

REPORT OF AUDIT

TOWNSHIP OF BERKELEY HEIGHTS

COUNTY OF UNION

DECEMBER 31, 2023

TOWNSHIP OF BERKELEY HEIGHTS

TABLE OF CONTENTS

PART I

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheet - Regulatory Basis	5
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Statement of Revenues - Regulatory Basis	8
A-3	Statement of Expenditures - Regulatory Basis	10
	<u>TRUST FUND</u>	
B	Comparative Balance Sheet - Regulatory Basis	18
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	20
C-1	Statement of Changes in Fund Balance - Regulatory Basis	21
	<u>GENERAL FIXED ASSETS</u>	
D	Statement of General Fixed Assets - Regulatory Basis	22
	Notes to Financial Statements Year Ended December 31, 2023	23
	Supplementary Data	61
	<u>CURRENT FUND</u>	
A-4	Schedule of Cash - Collector - Treasurer	64
A-5	Schedule of Cash - Change Fund	65
A-6	Schedule of Cash - Petty Cash	66
A-7	Schedule of Amount Due to/from State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976	66
A-8	Schedule of Taxes Receivable and Analysis of Property Tax Levy	67
A-9	Schedule of Property Acquired for Taxes Assessed Valuation	68
A-10	Schedule of Revenue Accounts Receivable	69
A-11	Schedule of Sewer User Charge Receivable	70
A-12	Schedule of Interfunds	71
A-13	Schedule of Appropriation Reserves	72
A-14	Schedule of Encumbrances Payable	75
A-15	Schedule of Prepaid Taxes	75

CURRENT FUND, (continued)

A-16	Schedule of Local District School Tax Payable/(Prepaid)	76
A-17	Schedule of County Taxes Payable	76
A-18	Schedule of Various Cash Liabilities and Reserves	77
A-19	Schedule of Grants Receivable - Federal and State Grant Fund	78
A-20	Schedule of Appropriated Reserves for Grants - Federal and State Grant Fund	79
A-21	Schedule of Unappropriated Reserves for Grants - Federal and State Grant Fund	80
A-22	Schedule of Interfund Current Fund - Federal and State Grant Fund	81
A-23	Schedule of Encumbrances - Federal and State Grant Fund	81

TRUST FUND

B-1	Schedule of Cash	82
B-2	Schedule of Due from/(to) Current Fund	83
B-3	Schedule of Reserve for Animal License Fund Expenditures	84
B-4	Schedule of Due to State of New Jersey	84
B-5	Schedule of Other Trust Funds	85
B-6	Schedule of Payroll Deductions Payable	86
B-7	Schedule of Reserve for Escrow Deposits	87
B-8	Schedule of Reserve for Recreation	87
B-9	Schedule of LOSAP Contribution Receivable	88
B-10	Schedule of Emergency Services Volunteer Length of Service Award Program - Net Assets Available for Benefits	88

GENERAL CAPITAL FUND

C-2	Schedule of Cash	89
C-3	Analysis of Cash	90
C-4	Schedule of Various Receivables	91
C-5	Schedule of Deferred Charges to Future Taxation - Funded	92
C-6	Schedule of Deferred Charges to Future Taxation - Unfunded	93
C-7	Schedule of Interfund - Current Fund	94
C-8	Schedule of Infrastructure Loan Receivable	94
C-9	Schedule of New Jersey Environmental Infrastructure Trust/Loans Payable	95
C-10	Schedule of General Serial Bonds Payable	96
C-11	Schedule of Bond Anticipation Notes Payable	97
C-12	Schedule of Improvement Authorizations	98
C-13	Schedule of Capital Improvement Fund	99
C-14	Schedule of Contracts Payable	99
C-15	Schedule of Various Reserves	100
C-16	Schedule of Bonds and Notes Authorized But Not Issued	101

PART II

Independent Auditor's Report on Internal Control Over Financial Reporting on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	102
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and N.J. OMB Circular 15-08	104
Schedule of Expenditures of Federal Financial Awards	108
Schedule of Expenditures of State Financial Assistance	109
Notes to the Schedules of Expenditures of Federal and State Awards	110
Schedule of Findings and Questioned Costs	111
General Comments	114
Comments and Recommendations	116
Status of Prior Year Audit Findings/Recommendations	117

TOWNSHIP OF BERKELEY HEIGHTS

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2023



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Berkeley Heights
Berkeley Heights, NJ 07922

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Township of Berkeley Heights in the County of Union, as of December 31, 2023 and 2022, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues -regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Township of Berkeley Heights as of December 31, 2023, or changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and 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 of Berkeley Heights, 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 audit opinion.



As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Berkeley Heights on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of 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.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

As described in Note 15 of the financial statement, the Township participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$106,466.99 and \$75,602.19 for 2023 and 2022, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2023 and 2022, the regulatory basis statement of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2023 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Berkeley Heights’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 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement 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 judgement, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Berkely Heights's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial Assistance as



Honorable Mayor and
Members of the Township Council
Page 4.

required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not required part of the basic financial statements.

The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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.

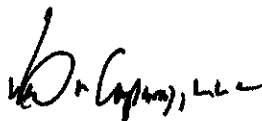
In our opinion, the supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2024 on our consideration of the Township of Berkeley Heights's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Berkeley Heights's internal control over financial reporting and compliance.



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

August 20, 2024



Township of Berkeley Heights, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Current Fund:			
Cash	A-4	\$ 15,553,933.26	11,765,279.39
Change Fund	A-5	400.00	400.00
Petty Cash	A-6		100.00
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7		1,488.21
		<u>15,554,333.26</u>	<u>11,767,267.60</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	485,685.72	321,302.99
Property Acquired for Taxes -			
Assessed Valuation	A-9	180,500.00	180,500.00
Revenue Accounts Receivable	A-10	22,032.54	64,052.30
Sewer User Charge Receivable	A-11	191,358.40	305,333.88
Due from:			
Other Trust Fund	A-12	250.00	
Federal and State Grant Fund	A-12	370,368.63	
Animal Control Trust Fund	A-12	30.22	
Prepaid School Taxes	A-16		237,349.20
		<u>1,250,225.51</u>	<u>1,108,538.37</u>
Total Current Fund		<u>16,804,558.77</u>	<u>12,875,805.97</u>
Federal and State Grant Fund:			
Grants Receivable	A-19	1,876,279.66	1,143,573.62
Interfund - Current Fund	A-22		457,779.99
Total Federal and State Grant Fund		<u>1,876,279.66</u>	<u>1,601,353.61</u>
Total Assets		<u>\$ 18,680,838.43</u>	<u>14,477,159.58</u>

