

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2019**

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

TABLE OF CONTENTS

PAGE

PART I

| | | |
|---|----------------|----|
| Independent Auditor's Report | | 1 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | | 5 |
| Financial Statements – Statutory Basis: | EXHIBIT | |
| Current Fund: | | |
| Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | A | 9 |
| Statements of Operations & Changes in Fund Balance - Regulatory Basis | A-1 | 11 |
| Statement of Revenues - Regulatory Basis | A-2 | 13 |
| Statement of Expenditures - Regulatory Basis | A-3 | 15 |
| Trust Fund: | | |
| Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | B | 22 |
| General Capital Fund: | | |
| Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | C | 23 |
| Statement of Fund Balance - Regulatory Basis | C-1 | 24 |
| Payroll Fund: | | |
| Statements of Assets and Liabilities - Regulatory Basis | G | 25 |
| General Fixed Assets Account Group: | | |
| Statements of Assets and Reserves - Regulatory Basis | H | 26 |
| Notes to Financial Statements | | 29 |
| Supplemental Exhibits: | | |
| Current Fund: | | |
| Schedule of Cash – Treasurer | A-4 | 69 |
| Schedule of Taxes Receivable & Analysis of Property Tax Levy | A-5 | 70 |
| Schedule of Tax Title Liens | A-6 | 71 |
| Schedule of Revenue Accounts Receivable | A-7 | 72 |
| Schedule of Deferred Charges N.J.S. 40A:4-55 | A-8 | 73 |
| Schedule of Appropriation Reserves | A-9 | 74 |
| Schedule of Local District School Tax | A-10 | 79 |
| Schedule of Regional School Tax | A-11 | 80 |

| | | |
|---|------|----|
| Current Fund (continued): | | |
| Schedule of County Taxes Payable | A-12 | 81 |
| Schedule of Municipal Open Space Tax | A-13 | 81 |
| Schedule of Spending Reserves | A-14 | 82 |
| Schedule of Interfunds | A-15 | 83 |
| Schedule of Interfund – Grant Fund | A-16 | 84 |
| Schedule of Federal and State Grants Receivable | A-17 | 85 |
| Schedule of Appropriated Reserves | A-18 | 86 |
| Schedule of Unappropriated Reserves | A-19 | 88 |

| | | |
|---|-----|----|
| Trust Fund: | | |
| Schedule of Cash - Treasurer | B-1 | 91 |
| Schedule of Reserve for Animal Control | B-2 | 92 |
| Schedule of Due State of New Jersey | B-3 | 92 |
| Schedule of Interfund – Current Fund | B-4 | 93 |
| Schedule of Miscellaneous Reserves | B-5 | 94 |
| Schedule of Reserve for Open Space | B-6 | 95 |
| Schedule of Reserve for Length of Service | | |
| Awards Program (LOSAP) | B-7 | 95 |

| | | |
|---|------|-----|
| General Capital Fund: | | |
| Schedule of Cash - Treasurer | C-2 | 99 |
| Analysis of Capital Cash | C-3 | 100 |
| Schedule of Deferred Charges to Future Taxation-Funded | C-4 | 101 |
| Schedule of Deferred Charges to Future Taxation-Unfunded | C-5 | 102 |
| Schedule of Capital Improvement Fund | C-6 | 103 |
| Schedule of Grants Receivable | C-7 | 104 |
| Schedule of Improvement Authorizations | C-8 | 105 |
| Schedule of NJ Environmental Infrastructure Loans Payable | C-9 | 106 |
| Schedule of General Serial Bonds | C-10 | 107 |
| Schedule of Green Trust Loans Payable | C-11 | 108 |
| Schedule of Bonds Anticipation Notes Payable | C-12 | 109 |
| Schedule of Bonds and Notes Authorized but not Issued | C-13 | 110 |

PART II

| | |
|---|-----|
| Schedule of Findings and Questioned Costs- Part II - Financial Statement Findings | 113 |
| Summary Schedule of Prior Audit Findings and Questioned Costs | 114 |

PART III

| | |
|---|-----|
| General Comments | 117 |
| Other Comments (Findings) and Recommendations | 118 |
| Officials in Office and Surety Bonds | 119 |
| Appreciation | 120 |

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Berkeley
County of Ocean
Berkeley, New Jersey

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Berkeley as of December 31, 2019 and 2018, and the related statements of operations and changes in in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State 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 Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As discussed in Note 1 to the financial statements, the Township prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State 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.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2019 and 2018, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township, as of December 31, 2019 and 2018, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2019 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2020 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 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 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.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Registered Municipal Accountant
RMA No. 581

Toms River, New Jersey
September 26, 2020

This page intentionally left blank.

**INDEPENDENT AUDITOR'S 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**

Honorable Mayor and Members
of the Township Council
Township of Berkeley
Ocean County
Berkeley, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Township of Berkeley, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 26, 2020. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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) to determine the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Registered Municipal Accountant
RMA No. 581

Toms River, New Jersey
September 26, 2020

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------------------|-------------------------|
| <u>Assets</u> | | | |
| Cash | A-4 | \$ 9,455,293.94 | \$ 8,816,038.83 |
| Cash - Change Fund | A | 2,100.00 | 1,600.00 |
| | | <u>9,457,393.94</u> | <u>8,817,638.83</u> |
| Federal Emergency Management Receivable | A | 593,151.50 | 690,661.49 |
| | | <u>10,050,545.44</u> | <u>9,508,300.32</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-5 | 958,122.41 | 1,404,460.92 |
| Tax Title Liens Receivable | A-6 | 400,046.24 | 1,114,415.98 |
| Property Acquired for Taxes | A | 6,179,600.00 | 6,179,600.00 |
| Revenue Accounts Receivable | A-7 | 10,343.00 | 10,331.00 |
| Due From Municipal Utility Authority | A | 4,388.29 | 9,567.37 |
| Trailer Fees Receivable | A | 890.00 | 890.00 |
| Debris Receivable | A | - | 4,744.94 |
| Interfunds: | | | |
| Trust Other Fund | A-15 | - | 146,726.68 |
| Payroll | A-15 | - | 508,952.66 |
| Grant Fund | A-16 | 1,042,643.32 | 502,238.80 |
| | | <u>8,596,033.26</u> | <u>9,881,928.35</u> |
| Deferred Charges: | | | |
| Budget Overexpenditures | A-3 | - | 54,721.29 |
| FEMA Community Disaster Loan (Memo) | A | 1,321,925.36 | 1,309,488.91 |
| Special Emergency Authorizations (40A:4-55) | A-8 | 117,669.30 | 231,599.94 |
| | | <u>1,439,594.66</u> | <u>1,595,810.14</u> |
| | | <u>20,086,173.36</u> | <u>20,986,038.81</u> |
| <u>Grant Fund</u> | | | |
| Grants Receivable | A-17 | 2,609,871.99 | 2,505,831.24 |
| | | <u>2,609,871.99</u> | <u>2,505,831.24</u> |
| | | <u>\$ 22,696,045.35</u> | <u>\$ 23,491,870.05</u> |

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------------------|-------------------------|
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Appropriation Reserves | A-3,9 | 1,748,261.74 | 992,881.29 |
| Reserve for Encumbrances | A-3,9 | 541,631.43 | 432,479.65 |
| Prepaid Taxes | A-4 | 1,560,222.25 | 1,582,500.11 |
| Reserve for Garden State Trust Fund | A-7 | 42,590.00 | 42,590.00 |
| Reserve for Police Found Money | A | 1,816.28 | 1,816.28 |
| Accounts Payable | A | 8,017.24 | 1,339.01 |
| County Taxes Payable | A-12 | 182,607.36 | 148,184.15 |
| Tax Overpayments | A | 8,240.35 | 7,188.40 |
| Reserve for Contractually Required Severance | A-14 | 34,000.31 | 34,000.31 |
| Local District School Taxes Payable | A-10 | 100.00 | 100.00 |
| Reserve for Storm Damage | A-14 | - | 15,837.16 |
| State of New Jersey (P.L. 1971, Ch. 20) | A | 53,408.15 | 64,657.11 |
| FEMA Community Disaster Loan (Memo) | A | 1,321,925.36 | 1,309,488.91 |
| Interfunds: | | | |
| General Capital Fund | A-15 | - | 382,793.34 |
| Trust Fund | A-15 | 14,304.14 | - |
| | | <u>5,517,124.61</u> | <u>5,015,855.72</u> |
| Reserve for Receivables and Other Assets | A | 8,596,033.26 | 9,881,928.35 |
| Fund Balance | A-1 | <u>5,973,015.49</u> | <u>6,088,254.74</u> |
| | | <u>20,086,173.36</u> | <u>20,986,038.81</u> |
| <u>Grant Fund</u> | | | |
| Interfund - Current Fund | A-16 | 1,042,643.32 | 502,238.80 |
| Reserve for Encumbrances | A-18 | 52,415.41 | 488,864.64 |
| Appropriated Reserves | A-18 | 1,452,520.03 | 1,452,434.57 |
| Unappropriated Reserves | A-19 | <u>62,293.23</u> | <u>62,293.23</u> |
| | | <u>2,609,871.99</u> | <u>2,505,831.24</u> |
| | | <u>\$ 22,696,045.35</u> | <u>\$ 23,491,870.05</u> |

There were deferred school taxes on December 31, 2019 and 2018 of \$26,510,813.19 and \$26,363,869.60 respectively (Exhibits A-10 and A-11).

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | <u>Year 2019</u> | <u>Year 2018</u> |
|---|-----------------------|-----------------------|
| <u>Revenue and Other Income Realized</u> | | |
| Fund Balance Utilized | \$ 2,710,000.00 | \$ 2,645,000.00 |
| Miscellaneous Revenue Anticipated | 10,348,913.15 | 9,749,929.73 |
| Receipts from Delinquent Taxes | 1,505,836.96 | 1,195,239.99 |
| Receipts from Current Taxes | 111,932,339.81 | 109,861,705.44 |
| Non-Budget Revenues | 115,545.02 | 139,906.15 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 631,907.91 | 389,698.55 |
| Prior Year Cancelled Checks | - | 3,379.42 |
| | <u>127,244,542.85</u> | <u>123,984,859.28</u> |
| <u>Expenditures</u> | | |
| Budget Appropriations within Caps: | | |
| Operations: | | |
| Salaries and Wages | 16,324,741.70 | 15,601,517.70 |
| Other Expenses | 15,087,508.20 | 15,701,174.73 |
| Deferred Charges and Statutory Expenditures | 4,482,746.41 | 4,124,638.91 |
| Budget Appropriations excluded from Caps: | | |
| Operations: | | |
| Salaries and Wages | 909,959.46 | 832,291.58 |
| Other Expenses | 1,373,976.80 | 1,500,302.18 |
| Capital Improvements | 350,000.00 | 800,000.00 |
| Municipal Debt Service | 6,327,426.41 | 4,985,038.74 |
| Deferred Charges | 413,930.64 | 203,320.35 |
| | <u>45,270,289.62</u> | <u>43,748,284.19</u> |
| Local District School Taxes | 31,018,910.00 | 30,467,867.00 |
| Regional School Taxes | 24,046,003.41 | 23,097,908.28 |
| County Taxes | 23,133,314.29 | 22,548,905.30 |
| Local Open Space Tax | 517,565.00 | 513,619.00 |
| Prior Year Senior Citizen Deductions Disallowed | 91,332.54 | 70,616.24 |
| Prior Year Tax Appeals | 66,366.47 | 168,587.60 |
| Grant Fund Cancellation of Balances | - | 62,293.23 |
| Reserve for Miscellaneous Accounts Receivable | - | 3,340.07 |
| Interfund Loans Advanced | 497,760.42 | 391,778.65 |
| Tax Overpayments | 8,240.35 | - |
| PY Adjustments | - | 34,349.04 |
| | <u>124,649,782.10</u> | <u>121,107,548.60</u> |
| Total Expenditures | <u>124,649,782.10</u> | <u>121,107,548.60</u> |

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

| | <u>Year 2019</u> | <u>Year 2018</u> |
|--|-------------------------------|-------------------------------|
| Excess/(Deficit) in Revenue | 2,594,760.75 | 2,877,310.68 |
| Adjustments to Income Before Fund Balance: | | |
| Expenditures Included Above Which are by | | |
| Statute Deferred Charges to Budgets of | | |
| Succeeding Years | <u>-</u> | <u>54,721.29</u> |
| Statutory Excess to Fund Balance | 2,594,760.75 | 2,932,031.97 |
| Fund Balance January 1 | <u>6,088,254.74</u> | <u>5,801,222.77</u> |
| | 8,683,015.49 | 8,733,254.74 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | <u>2,710,000.00</u> | <u>2,645,000.00</u> |
| Fund Balance December 31 | <u><u>\$ 5,973,015.49</u></u> | <u><u>\$ 6,088,254.74</u></u> |

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Anticipated Budget | Special N.J.S.A. 40A:4-87 | Realized | Excess or (Deficit) |
|--|-----------------------|---------------------------------|------------------|------------------------|
| Fund Balance Anticipated | \$ 2,710,000.00 | \$ - | \$ 2,710,000.00 | \$ - |
| | 2,710,000.00 | - | 2,710,000.00 | - |
| <u>Miscellaneous Revenues</u> | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | 45,800.00 | - | 46,476.00 | 676.00 |
| Other | 4,300.00 | - | 3,544.75 | (755.25) |
| Fees and Permits | 500,000.00 | - | 567,815.13 | 67,815.13 |
| Fines and Costs: | | | | |
| Municipal Court | 155,000.00 | - | 173,128.56 | 18,128.56 |
| Interest and Costs on Taxes | 403,000.00 | - | 404,589.59 | 1,589.59 |
| Interest on Investments and Deposits | 96,627.00 | - | 134,643.20 | 38,016.20 |
| Beach Admission Fees | 115,000.00 | - | 117,768.22 | 2,768.22 |
| Municipal Golf Course | 120,000.00 | - | 81,125.00 | (38,875.00) |
| Water and Cable Franchise Fees | 256,272.40 | - | 256,272.40 | - |
| Hotel and Motel Occupancy Tax | 26,000.00 | - | 26,859.38 | 859.38 |
| State Aid: | | | | |
| Energy Receipts Tax | 4,213,875.00 | - | 4,213,875.00 | - |
| Garden State Trust Fund | 42,590.00 | - | 42,590.00 | - |
| Special Items of Revenue: | | | | |
| Interlocal Services Agreements: | | | | |
| Animal Control Services | 11,898.33 | - | 12,631.15 | 732.82 |
| Ocean Gate Borough - Code Enforcement | 2,000.00 | - | 8,120.00 | 6,120.00 |
| Ocean Gate Borough - Finance Services | 55,000.00 | - | 35,263.37 | (19,736.63) |
| Ocean Gate Borough - Fuel Services | 20,000.00 | - | 38,287.55 | 18,287.55 |
| Berkeley Board of Education - Fuel Facilities | 60,000.00 | - | 118,379.71 | 58,379.71 |
| Fire Protection | 26,500.00 | - | 27,000.00 | 500.00 |
| Central Regional Board of Education - Fuel Facilities | 100,000.00 | - | 184,060.95 | 84,060.95 |
| Central Regional Board Trash | 42,000.00 | - | 52,500.00 | 10,500.00 |
| Public and Private Programs: | | | | |
| Municipal Alliance on Alcohol and Drug Abuse | 31,388.00 | - | 31,388.00 | - |
| Clean Communities | - | 136,027.80 | 136,027.80 | - |
| Municipal Aid Grant | - | 365,000.00 | 365,000.00 | - |
| NJ OEM 996 Grant | - | 32,886.35 | 32,886.35 | - |
| Drive Sober or Get Pulled Over | - | 5,500.00 | 5,500.00 | - |
| Recycling Tonnage Grant | 82,078.44 | - | 82,078.44 | - |
| Body Armor Replacement Grant | 7,415.90 | - | 7,415.90 | - |
| Other Special Items: | | | | |
| Community Services Officer Program-Ambulance Service Fees | 700,000.00 | - | 755,176.30 | 55,176.30 |
| Health Care Coverage - Employee Percentage | 760,000.00 | - | 841,832.89 | 81,832.89 |
| Capital Fund Reserve for Cash | 378,539.55 | - | 378,539.55 | - |
| Senior/Veteran Administration Fee | 29,000.00 | - | 25,590.84 | (3,409.16) |
| Surplus from the Berkeley Township Sewer Authority | 410,000.00 | - | 410,000.00 | - |
| Uniform Fire Safety Act | 38,559.97 | - | 36,661.02 | (1,898.95) |
| Sale of Land | 15,153.88 | - | 42,623.21 | 27,469.33 |
| Interfund - Due from Trust Fund | 202,631.18 | - | 146,726.68 | (55,904.50) |
| Interfund - Due from Payroll Trust Fund | 508,892.05 | - | 506,536.21 | (2,355.84) |
| Total Miscellaneous Revenues | 9,459,521.70 | 539,414.15 | 10,348,913.15 | 349,977.30 |
| Receipts from Delinquent Taxes | 1,425,000.00 | - | 1,505,836.96 | 80,836.96 |
| Subtotal General Revenues | 13,594,521.70 | 539,414.15 | 14,564,750.11 | 430,814.26 |
| Amount to be Raised by Taxes for Support of Municipal Budget | 33,434,022.66 | - | 35,351,081.07 | 1,917,058.41 |
| Total General Revenues | 47,028,544.36 | 539,414.15 | 49,915,831.18 | 2,347,872.67 |
| Non-Budget Revenues | - | - | 115,545.02 | 115,545.02 |
| | \$ 47,028,544.36 | \$ 539,414.15 | \$ 50,031,376.20 | \$ 2,463,417.69 |

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

| | |
|--|----------------------|
| Revenue from Collections | \$ 111,932,339.81 |
| Allocated to: | |
| School, County Taxes and Municipal Open Space | <u>78,862,736.29</u> |
| Balance for Support of Municipal Budget | |
| Appropriations | 33,069,603.52 |
| Add: Appropriation "Reserve for Uncollected Taxes" | <u>2,281,477.55</u> |

Amount for Support of Municipal Budget
Appropriations

\$ 35,351,081.07

Receipts from Delinquent Taxes:

| | |
|----------------------------|-------------------------------|
| Delinquent Tax Collections | \$ 1,310,575.34 |
| Tax Title Lien Collections | <u>195,261.62</u> |
| | <u><u>\$ 1,505,836.96</u></u> |

Analysis of Non-Budget Revenue

| | |
|-----------------------------------|-----------------------------|
| Refund of Prior Year Expenses | \$ 4,909.50 |
| Township Auction Proceeds | 14,175.00 |
| Recycling | 7,637.90 |
| Restitution | 1,569.23 |
| Miscellaneous Other | 32,532.73 |
| Lien Premiums Lapsed to Township | 41,900.00 |
| SC and Vets - State Reimbursement | 0.00 |
| Insurance Reimbursements | <u>12,820.66</u> |
| | <u><u>\$ 115,545.02</u></u> |

