

Report of Audit

on the

Financial Statements

of the

Township of Berkeley Heights

in the

County of Union
New Jersey

for the

Year Ended
December 31, 2024

TOWNSHIP OF BERKELEY HEIGHTS

I N D E X

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-4
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	5-6
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Change in Fund Balance - Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis for the Year Ended December 31, 2024	"A-2"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2024	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
<u>General Capital Fund:</u>	
Balance Sheets - Regulatory Basis	"C"
Statement of Fund Balance - Regulatory Basis	"C-1"
<u>General Fixed Assets Account Group:</u>	
Balance Sheets - Regulatory Basis	"F"
	<u>PAGES</u>
Notes to Financial Statements	7-44

TOWNSHIP OF BERKELEY HEIGHTS

I N D E X (CONTINUED)

Supplementary Schedules - All Funds

EXHIBITS

Current Fund:

Schedule of Cash - Collector-Treasurer	"A-4"
Accounts Payable	"A-5"
Tax Title Liens	"A-6"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-7"
Change Fund	"A-8"
Schedule of Revenue Accounts Receivable	"A-9"
Schedule of Interfunds	"A-10"
Schedule of Interfunds - Federal and State Grant Fund	"A-11"
Schedule of Deferred Charges	"A-12"
Schedule of 2023 Appropriation Reserves	"A-13"
Schedule of Due State of New Jersey for Senior Citizens and Veterans Deductions	"A-14"
Prepaid Taxes	"A-15"
Schedule of Marriage Licenses Due State of New Jersey	"A-16"
Tax Overpayments	"A-17"
Sewer Use Charges Receivable	"A-18"
Schedule of Grants Receivable	"A-19"
County Taxes Payable	"A-20"
Local School District Taxes	"A-21"
Schedule of DCA Fees Due State of New Jersey	"A-22"
Schedule of Encumbrances Payable	"A-23"
Schedule of Reserve for Grants - Unappropriated	"A-24"
Schedule of Reserve for Grants - Appropriated	"A-25"
Schedule of Reserve for Sale of Municipal Assets	"A-26"
Schedule of Reserve for Municipal Relief Aid	"A-27"
Schedule of Encumbrances Payable - Federal and State Grant Fund	"A-28"
Schedule of Property Acquired for Taxes at Assessed Valuation	"A-30"
Schedule of Reserve for Tax Appeals	"A-29"
Schedule of Pilot Payments Due County	"A-31"
Schedule of Reserve for Tax Map Preparation	"A-32"

Trust Fund:

Schedule of Cash - Treasurer	"B-1"
Schedule of Due State of New Jersey - Animal Control Fund	"B-2"
Schedule of Due Current Fund-Animal Control Fund	"B-3"
Schedule of Reserve for Animal Control Fund Expenditures	"B-4"
Schedule of Reserve for Miscellaneous Deposits	"B-5"
Schedule of Interfunds – Trust Other Fund	"B-6"

TOWNSHIP OF BERKELEY HEIGHTS

I N D E X (CONTINUED)

EXHIBITS

General Capital Fund:

Schedule of Cash - Treasurer	"C-2"
Analysis of Cash	"C-3"
Schedule of Reserve for Payment of Debt Service	"C-4"
Schedule of Deferred Charges to Future Taxation-Funded	"C-5"
Schedule of Deferred Charges to Future Taxation-Unfunded	"C-6"
Schedule of Grants Receivable	"C-7"
Schedule of Improvement Authorizations	"C-8"
Schedule of Bond Anticipation Notes	"C-9"
Schedule of General Serial Bonds	"C-10"
Schedule of Capital Improvement Fund	"C-11"
Schedule of Miscellaneous Reserves	"C-12"
Schedule of Infrastructure Loan Receivable	"C-13"
Schedule of Contracts Payable	"C-14"
Schedule of Interfunds	"C-15"
Schedule of Bonds and Notes Authorized But Not Issued	"C-16"

PAGES

PART II

Statistical Data	45-47
Officials in Office and Surety Bonds	48
Comments and Recommendations	49-53

TOWNSHIP OF BERKELEY HEIGHTS

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES AND DATA

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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEARS ENDED DECEMBER 31, 2024 AND 2023



SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Berkeley Heights
County of Union
Berkeley Heights, New Jersey 07922

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Berkeley Heights (the "Township"), as of and for the year ended December 31, 2024 and 2023, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" 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 various individual funds and account group of the Township as of December 31, 2024 and 2023, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2024.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2024 and 2023, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2024 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

SUPLEE, CLOONEY & COMPANY LLC

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

SUPLEE, CLOONEY & COMPANY LLC

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's regulatory financial statements. The supplementary information and data listed in the table of contents as required by the Division are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents, as required by the Division are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

SUPLEE, CLOONEY & COMPANY LLC

Prior Period Financial Statements

The financial statements of the Township as of December 31, 2023, were audited by other auditors whose report dated August 20, 2024, expressed an adverse opinion on the financial statements as to the conformity of the financial statements with accounting principles generally accepted in the United States of America and an unmodified opinion on those financial statements in accordance with the basis of financial reporting prescribed by the Division.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2025 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 22, 2025



SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

**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**

The Honorable Mayor and Members
of the Township Council
Township of Berkeley Heights
County of Union
Berkeley Heights, New Jersey 07922

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Berkeley Heights, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated September 22, 2025. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Berkeley Heights prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY LLC

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township of Berkeley Heights'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted matters of noncompliance which are discussed in Part II, General Comments and Recommendations Section of the report.

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 of Berkeley Heights's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Berkeley Heights's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 22, 2025

THIS PAGE INTENTIONALLY LEFT BLANK

CURRENT FUND

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2024</u>	<u>BALANCE DECEMBER 31, 2023</u>
<u>ASSETS</u>			
Cash - Treasurer	A-4	\$ 10,327,327.46	\$ 15,553,933.26
Cash - Change Fund	A-8	400.00	400.00
		<u>\$ 10,327,727.46</u>	<u>\$ 15,554,333.26</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 275,025.00	\$ 485,685.72
Tax Title Liens Receivable	A-6	193.73	
Property Acquired for Taxes- Assessed Valuation	A-29	180,500.00	180,500.00
Sewer User Charge Receivable	A-18	191,358.40	191,358.40
Revenue Accounts Receivable	A-9	5,181.92	22,032.54
Interfunds Receivable	A-10	185,424.28	370,648.85
	A	<u>\$ 837,683.33</u>	<u>\$ 1,250,225.51</u>
Deferred Charges:			
Emergency Authorization	A-12	\$ 265,000.00	\$
Overexpenditure of Appropriation Reserves	A-12	\$ 25,000.00	\$
		<u>\$ 290,000.00</u>	<u>\$</u>
		<u>\$ 11,455,410.79</u>	<u>\$ 16,804,558.77</u>
<u>Grant Fund</u>			
Grants Receivable	A-19	3,879,768.81	1,876,279.66
		<u>3,879,768.81</u>	<u>1,876,279.66</u>
		<u>\$ 15,335,179.60</u>	<u>\$ 18,680,838.43</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2024</u>	<u>BALANCE DECEMBER 31, 2023</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 1,037,967.60	\$ 2,192,090.17
Prepaid Taxes	A-15	345,407.61	370,610.63
Encumbrances Payable	A-23	1,644,789.31	1,440,531.09
Accounts Payable	A-5	50,077.21	92,996.35
County Taxes Payable	A-20	177,655.49	69,770.02
School Taxes Payable	A-21	12.00	11.48
Tax Overpayments	A-17	28,062.64	
Due State of New Jersey - Chapter 129, P.L. 1976 - Senior Citizens' Deductions	A-14	1,842.61	700.83
Interfunds Payable	A-10		2,695,498.01
Reserve For:			
Due State of New Jersey	A-22	8,870.00	77,824.00
Marriage Licenses Due State of New Jersey	A-16	675.00	600.00
Sale of Municipal Assets	A-26	111,093.00	102,860.00
Preparation of Tax Maps	A-32	21,000.00	21,000.00
Municipal Relief Aid	A-27		160,691.93
Tax Appeals	A-30	112,543.26	27,955.71
		<u>\$ 3,539,995.73</u>	<u>\$ 7,253,140.22</u>
Reserve for Receivables and Other Assets	A	837,683.33	1,250,225.51
Fund Balance	A-1	<u>7,077,731.73</u>	<u>8,301,193.04</u>
		<u>\$ 11,455,410.79</u>	<u>\$ 16,804,558.77</u>
Grant Fund:			
Due Current Fund		\$ 155,689.19	\$ 370,368.63
Encumbrances Payable	A-28	165,785.35	179,546.82
Federal and State Grants Appropriated	A-25	3,523,654.95	1,272,698.99
Federal and State Grants Unappropriated	A-24	34,639.32	53,665.22
		<u>\$ 3,879,768.81</u>	<u>\$ 1,876,279.66</u>
		<u>\$ 15,335,179.60</u>	<u>\$ 18,680,838.43</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER <u>31, 2024</u>	YEAR ENDED DECEMBER <u>31, 2023</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 4,440,000.00	\$ 2,911,888.00
Miscellaneous Revenue Anticipated	A-2	10,557,344.60	10,752,728.81
Receipts from Delinquent Taxes	A-2	261,510.99	307,028.95
Receipts from Current Taxes	A-2	79,632,303.48	77,572,402.10
Non-Budget Revenue	A-2	230,916.88	1,323,296.52
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	1,687,728.67	1,172,586.35
Statutory Excess Animal Control	A-10	3,786.11	1,822.22
Prepaid Taxes			237,349.20
Interfunds Returned		185,224.57	
Grants Cancelled (net)	A-10	<u>15,146.90</u>	
<u>Total Income</u>		<u>\$ 97,013,962.20</u>	<u>\$ 94,279,102.15</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 16,748,286.18	\$ 15,892,599.40
Deferred Charges and Statutory Expenditures	A-3	2,241,902.00	2,197,754.10
Operations Excluded From "CAPS":			
Operating	A-3	5,107,566.32	3,169,683.07
Capital Improvements	A-3	2,340,000.00	1,658,700.00
Municipal Debt Service	A-3	4,641,841.64	4,162,825.24
County Taxes	A-20	15,227,942.24	15,193,093.35
Added and Omitted County Taxes	A-20	177,655.49	69,770.02
Local District School Tax	A-21	47,423,918.00	46,535,218.00
Refund of Prior Year Revenue	A-4	153,311.64	14,806.19
Interfunds Advanced			<u>370,648.85</u>
<u>Total Expenditures</u>		<u>\$ 94,062,423.51</u>	<u>\$ 89,265,098.22</u>
Excess in Revenue		\$ 2,951,538.69	\$ 5,014,003.93
Adjustments to Income Before Fund Balance:			
Expenditures Included above which are Deferred			
Charges to Budget of Succeeding Year	A-3	<u>265,000.00</u>	
Regulatory Excess to Fund Balance		3,216,538.69	5,014,003.93
<u>Fund Balance</u>			
Balance, January 1	A	<u>8,301,193.04</u>	<u>6,199,077.11</u>
		\$ 11,517,731.73	\$ 11,213,081.04
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>4,440,000.00</u>	<u>2,911,888.00</u>
Fund Balance, December 31	A	<u>\$ 7,077,731.73</u>	<u>\$ 8,301,193.04</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	BUDGET	SPECIAL NJS 40A:4-87		
Fund Balance Anticipated	A-1	\$ 4,440,000.00	\$	\$ 4,440,000.00
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-9	\$ 18,000.00	\$ 18,684.40	\$ 684.40
Other	A-2	1,400.00	25,579.80	24,179.80
Fees and Permits:				
Construction Code Official	A-2	1,330,000.00	1,053,688.00	(276,312.00)
Other	A-2	395,000.00	364,479.25	(30,520.75)
Fines:				
Municipal Court	A-9	32,600.00	34,923.39	2,323.39
Interest and Cost on Taxes	A-9	80,000.00	73,047.82	(6,952.18)
Interest on Investments and Deposits	A-9	529,500.00	843,891.75	314,391.75
Cost of Sewer Treatment	A-18	400,000.00	60,776.55	(339,223.45)
Fees and Permits-Connection Fees	A-9	1,900,000.00	0.00	(1,900,000.00)
Payment in Lieu of Taxes	A-9	600,000.00	2,196,237.12	1,596,237.12
Energy Receipts Tax	A-9	1,558,962.00	1,558,962.00	0.00
Reserve for Municipal Relief Aid	A-9	160,691.63	160,691.93	0.30
Board of Education-Vehicle Maintenance	A-9	38,500.00	39,358.82	858.82
Board of Education-Police	A-9	25,000.00	25,000.00	0.00
Berkeley Heights Developers Urban Renewal	A-9		348,870.00	348,870.00
Clean Communities Program	A-19	27,405.00	34,912.63	62,317.63
Recycling Tonnage Grant	A-19	9,945.56	16,466.42	26,411.98
DDEF	A-19	0.00	22,822.50	22,822.50
Union County Infrastructure Grant	A-19	0.00	60,000.00	60,000.00
CDBG - Senior Citizen Center Program	A-19	0.00	16,000.00	16,000.00
American Rescue Plan Firefighters Grant	A-19	25,000.00	25,000.00	0.00
NJDA Spotted Lantrenfly Program	A-19	20,000.00	20,000.00	0.00
Springfield Avenue Sidewalk Grant	A-19	1,000,000.00	1,000,000.00	0.00
Distracted Driving	A-19	0.00	7,000.00	7,000.00
LAIF 2023 Passaic River Anti-Flooding Project	A-19	0.00	400,000.00	400,000.00
Alcohol Education/Rehabilitation Program	A-19	2,775.62	0.00	2,775.62
DCA Recreation Grant	A-19	0.00	71,000.00	71,000.00
State Body Armor Replacement Program	A-19	4,605.42	4,605.42	0.00
Union County Local Arts Grant	A-19	3,600.00	0.00	3,600.00
County of Union Kids Recreation	A-19	0.00	75,000.00	75,000.00
County of Union - Greening Union County	A-19	0.00	4,500.00	4,500.00
Raw Sewerage Pump Replacement	A-19	750,000.00	750,000.00	0.00
National Opioid Settlement	A-19	6,279.35	0.00	6,279.35
Uniform Fire Safety Act	A-9	26,000.00	51,795.51	25,795.51
Cable TV Franchise Tax	A-9	175,558.34	175,558.34	0.00
Rents on Township Owned Property	A-9	320,000.00	356,675.49	36,675.49
Municipal Library Reimbursement of Costs	A-3	260,100.00	260,100.00	0.00
Hotel Use and Occupancy Tax	A-9	300,000.00	328,648.93	28,648.93
Off-Duty Police Administrative Fees	A-9	34,900.00	23,063.00	(11,837.00)
	A-1	\$ 10,035,822.92	\$ 1,056,571.55	\$ 10,557,344.60
		0.00		0.00
Receipts from Delinquent Taxes	A-1	\$ 367,000.00	\$ 261,510.99	\$ (105,489.01)
				0.00
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2:A-7	\$ 14,944,244.07	\$ 16,631,827.79	\$ 1,687,583.72
Minimum Library Tax	A-2:A-7	1,329,168.63	1,329,168.63	
		16,273,412.70	17,960,996.42	1,687,583.72
				0.00
Budget Totals		\$ 31,116,235.62	\$ 1,056,571.55	\$ 33,219,852.01
				\$ 1,047,044.84
Non-Budget Revenue	A-1:A-2		230,916.88	230,916.88
		\$ 31,116,235.62	\$ 1,056,571.55	\$ 33,450,768.89
				\$ 1,277,961.72