See Accompanying Notes to Financial Statements

Township of Berkeley Heights, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-13	\$ 2,192,090.17	2,284,045.66
Due to:			
Other Trust Fund	A-12		100.00
Federal and State Grant Fund	A-12		457,779.99
Animal Control Trust Fund	A-12		1,792.00
General Capital Fund	A-12	2,695,498.01	
Encumbrances Payable	A-14	1,440,531.09	1,619,770.60
Prepaid Taxes	A-15	370,610.63	359,398.64
Local School Tax Payable	A-16	11.48	
County Tax Payable	A-17	69,770.02	29,185.23
Tax Overpayments	A-18		2,141.02
Accounts Payable	A-18	92,996.35	103,603.95
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	700.83	
Construction Code Surcharge	A-18	77,824.00	12,861.00
Marriage License Surcharge	A-18	600.00	
Reserve for:			
Sale of Municipal Assets	A-18	102,860.00	256,860.00
Municipal Relief Aid	A-18	160,691.93	80,363.21
Tax Map Preparation	A-18	21,000.00	21,000.00
Tax Appeals	A-18	27,955.71	339,289.19
		7,253,140.22	5,568,190.49
Reserve for Receivables	Contra	1,250,225.51	1,108,538.37
Fund Balance	A-1	8,301,193.04	6,199,077.11
		<u>16,804,558.77</u>	<u>12,875,805.97</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-20	1,272,698.99	645,199.07
Unappropriated Reserve for Grants	A-21	53,665.22	736,146.23
Interfund - Current Fund	A-22	370,368.63	
Encumbrances Payable	A-23	179,546.82	220,008.31
Total Federal and State Grant Fund		<u>1,876,279.66</u>	<u>1,601,353.61</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 18,680,838.43</u>	<u>14,477,159.58</u>

See Accompanying Notes to Financial Statements

Township of Berkeley Heights, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	\$ 2,911,888.00	2,824,230.00
Miscellaneous Revenue Anticipated	A-2	10,752,728.81	6,940,715.00
Receipts from Delinquent Taxes	A-2	307,028.95	409,803.82
Receipts from Current Taxes	A-2	77,572,402.10	77,425,252.97
Non-Budget Revenue	A-2	1,323,296.52	201,563.76
Other Credits to Income:			
Prior Year Prepaid School Taxes	A-16	237,349.20	
Statutory Excess Animal License Fund	A-12	1,822.22	
Unexpended Balance of Appropriation Reserves	A-13	1,172,586.35	1,161,281.00
Total Revenues and Other Income		<u>94,279,102.15</u>	<u>88,962,846.55</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	6,845,898.40	6,648,072.36
Other Expenses	A-3	12,216,384.07	10,664,338.86
Capital Improvement Fund	A-3	1,658,700.00	2,182,815.44
Municipal Debt Service	A-3	4,162,825.24	2,764,266.62
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	2,197,754.10	2,166,000.00
Refund of Prior Year's Revenue	A-4	14,806.19	6,025.71
Interfund Advances	A-12	370,648.85	
Prepaid School Taxes			237,349.20
Local District School Tax	A-16	46,535,218.00	45,715,255.00
County Taxes including Added Taxes	A-17	<u>15,262,863.37</u>	<u>16,322,633.79</u>
Total Expenditures		<u>89,265,098.22</u>	<u>86,706,756.98</u>
Excess (Deficit) Revenue Over Expenditures		5,014,003.93	2,256,089.57
Adjustment to Income Before Fund Balance - Expenditures			
Included above Which are by Statute Deferred			
Charges to Budget of Succeeding Year			
Statutory Excess to Fund Balance		5,014,003.93	2,256,089.57
Fund Balance, January 1,	A	<u>6,199,077.11</u>	<u>6,767,217.54</u>
		11,213,081.04	9,023,307.11
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>2,911,888.00</u>	<u>2,824,230.00</u>
Fund Balance, December 31,	A	<u>\$ 8,301,193.04</u>	<u>6,199,077.11</u>

See Accompanying Notes to Financial Statements

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 2,911,888.00	2,911,888.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-10	18,000.00	18,434.40	434.40
Other	A-2	1,210.00	1,432.00	222.00
Fees and Permits	A-2	426,910.00	482,624.96	55,714.96
Fines and Costs:				
Municipal Court	A-10	32,575.00	33,390.72	815.72
Interest and Costs on Taxes	A-4	105,000.00	82,838.11	(22,161.89)
Interest on Investments and Deposits	A-10	85,000.00	678,728.17	593,728.17
Sewer Rentals	A-11	300,000.00	650,568.45	350,568.45
Sewer Connection Fees	A-10	1,448,090.00	2,653,850.98	1,205,760.98
Energy Receipts Tax	A-10	1,551,240.00	1,551,240.12	0.12
Municipal Relief Fund	A-10	80,363.21	80,363.21	
Uniform Construction Code Fees	A-10	1,463,800.00	1,331,980.00	(131,820.00)
Interlocal - Board of Ed. - Vehicle Maintenance	A-10	25,000.00	25,000.00	
Interlocal - Board of Ed. - Police Services	A-10	25,000.00	25,000.00	
Public and Private Revenues:				
Body Armor Grant	A-19	1,619.75	1,619.75	
Clean Communities	A-19	30,737.92	30,737.92	
Local Arts Grant LAP	A-19	3,700.00	3,700.00	
Greening Union County Recreations	A-19	30,300.00	30,300.00	
Drive Sober or Get Pulled Over	A-19	7,000.00	7,000.00	
CDBG - Senior Citizens Center	A-19	15,750.00	15,750.00	
Spotted Lantern Fly Grant	A-19	15,000.00	15,000.00	
Union County - Inclusive Grant	A-19	3,200.00	3,200.00	
Union County - Historic Preservation	A-19	40,000.00	40,000.00	
Union County - Arts Grant	A-19	3,750.00	3,750.00	
YM Global Fire Prevention Grant	A-19	2,000.00	2,000.00	
NJDEP RGGI Natural Climate Grant	A-19	721,000.00	721,000.00	
ARP Firefighter Grant	A-19	27,000.00	27,000.00	
Stormwater Assistance Grant	A-19	25,000.00	25,000.00	
Union County Tree Grant	A-19	4,000.00	4,000.00	
Local Recreation Improvement	A-19	85,000.00	85,000.00	
Union County - Infrastructure Grant	A-19	70,000.00	70,000.00	
Overlook Hospital Grant	A-19	3,290.00	3,290.00	
National Opioid Settlement	A-19	11,465.16	11,465.16	
Other Special Items:				
American Rescue Plan - Local Fiscal Recovery Funds	A-10	699,342.94	699,342.95	0.01
Library Reimbursement	A-10	260,100.00	260,100.00	
Cable Television Franchise Fees	A-10	172,165.71	171,737.28	(428.43)
Hotel Occupancy Tax Revenue	A-10	245,000.00	320,141.70	75,141.70
Rents on Township Property	A-10	300,000.00	343,600.09	43,600.09
Uniform Fire Safety Act	A-10	60,000.00	53,570.34	(6,429.66)
Police Off-Duty Administration Fees	A-10	34,972.50	34,972.50	
Sale of Municipal Assets	A-10	154,000.00	154,000.00	
Total Miscellaneous Revenues	A-1	8,587,582.19	10,752,728.81	2,165,146.62
Receipts from Delinquent Taxes	A-1/A-2	317,000.00	307,028.95	(9,971.05)
Subtotal General Revenues		11,816,470.19	13,971,645.76	2,155,175.57
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal				
Purposes Including Reserve for Uncollected Taxes		14,804,187.07	15,178,580.75	374,393.68
Minimum Library Tax		1,231,916.00	1,231,916.00	
Total Amt. to be Raised by Taxes for Support of Budget	A-2	16,036,103.07	16,410,496.75	374,393.68
Budget Totals		27,852,573.26	30,382,142.51	2,529,569.25
Non-Budget Revenue	A-1/A-2		1,323,296.52	1,323,296.52
		\$ 27,852,573.26	31,705,439.03	3,852,865.77
		A-3		
Adopted Budget	A-3	27,673,320.18		
Appropriated by (N.J.S. 40A:4-87)	A-3	179,253.08		
		27,852,573.26		

