

*TOWNSHIP OF LAFAYETTE*

*COUNTY OF SUSSEX*

*REPORT OF AUDIT*

*2022*

*NISIVOCIA LLP*  
*CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF LAFAYETTE  
COUNTY OF SUSSEX  
REPORT OF AUDIT  
2022

TOWNSHIP OF LAFAYETTE  
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TOWNSHIP OF LAFAYETTE

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2022

## Independent Auditors' Report

The Honorable Mayor and Members  
of the Township Committee  
Township of Lafayette  
Lafayette, New Jersey

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

#### ***Opinions***

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Township of Lafayette, in the County of Sussex (the "Township") as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, as listed in the table of contents.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Township as of December 31, 2022 and 2021, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

#### ***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 each fund and account group of the Township as of December 31, 2022 and 2021, or the changes in financial position where applicable thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet 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.

The Honorable Mayor and Members  
of the Township Committee  
Township of Lafayette  
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### ***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 prescribed or permitted by the Division, 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's regulatory basis of accounting and the budget laws of New Jersey.

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.

### ***Responsibilities 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 of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. 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.

### ***Auditor's 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 auditor's 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, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement 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, *Government Auditing Standards* and audit requirements prescribed by the Division, 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.

The Honorable Mayor and Members  
of the Township Committee  
Township of Lafayette  
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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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state 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") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. 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 various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group 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 data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group 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 23, 2023 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.

Mount Arlington, New Jersey  
June 23, 2023

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Heidi A. Wohlleb*  
Heidi A. Wohlleb  
Certified Public Accountant  
Registered Municipal Accountant No. 481



TOWNSHIP OF LAFAYETTE  
COUNTY OF SUSSEX  
2022  
CURRENT FUND

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 1,760,181.14	\$ 1,883,343.54
Due from State of New Jersey:			
Senior Citizens and Veterans Deductions		8,088.88	8,088.88
		<u>1,768,270.02</u>	<u>1,891,432.42</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	150,606.26	142,037.52
Tax Title Liens Receivable	A-8	163,251.64	158,285.80
Property Acquired for Taxes at Assessed Valuation		30,400.00	236,000.00
Due from:			
Other Trust Funds	B	536.22	531.06
Total Receivables and Other Assets with Full Reserves		<u>344,794.12</u>	<u>536,854.38</u>
Total Regular Fund		<u>2,113,064.14</u>	<u>2,428,286.80</u>
Federal and State Grant Fund:			
Due from Current Fund	A	209,947.55	258,749.60
Grants Receivable	A-10	119,300.00	91,550.00
Total Federal and State Grant Fund		<u>329,247.55</u>	<u>350,299.60</u>
TOTAL ASSETS		<u>\$ 2,442,311.69</u>	<u>\$ 2,778,586.40</u>

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
COMPARATIVE BALANCE SHEET-REGULATORY BASIS  
(Continued)

		December 31,	
	Ref.	2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 20,587.52	\$ 158,051.81
Unencumbered	A-3;A-11	142,919.31	211,292.40
		163,506.83	369,344.21
Due to State of New Jersey:			
Marriage License Fees		78.00	116.00
Due to:			
Open Space Trust Fund	B	444.48	109.88
Federal and State Grant Fund	A	209,947.55	258,749.60
County Added and Omitted Taxes Payable		11,281.46	7,030.11
Accounts Payable		2,905.00	2,375.00
Tax Overpayments		8,968.83	13,409.88
Prepaid Taxes		65,344.94	65,415.62
Deposits on Sales of Municipal Property		1,650.00	18,975.00
Reserve for:			
Municipal Relief Funds		9,591.26	
Revaluation		2,642.50	2,642.50
Insurance Claims		1,995.40	
Revision of Tax Maps		24,215.62	25,965.62
Pending Tax Appeals		49,323.06	50,711.56
Master Plan Update		12,434.57	12,434.57
		564,329.50	827,279.55
Reserve for Receivables and Other Assets	A	344,794.12	536,854.38
Fund Balance	A-1	1,203,940.52	1,064,152.87
		2,113,064.14	2,428,286.80
Federal and State Grant Fund:			
Encumbrances Payable		340.00	190,211.60
Appropriated Reserves	A-14	71,096.66	26,153.07
Unappropriated Reserves	A-15	257,810.89	133,934.93
		329,247.55	350,299.60
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 2,442,311.69</b>	<b>\$ 2,778,586.40</b>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-  
REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2022	2021
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 844,500.00	\$ 693,100.00
Miscellaneous Revenue Anticipated		997,034.07	1,125,998.98
Receipts from:			
Delinquent Taxes		138,226.45	187,825.56
Current Taxes		9,240,950.27	9,391,582.26
Nonbudget Revenue		267,322.54	55,225.91
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		176,900.10	201,058.10
Cancellation of Prior Year County Taxes Payable		86.95	
Cancellation of Reserve for Insurance Claims			1,652.96
		<u>11,665,020.38</u>	<u>11,656,443.77</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		2,299,796.90	2,164,920.82
Municipal Open Space Taxes		33,133.08	33,137.71
County Taxes		2,018,351.45	2,081,563.57
Local School District Taxes		4,089,142.00	4,097,429.00
Regional High School Taxes		2,239,674.00	2,389,126.00
Refund of Prior Year Taxes			2,396.86
Senior Citizen Deductions Disallowed on Prior Year Taxes		630.14	500.00
Interfunds Advanced - Other Trust Fund		5.16	0.80
		<u>10,680,732.73</u>	<u>10,769,074.76</u>
Excess in Revenue		984,287.65	887,369.01
Balance January 1		1,064,152.87	869,883.86
		<u>2,048,440.52</u>	<u>1,757,252.87</u>
Decreased by:			
Utilized as Anticipated Revenue		844,500.00	693,100.00
Balance December 31	A	<u>\$ 1,203,940.52</u>	<u>\$ 1,064,152.87</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Fund Balance Anticipated	\$ 844,500.00		\$ 844,500.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	1,000.00		1,000.00	
Fees and Permits	29,125.00		28,095.00	\$ 1,030.00 *
Interest and Costs on Taxes	30,000.00		23,731.76	6,268.24 *
Energy Receipts Tax	183,868.00		183,868.00	
Garden State Preservation Trust	4,576.00		4,576.00	
Shared Service Agreements:				
Tax Assessment Administration	22,385.00		22,629.00	244.00
Planning Board Administration	19,772.00		28,970.96	9,198.96
Recycling Tonnage Grant	5,581.86		5,581.86	
Clean Communities Program	10,269.04		10,269.04	
NJ Department of Transportation - 2022				
Municipal Aid Program - Snover Road Phase I	141,000.00		141,000.00	
Local Recreation Improvement Grant	35,000.00		35,000.00	
S.C.M.U.A. Host Community Benefit Fees	235,000.00		512,312.45	277,312.45
	<u>717,576.90</u>		<u>997,034.07</u>	<u>279,457.17</u>
Receipts from Delinquent Taxes	<u>140,000.00</u>		<u>138,226.45</u>	<u>1,773.55 *</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	<u>972,720.00</u>		<u>1,235,649.74</u>	<u>262,929.74</u>
Budget Totals	2,674,796.90		3,215,410.26	540,613.36
Nonbudget Revenue			<u>267,322.54</u>	<u>267,322.54</u>
	<u>\$ 2,674,796.90</u>	<u>\$ -0-</u>	<u>\$ 3,482,732.80</u>	<u>\$ 807,935.90</u>

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes		\$ 9,240,950.27
Allocated to:		
County, Local School and Regional School Taxes	\$ 8,347,167.45	
Municipal Open Space Taxes	33,133.08	
		8,380,300.53
Balance for Support of Municipal Budget		860,649.74
Add: Appropriation "Reserve for Uncollected Taxes"		375,000.00
Realized for Support of Municipal Budget		\$ 1,235,649.74

Analysis of Nonbudget Revenue:

Treasurer:

Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 38,211.07	
Due from Other Trust Funds	5.16	
Total Interest on Investments and Deposits		\$ 38,216.23

Fines and Costs - Municipal Court	10,505.71	
Sale of Municipal Assets	134,871.71	
Municipal Clerk Licenses and Other Miscellaneous	3,209.00	
Recycling - DPW	3,252.00	
Senior Citizens' and Veterans' Deductions		
Administrative Reimbursement	357.40	
FEMA Reimbursement	45,765.19	
Other Miscellaneous Revenue	11,624.19	
		209,585.20

Tax Collector:

In Lieu of Taxes	2,046.10	
Other Miscellaneous	150.01	
		2,196.11

Deposits on Sales of Municipal Property Realized on Sale of Municipal Assets		17,325.00
		\$ 267,322.54

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Within "CAPS":				
GENERAL GOVERNMENT:				
General Administration:				
Other Expenses	\$ 5,500.00	\$ 4,500.00	\$ 4,049.84	\$ 450.16
Mayor and Council:				
Salaries and Wages	13,427.00	13,427.00	13,425.97	1.03
Other Expenses	1,200.00	1,200.00	730.00	470.00
Municipal Clerk:				
Salaries and Wages	47,050.00	47,050.00	47,022.58	27.42
Other Expenses	1,600.00	1,600.00	1,330.89	269.11
Other Expenses - Codification of Ordinances	4,500.00	4,500.00	3,946.89	553.11
Elections:				
Salaries and Wages	300.00	300.00	300.00	
Other Expenses	4,500.00	4,500.00	1,944.45	2,555.55
Financial Administration (Treasury):				
Salaries and Wages	17,400.00	17,400.00	17,148.46	251.54
Other Expenses	2,700.00	2,700.00	2,446.37	253.63
Other Expenses - Contractual	29,600.00	29,600.00	29,560.80	39.20
Annual Audit	26,000.00	26,000.00	17,069.00	8,931.00
Computerized Data Processing:				
Other Expenses	10,700.00	10,000.00	8,348.80	1,651.20
Revenue Administration (Tax Collection):				
Salaries and Wages	1,000.00	1,000.00	999.98	0.02
Other Expenses	3,000.00	3,000.00	2,263.53	736.47
Other Expenses - Contractual	49,700.00	49,700.00	49,669.65	30.35

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Within "CAPS" (Continued):				
GENERAL GOVERNMENT (Continued):				
Tax Assessment Administration:				
Salaries and Wages	\$ 17,800.00	\$ 17,800.00	\$ 17,742.86	\$ 57.14
Other Expenses	1,500.00	500.00		500.00
Salaries and Wages - Assessment Search Officer	1,000.00	1,000.00	999.98	0.02
Legal Services & Costs:				
Other Expenses	28,000.00	24,000.00	20,310.50	3,689.50
Engineering Services & Costs:				
Other Expenses	5,500.00	7,500.00	7,379.00	121.00
Municipal Economic Development Partnership:				
Other Expenses	1,500.00	1,500.00	1,141.08	358.92
LAND USE ADMINISTRATION:				
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Salaries and Wages	34,100.00	34,100.00	34,057.44	42.56
Other Expenses	21,500.00	21,500.00	6,418.50	15,081.50
Zoning Official:				
Salaries and Wages	9,800.00	9,800.00	9,167.63	632.37
Other Expenses	100.00	100.00		100.00
INSURANCE:				
General Liability	111,900.00	111,900.00	111,833.00	67.00
Employee Group Health	175,000.00	166,000.00	162,425.76	3,574.24
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	3,200.00	3,200.00	2,332.85	867.15



TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Within "CAPS" (Continued):				
PUBLIC SAFETY:				
Emergency Management Services:				
Other Expenses - First Responders	\$ 10,500.00	\$ 10,500.00	\$ 9,256.88	\$ 1,243.12
Aid to Volunteer Fire Company	43,000.00	43,000.00	43,000.00	
PUBLIC WORKS:				
Road Repairs and Maintenance:				
Salaries and Wages	305,000.00	310,000.00	299,542.15	10,457.85
Other Expenses	76,000.00	71,000.00	47,903.04	23,096.96
Snow Removal:				
Salaries and Wages	38,000.00	38,000.00	19,287.75	18,712.25
Other Expenses	73,000.00	73,000.00	72,311.08	688.92
Solid Waste Collection:				
Recycling Coordinator:				
Salaries and Wages	3,200.00	3,200.00	3,122.86	77.14
Public Buildings & Grounds:				
Other Expenses	14,700.00	14,700.00	12,289.25	2,410.75
HEALTH AND HUMAN SERVICES:				
Board of Health:				
Salaries and Wages	60.00	60.00		60.00
Other Expenses	100.00	100.00		100.00
Salaries and Wages - Registrar	1,000.00	1,000.00	999.98	0.02

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Within "CAPS" (Continued):				
HEALTH AND HUMAN SERVICES (Continued):				
Board of Health (Continued):				
Other Expenses - Registrar	\$ 500.00	\$ 600.00	\$ 538.00	\$ 62.00
Other Expenses - Municipal Alliance	300.00	300.00	252.33	47.67
Animal Control:				
Other Expenses	7,500.00	7,500.00	7,500.00	
PARK AND RECREATION:				
Recreation:				
Other Expenses	9,200.00	9,200.00	6,248.59	2,951.41
UNCLASSIFIED:				
Celebration of Public Events:				
Other Expenses	6,200.00	6,200.00	862.47	5,337.53
Electricity	13,500.00	13,500.00	12,677.14	822.86
Street Lighting	3,200.00	3,200.00	2,289.62	910.38
Telephone	11,800.00	11,800.00	10,323.52	1,476.48
Gasoline (Natural or Propane)	5,000.00	8,000.00	7,816.07	183.93
Fuel Oil	28,000.00	38,500.00	38,290.27	209.73
Total Operations Within "CAPS"	1,278,837.00	1,278,737.00	1,168,576.81	110,160.19

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Within "CAPS" (Continued):				
UNCLASSIFIED: (Continued)				
Detail:				
Salaries and Wages	\$ 489,137.00	\$ 494,137.00	\$ 463,817.64	\$ 30,319.36
Other Expenses	789,700.00	784,600.00	704,759.17	79,840.83
Deferred Charges and Statutory Expenditures - Municipal				
Within "CAPS":				
Statutory Expenditures:				
Contribution to :				
Public Employees' Retirement System	58,622.00	58,622.00	56,071.00	2,551.00
Social Security (O.A.S.I)	40,000.00	40,000.00	34,825.50	5,174.50
Defined Contribution Retirement Plan	1,000.00	1,100.00	993.89	106.11
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	99,622.00	99,722.00	91,890.39	7,831.61
Total General Appropriations for Municipal Purposes Within "CAPS"	1,378,459.00	1,378,459.00	1,260,467.20	117,991.80

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Excluded from "CAPS":				
Police:				
911 Dispatching - Contractual	\$ 12,830.00	\$ 12,830.00	\$ 12,830.00	
Affordable Housing Administration (N.J.S.A.40A:45.3T):				
Other Expenses	3,000.00	3,000.00		\$ 3,000.00
Length of Service Awards Program	22,000.00	22,000.00	200.00	21,800.00
Shared Services Agreements:				
Joint Municipal Court:				
Other Expenses - Contractual	60,000.00	60,000.00	60,000.00	
Tax Assessment Administration	22,385.00	22,385.00	22,292.38	92.62
Planning Board Administration	19,772.00	19,772.00	19,737.11	34.89
Public and Private Programs Offset by Revenue:				
Clean Communities Grant	10,269.04	10,269.04	10,269.04	
Local Recreation Improvement Grant	35,000.00	35,000.00	35,000.00	
Recycling Tonnage Grant	5,581.86	5,581.86	5,581.86	
	<u>190,837.90</u>	<u>190,837.90</u>	<u>165,910.39</u>	<u>24,927.51</u>
Total Operations Excluded from "CAPS":				
Detail:				
Other Expenses	<u>190,837.90</u>	<u>190,837.90</u>	<u>165,910.39</u>	<u>24,927.51</u>