REF. A-3 A-3

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	<u>REF.</u>	
Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A-7	\$ 79,632,303.48
Allocated to:		
School and County Taxes		\$ <u>62,829,515.73</u> <u>16,802,787.75</u>
Add: Appropriation - "Reserve for Uncollected Taxes"	A-3	<u>1,158,208.67</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>17,960,996.42</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-7	\$ <u><u>261,510.99</u></u>
Licenses - Other:		
Clerk	A-9	\$ 8,794.80
Board of Health	A-9	<u>16,785.00</u>
	A-2	\$ <u><u>25,579.80</u></u>
Fees and Permits - Other:		
Board of Health	A-9	\$ 18,800.00
Engineer	A-9	64,626.06
Police	A-9	17,935.00
Clerk	A-9	261,891.90
Fire Department	A-9	<u>1,226.29</u>
	A-2	\$ <u><u>364,479.25</u></u>
<u>Analysis of Non-Budget Revenues</u>		
Senior Citizen and Veterans Administration Fee		\$ 855.00
Vacant Property		6,500.00
Rebates		34,112.27
Union County Lease of Salt Dome		59,158.12
Prior Year Reimbursements		47,407.98
Miscellaneous		<u>82,883.51</u>
	A-2:A-4	\$ <u><u>230,916.88</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
\$	263,900.00 \$	263,900.00 \$	263,539.60 \$	360.40 \$	
	293,680.00	293,680.00	274,893.47	18,786.53	
Mayor and Council:					
Salaries and Wages	4,000.00	4,000.00	4,000.00	930.00	
Other Expenses	1,225.00	1,225.00	295.00		
Township Council:					
Salaries and Wages	21,000.00	21,000.00	21,000.00		
Other Expenses	3,400.00	3,400.00	1,085.00	2,315.00	
Municipal Clerk:					
Salaries and Wages	202,000.00	202,000.00	201,996.66	3.34	
Other Expenses	52,300.00	47,300.00	45,666.80	1,633.20	
Financial Administration:					
Salaries and Wages	184,600.00	144,224.18	141,425.75	2,798.43	
Other Expenses	106,600.00	114,600.00	114,600.00		
Annual Audit	45,000.00	39,300.00	39,300.00		
Assessment of Taxes:					
Salaries and Wages	84,200.00	84,200.00	83,027.67	1,172.33	
Other Expenses	95,850.00	35,850.00	15,759.14	20,090.86	
Tax Collection:					
Salaries and Wages	84,500.00	84,500.00	84,496.68	3.32	
Other Expenses	10,050.00	7,050.00	5,656.31	1,393.69	
Legal Services and Costs:					
Other Expenses	196,000.00	207,000.00	198,752.21	8,247.79	
Municipal Prosecutor:					
Salaries and Wages	16,320.00	16,320.00	15,300.00	1,020.00	
Public Defender:					
Salaries and Wages	7,700.00	7,700.00	5,653.06	2,046.94	
Insurance:					
General Liability	727,087.00	742,087.00	732,833.08	9,253.92	
Employee Group Health	2,838,000.00	2,718,000.00	2,643,890.23	74,109.77	
Health Waiver	36,000.00	35,100.00	28,916.68	6,183.32	

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
\$	116,100.00	116,100.00	110,998.24	5,101.76	\$
Engineering Services and Costs:					
Salaries and Wages	211,200.00	201,200.00	175,439.99	25,760.01	
Other Expenses					
Environmental Committee					
Other Expenses	3,830.00	3,830.00	430.00	3,400.00	
Municipal Land Use Law - Planning Board (N.J.S. 40:55D-1):					
Salaries and Wages	65,500.00	65,500.00	65,463.12	36.88	
Other Expenses	96,500.00	66,500.00	33,514.49	32,985.51	
Zoning Board of Adjustment:					
Other Expenses	14,750.00	12,750.00	7,872.86	4,877.14	
PUBLIC SAFETY					
Police:					
Salaries and Wages	3,737,300.00	3,737,300.00	3,654,640.18	82,659.82	
Other Expenses	246,400.00	246,400.00	234,928.94	11,471.06	
Crossing Guards:					
Salaries and Wages	142,025.00	137,025.00	126,441.50	10,583.50	
Other Expenses	5,000.00	5,000.00	4,444.75	555.25	
Fire:					
Other Expenses	180,495.00	180,495.00	174,816.58	5,678.42	
Fire Hydrant Services:					
Other Expenses	225,000.00	260,600.00	223,989.55	36,610.45	
Fire Prevention:					
Salaries and Wages	23,300.00	23,300.00	18,185.87	5,114.13	
Other Expenses	10,605.00	10,605.00	5,474.29	5,130.71	
Rescue Squad Aid:					
Other Expenses	17,447.00	17,447.00	17,447.00	47.00	
Other Expenses - Aid for Ambulance	90,000.00	90,000.00	89,953.00		
Emergency Management Services:					
Salaries and Wages	22,250.00	22,250.00	22,249.77	0.23	
Other Expenses	7,900.00	5,900.00	3,135.87	2,764.13	

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
PUBLIC WORKS FUNCTION:					
Streets and Roads:					
Salaries and Wages	\$ 616,900.00	\$ 606,900.00	\$ 583,576.57	\$ 23,323.43	\$
Other Expenses	176,270.00	176,270.00	144,517.81	31,752.19	
Snow Removal:					
Salaries and Wages	75,000.00	65,000.00	39,188.28	25,811.72	
Other Expenses	119,000.00	101,000.00	58,355.59	42,644.41	
Solid Waste Collection:					
Other Expenses	550,000.00	520,000.00	513,409.41	6,590.59	
Public Buildings and Grounds:					
Salaries and Wages	156,600.00	86,600.00	73,782.68	12,817.32	
Other Expenses	205,300.00	470,300.00	395,151.52	75,148.48	
Vehicle Maintenance:					
Salaries and Wages	211,200.00	211,200.00	192,239.81	18,960.19	
Other Expenses	160,000.00	160,000.00	151,691.13	8,308.87	
HEALTH AND WELFARE (BOARD OF HEALTH - LOCAL HEALTH AGENCY)					
Public Health:					
Other Expenses	10,000.00	10,000.00	1,304.74	8,695.26	
Welfare:					
Other Expenses	4,000.00	4,000.00	3,000.00	1,000.00	
PARKS & RECREATION FUNCTIONS:					
Recreation:					
Salaries and Wages	99,900.00	99,900.00	86,719.78	13,180.22	
Other Expenses	25,100.00	25,100.00	24,836.93	263.07	
Municipal Court:					
Salaries and Wages	23,878.00	23,878.00	23,378.40	499.60	
Other Expenses	1,500.00	1,500.00	300.00	1,200.00	

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
\$	457,400.00 \$	442,400.00 \$	438,947.43 \$	3,452.57 \$	
	85,700.00	85,700.00	80,468.41	5,231.59	
	12,000.00	12,000.00	10,868.75	1,131.25	
	200,000.00	180,000.00	148,366.04	31,633.96	
	130,000.00	140,000.00	124,233.70	15,766.30	
	360,000.00	525,000.00	457,254.47	67,745.53	
	145,000.00	155,000.00	148,103.50	6,896.50	
	35,000.00	35,000.00	28,155.33	6,844.67	
	110,000.00	110,000.00	106,623.57	3,376.43	
	664,800.00	614,800.00	576,547.50	38,252.50	
	1,432,100.00	1,612,100.00	1,529,810.85	82,289.15	
	16,555,662.00	16,748,286.18	15,832,345.54	915,940.64	

DEFERRED CHARGES AND STATUTORY EXPENDITURES-

MUNICIPAL WITHIN "CAPS"

Statutory Expenditures:

Contribution to:	
Public Employee's Retirement System	419,444.00
Social Security System	645,477.77
Police and Firemen's Retirement System	1,150,458.00
DCRP	23,000.00
	2,237,466.91

TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
\$	18,765,564.00	18,990,188.18	18,069,812.45	\$ 920,375.73	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"					
OPERATIONS EXCLUDED FROM "CAPS"					
Maintenance Free Public Library	1,329,169.00	1,329,169.00	1,308,390.37	20,778.63	
Tax Appeals	120,000.00	120,000.00	120,000.00		
LOSAP	40,000.00	40,000.00	24,203.88	15,796.12	
General Liability Insurance	54,213.00	54,213.00	54,213.00		
Sewer - New Providence	160,000.00	160,000.00	150,689.00	9,311.00	
Borough of New Providence - Court Services	118,316.00	118,316.00	107,242.63	11,073.37	
Borough of Madison - Information Technology Services	27,000.00	27,000.00	18,918.99	8,081.01	
County of Union - Health Services	64,945.00	64,945.00	63,672.00	1,273.00	
County of Union - Police Dispatch/911	162,365.00	162,365.00	162,364.82	0.18	
Salaries & Wages	3,500.00	3,500.00		3,500.00	
Other Expenses	35,000.00	35,000.00	33,721.44	1,278.56	
Township of Springfield - CFO/QPA (40A:4-87 \$40,375.82)	25,000.00	40,375.82	40,375.82		
Board of Education - Police Dept.	1,500.00	25,000.00		25,000.00	
Board of Education - GLTV	20,000.00	1,500.00		1,500.00	
Match	27,405.00	20,000.00		20,000.00	
Clean Communities Program (40A:4-87 \$28,211.39)	25,000.00	62,317.63	62,317.63		
American Rescue Plan Firefighters Grant	25,000.00	25,000.00	25,000.00		
Municipal Alcohol Education/Rehabilitation Program	2,775.62	2,775.62	2,775.62		
UC Kids Recreation	3,600.00	3,600.00	3,600.00		
UC Kids Recreation (40A:4-87 \$75,000.00)		75,000.00	75,000.00		
Local Area Improvements (40A:4-87 \$71,000.00)		71,000.00	71,000.00		
Recycling Tonnage Grant	9,945.56	9,945.56	9,945.56		
National Opioid Settlement Fund	6,279.35	6,279.35	6,279.35		
Forestry Management	20,000.00	20,000.00	20,000.00		
State Body Armor Replacement Program	4,605.42	4,605.42	4,605.42		
CDBG - Senior Citizen Center (40A:4-87 \$16,000.00)		16,000.00	16,000.00		
Greening Union County (40A:4-87 \$4,500.00)		4,500.00	4,500.00		
Raw Sewerage Pump Replacement	750,000.00	750,000.00	750,000.00		
DDEF (40A:4-87 \$22,822.50)		22,822.50	22,822.50		
DOT LAIF 2023 Passic River Anti-Flooding (40A:4-87 \$400,000.00)		400,000.00	400,000.00		
Sherman Ave Streetscape (40A:4-87 \$348,870.00)		348,870.00	348,870.00		
Distracted Driver (40A:4-87 \$7,000.00)		7,000.00	7,000.00		
UC Infrastructure (40A:4-87 \$60,000.00)		60,000.00	60,000.00		
Recycling Tonnage (40A:4-87 \$16,466.42)		16,466.42	16,466.42		
Springfield Ave Sidewalk Grant		1,000,000.00	1,000,000.00		
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	4,010,618.95	5,107,566.32	4,989,974.45	117,591.87	