See Accompanying Notes to Financial Statements

Township of Berkeley Heights, N.J.
Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2023

<u>Analysis of Realized Revenues</u>		
	<u>Ref.</u>	
Revenue from Collections	A-1/A-8	77,572,402.10
Allocated to School and County Taxes	A-8	<u>61,798,081.37</u>
Balance for Support of Municipal Budget Appropriations		15,774,320.73
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>636,176.02</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>16,410,496.75</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-8	<u>307,028.95</u>
	A-2	<u>307,028.95</u>
Licenses - Other:		
Clerk	A-10	1,360.00
Registrar	A-10	<u>72.00</u>
	A-2	<u>1,432.00</u>
Fees and Permits - Other:		
Clerk	A-10	261,864.96
Health	A-10	23,430.00
Police	A-10	2,770.00
Engineering Department	A-10	172,040.00
Board of Adjustment	A-10	9,920.00
Planning Board	A-10	<u>12,600.00</u>
	A-2	<u>482,624.96</u>

<u>Analysis of Non-budget Revenues</u>		
	<u>Ref.</u>	
Revenue Accounts Receivable:		
Union County - Lease of Salt Dome	A-10	121,988.12
Insurance Dividend/Refunds		406,004.44
Senior Citizen & Veteran Deduction Administrative Fee		1,113.78
Vacant Property		2,500.00
Hurricane IDA Reimbursements		82,811.03
Board of Health Miscellaneous		5,875.00
Police Miscellaneous		2,180.00
PILOT Fees		699,933.05
Miscellaneous Cost Tax Sale		<u>891.10</u>
	A-4	<u>1,201,308.40</u>
	A-2	<u>1,323,296.52</u>

See Accompanying Notes to Financial Statements

Township of Berkeley Heights, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - within "CAPS"						
General Government:						
Administrative and Executive						
Salaries and Wages	\$	251,000.00	251,000.00	249,467.56	1,532.44	
Other Expenses		230,850.00	230,850.00	193,689.34	37,160.66	
Mayor						
Salaries and Wages		4,000.00	4,000.00	4,000.00		
Other Expenses		1,225.00	1,225.00	196.88	1,028.12	
Council						
Salaries and Wages		21,000.00	21,000.00	21,000.00		
Other Expenses		3,300.00	3,300.00	1,815.93	1,484.07	
Municipal Clerk						
Salaries and Wages		193,500.00	193,500.00	177,471.20	16,028.80	
Other Expenses		51,300.00	51,300.00	39,272.59	12,027.41	
Financial Administration						
Salaries and Wages		100,000.00	136,000.00	136,000.00		
Other Expenses		185,900.00	149,900.00	138,800.00	11,100.00	
Audit Services						
Other Expenses		45,000.00	45,000.00	45,000.00		
Collection of Taxes						
Salaries and Wages		83,400.00	83,400.00	83,400.00		
Other Expenses		9,850.00	9,850.00	8,022.13	1,827.87	
Assessment of Taxes						
Salaries and Wages		82,500.00	82,500.00	72,068.71	10,431.29	
Other Expenses		129,000.00	129,000.00	36,269.76	92,730.24	
Legal Services and Costs						
Other Expenses		196,000.00	196,000.00	63,919.75	132,080.25	
Engineering Services and Costs						
Salaries and Wages		109,300.00	109,300.00	102,400.68	6,899.32	
Other Expenses		364,154.00	364,154.00	170,350.46	193,803.54	
Environmental Committee						
Other Expenses		3,830.00	3,830.00	885.00	2,945.00	

Township of Berkeley Heights, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Land Use Administration:						
Planning Board						
Salaries and Wages		64,700.00	64,700.00	64,689.52	10.48	
Other Expenses		97,000.00	97,000.00	33,024.56	63,975.44	
Board of Adjustment						
Other Expenses		13,350.00	13,350.00	9,216.10	4,133.90	
Insurance:						
General Liability		702,500.00	702,500.00	630,202.24	72,297.76	
Employee Group Health		2,739,000.00	2,739,000.00	2,469,533.25	269,466.75	
Health Benefit Waiver		50,000.00	50,000.00	30,999.28	19,000.72	
Municipal Court:						
Salaries and Wages		23,000.00	23,000.00	22,120.00	880.00	
Other Expenses		3,500.00	3,500.00		3,500.00	
Public Defender						
Salaries and Wages		7,500.00	7,500.00	7,162.76	337.24	
Public Safety:						
Police						
Salaries and Wages		3,617,100.00	3,617,100.00	3,545,950.63	71,149.37	
Other Expenses		241,000.00	241,000.00	221,459.03	19,540.97	
Crossing Guards						
Salaries and Wages		131,200.00	131,200.00	116,068.50	15,131.50	
Other Expenses		5,000.00	5,000.00	4,119.75	880.25	
Emergency Management Services						
Salaries and Wages		17,500.00	17,500.00	17,499.60	0.40	
Other Expenses		7,900.00	7,900.00	6,735.92	1,164.08	
Fire						
Other Expenses		176,325.00	176,325.00	165,914.51	10,410.49	
Fire Hydrant Service						
Other Expenses		220,000.00	220,000.00	215,917.12	4,082.88	

Township of Berkeley Heights, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Rescue Squad - Aid						
Other Expenses		20,447.00	13,447.00	13,447.00		
Other Expenses - Aid for Ambulance		87,000.00	94,000.00	94,000.00		
Fire Prevention						
Salaries and Wages		23,298.40	23,298.40	21,780.30	1,518.10	
Other Expenses		10,000.00	10,000.00	7,489.93	2,510.07	
Municipal Prosecutor						
Salaries and Wages		16,000.00	16,000.00	15,000.00	1,000.00	
Public Works Functions:						
Streets and Roads						
Salaries and Wages		639,300.00	639,300.00	584,945.94	54,354.06	
Other Expenses		137,270.00	137,270.00	121,775.44	15,494.56	
Snow Removal						
Salaries and Wages		75,000.00	75,000.00	21,379.95	53,620.05	
Other Expenses		144,000.00	144,000.00	77,997.00	66,003.00	
Public Buildings and Grounds						
Salaries and Wages		139,700.00	114,700.00	93,890.29	20,809.71	
Other Expenses		182,300.00	182,300.00	167,724.69	14,575.31	
Vehicle Maintenance						
Salaries and Wages		193,900.00	163,900.00	136,735.79	27,164.21	
Other Expenses		160,000.00	148,000.00	135,007.83	12,992.17	
Solid Waste Collection						
Other Expenses		550,000.00	550,000.00	500,859.55	49,140.45	
Sewer Plant						
Salaries and Wages		656,300.00	499,600.00	479,645.03	19,954.97	
Other Expenses		1,038,200.00	1,258,900.00	1,205,818.63	53,081.37	

