acquis. for the Water Utility	4/11/17	316,500.00	15,562.30						526,016.11	
4231	Various Capital Acquisitions and Improvements	4/24/18	961,500.00	526,016.11			488,049.79		297,188.38		
4233	Water Main Replacement, Cleaning and Lining	4/24/18	1,020,000.00	15,200.00	745,000.00		209,029.42		684,250.42	2,034,493.79	150,000.00
4292	Various 2019 Capital Improvements	9/10/19	4,150,000.00	2,856,208.53	150,000.00		431,623.19		703,490.68		6,471,919.29
4322	Various Capital Improvements	5/12/20	7,720,000.00	7,472,588.66			3,798.75		236,928.21		2,128,023.04
4343-21	Various 2021 Capital Improvements	6/10/21	2,368,750.00								
				\$ 6,388,509.35	\$ 9,901,869.99		\$ 2,339,814.01	\$ 8,328.85	\$ 2,421,501.55	\$ 5,299,833.89	\$ 10,053,753.98
				D	D		D-6	D-16	D	D	D
						Below, D-16					
						\$ 2,250,075.00					
						118,675.00					
						\$ 2,368,750.00					

Bonds and Notes Authorized but not Issued  
Capital Improvement Fund

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR DEBT SERVICE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2021 and 2020	D	<u>\$ 67,589.50</u>

TOWNSHIP OF FRANKLIN  
WATER UTILITY CAPITAL FUND

SCHEDULE OF WATER UTILITY CAPITAL SERIAL BONDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

DESCRIPTION	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURETIES OF BONDS DATE	AMOUNT	INTEREST RATE	BALANCE	DECREASED	BALANCE
						Dec. 31, 2020		Dec. 31, 2021
Water Utility Bonds - Series 2014	11/7/2014	\$ 6,580,000.00	11/1/2022	\$ 475,000.00	2.125%			
			11/1/2023	475,000.00	2.250%			
			11/1/2024	475,000.00	2.500%			
			11/1/2025	475,000.00	3.000%			
			11/1/2026	475,000.00	3.000%			
			11/1/2027	525,000.00	3.000%			
Water Utility Bonds - Series 2017			11/1/2028	525,000.00	3.000%			
			11/1/2029	525,000.00	3.000%	\$ 4,405,000.00	\$ 455,000.00	\$ 3,950,000.00
		12/20/2017	12/15/2022	600,000.00	3.000%			
			12/15/2023	600,000.00	3.000%			
			12/15/2024	600,000.00	4.000%			
Water Utility Bonds - Series 2020			12/15/2025	600,000.00	4.000%			
			12/15/2026	600,000.00	3.000%			
			12/15/2027	500,000.00	2.125%	4,100,000.00	600,000.00	3,500,000.00
		6/17/2020	6/15/2022	190,000.00	4.000%			
			6/15/2023	190,000.00	4.000%			
			6/15/2024	240,000.00	4.000%			
			6/15/2025	255,000.00	4.000%			
			6/15/2026	280,000.00	4.000%			
			6/15/2027	305,000.00	4.000%			
			6/15/2028	305,000.00	4.000%			
		6/15/2029	330,000.00	4.000%				
		6/15/2030	330,000.00	4.000%				
		6/15/2031	350,000.00	2.000%				
		6/15/2032	350,000.00	2.000%				
		6/15/2033	365,000.00	2.000%				
		6/15/2034	375,000.00	2.000%				
		6/15/2035	375,000.00	2.000%				
		6/15/2036	375,000.00	2.000%				
		6/15/2037	375,000.00	2.000%				
		6/15/2038	375,000.00	2.000%				
		6/15/2039	375,000.00	2.000%				
		6/15/2040	375,000.00	2.000%				
						6,305,000.00	190,000.00	6,115,000.00
						<u>\$ 14,810,000.00</u>	<u>\$ 1,245,000.00</u>	<u>\$ 13,565,000.00</u>
						D	D-4, D-26	D
						Ref.		