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
\$	\$	\$	\$	\$	\$
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	59,500.00	59,500.00	59,500.00		
Capital Outlay - 2024 Road Project/Drainage	250,000.00	250,000.00	250,000.00		
Capital Outlay - Police IT Upgrades	10,000.00	10,000.00	10,000.00		
Capital Outlay - Misc Drainage and Road Improvements	60,000.00	60,000.00	60,000.00		
Wastewater Treatment Infrastructure Improvements	1,550,000.00	1,550,000.00	1,550,000.00		
West Side Drainage Project	290,000.00	290,000.00	290,000.00		
Rescue Squad Generator	40,000.00	40,000.00	40,000.00		
Public Works Building improvements	50,500.00	50,500.00	50,500.00		
UCC Electronic Filing System	30,000.00	30,000.00	30,000.00		
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"	2,340,000.00	2,340,000.00	2,340,000.00		
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	2,400,000.00	2,400,000.00	2,400,000.00		200,000.00
Payment of Bond Anticipation Notes and Capital Notes	200,000.00	200,000.00			1.56
Interest on Bonds	1,712,105.00	1,712,105.00	1,712,103.44		0.22
Interest on Notes	107,084.00	107,084.00	107,083.78		
N.J. Environmental Infrastructure Trust:					
Principal and interest	422,655.00	422,655.00	422,654.42		0.58
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	4,841,844.00	4,841,844.00	4,641,841.64		200,002.36

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 11,192,462.95	\$ 12,289,410.32	\$ 11,971,816.09	\$ 117,591.87	\$ 200,002.36
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	29,958,026.95	31,279,598.50	30,041,628.54	1,037,967.60	200,002.36
	1,158,208.67	1,158,208.67	1,158,208.67		
TOTAL GENERAL APPROPRIATIONS	\$ 31,116,235.62	\$ 32,437,807.17	\$ 31,199,837.21	\$ 1,037,967.60	\$ 200,002.36

REF.	A-2	A-1	A-A-1
Budget Appropriations	\$ 31,116,235.62		
Emergency Authorizations	265,000.00		
Appropriation by 40A.4-87	1,056,571.55		
	\$ 32,437,807.17		
Encumbrances Payable		\$ 1,350,458.54	
Reserve for Uncollected Taxes		1,158,208.67	
Reserve for Grants-Appropriated		2,906,182.50	
Tax Appeals		97,319.60	
Library		260,100.00	
Cash Disbursements		26,531,793.84	
Less: Refunds		32,304,063.15	
		1,104,225.94	
		\$ 31,199,837.21	

The accompanying Notes to the Financial Statements are an integral part of this statement.

THIS PAGE INTENTIONALLY LEFT BLANK

TRUST FUND

"B"

TOWNSHIP OF BERKELEY HEIGHTS

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2024</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 17,677.13	\$ 13,276.82
		<u>\$ 17,677.13</u>	<u>\$ 13,276.82</u>
Other Funds:			
Cash	B-1	\$ 6,651,224.35	\$ 5,894,927.17
		<u>\$ 6,651,224.35</u>	<u>\$ 5,894,927.17</u>
		<u>\$ 6,668,901.48</u>	<u>\$ 5,908,203.99</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Fund:			
Reserve for Expenditures	B-4	\$ 13,093.40	\$ 13,246.60
Due State of New Jersey	B-2	2.40	
Due Current Fund	B-3	4,581.33	30.22
		<u>\$ 17,677.13</u>	<u>\$ 13,276.82</u>
Other Funds:			
Interfunds Payable	B-6	\$ 25,153.76	\$ 250.00
Miscellaneous Reserves	B-5	6,626,070.59	5,894,677.17
		<u>\$ 6,651,224.35</u>	<u>\$ 5,894,927.17</u>
		<u>\$ 6,668,901.48</u>	<u>\$ 5,908,203.99</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL CAPITAL FUND

TOWNSHIP OF BERKELEY HEIGHTS

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2024</u>	<u>BALANCE DECEMBER 31, 2023</u>
<u>ASSETS</u>			
Cash	C-2	\$ 7,026,625.61	\$ 4,583,984.38
Deferred Charges to Future Taxation:			
Funded	C-5	43,868,849.49	46,640,846.32
Unfunded	C-6	13,542,517.05	11,469,667.05
Grants Receivable	C-7	2,083,697.25	983,578.20
Interfunds Receivable	C-15	<u> </u>	<u>2,695,498.01</u>
		<u>\$ 66,521,689.40</u>	<u>\$ 66,373,573.96</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-10	\$ 42,825,000.00	\$ 45,225,000.00
Bond Anticipation Notes	C-9	2,159,673.00	2,159,673.00
NJ Infrastructure Loan Payable	C-13	1,043,849.49	1,415,846.32
Reserve for:			
Miscellaneous	C-12	46,135.92	46,056.91
Improvement Authorizations:			
Funded	C-8	2,997,945.36	2,549,126.85
Unfunded	C-8	6,140,326.30	9,681,979.83
Contracts Payable	C-14	9,983,946.15	3,617,092.09
Capital Improvement Fund	C-11	239,642.80	556,872.80
Reserve for Debt Service	C-4	738,685.55	738,685.55
Fund Balance	C-1	<u>346,484.83</u>	<u>383,240.61</u>
		<u>\$ 66,521,689.40</u>	<u>\$ 66,373,573.96</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF BERKELEY HEIGHTS

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2023	C		\$ 383,240.61
Increased by:			
Premium on Sale of Notes	C-2	\$ <u>3,844.22</u>	<u>3,844.22</u>
			\$ <u>387,084.83</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-8	<u>40,600.00</u>	<u>40,600.00</u>
Balance, December 31, 2024	C		\$ <u><u>346,484.83</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

THIS PAGE INTENTIONALLY LEFT BLANK

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2024</u>	BALANCE DECEMBER <u>31, 2023</u>
General Fixed Assets:		
Land and Building	\$ 39,658,500.00	\$ 39,658,500.00
Machinery and Equipment	<u>13,160,449.00</u>	<u>11,771,270.00</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 52,818,949.00</u>	<u>\$ 51,429,770.00</u>
Investment in General Fixed Assets:	<u>\$ 52,818,949.00</u>	<u>\$ 51,429,770.00</u>
	<u>\$ 52,818,949.00</u>	<u>\$ 51,429,770.00</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF BERKELEY HEIGHTS

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Berkeley Heights is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Council consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Berkeley Heights include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Berkeley Heights, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Berkeley Heights do not include the operations of the municipal library or the local school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Berkeley Heights conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Berkeley Heights are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose for which each reserve was created

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

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet 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 revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as other credits to income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is recorded on the cash basis, whereas interest on utility indebtedness is recorded on the accrual basis.

Encumbrances/Contracts Payable - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable in the operating funds and contracts payable in the capital funds. Under, GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its fair market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as a gain or loss on disposal in the year of sale.

Interfunds - Interfunds receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Another credit to income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfund balances.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - New Jersey Administrative Code (N.J.A.C. 5:30-5.6), Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized in their own respective funds.

The General Fixed Assets that have been acquired and that are utilized in the Current and General Capital Funds are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventory is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Accounting and Financial Reporting for Pensions - Under GAAP, municipalities are required to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources in the statement of Net Position and total pension related expense in Statements of Revenues, Expenses, Changes in Net Position and Notes to the Financial Statements in accordance with GASB 68.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68 however, local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 68.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) - Under GAAP, municipalities required to record their distributive shares of OPEB liability, deferred outflows of resources, deferred inflows of resources in the statement of Net Position and total OPEB related expense in Statements of Revenues, Expenses, Changes in Net Position and Notes to the Financial Statements in accordance with GASB 75.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the basic financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements for the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be approved as a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Township of Berkeley Heights had the following cash and cash equivalents reported at December 31, 2024:

<u>Fund Type</u>	<u>Bank</u>	<u>Reconciling Items</u>		<u>Reconciled</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Current Fund	\$10,567,540.67	\$25,685.00	\$265,898.21	\$10,327,327.46
Animal Control Trust Fund	12,701.13	5,015.00	39.00	17,677.13
Other Trust Fund	6,766,652.50	5,588.16	121,016.31	6,651,224.35
General Capital Fund	<u>7,030,320.61</u>	<u> </u>	<u>3,695.00</u>	<u>7,026,625.61</u>
Totals	<u>\$24,377,214.91</u>	<u>\$36,288.16</u>	<u>\$390,648.52</u>	<u>\$24,022,854.55</u>

Custodial Credit Risk-Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2024, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$23,877,214.91 was covered under the provisions of NJGUDPA.

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 *et seq.*, and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. A master repurchase agreement providing for the custody and security of collateral is executed.

The Township of Berkeley Heights had no investments outstanding at December 31, 2024.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Township generally is not exposed to credit risk, custodial credit risk, concentration of credit risk and interest rate risk for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT
OPERATING DEBT AND TYPE II SCHOOL DEBT)

	<u>YEAR 2024</u>	<u>YEAR 2023</u>	<u>YEAR 2022</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 46,028,522.49	\$ 48,800,519.32	\$ 49,973,002.75
Less: Reserve for Debt Service	<u>738,685.55</u>	<u>738,685.55</u>	<u>738,685.55</u>
	\$ <u>45,289,836.94</u>	\$ <u>48,061,833.77</u>	\$ <u>49,234,317.20</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	<u>11,382,844.05</u>	<u>9,309,994.05</u>	<u>3,115,214.27</u>
Total Authorized but not Issued	<u>11,382,844.05</u>	<u>9,309,994.05</u>	<u>3,115,214.27</u>
Net Bonds and Notes Issued and and Authorized but not issued	\$ <u><u>56,672,680.99</u></u>	\$ <u><u>57,371,827.82</u></u>	\$ <u><u>52,349,531.47</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.405%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 2,995,000.00	\$ 2,995,000.00	\$ -0-
General Debt	<u>57,411,366.54</u>	<u>738,685.55</u>	<u>56,672,680.99</u>
	<u>\$ 60,406,366.54</u>	<u>\$ 3,733,685.55</u>	<u>\$ 56,672,680.99</u>

NET DEBT \$56,672,680.99 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, AS AMENDED, \$4,032,582,638.33 EQUALS 1.405%.