Township of Berkeley Heights, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Health and Human Services:						
Public Health		10,000.00	10,000.00	1,173.76	8,826.24	
Other Expenses						
Welfare		4,000.00	4,000.00	3,000.00	1,000.00	
Other Expenses						
Parks & Recreation:						
Recreation		90,800.00	90,800.00	82,122.04	8,677.96	
Salaries and Wages		25,100.00	25,100.00	25,007.24	92.76	
Other Expenses						
Construction Code Official		453,100.00	453,100.00	391,746.19	61,353.81	
Salaries and Wages		75,700.00	75,700.00	61,247.45	14,452.55	
Other Expenses						
Unclassified		9,500.00	12,500.00	12,500.00		
Postage						
Utility Expenses/Bulk Purchases:						
Electricity		330,000.00	358,000.00	326,350.92	31,649.08	
Street Lighting		130,000.00	130,000.00	114,849.79	15,150.21	
Telephone and Telegraph		150,000.00	122,000.00	108,465.47	13,534.53	
Water		40,000.00	40,000.00	26,087.89	13,912.11	
Natural Gas/Propane		110,000.00	110,000.00	69,697.93	40,302.07	
Gasoline		210,000.00	210,000.00	110,211.15	99,788.85	
Total Operations within "CAPS"		15,892,599.40	15,892,599.40	14,114,599.96	1,777,999.44	
Detail:						
Salaries and Wages	A-1	6,993,098.40	6,817,398.40	6,446,544.69	370,853.71	
Other Expenses	A-1	8,899,501.00	9,075,201.00	7,668,055.27	1,407,145.73	

Township of Berkeley Heights, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges						
NJ Loan Receivable		85,453.10	85,453.10	85,453.10		
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		436,103.00	436,103.00	436,103.00		
Social Security System (O.A.S.I.)		600,000.00	600,000.00	600,000.00		
Police and Firemen's Retirement System of N.J.		1,061,198.00	1,061,198.00	1,061,198.00		
Defined Contribution Retirement Plan		15,000.00	15,000.00	12,286.71	2,713.29	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	2,197,754.10	2,197,754.10	2,195,040.81	2,713.29	
Total General Appropriations for Municipal Purposes within "CAPS"		18,090,353.50	18,090,353.50	16,309,640.77	1,780,712.73	
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		1,231,916.00	1,231,916.00	1,088,236.62	143,679.38	
Emergency Services Volunteer Length of Service Award Program		37,500.00	37,500.00	1,194.77	36,305.23	
Reserve for Tax Appeals		125,000.00	125,000.00	125,000.00		
Shared Service Agreements-						
Sewer - Borough of New Providence		160,000.00	160,000.00	148,769.00	11,231.00	
Court Services - Borough of New Providence		118,316.00	118,316.00	105,746.51	12,569.49	
Certified Public Works Manager - Union County		30,030.00	30,030.00	23,356.70	6,673.30	
IT Services - Borough of Madison		27,000.00	27,000.00	13,614.92	13,385.08	
Health Services - Union County		63,048.24	63,048.24	63,048.24		
Police Dispatch/911 - Union County		156,060.00	156,060.00	156,060.00		
Board of Education - Vehicle Maintenance & Repair						
Salaries and Wages		3,500.00	3,500.00		3,500.00	
Other Expenses		21,000.00	21,000.00	12,817.30	8,182.70	

Township of Berkeley Heights, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Board of Education - Police Services		25,000.00	25,000.00	25,000.00	1,500.00	
Board of Education - GLIV		1,500.00	1,500.00			
Public and Private Programs Offset by Revenues						
Body Armor Grant		1,619.75	1,619.75	1,619.75		
Clean Communities		30,737.92	30,737.92	30,737.92		
Local Arts Grant LAP		3,700.00	3,700.00	3,700.00		
Greening Union County Recreations		30,300.00	30,300.00	30,300.00		
Drive Sober or Get Pulled Over		7,000.00	7,000.00	7,000.00		
CDBG - Senior Citizens Center		15,750.00	15,750.00	15,750.00		
Spotted Lantern Fly Grant		15,000.00	15,000.00	15,000.00		
Union County - Inclusive Grant		3,200.00	3,200.00	3,200.00		
Union County - Historic Preservation		40,000.00	40,000.00	40,000.00		
Union County - Arts Grant		3,750.00	3,750.00	3,750.00		
FM Global Fire Prevention Grant		2,000.00	2,000.00	2,000.00		
NJDEP RGGI Natural Climate Grant		721,000.00	721,000.00	721,000.00		
ARP Firefighter Grant		27,000.00	27,000.00	27,000.00		
Stormwater Assistance Grant		25,000.00	25,000.00	25,000.00		
Union County Tree Grant		4,000.00	4,000.00	4,000.00		
Local Recreation Improvement		85,000.00	85,000.00	85,000.00		
Union County - Infrastructure Grant		70,000.00	70,000.00	70,000.00		
Union County - Infrastructure Grant Local Share		70,000.00	70,000.00	70,000.00		
Overlook Hospital Grant		3,290.00	3,290.00	3,290.00		
National Opioid Settlement		11,465.16	11,465.16	11,465.16		
Total Operations - Excluded from "CAPS"		3,169,683.07	3,169,683.07	2,932,656.89	237,026.18	
Detail:						
Salaries & Wages	A-1	28,500.00	28,500.00	25,000.00	3,500.00	
Other Expenses	A-1	3,141,183.07	3,141,183.07	2,907,656.89	233,526.18	

Township of Berkeley Heights, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Capital Improvements:						
Capital Improvement Fund		250,000.00	250,000.00	250,000.00	8,500.00	
Gear Racks		8,500.00	8,500.00		132.17	
Police II Upgrades		10,000.00	10,000.00	9,867.83	21.61	
Structure Fire Gear		17,200.00	17,200.00	17,178.39		
Fire Department Radios		27,000.00	27,000.00	27,000.00		
Grit Pump		60,000.00	60,000.00	60,000.00		
Traffic Signal Upgrades		12,000.00	12,000.00	12,000.00		
Miscellaneous Drainage Road Improvements		200,000.00	200,000.00	34,302.52	165,697.48	
Skid Steer		124,000.00	124,000.00	124,000.00		
Paracetic Acis Storage Sytem Upgrade		500,000.00	500,000.00	500,000.00		
Road/Drainage Projects		450,000.00	450,000.00	450,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	1,658,700.00	1,658,700.00	1,484,348.74	174,351.26	
Municipal Debt Service:						
Payment of Bond Principal		1,625,000.00	1,625,000.00	1,625,000.00		
Payment of Bond Anticipation Notes and Capital Notes		243,214.00	243,214.00	243,213.00		1.00
Interest on Bonds		1,676,950.00	1,666,795.00	1,531,960.59		134,834.41
Municipal Debt Service: (continued)						
Interest on Notes		342,809.44	342,809.44	342,809.42		0.02
NJ Infrastructure Loan Payable		409,687.23	419,842.23	419,842.23		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	4,297,660.67	4,297,660.67	4,162,825.24		134,835.43
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		9,126,043.74	9,126,043.74	8,579,830.87	411,377.44	134,835.43
Subtotal General Appropriations		27,216,397.24	27,216,397.24	24,889,471.64	2,192,090.17	134,835.43