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Capital Improvements:				
Capital Improvement Fund	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	
Road Improvements	265,000.00	265,000.00	265,000.00	
Purchase of Road Equipment	162,500.00	162,500.00	162,500.00	
Purchase of Fire Equipment	75,000.00	75,000.00	75,000.00	
Purchase of Rescue Equipment	15,000.00	15,000.00	15,000.00	
Improvements to Firehouse	12,000.00	12,000.00	12,000.00	
Public and Private Offset by Revenues:				
NJ Department of Transportation - 2022				
Municipal Aid Program - Snover Road Phase I	141,000.00	141,000.00	141,000.00	
Total Capital Improvements	<u>730,500.00</u>	<u>730,500.00</u>	<u>730,500.00</u>	
Total General Appropriations for Municipal Purposes	2,299,796.90	2,299,796.90	2,156,877.59	\$ 142,919.31
Reserve for Uncollected Taxes	<u>375,000.00</u>	<u>375,000.00</u>	<u>375,000.00</u>	
Total General Appropriations	<u>\$ 2,674,796.90</u>	<u>\$ 2,674,796.90</u>	<u>\$ 2,531,877.59</u>	<u>\$ 142,919.31</u>

Ref.

A

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

		Analysis of	
<u>Ref.</u>	Budget After Modification	Paid or Charged	
Adopted Budget	\$ 2,674,796.90		
	\$ 2,674,796.90		
Reserve for Uncollected Taxes		\$ 375,000.00	
Reserve for Encumbrances	A	20,587.52	
Transfer to Federal and State Grant Fund		191,850.90	
Cash Disbursed		1,968,850.05	
		2,556,288.47	
Less: Appropriation Refunds		24,410.88	
		\$ 2,531,877.59	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF LAFAYETTE  
COUNTY OF SUSSEX  
2022  
TRUST FUNDS

TOWNSHIP OF LAFAYETTE  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2022	2021
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	\$ 97.52	\$ 625.32
		<u>97.52</u>	<u>625.32</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,065,521.51	996,235.85
Due from Lafayette Fire Department		60.83	
Due From Current Fund:			
Open Space Trust Fund	A	444.48	109.88
		<u>1,066,026.82</u>	<u>996,345.73</u>
TOTAL ASSETS		<u>\$ 1,066,124.34</u>	<u>\$ 996,971.05</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State Board of Health		\$ 3.00	\$ 7.20
Reserve for Animal Control Expenditures	B-6	94.52	618.12
		<u>97.52</u>	<u>625.32</u>
Other Trust Funds:			
Due to Current Fund	A	536.22	531.06
Reserve for:			
Escrow and Driveway Bonds		67,380.57	92,003.97
Recreation		16,091.03	12,767.78
Fire Prevention Penalty Fees		16,726.77	13,941.20
Developers Escrow		540,371.30	501,608.44
Affordable Housing		119,438.60	76,865.22
Tax Sale Premiums		1,951.66	17,050.00
Open Space Trust		269,086.45	247,140.14
Storm Recovery		34,444.22	34,437.92
		<u>1,066,026.82</u>	<u>996,345.73</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 1,066,124.34</u>	<u>\$ 996,971.05</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT



TOWNSHIP OF LAFAYETTE  
ASSESSMENT TRUST FUNDS  
STATEMENT OF FUND BALANCE-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

TOWNSHIP OF LAFAYETTE  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

TOWNSHIP OF LAFAYETTE  
ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF LAFAYETTE  
COUNTY OF SUSSEX  
2022  
GENERAL CAPITAL FUND

TOWNSHIP OF LAFAYETTE  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET-REGULATORY BASIS

	Ref.	December 31,	
		2022	2021
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 1,602,066.66	\$ 1,512,518.97
TOTAL ASSETS		<u>\$ 1,602,066.66</u>	<u>\$ 1,512,518.97</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Improvement Authorizations:			
Funded	C-5	\$ 14,355.39	\$ 191,250.28
Capital Improvement Fund	C-6	872,000.82	667,038.77
Reserve for:			
Encumbrances Payable		8,546.10	211,565.57
Purchase of Fire Truck and Fire Equipment		84,347.63	9,347.63
Purchase of Road Equipment		162,500.00	
Purchase of Rescue Equipment		15,000.00	
Improvements to Firehouse		12,000.00	
Improvements to Public/Recreational Property		17,406.92	17,406.92
FEMA Funded Purchase of Generators		28,772.10	28,772.10
FEMA Funded Emergency Management Equipment		24,354.50	24,354.50
Fund Balance	C-1	<u>362,783.20</u>	<u>362,783.20</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 1,602,066.66</u>	<u>\$ 1,512,518.97</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF LAFAYETTE  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE-REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2021	C	<u>\$ 362,783.20</u>
Balance December 31, 2022	C	<u><u>\$ 362,783.20</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF LAFAYETTE  
COUNTY OF SUSSEX  
2022  
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF LAFAYETTE  
COUNTY OF SUSSEX  
2022  
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF LAFAYETTE  
COUNTY OF SUSSEX  
2022  
PUBLIC ASSISTANCE FUND

NOT APPLICABLE



TOWNSHIP OF LAFAYETTE  
COUNTY OF SUSSEX  
2022  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF LAFAYETTE  
COUNTY OF SUSSEX  
2022  
GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF LAFAYETTE  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET -REGULATORY BASIS

	December 31,	
	2022	2021
<u>ASSETS</u>		
Land	\$ 1,563,577.00	\$ 1,563,577.00
Buildings and Improvements	2,037,014.15	2,084,940.17
Vehicles and Equipment	2,927,093.65	2,886,719.63
TOTAL ASSETS	\$ 6,527,684.80	\$ 6,535,236.80
 <u>RESERVES</u>		
Reserve for Fixed Assets	\$ 6,527,684.80	\$ 6,535,236.80
TOTAL RESERVES	\$ 6,527,684.80	\$ 6,535,236.80

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of Lafayette conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 of Lafayette accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group – Estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E.

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Grant revenue is realized in the Current Fund when it is budgeted and in the Capital Funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations based on budgeted amounts. Exceptions to this general rule include:

- 1) Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
- 2) Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
- 3) Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, 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 during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when received; inventories would not be reflected as expenditures at the time of purchase, investments would generally be stated at fair value and the Township's net pension liability and related deferred inflows and outflows, where applicable, would be recorded.

The cash basis of accounting is followed in the Trust Funds.

- D. Deferred Charges to Future Taxation – The Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds or by issuing loans or financed purchase agreements.

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused accumulated sick pay are not recorded until paid.

Foreclosed Property - Foreclosed Property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. 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. The cost of inventories is not included on the various balance sheets.

General Fixed Assets - In accordance with New Jersey Administrative Code accounting requirements, as promulgated by the Division of Local Government Services, the Township has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at cost, or estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the general fixed assets account group may also be recorded in the Current Fund and General Capital Fund. The values recorded in the general fixed assets account group and the current and capital funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current Fund and the Open Space Trust Fund. The budget is submitted to the governing body and the Division of Local Government Services. The budget is prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit taxing power has been pledged to the payment of the general obligation debt principal and interest.

	December 31,		
	2022	2021	2020
<u>Issued</u>			
General:			
Bonds and Notes	\$ -0-	\$ -0-	\$ -0-
Net Debt Issued	-0-	-0-	-0-
<u>Authorized but not Issued:</u>			
Bonds and Notes	-0-	-0-	-0-
Net Bonds and Notes Issued and Authorized but not Issued	\$ -0-	\$ -0-	\$ -0-

Summary of Municipal Debt Issued and Outstanding – Current and Prior Years

There was no debt issued and outstanding at December 31, 2022, 2021 or 2020.

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 0.0%.