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Appropriated | | Expended | | Unexpended Balance Cancelled |
|--|---------------|------------------------------|--------------------|-------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbrance | Reserved |
| OPERATIONS WITHIN CAPS | | | | | |
| <u>General Government Functions</u> | | | | | |
| General Administration | | | | | |
| Salaries and Wages | \$ 194,140.00 | \$ 214,140.00 | \$ 209,622.78 | \$ - | \$ 4,517.22 |
| Other Expenses | 38,500.00 | 47,700.00 | 42,622.46 | 90.94 | 4,986.60 |
| Human Resources | | | | | |
| Salaries and Wages | 137,196.00 | 148,196.00 | 147,454.27 | - | 741.73 |
| Other Expenses | 6,975.00 | 6,975.00 | 1,353.10 | - | 5,621.90 |
| Office of the Mayor | | | | | |
| Salaries and Wages | 25,000.00 | 25,000.00 | 25,000.00 | - | - |
| Other Expenses | 1,600.00 | 1,600.00 | 390.00 | - | 1,210.00 |
| Township Council | | | | | |
| Salaries and Wages | 89,500.00 | 89,500.00 | 87,961.66 | - | 1,538.34 |
| Other Expenses | 4,500.00 | 4,500.00 | 560.00 | - | 3,940.00 |
| Municipal Clerk | | | | | |
| Salaries and Wages | 241,733.00 | 260,233.00 | 258,278.25 | - | 1,954.75 |
| Other Expenses | 19,200.00 | 19,200.00 | 15,208.07 | 1,962.43 | 2,029.50 |
| Division of Information Technology | | | | | |
| Salaries and Wages | 56,361.00 | 61,361.00 | 60,542.72 | - | 818.28 |
| Other Expenses | 3,000.00 | 3,000.00 | 2,638.88 | - | 361.12 |
| Office of the Treasurer | | | | | |
| Salaries and Wages | 349,578.00 | 399,578.00 | 374,872.43 | - | 24,705.57 |
| Other Expenses | 32,500.00 | 37,500.00 | 26,524.11 | 5,546.58 | 5,429.31 |
| Audit Services | | | | | |
| Other Expenses | 55,750.00 | 56,000.00 | 55,987.00 | - | 13.00 |
| Revenue Administration (Tax Collection) | | | | | |
| Salaries and Wages | 268,280.00 | 292,280.00 | 291,386.25 | - | 893.75 |
| Other Expenses | 56,000.00 | 56,000.00 | 35,957.62 | 789.88 | 19,252.50 |
| Tax Assessment Administration | | | | | |
| Salaries and Wages | 317,684.00 | 362,684.00 | 357,596.48 | - | 5,087.52 |
| Other Expenses | 17,275.00 | 17,275.00 | 14,767.05 | 888.44 | 1,619.51 |
| Division of Purchasing | | | | | |
| Salaries and Wages | 37,407.00 | 38,407.00 | 37,513.23 | - | 893.77 |
| Other Expenses | 91,025.00 | 91,025.00 | 88,322.14 | 2,177.14 | 525.72 |
| Legal Services | | | | | |
| Other Expenses | 340,000.00 | 420,000.00 | 324,995.14 | 55,963.50 | 39,041.36 |

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Appropriated | | Expended | | Unexpended Balance Cancelled |
|---------------------------------------|--------------|------------------------------|--------------------|-------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbrance | Reserved |
| Engineering Services | 160,000.00 | 205,000.00 | 168,372.82 | - | 36,627.18 |
| Other Expenses | | | | | |
| Economic Development Agencies | | | | | |
| Other Expenses | 700.00 | 700.00 | 25.00 | - | 675.00 |
| Veterans Advisory Council | | | | | |
| Other Expenses | 500.00 | 500.00 | - | - | 500.00 |
| Senior Citizens Advisory Committee | | | | | |
| Salaries and Wages | 300.00 | 300.00 | 300.00 | - | - |
| Waterways Advisory Committee | | | | | |
| Salaries and Wages | - | 5,000.00 | 600.00 | - | 4,400.00 |
| Other Expenses | 1,000.00 | 1,000.00 | 400.00 | - | 600.00 |
| Municipal Court: | | | | | |
| Salaries and Wages | 241,257.00 | 279,757.00 | 276,951.57 | - | 2,805.43 |
| Other Expenses | 7,900.00 | 12,900.00 | 8,183.04 | 2,297.61 | 2,419.35 |
| Public Defender (P.L. 1997, c256) | | | | | |
| Other Expenses | 45,000.00 | 45,000.00 | 30,932.85 | - | 14,067.15 |
| Land Use Administration | | | | | |
| Planning Board / Director of Planning | 125,000.00 | 165,000.00 | 160,424.36 | - | 4,575.64 |
| Other Expenses | | | | | |
| Salaries and Wages | 25,889.00 | 25,889.00 | 21,340.93 | - | 4,548.07 |
| Other Expenses | 71,950.00 | 71,950.00 | 60,110.46 | 684.00 | 11,155.54 |
| Division of Zoning | | | | | |
| Salaries and Wages | 94,549.00 | 101,549.00 | 101,151.09 | - | 397.91 |
| Other Expenses | 515.00 | 515.00 | 351.17 | - | 163.83 |
| Zoning Board of Adjustment | | | | | |
| Salaries and Wages | 18,030.00 | 21,530.00 | 21,340.73 | - | 189.27 |
| Other Expenses | 28,400.00 | 28,400.00 | 11,740.22 | 825.00 | 15,834.78 |
| Insurances | | | | | |
| General Liability | 1,275,000.00 | 1,475,000.00 | 1,379,702.38 | - | 95,297.62 |
| Workers Compensation | 350,000.00 | 526,000.00 | 523,452.70 | - | 2,547.30 |
| Employee Group Insurance | 7,100,000.00 | 6,150,000.00 | 6,086,719.18 | 6,677.30 | 56,603.52 |
| Unemployment Insurance | 5,000.00 | 5,000.00 | 5,000.00 | - | - |
| Public Safety Functions | | | | | |
| Police Department | | | | | |
| Salaries and Wages | 9,103,708.93 | 8,803,708.93 | 8,758,891.67 | - | 44,817.26 |
| Other Expenses | 416,500.00 | 417,500.00 | 337,521.83 | 48,503.11 | 31,475.06 |
| Emergency Management | | | | | |
| Salaries and Wages | 16,000.00 | 16,000.00 | 12,847.28 | - | 3,152.72 |
| Other Expenses | 5,500.00 | 5,500.00 | 4,334.74 | 600.00 | 565.26 |

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Appropriated | | Expended | | Unexpended Balance Cancelled |
|---|--------------|------------------------------|--------------------|-------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbrance | |
| Aid to Volunteer Fire Companies | 15,000.00 | 15,000.00 | 14,999.92 | - | 0.08 |
| Salaries and Wages | 220,000.00 | 220,000.00 | 162,001.16 | 55,019.18 | 2,979.66 |
| Other Expenses | | | | | |
| First Aid Contribution | 169,000.00 | 169,000.00 | 169,000.00 | - | - |
| Other Expenses | | | | | |
| Fire Department | | | | | |
| Salaries and Wages | 133,638.00 | 133,638.00 | 90,086.68 | - | 43,551.32 |
| Other Expenses | 2,700.00 | 2,700.00 | 2,127.51 | - | 572.49 |
| Uniform Fire Safety Act (P.L. 1983, Ch. 383): | | | | | |
| Salaries and Wages | 38,559.97 | 38,559.97 | 38,559.97 | - | - |
| Municipal Prosecutor: | | | | | |
| Other Expenses | 25,000.00 | 35,600.00 | 35,557.50 | - | 42.50 |
| Public Works Functions | | | | | |
| Streets and Roads Maintenance: | | | | | |
| Salaries and Wages | 591,299.00 | 626,299.00 | 623,891.35 | - | 2,407.65 |
| Other Expenses | 247,250.00 | 257,750.00 | 200,128.45 | 47,943.84 | 9,677.71 |
| Contractual | 250,000.00 | 250,000.00 | 12,753.34 | - | 237,246.66 |
| Other Public Works Functions/Signs, Maintenance | | | | | |
| Salaries and Wages | 88,405.00 | 88,405.00 | 45,589.45 | - | 42,815.55 |
| Other Expenses | 25,000.00 | 25,000.00 | 23,058.64 | 1,671.50 | 269.86 |
| Other Public Works Functions/ Building Demolition | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 1,400.00 | - | 8,600.00 |
| Sanitation/Solid Waste Collection: | | | | | |
| Salaries and Wages | 1,992,130.00 | 1,931,380.00 | 1,931,348.96 | - | 31.04 |
| Other Expenses | 165,500.00 | 165,500.00 | 119,943.46 | 21,041.19 | 24,515.35 |
| Solid Waste Collection/Recycling | | | | | |
| Salaries and Wages | 314,052.00 | 415,052.00 | 412,100.98 | - | 2,951.02 |
| Other Expenses | 19,250.00 | 22,750.00 | 19,017.43 | 2,630.94 | 1,101.63 |
| Buildings and Grounds: | | | | | |
| Salaries and Wages | 166,605.00 | 221,105.00 | 218,435.48 | - | 2,669.52 |
| Other Expenses | 66,250.00 | 79,750.00 | 69,850.70 | 5,491.33 | 4,407.97 |
| Equipment Maintenance | | | | | |
| Salaries and Wages | 514,405.00 | 514,405.00 | 504,070.79 | - | 10,334.21 |
| Other Expenses | 31,250.00 | 33,250.00 | 26,967.04 | 4,572.86 | 1,710.10 |
| Health and Human Services | | | | | |
| Environmental Health Services | | | | | |
| Other Expenses | 750.00 | 750.00 | 600.00 | - | 150.00 |
| Animal Control Services | | | | | |
| Salaries and Wages | 133,788.00 | 133,788.00 | 127,515.84 | - | 6,272.16 |
| Other Expenses | 250.00 | 250.00 | - | - | 250.00 |

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Appropriated | | Expended | | Unexpended Balance Cancelled |
|---|---------------|------------------------------|--------------------|-------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbrance | Reserved |
| Contribution - Providence House (N.J.S.A. 40:23-8.17) | 1,000.00 | 1,000.00 | 1,000.00 | - | - |
| Contribution - Community Services Inc. (N.J.S.A. 40:48-9.4) | 1,000.00 | 1,000.00 | 1,000.00 | - | - |
| Contribution - S.T.E.P.S., Inc. (N.J.S.A. 40:48-9.4) | 1,000.00 | 1,000.00 | 1,000.00 | - | - |
| <u>Parks and Recreation</u> | | | | | |
| Recreation Services and Programs | 433,119.00 | 433,119.00 | 313,601.49 | - | 119,517.51 |
| Salaries and Wages | 44,800.00 | 44,800.00 | 11,135.25 | 2,497.09 | 31,167.66 |
| Other Expenses | - | 556.80 | 556.80 | - | - |
| Recreation Services and Programs/Golf Course | - | - | (1,000.00) | - | 1,000.00 |
| Salaries and Wages | 296,087.00 | 296,087.00 | 281,031.65 | - | 15,055.35 |
| Other Expenses | 76,550.00 | 77,550.00 | 74,156.89 | 2,126.77 | 1,266.34 |
| Beach and Boardwalk Operations | 115,000.00 | 115,000.00 | 77,814.60 | - | 37,185.40 |
| Salaries and Wages | 7,000.00 | 7,000.00 | 5,209.38 | - | 1,790.62 |
| Other Expenses | | | | | |
| <u>Utilities and Bulk Purchases</u> | | | | | |
| Utilities | 800,000.00 | 800,000.00 | 635,468.68 | 29,842.14 | 134,689.18 |
| Other Expenses | 470,000.00 | 470,000.00 | 418,627.56 | 3,664.20 | 47,708.24 |
| Street Lighting | 850,000.00 | 672,518.20 | 587,469.77 | 47,243.90 | 37,804.53 |
| Other Expenses | 1,858,000.00 | 1,858,000.00 | 1,706,308.62 | 105,300.00 | 46,391.38 |
| <u>Landfill/Solid Waste</u> | | | | | |
| Landfill/Solid Waste Disposal Costs | 187,234.00 | 222,234.00 | 217,269.89 | - | 4,964.11 |
| Other Expenses/Tipping | 4,600.00 | 4,600.00 | 894.36 | 491.14 | 3,214.50 |
| <u>Code Enforcement and Administration</u> | | | | | |
| Other Code Enforcement Functions: | 31,841,374.90 | 31,410,249.90 | 29,610,797.25 | 456,542.01 | 1,342,910.64 |
| Salaries and Wages | | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | - | - | 2,000.00 |
| Total Operations within Caps | 31,843,374.90 | 31,412,249.90 | 29,610,797.25 | 456,542.01 | 1,344,910.64 |
| Contingent | | | | | |
| Total Operations within Caps including Contingent | | | | | |
| Detail: | | | | | |
| Salaries and Wages | 16,235,934.90 | 16,324,741.70 | 15,939,925.19 | - | 384,816.51 |
| Other Expenses | 15,607,440.00 | 15,087,508.20 | 13,670,872.06 | 456,542.01 | 960,094.13 |

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Appropriated | | Expended | | Unexpended Balance Cancelled |
|---|---------------|------------------------------|--------------------|-------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbrance | Reserved |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u> | | | | | |
| <u>WITHIN CAPS</u> | | | | | |
| <u>Deferred Charges</u> | | | | | |
| Prior Year Bills: | | | | | |
| Industrial Services Company - 11-13-17 | 429.67 | 429.67 | - | - | 429.67 |
| Medco - 2-29-17 | 227.45 | 227.45 | - | - | 227.45 |
| Overexpenditure | 54,721.29 | 54,721.29 | 54,721.29 | - | - |
| <u>Statutory Expenditures</u> | | | | | |
| Contribution to: | | | | | |
| Social Security System | 1,315,000.00 | 1,315,000.00 | 1,282,638.75 | - | 32,361.25 |
| Police and Firemen's Retirement System of NJ | 1,958,037.00 | 1,958,037.00 | 1,958,037.00 | - | - |
| Defined Contribution Retirement Program | 3,600.00 | 4,600.00 | 4,560.37 | - | 39.63 |
| Public Employee Retirement System | 1,149,731.00 | 1,149,731.00 | 1,148,831.00 | - | 900.00 |
| Total Deferred Charges and Statutory Expenditures within Caps | 4,481,746.41 | 4,482,746.41 | 4,448,788.41 | - | 33,958.00 |
| Total Appropriations within Caps | 36,325,121.31 | 35,894,996.31 | 34,059,585.66 | 456,542.01 | 1,378,868.64 |
| <u>OPERATIONS EXCLUDED FROM CAPS</u> | | | | | |
| Length of Service Awards Program (N.J.A.C. 5:30-14.25) | | | | | |
| Other Expenses | 210,000.00 | 210,000.00 | 190,714.00 | - | 19,286.00 |
| Stormwater and Water Pollution (N.J.S.A. 40A: 4-45.3(cc)) | | | | | |
| Salaries and Wages | 195,316.00 | 195,316.00 | 187,682.82 | - | 7,633.18 |
| Other Expenses | 60,000.00 | 60,000.00 | 49,978.60 | 9,196.68 | 824.72 |
| Recycling Enhancement Act (P.L. 2007 c.311) | | | | | |
| Other Expenses | 82,078.44 | 82,078.44 | 72,459.02 | 8,488.93 | 1,130.49 |
| <u>Interlocal Municipal Service Agreements</u> | | | | | |
| Central Regional Board of Education - Fuel | | | | | |
| Other Expenses | 100,000.00 | 100,000.00 | 100,000.00 | - | - |
| Ocean County Social Services - Relocation Expenses | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | - | - | 1,000.00 |
| Fire Protection - South Toms River | | | | | |
| Other Expenses | 26,500.00 | 26,500.00 | 20,500.00 | 6,000.00 | - |
| Ocean County - Animal Control | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 5,908.00 | 692.00 | 8,400.00 |
| Animal Control - Pine Beach, South Seaside Park, Ocean Gate | | | | | |
| Salaries and Wages | 11,898.33 | 11,898.33 | 11,898.33 | - | - |
| Berkeley Board of Education - Fuel | | | | | |
| Other Expenses | 60,000.00 | 60,000.00 | 60,000.00 | - | - |
| Ocean Gate Borough - Financial Services | | | | | |
| Salaries and Wages | 30,000.00 | 30,000.00 | 30,000.00 | - | - |
| Other Expenses | 25,000.00 | 25,000.00 | 25,000.00 | - | - |

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Appropriated | | Expended | | Unexpended Balance Cancelled |
|---|--------------|------------------------------|--------------------|-------------------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbrance Reserved | |
| Central Regional Board of Education - Recreation Other Expenses | 17,500.00 | 35,000.00 | 35,000.00 | - | - |
| Central Regional Board of Education - Trash Removal Other Expenses | 42,000.00 | 42,000.00 | 42,000.00 | - | - |
| Community Service Officer Program (Ambulance) Salaries and Wages | 550,000.00 | 550,000.00 | 535,978.18 | - | 14,021.82 |
| Other Expenses | 150,000.00 | 150,000.00 | 72,191.30 | 60,711.81 | 17,096.89 |
| Ocean Gate Borough - Fuel | | | | | |
| Other Expenses | 20,000.00 | 20,000.00 | 20,000.00 | - | - |
| Ocean Gate Borough - Code Enforcement | | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | 2,000.00 | - | - |
| Public and Private Programs Offset by Revenues | | | | | |
| Clean Communities Grant | | | | | |
| Salaries and Wages | - | 136,027.80 | 136,027.80 | - | - |
| Municipal Alliance Grant - Municipal Share | | | | | |
| Salaries and Wages | 7,847.00 | 7,847.00 | 7,847.00 | - | - |
| Municipal Alliance Grant - State Share (Fiscal Year) | | | | | |
| Salaries and Wages | 20,768.66 | 20,768.66 | 20,768.66 | - | - |
| Other Expenses | 10,619.34 | 10,619.34 | 10,619.34 | - | - |
| NJ OEM 996 Grant | - | 32,886.35 | 32,886.35 | - | - |
| FY 19 Municipal Aid Grant | - | 365,000.00 | 365,000.00 | - | - |
| 2019 Drive Sober or Get Pulled Over | - | 5,500.00 | 5,500.00 | - | - |
| Recycling Tonnage Grant | 82,078.44 | 82,078.44 | 82,078.44 | - | - |
| Body Armor Replacement Grant | 7,415.90 | 7,415.90 | 7,415.90 | - | - |
| Total Operations excluded from Caps | 1,727,022.11 | 2,283,936.26 | 2,129,453.74 | 85,089.42 | 69,393.10 |
| Detail: | | | | | |
| Salaries and Wages | 815,829.99 | 909,959.46 | 888,304.46 | - | 21,655.00 |
| Other Expenses | 911,192.12 | 1,373,976.80 | 1,241,149.28 | 85,089.42 | 47,738.10 |
| CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS | | | | | |
| Capital Improvement Fund | 350,000.00 | 350,000.00 | 350,000.00 | - | - |
| Total Capital Improvements excluded from Caps | 350,000.00 | 350,000.00 | 350,000.00 | - | - |