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2024	\$4,032,582,638.33
3-1/2 of Equalized Valuation Basis	141,140,392.34
Net Debt	<u>56,672,680.99</u>
Remaining Borrowing Power	<u>\$84,467,711.35</u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Township for the last three (3) preceding years.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2024

CALENDAR YEAR	GENERAL CAPITAL		TOTAL
	PRINCIPAL	INTEREST	
2025	\$2,320,000.00	\$1,618,700.00	\$3,938,700.00
2026	2,320,000.00	1,524,900.00	3,844,900.00
2027	2,595,000.00	1,435,100.00	4,030,100.00
2028	2,410,000.00	1,330,400.00	3,740,400.00
2029	2,440,000.00	1,246,300.00	3,686,300.00
2030-2024	11,645,000.00	4,882,500.00	16,527,500.00
2035-2039	6,290,000.00	3,108,600.00	9,398,600.00
2040-2044	4,115,000.00	2,246,800.00	6,361,800.00
2045-2049	5,165,000.00	1,343,800.00	6,508,800.00
2050-2052	3,525,000.00	282,000.00	3,807,000.00
	<u>\$42,825,000.00</u>	<u>\$19,019,100.00</u>	<u>\$61,844,100.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT (CONTINUED)

The General Improvement Bonds are comprised of the following issues:

General Serial Bonds:

	OUTSTANDING BALANCE DECEMBER <u>31, 2024</u>
\$4,775,000.00 in Refunding Bonds dated December 1, 2016, due in remaining annual installments ranging between \$430,000.00 and \$440,000.00 beginning December 1, 2025 and ending December 1, 2027 with interest of 4.00%	\$1,310,000.00
\$15,265,000.00 in General Improvement Bonds dated February 1, 2019, due in remaining annual installments ranging between \$800,000.00 and \$1,000,000.00 beginning February 1, 2025 and ending February 1, 2037 with interest ranging between 3.00% and 4.00%	\$12,400,000.00
\$23,175,000.00 in General Improvement Bonds dated July 7, 2022, due in remaining annual installments ranging between \$590,000.00 and \$1,175,000.00 beginning July 1, 2025 and ending July 1, 2052 with interest ranging between 4.00% and 5.00%	\$21,995,000.00
\$7,795,000.00 in General Improvement Bonds dated July 6, 2013, due in remaining annual installments ranging between \$490,000.00 and \$955,000.00 beginning July 1, 2025 and ending July 1, 2033 with interest ranging between 3.00% and 4.00%	<u>\$7,120,000.00</u>
	<u><u>\$42,825,000.00</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR ENVIRONMENTAL INFRASTRUCTURE LOAN DEBT ISSUED AND
OUTSTANDING AS OF DECEMBER 31, 2024

CALENDAR YEAR	TOTAL	TRUST LOAN		FUND LOAN
		PRINCIPAL	INTEREST	PRINCIPAL
2025	\$358,213.54	\$182,000.00	\$31,385.00	\$144,828.54
2026	326,386.12	191,000.00	22,682.50	112,703.62
2027	328,656.08	201,000.00	13,338.75	114,317.33
2028	52,920.00	49,000.00	3,920.00	
2029	50,960.00	49,000.00	1,960.00	
	<u>\$1,117,135.74</u>	<u>\$672,000.00</u>	<u>\$73,286.25</u>	<u>\$371,849.49</u>

The Environmental Infrastructure Loans are comprised of the following issues:

	OUTSTANDING BALANCE DECEMBER 31, 2024
Environmental Infrastructure Loans:	
\$2,190,000.00 2007 Loan due in annual remaining installments of \$141,000.00 to \$156,000.00 through August 2027 at interest rates between 4.00% to 5.00%.	\$443,000.00
\$2,030,000.00 2007 Interest Free Loan due in annual remaining installments of between \$112,703.62 to \$114,317.33 through August 2027.	\$341,103.11
\$905,000.00 2009 Loan due in annual remaining installments of \$41,000.00 to \$49,000.00 through August 2029 at interest rates between 4.00% to 5.00%.	\$229,000.00
\$901,490.00 2009 Interest Free Loan due in annual remaining installment of \$30,746.38 through August 2025	<u>\$30,746.38</u>
	<u>\$1,043,849.49</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT TERM DEBT

BOND ANTICIPATION NOTES

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Maturity Dates</u>	<u>Amount</u>
General Capital Fund	4.00%	3/27/2025	<u>\$2,159,673.00</u>

At December 31, 2024, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$11,382,844.05</u>
----------------------	------------------------

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2024, which was appropriated and included as anticipated revenue in the annual budget for the year ending December 31, 2025, was as follows:

Current Fund	\$4,900,000.00
--------------	----------------

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, <u>2024</u>	BALANCE DECEMBER 31, <u>2023</u>
Prepaid Taxes	<u>\$345,407.61</u>	<u>\$370,610.63</u>

NOTE 6: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by PERS is set by N.J.S.A. 43:15A and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.50% of base salary. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. PFRS members contributed at a rate of 10.00% of base salary.

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$1,569,902.00 for 2024, \$1,497,301.00 for 2023 and \$1,469,353.71 for 2022.

Certain employees are also covered by Federal Insurance Contribution Act.

Accounting and Financial Reporting for Pensions – GASB 68

Public Employees Retirement System (PERS)

At June 30, 2024, the State reported a net pension liability of \$3,804,865.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Township's proportion was 0.0280015630 percent, which was an decrease of 0.0033814857 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the State recognized an actuarially determined pension benefit of \$266,575.00 for the Township's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statements based on the April 1, 2024 billing was \$419,443.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 76,218.00	\$ 10,130.00
Changes of assumptions	4,727.00	43,291.00
Net difference between projected and actual earnings on pension plan investments		176,421.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>1,961.00</u>	<u>795,234.00</u>
	<u>\$ 82,906.00</u>	<u>\$ 1,025,076.00</u>

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2025	(\$320,199.60)
2026	(33,655.60)
2027	(230,569.60)
2028	(200,170.60)
2029	<u>(157,574.60)</u>
	<u>(\$942,170.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55%
	Based on
	Years of Service
Investment Rate of Return	7.00%

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-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 assets class included in PERS's target assets allocation as of June 30, 2024 asset are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasury's	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

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

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2024 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the collective net pension 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:

	June 30, 2024		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$5,055,730.00	\$3,804,865.00	\$2,740,386.00

Special Funding Situation

In accordance with 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. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the Township 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 nonemployer contributing entity. Since the Township does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Township related to this legislation.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Township as of June 30, 2024 was 0.0281309321% which was a decrease of 0.0033712686 percent from its proportion measured as of June 30, 2022. The non-employer contributing entities' contribution and employer pension expense and related revenue for the years ended June 30, 2023 and June 30, 2022 was \$12,267.00 and 14,176.00, respectively.

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Police and Firemen's Retirement System (PFRS)

At June 30, 2024, the State reported a net pension liability of \$8,695,396.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2024, the Township's proportion was 0.0842038600 percent, which was an decrease of 0.0022187000 percent from its proportion measured as of June 30, 2023.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

For the year ended June 30, 2024, the State recognized an actuarially determined pension expense of \$442,457.00. The pension expense recognized in the Township's financial statements based on the April 1, 2024, billing was \$1,150,458.00.

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 547,803.00	\$ 297,682.00
Changes of assumptions	13,746.00	255,369.00
Net difference between projected and actual earnings on pension plan investments		68,057.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>765,045.00</u>	<u>607,396.00</u>
	<u>\$ 1,326,594.00</u>	<u>\$ 1,228,504.00</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		<u>Amount</u>
<u>June 30</u>		
2025	\$	(389,655.20)
2026		516,833.80
2027		(90,275.20)
2028		(25,033.20)
2029		81,848.80
Thereafter		<u>4,371.00</u>
	\$	<u>98,090.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	All future years 3.25-16.25% Based on years of Service
Investment Rate of Return	7.00%

Employee mortality rates were based on the Pubs-2010 Safety Employee amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pubs-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount weighted mortality table for males and 100% for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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, 2024 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	6.25%
Foreign Equity	11.50%	6.35%
Emerging Market Equity	7.50%	7.65%
Private Equity	10.00%	9.55%
Core Fixed Income	17.00%	1.45%
High Yield Fixed Income	6.00%	3.25%
Private Debt	8.00%	5.85%
Real Estate	7.00%	3.05%
Infrastructure	3.00%	5.65%
Cash	2.00%	0.65%

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2024. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2024, 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 was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the PFRS pension liability	\$12,423,785.00	\$8,695,396.00	\$5,590,463.00

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Special Funding Situation

In accordance with 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.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Township 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 nonemployer contributing entity. Since the Township does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Township related to this legislation.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2024 and 2023 is 0.0842038600% and 0.0864225200% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2024 and 2023 was \$197,214.00.00 and \$201,213.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2024 and 2023 was \$197,214.00 and \$201,213.00, respectively.

At June 30, 2024 and 2023, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,714,279.00 and \$1,759,448.00, respectively.

At June 30, 2024, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$8,695,396.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>1,714,279.00</u>
	<u>\$10,409,675.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 7: LITIGATION

The Township Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Township's insurance carrier or would have a material financial impact on the Township.

NOTE 9: COMPENSATED ABSENCES

Under the terms of various contracts, employees are compensated for unused sick and vacation time. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented but is estimated by the Township to be \$647,690.00. The Township appropriates annually the amounts required to be paid in any fiscal year in that year's budget and no liability is accrued at December 31, 2024. The Township has accumulated \$42,375.69 for this purpose in the Trust Other Fund and continues to budget funds to provide for these liabilities as they arise.

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2024 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Township has a reserve of \$112,543.26 at December 31, 2024.

NOTE 11: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2024, the Township does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of loss relative to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Below is a summary of activity for the Township's expendable trust fund for the current and previous two years:

<u>Year</u>		<u>Township Contributions and Interest</u>		<u>Amount Reimbursed</u>		<u>Ending Balance</u>
2024	\$	3,490.67	\$	18,573.81	\$	73,589.62
2023		2,786.40		35,033.34		88,672.76
2022		3,832.58		5,102.02		120,919.70

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2024:

<u>Fund</u>		<u>Interfund Receivable</u>		<u>Interfund Payable</u>
Current Fund	\$	185,424.28	\$	
Grant Fund				155,689.19
Animal Control Fund				4,581.33
Trust Other Fund				25,153.76
	\$	<u>\$185,424.28</u>	\$	<u>\$185,424.28</u>

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made. Interfund balances are expected to be liquidated within one year.

NOTE 14: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by the MetLife.

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities. The Township's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

Plan Description

The Township's defined benefit OPEB plan, Township of Berkeley Heights Postretirement Health Benefits Plan (the Plan), provides OPEB for all eligible employees of the Township in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Township. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Summary of Benefits

The Plan provides retirees and their eligible dependents medical and prescription, benefits provided that they have meet the eligibility requirement contained in the Township' various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	67
Active employees entitled to but not currently receiving benefits payments	6
Active employees	<u>47</u>
	<u>120</u>

Contributions

The contribution requirements of the Township and Plan members are established and maybe be amended by the Township's governing body.

NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had to retire prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of the valuation and for conservatism, the assumption is that future retiree contribution percentage rates will not increase. Thus, it is assumed that a future retiree will contribute his/her current employee contribution as reported by the Township increased annually by the rate of medical trend.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Net OPEB Liability

The Township's total Net OPEB liability of \$44,555,322 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total Net OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation 2.5%

Salary Increases 2.5%

Healthcare cost trend rates

- Medical - 6.5 percent in 2024 decreasing by 0.25% per annum, leveling at 4.5% per annum in 2032.
- Drug - 14.0 percent in 2024 10.0% in 2025, 7.5% in 2026, reducing by 0.75% per annum, leveling at 4.5% per annum in 2030.
- Medicare Advantage – 4.5% per annum.
- Dental and Vision – 3.5% per annum.

Mortality rates were based on the PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021.

The actuarial valuation method used was Entry Age Normal Funding Method based on a level percentage of salary. 2024 salaries were reported at 4.459 million.

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met. The discount rates used for determining the total Net OPEB liabilities at December 31, 2023 and December 31, 2024, based on the Bond Buyers 20 Index, were 3.26% and 4.08% respectively.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Changes in the total Net OPEB Liability:

	Total Net OPEB <u>Liability</u>
Balance at 12/31/23	\$42,377,696
Changes for the Year:	
Service Cost	369,011
Interest Cost	1,374,832
Difference Between Expected And Actual Experience	3,105,400
Changes in Assumptions or Other Inputs	(1,523,739)
Benefit Payments	<u>(1,147,878)</u>
Net Change in Net OPEB Liability	<u>2,177,626</u>
Balance at 12/31/24	<u><u>\$44,555,322</u></u>

Sensitivity of the Total Net OPEB liability to changes in the discount rate and healthcare cost trend rates

The following presents the total Net OPEB liability of the Township, as well as what the Township's total Net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	December 31, 2024		
	1.00% Decrease <u>(3.08)</u>	Current Discount Rate <u>(4.08)</u>	1.00% Increase <u>(5.08)</u>
Net OPEB Liability	50,364,550	44,555,322	39,853,635

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Total Net OPEB liability to changes in the healthcare cost trend rates.

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

	December 31, 2024		
	<u>1.00% Decrease</u>	<u>Current Health Care Trend Rate</u>	<u>1.00% Increase</u>
Net OPEB Liability	40,120,010	44,555,322	49,963,831

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024 the actuarially determined OPEB expense reflected in the Plan report was \$2,301,756.00 The OPEB expense recognized in the Township's financial statement based on actual billing was \$1,102,790.00.

At December 31, 2024, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$4,549,949	
Change of Assumptions	<u>4,414,195</u>	<u>(4,562,832)</u>
Total	<u>\$8,964,144</u>	<u>(\$4,562,832)</u>

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2025	\$557,913
2026	557,913
2027	557,913
2028	557,913
2029	557,913
Thereafter	1,611,746

NOTE 16: LENGTH OF SERVICE AWARDS PROGRAM

The Township of Berkeley Heights adopted an ordinance in 2019 establishing a Length of Service Awards Program for the members of the Rescue Squad pursuant to N.J.S.A. 40A:14-183 *et seq.*

All assets of the plan are held by an independent administrator, the Lincoln National Life Insurance Company.

Under this program, each volunteer that performs the minimum amount of service will have an annual amount of \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer.

The accompanying financial statements do not include the Township's Length of Service Awards Program's activities.