	Gross Debt	Deductions	Net Debt
General Debt	\$ -0-	\$ -0-	\$ -0-
Regional High School Debt	-0-	-0-	-0-
Local School District Debt	-0-	-0-	-0-
	\$ -0-	\$ -0-	\$ -0-

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Borrowing Power Under N.J.S. 40A:2-6 As Amended

Net Debt of \$-0- divided by Equalized Valuation Basis per N.J.S. 40A:2-2, \$368,424,990.67 = 0.0%.

3-1/2% Average Equalized Valuation of Real Property	\$ 12,894,874.67
Net Debt	<u>- 0 -</u>
Remaining Borrowing Power	<u>\$ 12,894,874.67</u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Note 3: Fund Balances Appropriated

The amount of fund balance at December 31, 2022, which is included in the adopted Current Fund budget for the year ending December 31, 2023 is \$840,500.

Note 4: Pension Plans

Township employees participate in a defined benefit public employee retirement system: the State of New Jersey Public Employee's Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.



TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$58,622 for 2022. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$1,443 to the PERS for normal pension benefits on behalf of the Borough.

The employee contribution rate was 7.50% effective July 1, 2018.

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Pension Liabilities and Pension Expense

At June 30, 2022, the Township's liability was \$685,812 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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 members, actuarially determined. At June 30, 2022, the Township's proportion was 0.0045%, which was a decrease of 0.0005% from its proportion measured as of June 30, 2021. The Township has rolled forward the net pension liability as of June 30, 2021 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation.

There was no state proportionate share of net pension liability attributable to the Borough as of June 30, 2022.

For the year ended December 31, 2022, the Township recognized actual pension expense in the amount of \$58,622.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

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 a 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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) 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 PERS' target asset allocation as of June 30, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the 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.

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 collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, 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 or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's proportionate share of the Net Pension Liability	\$ 881,067	\$ 685,812	\$ 519,641

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 4: Pension Plans (Cont'd)

B. Defined Contribution Retirement Program (DCRP) (Cont'd)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Township recognized pension expense of \$994 for the year ended December 31, 2022. Employee contributions to DCRP amounted to \$1,350 for the year ended December 31, 2022.

Note 5: Local and Regional School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township of Lafayette has elected not to defer school taxes.

Note 6: Accrued Sick and Vacation Benefits

Vacation time must be used before the end of the year and is not allowed to be accrued.

Employees are allowed to accrue up to 24 days of sick leave; however, they are not paid for any sick time upon leaving the Township. Such compensation paid for sick time used during the year would be included in the Township's budget.

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022

(Continued)

Note 7: Selected Tax Information (Cont'd)

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Tax Rate</u>	\$ 2.836	\$ 2.891	\$ 2.863
<u>Apportionment of</u>			
<u>Tax Rate</u>			
Municipal *	0.305	0.298	0.293
County	0.611	0.630	0.642
Local School	1.241	1.240	1.260
Regional High School	0.679	0.723	0.668
<u>Assessed Valuations</u>			
2022	<u>\$ 329,486,000.00</u>		
2021		<u>\$ 330,278,300.00</u>	
2020			<u>\$ 329,320,900.00</u>

\* - Includes municipal open space taxes.

Comparison of Tax Levies and Collection Currently

A study of the tabulation on the following page 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.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2022	\$ 9,396,565.64	\$ 9,240,950.27	98.34%
2021	9,587,356.87	9,391,582.26	97.96%
2020	9,439,745.94	9,281,310.77	98.32%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
 (Continued)

Note 8: Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The Township limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Custodial Credit Risk – The Township's policy with respect to custodial credit risk requires that the Township ensures that Township funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds.

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of collected public funds on deposit, and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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.

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
 (Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Investments:

New Jersey statutes permit the Township to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (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 that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs 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. 1977, 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) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.



TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

As of December 31, 2022, cash and cash equivalents of the Township of Lafayette consisted of the following:

Fund	Checking Accounts	Savings Accounts	NJ Cash Management Fund	Total
Current	\$1,760,176.61		\$ 4.53	\$ 1,760,181.14
Animal Control	97.52			97.52
Other Trust	100,673.76	\$ 964,847.75		1,065,521.51
General Capital	1,602,064.57		2.09	1,602,066.66
	<u>\$3,463,012.46</u>	<u>\$ 964,847.75</u>	<u>\$ 6.62</u>	<u>\$ 4,427,866.83</u>

During the period ended December 31, 2022, the Township did not hold any investments. The carrying amount of the Township of Lafayette's cash and cash equivalents at December 31, 2022, was \$4,427,866.83 and the bank balance was \$4,428,636.13. The \$6.62 in the NJ Cash Management Fund accounts are uninsured and unregistered.

Note 9: Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided through the State of New Jersey health benefits plan.

Property, Liability and Workers' Compensation

The Township is currently a member of the Statewide Insurance Fund (the "Fund"). The Fund provides its members with Auto, Liability, Property Insurance, Workers' Compensation and Employee Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of governmental entities established for the purpose of providing low-cost insurance coverage for its members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 9: Risk Management (Cont'd)

Property, Liability and Workers' Compensation (Cont'd)

The December 31, 2022 audit report of the Fund is not filed as of the date of this report. Selected, summarized financial information for the Fund as of December 31, 2021 is as follows:

	<u>Statewide</u> <u>Insurance Fund</u>
Total Assets	\$ 50,984,456
Net Position	\$ 15,544,217
Total Revenue	\$ 27,206,768
Total Expenses	\$ 28,536,856
Change in Net Position	\$ (1,330,088)
Members Dividends	\$ 863,028

Contact information for Statewide Insurance Fund is as follows:

One Sylvan Way  
Parsippany, New Jersey 07054  
(862) 260-2050

New Jersey Unemployment Compensation Insurance – The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this plan, the Township is required to remit employee withholdings to the State on a quarterly basis. All of the Township’s claims are paid by the State.

Note 10: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2022:

<u>Fund</u>	<u>Interfund</u> <u>Receivable</u>	<u>Interfund</u> <u>Payable</u>
Current Fund	\$ 536.22	\$ 210,392.03
Federal and State Grant Fund	209,947.55	
Other Trust Funds		536.22
Open Space Trust Fund	444.48	
	<u>\$ 210,928.25</u>	<u>\$ 210,928.25</u>

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 10: Interfund Receivables and Payables (Cont'd)

The interfund receivable in the Federal and State Grant Fund and the interfund payable in the Current Fund are due to the net of grant funds received in the Current Fund and grant fund expenditures paid by the Current Fund on behalf of the Federal and State Grant Fund. The interfund receivable in the Open Space Trust Fund and the interfund payable in the Current Fund represent \$184.48 of 2022 open space added and omitted taxes and \$260 for a Farm Lease receipt collected in the Current Fund and not turned over to the Open Space Trust Fund as of December 31, 2022. The interfund receivable in the Current Fund and the interfund payable in the Other Trust Funds represent \$5.16 of interest earned in the Other Trust Funds in 2022 as well as a prior year interfund of \$531.06 not liquidated in the current year.

Note 11: Contingent Liabilities

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Township vigorously contests these lawsuits and believes the ultimate resolution would not have a material adverse effect on its financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township's Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve, which it feels is sufficient, for this contingency in the amount of \$49,323.06.

Note 12: Economic Dependency

The Township receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

Note 13: Open Space Trust Fund

The Township adopted an ordinance in 2006 to establish a "Municipal Open Space, Recreation, and Farmland and Historic Preservation Trust Fund," permitting the Township to collect a tax between one (\$.01) and three (\$.03) cents per \$100.00 assessed valuation for the Open Space Trust Fund. The 2022 Open Space tax levy was one cent (\$.01) or \$33,133.08 including added and omitted taxes. The balance in the Reserve for Open Space at December 31, 2022 was \$269,086.45.