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY CAPITAL FUND  
SCHEDULE FOR RESERVE FOR CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 1,530,015.01
Increased by:		
Budget Appropriation	D-4, D-14	118,500.00
		1,648,515.01
Decreased by:		
Appropriated to Finance Improvement Authorization	D-22, D-27	118,675.00
		118,675.00
Balance, December 31, 2021	D	\$ 1,529,840.01

WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	D	\$ 41,683,979.77
Increased by:		
Additions by Capital Outlay - 2021 Appropriations	D-4	\$ 9,999.95
Additions by Capital Outlay - 2020 Appropriation Reserves	D-17	155,142.41
Paid by Budget Appropriations:		
Serial Bonds	D-24	1,245,000.00
		1,410,142.36
Balance - December 31, 2021	D	\$ 43,094,122.13

WATER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 1,926,000.00
Increased by:		
Improvement Authorizations:		
Capital Improvement Fund	D-25	118,675.00
		2,044,675.00
Decreased by:		
Funded Improvement Authorizations Canceled:		
Bonds and Notes Authorized but not Issued	D-28	1,573.06
Fund Balance	D-28	6,755.79
		8,328.85
Balance, December 31, 2021	D	\$ 2,037,919.21

TOWNSHIP OF FRANKLIN  
WATER UTILITY FUND

WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Ord No.</u>	<u>Improvement Description</u>	<u>Balance</u> <u>December 31, 2020</u>	<u>2021</u> <u>Authorization</u>	<u>Canceled</u>	<u>Balance</u> <u>December 31, 2021</u>
3684	Various Capital Improvements	\$ 49,000.00			\$ 49,000.00
3762	Various 2008 Capital Improvements	549,039.95			549,039.95
4028	Various Capital Acquisitions & Improvements - 2014	1,000.00		\$ 1,000.00	
4109	Various Capital Acquisitions & Improvements - 2015	298,000.00		85.00	297,915.00
4143	Various 2016 Capital Improvements	370,000.00			370,000.00
4193	Various 2017 Capital Improvements	386,100.00		488.06	385,611.94
4233	Water Main Replacement, Cleaning and Lining	745,000.00			745,000.00
4292	Various 2019 Improvements	150,000.00			150,000.00
4322	Various Capital Improvements	7,720,000.00			7,720,000.00
4343-21	Various 2021 Cap. Improvs. & Equip. Acqs.		\$ 2,250,075.00		2,250,075.00
		<u>\$ 10,268,139.95</u>	<u>\$ 2,250,075.00</u>	<u>\$ 1,573.06</u>	<u>\$ 12,516,641.89</u>

Ref.                      D                      D-22                      D-27                      D

TOWNSHIP OF FRANKLIN  
PUBLIC ASSISTANCE FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	E	\$ (2,561.30)
Increased by Receipts:		
Cash Receipts	E-2, E-3	<u>2,561.30</u>
Balance - December 31, 2021	E	<u>\$ -</u>

TOWNSHIP OF FRANKLIN  
PUBLIC ASSISTANCE FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	E	\$ (2,561.30)
Increased by:		
Cash Receipts	E-1	<u>2,561.30</u>
Balance - December 31, 2021	E, Below	<u>\$ -</u>

TOWNSHIP OF FRANKLIN  
PUBLIC ASSISTANCE FUND

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	E	\$ (2,561.30)
Increased by:		
Cash Receipt	E-1, E-2	<u>2,561.30</u>
Balance - December 31, 2021	E	<u>\$ -</u>



## Comments Section

Township of Franklin  
Somerset County, New Jersey

Comments

For the Years Ended December 31, 2021 and 2020

An audit of the financial accounts and transactions of the Township of Franklin, Somerset County, New Jersey (the "Township") for the year ended December 31, 2021 and 2020, has recently been completed. The results of the audit are herewith set forth.

**Scope of Audit**

The audit covered the financial transactions of the Tax Collector and Treasurer, the activities of the Mayor and Township Council and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Revenues and receipts tested were verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

**Contracts and Agreements Required to be Advertised By N.J.S. 40A:11-4**

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent, for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold [40A:11-3], shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$44,000.00. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Township of Franklin  
Somerset County, New Jersey

Comments (continued)

The examination of expenditures revealed no individual payments, contracts or agreements in excess of \$44,000.00 "for the performance of any work or the furnishing of labor materials and supplies or the hiring of teams or vehicles," other than where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-5.

**Collection of Interest on Delinquent Taxes and Assessments**

The governing body, on April 21, 1980 adopted a resolution pursuant to the provisions of R.S. 54:4-67, fixing the rate of delinquent taxes or assessments at 8% per annum on the first \$1,500.00 and a rate of 18% per annum on any amount in excess of \$1,500.00. On June 17, 1991, this was amended to add an additional penalty of 6% on delinquent taxes in excess of \$10,000.00. The Township adopts an annual resolution setting these interest rates.

An examination of the collector's records on a test basis indicated that interest on delinquencies was calculated in accordance with the foregoing resolution, for items tested.