NOTE 17: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024, the following deferred charges are shown on the balance sheet of the various fund:

	BALANCE DECEMBER 31, <u>2024</u>	<u>2025</u> BUDGET APPROPRIATION
Current Fund:		
Special Emergency Appropriations	\$ 265,000.00	\$ 265,000.00
Overexpenditure of Appropriation Reserves	<u>25,000.00</u>	<u>25,000.00</u>
	<u>\$ 290,000.00</u>	<u>\$ 290,000.00</u>

NOTE 18: FIXED ASSETS

The Township's governmental fixed assets are reported as follows:

	Balance December 31, <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2024</u>
Land and Building	\$39,658,500.00			\$39,658,500.00
Machinery and Equipment	<u>11,771,270.00</u>	<u>\$1,801,018.00</u>	<u>\$411,839.00</u>	<u>13,160,449.00</u>
	<u>\$51,429,770.00</u>	<u>\$1,801,018.00</u>	<u>\$411,839.00</u>	<u>\$52,818,949.00</u>

NOTE 19: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through September 22, 2025 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that except for the items set forth below, there are no other subsequent events that need to be disclosed.

Debt Authorized:

General Capital Fund:

Ordinance #2025-19, Various Capital Improvements \$2,778,000.00

Ordinance #2025-26, Various Capital Improvements \$3,386,000.00

THIS PAGE INTENTIONALLY LEFT BLANK

TOWNSHIP OF BERKELEY HEIGHTS
SUPPLEMENTARY SCHEDULES - ALL FUNDS
YEAR ENDED DECEMBER 31, 2024

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

SCHEDULE OF CASH-COLLECTOR-TREASURER

FEDERAL AND STATE GRANT FUND

CURRENT FUND

REF.

Balance, December 31, 2023		\$	15,553,933.26	\$	
Increased by Receipts:					
Taxes Receivable	A-7	\$	79,476,536.03		
Revenue Accounts Receivable	A-9		7,230,370.17		
Miscellaneous Revenue Not Anticipated	A-2		230,916.88		
Interfunds	A-10/A-11		1,536,621.35		624,485.22
DCA Fees Due State of New Jersey	A-22		50,211.00		
Marriage Licenses Due State of New Jersey	A-16		1,125.00		
Sale of Municipal Assets	A-26		8,233.00		
PILOT Due County	A-31		91,388.54		
Tax Overpayments	A-17		38,980.05		
Prepaid Taxes	A-15		345,407.61		
State of New Jersey-Chapter 20,P.L. 1971	A-14		47,809.59		
Grants - Unappropriated	A-24				31,985.05
Petty Cash	Contra		500.00		
Appropriation Refunds	A-3		1,104,225.94		
Grants Receivable	A-19				822,326.51
				\$	1,478,796.78
				\$	1,478,796.78
Decreased by Disbursements:					
Appropriations	A-3	\$	26,531,793.84		
Appropriation Reserves	A-13		1,659,450.04		
Accounts Payable	A-5		59,030.92		
County Taxes	A-20		15,297,712.26		
Local District School Tax	A-21		47,423,917.48		
Refund of Tax Overpayments	A-17		10,917.41		
Interfunds	A-10/A-11		4,027,961.78		854,311.56
Petty Cash	Contra		500.00		
DCA Fees Due State of New Jersey	A-22		119,165.00		
Marriage Licenses Due State of New Jersey	A-16		1,050.00		
Reserve for Tax Appeals	A-34		12,732.05		
Refund of Prior Year Revenue	A-1		153,311.64		
PILOT Due County	A-31		91,388.54		
Grants - Appropriated	A-25				624,485.22
				\$	1,478,796.78
Balance, December 31, 2024	A	\$	10,327,327.46	\$	

"A-5"

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE - CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2023	A	\$	92,996.35
Increased by			
Appropriation Reserves	A-13		16,111.78
		\$	<u>109,108.13</u>
Decreased by			
Cash Disbursement	A-4		<u>59,030.92</u>
Balance, December 31, 2024	A	\$	<u><u>50,077.21</u></u>

"A-6"

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>REF.</u>		
Increased by:			
Transfers From Taxes Receivable	A-7	\$	173.14
Interest and Costs			<u>20.59</u>
			<u>193.73</u>
Balance, December 31, 2024	A	\$	<u><u>193.73</u></u>

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>2024 LEVY</u>	<u>IN 2023</u>	<u>COLLECTED IN 2024</u>	<u>CANCELLED</u>	<u>TRANSFERRED TO TAX TITLE LIENS</u>	<u>BALANCE DECEMBER 31, 2024</u>
2023	\$ 485,685.72	\$	\$	\$ 261,510.99	\$ 224,117.34	\$ 57.39	\$ 0.00
2024		79,914,333.85	370,610.63	79,261,692.85	6,889.62	115.75	275,025.00
	<u>\$ 485,685.72</u>	<u>\$ 79,914,333.85</u>	<u>\$ 370,610.63</u>	<u>\$ 79,523,203.84</u>	<u>\$ 231,006.96</u>	<u>\$ 173.14</u>	<u>\$ 275,025.00</u>
<u>REF.</u>	A		A-2-A-15	A-2		A-6	A
Collector				\$ 79,476,536.03			
State of New Jersey				<u>46,667.81</u>			
				<u>\$ 79,523,203.84</u>			<u>0.00</u>

ANALYSIS OF 2024 PROPERTY TAX LEVY

<u>TAX YIELD</u>	
General Purpose Tax	\$ 78,988,175.85
Added Taxes (54:4-63.1 et seq.)	<u>926,158.00</u>
	<u>\$ 79,914,333.85</u>
	<u>0.00</u>
<u>TAX LEVY</u>	
Local District School Tax (Abstract)	\$ 47,423,918.00
County Taxes:	
County Tax (Abstract)	\$ 15,227,942.24
Due County for Added Taxes (54:4-63.1 et seq.)	<u>177,655.49</u>
<u>Total County Taxes</u>	15,405,597.73
Local Tax for Municipal Purposes (Abstract)	\$ 14,994,244.07
Minimum Library Tax	1,329,168.63
Add: Additional Tax Levied	<u>761,405.42</u>
	<u>17,084,818.12</u>
	<u>\$ 79,914,333.85</u>
	<u>0.00</u>

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

SCHEDULE OF CHANGE FUND

REF.

Balance, December 31, 2023 and
December 31, 2024

A

\$ 400.00

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>ACCRUED IN 2024</u>	<u>COLLECTED BY COLLECTOR- TREASURER</u>	<u>BALANCE DECEMBER 31, 2024</u>
A-2	\$ 18,684.40	\$ 18,684.40	\$ 18,684.40	\$
A-2		8,794.80	8,794.80	
A-2		261,891.90	261,891.90	
A-2		16,785.00	16,785.00	
A-2		18,800.00	18,800.00	
A-2		64,626.06	64,626.06	
A-2		17,935.00	17,935.00	
A-2		0.00		
A-2		1,226.29	1,226.29	
A-2	22,032.54	18,072.77	34,923.39	5,181.92
A-2		1,053,688.00	1,053,688.00	
A-2		73,047.82	73,047.82	
A-2		2,196,237.12	2,196,237.12	
A-2		60,776.55	60,776.55	
A-2		843,891.75	843,891.75	
A-2		1,558,962.00	1,558,962.00	
A-2		175,558.34	175,558.34	
A-2		328,648.93	328,648.93	
A-2		51,795.51	51,795.51	
A-2		39,358.82	39,358.82	
A-2		25,000.00	25,000.00	
A-2		356,675.49	356,675.49	
A-2		23,063.00	23,063.00	
	<u>\$ 22,032.54</u>	<u>\$ 7,213,519.55</u>	<u>\$ 7,230,370.17</u>	<u>\$ 5,181.92</u>

REF.

A

A-4

A

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>FEDERAL AND STATE GRANT FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2023:						
Due From	A	\$ 370,648.85	\$ 370,368.63	\$ 30.22	\$ 250.00	\$
Due To	A	2,695,498.01				2,695,498.01
Cash Receipts	A-4	<u>1,536,621.35</u>	<u>854,311.56</u>	<u>4,967.10</u>	<u>199,581.74</u>	<u>477,760.95</u>
Excess Animal Control Fees	A-1	3,667.31		3,667.31		
Canceled	A-1	15,146.90	15,146.90			
Cash Disbursements	A-4	<u>4,027,961.78</u>	<u>624,485.22</u>	<u>5,732.10</u>	<u>224,485.50</u>	<u>3,173,258.96</u>
Balance, December 31, 2024:	A	<u>185,424.28</u>	<u>155,689.19</u>	<u>4,581.33</u>	<u>25,153.76</u>	
Due From						

TOWNSHIP OF BERKELEY HEIGHTS

FEDERAL AND STATE GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>		<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2023:				
Due To	A	\$	370,368.63 \$	370,368.63
Canceled Grants	A-10		15,146.90	15,146.90
Cash Receipts	A-4		624,485.22	624,485.22
Cash Disbursements	A-4		<u>854,311.56 \$</u>	<u>854,311.56</u>
Balance, December 31, 2024:				
Due To	A	\$	<u>155,689.19 \$</u>	<u>155,689.19</u>

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

<u>PURPOSE</u>	<u>ADDED</u>	<u>BALANCE DECEMBER 31, 2024</u>
Overexpenditure of Appropriation Reserves	\$ 25,000.00	\$ 25,000.00
Emergency Authorization (N.J.S.A. 40A:4-46)	<u>265,000.00</u>	<u>265,000.00</u>
	<u>\$ 290,000.00</u>	<u>\$ 290,000.00</u>

REF.

A

TOWNSHIP OF BERKELEY HEIGHTS
CURRENT FUND
SCHEDULE OF YEAR 2023 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>	<u>OVEREXPENDED</u>
<u>SALARIES AND WAGES</u>					
Administrative and Executive	\$ 1,532.44	\$ 1,532.44	\$	\$ 1,532.44	\$
Township Clerk	13,518.73	13,518.73		13,518.73	
Assessment of Taxes	10,431.29	10,431.29		10,431.29	
Municipal Land Use Law - Planning Board	10.48	10.48		10.48	
Public Defender	337.24	337.24	275.00	62.24	
Engineering Services and Costs	6,899.32	6,899.32		6,899.32	
Municipal Court	880.00	880.00		880.00	
Municipal Prosecutor	1,000.00	1,000.00		1,000.00	
Crossing Guards	15,131.50	15,131.50	15,131.50		
Police	71,149.37	71,149.37	58,439.21	12,710.16	
Fire Prevention	1,518.10	1,518.10		1,518.10	
Emergency Management Services	0.40	0.40		0.40	
Streets and Roads	54,354.06	54,354.06		54,354.06	
Public Buildings and Grounds	20,809.71	20,809.71		20,809.71	
Snow Removal	53,620.05	53,620.05	53,620.05		
Maintenance of Vehicles	27,164.21	27,164.21		27,164.21	
Maintenance of Sewer Plant	19,954.97	19,954.97		19,954.97	
Recreation	8,677.96	8,677.96		8,677.96	
Construction Code Official	61,353.81	61,353.81		61,353.81	
Inter Local - Boe Veh Maint O/E	3,500.00	3,500.00		3,500.00	
<u>OTHER EXPENSES</u>					
Administrative and Executive	37,160.66	47,303.89	40,032.36	7,271.53	
Mayor and Council	1,028.12	1,225.00		1,225.00	
Township Council	1,484.07	1,744.07	260.00	1,484.07	
Municipal Clerk	12,027.41	12,728.51	1,771.22	10,957.29	
Financial Administration	11,100.00	17,826.25	4,903.75	12,922.50	
Audit		2,100.00		2,100.00	
Assessment of Taxes	92,730.24	93,225.24	23,895.00	69,330.24	
Collection of Taxes	1,827.87	1,961.34		1,961.34	
Legal Services and Costs	132,080.25	142,086.25	16,584.00	125,502.25	
Municipal Court	3,500.00	3,500.00		3,500.00	
Engineering Services and Costs	193,803.54	226,067.54	51,978.42	174,089.12	
Municipal Land Use Law - Planning Board	63,975.44	69,250.59	18,373.65	50,876.94	
Zoning Board of Adjustment	4,133.90	4,888.30	1,481.27	3,407.03	
General Liability Insurance	72,297.76	78,431.76	10,276.44	68,155.32	
Employee Group Health	269,466.75	269,466.75		269,466.75	
Group Insurance-Health Benefit Waiver	19,000.72	19,000.72		19,000.72	
Fire Official	2,510.07	2,510.07	1,403.56	1,106.51	
Other Expenses	10,410.49	66,282.76	55,859.63	10,423.13	
Fire Hydrant Services	4,082.88	4,082.88		4,082.88	
Fire Prevention	2,510.07	4,862.75		4,862.75	
Police	19,540.97	35,138.05	20,848.93	14,289.12	
Crossing Guards	880.25	3,950.00	3,144.75	805.25	
Emergency Management	1,164.08	6,725.00	5,560.92	1,164.08	
Rescue Squad Aid		26,486.40	26,486.40		
Streets and Roads	15,494.56	40,535.00	23,062.65	17,472.35	
Maintenance of Sewer Plant	53,081.37	300,646.71	285,367.94	15,278.77	