TOWNSHIP OF LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 14: Fixed Assets

The following is a summarization of activities for the years ended December 31, 2022 and 2021:

	Balance Dec. 31, 2021	Additions	Adjustments/ Deletions	Balance Dec. 31, 2022
Land	\$ 1,563,577.00			\$ 1,563,577.00
Buildings and Improvements	2,084,940.17		\$ 47,926.02	2,037,014.15
Vehicles and Equipment	2,886,719.63	\$ 4,546.00	(35,828.02)	2,927,093.65
	<u>\$ 6,535,236.80</u>	<u>\$ 4,546.00</u>	<u>\$ 12,098.00</u>	<u>\$ 6,527,684.80</u>
	Balance Dec. 31, 2020	Additions	Deletions	Balance Dec. 31, 2021
Land	\$ 1,563,577.00			\$ 1,563,577.00
Buildings and Improvements	1,961,905.50	\$ 123,034.67		2,084,940.17
Vehicles and Equipment	2,540,050.63	350,869.00	\$ 4,200.00	2,886,719.63
	<u>\$ 6,065,533.13</u>	<u>\$ 473,903.67</u>	<u>\$ 4,200.00</u>	<u>\$ 6,535,236.80</u>

TOWNSHIP OF LAFAYETTE

SUPPLEMENTARY DATA

TOWNSHIP OF LAFAYETTE  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2022

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Kevin O'Leary	Mayor		
Richard Hughes	Deputy Mayor		
Gregory Corcoran	Committeeman		
Richard Bruning	Committeeman		
Alan Henderson	Committeeman		
Toni Grisaffi	Chief Financial Officer/Treasurer	*	*
Daryn Cashin	Tax Collector, Tax Search Officer	*	*
Anna Rose Fedish	Clerk, Assessment Search Official, Registrar and Deputy Collector	*	*
Jason Laliker	Tax Assessor	*	*
Stephanie Pizzulo	Secretary - Board of Health, Land Use Board, Construction & Fire Prevention Offices	*	*
John Abate	Animal Control Officer - thru Wantage Township		
Debbie Card/George Hutnick	Zoning and Code Enforcement Officer	*	*
Stephanie Pizzulo	Recycling Coordinator	*	*
Roy E. Kurnos	Attorney		

\* There is a Public Employees Blanket Crime Coverage for \$1,000,000 covering all municipal employees, including statutory positions with the Statewide Insurance Fund.

TOWNSHIP OF LAFAYETTE  
COUNTY OF SUSSEX  
2022  
CURRENT FUND

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 1,883,343.54
Increased by Receipts:		
Tax Collector	\$	9,383,942.86
Revenue Accounts Receivable		781,451.41
Miscellaneous Revenue Not Anticipated		209,585.20
Interest on Investments		38,211.07
Due to Open Space Trust Fund:		
Farm Lease Receipts		260.00
Due to Federal and State Grant Fund:		
Interfund Advanced - Grant Funds Receivable		153,831.86
Interfund Advanced - Unappropriated Reserves		134,145.00
Due to/from State of New Jersey:		
Senior Citizens' and Veterans' Deductions		17,869.86
Marriage License Fees		112.00
Appropriation Refunds		24,410.88
Reserve for Municipal Relief Funds		9,591.26
Reserve for Insurance Claims		1,995.40
		10,755,406.80
		12,638,750.34
Decreased by Disbursements:		
2022 Appropriation Expenditures	\$	1,968,850.05
2021 Appropriation Reserve Expenditures		191,414.11
Local School District Taxes		4,089,142.00
Regional High School Taxes Payable		2,239,674.00
County Taxes		2,014,013.15
Accounts Payable		500.00
Due to Open Space Trust Funds:		
Settlement of Prior Year Interfund		109.88
Open Space Tax Levy		32,948.60
Due from Federal and State Grant Fund:		
Interfund Advanced - Appropriated Grant Fund Reserves		336,778.91
Due to State of New Jersey:		
Marriage License Fees		150.00
Reserve for Revision of Tax Maps		3,600.00
Reserve for Pending Tax Appeals		1,388.50
		10,878,569.20
Balance December 31, 2022	A	\$ 1,760,181.14



TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2022

Increased by Receipts:			
Taxes Receivable	\$	9,290,820.05	
Interest and Costs on Taxes		23,731.76	
2023 Prepaid Taxes		65,344.94	
Other Miscellaneous		150.01	
In Lieu of Taxes		2,046.10	
Reserve for Revision of Tax Maps		1,850.00	
			\$ 9,383,942.86
Decreased by:			
Payments to Municipal Treasurer			\$ 9,383,942.86

TOWNSHIP OF LAFAYETTE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF CASH  
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

TOWNSHIP OF LAFAYETTE  
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance		Collections		Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions		Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2022
	Dec. 31, 2021	2022 Levy	2021	2022						
2021	\$ 142,037.52		\$ 138,226.45			\$ (630.14)	\$ 4,441.21			
2022	\$ 9,396,565.64	\$ 9,396,565.64	\$ 65,415.62	\$ 9,152,593.60	\$ 4,441.05	18,500.00	43.27	\$ 4,965.84	\$ 150,606.26	
		<u>\$ 142,037.52</u>	<u>\$ 65,415.62</u>	<u>\$ 9,290,820.05</u>	<u>\$ 4,441.05</u>	<u>\$ 17,869.86</u>	<u>\$ 43.27</u>	<u>\$ 4,965.84</u>	<u>\$ 150,606.26</u>	
<u>Ref.</u>	A									
<u>Analysis of 2022 Property Tax Levy</u>										
Tax Yield:										
General Purpose Taxes										
Added and Omitted Taxes (54-5-63.1 et. seq.)										
			\$ 9,344,222.93							
			<u>52,342.71</u>							
					<u>\$ 9,396,565.64</u>					
Tax Levy:										
Local School District Taxes										
Regional High School Taxes										
County Taxes:										
General Tax										
County Added and Omitted Taxes										
			\$ 2,007,069.99							
			<u>11,281.46</u>							
					<u>2,018,351.45</u>					
					<u>8,347,167.45</u>					
Local Tax for Municipal Purposes										
Municipal Open Space Tax										
			972,720.00							
			<u>32,948.60</u>							
Additional Open Space - Municipal										
			184.48							
			<u>43,545.11</u>							
					<u>1,049,398.19</u>					
					<u>\$ 9,396,565.64</u>					

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 158,285.80
Increased by:		
Transfer from Taxes Receivable		<u>4,965.84</u>
Balance December 31, 2022	A	<u><u>\$ 163,251.64</u></u>

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2022

	<u>Accrued In</u> <u>2022</u>	<u>Collected by</u> <u>Treasurer</u>
Licenses:		
Alcoholic Beverages	\$ 1,000.00	\$ 1,000.00
Fees and Permits	28,095.00	28,095.00
Garden State Preservation Trust	4,576.00	4,576.00
Energy Receipts Tax	183,868.00	183,868.00
S.C.M.U.A. Host Community Benefit Fees	512,312.45	512,312.45
Shared Service Agreements:		
Planning Board Administration	28,970.96	28,970.96
Tax Assessment Administration	22,629.00	22,629.00
	<u>\$ 781,451.41</u>	<u>\$ 781,451.41</u>

TOWNSHIP OF LAFAYETTE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2021	2022 Budget Revenue Realized	Cash Received	Transferred from Unappropriated Reserves	Balance Dec. 31, 2022
Recycling Tonnage Grant - 2022		\$ 5,581.86	\$ 5,581.86		
Clean Communities Grant - 2022		10,269.04		\$ 10,269.04	
NJ Department of Transportation - Municipal Aid Program:					
2020 - Statesville Quarry Road	\$ 42,500.00		42,500.00		
2021 - Statesville Quarry Road	49,050.00	141,000.00	105,750.00		\$ 49,050.00
2022 - Snover Road Phase I		35,000.00			35,250.00
Local Recreation Improvement					35,000.00
	<u>\$ 91,550.00</u>	<u>\$ 191,850.90</u>	<u>\$ 153,831.86</u>	<u>\$ 10,269.04</u>	<u>\$ 119,300.00</u>

Ref.