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Appropriated | | Paid or Charged | Expended | | Unexpended Balance Cancelled |
|---|-------------------------|------------------------------|-------------------------|----------------------|------------------------|------------------------------------|
| | Budget | Budget After Modification | | Encumbrance | Reserved | |
| <u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u> | | | | | | |
| Payment of Bond Principal | 4,465,000.00 | 4,465,000.00 | 4,465,000.00 | - | - | - |
| Interest on Bonds | 1,019,592.50 | 1,432,217.50 | 1,432,217.50 | - | - | - |
| Interest on Notes | 312,975.90 | 312,975.90 | 312,975.90 | - | - | - |
| NJEIT: | | | | | | |
| Loan Repayments for Principal and Interest | 133,424.35 | 133,424.35 | 117,233.01 | - | - | 16,191.34 |
| Total Municipal Debt Service excluded from Caps | 5,930,992.75 | 6,343,617.75 | 6,327,426.41 | - | - | 16,191.34 |
| <u>DEFERRED CHARGES EXCLUDED FROM CAPS</u> | | | | | | |
| Special Emergency Authorizations - From 2014 | 48,405.36 | 48,405.36 | 48,405.36 | - | - | - |
| Special Emergency Authorizations - From 2015 | 13,381.25 | 13,381.25 | 13,381.25 | - | - | - |
| Special Emergency Authorizations - From 2016 | 52,144.03 | 52,144.03 | 52,144.03 | - | - | - |
| CDL Loan Payback | 300,000.00 | 300,000.00 | - | - | 300,000.00 | - |
| Total Deferred Charges excluded from Caps | 413,930.64 | 413,930.64 | 113,930.64 | - | 300,000.00 | - |
| Total General Appropriations excluded from Caps | 8,421,945.50 | 9,391,484.65 | 8,920,810.79 | 85,089.42 | 369,393.10 | 16,191.34 |
| Subtotal General Appropriations | 44,747,066.81 | 45,286,480.96 | 42,980,396.45 | 541,631.43 | 1,748,261.74 | 16,191.34 |
| Reserve for Uncollected Taxes | 2,281,477.55 | 2,281,477.55 | 2,281,477.55 | - | - | - |
| Total General Appropriations | <u>\$ 47,028,544.36</u> | <u>\$ 47,567,958.51</u> | <u>\$ 45,261,874.00</u> | <u>\$ 541,631.43</u> | <u>\$ 1,748,261.74</u> | <u>\$ 16,191.34</u> |
| Adopted Budget | | \$ 47,028,544.36 | | | | |
| Appropriations added by 40A:4-87 | | 539,414.15 | | | | |
| | | <u>\$ 47,567,958.51</u> | | | | |
| Reserve for: | | | \$ 2,281,477.55 | | | |
| Uncollected Taxes | | | 41,764,077.20 | | | |
| Disbursements | | | 113,930.64 | | | |
| Special Emergency Authorizations | | | 54,721.29 | | | |
| Deferred Charges Raised - Overexpenditure | | | | | | |
| Interfunds: | | | | | | |
| Other | | | 379,523.83 | | | |
| Grant Fund | | | 668,143.49 | | | |
| | | | <u>\$ 45,261,874.00</u> | | | |

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
OTHER TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|--|-------------|------------------------|------------------------|
| <u>Assets</u> | | | |
| <u>Animal Control Trust Fund</u> | | | |
| Cash | B-1 | \$ 22,126.46 | \$ 7,762.57 |
| <u>Other Trust Fund</u> | | | |
| Cash | B-1 | 5,273,284.27 | 6,269,707.77 |
| Due From Berkeley BOE | B | 45,337.50 | - |
| Due From Payroll Special Trust | B-4 | 414,212.74 | - |
| Due From Current Fund | B-4 | 14,304.14 | - |
| | | <u>5,747,138.65</u> | <u>6,269,707.77</u> |
| Length of Service Awards Program Fund (LOSAP) | | | |
| Funds Held by Trustee | B-7 | <u>2,179,740.60</u> | <u>1,983,809.02</u> |
| | | <u>\$ 7,949,005.71</u> | <u>\$ 8,261,279.36</u> |
| <u>Liabilities and Reserves</u> | | | |
| <u>Animal Control Trust Fund</u> | | | |
| Reserve for Animal Control Trust Fund | B-2 | \$ 22,117.46 | \$ 7,186.57 |
| Due to State of New Jersey | B-3 | <u>9.00</u> | <u>576.00</u> |
| | | <u>22,126.46</u> | <u>7,762.57</u> |
| <u>Other Trust Fund</u> | | | |
| Interfund | | | |
| Current Fund | B-4 | - | 146,726.68 |
| General Capital | B-4 | 432,500.00 | 27,500.00 |
| Payroll Fund | B-4 | 259,705.47 | 287,389.90 |
| Due to State of New Jersey | B | 15,610.00 | 15,133.61 |
| Reserve for: | | | |
| Miscellaneous Reserves | B-5 | 4,898,495.84 | 5,061,316.03 |
| Open Space | B-6 | <u>140,827.34</u> | <u>731,641.55</u> |
| | | <u>5,747,138.65</u> | <u>6,269,707.77</u> |
| Length of Service Awards Program Fund (LOSAP) | | | |
| Funds Held by Trustee | B-7 | <u>2,179,740.60</u> | <u>1,983,809.02</u> |
| | | <u>\$ 7,949,005.71</u> | <u>\$ 8,261,279.36</u> |

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

| | Ref. | 2019 | 2018 |
|--|-------------|-------------------------|-------------------------|
| <u>Assets</u> | | | |
| Cash | C-2 | \$ 6,768,746.02 | \$ 7,694,343.20 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | 40,022,672.98 | 44,756,216.41 |
| Unfunded | C-5 | 17,458,256.00 | 10,955,031.00 |
| Interfunds: | | | |
| Current Fund | A | - | 382,793.34 |
| Other Trust Fund | B | - | 27,500.00 |
| Open Space Trust | B | 432,500.00 | - |
| Grants Receivable | C-7 | 189,638.82 | 189,638.82 |
| | | <u>\$ 64,871,813.82</u> | <u>\$ 64,005,522.77</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Capital Improvement Fund | C-6 | \$ 53,240.97 | \$ 45,515.97 |
| Reserve for Debt Service | C-3 | 242,862.72 | 420,891.87 |
| Improvement Authorizations: | | | |
| Funded | C-8 | 863,669.38 | 1,952,750.95 |
| Unfunded | C-8 | 2,295,139.48 | 2,677,952.34 |
| Reserve for Encumbrances | C-8 | 3,929,493.45 | 3,622,430.39 |
| Bond Anticipation Notes | C-12 | 17,367,500.00 | 10,432,530.00 |
| Environmental Infrastructure Trust Fund Loans | C-9 | 1,112,388.00 | 1,293,670.07 |
| Serial Bonds | C-10 | 38,204,000.00 | 42,669,000.00 |
| Green Trust Loan Payable | C-11 | 706,284.98 | 793,546.34 |
| Fund Balance | C-1 | 97,234.84 | 97,234.84 |
| | | <u>\$ 64,871,813.82</u> | <u>\$ 64,005,522.77</u> |

There were bonds and notes authorized but not issued on December 31, 2019 and 2018 of \$90,756 and \$522,501.00, respectively. (Exhibit C-13).

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2019 & 2018

\$ 97,234.84

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
PAYROLL FUND
STATEMENT OF ASSETS AND LIABILITIES
REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

| | <u>2019</u> | <u>2018</u> |
|-----------------------------------|-----------------------------|-----------------------------|
| <u>Assets</u> | | |
| Cash | \$ 308,498.76 | \$ 404,096.89 |
| Interfund Receivable - Trust | <u>259,705.47</u> | <u>287,389.90</u> |
| | <u><u>\$ 568,204.23</u></u> | <u><u>\$ 691,486.79</u></u> |
| <u>Liabilities</u> | | |
| Interfund Payable - Current Fund | \$ - | \$ 508,952.66 |
| Interfund Payable - Special Trust | 414,212.74 | - |
| Payroll Deductions Payable | <u>153,991.49</u> | <u>182,534.13</u> |
| | <u><u>\$ 568,204.23</u></u> | <u><u>\$ 691,486.79</u></u> |

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF BERKELEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF ASSETS AND LIABILITIES
REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

| | <u>2019</u> | <u>2018</u> |
|------------------------------------|-------------------------|-------------------------|
| General Fixed Assets: | | |
| Land | \$ 7,747,516.11 | \$ 7,747,516.11 |
| Buildings and Improvements | 10,355,500.00 | 7,625,923.00 |
| Machinery and Equipment | <u>22,751,382.00</u> | <u>31,791,524.32</u> |
| | <u>\$ 40,854,398.11</u> | <u>\$ 47,164,963.43</u> |
| Investment in General Fixed Assets | <u>\$ 40,854,398.11</u> | <u>\$ 47,164,963.43</u> |

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

This page intentionally left blank.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Township of Berkeley, County of Ocean, New Jersey (hereafter referred to as the "Township"), include every board, body, office or commission supported by and maintained wholly or in part by funds appropriated by the Township as required by N.J.S. 40A:5-5. The financial statements of the Township do not include the operation of the Board of Education, first aid organizations, or volunteer fire companies which are subjected to separate audits.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80 and 90, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61, 80 and 90.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

Payroll Fund – This fund accounts for receipts and disbursements for payroll costs and payroll taxes.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost with the exception of LOSAP investments which are reported at fair value. Therefore unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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 and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued)

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America.

In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Foreclosed Property – Foreclosed Property or "Property Acquired for Taxes" is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued)

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township’s annual budget, but also the amounts required in support of the budgets of the County of Ocean, and Berkeley Township School District Central Regional School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Ocean. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Berkeley Township School District and Central Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1 to June 30.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

Reserve for Uncollected Taxes – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Township’s annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued)

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management does not expect this Statement to have a material impact to the Municipality's financial statements.

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 2. Deposits and Investments (continued)

Deposits (continued)

As of December 31, 2019, the Township's bank balance of \$22,314,612.40 was insured or collateralized as follows:

| | |
|--------------------------------|--------------------------------|
| Insured under FDIC and GUDPA | \$ 16,414,705.37 |
| Uninsured and Uncollateralized | <u>5,899,907.03</u> |
| | <u><u>\$ 22,314,612.40</u></u> |

Investments

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Township's financial statements. However, had the financial statements been prepared in accordance with GAAP, the Township's fair value, hierarchy level and maturities of its investments at December 31, 2019 would be as followed:

| <u>Investment type</u> | <u>Carrying Value</u> | <u>Fair Value as of December 31, 2019</u> | | |
|-----------------------------------|-------------------------------|---|-----------------------------|-------------------------------|
| | | <u>Level 1</u> | <u>Level 3</u> | <u>Total</u> |
| Money Markets | \$ 223,882.53 | \$ 223,882.53 | \$ - | \$ 223,882.53 |
| Mutual Funds | 1,247,638.24 | 1,247,638.24 | - | 1,247,638.24 |
| Fixed Account Investment Contract | <u>708,219.83</u> | <u>-</u> | <u>708,219.83</u> | <u>708,219.83</u> |
| | <u><u>\$ 2,179,740.60</u></u> | <u><u>\$ 1,471,520.77</u></u> | <u><u>\$ 708,219.83</u></u> | <u><u>\$ 2,179,740.60</u></u> |
| <u>Fund</u> | | | | |
| Trust Fund - LOSAP | <u>\$ 2,179,740.60</u> | <u>\$ 1,471,520.77</u> | <u>\$ 708,219.83</u> | <u>\$ 2,179,740.60</u> |
| | <u><u>\$ 2,179,740.60</u></u> | <u><u>\$ 1,471,520.77</u></u> | <u><u>\$ 708,219.83</u></u> | <u><u>\$ 2,179,740.60</u></u> |

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit exposure to custodial credit risk.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 2. Deposits and Investments (continued)

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township's investment policies place no limit in the amount the Township may invest in any one issuer. More than 5% of the Township's investments are in Mutual Funds and Fixed Account Investments. These investments represent 100% of the Township's total investments.

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|----------------------------|-----------------|-----------------|-----------------|
| Tax Rate | <u>\$ 2.167</u> | <u>\$ 2.160</u> | <u>\$ 2.080</u> |
| Apportionment of Tax Rate: | | | |
| Municipal | 0.646 | 0.646 | 0.618 |
| Municipal Open Space | 0.010 | 0.010 | 0.010 |
| County | 0.445 | 0.437 | 0.429 |
| Local School | 0.600 | 0.601 | 0.587 |
| Regional School | 0.466 | 0.466 | 0.436 |

Assessed Valuation

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------|
| 2019 | \$ 5,175,652,820.00 |
| 2018 | 5,136,193,690.00 |
| 2017 | 5,107,714,648.00 |

Comparison of Tax Levies and Collections

| <u>Year</u> | <u>Tax Levy</u> | <u>Cash Collections</u> | <u>Percentage Of Collection</u> |
|-------------|-------------------|-------------------------|---------------------------------|
| 2019 | \$ 113,303,764.22 | \$ 111,932,339.81 | 98.78% |
| 2018 | 111,672,917.87 | 109,861,705.35 | 98.37% |
| 2017 | 106,734,982.15 | 105,315,779.03 | 98.67% |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 3. Property Taxes (continued)

Delinquent Taxes and Tax Title Liens

| <u>Year</u> | <u>Tax Title Liens</u> | <u>Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage Of Tax Levy</u> |
|-------------|----------------------------|-----------------------------|-----------------------------|-----------------------------------|
| 2019 | \$ 400,046.24 | \$ 958,122.41 | \$ 1,358,168.65 | 1.20% |
| 2018 | 1,114,415.98 | 1,404,460.92 | 2,518,876.90 | 2.26% |
| 2017 | 1,091,188.14 | 1,030,938.02 | 2,122,126.16 | 1.99% |

Number of Tax Title Liens

| <u>Year</u> | <u>Number</u> |
|-------------|---------------|
| 2019 | 276 |
| 2018 | 353 |
| 2017 | 306 |

Note 4. Property Acquired By Tax Title Lien Liquidation

The value of properties acquired by liquidation of tax title liens based on the last assessed valuation of such properties as of December 31, was as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|-----------------|
| 2019 | \$ 6,179,600.00 |
| 2018 | 6,179,600.00 |
| 2017 | 6,179,600.00 |

Note 5. Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and two previous years and the amounts utilized in the subsequent year's budgets:

| <u>Year</u> | <u>Balance December 31,</u> | <u>Utilized in Budget of Succeeding Year</u> | <u>Percentage of Fund Balance Used</u> |
|----------------------|---------------------------------|--|--|
| Current Fund: | | | |
| 2019 | \$ 5,973,015.49 | \$ 2,710,000.00 | 45.37% |
| 2018 | 6,088,254.74 | 2,710,000.00 | 44.51% |
| 2017 | 5,801,222.77 | 2,645,000.00 | 45.59% |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 6. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

Note 7. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2019:

| Fund | Interfund Receivable | Interfund Payable |
|------------------------------|---------------------------------|------------------------------|
| Current Fund | \$ 1,042,643.32 | \$ 14,304.14 |
| State and Federal Grant Fund | - | 1,042,643.32 |
| Trust Other Fund | 428,516.88 | 692,205.47 |
| Capital Fund | 432,500.00 | - |
| Payroll Fund | 259,705.47 | 414,212.74 |
| | <u>\$ 2,163,365.67</u> | <u>\$ 2,163,365.67</u> |

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

| Fund | Transfers In | Transfers Out |
|------------------------------|-------------------------|--------------------------|
| Current Fund | \$ 1,226,239.22 | \$ 1,487,300.60 |
| State and Federal Grant Fund | 1,104,507.26 | 556,255.74 |
| Trust Other Fund | - | 630,427.99 |
| Capital Fund | 788,832.89 | 378,539.55 |
| Payroll Fund | 441,897.17 | 508,952.66 |
| | <u>\$ 3,561,476.54</u> | <u>\$ 3,561,476.54</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2019.

| | Balance December 31, <u>2018</u> | <u>Additions</u> | <u>Deletions</u> | Balance December 31, <u>2019</u> |
|----------------------------|--|------------------------|---------------------------|--|
| Land | \$ 7,747,516.11 | \$ - | \$ - | \$ 7,747,516.11 |
| Buildings and Improvements | 7,625,923.00 | 2,729,577.00 | - | 10,355,500.00 |
| Machinery & Equipment | 31,791,524.32 | 1,687,066.00 | (10,727,208.32) | 22,751,382.00 |
| | <u>\$ 47,164,963.43</u> | <u>\$ 4,416,643.00</u> | <u>\$ (10,727,208.32)</u> | <u>\$ 40,854,398.11</u> |

Note 9. Pension Obligations

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 PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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.

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 1/55th 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 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, 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.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. 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. For the fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. 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 will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2019, the Township's contractually required contribution to PERS plan was \$1,066,254.

Components of Net Pension Liability - At December 31, 2019, the Township's proportionate share of the PERS net pension liability was \$19,751,385. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The Township's proportion measured as of June 30, 2019, was 0.1096173580% which was a decrease of 0.0011786220% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

| | <u>12/31/2019</u> | <u>12/30/2018</u> |
|--|-------------------|-------------------|
| Actuarial valuation date (including roll forward) | June 30, 2019 | June 30, 2018 |
| Deferred Outflows of Resources | \$ 3,842,216 | \$ 6,108,411 |
| Deferred Inflows of Resources | 7,627,393 | 7,710,648 |
| Net Pension Liability | 19,751,385 | 21,815,175 |
| Township's portion of the Plan's total Net Pension Liability | 0.10962% | 0.11080% |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2019, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2019 measurement date is \$1,214,364. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$1,066,254 to the plan in 2019.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between Expected and Actual Experience | \$ 354,512 | \$ 87,253 |
| Changes of Assumptions | 1,972,248 | 6,855,643 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | 311,783 |
| Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions | <u>1,515,456</u> | <u>372,714</u> |
| | <u><u>\$ 3,842,216</u></u> | <u><u>\$ 7,627,393</u></u> |

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|---|--|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | 5.48 | - |
| June 30, 2018 | 5.63 | - |
| June 30, 2019 | 5.21 | - |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | - | 5.48 |
| June 30, 2018 | - | 5.63 |
| June 30, 2019 | - | 5.21 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | 5.00 |
| June 30, 2015 | - | 5.00 |
| June 30, 2016 | 5.00 | - |
| June 30, 2017 | 5.00 | - |
| June 30, 2018 | 5.00 | - |
| June 30, 2019 | 5.00 | - |
| Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | 6.44 |
| June 30, 2015 | 5.72 | 5.72 |
| June 30, 2016 | 5.57 | 5.57 |
| June 30, 2017 | 5.48 | 5.48 |
| June 30, 2018 | 5.63 | 5.63 |
| June 30, 2019 | 5.21 | 5.21 |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

| Year Ending <u>Dec 31,</u> | <u>Amount</u> |
|-------------------------------|-----------------------|
| 2020 | \$ (618,766) |
| 2021 | (732,272) |
| 2022 | (1,552,636) |
| 2023 | (791,092) |
| 2024 | <u>(90,411)</u> |
| | <u>\$ (3,785,177)</u> |

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

| | |
|--------------------------------|--|
| Inflation | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through 2026 | 2.00 - 6.00% Based on Years of Service |
| Thereafter | 3.00 - 7.00% Based on Years of Service |
| Investment Rate of Return | 7.00% |
| Mortality Rate Table | |
| PERS | Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |
| PFRS | Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |
| Period of Actuarial Experience | |
| Study upon which Actuarial | |
| Assumptions were Based | July 1, 2014 - June 30, 2018 |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 3.00% | 4.67% |
| Cash Equivalents | 5.00% | 2.00% |
| U.S. Treasuries | 5.00% | 2.68% |
| Investment Grade Credit | 10.00% | 4.25% |
| High Yield | 2.00% | 5.37% |
| Private Credit | 6.00% | 7.92% |
| Real Assets | 2.50% | 9.31% |
| Real Estate | 7.50% | 8.33% |
| U.S. Equity | 28.00% | 8.26% |
| Non-U.S. Developed Markets Equity | 12.50% | 9.00% |
| Emerging Markets Equity | 6.50% | 11.37% |
| Private Equity | 12.00% | 10.85% |
| | <u>100.00%</u> | |

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% 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 projected future

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28%) or 1-percentage-point higher (7.28%) than the current rate:

| | 1% Decrease (5.28%) | Current Discount Rate (6.28%) | 1% Increase (7.28%) |
|--|------------------------------------|--|------------------------------------|
| Township's Proportionate Share of the Net Pension Liability | <u>\$ 25,122,773</u> | <u>\$ 19,751,385</u> | <u>\$ 15,478,417</u> |

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) 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 PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

| <u>Tier</u> | <u>Definition</u> |
|-------------|---|
| 1 | Members who were enrolled prior to May 22, 2010. |
| 2 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 3 | Members who were eligible to enroll on or after June 28, 2011 |

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2019, the State contributed an amount less than the actuarially determined amount. 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 PFRS 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 will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2019, the Township's contractually required contributions to PFRS plan was \$1,906,657.