Township of Berkeley Heights, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Reserve for Uncollected Taxes		636,176.02	636,176.02	636,176.02		
Total General Appropriations	\$	<u>27,852,573.26</u>	<u>27,852,573.26</u>	<u>25,525,647.66</u>	<u>2,192,090.17</u>	<u>134,835.43</u>
					A	
Adopted Budget	A-2		27,673,320.18			
Appropriated by (N.J.S.A. 40A:4-87)	A-2		<u>179,253.08</u>			
			<u>27,852,573.26</u>			
Analysis of Paid or Charged						
Reserve for Uncollected Taxes	A-2			636,176.02		
Cash Disbursed	A-4			22,363,005.39		
Encumbrances Payable	A-14			1,146,200.32		
Interfund - General Capital Fund	A-20			85,453.10		
Reserve for Tax Appeals	A-18			125,000.00		
Reserve for Federal and State Grants	A-20			1,099,812.83		
Matching Funds for Federal and State Grants	A-4,A-20			70,000.00		
				<u>25,525,647.66</u>		

See Accompanying Notes to Financial Statements

Township of Berkeley Heights, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Animal License Fund:			
Cash	B-1	\$ 13,276.82	8,847.06
Interfund - Current Fund	B-2		1,792.00
		<u>13,276.82</u>	<u>10,639.06</u>
Other Trust Funds:			
Cash	B-1	5,894,927.17	5,650,737.89
Interfund - Current Fund	B-2		100.00
		<u>5,894,927.17</u>	<u>5,650,837.89</u>
Emergency Services Volunteer Length of Service Award Program: (Unaudited)			
Cash in Plan	B-1	82,263.11	49,407.42
Contributions Receivable	B-9	24,203.88	26,194.77
		<u>106,466.99</u>	<u>75,602.19</u>
Total Assets		\$ <u>6,014,670.98</u>	<u>5,737,079.14</u>

See Accompanying Notes to Financial Statements

Township of Berkeley Heights, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2023 and 2022

<u>Liabilities, Reserves & Fund Balance</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Animal License Fund:			
Interfund - Current Fund	B-2	\$ 30.22	
Reserve for Dog Fund Expenditures	B-3	13,246.60	10,635.46
Due to State of New Jersey	B-4		3.60
		<u>13,276.82</u>	<u>10,639.06</u>
Other Trust Fund:			
Interfund - Current Fund (Other Trust)	B-2	250.00	
Miscellaneous Reserves	B-5	3,543,874.52	3,659,309.60
Payroll Deductions	B-6	93,530.93	81,444.29
Reserve for:			
Escrow Deposits	B-7	1,318,851.33	1,285,846.55
Recreation	B-8	938,420.39	624,237.45
		<u>5,894,927.17</u>	<u>5,650,837.89</u>
Emergency Services Volunteer Length of Service Award Program: (Unaudited)			
Net Assets Available for Benefits	B-10	106,466.99	75,602.19
		<u>106,466.99</u>	<u>75,602.19</u>
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 6,014,670.98</u>	 <u>5,737,079.14</u>

See Accompanying Notes to Financial Statements

Township of Berkeley Heights, N.J.
Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2023 and 2022

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash	C-2/C-3	\$ 4,583,984.38	6,711,248.25
Various Receivables	C-4	983,578.20	1,138,426.19
Deferred Charges to Future Taxation:			
Funded	C-5	46,640,846.32	40,831,417.75
Unfunded	C-6	11,469,667.05	12,256,799.27
Interfund - Current Fund	C-7	2,695,498.01	
Due From State of NJ - Infrastructure Loan Receivable	C-8		85,453.10
		<u>66,373,573.96</u>	<u>61,023,344.56</u>
<u>Liabilities, Reserves and Fund Balance</u>			
NJEIT Trust/Loans Payable	C-9	1,415,846.32	1,776,417.75
General Serial Bonds	C-10	45,225,000.00	39,055,000.00
Bond Anticipation Notes	C-11	2,159,673.00	9,141,585.00
Improvement Authorizations:			
Funded	C-12	2,549,126.85	1,210,248.23
Unfunded	C-12	9,681,979.83	5,807,935.39
Capital Improvement Fund	C-13	556,872.80	288,287.80
Contracts/Encumbrances Payable	C-14	3,617,092.09	2,620,786.30
Reserve for:			
Debt Service	C-15	738,685.55	738,685.55
Miscellaneous Reserves	C-15	46,056.91	75,324.90
Fund Balance	C-1	383,240.61	309,073.64
		<u>\$ 66,373,573.96</u>	<u>61,023,344.56</u>

Footnote: There were \$9,309,994.05 and \$3,115,214.27 of Bonds and Notes Authorized But Not Issued per Exhibit C-15 on December 31, 2023 and 2022

See Accompanying Notes to Financial Statements

Township of Berkeley Heights, N.J.

Comparative Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Balance - December 31, 2022	C	\$ 309,073.64	186,299.57
Increased by:			
Premium on Sale of Bonds & Notes	C-2	<u>74,166.97</u>	<u>122,774.07</u>
Balance - December 31, 2023	C,C-3	\$ <u>383,240.61</u>	<u>309,073.64</u>

See Accompanying Notes to Financial Statements

Township of Berkeley Heights, N.J.

Comparative Statement of General Fixed Assets

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>General Fixed Assets:</u>		
Land and Building	\$ 39,658,500.00	\$ 39,658,500.00
Machinery and Equipment	<u>11,771,270.00</u>	<u>11,279,607.00</u>
	<u>\$ 51,429,770.00</u>	<u>\$ 50,938,107.00</u>
Investment in Fixed Assets	<u>\$ 51,429,770.00</u>	<u>\$ 50,938,107.00</u>

See Accompanying Notes to Financial Statements

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The Township of Berkeley Heights (the "Township") operates under a Mayor/Council form of government. There are six elected members on the Council. Each is elected to a three year term. The Mayor is elected in a general election for a four year term. The Mayor carries a legislative vote only if there is a tie amongst Council members. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the Free Public Library, which is considered a component unit under GAAP. Complete financial statements of the above component can be obtained by contacting the Treasurer of the respective entity.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Township has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

All Other Trust Funds - These funds are established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Control Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Emergency Services Volunteer Length of Service Awards Program - This fund is used to account for the cumulative payments to participant's in the emergency services volunteer length of service award program including any income, gains, losses or increases or decreases in market value attributable to the interest of the participant's length of service awards.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

General Fixed Asset Account Group - To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting

A modified accrual basis of accounting is followed by the Township of Berkeley Heights. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the fiscal year taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the current fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Township is not required to adopt budgets for the following funds:

General Capital Fund
Trust Funds

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2023, the Township Council increased the original budget by \$181,907.35. The increase was funded by \$181,907.35 of additional grants and contributions given to the Township. In addition, several budget transfers were approved by the governing body.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Township of Berkeley Heights has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. 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.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except land which is valued at estimated market value.

No depreciation has been provided for 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.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

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

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements and notes to the financial statements because their inclusion would make certain statements and notes unduly complex and difficult to understand.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Impact of Recently Issued Accounting Principles

The following GASB statements became effective for the fiscal year ended December 31, 2023:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Statement will become effective for the Township's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Township.

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Borough in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Township, however, management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Township.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Impact of Recently Issued Accounting Principles, (continued)

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, Certain Risk Disclosures. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Township, however, management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Township.