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TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022

	Balance Dec. 31, 2021	Budget After Modification	Paid or Charged	Balance Lapsed
General Administration:				
Salaries and Wages	\$ 12.33	\$ 12.33	\$ 12.33	
Mayor and Council:				
Salaries and Wages	1.02	1.02		\$ 1.02
Other Expenses	88.00	88.00		88.00
Municipal Clerk:				
Salaries and Wages	24.36	24.36		24.36
Other Expenses	619.52	619.52	372.63	246.89
Other Expenses - Codification of Ordinances	627.37	627.37	627.37	
Elections:				
Other Expenses	21.33	21.33		21.33
Financial Administration (Treasury):				
Salaries and Wages	165.78	165.78		165.78
Other Expenses	21.66	21.66		21.66
Other Expenses - Contractual	68.90	68.90		68.90
Annual Audit Services	8,931.00	8,931.00	8,931.00	
Computerized Data Processing:				
Other Expenses	1,130.01	1,130.01	71.42	1,058.59
Revenue Administration (Tax Collection):				
Salaries and Wages	0.99	0.99		0.99
Other Expenses	587.58	587.58	70.99	516.59
Other Expenses - Contractual	295.48	295.48		295.48
Tax Assessment Administration:				
Salaries and Wages	89.75	89.75		89.75
Other Expenses	1,500.00	1,500.00		1,500.00
Salaries and Wages-Assesment Search Officer	0.99	0.99		0.99
Legal Services & Costs:				
Other Expenses	572.65	572.65	486.00	86.65
Engineering Services & Costs:				
Other Expenses	3,168.75	3,168.75	1,043.00	2,125.75
Municipal Economic Development Partnership:				
Other Expenses	1,078.00	1,078.00	40.50	1,037.50
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Salaries and Wage	273.19	273.19		273.19
Other Expenses	11,939.41	11,939.41	6,232.50	5,706.91
Zoning Official:				
Salaries and Wage	2,662.60	2,662.60		2,662.60
Other Expenses	100.00	100.00		100.00
Insurance:				
Employee Group Health	27,533.28	27,533.28		27,533.28
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	1,113.05	1,113.05		1,113.05

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

	Balance Dec. 31, 2021	Budget After Modification	Paid or Charged	Balance Lapsed
Police:				
911 Dispatching - Contractual	\$ 21.22	\$ 21.22		\$ 21.22
Road Repairs and Maintenance:				
Salaries and Wages	42,113.98	42,113.98		42,113.98
Other Expenses	18,358.57	18,358.57	\$ 4,171.04	14,187.53
Snow Removal:				
Salaries and Wages	16,854.23	16,854.23		16,854.23
Other Expenses	39,919.61	39,919.61	11,598.04	28,321.57
Solid Waste Collection:				
Recycling Coordinator:				
Salaries and Wages	77.18	77.18		77.18
Other Expenses	250.00	250.00		250.00
Public Buildings & Grounds:				
Other Expenses	5,413.83	5,413.83	3,567.87	1,845.96
Board of Health:				
Salaries and Wages	60.00	60.00		60.00
Other Expenses	100.00	100.00		100.00
Salaries and Wages - Registrar	0.99	0.99		0.99
Other Expenses - Registrar	56.00	56.00		56.00
Other Expenses - Municipal Alliance	1,040.00	1,040.00		1,040.00
Animal Control:				
Other Expenses	101.00	101.00		101.00
Recreation:				
Salaries and Wages	3,380.04	3,380.04		3,380.04
Other Expenses	10,408.13	10,408.13	6,936.38	3,471.75
Open Space Committee:				
Other Expenses	250.00	250.00		250.00
Celebration of Public Events:				
Other Expenses	6,138.02	4,338.02		4,338.02
Utility and Bulk Purchases:				
Electricity	2,934.10	2,934.10	2,934.10	
Street Lighting	652.65	652.65	475.19	177.46
Telephone	1,522.62	1,522.62	1,215.03	307.59
Gasoline (Natural or Propane)	138.15	138.15	138.15	
Fuel Oil	3,237.03	3,237.03	1,783.54	1,453.49
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	3,107.00	3,107.00		3,107.00
Social Security System (OASI)	6,512.84	6,512.84		6,512.84
Defined Contribution Retirement Plan	64.97	64.97		64.97
Affordable Housing Administration:				
Other Expenses	4,000.00	4,000.00		4,000.00

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Length of Service Awards Program	\$ 20,500.00	\$ 20,500.00	\$ 20,500.00	
Shared Service Agreements:				
Joint Municipal Court:				
Other Expenses - Contractual	13,407.08	15,207.08	15,197.74	\$ 9.34
Tax Assessment Administration	34.44	34.44		34.44
Planning Board Administration				
Salaries and Wages	24.24	24.24		24.24
Road Improvements	<u>106,039.29</u>	<u>106,039.29</u>	<u>106,039.29</u>	
	<u>\$ 369,344.21</u>	<u>\$ 369,344.21</u>	<u>\$ 192,444.11</u>	<u>\$ 176,900.10</u>
Unencumbered	A \$ 211,292.40			
Encumbered	A <u>158,051.81</u>			
	<u>\$ 369,344.21</u>			
			Cash Disbursed \$ 191,414.11	
			Accounts Payable 1,030.00	
			<u>\$ 192,444.11</u>	



TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2022

Increased by:	
Levy - Calendar Year 2022	<u>\$ 4,089,142.00</u>
Decreased by:	
Payments to Local School District	<u><u>\$ 4,089,142.00</u></u>

TOWNSHIP OF LAFAYETTE  
CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2022

Increased by:	
Levy - Calendar Year 2022	<u>\$ 2,239,674.00</u>
Decreased by:	
Payments to Regional High School	<u><u>\$ 2,239,674.00</u></u>

TOWNSHIP OF LAFAYETTE  
 FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2021	Prior Year Encumbrances Returned	Transferred from 2022 Budget Appropriations	Expended	Encumbrances Payable	Balance Dec. 31, 2022
Recycling Tonnage Grant - 2019	\$ 4,655.47			\$ 4,584.00	\$ 71.47	
Recycling Tonnage Grant - 2020	2,094.14				98.53	\$ 1,995.61
Recycling Tonnage Grant - 2021	2,884.47					2,884.47
Recycling Tonnage Grant - 2022			\$ 5,581.86			5,581.86
Clean Communities Program - 2018	1,491.48			1,064.91	170.00	256.57
Clean Communities Program - 2019	5,001.66					5,001.66
Clean Communities Program - 2021	9,550.35					9,550.35
Clean Communities Program - 2022			10,269.04			10,269.04
Open Space Grant	475.50					475.50
NJ Department of Transportation: Municipal Aid Program:						
2020 - Monroe Road		\$ 81.60				81.60
2021 - Statesville Quarry Road		190,130.00		190,130.00		
2022 - Snover Road Phase I			141,000.00	141,000.00		
Local Recreation Improvement Grant			35,000.00			35,000.00
	<u>\$ 26,153.07</u>	<u>\$ 190,211.60</u>	<u>\$ 191,850.90</u>	<u>\$ 336,778.91</u>	<u>\$ 340.00</u>	<u>\$ 71,096.66</u>

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TOWNSHIP OF LAFAYETTE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>to 2022</u> <u>Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Clean Communities Grant 2021	\$ 10,269.04		\$ 10,269.04	
Clean Communities Grant 2022		\$ 10,479.10		\$ 10,479.10
American Rescue Plan	<u>123,665.89</u>	<u>123,665.90</u>		<u>247,331.79</u>
	<u>\$ 133,934.93</u>	<u>\$ 134,145.00</u>	<u>\$ 10,269.04</u>	<u>\$ 257,810.89</u>

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Federal	\$ 123,665.90
State	<u>10,479.10</u>
	<u>\$ 134,145.00</u>