Net Pension Liability and Pension Expense - At December 31, 2019 the Township's proportionate share of the PFRS net pension liability was \$23,099,770. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The Township's proportion measured as of June 30, 2019, was 0.1887572517%, which was an increase of 0.0009727677% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

| | <u>12/31/2019</u> | <u>12/31/2018</u> |
|--|-------------------|-------------------|
| Actuarial valuation date (including roll forward) | June 30, 2019 | June 30, 2018 |
| Deferred Outflows of Resources | \$ 1,818,896 | \$ 3,451,042 |
| Deferred Inflows of Resources | 8,861,730 | 8,379,979 |
| Net Pension Liability | 23,099,770 | 25,410,336 |
| Township's portion of the Plan's total net pension Liability | 0.18876% | 0.18778% |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2019, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2019 measurement date was \$1,709,989. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$1,906,657 to the plan in 2019.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between Expected and Actual Experience | \$ 194,992 | \$ 146,249 |
| Changes of Assumptions | 791,524 | 7,465,634 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | 312,994 |
| Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions | <u>832,380</u> | <u>936,853</u> |
| | <u><u>\$ 1,818,896</u></u> | <u><u>\$ 8,861,730</u></u> |

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|---|--|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | - |
| June 30, 2015 | - | 5.53 |
| June 30, 2016 | - | 5.58 |
| June 30, 2017 | 5.59 | - |
| June 30, 2018 | 5.73 | - |
| June 30, 2019 | - | 5.92 |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.17 | - |
| June 30, 2015 | 5.53 | - |
| June 30, 2016 | 5.58 | - |
| June 30, 2017 | - | 5.59 |
| June 30, 2018 | - | 5.73 |
| June 30, 2019 | - | 5.92 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | 5.00 |
| June 30, 2015 | - | 5.00 |
| June 30, 2016 | 5.00 | - |
| June 30, 2017 | 5.00 | - |
| June 30, 2018 | 5.00 | - |
| June 30, 2019 | - | 5.00 |
| Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.17 | 6.17 |
| June 30, 2015 | 5.53 | 5.53 |
| June 30, 2016 | 5.58 | 5.58 |
| June 30, 2017 | 5.59 | 5.59 |
| June 30, 2018 | 5.73 | 5.73 |
| June 30, 2019 | 5.92 | 5.92 |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

| Year Ending | |
|-----------------------|-----------------------|
| <u>Dec 31,</u> | <u>Amount</u> |
| 2020 | \$ (2,037,451) |
| 2021 | (2,128,274) |
| 2022 | (1,623,177) |
| 2023 | (820,050) |
| 2024 | <u>(433,882)</u> |
| | <u>\$ (7,042,834)</u> |

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Township is \$3,647,498 as of December 31, 2019. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The State's proportion of the net pension liability associated with the Township 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. The State's proportion measured as of June 30, 2019 was 0.1887572517%, which was an increase of 0.0009727677% from its proportion measured as of June 30, 2018, which is the same proportion as the Township's. At December 31, 2019, the Township's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

| | |
|---|----------------------|
| Township's Proportionate Share of Net Pension Liability | \$ 23,099,770 |
| State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township | <u>3,647,498</u> |
| | <u>\$ 26,747,268</u> |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

At December 31, 2019, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2019 measurement date was \$423,809.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

| | |
|--------------------------------|--|
| Inflation | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through all future years | 3.25 - 15.25% |
| | Based on Years of Service |
| Investment Rate of Return | 7.00% |
| Mortality Rate Table | |
| PERS | Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |
| PFRS | Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |
| Period of Actuarial Experience | |
| Study upon which Actuarial | |
| Assumptions were Based | July 1, 2013 - June 30, 2018 |

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 3.00% | 4.67% |
| Cash Equivalents | 5.00% | 2.00% |
| U.S. Treasuries | 5.00% | 2.68% |
| Investment Grade Credit | 10.00% | 4.25% |
| High Yield | 2.00% | 5.37% |
| Private Credit | 6.00% | 7.92% |
| Real Assets | 2.50% | 9.31% |
| Real Estate | 7.50% | 8.33% |
| U.S. Equity | 28.00% | 8.26% |
| Non-U.S. Developed Markets Equity | 12.50% | 9.00% |
| Emerging Markets Equity | 6.50% | 11.37% |
| Private Equity | 12.00% | 10.85% |
| | <u>100.00%</u> | |

Discount Rate - The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

| | 1% Decrease (5.85%) | Current Discount Rate (6.85%) | 1% Increase (7.85%) |
|---|------------------------------------|--|------------------------------------|
| Township's Proportionate Share of the Net Pension Liability | \$ 31,222,471 | \$ 23,099,770 | \$ 16,377,064 |
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township | <u>4,930,088</u> | <u>3,647,498</u> | <u>2,585,970</u> |
| | <u><u>\$ 36,152,559</u></u> | <u><u>\$ 26,747,268</u></u> | <u><u>\$ 18,963,034</u></u> |

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

Note 10. Municipal Debt

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Issued: | | | |
| General: | | | |
| Bonds, Notes and Loans | <u>\$ 57,390,172.98</u> | <u>\$ 55,188,746.41</u> | <u>\$ 49,707,601.15</u> |
| Total Debt Issued | <u>57,390,172.98</u> | <u>55,188,746.41</u> | <u>49,707,601.15</u> |
| Authorized but not issued: | | | |
| General: | | | |
| Bonds, Notes and Loans | <u>90,756.00</u> | <u>522,501.00</u> | <u>2,386,644.00</u> |
| Total Authorized But Not Issued | <u>90,756.00</u> | <u>522,501.00</u> | <u>2,386,644.00</u> |
| Total Gross Debt | <u><u>\$ 57,480,928.98</u></u> | <u><u>\$ 55,711,247.41</u></u> | <u><u>\$ 52,094,245.15</u></u> |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 10. Municipal Debt (continued)

Deductions:

General:

Funds on Hand For Payment of Bonds and Notes:

| | | | | | | |
|--|----|------------|----|------------|----|------------|
| Reserve for Debt Service | \$ | 242,862.72 | \$ | 420,891.87 | \$ | 169,989.61 |
| Open Space Trust (N.J.S.A. 40A:244(h)) | | 140,827.34 | | 731,641.55 | | 738,072.48 |

| | | | | | | |
|------------------|--|------------|--|--------------|--|------------|
| Total Deductions | | 383,690.06 | | 1,152,533.42 | | 908,062.09 |
|------------------|--|------------|--|--------------|--|------------|

| | | | | | | |
|-----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Total Net Debt | \$ | 57,097,238.92 | \$ | 54,558,713.99 | \$ | 51,186,183.06 |
|-----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|----------------------|-------------------------|----------------------|-------------------------|
| Regional School Debt | \$ 454,963.20 | \$ 454,963.20 | \$ - |
| General Debt | 57,480,928.98 | 383,690.06 | 57,097,238.92 |
| | <u>\$ 57,935,892.18</u> | <u>\$ 838,653.26</u> | <u>\$ 57,097,238.92</u> |

Summary of Statutory Debt Condition - Annual Debt Statement (continued)

Net Debt \$57,097,238.92 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$5,590,815,878.00, equals 1.021%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2019 is calculated as follows:

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

| | |
|---|--------------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 195,678,555.73 |
| Net Debt | <u>57,097,238.92</u> |
| Remaining Borrowing Power | <u>\$ 138,581,316.81</u> |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 10. Municipal Debt (continued)

A. General Debt

General Capital Fund

| | |
|---|-------------------------|
| \$12,745,000 2010 Bonds due in annual installments ranging from \$500,000 to \$995,000 through 2024 at interest rates ranging from 3.00% to 4.00% | \$ 4,795,000.00 |
| \$9,950,000 2012 Bonds due in annual installments ranging from \$525,000 to \$1,050,000 through 2023 at interest rates ranging from 2.125% to 3.00% | 4,200,000.00 |
| \$3,085,000 2015 Refunding Bonds due in annual installments ranging from \$45,000 to \$720,000 through 2020 at an interest rate of 2% | 720,000.00 |
| \$11,409,000 2016 Bonds due in annual installments ranging from \$575,000 to \$1,150,000 through 2028 at an interest rates ranging from 2.00% to 3.00% | 9,684,000.00 |
| \$19,955,000 2018 Bonds due in annual installments ranging from \$1,115,000 to \$12,300,000 through 2029 at an interest rates ranging from 3.00% to 5.00% | 18,805,000.00 |
| | <u>\$ 38,204,000.00</u> |

A summary of the maturities for each of the subsequent five years and then each five year period thereafter is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|-------------------------|------------------------|-------------------------|
| 2020 | \$ 4,525,000.00 | \$ 1,346,480.00 | \$ 5,871,480.00 |
| 2021 | 4,395,000.00 | 1,204,830.00 | 5,599,830.00 |
| 2022 | 4,510,000.00 | 1,050,230.00 | 5,560,230.00 |
| 2023 | 4,630,000.00 | 887,880.00 | 5,517,880.00 |
| 2024 | 4,045,000.00 | 709,780.00 | 4,754,780.00 |
| 2025-2029 | 16,099,000.00 | 1,517,920.00 | 17,616,920.00 |
| | <u>\$ 38,204,000.00</u> | <u>\$ 6,717,120.00</u> | <u>\$ 44,921,120.00</u> |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 10. Municipal Debt (continued)

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2019:

| <u>Description</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Rate</u> | <u>Balance December 31, 2019</u> |
|--------------------|--------------------------|-----------------------------|-------------|--|
| Series 2019 A | 5/16/2019 | 5/15/2020 | 3.00% | \$ 16,935,000.00 |
| Series 2019 B | 5/16/2019 | 5/15/2020 | 2.05% | 432,500.00 |
| | | | | <hr/> |
| | | | | \$ 17,367,500.00 |

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2019, the Township had \$90,756.00 in various General Capital bonds and notes authorized but not issued.

D. Loans Payable

New Jersey Environmental Infrastructure Trust

During 2007, the Township entered into loan agreements funded by the New Jersey Environmental Trust in the amount of \$1,320,000 for Potters Creek. \$345,000 was funded by a trust loan with interest rates ranging from 3.40% to 5.00%. The remaining \$975,000 was funded by a fund loan with 0.00% interest. The loan matures in 2027.

During 2008, the Township entered into loan agreements funded by the New Jersey Environmental Trust in the amount of \$814,303 for storm water management, roadway and drainage improvements. \$405,000 was funded by a trust loan with interest rates ranging from 5.00% to 5.50%. The remaining \$409,303 was funded by a fund loan with 0.00% interest. The loan matures in 2021.

During 2010 the Township entered into a loan agreement funded by the New Jersey Environmental Trust in the amount of \$1,005,700 for storm water management. \$250,000 will be funded by a trust loan with interest rates ranging from 3.845% to 4.25%. The remaining \$755,700 will be funded by an interest free fund loan. The loan is payable in installments commencing August 1, 2011 and maturing on August 1, 2029.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 10. Municipal Debt (continued)

D. Loans Payable (continued)

A summary of the maturities for each of the subsequent five years and then each five year period thereafter is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------------|---------------------|------------------------|
| 2020 | \$ 196,823.65 | \$ 18,080.00 | \$ 214,903.65 |
| 2021 | 183,109.71 | 14,730.00 | 197,839.71 |
| 2022 | 121,516.60 | 11,126.25 | 132,642.85 |
| 2023 | 119,687.17 | 9,653.75 | 129,340.92 |
| 2024 | 132,279.31 | 8,200.00 | 140,479.31 |
| 2025-2029 | 418,971.56 | 16,920.00 | 435,891.56 |
| Deobligated | <u>(60,000.00)</u> | <u>-</u> | <u>(60,000.00)</u> |
| | <u>\$ 1,112,388.00</u> | <u>\$ 78,710.00</u> | <u>\$ 1,191,098.00</u> |

Green Trust Loans

During 2001, the Township entered into a loan agreement funded by the Green Trust in the amount of \$409,630.28 for Veterans' Park Driving Range. The loan bears an interest rate of 2.00% and matures in April 2021.

During 2008, the Township entered into a loan agreement funded by the Green Trust in the amount of \$500,000.00 for Veterans' Park Driving Range. The loan bears an interest rate of 2.00% and matures in March 2027.

During 2008, the Township entered into a loan agreement funded by the Green Trust in the amount of \$289,202.77 for Toms River Park Phase II. The loan bears an interest rate of 2.00% and matures in February 2028.

During 2018 the Township entered into a loan agreement funded by the Green Trust in the amount of \$309,753.80 for Manitou Park. The loan bears an interest rate of 2.00% and matures in May 2038.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 10. Municipal Debt (continued)

D. Loans Payable (continued)

A summary of the maturities for each of the subsequent five years and then each five year period thereafter is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|----------------------|---------------------|----------------------|
| 2020 | \$ 92,446.27 | \$ 12,676.78 | \$ 105,123.05 |
| 2021 | 76,691.71 | 11,585.53 | 88,277.24 |
| 2022 | 62,000.93 | 9,430.15 | 71,431.08 |
| 2023 | 62,620.94 | 8,810.13 | 71,431.07 |
| 2024 | 63,247.50 | 8,183.92 | 71,431.42 |
| 2025-2029 | 234,321.83 | 16,299.05 | 250,620.88 |
| 2030-2034 | 62,841.49 | 2,217.69 | 65,059.18 |
| 2035-2038 | 52,114.31 | 22,300.68 | 74,414.99 |
| | <u>\$ 706,284.98</u> | <u>\$ 91,503.93</u> | <u>\$ 797,788.91</u> |

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Township is as follows:

| | Balance December 31, <u>2018</u> | Accrued/ <u>Increases</u> | Retired/ <u>Decreases</u> | Balance December 31, <u>2019</u> | Balance Due Within <u>One Year</u> |
|---------------------------|--|------------------------------|------------------------------|--|--|
| General Capital: | | | | | |
| General Bonds | \$ 42,669,000.00 | \$ - | \$ 4,465,000.00 | \$ 38,204,000.00 | \$ 4,525,000.00 |
| Bond Anticipation Notes | 10,432,530.00 | 17,367,500.00 | 10,432,530.00 | 17,367,500.00 | 17,367,500.00 |
| Green Trust Loan | 793,546.34 | - | 87,261.36 | 706,284.98 | 92,446.27 |
| NJEIT Loans | 1,293,670.07 | 9,509.99 | 190,792.06 | 1,112,388.00 | 196,823.65 |
| Authorized But Not Issued | 522,501.00 | 6,503,755.00 | 6,935,500.00 | 90,756.00 | - |
| | <u>\$ 55,711,247.41</u> | <u>\$ 23,880,764.99</u> | <u>\$ 22,111,083.42</u> | <u>\$ 57,480,928.98</u> | <u>\$ 22,181,769.92</u> |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 11. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

| <u>Description</u> | <u>Balance</u> <u>December 31,</u> <u>2019</u> | <u>2020 Budget</u> <u>Appropriation</u> | <u>Balance to</u> <u>Succeeding</u> <u>Budgets</u> |
|---|--|--|--|
| Current Fund: | | | |
| Special Emergency Authorizations (40A:4-55) | | | |
| 2015 Contractually Required Liabilities | \$ 13,381.24 | \$ 13,381.24 | \$ - |
| 2016 Contractually Required Liabilities | 104,288.06 | 52,144.03 | 52,144.03 |

Note 12. Deferred School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local and regional school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

| <u>Local Taxes</u> | <u>Balance, December 31,</u> | |
|-------------------------------|------------------------------|----------------------|
| | <u>2019</u> | <u>2018</u> |
| Total Balance of Local Tax | \$ 14,683,636.01 | \$ 14,637,921.01 |
| Deferred Taxes | <u>14,683,536.01</u> | <u>14,637,821.01</u> |
| Local Tax Payable | <u>\$ 100.00</u> | <u>\$ 100.00</u> |
| | | |
| <u>Regional Tax</u> | <u>Balance, December 31,</u> | |
| | <u>2019</u> | <u>2018</u> |
| Total Balance of Regional Tax | \$ 11,827,277.18 | \$ 11,726,048.59 |
| Deferred Taxes | <u>11,827,277.18</u> | <u>11,726,048.59</u> |
| Regional Tax Payable | <u>\$ -</u> | <u>\$ -</u> |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 13. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$3,505,248.88 at December 31, 2019.

Note 14. Service Contract – Utility Authorities

The Township adopted an ordinance on April 19, 1961 providing a service contract between the Township and the Berkeley Township Sewerage Authority and also adopted an ordinance on February 16, 1988 providing a service contract between the Township and the Berkeley Township Utilities Authority. The contracts, among other things, obligates the Township to pay to the Authorities such sums of money as may be necessary to provide for deficits which result from failure of the Authorities to provide adequate revenues from their operations.

Note 15. FEMA Community Disaster Loan

On May 21, 2013, the Township submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$5,000,000 in relation to Super Storm Sandy losses and expenditures. The Township drew down \$5,000,000 of the total amount in October 2013 and recognized this as revenue in the Current Fund in the year ended December 31, 2013. The Township's accrued interest at December 31, 2019 is \$77,423.33.

The interest rate on the loan is the U.S. Treasury rate for 5-year maturities on the date the Promissory Note is executed, in this case May 30, 2013. The term of the loan is usually 5 years, but may be extended. Interest accrues on the funds as they are disbursed.

The Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and unreimbursed disaster related operating expenses. The Township applied and was approved to have a partial cancellation of this loan in the amount of \$3,755,497.97 plus the related accrued interest based on calculation provided by FEMA representatives.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 16. Contingent Liabilities

Pending Litigation

It is the opinion of the Township officials that there is no litigation threatened or pending that would materially affect the financial position of the Township or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

Residents of South Seaside Park have filed a petition with the Township's Planning Board to begin the de-annexation process from the Township of Berkeley. The matter is being heard before the Township's Planning Board and, as of the date of this report, hearings are ongoing and no determination has been made.