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

SCHEDULE OF YEAR 2023 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2023	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVEREXPENDED
<u>OTHER EXPENSES (CONTINUED)</u>					
Solid Waste Collection:					
Other	\$ 49,140.45	\$ 49,140.45	\$ 49,140.45	\$	\$
Public Buildings and Grounds	14,575.31	20,404.63	7,363.17	13,041.46	
Snow Removal	66,003.00	107,550.99	49,294.99	58,256.00	
Maintenance of Vehicles	12,992.17	25,740.26	12,642.55	13,097.71	
Public Health Services	8,826.24	9,725.00	898.76	8,826.24	
Welfare	1,000.00	1,000.00	1,000.00		
Environmental Commission	2,945.00	2,945.00	2,945.00		
Recreation	92.76	2,646.43	2,550.26	96.17	
Construction Code Officials	14,452.55	21,132.75	4,463.68	16,669.07	
Telephone	13,534.53	13,833.53	13,781.24	52.29	
Street Lighting	15,150.21	15,150.21	15,150.21		
Electricity	31,649.08	31,801.02	31,674.88	126.14	
Water	13,912.11	13,912.11	3,229.41	10,682.70	
Gasoline	99,788.85	102,700.42	17,180.87	85,519.55	
Natural Gas	40,302.07	41,706.56	41,385.83	320.73	
LOSAP	36,305.23	36,305.23		36,305.23	
Defined Contribution Pension Plan	2,713.29	2,713.29		2,713.29	
Maintenance of Free Public Library	143,679.38	143,679.38	143,679.38		
Tax Appeals		3,374.68	3,374.68		
County Of Union - Certified Public Works Manager	6,673.30	6,673.30		6,673.30	
Cap Outlay - Paracetic Acid Storage		479,801.57	387,679.85	92,121.72	
Cap Outlay - Gear Racks	8,500.00	8,500.00		8,500.00	
Cap Outlay - Police IT Upgrades	132.17	132.17		132.17	
Cap Outlay - FD Radios		22,157.10	21,986.56	170.54	
Cap Outlay - Structure Fire Gear	21.61	17,200.00	17,178.39	21.61	
Cap Outlay - Misc Road Drainage Improvements	165,697.48	165,697.48		165,697.48	
Cap Outlay - Grit Pump		60,000.00	60,000.00		
Inter Local-Boro New Providence-Court	12,569.49	13,286.44	716.95	12,569.49	
Sewer - New Providence	11,231.00	11,231.00		11,231.00	
Inter Local - Boro Of Madison -It Serv	13,385.08	13,385.08	2,993.12	10,391.96	
Inter Local - Uc Health Services		31,212.24	31,212.24		
Inter Local - Boe Veh Maint O/E	8,182.70	8,182.70	33,182.70		25,000.00
Board of Education - GLTV	1,500.00	1,500.00		1,500.00	
	<u>\$ 2,192,090.17</u>	<u>\$ 3,338,290.49</u>	<u>\$ 1,675,561.82</u>	<u>\$ 1,687,728.67</u>	<u>\$ 25,000.00</u>

REF.

A

A-1

Balance, December 31, 2023
Encumbrances Payable

A
A-23

\$ 2,192,090.17
1,146,200.32

Cash Disbursements
Accounts Payable

A-4
A-5

\$ 3,338,290.49
\$ 1,659,450.04
16,111.78
\$ 1,675,561.82

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>		
Balance, December 31, 2023 (Due to)	A		\$ 700.83
Increased by:			
Senior Citizens Deductions Disallowed by Collector:			
Current Year		\$ 1,082.19	
Received from the State of New Jersey-Treasurer	A-4	<u>47,809.59</u>	
			<u>48,891.78</u>
			\$ <u>49,592.61</u>
Decreased by:			
Senior Citizens and Veterans per Tax Duplicate		46,750.00	
Senior Citizens Deduction Allowed by Collector		<u>1,000.00</u>	
			<u>47,750.00</u>
Balance, December 31, 2024 (Due to)	A		\$ <u><u>1,842.61</u></u>

CALCULATION OF STATE'S SHARE OF
2024 SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens and Veterans:			
Per Tax Duplicate			\$ 46,750.00
Allowed by Collector			<u>1,000.00</u>
			<u>47,750.00</u>
Less: Senior Citizens Deductions Disallowed by Collector			<u>1,082.19</u>
	A-7		\$ <u><u>46,667.81</u></u>

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2023	A		\$ 370,610.63
Increased by:			
Collections	A-4	\$ <u>345,407.61</u>	<u>345,407.61</u>
			\$ <u>716,018.24</u>
Decreased by:			
Applied	A-7	<u>370,610.63</u>	<u>370,610.63</u>
Balance, December 31, 2024	A		\$ <u><u>345,407.61</u></u>

SCHEDULE OF MARRIAGE LICENSES DUE STATE OF NEW JERSEY

Balance, December 31, 2023	A		\$ 600.00
Increased by:			
Cash Receipts	A-4		<u>1,125.00</u>
			\$ <u>1,725.00</u>
Decreased by:			
Cash Disbursements	A-4		<u>1,050.00</u>
Balance, December 31, 2024	A		\$ <u><u>675.00</u></u>

"A-17"

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

TAX OVERPAYMENTS

	<u>REF.</u>		
Increased by:			
Cash Receipts	A-4		<u>38,980.05</u>
		\$	<u>38,980.05</u>
Decreased by:			
Overpayments Refunded	A-4	\$ <u>10,917.41</u>	<u>10,917.41</u>
Balance, December 31, 2024	A	\$	<u><u>28,062.64</u></u>

"A-18"

SEWER USER CHARGES RECEIVABLE

Balance, December 31, 2023 and December 31, 2024	A	\$	<u><u>191,358.40</u></u>
---	---	----	--------------------------

"A-20"

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2023	A	\$	69,770.02
Increased by:			
2024 Tax Levy	A-1:A-7	\$	15,227,942.24
Added and Omitted County Taxes	A-1:A-7		<u>177,655.49</u>
			15,405,597.73
		\$	<u>15,475,367.75</u>
Decreased by:			
Payments	A-4		<u>15,297,712.26</u>
Balance, December 31, 2024	A	\$	<u><u>177,655.49</u></u>

"A-21"

LOCAL SCHOOL DISTRICT TAXES

Balance, December 31, 2023	A	\$	11.48
Increased by:			
Levy Calendar Year 2024	A-1:A-7		<u>47,423,918.00</u>
		\$	<u>47,423,929.48</u>
Decreased by:			
Payments	A-4		<u>47,423,917.48</u>
Balance, December 31, 2024	A	\$	<u><u>12.00</u></u>

"A-22"

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

SCHEDULE OF DCA FEES DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2023	A	\$ 77,824.00
Increased by:		
Cash Receipts	A-4	<u>50,211.00</u>
		\$ <u>128,035.00</u>
Decreased by:		
Cash Disbursements	A-4	<u>119,165.00</u>
Balance, December 31, 2024	A	\$ <u><u>8,870.00</u></u>

"A-23"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2023	A	\$ 1,440,531.09
Increased by:		
Appropriations	A-3	<u>1,350,458.54</u>
		\$ <u>2,790,989.63</u>
Decreased by:		
Transferred to Appropriation Reserves	A-13	<u>1,146,200.32</u>
Balance, December 31, 2024	A	\$ <u><u>1,644,789.31</u></u>

TOWNSHIP OF BERKELEY HEIGHTS

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>UNAPPROPRIATED</u> <u>APPLIED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2024</u>
Forestry Management	\$	\$	\$	\$ 0.00
Alcohol Education Rehab	2,775.62	2,206.51	2,775.62	2,206.51
Body Armor Replacement Fund	4,605.42	1,028.15	4,605.42	1,028.15
Clean Communities Program	27,405.00		27,405.00	0.00
National Opioid Settlement	8,933.62	28,750.39	6,279.35	31,404.66
Recycling Enhancement Grant	9,945.56		9,945.56	0.00
	<u>\$ 53,665.22</u>	<u>\$ 31,985.05</u>	<u>\$ 51,010.95</u>	<u>\$ 34,639.32</u>
<u>REF.</u>	A	A-4	A-19	A

TOWNSHIP OF BERKELEY HEIGHTS
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2023	BALANCE AFTER TRANSFERS	2024 BUDGET APPROPRIATION	DECREASED	BALANCE DECEMBER 31, 2024
	\$	\$	\$	\$	\$
<u>Local Grants</u>					
Greening Union County	4,000.00	4,000.00	4,500.00		4,000.00
Greening Union County 2024	3,000.00	3,000.00			4,500.00
Greening Union County-Match	4,000.00	4,000.00			3,000.00
Union County Trees	3,200.00	3,200.00		(519.56)	4,000.00
Heart Grant					519.56
Union County Inclusive Grant					3,200.00
Union County Infrastructure Grant			60,000.00		
Union County Arts Grant			3,600.00		
Union County Historic Preservation	129,954.94	136,346.34			
Union County Historic Preservation-Match	10,000.00	10,000.00			3,600.00
Union County Arts Grant	3,750.00	3,750.00		136,346.34	
Union County Kids Recreation	87,416.66	97,906.66		294.33	
Greening Union County - Kids Recreation	42,216.20	42,216.20	75,000.00		101,466.66
Municipal Alliance Match	2,557.50	2,557.50			3,750.00
Municipal Alliance 20'	7,308.17	7,308.17			2,557.50
Municipal Alliance 21'	11,246.00	11,246.00			7,308.17
Municipal Alliance Match	2,811.50	2,811.50			11,246.00
Municipal Alliance 22'	6,318.00	6,318.00			2,811.50
Municipal Alliance Match	1,580.00	1,580.00			6,318.00
Comcast Technology	96.42	96.42			1,580.00
AARP Grant	1,978.36	6,359.00		96.42	96.42
PSE&G-Sustainable Jersey Small Grant	82.00	82.00			6,359.00
Recycling Enhancement	12,166.67	12,166.67		82.00	2,279.23
PSE&G-Sustainable Jersey Small Grant	10,000.50	10,000.50		9,887.44	10,000.50
Overlook Hospital Grant	41.00	41.00			41.00
Union County Resource Recovery	8,652.80	8,652.80			8,652.80
Sherman Ave Streetscape			348,870.00		319,305.97
<u>Federal Grants</u>					
CDBG - Senior Citizen Center Program	15,807.03	16,071.90			5,089.75
CDBG - Senior Citizen Center Program			16,000.00		10,444.86
DEP-Chargin Station			25,000.00		6,000.00
ARP Firefighter Grant					
Drive Sober Get Pulled Over	12,500.00	12,500.00			6,000.00
Click It or Ticket	6,000.00	6,000.00			7,000.00
Distracted Driving	7,000.00	7,000.00			7,000.00
ARP Firefighter Grant	303.24	303.24			303.24
National Opioid Settlement	11,465.16	11,465.16			11,465.16
NJDOT Lawrence Ave		17,769.61		17,769.61	6,279.35

TOWNSHIP OF BERKELEY HEIGHTS
FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2023	BALANCE AFTER TRANSFERS	2024 BUDGET APPROPRIATION	DECREASED	BALANCE DECEMBER 31, 2024
<i>State Grants</i>	\$ 60.30	\$ 60.30		\$ 60.30	\$
Clean Communities Program			34,912.63	2,742.68	32,169.95
Clean Communities Program 2024			27,405.00	4,289.05	23,115.95
Clean Communities Program 2024	37.51	37.51		(450.00)	487.51
Body Armor Replacement Fund			4,605.42		4,605.42
Body Armor Replacement Fund 2024	5,918.32	5,918.32		28,578.60	5,918.32
LEAF - Local Efficiency Achievement	54,410.50	54,410.50		22,822.50	31,588.00
NJ Historic Preservation	16.87	16.87	22,822.50	15,287.45	25,831.90
Drunk Driving Enforcement Fund		15,287.45		80,970.55	16.87
Temporary Flare		80,970.55		3.20	
State of NJ DCA Emergency Temporary Flare Grant	5,152.73	3.20	20,000.00	19,996.80	3.20
Spotted Green Lantern Fly Grant		25,000.00		127,479.17	25,000.00
NJDA Spotted Lanternfly Program	25,000.00	721,000.00			593,520.83
Stormwater Assistance Grant	717,495.83	85,000.00			85,000.00
NJ DEP RGGI Natural Climate Grant	45,359.14	13,792.44	2,775.62	56,283.21	16,568.06
Local Recreation Improvement Grant	13,792.44		750,000.00		693,716.79
Alcohol Education Rehabilitation Fund			1,000,000.00		1,000,000.00
Raw Sewerage Pump Replacement			71,000.00		71,000.00
Springfield Avenue Sidewalk Grant			400,000.00	43,381.32	356,618.68
DCA Recreation Grant			26,411.98	11,909.46	14,502.52
LAIF 2023 Passaic River Anti-Flooding Project					
Recycling Tonnage Grant					
	\$ 1,272,698.99	\$ 1,452,245.81	\$ 2,906,182.50	\$ 834,773.36	\$ 3,523,654.95
	A		A-3		A
Balance, December 31, 2023	\$	\$ 1,272,698.99			
Encumbrances Payable		179,546.82			
	\$	\$ 1,452,245.81			
Cash Disbursements				624,485.22	
Cancelled				44,502.79	
Encumbrances Payable				165,785.35	
				834,773.36	