TOWNSHIP OF LAFAYETTE  
COUNTY OF SUSSEX  
2022  
TRUST FUNDS

TOWNSHIP OF LAFAYETTE  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2021	B	\$ 625.32	\$ 996,235.85
Increased by Receipts:			
License Fees Collected		\$ 3,410.40	
Late Fees		470.00	
Kennel Licenses		50.00	
State Registration Fees		606.60	
Escrow and Driveway Bond Deposits			\$ 27,076.15
Recreation			7,036.60
Fire Prevention Deposits			22,678.15
Developers Escrow Deposits			90,852.66
Affordable Housing Deposits			42,573.38
Open Space:			
Open Space Tax Levy			32,948.60
Interest			53.23
Tax Sale Premiums			1.66
Storm Recovery			6.30
Due To/From Current Fund:			
Prior Year Interfund Returned - Open Space Trust Fund			109.88
Interest Earnings - Other Trust Funds			5.16
		<u>4,537.00</u>	<u>223,341.77</u>
		5,162.32	1,219,577.62
Decreased by Disbursements:			
State Registration Fees		610.80	
Administrative Expenses		4,454.00	
Escrow and Driveway Bond Deposits			51,699.55
Recreation Expenditures			3,713.35
Open Space:			
Trust Expenditures			11,500.00
Fire Prevention Expenditures			19,953.41
Developers Escrows Deposits			52,089.80
Tax Sale Premiums			15,100.00
		<u>5,064.80</u>	<u>154,056.11</u>
Balance December 31, 2022	B	<u>\$ 97.52</u>	<u>\$ 1,065,521.51</u>

TOWNSHIP OF LAFAYETTE  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

TOWNSHIP OF LAFAYETTE  
ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2021	B		\$ 618.12
Increased by:			
Animal Control License Fees Collected		\$ 3,410.40	
Late Fees		470.00	
Kennel Licenses		50.00	
			3,930.40
			4,548.52
Decreased by:			
Expenditures Under R.S. 4:19-15.11			4,454.00
Balance December 31, 2022	B		\$ 94.52

License Fees Collected

<u>Year</u>	<u>Amount</u>
2020	\$ 3,998.40
2021	3,822.00
Maximum Allowable Reserve	\$ 7,820.40

TOWNSHIP OF LAFAYETTE  
COUNTY OF SUSSEX  
2022  
GENERAL CAPITAL FUND



TOWNSHIP OF LAFAYETTE  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2021	C	\$ 1,512,518.97
Increased by:		
NJ Department of Transportation Grants Receivable		
2022 Budget Appropriation:		
Reserve for Road Improvements	\$ 265,000.00	
Reserve for Purchase of Road Equipment	162,500.00	
Reserve for Purchase of Fire Equipment	75,000.00	
Reserve for Purchase of Rescue Equipment	15,000.00	
Reserve for Improvements to Firehouse	12,000.00	
Capital Improvement Fund	60,000.00	
	<hr/>	589,500.00
		<hr/> 2,102,018.97
Decreased by:		
Prior Year Encumbrances Liquidated	\$ 211,565.57	
Improvement Authorizations	288,386.74	
	<hr/>	499,952.31
		<hr/> <hr/> 499,952.31
Balance December 31, 2022	C	\$ <u><u>1,602,066.66</u></u>

TOWNSHIP OF LAFAYETTE  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance		Receipts		Disbursements		Transfers		Balance Dec. 31, 2022
	Dec. 31, 2021		Budget Appropriation		Miscellaneous	Improvement Authorizations	From	To	
Capital Fund Balance	\$ 362,783.20								\$ 362,783.20
Capital Improvement Fund Reserve for:	667,038.77	\$ 60,000.00					\$ 5,000.00	\$ 149,962.05	\$ 872,000.82
Road Improvements		265,000.00					265,000.00		162,500.00
Purchase of Road Equipment		162,500.00							84,347.63
Purchase of Fire Truck and Fire Equipment	9,347.63								15,000.00
Purchase of Rescue Equipment		15,000.00							12,000.00
Improvements to Firehouse		12,000.00							17,406.92
Improvements to Public/Recreational Property	17,406.92								28,772.10
FEMA Funded Purchase of Generators	28,772.10								24,354.50
FEMA Funded Emergency Management Equipment	24,354.50								211,565.57
Encumbrances Payable	211,565.57				\$ 211,565.57			8,546.10	8,546.10
<b>Ord. Date</b>	<b>Improvement Description</b>								
08/07/18	2018-12 Acquisition of Property								
04/21/20	2020-09 Acquisition of Turnout Gear								
03/02/21	2021-05 Repair/Replacement of Electrical Components within Pole Bldg.								
03/16/21	2021-09 Purchase and Installation of a Generator								
05/18/21	2021-13 Improvements to Various Roads								
10/19/21	2021-25 Repair of the Salt Shed								
12/07/21	2021-28 Purchase of Fire Department Hose								
12/07/21	2021-29 Purchase and Installation of a Propane Tank								
03/15/22	2022-04 Purchase of Fire Department Radios								
07/05/22	2020-05 Improvements to Various Roads								
	\$ 1,512,518.97	\$ 589,500.00			\$ 211,565.57	\$ 288,386.74	\$ 428,508.15	\$ 428,508.15	\$ 1,602,066.66

TOWNSHIP OF LAFAYETTE  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

TOWNSHIP OF LAFAYETTE  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Date	Ordinance	Amount	Balance		Paid or Charged	Improvement Authorization Canceled	Balance Dec. 31, 2022 Funded
				Dec. 31, 2021	Funded			
Acquisition of Property	08/07/18	\$ 165,000.00		\$ 146,823.75		\$ 2,310.00	\$ 146,823.75	\$ 7,165.02
Acquisition of Turnout Gear	04/21/20	28,000.00		9,475.02		784.97	933.03	
Repair/Replacement of Electrical Components within Pole Bldg.	03/02/21	5,000.00		1,718.00				
Purchase and Installation of a Generator	03/16/21	27,000.00		1,174.23				1,174
Improvements to Various Roads	05/18/21	195,000.00		19,906.33				
Repair of the Salt Shed	10/19/21	30,000.00		2,152.95			1,672.27	
Purchase of Fire Department Hose	12/07/21	5,000.00		5,000.00		4,528.00	472.00	
Purchase and Installation of a Propane Tank	12/07/21	5,000.00		5,000.00		5,000.00		
Purchase of Fire Department Radios	03/15/22	5,000.00			\$ 5,000.00	4,939.00	61.00	
Improvements to Various Roads	07/05/22	265,000.00			265,000.00	258,983.86		6,016.14
				\$ 191,250.28	\$ 270,000.00	\$ 296,932.84	\$ 149,962.05	\$ 14,355.39

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Capital Improvement Fund \$ 5,000.00  
Reserve for Road Improvements 265,000.00  
\$ 270,000.00

Cash Disbursed \$ 288,386.74  
Encumbrances C 8,546.10  
\$ 296,932.84

TOWNSHIP OF LAFAYETTE  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2021	C	\$ 667,038.77
Increased by:		
2022 Budget Appropriation		\$ 60,000.00
Cancellation of Improvement Authorizations		<u>149,962.05</u>
		<u>209,962.05</u>
		<u>877,000.82</u>
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		<u>5,000.00</u>
Balance December 31, 2022	C	<u>\$ 872,000.82</u>

TOWNSHIP OF LAFAYETTE  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

TOWNSHIP OF LAFAYETTE  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

TOWNSHIP OF LAFAYETTE  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE



TOWNSHIP OF LAFAYETTE  
PART II  
SINGLE AUDIT  
YEAR ENDED DECEMBER 31, 2022

TOWNSHIP OF LAFAYETTE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2022

Name of Federal Agency or Department	Name of Program	Pass-Through Entity ID#	Assistance Listing Number	Grant Award	Amount Received	Grant Period		Amount of Expenditures Year to Date	Amounts Provided to Subrecipients
						From	To		
U.S. Department of Homeland Security: (Passed through New Jersey Department of Law and Public Safety)	F.E.M.A. Severe Winter Storm and Snowstorm	100-066-1200-C80-066290	97.036	\$ 45,765.19	\$ 45,765.19	1/31/2021	2/2/2021	\$ 45,765.19 * \$ 45,765.19	
Total U.S. Department of Homeland Security					45,765.19			45,765.19	
U.S. Department of Treasury (Passed through New Jersey Department of Community Affairs)	COVID 19 - American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	100-022-8030-687-046010	21.027	247,331.79	123,665.90	3/3/2021	12/31/2024		
Total U.S. Department of Treasury					123,665.90				
Total Federal Awards					\$ 169,431.09			\$ 45,765.19	\$ -0-