Note 17. Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 17. Postemployment Benefits Other Than Pensions (continued):

of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775.00 and \$8,182,092,807.00, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 17. Postemployment Benefits Other Than Pensions (continued):

| | |
|---|--|
| Inflation Rate | 2.50% |
| Salary Increases*: | |
| Public Employees' Retirement System (PERS) | |
| Initial Fiscal Year Applied | |
| Rate through 2026 | 2.00% to 6.00% |
| Rate thereafter | 3.00% to 7.00% |
| Police and Firemen's Retirement System (PFRS) | |
| Rate for all future years | 3.25% to 15.25% |
| Mortality: | |
| PERS | Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |
| PERS | Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |

* - Salary Increases are based on the defined benefit plan that the member is enrolled in and his or her age.

OPEB Obligation and OPEB (benefit) Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Township's as of June 30, 2019 was \$47,119,466.00. The Township's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the OPEB Obligation associated with the Township was based on projection of the State's long-term contributions to the OPEB plan associated with the Township relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the Township was 0.3478459965%, which was a decrease of 0.0239070039% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$(1,645,230.00) for the State's proportionate share of the OPEB (benefit) expense attributable to the Township. This OPEB (benefit) expense was based on the OPEB plans June 30, 2019 measurement date.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 17. Postemployment Benefits Other Than Pensions (continued):

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

| | At 1% Decrease (2.50%) | At Discount Rate (3.50%) | At 1% Increase (4.50%) |
|--|---------------------------|-----------------------------|---------------------------|
| State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Township | \$ 54,482,089.28 | \$ 47,119,466.00 | \$ 41,136,361.44 |
| State of New Jersey's Total Nonemployer OPEB Liability | 15,662,704,137.00 | 13,546,071,100.00 | 11,826,026,995.00 |

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:

The following presents the net OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | 1% Decrease | Healthcare Cost Trend Rate | 1% Increase |
|---|-------------------|-------------------------------|-------------------|
| State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Township | \$ 39,763,022.49 | \$ 47,119,466.00 | \$ 56,503,848.11 |
| State of New Jersey's Total Nonemployer OPEB Liability | 11,431,214,644.00 | 13,546,071,100.00 | 16,243,926,531.00 |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 17. Postemployment Benefits Other Than Pensions (continued):

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2019:

Collective Balances at December 31, 2019 and December 31, 2018

| | <u>12/31/2019</u> | <u>12/31/2018</u> |
|---|-------------------|-------------------|
| Actuarial valuation date (including roll forward) | June 30, 2019 | June 30, 2018 |
| Collective Deferred Outflows of Resources | \$ 11,158,226.00 | \$ 8,279,239.00 |
| Collective Deferred Inflows of Resources | 8,761,825,481.00 | 7,154,925,195.00 |
| Collective Net OPEB Liability | 13,546,071,100.00 | 15,666,618,141.00 |
| Township's Portion | 0.347846% | 0.371753% |

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | |
|----------------------|-------------------------------------|
| Year Ending June 30: | |
| 2020 | \$ (1,425,201,517.00) |
| 2021 | (1,425,201,517.00) |
| 2022 | (1,426,076,187.00) |
| 2023 | (1,427,489,995.00) |
| 2024 | (1,428,781,861.00) |
| Thereafter | <u>(1,617,916,178.00)</u> |
| | <u><u>\$ (8,750,667,255.00)</u></u> |

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for the 2019, 2018 and 2017 amounts, respectively.

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

| | |
|---------------------------------------|----------------------|
| | <u>June 30, 2018</u> |
| Active Plan Members | 63,032 |
| Retirees Currently Receiving Benefits | <u>27,871</u> |
| Total Plan Members | <u><u>90,903</u></u> |

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 17. Postemployment Benefits Other Than Pensions (continued):

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

| | |
|---|--|
| Service Cost | \$ 666,574,660.00 |
| Interest on the Total OPEB Liability | 636,082,461.00 |
| Change of Benefit Terms | (1,903,958.00) |
| Differences Between Expected and Actual Experience | (1,399,921,930.00) |
| Changes of Assumptions | (1,635,760,217.00) |
| Contributions From the Employer | (346,415,056.00) |
| Contributions From Non-Employer Contributing Entity | (43,854,500.00) |
| Net Investment Income | (4,826,936.00) |
| Administrative Expense | <u>9,478,435.00</u> |
| Net Change in Total OPEB Liability | (2,120,547,041.00) |
| Total OPEB Liability (Beginning) | <u>15,666,618,141.00</u> |
| Total OPEB Liability (Ending) | <u><u>\$ 13,546,071,100.00</u></u> |

Note 18. Subsequent Events

The Township has evaluated subsequent events through September 26, 2020, the date the financial statements were available to be issued.

In December 2019, an outbreak of a new strain of coronavirus, COVID-19, emerged in Wuhan, China. Within weeks, the number of those infected grew significantly, and beyond China's borders. As of the date of this report, the coronavirus is reported to have spread to over 143 countries, and the list is expected to continue to grow. The coronavirus outbreak is still evolving and its effects remain unknown. The Municipality is unable to predict how changing global economic conditions such as the COVID-19 coronavirus will affect the Municipality's operations.

In May 2020 the Township of Berkeley had bond anticipation notes of \$17,367,500.00 maturing. The Township had issued \$10,432,500 of General Obligation Bonds to permanently fund ongoing capital projects maturing on May 01, 2030 with varying interest rates from 2.00% - 4.00%. In addition, the Township renewed \$6,935,000.00 of Bond Anticipation Notes maturing on May 14, 2021 at an interest rate of 2.00%.

SUPPLEMENTARY EXHIBITS

This page intentionally left blank.

| |
|---------------------|
| CURRENT FUND |
|---------------------|

This page intentionally left blank.

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|---|----------------|-------------------------------|
| Balance December 31, 2018 | | \$ 8,816,038.83 |
| Increased by Receipts: | | |
| Taxes Receivable | 110,446,787.56 | |
| Revenue Accounts Receivable | 8,526,524.68 | |
| State of New Jersey (Ch. 20, P.L. 1971) | 1,260,268.27 | |
| Miscellaneous Revenue not Anticipated | 115,545.02 | |
| Tax Title Liens Receivable | 195,261.62 | |
| Prepaid Taxes | 1,560,222.25 | |
| Municipal Utility Authority | 5,179.08 | |
| Debris Receivable | 4,744.94 | |
| FEMA Receivable | 97,509.99 | |
| Spending Reserves | 3,602.84 | |
| Interfunds: | | |
| Grant Fund | 556,255.74 | |
| Other | 669,983.48 | |
| | | <u>123,441,885.47</u> |
| | | 132,257,924.30 |
| Decreased by Disbursements: | | |
| Budget Appropriations | 41,764,077.20 | |
| County Taxes Payable | 23,098,891.08 | |
| Regional School Tax | 24,046,003.41 | |
| Local School District Tax | 31,018,910.00 | |
| Appropriation Reserves | 793,453.03 | |
| Accounts Payable | 527.45 | |
| Tax Overpayments Refunded | 55,962.59 | |
| Open Space Tax | 517,565.00 | |
| Spending Reserves | 19,440.00 | |
| Change Fund | 500.00 | |
| Interfunds: | | |
| Grant Fund | 1,104,507.26 | |
| Other | 382,793.34 | |
| | | <u>122,802,630.36</u> |
| Balance December 31, 2019 | | <u><u>\$ 9,455,293.94</u></u> |

TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2019

| Year | Balance Dec. 31, 2018 | 2019 Levy | Added/ Omitted | Collections | | Due from State | Transferred to Tax Title Liens | Cancelled | Balance Dec. 31, 2019 |
|---------------|--------------------------|-------------------|-------------------|-----------------|-------------------|-------------------|--------------------------------------|---------------|--------------------------|
| Special Taxes | \$ 25,097.75 | \$ - | \$ - | \$ - | \$ 1,329.55 | \$ - | \$ - | \$ 6,011.89 | \$ 17,756.31 |
| 2015 | 33.06 | - | - | - | - | - | 33.06 | - | - |
| 2016 | 64.05 | - | - | - | 20.01 | - | 60.00 | (15.96) | - |
| 2017 | 3,388.18 | - | - | - | 4,246.74 | (1,127.40) | 486.37 | (248.31) | 30.78 |
| 2018 | 1,375,877.88 | - | - | - | 1,352,868.79 | (46,762.35) | 56,776.45 | 3,708.97 | 9,286.02 |
| | 1,404,460.92 | - | - | - | 1,358,465.09 | (47,889.75) | 57,355.88 | 9,456.59 | 27,073.11 |
| 2019 | - | 112,114,151.59 | 1,189,612.63 | 1,582,500.11 | 109,088,322.47 | 1,261,517.23 | 127,545.35 | 312,829.76 | 931,049.30 |
| | \$ 1,404,460.92 | \$ 112,114,151.59 | \$ 1,189,612.63 | \$ 1,582,500.11 | \$ 110,446,787.56 | \$ 1,213,627.48 | \$ 184,901.23 | \$ 322,286.35 | \$ 958,122.41 |

Analysis of 2019 Property Tax Yield and Tax Levy

Tax Yield:

General Purpose Tax
Added and Omitted Taxes

\$ 112,114,151.59
1,189,612.63

70

\$ 113,303,764.22

Tax Levy:

Local District School Tax (Abstract)
Regional School Tax (Abstract)
County Taxes:
County Tax (Abstract)
County Library Tax (Abstract)
County Health Tax (Abstract)
County Open Space Tax (Abstract)
Due County for Added and Omitted Taxes
Total County Taxes
Local Open Space Tax
Local Tax for Municipal Purposes
Add: Additional Tax Levied (Net)

\$ 31,064,625.00
24,147,232.00

\$ 19,225,830.72
2,116,993.66
933,384.82
674,497.73
182,607.36
517,565.00
33,434,022.66
1,007,005.27

23,133,314.29

34,958,592.93

\$ 113,303,764.22

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|--|-------------------|-----------------------------|
| Balance December 31, 2018 | | \$ 1,114,415.98 |
| Increased by: | | |
| Transfers from Taxes Receivable | 184,901.23 | |
| Interest and Costs Accrued at Tax Sale | <u>10,723.98</u> | |
| | | <u>195,625.21</u> |
| | | 1,310,041.19 |
| Decreased by: | | |
| Receipts | 195,261.62 | |
| Cancelled | <u>714,733.33</u> | |
| | | <u>909,994.95</u> |
| Balance December 31, 2019 | | <u><u>\$ 400,046.24</u></u> |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Balance Dec. 31, 2018</u> | <u>Accrued in 2019</u> | <u>Collections</u> | <u>Balance Dec. 31, 2019</u> |
|---|----------------------------------|----------------------------|-----------------------|----------------------------------|
| Licenses: | | | | |
| Alcoholic Beverages | \$ - | \$ 46,476.00 | \$ 46,476.00 | \$ - |
| Other | - | 3,544.75 | 3,544.75 | - |
| Fees and Permits | - | 567,815.13 | 567,815.13 | - |
| Fines and Costs: | | | | |
| Municipal Court | 10,331.00 | 173,140.56 | 173,128.56 | 10,343.00 |
| Interest and Costs on Taxes | - | 404,589.59 | 404,589.59 | - |
| Interest on Investments and Deposits | - | 134,643.20 | 134,643.20 | - |
| Beach Admission Fees | - | 117,768.22 | 117,768.22 | - |
| Municipal Golf Course | - | 81,125.00 | 81,125.00 | - |
| Water and Cable Franchise Fees | - | 256,272.40 | 256,272.40 | - |
| Hotel and Motel Occupancy Tax | - | 26,859.38 | 26,859.38 | - |
| State Aid: | | | | |
| Energy Receipts Tax | - | 4,213,875.00 | 4,213,875.00 | - |
| Garden State Trust Fund | - | 42,590.00 | 42,590.00 | - |
| Special Items of Revenue: | | | | |
| Interlocal Services Agreements: | | | | |
| Animal Control Services | - | 12,631.15 | 12,631.15 | - |
| Ocean Gate Borough - Code Enforcement | - | 8,120.00 | 8,120.00 | - |
| Ocean Gate Borough - Finance Services | - | 35,263.37 | 35,263.37 | - |
| Ocean Gate Borough - Fuel Services | - | 38,287.55 | 38,287.55 | - |
| Berkeley Board of Education - Fuel Facilities | - | 118,379.71 | 118,379.71 | - |
| Fire Protection | - | 27,000.00 | 27,000.00 | - |
| Central Regional Board of Education - Fuel Facilities | - | 184,060.95 | 184,060.95 | - |
| Central Regional Board Trash | - | 52,500.00 | 52,500.00 | - |
| Other Special Items: | | | | |
| Community Services Officer Program-Ambulance Service Fees | - | 755,176.30 | 755,176.30 | - |
| Health Care Coverage - Employee Percentage | - | 841,832.89 | 841,832.89 | - |
| Sale of Land | - | 42,623.21 | 42,623.21 | - |
| Capital Fund Reserve for Cash | - | 378,539.55 | 378,539.55 | - |
| Senior/Veteran Administration Fee | - | 25,590.84 | 25,590.84 | - |
| Surplus from the Berkeley Township Sewer Authority | - | 410,000.00 | 410,000.00 | - |
| Uniform Fire Safety Act | - | 36,661.02 | 36,661.02 | - |
| Interfund - Due from Trust Fund | - | 146,726.68 | 146,726.68 | - |
| Interfund - Due from Payroll Trust Fund | - | 506,536.21 | 506,536.21 | - |
| | <u>\$ 10,331.00</u> | <u>\$9,688,628.66</u> | <u>\$9,688,616.66</u> | <u>\$ 10,343.00</u> |
| Receipts | | | \$8,526,524.68 | |
| Interfunds | | | <u>1,162,091.98</u> | |
| | | | <u>\$9,688,616.66</u> | |

TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55
FOR THE YEAR ENDED DECEMBER 31, 2019

| <u>Date Authorized</u> | <u>Improvement Description</u> | <u>Net Amount Authorized</u> | <u>1/5 of Net Amount Authorized</u> | <u>Balance Dec. 31, 2018</u> | <u>2019 Budget Appropriation</u> | <u>Balance Dec. 31, 2019</u> |
|----------------------------|----------------------------------|----------------------------------|---|----------------------------------|--------------------------------------|----------------------------------|
| 11/24/2014 | Contractually Required Severance | 242,026.80 | 48,405.36 | \$ 48,405.36 | \$ 48,405.36 | \$ - |
| 12/14/2015 | Contractually Required Severance | 66,906.24 | 13,381.25 | 26,762.49 | 13,381.25 | 13,381.24 |
| 11/14/2016 | Contractually Required Severance | 260,750.15 | 52,150.03 | 156,432.09 | 52,144.03 | 104,288.06 |
| | | | | <u>\$ 231,599.94</u> | <u>\$ 113,930.64</u> | <u>\$ 117,669.30</u> |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