"A-26"

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2023	A	\$ 102,860.00
Increased by:		
Cash Receipts	A-4	<u>8,233.00</u>
Balance, December 31, 2024	A	<u>\$ 111,093.00</u>

"A-27"

SCHEDULE OF RESERVE FOR MUNICIPAL RELIEF AID

Balance, December 31, 2023	A	\$ 160,691.93
Decreased by:		
Applied to Budget	A-2	<u>160,691.93</u>

"A-28"

TOWNSHIP OF BERKELEY HEIGHTS
FEDERAL AND STATE GRANT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2023	A	\$	179,546.82
Increased by:			
Federal and State Grants Appropriated	A-25		165,785.35
		\$	<u>345,332.17</u>
Decreased by:			
Federal and State Grants Appropriated	A-25	\$	<u>179,546.82</u>
			<u>179,546.82</u>
Balance, December 31, 2024	A	\$	<u><u>165,785.35</u></u>

"A-29"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION

Balance, December 31, 2023 and December 31, 2024	A	\$	<u><u>180,500.00</u></u>
---	---	----	--------------------------

"A-30"

TOWNSHIP OF BERKELEY HEIGHTS

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>REF.</u>		
Balance, December 31, 2023	A	\$	27,955.71
Increased by:			
Transferred from Appropriations	A-3	\$ <u>97,319.60</u>	<u>97,319.60</u>
		\$	<u>125,275.31</u>
Decreased by:			
Cash Disbursements	A-4		<u>12,732.05</u>
Balance, December 31, 2024	A	\$	<u><u>112,543.26</u></u>

"A-31"

SCHEDULE OF PILOT PAYMENTS DUE COUNTY

Increased by:			
Cash Receipts	A-4	\$ <u>91,388.54</u>	<u>91,388.54</u>
Decreased by:			
Cash Disbursements	A-4		<u><u>91,388.54</u></u>

"A-32"

SCHEDULE OF RESERVE FOR TAX MAP PREPARATION

Balance, December 31, 2023 and December 31, 2024	A	\$	<u><u>21,000.00</u></u>
---	---	----	-------------------------

TOWNSHIP OF BERKELEY HEIGHTS

TRUST FUND

SCHEDULE OF CASH-TREASURER

<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2023	\$ 13,276.82	\$ 5,894,927.17
Increased by Receipts:		
License Fees Collected	\$ 6,846.40	\$
Due State of New Jersey Interfunds	591.60	119,033.00
Miscellaneous Trust Deposits	4,967.10	<u>11,336,156.32</u>
	<u>12,405.10</u>	<u>11,455,189.32</u>
	\$ <u>25,681.92</u>	\$ <u>17,350,116.49</u>
Decreased by Disbursements:		
Expenditures Under R.S. 4:19-15.11	\$	\$
Due State of New Jersey Interfunds	3,213.49	94,129.24
Miscellaneous Trust Deposits	589.20	<u>10,604,762.90</u>
	4,202.10	<u>10,698,892.14</u>
	<u>8,004.79</u>	<u>10,698,892.14</u>
Balance, December 31, 2024	\$ <u>17,677.13</u>	\$ <u>6,651,224.35</u>

"B-2"

TOWNSHIP OF BERKELEY HEIGHTS

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
ANIMAL CONTROL FUND

	<u>REF.</u>		
Increased by:			
Cash Receipts	B-1	\$ <u>591.60</u>	<u>591.60</u>
			<u>591.60</u>
Decreased by:			
Cash Disbursements	B-1		<u>589.20</u>
Balance, December 31, 2024	B	\$	<u><u>2.40</u></u>

"B-3"

SCHEDULE OF DUE CURRENT FUND-ANIMAL CONTROL FUND

Balance, December 31, 2023 (Due To)	B	\$	30.22
Increased by:			
Animal Control Statutory Excess	B-4	\$	3,786.11
Cash Receipts	B-1		<u>4,967.10</u>
			<u>8,753.21</u>
		\$	<u>8,783.43</u>
Decreased by:			
Cash Disbursements	B-1	\$	<u>4,202.10</u>
Balance, December 31, 2024 (Due To)	B	\$	<u><u>4,581.33</u></u>

TOWNSHIP OF BERKELEY HEIGHTS

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2023	B	\$	13,246.60
Increased by:			
Dog/Cat License Fees Collected	B-1	\$ <u>6,726.40</u>	
			\$ <u>6,726.40</u>
			19,973.00
Decreased by:			
Statutory Excess in Reserve for Animal Control Fund Expenditures	B-3	\$ 3,667.31	
Cash Disbursements	B-1	<u>3,212.29</u>	
			<u>6,879.60</u>
Balance, December 31, 2024	B	\$	<u><u>13,093.40</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2023	\$ 6,328.20
2022	<u>6,765.20</u>
	\$ <u><u>13,093.40</u></u>

TOWNSHIP OF BERKELEY HEIGHTS

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER <u>31, 2023</u>	CASH <u>RECEIPTS</u>	CASH <u>DISBURSEMENTS</u>	BALANCE DECEMBER <u>31, 2024</u>
Payroll Deductions Payable	\$ 93,530.93	\$ 8,187,187.91	\$ 8,191,248.99	\$ 89,469.85
State Unemployment Insurance	88,672.76	3,490.67	18,573.81	73,589.62
Recreation	938,420.39	785,827.00	519,626.15	1,204,621.24
DOJ Equitable Sharing	14,557.85	449.12	4,827.13	10,179.84
C.O.A.H.	2,187,678.69	190,602.06	66,114.63	2,312,166.12
Forfeiture Accounts	6,417.85	187.13	5,665.67	939.31
Tree Deposits	15,154.25	15,660.00	18,758.79	12,055.46
Fire Sub-Code	43,913.66	2,650.00	3,000.00	43,563.66
POAA	541.96	20.00		561.96
Public Defender	11,652.41	1,100.00	1,800.00	10,952.41
Green Acres(Lord Little Farmstead)	222,976.61	23,695.14	175,835.01	70,836.74
Developer's Deposits	1,318,851.33	1,112,048.62	411,224.82	2,019,675.13
Peppertown Park Project	78,808.98		76,711.48	2,097.50
Police Outside Overtime	148,263.54	542,598.27	632,747.75	58,114.06
Donations-Celebration of Public Events	2,250.00			2,250.00
Recycling	179,741.20	25,026.24		204,767.44
Youth Academy Donation	7,937.30	6,205.00	5,680.11	8,462.19
Tax Redemption	1,689.87	8,790.84	8,790.84	1,689.87
Snow Removal/Storm Recovery	125,115.01	134,327.75	154,108.01	105,334.75
Accumulated Sick Time	240,068.97	73,570.71	271,263.99	42,375.69
Tax Sale Premiums	107,000.00	63,000.00	25,000.00	145,000.00
Environmental Committee Trust	17,729.13	5,319.86	3,228.97	19,820.02
Beautification	11,761.08	2,225.00	6,659.17	7,326.91
Police Donations	8,189.66	2,175.00	3,799.58	6,565.08
Jet/Play Area	10,000.00			10,000.00
Lower Columbia Park Donations		150,000.00		150,000.00
Other	13,753.74		98.00	13,655.74
	<u>\$ 5,894,677.17</u>	<u>\$ 11,336,156.32</u>	<u>\$ 10,604,762.90</u>	<u>\$ 6,626,070.59</u>

REF.

B

B-1

B-1

B

TOWNSHIP OF BERKELEY HEIGHTS

TRUST FUND

SCHEDULE OF INTERFUNDS - TRUST OTHER FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2023:			
Due To	B	\$ 250.00	\$ 250.00
Cash Receipts	B-1	119,033.00	119,033.00
Cash Disbursements	B-1	<u>94,129.24</u>	<u>94,129.24</u>
Balance, December 31, 2024:			
Due To	B	\$ <u>25,153.76</u>	\$ <u>25,153.76</u>

TOWNSHIP OF BERKELEY HEIGHTS

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2023	C		\$ 4,583,984.38
Increased by Receipts:			
Capital Improvement Fund	C-11	\$ 59,500.00	
Grants Receivable	C-7	580,250.95	
Bond Anticipation Notes	C-9	2,159,673.00	
Interfunds	C-15	2,822,556.79	
Reserves	C-12	1,876,629.01	
Premium on Sale of Notes	C-1	<u>3,844.22</u>	
			<u>7,502,453.97</u>
			\$ 12,086,438.35
Decreased by Disbursements:			
Contracts Payable	C-14	2,773,080.96	
Bond Anticipation Notes	C-9	2,159,673.00	
Interfunds	C-15	<u>127,058.78</u>	
			<u>5,059,812.74</u>
Balance, December 31, 2024	C:C-3		\$ <u><u>7,026,625.61</u></u>

"C-3"

TOWNSHIP OF BERKELEY HEIGHTS

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2024</u>
Fund Balance	\$ 346,484.83
Improvement Authorizations Funded Set Forth on "C-8"	2,997,945.36
Improvement Authorizations Expended As Set Forth on Exhibit "C-6"	(11,382,844.05)
Improvement Authorizations Unfunded - Unexpended Proceeds of Notes "C-6"	6,140,326.30
Grants Receivable	(2,083,697.25)
Capital Improvement Fund	239,642.80
Contracts Payable	9,983,946.15
Reserve for Debt Service	738,685.55
Reserve for Miscellaneous	<u>46,135.92</u>
	<u>\$ 7,026,625.61</u>

REF.

C-2

"C-4"

TOWNSHIP OF BERKELEY HEIGHTS

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

	<u>REF.</u>	
Balance, December 31, 2023 and December 31, 2024	C	\$ <u>738,685.55</u>

"C-5"

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

Balance, December 31, 2023	C	\$ 46,640,846.32
Decreased by:		
Budget Appropriation to Pay Bonds	C-10	\$ 2,400,000.00
Budget Appropriation to Pay Infrastructure Loans	C-16	<u>371,996.83</u>
		<u>2,771,996.83</u>
Balance, December 31, 2024	C	\$ <u>43,868,849.49</u>

TOWNSHIP OF BERKELEY HEIGHTS
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE, DECEMBER 31, 2024				
		BALANCE DECEMBER 31, 2024	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS	
08-26	Various Improvements to WW Treatment Plant	\$ 0.27	\$ 0.00	\$ 0.27	\$ 0.00	
8-2019	Acq. Of Equipment & Installation of a Supervisory Control & Data Acq. For Sewer System	19,700.78	0.00	19,700.78	0.00	
9-2020	Various Capital Improvements	293.00	0.00	293.00	0.00	
11-2020	Municipal Complex Redevelopment	700,000.00	0.00	700,000.00	0.00	
9-2022	Various Capital Improvements	63,692.00	63,692.00	0.00	0.00	
8-2023	Various Capital Improvements	2,095,981.00	2,095,981.00	0.00	0.00	
10-2023	Acq of Jet Vac Truck	590,000.00	0.00	590,000.00	0.00	
11-2023	Sewer Treatment Plant Upgrade	8,000,000.00	0.00	8,000,000.00	0.00	
11-2024	Various Capital Improvements	2,072,850.00	0.00	2,072,850.00	0.00	
		\$ 13,542,517.05	\$ 2,159,673.00	\$ 11,382,844.05	\$ 0.00	
		0.00				
REF.		C	C-9	C-3		
	Improvement Authorizations-Unfunded		0.00	\$	6,140,326.30	
	Less: Bond Anticipation Note Proceeds				6,140,326.30	
	Unexpended Ordinances-Variou					

TOWNSHIP OF BERKELEY HEIGHTS

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2023	C		\$ 983,578.20
Increased by:			
Grants Awarded	C-8		<u>1,680,370.00</u>
			\$ <u>2,663,948.20</u>
Decreased by:			
Cash Receipts	C-2	\$ <u>580,250.95</u>	<u>580,250.95</u>
Balance, December 31, 2024	C		\$ <u><u>2,083,697.25</u></u>

TOWNSHIP OF BERKELEY HEIGHTS

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2023	INCREASE	DECREASE	BALANCE DECEMBER 31, 2024
09-22	Various Capital Improvements	7/7/22	7/6/23	7/3/24	3.50%	\$ 63,692.00	\$ 63,692.00	\$	\$ 63,692.00
09-22	Various Capital Improvements	7/7/22	7/2/24	3/27/25	4.00%		63,692.00		63,692.00
08-23	Various Sewer Improvements	7/6/23	7/6/23	7/3/24	3.50%	2,095,981.00		2,095,981.00	2,095,981.00
08-23	Various Sewer Improvements	7/6/23	7/2/24	3/27/25	4.00%		2,095,981.00		2,095,981.00
						<u>\$ 2,159,673.00</u>	<u>\$ 2,159,673.00</u>	<u>\$ 2,159,673.00</u>	<u>\$ 2,159,673.00</u>

REF.