C. Basic Financial Statements

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

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**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2023 and 2022, \$0.00 of the Township's bank balances of \$25,686,835.93 and \$24,393,355.90 were exposed to custodial credit risk.

Investments

Investment Rate Risk

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Township places no limit on the amount the Township may invest in any one issuer.

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

Unaudited Investments

As more fully described in Note 16, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2023 and 2022 amounted to \$82,263.11 and \$49,407.42, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Growth	\$42,795.46	\$23,520.04
Fixed Income	36,968.92	24,819.97
All Others	<u>2,498.73</u>	<u>1,067.41</u>
Total	<u>\$82,263.11</u>	<u>\$49,407.42</u>

NOTE 3: MUNICIPAL DEBT

Long-term debt as of December 31, 2023 consisted of the following:

	<u>Balance Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds Payable - General Obligation Debt	\$39,055,000.00	\$7,795,000.00	\$1,625,000.00	\$45,225,000.00	\$2,400,000.00
Loans Payable	<u>1,776,417.75</u>	<u> </u>	<u>360,571.43</u>	<u>1,415,846.32</u>	<u>371,996.83</u>
	<u>\$40,831,417.75</u>	<u>\$7,795,000.00</u>	<u>\$1,985,571.43</u>	<u>\$46,640,846.32</u>	<u>\$2,771,996.83</u>

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 3: MUNICIPAL DEBT, (continued)

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. 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, must be paid off within ten years and five months or retired by the issuance of bonds.

The Township's debt is summarized as follows:

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Issued:</u>			
<u>General:</u>			
Bonds, Loans and Notes	<u>\$48,800,519.32</u>	<u>\$49,973,002.75</u>	<u>\$49,918,528.29</u>
Total Issued	<u>48,800,519.32</u>	<u>49,973,002.75</u>	<u>49,918,528.29</u>
 <u>Authorized But Not Issued</u>			
<u>General:</u>			
Bonds and Notes	<u>9,309,994.05</u>	<u>3,115,214.27</u>	<u>3,114,793.27</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$58,110,513.37</u>	<u>\$53,088,217.02</u>	<u>\$53,033,321.56</u>

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 1.533%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$5,626,894.31	\$5,626,894.31	\$0.00
General Debt	<u>58,110,513.37</u>	<u>738,685.55</u>	<u>57,371,827.82</u>
	<u>\$63,737,407.68</u>	<u>\$6,365,579.86</u>	<u>\$57,371,827.82</u>

Net Debt \$57,371,827.82 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$3,741,405,812.67 = 1.533%.

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

3 ½% of Equalized Valuation Basis (Municipal)	\$130,949,203.44
Net Debt	<u>57,371,827.82</u>
Remaining Borrowing Power	<u>\$73,577,375.62</u>

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 3: MUNICIPAL DEBT, (continued)

The Township's bonded debt consisted of the following at December 31, 2023:

	<u>Amount Outstanding</u>
Paid by Current Fund:	
Refunding Bonds - \$4,775,000.00 issued December 1, 2016 due through December 1, 2027 with interest rate of 4.00%	\$1,745,000.00
General Improvement Bonds - \$15,265,000.00 issued February 1, 2019 due through February 1, 2037 with variable interest rates of 3.00% to 5.00%	13,100,000.00
General Improvement Bonds - \$23,175,000.00 issued July 7, 2022 due through July 1, 2052 with variable interest rates of 4.00% to 5.00%	22,585,000.00
General improvement bonds - \$7,795,000.00 issued July 6, 2023 due through July 1, 2033 with variable interest rate of 3.00% to 4.00%	<u>7,795,000.00</u>
	<u>\$45,225,000.00</u>

General Capital Serial Bonds are direct obligations of the Township for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the Township.

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
BONDED DEBT ISSUED AND OUTSTANDING**

Calendar <u>Year</u>	General		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	2,400,000.00	1,712,103.47	4,112,103.47
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
2029-2033	12,495,000.00	5,344,500.00	17,839,500.00
2034-2038	7,160,000.00	3,351,900.00	10,511,900.00
2039-2043	3,935,000.00	2,404,200.00	6,339,200.00
2044-2048	4,935,000.00	1,541,200.00	6,476,200.00
2049-2052	<u>4,655,000.00</u>	<u>468,200.00</u>	<u>5,123,200.00</u>
	<u>\$45,225,000.00</u>	<u>\$20,731,203.47</u>	<u>\$65,956,203.47</u>

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 3: MUNICIPAL DEBT, (continued)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR ENVIRONMENTAL INFRASTRUCTURE LOAN DEBT ISSUED AND OUTSTANDING

Calendar Year	Total	<u>Trust Loan</u>		<u>Fund Loan</u>
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2024	\$412,717.47	\$195,720.64	\$40,720.64	\$176,276.19
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	<u>50,960.00</u>	<u>49,000.00</u>	<u>1,960.00</u>	<u>0.00</u>
2029	<u>\$1,529,635.16</u>	<u>\$867,720.64</u>	<u>\$113,788.84</u>	<u>\$548,125.68</u>

At December 31, 2023, the Township had authorized but not issued debt of \$9,309,994.05.

Paid by Current Fund:	Outstanding Balance December 31, <u>2023</u>
Environmental Infrastructure Loans:	
\$290,000.00 2004 Loan due in annual remaining installments of \$14,114.32 to \$16,783.69 through August 2024 at interest rates between 4.25% to 5.00%.	\$22,720.64
\$294,120.00 2004 Interest Free Loan due in annual remaining installments of between \$18,236.16 to \$22,720.64 through August 2024.	16,783.69
\$2,190,000.00 2007 Loan due in annual remaining installments of \$114,000.00 to \$156,000.00 through August 2027 at interest rates between 4.00% to 5.00%.	575,000.00
\$2,030,000.00 2007 Interest Free Loan due in annual remaining installments of between \$111,834.20 to \$114,317.33 through August 2027.	453,148.78
\$905,000.00 2009 Loan due in annual remaining installments of \$37,000.00 to \$49,000.00 through August 2029 at interest rates between 4.00% to 5.00%.	270,000.00
\$901,490.00 2009 Interest Free Loan due in annual remaining installments of \$47,446.83 through August 2024.	<u>78,193.21</u>
	<u>\$1,415,846.32</u>

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 4: BOND ANTICIPATION NOTES

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2023, the Township had \$2,159,673.00 in outstanding general capital bond anticipation notes, maturing on July 3, 2024 as detailed on Exhibit C-10.

NOTE 5: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, there were no deferred charges shown on the balance sheets of the various funds.

NOTE 6: SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Township raises its share of local school district taxes on a calendar year basis; hence there is no deferral of school taxes.

NOTE 7: PENSION PLANS

Description of Plans:

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7: PENSION PLANS, (continued)

Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

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

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7: PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

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

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

Defined Contribution Retirement Program

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

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7: PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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

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

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS.