**OPERATIONS WITHIN CAPS
General Government Functions**

| | Balance Dec. 31, 2018 | Reserve for Encumbrances | Transfers | Balance After Transfers | Paid or Charged | Balance Lapsed |
|--|--------------------------|-----------------------------|-------------|-------------------------------|--------------------|-------------------|
| General Administration: | | | | | | |
| Salaries and Wages | \$ 5,931.78 | \$ - | \$ - | \$ 5,931.78 | \$ - | \$ 5,931.78 |
| Other Expenses | 533.42 | 1.00 | 2,632.24 | 3,166.66 | 3,166.66 | - |
| Human Resources: | | | | | | |
| Salaries and Wages | 4,891.34 | - | - | 4,891.34 | 1,306.37 | 3,584.97 |
| Other Expenses | 1,847.78 | 239.49 | (1,853.27) | 234.00 | 234.00 | - |
| Office of the Mayor: | | | | | | |
| Other Expenses | 674.68 | 369.97 | (599.76) | 444.89 | 404.89 | 40.00 |
| Township Council: | | | | | | |
| Salaries and Wages | 0.01 | - | - | 0.01 | - | 0.01 |
| Other Expenses | 3,367.50 | - | (3,367.50) | - | - | - |
| Municipal Clerk: | | | | | | |
| Salaries and Wages | 2,988.24 | - | 3,917.99 | 6,906.23 | 343.87 | 6,562.36 |
| Other Expenses | 3,048.27 | 582.81 | 7,521.73 | 11,152.81 | 11,152.81 | - |
| Division of Information Technology | | | | | | |
| Salaries and Wages | 1,230.92 | - | 410.65 | 1,641.57 | 243.18 | 1,398.39 |
| Other Expenses | 115.26 | 384.74 | - | 500.00 | 387.39 | 112.61 |
| Financial Administration: | | | | | | |
| Salaries and Wages | 20,840.81 | - | (9,296.69) | 11,544.12 | 1,466.26 | 10,077.86 |
| Other Expenses | 13,285.71 | 475.00 | (13,285.71) | 475.00 | - | 475.00 |
| Audit Services: | | | | | | |
| Other Expenses | 1,341.92 | - | (1,341.92) | - | - | - |
| Revenue Administration (Tax Collection): | | | | | | |
| Salaries and Wages | 24.11 | - | 8,694.04 | 8,718.15 | 1,113.88 | 7,604.27 |
| Other Expenses | 6,670.04 | 31.57 | (4,179.16) | 2,522.45 | 2,522.45 | - |
| Tax Assessment Administration: | | | | | | |
| Salaries and Wages | 1,063.96 | - | 7,711.01 | 8,774.97 | 392.40 | 8,382.57 |
| Other Expenses | 2,417.36 | 390.41 | (2,417.36) | 390.41 | 390.41 | - |
| Division of Purchasing | | | | | | |
| Salaries and Wages | 188.02 | - | 889.34 | 1,077.36 | - | 1,077.36 |
| Other Expenses | 2.00 | 380.08 | - | 382.08 | 243.28 | 138.80 |
| Legal Services: | | | | | | |
| Other Expenses | - | 1,588.99 | 31,824.35 | 33,413.34 | 32,063.84 | 1,349.50 |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance Dec. 31, 2018 | Reserve for Encumbrances | Transfers | Balance After Transfers | Paid or Charged | Balance Lapsed |
|--|--------------------------|-----------------------------|--------------|-------------------------------|--------------------|-------------------|
| Engineering Services: | | | | | | |
| Other Expenses | - | - | 38,051.33 | 38,051.33 | 38,051.33 | - |
| Economic Development Agencies: | | | | | | |
| Other Expenses | 275.00 | 300.00 | (275.00) | 300.00 | - | 300.00 |
| Veterans Advisory Council | | | | | | |
| Other Expenses | 500.00 | - | - | 500.00 | - | 500.00 |
| Municipal Court: | | | | | | |
| Salaries and Wages | 857.30 | - | 6,046.26 | 6,903.56 | 900.39 | 6,003.17 |
| Other Expenses | 7.61 | 775.43 | - | 783.04 | 783.04 | - |
| Public Defender (P.L. 1997, c256): | | | | | | |
| Other Expenses | 20,000.00 | 3,000.00 | (11,836.68) | 11,163.32 | 5,833.32 | 5,330.00 |
| <u>Land Use Administration</u> | | | | | | |
| Planning Board / Director of Planning: | | | | | | |
| Other Expenses | 478.46 | - | 19,518.30 | 19,996.76 | 19,996.76 | - |
| Planning Board: | | | | | | |
| Salaries and Wages | 420.96 | - | 34.95 | 455.91 | 92.43 | 363.48 |
| Other Expenses | - | 1,928.00 | 21,447.50 | 23,375.50 | 22,480.75 | 894.75 |
| Division of Zoning: | | | | | | |
| Salaries and Wages | 490.37 | - | 1,968.00 | 2,458.37 | 183.91 | 2,274.46 |
| Other Expenses | 743.68 | 50.00 | (743.68) | 50.00 | 50.00 | - |
| Zoning Board of Adjustment: | | | | | | |
| Salaries and Wages | 421.04 | - | 47.50 | 468.54 | - | 468.54 |
| Other Expenses | 732.50 | 25.00 | 565.00 | 1,322.50 | 1,022.50 | 300.00 |
| <u>Insurance</u> | | | | | | |
| General Liability | 41,392.24 | - | (41,392.24) | - | - | - |
| Workers Compensation | 1,105.44 | - | (1,105.44) | - | - | - |
| Employee Group Insurance | 222,563.23 | - | (219,935.23) | 2,628.00 | 2,628.00 | - |
| Unemployment Insurance | 955.07 | - | (955.07) | - | - | - |
| <u>Public Safety Functions</u> | | | | | | |
| Police Department: | | | | | | |
| Salaries and Wages | 93,262.34 | - | 71,203.89 | 164,466.23 | 3,960.55 | 160,505.68 |
| Other Expenses | 378.13 | 74,641.20 | (6,954.53) | 68,064.80 | 53,106.96 | 14,957.84 |
| Emergency Management: | | | | | | |
| Salaries and Wages | 6,343.47 | - | (6,343.47) | - | - | - |
| Other Expenses | 11.74 | 2,308.26 | - | 2,320.00 | 2,091.03 | 228.97 |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance Dec. 31, 2018 | Reserve for Encumbrances | Transfers | Balance After Transfers | Paid or Charged | Balance Lapsed |
|--|--------------------------|-----------------------------|-------------|-------------------------------|--------------------|-------------------|
| Aid to Volunteer Fire Companies: | | | | | | |
| Salaries and Wages | 0.08 | - | - | 0.08 | - | 0.08 |
| Other Expenses | 43,823.85 | 38,677.87 | (1,056.14) | 81,445.58 | 78,145.58 | 3,300.00 |
| First Aid Contribution | | | | | | |
| Other Expenses | - | 12,500.00 | - | 12,500.00 | 12,500.00 | - |
| Fire Department: | | | | | | |
| Salaries and Wages | 3,207.69 | - | (757.94) | 2,449.75 | 454.44 | 1,995.31 |
| Other Expenses | 256.19 | - | (256.19) | - | - | - |
| Municipal Prosecutor: | | | | | | |
| Other Expenses | - | 1,000.00 | (550.00) | 450.00 | 450.00 | - |
| Public Works Functions | | | | | | |
| Streets and Roads Maintenance: | | | | | | |
| Salaries and Wages | - | - | 11,711.69 | 11,711.69 | - | 11,711.69 |
| Other Expenses | - | 39,682.86 | 26,378.25 | 66,061.11 | 36,151.55 | 29,909.56 |
| Contractual | 164,697.58 | - | - | 164,697.58 | 164,697.58 | - |
| Other Public Works Functions/ Signs, Maintenance: | | | | | | |
| Other Expenses | 13,868.09 | 9,420.64 | (13,906.09) | 9,382.64 | 8,717.62 | 665.02 |
| Other Public Works Functions/ Building Demolition: | | | | | | |
| Other Expenses | 10,000.00 | - | (10,000.00) | - | - | - |
| Sanitation/Solid Waste Collection: | | | | | | |
| Salaries and Wages | 2,035.06 | - | - | 2,035.06 | 2,035.06 | - |
| Other Expenses | 695.32 | - | 50.68 | 746.00 | 746.00 | - |
| Solid Waste Collection/Recycling: | | | | | | |
| Salaries and Wages | 2,445.84 | - | - | 2,445.84 | 1,144.85 | 1,300.99 |
| Other Expenses | 108.83 | 500.00 | 386.17 | 995.00 | 995.00 | - |
| Buildings and Grounds: | | | | | | |
| Salaries and Wages | 14,019.50 | - | - | 14,019.50 | 407.44 | 13,612.06 |
| Other Expenses | 4,057.42 | 2,543.00 | 54.20 | 6,654.62 | 5,165.10 | 1,489.52 |
| Equipment Maintenance: | | | | | | |
| Salaries and Wages | 4,452.41 | - | - | 4,452.41 | 879.22 | 3,573.19 |
| Other Expenses | 1,764.18 | 5,557.64 | (1,080.91) | 6,240.91 | 3,386.07 | 2,854.84 |
| Health and Human Services | | | | | | |
| Environmental Health Services: | | | | | | |
| Other Expenses | 100.00 | - | - | 100.00 | - | 100.00 |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance Dec. 31, 2018 | Reserve for Encumbrances | Transfers | Balance After Transfers | Paid or Charged | Balance Lapsed |
|---|--------------------------|-----------------------------|-------------|-------------------------------|--------------------|-------------------|
| Animal Control Services: | | | | | | |
| Salaries and Wages | 852.42 | - | 2,797.84 | 3,650.26 | 861.10 | 2,789.16 |
| Other Expenses | 250.00 | - | (250.00) | - | - | - |
| <u>Parks and Recreation</u> | | | | | | |
| Recreation Services and Programs: | | | | | | |
| Salaries and Wages | 5,525.19 | - | - | 5,525.19 | 3,646.10 | 1,879.09 |
| Other Expenses | 1,336.04 | 1,253.84 | (1,336.05) | 1,253.83 | 965.75 | 288.08 |
| Recreation Services and Programs/Golf Course: | | | | | | |
| Salaries and Wages | - | - | - | - | - | - |
| Other Expenses | 1,487.59 | 122.78 | (1,487.59) | 122.78 | - | 122.78 |
| Maintenance of Parks: | | | | | | |
| Other Expenses | 447.96 | 2,668.73 | 2,154.18 | 5,270.87 | 4,960.79 | 310.08 |
| <u>Utilities and Bulk Purchases</u> | | | | | | |
| Utilities: | | | | | | |
| Other Expenses | 6,852.34 | 85,768.74 | 22,852.67 | 115,473.75 | 33,677.95 | 81,795.80 |
| Street Lighting: | | | | | | |
| Other Expenses | 47,875.18 | 1,086.96 | (10,772.62) | 38,189.52 | 38,189.52 | - |
| Gasoline: | | | | | | |
| Other Expenses | 25.98 | 33,248.51 | 38,873.58 | 72,148.07 | 72,008.12 | 139.95 |
| <u>Landfill/Solid Waste</u> | | | | | | |
| Landfill/Solid Waste Disposal Costs: | | | | | | |
| Other Expenses/Tipping | - | 9,271.70 | 38,679.60 | 47,951.30 | 2,302.00 | 45,649.30 |
| <u>Code Enforcement and Administration</u> | | | | | | |
| Other Code Enforcement Functions: | | | | | | |
| Salaries and Wages | 2,305.08 | - | 3,520.71 | 5,825.79 | 558.80 | 5,266.99 |
| Other Expenses | 324.25 | 722.01 | - | 1,046.26 | 722.01 | 324.25 |
| Total Operations within Caps | 794,215.78 | 331,497.23 | 2,607.41 | 1,128,320.42 | 680,380.31 | 447,940.11 |
| Contingent | 2,000.00 | - | - | 2,000.00 | 907.28 | 1,092.72 |
| Total Operations within Caps including Contingent | 796,215.78 | 331,497.23 | 2,607.41 | 1,130,320.42 | 681,287.59 | 449,032.83 |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance Dec. 31, 2018 | Reserve for Encumbrances | Transfers | Balance After Transfers | Paid or Charged | Balance Lapsed |
|---|--------------------------|-----------------------------|------------|-------------------------------|--------------------|-------------------|
| <u>STATUTORY EXPENDITURES WITHIN CAPS</u> | | | | | | |
| <u>Statutory Expenditures</u> | | | | | | |
| Contribution to: | | | | | | |
| Social Security System | 35,679.52 | - | - | 35,679.52 | - | 35,679.52 |
| Defined Contribution Retirement Program | 2,850.35 | - | (2,652.41) | 197.94 | - | 197.94 |
| Total Deferred Charges and Statutory Expenditures within Caps | 38,529.87 | - | (2,652.41) | 35,877.46 | - | 35,877.46 |
| Total Appropriations within Caps | 834,745.65 | 331,497.23 | (45.00) | 1,166,197.88 | 681,287.59 | 484,910.29 |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN CAPS</u> | | | | | | |
| <u>OPERATIONS EXCLUDED FROM CAPS</u> | | | | | | |
| Length of Service Awards Program (N.J.A.C. 5:30-14.25): | | | | | | |
| Other Expenses | 46,096.00 | - | - | 46,096.00 | 30,672.00 | 15,424.00 |
| Stormwater and Water Pollution (N.J.S.A. 40A: 4-45.3(cc)): | | | | | | |
| Other Expenses | - | 9,401.10 | - | 9,401.10 | 7,328.34 | 2,072.76 |
| Recycling Enhancement Act (P.L. 2007 c.311): | | | | | | |
| Other Expenses | 30,391.29 | 50,887.15 | - | 81,278.44 | 46,228.19 | 35,050.25 |
| <u>Interlocal Municipal Service Agreements</u> | | | | | | |
| Ocean County Health - Animal Control | | | | | | |
| Other Expenses | 15,000.00 | - | - | 15,000.00 | - | 15,000.00 |
| Ocean County Social Services-Relocation Expenses: | | | | | | |
| Other Expenses | 1,000.00 | - | - | 1,000.00 | - | 1,000.00 |
| Fire Protection - South Toms River: | | | | | | |
| Other Expenses | 1,159.00 | 5,341.00 | 45.00 | 6,545.00 | 6,545.00 | - |
| Community Service Officer Program(Ambulance): | | | | | | |
| Salaries and Wages | 64,489.35 | - | - | 64,489.35 | - | 64,489.35 |
| Other Expenses | - | 35,353.17 | - | 35,353.17 | 21,391.91 | 13,961.26 |
| Total Operations excluded from Caps | 158,135.64 | 100,982.42 | 45.00 | 259,163.06 | 112,165.44 | 146,997.62 |
| Total General Appropriations | \$ 992,881.29 | \$ 432,479.65 | \$ - | \$ 1,425,360.94 | \$ 793,453.03 | \$ 631,907.91 |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|---|----------------------|-------------------------|
| Balance December 31, 2018: | | |
| School Tax Payable | \$ 100.00 | |
| School Tax Deferred | <u>14,637,821.01</u> | |
| | | <u>\$ 14,637,921.01</u> |
| Increased by: | | |
| Levy for School Year July 1, 2019 to June 30, 2020 | | <u>31,064,625.00</u> |
| | | 45,702,546.01 |
| Decreased by: | | |
| Disbursements | | <u>31,018,910.00</u> |
| Balance December 31, 2019: | | |
| School Tax Payable | 100.00 | |
| School Tax Deferred | <u>14,683,536.01</u> | |
| | | <u>\$ 14,683,636.01</u> |
| <u>2019 Charge to Operations for Regional School Tax</u> | | |
| Balance December 31, 2018 - School Tax Deferred | | \$ 14,637,821.01 |
| Add: 2019-2020 School Tax Levy | | 31,064,625.00 |
| Less: Ending Balance December 31, 2019 - School Tax Deferred | | <u>(14,683,536.01)</u> |
| Amount Charged to 2019 Operations | | <u>\$ 31,018,910.00</u> |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|---|--------------------------------|
| Balance December 31, 2018: | |
| School Tax Deferred | \$ 11,726,048.59 |
| Increased by: | |
| Levy for School Year July 1, 2019 to June 30, 2020 | <u>24,147,232.00</u> |
| | 35,873,280.59 |
| Decreased by: | |
| Disbursements | <u>24,046,003.41</u> |
| Balance December 31, 2019: | |
| School Tax Deferred | <u><u>\$ 11,827,277.18</u></u> |
| <u>2019 Charge to Operations for Regional School Tax</u> | |
| Balance December 31, 2018 - School Tax Deferred | \$ 11,726,048.59 |
| Add: 2019-2020 School Tax Levy | 24,147,232.00 |
| Less: Ending Balance December 31, 2019 - School Tax Deferred | <u>(11,827,277.18)</u> |
| Amount Charged to 2019 Operations | <u><u>\$ 24,046,003.41</u></u> |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|--|-------------------|-----------------------------|
| Balance December 31, 2018 | | \$ 148,184.15 |
| 2019 Tax Levy: | | |
| County Tax (Abstract) | 19,225,830.72 | |
| County Library Tax (Abstract) | 2,116,993.66 | |
| County Health Tax (Abstract) | 933,384.82 | |
| County Open Space Tax (Abstract) | 674,497.73 | |
| Due County for Added and Omitted Taxes | <u>182,607.36</u> | |
| | | <u>23,133,314.29</u> |
| | | 23,281,498.44 |
| Decreased by: | | |
| Disbursements | | <u>23,098,891.08</u> |
| Balance December 31, 2019 | | <u><u>\$ 182,607.36</u></u> |

**SCHEDULE OF MUNICIPAL OPEN SPACE TAX
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|---------------------------|--|--------------------|
| Balance December 31, 2018 | | \$ - |
| Increased by: | | |
| Levy Calendar Year 2019 | | <u>517,565.00</u> |
| | | 517,565.00 |
| Decreased by: | | |
| Disbursements | | <u>517,565.00</u> |
| Balance December 31, 2019 | | <u><u>\$ -</u></u> |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF SPENDING RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| <u>Improvement Description</u> | <u>Balance Dec. 31, 2018</u> | <u>Received</u> | <u>Expended</u> | <u>Balance Dec. 31, 2019</u> |
|----------------------------------|----------------------------------|--------------------|---------------------|----------------------------------|
| Contractually Required Severance | \$ 34,000.31 | \$ - | \$ - | \$ 34,000.31 |
| Storm Damage - Superstorm Sandy | <u>15,837.16</u> | <u>3,602.84</u> | <u>19,440.00</u> | <u>-</u> |
| | <u>\$ 49,837.47</u> | <u>\$ 3,602.84</u> | <u>\$ 19,440.00</u> | <u>\$ 34,000.31</u> |

TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Total (Memo Only) | Other Trust Fund | General Capital Fund | Payroll Fund |
|--|------------------------------|---------------------------------|-------------------------------------|-------------------------|
| Balance December 31, 2018 - (Due From) /Due To | \$ (272,886.00) | \$ (146,726.68) | \$ 382,793.34 | \$ (508,952.66) |
| Increased by: | | | | |
| Disbursed | 382,793.34 | - | 382,793.34 | - |
| Total Increases | 382,793.34 | - | 382,793.34 | - |
| Total Increases and Balances | (655,679.34) | (146,726.68) | - | (508,952.66) |
| Decreased by: | | | | |
| Receipts | 669,983.48 | 161,030.82 | | 508,952.66 |
| Total Decreases | 669,983.48 | 161,030.82 | - | 508,952.66 |
| Balance December 31, 2019 - (Due From) /Due To | \$ 14,304.14 | \$ 14,304.14 | \$ - | \$ - |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF INTERFUND
GRANT FUND**

| | | |
|---|-------------------|---------------------------------|
| Balance December 31, 2018 - Due To / (From) | | \$ (502,238.80) |
| Increased by: | | |
| Grant Accounts Receivable Deposits | 556,255.74 | |
| Transferred from 2019 Budget Appropriations | <u>668,143.49</u> | |
| | | <u>1,224,399.23</u> |
| Decreased by: | | |
| Grant Fund Disbursements | 1,104,507.26 | 722,160.43 |
| Transferred from 2019 Anticipated Revenue | <u>660,296.49</u> | |
| | | <u>1,764,803.75</u> |
| Balance December 31, 2019 - Due To / (From) | | <u><u>\$ (1,042,643.32)</u></u> |

TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
GRANT FUND

| <u>Grant</u> | <u>Balance</u> <u>Dec. 31, 2018</u> | <u>2019</u> <u>Budget</u> <u>Revenue</u> | <u>Received</u> | <u>Balance</u> <u>Dec. 31, 2019</u> |
|---|--|--|----------------------|--|
| DOJ - Bulletproof Vest Partnership | \$ 5,367.49 | \$ - | \$ 4,297.50 | \$ 1,069.99 |
| Municipal Alliance Grant-2017 | 24,492.16 | - | 1,158.00 | 23,334.16 |
| HDSRF,Public Entity Grant Program | 712,380.00 | - | - | 712,380.00 |
| Post Sandy Planning -South Seaside Park | 620.46 | - | - | 620.46 |
| Post Sandy Planning-Master Plan | 1,718.83 | - | - | 1,718.83 |
| Post Sandy Planning-Coastal Neighborhood | 1,733.63 | - | - | 1,733.63 |
| Post Sandy Planning-Community Rating System | 8,241.96 | - | - | 8,241.96 |
| Post Sandy Planning-Floodplain Management | 2,640.50 | - | - | 2,640.50 |
| Ocean - Municipal Recycling Grant Program | 7,213.00 | - | - | 7,213.00 |
| Post Sandy Planning Assistance Grant | 68,106.03 | - | - | 68,106.03 |
| Hazard Discharge Site - AT&T Property | 30,708.00 | - | - | 30,708.00 |
| Hazard Mitigation Grant - Federal Portion - Municipal Building | 110,926.00 | - | - | 110,926.00 |
| Hazard Mitigation Grant - Federal Portion - Recreation Building | 63,500.00 | - | - | 63,500.00 |
| Hazard Mitigation Grant - Federal Portion - Police Building | 83,976.00 | - | - | 83,976.00 |
| Bulletproof Vest Program 2015 | 7,683.87 | - | - | 7,683.87 |
| FY2015 Homeland Security Grant | 432.20 | - | - | 432.20 |
| U.S. Department of Homeland Security FY 2016-Elevation Grant | 558,174.56 | - | - | 558,174.56 |
| NJOEM FY 2018-966 Grant | 3,350.72 | - | - | 3,350.72 |
| Bulletproof Vest Partnership Grant | 4,461.18 | - | - | 4,461.18 |
| FY16 Child Restraint Grant Program | 600.00 | - | 330.00 | 270.00 |
| Cops in Crosswalks Grant | 150.00 | - | - | 150.00 |
| 2016 Bulletproof Vest Partnership | 4,715.00 | - | - | 4,715.00 |
| FY16 Homeland Security Grant | 26,000.00 | - | 25,804.15 | 195.85 |
| Green Acres Grant - Veterans Park Improvements | 200,000.00 | - | - | 200,000.00 |
| Clean Communities Grant - 2019 | - | 136,027.80 | 136,027.80 | - |
| Municipal Alliance on Alchohol and Drug Abuse - 2018 | 31,388.00 | - | - | 31,388.00 |
| Municipal Alliance on Alchohol and Drug Abuse - 2019 | - | 31,388.00 | - | 31,388.00 |
| FEMA Emergency Generator Project - Police Building | 187,328.00 | - | - | 187,328.00 |
| FEMA Emergency Generator Project - Aministration Building | 119,769.00 | - | - | 119,769.00 |
| DOT Grant FY 2018 - Various Road Improvements | 127,590.15 | - | - | 127,590.15 |
| CDBG - Road and Drainage Improvements - Jamaica Blvd 2018 | 34,000.00 | - | - | 34,000.00 |
| 2018 Society of Fire Protection Engineers Grant | 1,000.00 | - | - | 1,000.00 |
| Cops in Crosswalks Grant | 35,200.00 | - | 35,200.00 | - |
| NJ OEM Grant - 2018 | - | 32,886.35 | - | 32,886.35 |
| NJ OEM Grant - 2019 | 6,364.80 | - | - | 6,364.80 |
| FY18 Homeland Security Grant | 23,800.00 | - | 23,375.00 | 425.00 |
| FY17 Homeland Security Grant | 12,199.70 | - | - | 12,199.70 |
| NJ DOT Municipal Grant Aid | - | 365,000.00 | 242,484.85 | 122,515.15 |
| Drive Sober or Get Pulled Over | - | 5,500.00 | 5,500.00 | - |
| Recycling Tonnage Grant | - | 82,078.44 | 82,078.44 | - |
| Body Armor Replacement Grant | - | 7,415.90 | - | 7,415.90 |
| | <u>\$ 2,505,831.24</u> | <u>\$ 660,296.49</u> | <u>\$ 556,255.74</u> | <u>\$ 2,609,871.99</u> |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES
GRANT FUND**