C

C-2

C-2

C:C-6

TOWNSHIP OF BERKELEY HEIGHTS

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2023	DECREASED	BALANCE DECEMBER 31, 2024
			DATE	AMOUNT				
Refunding Bonds	12/01/2016	4,775,000.00	12/01/25	\$ 440,000.00	4.000%	\$	\$	
			12/01/26	440,000.00	4.000%			
			12/01/27	430,000.00	4.000%	1,745,000.00	435,000.00	1,310,000.00
General Improvement	2/1/19	15,265,000.00	2/1/25-26	800,000.00	4.000%			
			2/1/27	800,000.00	3.000%			
			2/1/28-37	1,000,000.00	3.000%	13,100,000.00	700,000.00	12,400,000.00
General Improvement	7/7/22	23,175,000.00	7/1/25-34	590,000.00	5.000%			
			7/1/35	600,000.00	5.000%			
			7/1/36	630,000.00	4.000%			
			7/1/37	655,000.00	4.000%			
			7/1/38	685,000.00	4.000%			
			7/1/39	720,000.00	4.000%			
			7/1/40	750,000.00	4.000%			
			7/1/41	785,000.00	4.000%			
			7/1/42	820,000.00	4.000%			
			7/1/43	860,000.00	4.000%			
			7/1/44	900,000.00	4.000%			
			7/1/45	940,000.00	4.000%			
			7/1/46	985,000.00	4.000%			
			7/1/47	1,030,000.00	4.000%			
			7/1/48	1,080,000.00	4.000%			
		7/1/48	1,130,000.00	4.000%				
		7/1/50-52	1,175,000.00	4.000%	22,585,000.00	590,000.00	21,995,000.00	
General Improvement	7/6/23	7,795,000.00	7/1/25	490,000.00	3.000%			
			7/1/26	490,000.00	3.000%			
			7/1/27	775,000.00	4.000%			
			7/1/28	820,000.00	3.000%			
			7/1/29	850,000.00	3.000%			
			7/1/30	880,000.00	3.000%			
			7/1/31	910,000.00	4.000%			
			7/1/32	950,000.00	4.000%			
			7/1/33	955,000.00	4.000%	7,795,000.00	675,000.00	7,120,000.00
						\$ 45,225,000.00	\$ 2,400,000.00	\$ 42,825,000.00

REF.

C

C-5

C

C

"C-11"

TOWNSHIP OF BERKELEY HEIGHTS

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2023	C		\$ 556,872.80
Increased by:			
Budget Appropriation	C-2	\$ <u>59,500.00</u>	
			<u>59,500.00</u>
			\$ <u>616,372.80</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-8		<u>376,730.00</u>
Balance, December 31, 2024	C		\$ <u><u>239,642.80</u></u>

"C-12"

SCHEDULE OF MISCELLANEOUS RESERVES

Balance, December 31, 2023	C		46,056.91
Increased by:			
Cash Receipts	C-2	\$ <u>1,876,629.01</u>	
			<u>1,922,685.92</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-8		<u>1,876,550.00</u>
Balance, December 31, 2024	C		\$ <u><u>46,135.92</u></u>

"C-13"

TOWNSHIP OF BERKELEY HEIGHTS

GENERAL CAPITAL FUND

SCHEDULE OF NJ INFRASTRUCTURE LOANS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2023	C		\$ 1,415,846.32
Decreased by:			
Loans Paid by Budget	C-5	\$ <u>371,996.83</u>	<u>371,996.83</u>
Balance, December 31, 2024	C		\$ <u><u>1,043,849.49</u></u>

"C-14"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2023	C		\$ 3,617,092.09
Increased by:			
Improvement Authorizations Charged	C-8	\$ <u>9,291,375.72</u>	\$ <u>9,291,375.72</u>
			<u>12,908,467.81</u>
Decreased by:			
Cash Disbursements	C-2	2,773,080.96	
Canceled	C-8	<u>151,440.70</u>	<u>2,924,521.66</u>
Balance, December 31, 2024	C		\$ <u><u>9,983,946.15</u></u>

TOWNSHIP OF BERKELEY HEIGHTS

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>TRUST OTHER FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>	<u>CURRENT FUND</u>
Balance, December 31, 2023:					
Due From	C	\$ 2,695,498.01		\$	2,695,498.01
Cash Receipts	C-2	\$ 2,822,556.79	\$ 2,097.50	\$ 17,867.50	2,802,591.79
Cash Disbursements	C-2	\$ 127,058.78	\$ 2,097.50	\$ 17,867.50	107,093.78

TOWNSHIP OF BERKELEY HEIGHTS

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2024</u>
08-26	Various Improvements to WW Treatment Plant	\$ 0.27
8-2019	Acq. Of Equipment & Installation of a Supervisory Control and Data Acq. System in Connection with Sewer System	19,700.78
9-2020	Various Capital Improvements	293.00
11-2020	Municipal Complex Redevelopment	700,000.00
10-2023	Acq of Jet Vac Truck	590,000.00
11-2023	Sewer Treatment Plant Upgrade	8,000,000.00
11-2024	Various Capital Improvements	<u>2,072,850.00</u>
		<u>\$ 11,382,844.05</u>

PART II

TOWNSHIP OF BERKELEY HEIGHTS

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2024

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	YEAR 2024		YEAR 2023	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 4,440,000.00	4.58%	\$ 2,911,888.00	3.09%
Miscellaneous - From Other Than Local				
Property Tax Levies	12,680,147.73	13.07%	13,487,783.10	14.31%
Collection of Delinquent Taxes and Tax Title Liens	261,510.99	0.27%	307,028.95	0.33%
Collection of Current Tax Levy	79,632,303.48	82.08%	77,572,402.10	82.28%
<u>TOTAL INCOME</u>	<u>97,013,962.20</u>	<u>100.00%</u>	<u>94,279,102.15</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	31,079,596.14	33.04%	27,081,561.81	30.34%
County Taxes	15,405,597.73	16.38%	15,262,863.37	17.10%
Local School Taxes	47,423,918.00	50.42%	46,535,218.00	52.13%
Other Expenditures	153,311.64	0.16%	385,455.04	0.43%
<u>TOTAL EXPENDITURES</u>	<u>94,062,423.51</u>	<u>100.00%</u>	<u>89,265,098.22</u>	<u>100.00%</u>
Excess in Revenue	2,951,538.69		5,014,003.93	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are Deferred Charges to Budget of Succeeding Year	265,000.00			
Regulatory Excess to Fund Balance	3,216,538.69		5,014,003.93	
Fund Balance, January 1	8,301,193.04		6,199,077.11	
	1,435,000.00		11,213,081.04	
Less: Utilization as Anticipated Revenue	4,440,000.00		2,911,888.00	
Fund Balance, December 31	\$ <u>7,077,731.73</u>		\$ <u>8,301,193.04</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Tax Rate</u>	<u>4.287</u>	<u>4.220</u>	<u>4.199</u>
Apportionment of Tax Rate:			
Municipal	0.814	0.805	0.785
Municipal Open Space	0.073	0.067	0.064
Local School	2.574	2.528	2.470
County	0.826	0.820	0.880

ASSESSED VALUATIONS:

2024	<u>\$1,824,504,685.00</u>		
2023		<u>\$1,840,736,255.00</u>	
2022			<u>\$1,851,305,874.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CASH</u> <u>COLLECTION</u>	<u>CURRENTLY</u> <u>PERCENTAGE OF</u> <u>COLLECTIONS</u>
2024	\$79,914,333.85	\$79,632,303.48	99.65%
2023	\$78,125,558.12	\$77,572,402.10	99.29%
2022	\$77,874,841.15	\$77,425,252.97	99.42%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2024	\$193.73	\$275,025.00	\$275,218.73	0.34%
2023		\$485,685.72	\$485,685.72	0.62%
2022		\$321,302.99	\$321,302.99	0.41%

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

<u>Year</u>	<u>Amount</u>
2024	\$180,500.00
2023	\$180,500.00
2022	\$180,500.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2024	\$7,077,731.73	\$4,900,000.00
	2023	\$8,301,193.04	\$4,440,000.00
	2022	\$6,199,077.11	\$2,911,888.00
	2021	\$6,770,754.54	\$2,724,230.00
	2020	\$3,893,304.33	\$2,585,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Angie DeVanney	Mayor	*
John Foster	Council President	*
Susan Poage	Council Vice President	*
Manuel Couto	Councilman	*
William Machado	Councilman	*
Margaret Illis	Councilwoman	*
Paul Donnelly	Councilman	*
Liza Viana	Administrator	*
Juan Uribe	Chief Financial Officer (To 4/15/24)	*
Diane Sherry	Chief Financial Officer (From 7/1/24)	*
Rachele San Filippo	Tax Collector	*
Ana Minkoff	Borough Clerk	*
Michael Imbracio	Tax Assessor	*
John DeMassi	Magistrate	*
Macrina Carra	Court Administrator	*
Daniel Antonelli	Municipal Attorney	*

All of the bonds were examined and were properly executed.

* Covered by \$1,000,000.00 Blanket Position Bond-BGIA-GSMJIF Underwriting Unit.

THIS PAGE INTENTIONALLY LEFT BLANK

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the 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 amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Township appointed a Qualified Purchasing Agent and has elected to increase its bid threshold to \$44,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$44,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

- Road Improvements
- Water Pollution Control Products
- Drainage Improvements
- Sewer Improvements

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, contracts or agreements in excess of \$44,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, 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.

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)
(CONTINUED)

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S.A. 40:11-14:

Bond Counsel
Planning
Auditor
Engineering Services
Labor Counsel
Legal Services
Insurance Broker/Consultant

COLLECTION OF INTEREST ON DELINQUENT TAXES AND SEWER CHARGES

The statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or sewer charges on or before the date when they would become delinquent.

The governing body on January 2, 2024 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

"NOW, THEREFORE, BE IT RESOLVED, by the Township Council of the Township of Berkeley Heights, in meeting assembled that interest on taxes and sewer charges in arrears be fixed at the rate of eight (8%) percent per annum on all amounts up to the first \$1,500.00 of obligation and eighteen (18%) percent per annum on any excess over \$1,500.00: and

BE IT FURTHER RESOLVED, that in addition to the interest provided above, on all delinquencies in excess of \$10,000.00 and which are not paid prior to the end of the fiscal year, the tax collector shall also collect a penalty of six (6%) percent of the amount of the delinquency in excess of the \$10,000.

BE IT FURTHER RESOLVED, that the grace period of ten (10) calendar days will be allowed within which an installment of taxes or assessments may be received without additional charge of interest as provided by Chapter 105, Laws of 1965."

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

TAX TITLE LIENS

The last tax sale was held on December 4, 2024 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2024	1
2023	0
2022	0

OTHER COMMENTS

Interfund Balances

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. Reference to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year. It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

Treasurer

Outside offices receipts were not in agreement with revenue transaction audit trail.

The General Ledgers were not adequately maintained and reconciled to the subsidiary ledgers on a timely basis.

Bank Reconciliations were not prepared on a timely basis.

We noted monies were not always deposited within 48 hours of receipt as required by per N.J.S.A.40A:5-15.

Purchasing

The Township has not maintained a complete encumbrance accounting system in accordance with the minimum requirements as promulgated by the Division of Local Government Services. We noted that several purchase orders are processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order. As a result, an overexpenditure occurred.

Payroll

Various quarterly payroll returns were not filed on a timely basis resulting in penalties being assessed.

An analysis of the balance on account in the Payroll Agency account was not properly maintained and reconciled to the balance on deposit in the Payroll Agency bank account.

RECOMMENDATIONS

*That outside offices receipts be reconciled to revenue transaction audit trail.

That General Ledgers be adequately maintained and reconciled to the subsidiary ledgers on a timely basis.

*That bank reconciliations be prepared on a timely basis.

That monies be deposited within 48 hours of receipt as required by per N.J.S.A.40A:5-15.

That a complete encumbrance accounting system be maintained in accordance with N.J.A.C. 5:30-5.2.

*That payroll returns be filed on a timely basis.

That an analysis of the balance on account in the Payroll Agency account be properly maintained and reconciled to the balance on deposit in the Payroll Agency bank account.

*Prior Year Recommendations