\* - Expended in Prior Year

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF LAFAYETTE  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2022

Name of State Agency or Department	State Program	State Account No.	Grant Award	Amount Received	Grant Period		Amount of Expenditures	
					From	To	Year to Date	Cumulative
Department of Environmental Protection	Clean Communities Program	765-042-4900-	\$ 9,488.96		01/01/18	12/31/23	\$ 1,234.91	\$ 9,232.39
		004-178910	10,479.10		01/01/22	12/31/23		
				10,479.10			1,234.91	9,232.39
	Recycling Tonnage	752-042-4900-	7,717.36		01/01/19	12/31/22	4,655.47	7,717.36
		100-042-4910-	5,384.61		01/01/20	12/31/23	98.53	3,389.00
			5,581.86		01/01/22	12/31/23		
				5,581.86			4,754.00	11,106.36
Total Department of Environmental Protection				16,060.96			5,988.91	20,338.75
Department of Transportation:	Municipal Aid Program - 2020 Statesville Quarry Road	480-078-6320						
		AN8-606280	170,000.00		01/01/20	12/31/23		169,918.40
	Municipal Aid Program - 2021 Statesville Quarry Road - Road Improvements	480-078-6320						
		AN8-606280	196,200.00		01/01/21	12/31/22	190,130.00	196,200.00
Municipal Aid Program - 2022 Snover Road - Phase I		480-078-6320						
		AO1-606282	141,000.00		01/01/22	12/31/22	141,000.00	141,000.00
Total Department of Transportation				148,250.00			331,130.00	507,118.40
Total State Awards				\$ 164,310.96			\$ 337,118.91	\$ 527,457.15

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF LAFAYETTE  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2022

A. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Township of Lafayette under programs of the federal and state governments for the year ended December 31, 2022. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

B. Summary of Significant Accounting Policies

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Township has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.



Mount Arlington, NJ  
 Newton, NJ  
 Bridgewater, NJ

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 nisivoccia.com

Independent Member  
 BKR International

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

The Honorable Mayor and Members  
 of the Township Committee  
 Township of Lafayette  
 Lafayette, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Township of Lafayette, in the County of Sussex (the "Township") as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements and have issued our report thereon dated June 23, 2023. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the 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 opinions on the 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2022-001, that we consider to be a significant deficiency.

The Honorable Mayor and Members  
of the Township Committee  
Township of Lafayette  
Page 2

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

As part of obtaining reasonable assurance about whether the Township's financial statements are free of 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*.

### **The Township's Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Township's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.

Mount Arlington, New Jersey  
June 23, 2023

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Heidi A. Wohlleb*  
\_\_\_\_\_  
Heidi A. Wohlleb  
Certified Public Accountant  
Registered Municipal Accountant No. 481

TOWNSHIP OF LAFAYETTE  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- A significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditors' 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*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Township was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for the year ended December 31, 2022 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2022-001

Segregation of Duties

Criteria

Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Condition

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. The various departments/offices of the Township are responsible for the issuance of permits and licenses; collections of taxes and permit and license fees; and recording of collections. Also, the reconciliation of bank accounts, the preparation of the general ledger for the various funds as well as the preparation of payroll are performed by one person, the Chief Financial Officer.

Cause

This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures.

TOWNSHIP OF LAFAYETTE  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards (Cont'd)

Finding 2022-001 (Cont'd)

Segregation of Duties (Cont'd)

Effect or Potential Effect

Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

Recommendation

It is recommended that an adequate segregation of duties be maintained with respect to the recording and treasury functions.

Management's Response

The finding was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the Single Audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the Single Audit threshold.



TOWNSHIP OF LAFAYETTE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2022

The Township's prior year finding 2021-001 regarding segregation of duties was not resolved in 2022 due to budgetary constraints and is included as current year finding 2022-001 on the Schedule of Findings and Responses.

TOWNSHIP OF LAFAYETTE

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

TOWNSHIP OF LAFAYETTE  
COMMENTS AND RECOMMENDATIONS

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

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. 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.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 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, 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."

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are \$17,500 for a contracting unit without a qualified purchasing agent and \$44,000 for a contracting unit with a qualified purchasing agent.

The governing body of the Township of Lafayette has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

TOWNSHIP OF LAFAYETTE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes and Utility Charges

On January 4, 2022, the governing body adopted the following resolutions authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Township Committee of the Township of Lafayette, Sussex County, New Jersey, that, in accordance with R.S. 54:4-67 as amended, the rate of interest to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent be and the same is hereby fixed as follows:

1. No interest shall be charged if payment of tax or assessment installment, as the case may be, is made within ten (10) days after the date upon which the same became payable.
2. The rate of interest to be charged for the nonpayment of taxes or assessment installments on or before the date when they become delinquent shall be eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) on any delinquency over \$1,500, to be calculated from the date the tax was payable until the date of actual payment. The interest to be charged a delinquent taxpayer for nonpayment of real property taxes shall be an additional penalty of 6% if the amount of delinquency is in excess of \$10,000 at the end of the calendar year.

It appears from an examination of the Tax Collector's records that interest was generally collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 17, 2022, and was complete with respect to all items eligible for sale.

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

<u>Year</u>	<u>Number of Liens</u>
2022	13
2021	13
2020	19

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

TOWNSHIP OF LAFAYETTE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Verification of Delinquent Taxes and Other Charges

A test of verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2022 and 2023 Taxes	20
Delinquent Taxes Receivable	20
Tax Title Liens Receivable	3

Verification notices were mailed to confirm balances receivable as of December 31, 2022. The items that were returned were compared to, and are in agreement with, the Township's records. For receivable items not returned, alternative procedures were performed.

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed assets accounting and reporting system.
3. General ledger accounting and record system.

The Township currently complies with these accounting requirements.

Segregation of Duties

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Township are responsible for the issuance of permits and licenses; collections of taxes and permit and license fees; and recording of collections. Also, the reconciliation of bank accounts, the preparation of the general ledger for the various funds as well as the preparation of payroll are performed by one person, the Chief Financial Officer. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. Accordingly, management and the Township Committee should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. It is recommended that consideration be given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.

Management's Response

Due to budgetary constraints, no resolution can be made at this time.

TOWNSHIP OF LAFAYETTE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Purchase Order Process

During the review of the purchase orders processed during the year we noted certain instances where requisitions and purchase orders were dated after the related invoice. It is recommended that a requisition or purchase order is created and approved prior to the purchase of any goods or services.

Management's Response

The Township will work with all departments to ensure that requisitions are submitted for approval before orders for goods are placed or services are provided.

Management Suggestions:

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*, is effective for the year ended December 31, 2023. This statement addresses issues related to public-private and public-public partnership agreements (PPP's). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APA's). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset or a period of time.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA's), is effective for the year ended December 31, 2023. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor) information technology software, alone or in combination with tangible capital assets as specified in the related contract for a period of time. It is likely that a SBITA software or similar spreadsheets will need to be utilized to perform the various calculations necessary to implement this standard.

COVID-19 Federal Funding

It is possible that the Township will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Township ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Township ensures that these funds are separately accounted for in the Township's accounting records and that any applicable Township policies are current with respect to federal grant requirements.

Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

Corrective Action Plan

The Township has initiated a corrective action plan to resolve the comments and recommendations from the 2021 Audit Report. The prior year recommendation regarding segregation of duties was not resolved and is included in the current year comments and recommendations.

TOWNSHIP OF LAFAYETTE  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Consideration is given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.
2. A requisition or purchase order is created and approved prior to the purchase of any goods or services.

\* \* \* \* \*