| <u>Grant</u> | <u>Balance Dec. 31, 2018</u> | <u>Transfer from 2019 Budget Appropriation</u> | <u>Transfer From Encumbrances</u> | <u>Paid or Charged</u> | <u>Transfer To Encumbrances</u> | <u>Balance Dec. 31, 2019</u> |
|--|----------------------------------|--|---|----------------------------|---|----------------------------------|
| Clean Communities Program-2014 | \$ 103.34 | \$ - | - | \$ - | - | \$ 103.34 |
| Municipal Recycling Grant Program 2014 | 4,101.66 | - | - | - | - | 4,101.66 |
| Post Sandy Planning Assistance Grant | 59,394.56 | - | - | - | - | 59,394.56 |
| Hazard Mitigation Grant Program - Townhall - Federal Share | - | - | 69,315.36 | 69,315.36 | - | - |
| Alcohol Education & Rehabilitation Grant | 235.73 | - | - | - | - | 235.73 |
| Hazardous Discharge Remediation Grant - AT&T Building | 1,192.34 | - | - | - | - | 1,192.34 |
| Hazard Mitigation Grant Program - Police - Local Share | 240.80 | - | - | - | - | 240.80 |
| Hazard Mitigation Grant Program - Police - Federal Share | - | - | 69,830.15 | 69,830.15 | - | - |
| Body Armor Fund - 2015 | 4,016.10 | - | - | 2,116.10 | - | 1,900.00 |
| Bulletproof Vest Partnership 2015 | 7,683.87 | - | - | 7,683.87 | - | - |
| Homeland Security Grant - FY 2018 | 23,800.00 | - | - | 17,311.00 | 4,720.00 | 1,769.00 |
| Homeland Security Grant - FY 2018 | 12,199.70 | - | - | 12,195.19 | - | 4.51 |
| Homeland Security Grant - FY 2015 | 432.20 | - | - | - | - | 432.20 |
| Clean Communities Grant - 2015 | 147.82 | - | - | - | - | 147.82 |
| Clean Communities Program - 2016 | 3,383.44 | - | - | 3,315.04 | - | 68.40 |
| Municipal Alliance on Alcohol and Drug Abuse - 2018 | 31,388.00 | - | - | 3,644.35 | 86.26 | 27,657.39 |
| Municipal Alliance on Alcohol and Drug Abuse-Local Match - 2018 | 7,847.00 | - | - | - | - | 7,847.00 |
| Municipal Alliance on Alcohol and Drug Abuse - 2019 | - | 31,388.00 | - | - | - | 31,388.00 |
| Municipal Alliance on Alcohol and Drug Abuse-Local Match - 2019 | - | 7,847.00 | - | - | - | 7,847.00 |
| DDEF FY2015 Grant | 14,360.39 | - | - | - | - | 14,360.39 |
| Bonus Grant Abandoned Tire Recycling Grant | 41.15 | - | - | 41.15 | - | - |
| Bonus Grant Abandoned Tire Recycling Grant-Local Match | 131.74 | - | 146.86 | 278.60 | - | - |
| Body Armor Fund | 6,056.81 | - | - | - | - | 6,056.81 |
| FY 15 EMPG EMMA Grant | 5,120.00 | - | - | - | - | 5,120.00 |
| FY 15 EMPG EMMA Grant-Local Match | 7,000.00 | - | - | - | - | 7,000.00 |
| Cops in Crosswalks Grant - 2018 | 35,200.00 | - | - | - | - | 35,200.00 |
| Cops in Crosswalks Grant - PY's | 150.00 | - | - | - | - | 150.00 |
| 2016 Body Armor | 5,793.11 | - | - | 1,900.00 | - | 3,893.11 |
| 2016 Bulletproof Vest Partnership | 4,715.00 | - | - | - | - | 4,715.00 |
| FY16 Homeland Security Grant | 195.85 | - | - | - | - | 195.85 |
| Municipal Alliance on Alcohol and Drug Abuse - 2017 | 15,740.68 | - | - | - | - | 15,740.68 |
| Municipal Alliance on Alcohol and Drug Abuse-Local Match - 2017 | 3,634.79 | - | - | - | - | 3,634.79 |
| HDSRF, Public Entity Grant Program | 112,248.57 | - | - | 90,894.20 | 1,981.09 | 19,373.28 |
| Hazardous Discharge Site Remediation Municipal Grant Program | 3,201.50 | - | - | - | - | 3,201.50 |
| NJ Sandy Recovery-Post Sandy Planning Grant-S. Seaside Pk Neighborhood | 2,352.43 | - | - | - | - | 2,352.43 |
| NJ Sandy Recovery-Post Sandy Planning Grant-Master Plan | 2,502.29 | - | - | - | - | 2,502.29 |
| Post Sandy Planning-Coastal Neighborhood | 4,318.10 | - | - | - | - | 4,318.10 |

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES
GRANT FUND**

| | Balance Dec. 31, 2018 | Transfer from 2019 Budget Appropriation | Transfer From Encumbrances | Paid or Charged | Transfer To Encumbrances | Balance Dec. 31, 2019 |
|--|--------------------------|---|----------------------------------|------------------------|--------------------------------|--------------------------|
| Post Sandy Planning-Community Rating System | 13,133.50 | - | - | - | - | 13,133.50 |
| Post Sandy Planning-Floodplain Management | 4,612.06 | - | - | - | - | 4,612.06 |
| State of New Jersey 2019 Recycling Tonnage Grant | - | 82,078.44 | - | - | - | 82,078.44 |
| State of New Jersey 2014 Recycling Tonnage Grant | 431.66 | - | 3,135.67 | 2,569.15 | - | 998.18 |
| Ocean County Tourism Grant | 833.00 | - | - | - | - | 833.00 |
| U.S. Department of Homeland Security FY 2016-Elevation Grant | 554,439.76 | - | - | 1,615.50 | - | 552,824.26 |
| NJ Drunk Driving Enforcement Grant - 2017 | 7,085.92 | - | - | - | - | 7,085.92 |
| CDBG Grant-Roadway & Drainage Imp - Jamaica - 2018 | 34,000.00 | - | - | 14,772.84 | - | 19,227.16 |
| CDBG Grant-Roadway & Drainage Improvements for Various Locations | 31,000.00 | - | - | - | - | 31,000.00 |
| NJOEM FY 2020-996 Grant | - | 32,886.35 | - | - | 32,881.55 | 4.80 |
| NJOEM FY 2019-966 Grant | 547.20 | - | 5,817.60 | 5,495.00 | - | 865.80 |
| NJOEM FY 2018-966 Grant | 3,350.72 | - | - | - | - | 3,350.72 |
| NJ Body Armor -2017 | 5,722.43 | - | - | - | - | 5,722.43 |
| NJ Body Armor -2019 | - | 7,415.90 | - | - | - | 7,415.90 |
| Bulletproof Vest Partnership Grant | 4,461.18 | - | - | 2,556.88 | - | 1,904.30 |
| Click It or Ticket Grant-2018 | 5,500.00 | - | - | - | - | 5,500.00 |
| Distracted Driving Overtime Enforcement Grant-2018 | 6,600.00 | - | - | - | - | 6,600.00 |
| Clean Communities Grant - 2017 | 491.08 | - | - | - | - | 491.08 |
| Clean Communities Grant - 2019 | - | 136,027.80 | - | 87,092.10 | 807.00 | 48,128.70 |
| Society of Fire Protection Engineers - 2018 | 1,000.00 | - | - | - | - | 1,000.00 |
| DOT - Various Road Improvements - 2018 | 340,000.00 | - | - | 322,423.62 | 11,939.51 | 5,636.87 |
| DOT - Jamaica Blvd Phase 3 - 2019 | - | 365,000.00 | - | - | - | 365,000.00 |
| Clean Communities Program - 2018 | 60,297.09 | - | - | 59,916.35 | - | 380.74 |
| Hazard Mitigation Grant Program - Townhall - Local Share | - | - | 13,308.00 | 13,308.00 | - | - |
| Hazard Mitigation Grant Program - Townhall - Federal Share | - | - | 119,769.00 | 119,769.00 | - | - |
| Hazard Mitigation Grant Program - Police - Local Share | - | - | 20,214.00 | 20,214.00 | - | - |
| Hazard Mitigation Grant Program - Police - Federal Share | - | - | 187,328.00 | 176,245.81 | - | 11,082.19 |
| Drive Sober or Get Pulled Over - 2019 | - | 5,500.00 | - | - | - | 5,500.00 |
| | <u>\$ 1,452,434.57</u> | <u>\$ 668,143.49</u> | <u>\$ 488,864.64</u> | <u>\$ 1,104,507.26</u> | <u>\$ 52,415.41</u> | <u>\$ 1,452,520.03</u> |

Adopted Budget
Added by 40A:4-87

\$ 128,729.34
539,414.15
\$ 668,143.49

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
GRANT FUND**

| <u>Grant</u> | <u>Balance Dec. 31, 2019 & 2018</u> |
|------------------------------|---|
| Recycling Tonnage Grant-2018 | \$ 62,293.23 |
| | <u>\$ 62,293.23</u> |

TRUST FUND

This page intentionally left blank.

**TOWNSHIP OF BERKELEY
TRUST FUND
SCHEDULE OF CASH - TREASURER**

| | <u>Animal Control Trust Fund</u> | <u>Other Trust Fund</u> |
|------------------------------------|--------------------------------------|-------------------------|
| Balance December 31, 2018 | \$ 7,762.57 | \$ 6,269,707.77 |
| Increased by Receipts: | | |
| Animal Control License Fees | 35,562.40 | - |
| Miscellaneous Reserves | - | 7,347,258.04 |
| Reserve For Open Space | - | 953,436.38 |
| Due to State of New Jersey | 5,502.60 | 476.39 |
| | <u>41,065.00</u> | <u>8,301,170.81</u> |
| | 48,827.57 | 14,570,878.58 |
| Decreased by Disbursements: | | |
| Expenditures Under R.S. 4:19-15.11 | 20,631.51 | - |
| Miscellaneous Reserves | - | 7,510,078.23 |
| Reserve for Open Space | - | 1,111,750.59 |
| Due to State of New Jersey | 6,069.60 | - |
| Due From Berkeley BOE | - | 45,337.50 |
| Interfund | | |
| Current Fund | - | 161,030.82 |
| General Capital | - | 27,500.00 |
| Payroll | - | 441,897.17 |
| | <u>26,701.11</u> | <u>9,297,594.31</u> |
| Balance December 31, 2019 | <u>\$ 22,126.46</u> | <u>\$ 5,273,284.27</u> |

**TOWNSHIP OF BERKELEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL
TRUST FUND EXPENDITURES**

| | | |
|---------------------------------------|-----------------|----------------------------|
| Balance December 31, 2018 | | \$ 7,186.57 |
| Increased by: | | |
| Animal Control License Fees Collected | 33,155.40 | |
| Other Fees | <u>2,407.00</u> | |
| | | <u>35,562.40</u> |
| | | 42,748.97 |
| Decreased by: | | |
| Expenditures Under R.S. 4:19-15.11 | | <u>20,631.51</u> |
| Balance December 31, 2019 | | <u><u>\$ 22,117.46</u></u> |

License and Penalty Fees Collected

| <u>Year</u> | <u>Amount</u> |
|-------------|----------------------------|
| 2018 | \$ 36,730.00 |
| 2017 | <u>41,180.35</u> |
| | <u><u>\$ 77,910.35</u></u> |

**ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE STATE OF NEW JERSEY**

| | |
|---------------------------|-----------------------|
| Balance December 31, 2018 | \$ 576.00 |
| Increased by: | |
| 2019 Animal License Fees | <u>5,502.60</u> |
| | 6,078.60 |
| Decreased by: | |
| Fees Paid to State | <u>6,069.60</u> |
| Balance December 31, 2019 | <u><u>\$ 9.00</u></u> |

**TOWNSHIP OF BERKELEY
OTHER TRUST FUND
SCHEDULE OF INTERFUNDS**

| | Total (Memo Only) | Current Fund | General Capital Fund | Payroll Special Trust | Payroll Fund |
|---|----------------------|----------------|-------------------------|--------------------------|-----------------|
| Balance December 31, 2018 - Due To (From) | \$ 461,616.58 | \$ 146,726.68 | \$ 27,500.00 | \$ - | \$ 287,389.90 |
| Increased by: | | | | | |
| Open Space Disbursements | 432,500.00 | - | 432,500.00 | - | - |
| Decreased by: | | | | | |
| Disbursements | 894,116.58 | 146,726.68 | 460,000.00 | - | 287,389.90 |
| | 630,427.99 | 161,030.82 | 27,500.00 | 414,212.74 | 27,684.43 |
| Balance December 31, 2019 - Due To (From) | \$ 263,688.59 | \$ (14,304.14) | \$ 432,500.00 | \$ (414,212.74) | \$ 259,705.47 |

**TOWNSHIP OF BERKELEY
OTHER TRUST FUND
SCHEDULE OF MISCELLANEOUS RESERVES**

| | |
|---------------------------|-------------------------------|
| Balance December 31, 2018 | \$ 5,061,316.03 |
| Increased by: | |
| Receipts | <u>7,347,258.04</u> |
| | 12,408,574.07 |
| Decreased by: | |
| Disbursements | <u>7,510,078.23</u> |
| Balance December 31, 2019 | <u><u>\$ 4,898,495.84</u></u> |

Analysis of Balance

Reserve for:

| | |
|--|-------------------------------|
| Law Enforcement | \$ 74,453.07 |
| Sanitary Landfill | 12,966.99 |
| Unemployment Compensation | 11,671.06 |
| Construction Code | 42,036.33 |
| Tree Inspection Fees | 10,682.03 |
| Tax Map Maintenance | 262.05 |
| Recreation Fees Trust | 45,922.68 |
| Drainage Improvements | 131,331.62 |
| Affordable Housing | 806,477.87 |
| Uniform Fire Safety Act - Penalty Monies | 865.11 |
| Fire Prevention Donations | 4,792.68 |
| Street Opening | 45,146.50 |
| DARE | 11,991.05 |
| Developers Road Impact | 309,750.75 |
| Public Defender | 6,085.41 |
| Tax Sale Premium | 1,063,850.00 |
| POAA | 248.89 |
| Third Party Liens | 49,826.74 |
| Foreclosures | 11,112.88 |
| Developers Escrow | 1,901,629.33 |
| Inspection Fees - Grading | 15,936.98 |
| Planning/Zoning Board Escrow | 175,115.85 |
| Reserve for ABC | 76.00 |
| Tree Planting | 1,017.02 |
| Municipal Alliance Donations | 5,961.14 |
| Disposal of Forfeited Property | 4,082.39 |
| Inspection Holly Park | 3,141.84 |
| Reserve for Snow Removal | 112,561.58 |
| Recreations - Open Space | <u>39,500.00</u> |
| | <u><u>\$ 4,898,495.84</u></u> |

Exhibit B-6

**TOWNSHIP OF BERKELEY
OTHER TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE**

| | | |
|----------------------------|---------------------|-----------------------------|
| Balance December 31, 2018 | | \$ 731,641.55 |
| Increased by: | | |
| 2019 Tax Levy - Open Space | 517,565.00 | |
| Cash Receipts | 432,866.70 | |
| Interest on Deposits | <u>3,004.68</u> | |
| | | <u>953,436.38</u> |
| | | 1,685,077.93 |
| Decreased by: | | |
| Interfund | 432,500.00 | |
| Disbursements | <u>1,111,750.59</u> | |
| | | <u>1,544,250.59</u> |
| Balance December 31, 2019 | | <u><u>\$ 140,827.34</u></u> |

Exhibit B-7

**SCHEDULE OF RESERVE FOR LENGTH OF SERVICE
AWARDS PROGRAM (LOSAP)**

| | | |
|---------------------------|------------------|-------------------------------|
| Balance December 31, 2018 | | \$ 1,983,809.02 |
| Increased by: | | |
| Gains | 311,653.45 | |
| Contributions | 220,186.00 | |
| Interest Earned | <u>11,893.68</u> | |
| | | <u>543,733.13</u> |
| | | 2,527,542.15 |
| Decreased by: | | |
| Distributions | | <u>347,801.55</u> |
| Balance December 31, 2019 | | <u><u>\$ 2,179,740.60</u></u> |

This page intentionally left blank

GENERAL CAPITAL FUND

This page intentionally left blank.