**Comparative Schedule of Tax Rate Information**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax rate	\$ 2.145	\$ 2.197	\$ 2.230
Apportionment of tax rate:			
Municipal	\$ 0.316	\$ 0.333	\$ 0.344
Library	0.034	0.034	0.034
Municipal Open Space	0.050	0.050	0.050
County	0.322	0.319	0.328
County Open Space	0.031	0.031	0.031
Local school	1.392	1.431	1.443
Net valuation taxable	<u>\$11,094,767,831</u>	<u>\$10,559,534,729</u>	<u>\$10,198,322,683</u>

Township of Franklin  
Somerset County, New Jersey

Comments (continued)

**Comparison of Tax Levies and Collections**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

Year	Tax Levy	Cash Collections	Percent of Collections
2021	\$ 248,899,872	\$ 246,212,034	98.92%
2020	241,399,357	238,607,845	98.84%
2019	235,706,421	232,697,415	98.72%

**Delinquent Taxes and Tax Title Liens**

The delinquent taxes contained in the following tabulation are inclusive in each case, of delinquent taxes of the current year's levy. This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2021	\$ 253,046	\$ 2,769,562	\$ 3,022,608	1.21%
2020	230,640	3,094,453	3,325,093	1.38%
2019	375,064	2,885,642	3,260,706	1.38%

The last tax sale was held on October 29, 2021 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of liens receivable on December 31, of the last three years:

Year	Number of Liens
2021	9
2020	9
2019	9

Township of Franklin  
Somerset County, New Jersey

Comments (continued)

**Property Acquired by Tax Title Lien Liquidation**

Property acquired by Tax Title Lien Liquidation amounted to \$329,973 at December 31, 2021, 2020 and 2019.

**Equalized Valuations - Real Property**

Year	Amount
2021	\$ 12,942,303,482
2020	11,309,248,927
2019	10,669,382,532

**Comparative Schedule of Water Utility Levies and Collections  
For the Years Ended December 31, 2021, 2020 and 2019**

Year	Levies	Collections *
2021	\$ 11,834,330	\$ 11,538,476
2020	11,551,140	11,660,431
2019	11,378,719	11,644,246

\*-Includes collection of prior year receivables.

**Comparative Schedule of Fund Balances**

	Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund	2021	\$ 28,415,381	\$ 13,790,895
	2020	25,786,850	9,130,229
	2019	24,976,282	8,178,336
Water Utility Operating Fund	2021	7,884,330	3,606,112
	2020	10,151,874	2,273,754
	2019	9,904,401	1,000,000

Township of Franklin  
Somerset County, New Jersey

Comments (continued)

**Officials in Office and Surety Bonds**

Name	Title	Amount of Bond
Phillip Kramer	Mayor	
James Vassanella	Deputy Mayor	
Sivaraman Anbarasan	Councilman	
Kimberly Francois	Councilwoman	
Shepa Uddin	Councilman	
Charles Onyejiaka	Councilman	
Theodore Chase	Councilman	
Crystal Pruitt	Councilwoman	
Carl R.A. Wright	Councilman	
Robert Vornlocker	Township Manager	
Kathleen Moody	Chief Financial Officer / Treasurer	\$ 1,000,000
Rossana Gutierrez	Collector of Revenue - Tax Collector, Tax Search Officer	\$ 1,000,000
Ann Marie McCarthy	Township Clerk	
Richard Carabelli	Tax Assessor	
Lucinda Belanger	Purchasing Officer/General Services	
Raquel Edwards	Municipal Magistrate	\$ 1,000,000
Keila Martinez	Court Clerk/Administrator	\$ 1,000,000
Lou Rainone	Township Attorney	
Msiba Holliman	Registrar of Vital Statistics	
Diane Leach-Thompson	Director of Social Services	
Alice Osipowitz	Director of Parks and Recreation	
Vincent Dominach	Economic Development and Business Advocate	
Mark Healey	Director of Planning	
John Hauss	Director of Fire Prevention	
John Fodor	Officer in Charge of Police	
Vincent Lupo	Construction Official	
Carl Hauck	Public Works Manager	
Maureen Vella	Municipal Judge	\$ 1,000,000
Hector Rodriguez	Associate Municipal Judge	\$ 1,000,000

All other employees are covered under a blanket bond in the amount of \$1,000,000 issued by Central Jersey Joint Insurance Fund.

## Comments and Recommendations

Township of Franklin  
Comments and Recommendations  
For the Year Ended December 31, 2021

**Prior Year Findings**

Unless otherwise noted below, corrective action has been taken on all of the prior year's recommendations.

**Other Financial Matters**

*2021-001 Budget Transfer Approvals*

During our audit of the Water Utility Operating Fund, we noted that there was a budget transfer completed that was not approved by Council Resolution as the accounts were all separately budgeted for.

We suggest that the Township ensure that it is properly approving any budget transfers.

*Management Response:*

We will ensure all future budget transfers are approved via resolution.