The Township's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2023	\$436,103.00	\$1,061,198.00	\$12,286.71
2022	430,647.28	1,038,706.43	11,565.48
2021	389,410.00	918,471.00	7,422.87

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At December 31, 2023, the Township had a liability of \$4,545,638 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 governmental entities, actuarially determined. At June 30, 2023, the Township's proportion was 0.0313830487 percent, which was a decrease of 0.0031995360 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Township recognized an actuarially determined pension expense of \$436,103. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$43,462	\$18,581
Changes of assumptions	9,986	275,485
Net difference between projected and actual earnings on pension plan investments	20,933	
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>2,922</u>	<u>632,231</u>
Total	<u>\$77,303</u>	<u>\$926,297</u>

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$(239,993)
2025	(133,955)
2026	187,193
2027	(33,500)
2028	570

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21 and 5.63 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,484,374,047	15,091,376,611
Township's Proportion	0.0313830487%	0.0345825847%

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2021.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS, (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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2023 calculated using the discount rate as disclosed above as well as what 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, 2023		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00 %</u>	<u>8.00%</u>
Township's proportionate share of the pension liability	\$5,917,454	\$4,545,638	\$3,378,042

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 financial report may be accessed at www.state.nj.us/treasury/pensions.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS)

At December 31, 2023, the Township had a liability of \$9,548,641 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 governmental entities, actuarially determined. At June 30, 2023, the Township's proportion was 0.0864225557 percent, which was an increase of 0.0048266705 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Township recognized an actuarially determined pension expense of \$1,061,198. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$408,854	\$455,385
Changes of assumptions	20,609	644,762
Net difference between projected and actual earnings on pension plan investments	486,294	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>1,054,930</u>	<u>641,653</u>
Total	<u>\$1,970,687</u>	<u>\$1,741,800</u>

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$(371,600)
2025	(356,616)
2026	573,758
2027	(49,348)
2028	17,613
Thereafter	1,801

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.16, 6.22, 6.17, 5.90, 5.92 and 5.73 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,753,080,638	\$2,163,793,985
Collective deferred inflows of resources	1,966,439,601	2,805,919,493
Collective net pension liability	11,048,782,843	11,446,356,176
Township's Proportion	0.0864225557%	0.0815958852%

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	2.75%
Salary Increases:	
Through all Future Years	3.25-16.25% (based on years of service)
Thereafter	Not Applicable
Investment Rate of Return	7.00%

Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what 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:

	<u>June 30, 2023</u>		
	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	\$13,304,359	\$9,548,641	\$6,421,025

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Under N.J.S.A. 43:16A-15, the Township is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Township by the State 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. Accordingly, the Township's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2023 and 2022, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,759,448 and \$1,662,203, respectively. For the years ended December 31, 2023 and 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$201,213 and \$206,936, respectively, which is more than the actual contributions the State made on behalf of the Township of \$200,134 and \$191,774, respectively. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

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 financial report may be accessed at www.state.nj.us/treasury/pensions.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2023 and 2022 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2023 and 2024 were as follows:

	<u>2024</u>	<u>2023</u>
Current Fund	<u>\$4,440,000.00</u>	<u>\$2,911,888.00</u>

NOTE 9: FIXED ASSETS

The following is a summary of charges in the general fixed asset account group for the year 2023.

	Balance <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2023</u>
Buildings Land and	\$39,658,500.00	\$	\$	\$39,658,500.00
Machinery and Equipment	<u>11,279,607.00</u>	<u>569,635.00</u>	<u>77,972.00</u>	<u>11,771,270.00</u>
	<u>\$50,938,107.00</u>	<u>\$569,635.00</u>	<u>\$77,972.00</u>	<u>\$51,429,770.00</u>

NOTE 10: 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 \$814,486.01. 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, 2023. The Township has accumulated \$240,068.97. for this purpose in the Trust Other Fund and continues to budget funds to provide for these liabilities as they arise.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 11: DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2023 consist of the following:

\$250.00	Due to the Current Fund from the Other Trust Fund
30.22	Due to the Current Fund from the Animal License Fund
<u>370,368.63</u>	Due to the Current Fund from the Federal and State Grant Fund.
<u>\$370,648.85</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2022 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 12: RISK MANAGEMENT, (continued)

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

New Jersey Unemployment Compensation Insurance – The Township has elected to fund 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. The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township’s expendable trust fund for the current and previous two years:

Year Ended	Interest Earnings/ Township	Amount	Ending
<u>Dec. 31,</u>	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2023	\$2,786.40	\$35,033.34	\$88,672.76
2022	3,832.58	5,102.02	120,919.70
2021	8,803.16	6,338.88	122,189.14

NOTE 13: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance	Balance
	<u>Dec 31, 2023</u>	<u>Dec 31, 2022</u>
Prepaid Taxes	<u>\$370,610.63</u>	<u>\$359,398.64</u>
Cash Liability for Taxes Collected in Advance	<u>\$370,610.63</u>	<u>\$359,398.64</u>

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 14: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 7, the Township provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, 1981 at its cost.

General Information about the OPEB Plan

The Township's defined benefits OPEB plan provides for health insurance premiums for employees which have retired according to their individual employment contracts. The Plan is a single-employer defined benefit OPEB plan administered by the Township of Berkeley Heights. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. GASB Statement No. 75 requires this disclosure to be updated every two years. The last update was as of December 31, 2022.

Employees Covered by Benefit Terms: At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	67
Active employees entitled to but not currently receiving benefit payments	2
Active employees	<u>51</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.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical and prescription drug coverage in accordance with the provisions set forth under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years PERS or PFRS service as of June 28, 2011, shall be required to contribute

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

**NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT,
(continued)**

Contributions, (continued)

toward the cost of postretirement healthcare benefits. The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Township's plan document, ranging from 3.5% to 35%.

Net OPEB Liability

The Township's total Net OPEB liability of \$41,228,881 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total Net OPEB liability in the December 31, 2022 actuarial valuation was determined using the 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 - 5.3 percent in 2022, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026.

Mortality rates were based on the December 31, 2021 RP-2000 Combined Health Male Mortality Rates Set Forward One Year and adjusted for Generational Improvement and December 31, 2022 Pub 2010 general classification headcount weighted mortality with generational improvement using Scale MP-2021.

Demographic assumptions were selected based on those used by the State Division of Pensions and Benefits in calculating pension benefits that were taken from the July 1, 2021 report from Cheiron. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of Local Finance Notice 2007-15.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - GASB 75, (continued)

Actuarial Assumptions, (continued)

Health care (economic) assumptions were selected based on those used by the State health Benefits Program in calculating SHBP member OPEB requirements taken from July 1, 2021 report from Aon Consultants.

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 AA/Aa 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, 2022 and December 31, 2021, based on the Bond Buyers 20 Index, were 3.72% and 2.06% respectively.

Changes in the Total Net OPEB Liability:

	<u>Total Net OPEB Liability</u>
Balance at 12/31/21	\$39,557,456
Changes for the Year:	
Service Cost	538,396
Interest Cost	814,412
Changes in Assumptions or Other Inputs	1,441,220
Benefit Payments	<u>(1,122,603)</u>
Net Change in Net OPEB Liability	<u>1,671,425</u>
Total	<u>\$41,228,881</u>

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - GASB 75, (continued)

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, 2022		
	1.00% Decrease <u>(2.72%)</u>	At Discount Rate <u>(3.72%)</u>	1.00% Increase <u>(4.72%)</u>
Net OPEB Liability	\$ 46,165,976	\$41,228,881	\$37,238,844

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, 2022		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Net OPEB Liability	\$37,600,597	\$41,228,881	\$45,726,581

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

For the year ended December 31, 2022 the actuarially determined OPEB expense reflected in the Plan report was \$1,744,586. The OPEB expense recognized in the Township's financial statement based on actual billing was \$1,113,870.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - GASB 75, (continued)

At December 31, 2023, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$2,031,211	\$ -0-
Changes of Assumptions	<u>5,301,816</u>	<u>3,789,381</u>
	<u>\$7,333,027</u>	<u>\$3,789,381</u>

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 Ended December 31,</u>	<u>Amount</u>
2023	\$391,778
2024	391,778
2025	391,778
2026	391,778
2027	391,778
Thereafter	<u>1,584,758</u>
	<u>\$3,543,648</u>

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

NOTE 15: EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On January 28, 2020, the Division of Local Government Services approved the Township's LOSAP plan, provided by Lincoln Financial Group. The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer members of rescue squads.