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

| | | |
|---|---------------|------------------------|
| Balance December 31, 2018 | | \$ 7,694,343.20 |
| Increased by: | | |
| Debt Sale Proceeds: | | |
| Bond Anticipation Notes | 16,935,000.00 | |
| Reserve for Payment of Debt | 200,510.40 | |
| Budget Appropriation: | | |
| Capital Improvement Fund | 350,000.00 | |
| Interfunds | 410,293.34 | |
| | | <u>17,895,803.74</u> |
| | | 25,590,146.94 |
| Decreased by: | | |
| Improvement Authorizations | 8,010,331.37 | |
| Bond Anticipation Notes | 10,432,530.00 | |
| Utilized as Current Fund Anticipated Revenue: | | |
| Reserve for Payment of Debt | 378,539.55 | |
| | | <u>18,821,400.92</u> |
| Balance December 31, 2019 | | <u>\$ 6,768,746.02</u> |

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
ANALYSIS OF CAPITAL CASH**

| | Balance Dec. 31, 2019 |
|-----------------------------|----------------------------------|
| Fund Balance | \$ 97,234.84 |
| Capital Improvement Fund | 53,240.97 |
| Grants Receivable | (189,638.82) |
| Interfund - Open Space Fund | (432,500.00) |
| Reserve for Encumbrances | 3,929,493.45 |
| Reserve for Debt Service | 242,862.72 |

Improvement Authorizations:

| <u>Ordinance Number</u> | <u>Improvement Description</u> | |
|------------------------------------|---------------------------------------|------------------------|
| 06-31 | Various Capital Improvements | 98,907.78 |
| 12-14 | Various Capital Improvements | (116.00) |
| 13-26 | Various Capital Improvements | (27.00) |
| 14-03 | Various Capital Improvements | 9,131.50 |
| 15-01 | Various Capital Improvements | 23,009.24 |
| 16-01 | Various Capital Improvements | 148,081.84 |
| 17-09 | Various Capital Improvements | 593,670.52 |
| 17-21 | Various Capital Improvements | (90,000.00) |
| 18-01 | Various Capital Improvements | 1,529,427.48 |
| 19-01 | Various Capital Improvements | 755,967.50 |
| | | <u>6,768,746.02</u> |
| | | <u>\$ 6,768,746.02</u> |

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

| | | | |
|--------------------------------|------------------|--|--------------------------------|
| Balance December 31, 2018 | | | \$ 44,756,216.41 |
| Increased by: | | | |
| NJEIT Loans Adjustment | | | <u>9,509.99</u> |
| | | | 44,765,726.40 |
| Decreased by: | | | |
| Budgeted Principal Reductions: | | | |
| Serial Bonds | \$ 4,465,000.00 | | |
| NJEIT Loans | 190,792.06 | | |
| Green Trust Loans | <u>87,261.36</u> | | |
| | | | <u>4,743,053.42</u> |
| Balance December 31, 2019 | | | <u><u>\$ 40,022,672.98</u></u> |

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

| Ordinance Number | Improvement Description | Balance Dec. 31, 2018 | 2019 Authorizations | Balance Dec. 31, 2019 | Analysis of Balance | | |
|---------------------|------------------------------|--------------------------|------------------------|--------------------------|-------------------------|---------------------|-----------------------|
| | | | | | Notes Payable | Expended Balance | Unexpended Balance |
| 12-14 | Various Capital Improvements | \$ 282,116.00 | \$ - | \$ 282,116.00 | \$ 282,000.00 | \$ 116.00 | \$ - |
| 13-26 | Various Capital Improvements | 1,382,027.00 | - | 1,382,027.00 | 1,382,000.00 | 27.00 | - |
| 14-03 | Various Capital Improvements | 200,000.50 | - | 200,000.50 | 200,000.00 | 0.50 | - |
| 15-01 | Various Capital Improvements | 0.50 | - | 0.50 | - | 0.50 | - |
| 17-21 | Turf Fields (Open Space) | 522,500.00 | - | 522,500.00 | 432,500.00 | 90,000.00 | - |
| 18-01 | Various Capital Improvements | 8,568,387.00 | - | 8,568,387.00 | 8,568,000.00 | 387.00 | - |
| 19-01 | Various Capital Improvements | - | 6,503,225.00 | 6,503,225.00 | 6,503,000.00 | 225.00 | - |
| | | <u>\$ 10,955,031.00</u> | <u>\$ 6,503,225.00</u> | <u>\$ 17,458,256.00</u> | <u>\$ 17,367,500.00</u> | <u>\$ 90,756.00</u> | <u>\$ -</u> |

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes

\$ 2,295,139.48

| Ordinance Number | Improvement Description | | | |
|---------------------|------------------------------|---------------------|--|--|
| | | | | |
| 14-03 | Various Capital Improvements | \$ 9,132.00 | | |
| 15-01 | Various Capital Improvements | 0.50 | | |
| 18-01 | Various Capital Improvements | 1,529,814.48 | | |
| 19-01 | Various Capital Improvements | 756,192.50 | | |
| | | <u>2,295,139.48</u> | | |
| | | \$ - | | |

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

| | |
|---|----------------------------|
| Balance December 31, 2018 | \$ 45,515.97 |
| Increased by: | |
| Budget Appropriation | <u>350,000.00</u> |
| | 395,515.97 |
| Decreased by: | |
| Appropriations to Finance Improvement Authorizations | <u>342,275.00</u> |
| Balance December 31, 2019 | <u><u>\$ 53,240.97</u></u> |

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE**

| <u>Ordinance Number</u> | <u>Description</u> | <u>Balance Dec. 31, 2019 & 2018</u> |
|------------------------------------|---|--|
| 09-29, 09-11 | NJ DEP Green Acres - Manitou Park | \$ 12,998.74 |
| 11-18 | US Department of Homeland Security - FEMA | 41,418.00 |
| 17-09 | NJ DOT-LAIF-John F. Kennedy Blvd | 135,222.08 |
| | | <u>\$ 189,638.82</u> |

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

| Ordinance Number | Improvement Description | Date | Ordinance Amount | Balance Dec. 31, 2018 | | 2019 Authorizations | Transfer from Encumbrances | Transfers | Paid or Charged | Transfer to Encumbrances | Balance Dec. 31, 2019 | |
|--|---------------------------------|----------|------------------|------------------------|------------------------|------------------------|----------------------------|-------------|------------------------|--------------------------|-----------------------|------------------------|
| | | | | Funded | Unfunded | | | | | | Funded | Unfunded |
| 06-31 | Various Capital Improvements | 05/23/06 | \$ 5,849,102.00 | \$ 98,907.78 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 98,907.78 | \$ - |
| 09-11, 09-26 | V of Tanks and Site Remediation | 04/28/09 | 6,209,795.00 | - | - | - | 4,548.26 | - | 4,548.26 | - | - | - |
| 11-18 | Various Capital Improvements | 07/12/11 | 2,941,418.00 | 797.64 | - | - | - | - | 797.64 | - | - | - |
| 12-14 | Various Capital Improvements | 07/20/12 | 5,081,600.00 | - | 13,893.44 | - | - | - | 42,945.52 | - | - | - |
| 13-26 | Various Capital Improvements | 06/24/13 | 6,311,783.00 | - | 10,123.97 | - | 29,052.08 | - | 8,850.74 | - | - | - |
| 14-03 | Various Capital Improvements | 02/24/14 | 6,421,430.00 | - | 9,960.20 | - | - | - | 2,195.78 | - | - | - |
| 15-01 | Various Capital Improvements | 01/26/15 | 6,569,450.00 | 115,493.54 | 0.50 | - | 1,367.58 | - | 98,107.36 | 12,386.83 | 23,009.24 | 9,132.00 |
| 16-01 | Various Capital Improvements | 01/25/16 | 7,821,000.00 | 316,329.74 | - | - | 21,455.47 | (3,445.58) | 205,403.76 | 19,742.90 | 148,081.84 | 0.50 |
| 17-09 | Various Capital Improvements | 02/27/17 | 8,650,000.00 | 1,421,222.25 | - | - | 63,899.01 | (7,000.25) | 530,838.83 | 595,389.67 | 593,670.52 | - |
| 17-21 | Turf Fields (Open Space) | 08/21/17 | 550,000.00 | - | - | - | 4,077.96 | (1,853.41) | 4,077.96 | - | - | - |
| 18-01 | Various Capital Improvements | 02/26/18 | 9,019,355.00 | - | 2,643,974.23 | - | 3,197,499.85 | 13,572.47 | 3,889,026.76 | 436,205.31 | - | 1,529,814.48 |
| 19-01 | Various Capital Improvements | 01/28/19 | 6,845,500.00 | - | - | 6,845,500.00 | - | - | 3,223,538.76 | 2,865,768.74 | - | 756,192.50 |
| | | | | <u>\$ 1,952,750.95</u> | <u>\$ 2,677,952.34</u> | <u>\$ 6,845,500.00</u> | <u>\$ 3,622,430.39</u> | <u>\$ -</u> | <u>\$ 8,010,331.37</u> | <u>\$ 3,929,493.45</u> | <u>\$ 863,669.38</u> | <u>\$ 2,295,139.48</u> |
| Deferred Charges - Unfunded Capital Improvement Fund | | | | | | <u>\$ 6,503,225.00</u> | | | | | | |
| | | | | | | <u>342,275.00</u> | | | | | | |
| | | | | | | <u>\$ 6,845,500.00</u> | | | | | | |

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE**

| <u>Purpose</u> | <u>Year Issued</u> | <u>Original Issue</u> | <u>Interest Rate</u> | <u>Balance Dec. 31, 2018</u> | <u>Adjustments</u> | <u>Decreases</u> | <u>Balance Dec. 31, 2019</u> |
|----------------|------------------------|---------------------------|--------------------------|----------------------------------|--------------------|----------------------|----------------------------------|
| NJ Fund Loan | 2007 | \$ 975,000.00 | 0.00% | \$ 451,572.58 | \$ - | \$ 52,847.71 | \$ 398,724.87 |
| NJ Trust Loan | 2007 | 345,000.00 | 3.40% to 5.00% | 203,000.00 | (27,000.00) | 17,000.00 | 159,000.00 |
| NJ Fund Loan | 2008 | 390,046.00 | 0.00% | 70,342.71 | 9,953.99 | 33,518.94 | 46,777.76 |
| NJ Trust Loan | 2008 | 390,046.00 | 5.00% to 5.50% | 120,000.00 | - | 39,000.00 | 81,000.00 |
| NJ Trust Loan | 2010 | 250,000.00 | 3.845% to 4.260% | 135,444.00 | 26,556.00 | 10,000.00 | 152,000.00 |
| NJ Fund Loan | 2010 | 755,700.00 | 0.00% | 313,310.78 | - | 38,425.41 | 274,885.37 |
| | | | | <u>\$ 1,293,670.07</u> | <u>\$ 9,509.99</u> | <u>\$ 190,792.06</u> | <u>\$ 1,112,388.00</u> |

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

| Purpose | Date of Issue | Original Issue | Maturities of Bonds | | Interest Rate | Balance Dec. 31, 2018 | Paid by Budget Appropriation | Balance Dec. 31, 2019 |
|------------------------------------|---------------|------------------|---------------------|---------------|---------------|-----------------------|------------------------------|-----------------------|
| | | | Outstanding Date | Amount | | | | |
| General Obligation Bonds | 1/07/2010 | \$ 12,745,000.00 | 1/15/2020 | \$ 950,000.00 | 3.500% | \$ 5,745,000.00 | \$ 950,000.00 | \$ 4,795,000.00 |
| | | | 1/15/2021 | 950,000.00 | 3.625% | | | |
| | | | 1/15/2022 | 950,000.00 | 3.750% | | | |
| | | | 1/15/2023 | 950,000.00 | 4.000% | | | |
| | | | 1/15/2024 | 995,000.00 | 4.000% | | | |
| General Obligation Bonds | 10/11/2012 | 9,950,000.00 | 10/15/2020 | 1,050,000.00 | 2.000% | 5,250,000.00 | 1,050,000.00 | 4,200,000.00 |
| | | | 10/15/2021 | 1,050,000.00 | 2.125% | | | |
| | | | 10/15/2022 | 1,050,000.00 | 2.250% | | | |
| | | | 10/15/2023 | 1,050,000.00 | 3.000% | | | |
| General Obligation Refunding Bonds | 5/28/2015 | 3,085,000.00 | 7/01/2020 | 720,000.00 | 2.000% | 1,460,000.00 | 740,000.00 | 720,000.00 |
| General Obligation Bonds | 5/24/2016 | 11,409,000.00 | 5/15/2020 | 575,000.00 | 2.000% | 10,259,000.00 | 575,000.00 | 9,684,000.00 |
| | | | 5/15/2021 | 1,095,000.00 | 3.000% | | | |
| | | | 5/15/2022 | 1,120,000.00 | 3.000% | | | |
| | | | 5/15/2023 | 1,145,000.00 | 3.000% | | | |
| | | | 5/15/2024 | 1,150,000.00 | 2.000% | | | |
| | | | 5/15/2025 | 1,150,000.00 | 2.000% | | | |
| | | | 5/15/2026 | 1,150,000.00 | 2.000% | | | |
| | | | 5/15/2027 | 1,150,000.00 | 2.000% | | | |
| | | | 5/15/2028 | 1,149,000.00 | 2.000% | | | |
| General Obligation Bonds | 5/16/18 | 19,955,000.00 | 5/15/2020 | 1,230,000.00 | 5.000% | 19,955,000.00 | 1,150,000.00 | 18,805,000.00 |
| | | | 5/15/2021 | 1,300,000.00 | 5.000% | | | |
| | | | 5/15/2022 | 1,390,000.00 | 5.000% | | | |
| | | | 5/15/2023 | 1,485,000.00 | 5.000% | | | |
| | | | 5/15/2024 | 1,900,000.00 | 5.000% | | | |
| | | | 5/15/2025 | 2,300,000.00 | 5.000% | | | |
| | | | 5/15/2026 | 2,300,000.00 | 4.000% | | | |
| | | | 5/16/2027 | 2,300,000.00 | 4.000% | | | |
| | | | 5/15/2028 | 2,300,000.00 | 4.000% | | | |
| | | | 5/15/2029 | 2,300,000.00 | 3.000% | | | |
| | | | | | | \$ 42,669,000.00 | \$ 4,465,000.00 | \$ 38,204,000.00 |

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOANS PAYABLE**

| Purpose | Year | Original Issue | Maturities of Loans | | Interest Rate | Balance Dec. 31, 2018 | Paid by Budget Appropriation | Balance Dec. 31, 2019 |
|------------------------------|-------------|---------------------------|----------------------------|----------------------|--------------------------|----------------------------------|---|----------------------------------|
| | | | Outstanding | Dec. 31, 2019 | | | | |
| | | | Date | Amount | | | | |
| Veterans' Park Driving Range | 2001 | \$ 409,630.28 | 4/26/2015 to 4/26/2021 | | | | | |
| | | | Level Debt Payments | 16,845.81 | 2.00% | \$ 81,759.99 | \$ 32,216.71 | \$ 49,543.28 |
| Toms River Park | 2008 | 500,000.00 | 3/21/2015 to 3/21/2027 | | | | | |
| | | | Level Debt Payments | 15,880.75 | 2.00% | 247,140.18 | 26,952.79 | 220,187.39 |
| Toms River Park Phase II | 2008 | 289,202.77 | 2/19/2015 to 2/19/2028 | | | | | |
| | | | Level Debt Payments | 8,991.78 | 2.00% | 154,892.40 | 14,960.13 | 139,932.27 |
| Manitou Park | 2018 | 309,753.77 | 5/01/2019 to 5/01/2038 | | | | | |
| | | | Level Debt Payments | 9,630.74 | 2.00% | 309,753.77 | 13,131.73 | 296,622.04 |
| | | | | | | <u>\$ 793,546.34</u> | <u>\$ 87,261.36</u> | <u>\$ 706,284.98</u> |

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

| Ordinance Number | Improvement Description | Date of Original Issue | Date of Maturity | Interest Rate | Balance Dec. 31, 2018 | Issued for Cash | Decreases | Balance Dec. 31, 2019 |
|-----------------------------|--------------------------------|---------------------------------------|-----------------------------|--------------------------|----------------------------------|----------------------------|-------------------------|----------------------------------|
| 12-14 | Various Capital Improvements | 5/16/2018 | 5/15/2020 | 3.00% | \$ 282,116.00 | \$ 282,000.00 | \$ 282,116.00 | \$ 282,000.00 |
| 13-26 | Various Capital Improvements | 5/16/2018 | 5/15/2020 | 3.00% | 1,382,027.00 | 1,382,000.00 | 1,382,027.00 | 1,382,000.00 |
| 14-03 | Various Capital Improvements | 5/16/2018 | 5/15/2020 | 3.00% | 200,000.00 | 200,000.00 | 200,000.00 | 200,000.00 |
| 17-21 | Turf Fields (Open Space) | 5/23/2017 | 5/15/2020 | 2.05% | - | 432,500.00 | - | 432,500.00 |
| 18-01 | Various Capital Improvements | 5/16/2018 | 5/15/2020 | 3.00% | 8,568,387.00 | 8,568,000.00 | 8,568,387.00 | 8,568,000.00 |
| 19-01 | Various Capital Improvements | 5/16/2019 | 5/15/2020 | 3.00% | - | 6,503,000.00 | - | 6,503,000.00 |
| | | | | | <u>\$ 10,432,530.00</u> | <u>\$ 17,367,500.00</u> | <u>\$ 10,432,530.00</u> | <u>\$ 17,367,500.00</u> |
| | | | | | Cash Received | \$ 16,935,000.00 | | |
| | | | | | Interfund | <u>432,500.00</u> | | |
| | | | | | | <u>\$ 17,367,500.00</u> | | |

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

| Ordinance Number | Improvement Description | Balance Dec. 31, 2018 | 2019 Authorizations | BAN's Issued | Unrenewed | Balance Dec. 31, 2019 |
|-----------------------------|---|----------------------------------|--------------------------------|------------------------|------------------|----------------------------------|
| 12-14 | Various Capital Improvements | \$ - | \$ - | - | \$ 116.00 | \$ 116.00 |
| 13-26 | Various Capital Improvements | - | - | - | 27.00 | 27.00 |
| 14-03 | Various Capital Improvements | 0.50 | - | - | - | 0.50 |
| 15-01 | Acquisition of Real Property for Open Space | 0.50 | - | - | - | 0.50 |
| 17-21 | Various Capital Improvements | 522,500.00 | - | 432,500.00 | - | 90,000.00 |
| 18-01 | Various Capital Improvements | - | - | - | 387.00 | 387.00 |
| 19-01 | Various Capital Improvements | - | 6,503,225.00 | 6,503,000.00 | - | 225.00 |
| | | <u>\$ 522,501.00</u> | <u>\$ 6,503,225.00</u> | <u>\$ 6,935,500.00</u> | <u>\$ 530.00</u> | <u>\$ 90,756.00</u> |

TOWNSHIP OF BERKELEY

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2019

This page intentionally left blank

TOWNSHIP OF BERKELEY
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**TOWNSHIP OF BERKELEY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

Finding 2018-001:

Condition:

The Township did not properly calculate employee contributions for health benefits for four employees for the year ended December 31, 2018.

Current Status:

This finding has been fully corrected

Finding 2018-002:

Condition:

The Township overexpended three appropriation lines during the year ended December 31, 2018.

Current Status:

This finding has been fully corrected.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

TOWNSHIP OF BERKELEY

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

This page intentionally left blank

Honorable Mayor and Members
of the Township Committee
Township of Berkeley
County of Ocean
Berkeley, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2019.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the year ended December 31, 2019.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes:

1. That the Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of any amount of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date, subject to any abatement or discount for the late payment of taxes as provided by law; and, if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st of the tax year, an additional penalty of 6% shall be charged against the delinquency.
2. There will be a (10) ten-day grace period for payment of quarterly tax payments made by cash, check or money order.”

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

OTHER COMMENTS (FINDINGS):

None.

RECOMMENDATIONS:

None.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2019:

| <u>Name</u> | <u>Title</u> |
|-----------------------|-------------------------------|
| Carmen F. Amato, Jr. | Mayor |
| James J. Byrnes | Council President |
| John Bacchione | Council Member |
| Keith Buscio | Council Member |
| Sophia Gingrich | Council Member |
| L. Thomas Grosse, Jr. | Council Member |
| Angelo Guadagno | Council Member |
| Judy Noonan | Council Member |
| John Camera | Township Administrator |
| Frederick Ebenau | Chief Financial Officer |
| Paul Bodine | Assistant Treasurer |
| Beverly M. Clark | Township Clerk |
| Maureen Cosgrove | Tax Collector |
| James J. Gluck | Municipal Court Judge |
| Jessica L. Jenkins | Municipal Court Administrator |

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Jerry W. Conaty
Certified Public Accountant
Registered Municipal Accountant
RMA No. 581

Toms River, New Jersey
September 26, 2020