The Lincoln Financial Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of \$1,500.00 to each eligible volunteer who accumulates minimum service points based on criteria established by Township Ordinance No. 10-2019. The Township's annual contribution may be increased based on the consumer price index pursuant to N.J.S.A. 40 A:14-185(A).

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2023 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 16: COMMITMENTS AND CONTINGENT LIABILITIES

Federal and State Awards

The Township participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2021 may be impaired. In the opinion of management, there are not significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

Tax Appeals

The Township has established a Reserve for Tax Appeals Pending in the amount of \$27,955.71.

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(CONTINUED)**

NOTE 16: COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

Litigation

The Township of Berkeley Heights is a defendant in certain lawsuits, none of which is unusual for a municipality of its size. Additional liabilities, if not covered by insurance, would be funded from future taxation.

NOTE 17: OTHER MATTERS

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Township of Berkeley Heights is \$1,398,685.88 which will be available for use until December 31, 2024.

NOTE 18: SUBSEQUENT EVENTS

The Township has evaluated subsequent events through August 20, 2024, the date which the financial statements were available to be issued and the no items were noted for disclosure.

SUPPLEMENTARY DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate:	<u>4.225</u>	<u>4.199</u>	<u>4.176</u>
Apportionment of Tax Rate:			
Municipal	0.805	0.785	0.770
Municipal Library	0.067	0.064	0.061
County including Open Space	0.820	0.880	0.900
Local School	2.528	2.470	2.445

Assessed Valuation:

2023	\$1,840,736,255.00
2022	1,851,305,874.00
2021	1,842,215,324.00

COMPARISON OF TAX LEVIES AND COLLECTIONS 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>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2023	\$78,125,558.12	\$77,572,402.10	99.29%
2022	77,874,841.15	77,425,252.97	99.42%
2021	77,197,883.06	76,743,860.52	99.41%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the last five years. A comparison of the outstanding assessment and assessment title liens for the past five years is also shown.

<u>Taxes and Liens</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Delinquent Taxes	\$485,685.72	\$321,302.99	\$412,827.07
Tax Title Liens	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Totals	<u>\$485,685.72</u>	<u>\$321,302.99</u>	<u>\$412,827.07</u>
Percentage of each Years Tax Levy	0.62%	0.41%	0.53%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

There was no property sold or acquired during the year.

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

<u>Year</u>	<u>Amount</u>
2023	\$180,500.00
2022	180,500.00
2021	180,500.00

COMPARATIVE SCHEDULE OF FUND BALANCE

<u>Year</u>	<u>Current Fund</u>	
	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2023	\$8,301,193.04	\$4,440,000.00
2022	6,199,077.11	2,911,888.00
2021	6,770,754.54	2,824,230.00
2020	3,893,304.33	2,585,000.00
2019	2,496,389.58	1,600,000.00

ROSTER OF OFFICIALS IN OFFICE AND REPORT ON SURETY BONDS

DECEMBER 31, 2023

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	
Jeanne Kingsley	Councilwoman	
Manuel Couto	Councilman	
Susan Poage	Councilwoman	
Paul Donnelly	Councilman	
Jeff Varnerin	Councilman	
Juan Uribe	Chief Financial Officer	*
Liza Viana	Administrator	
Ana Minkoff	Township Clerk	
Rachele San Filippo	Tax Collector	*
Savo Schalk	Township Attorney	
John DeMassi	Township Judge	
Macrina Carra	Court Administrator	*
Howard Van Salisbury	Tax Assessor	

*Coverage by \$1,000,000 Blanket Position Bond with the Garden State Municipal Joint Insurance Fund.

Township of Berkeley Heights, N.J.
Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal & State Grant Fund</u>
Balance - December 31, 2022	A	\$ 11,765,279.39	\$
Increased by Receipts:			
Interest and Costs on Taxes	A-2	82,838.11	
Miscellaneous Revenue Not Anticipated	A-2	1,201,308.40	
Petty Cash	A-6	1,200.00	
Due From State - Senior Citizen and Veteran Deductions	A-7	55,689.04	
Taxes Receivable	A-8	77,466,532.41	
Revenue Accounts Receivable	A-10	8,807,134.33	
Sewer Use Charges Receivable	A-11	650,568.45	
Interfunds	A-12	2,610,044.91	
Prepaid Taxes	A-15	370,610.63	
Various Cash Liabilities and Reserves	A-18	283,510.99	
Federal and State Grants Receivable	A-19		367,106.79
Matching Funds for Grants	A-20		70,000.00
Unappropriated Reserves	A-21		16,861.94
Interfund - Current Fund	A-22		828,148.62
		91,529,437.27	1,282,117.35
		103,294,716.66	1,282,117.35
Decreased by Disbursements:			
Refund of Prior Year Revenue	A-1	14,806.19	
Current Year Budget Appropriations	A-3	22,363,005.39	
Matching Funds for Grants	A-3	70,000.00	
Petty Cash	A-6	1,100.00	
Interfunds	A-12	828,498.62	
Appropriation Reserves	A-13	2,262,545.15	
Local District School Taxes	A-16	46,297,857.32	
County Taxes Payable	A-17	15,222,278.58	
Various Cash Liabilities and Reserves	A-19	680,692.15	
Unappropriated Reserves	A-21		699,342.95
Encumbrances Payable	A-23		582,774.40
		87,740,783.40	1,282,117.35
Balance - December 31, 2023	A	\$ 15,553,933.26	\$ 0.00

Township of Berkeley Heights, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ <u>400.00</u>
Balance - December 31, 2023	A	\$ <u>400.00</u>
<u>Analysis of Balance:</u>		
Tax Collector		200.00
Clerk		100.00
Municipal Court		<u>100.00</u>
		<u>400.00</u>

Schedule of Cash - Petty Cash

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 100.00
Increased by:		
Disbursed	A-4	<u>1,100.00</u>
		1,200.00
Decreased by:		
Returned to Treasurer	A-4	<u>1,200.00</u>
Balance - December 31, 2023	A	\$ <u> </u>

Township of Berkeley Heights, N.J.

**Schedule of Amount Due to/from State of New Jersey
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976**

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>		
Balance - December 31, 2022 - Due from	A	\$	1,488.21
Decreased by:			
Senior Citizens' and Veterans' Deductions Per Tax Billings	A-8	53,750.00	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	A-8	1,250.00	
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector	A-8	<u>(1,500.00)</u>	53,500.00
Less:			
Cash Receipts - State of NJ	A-4		<u>55,689.04</u>
Balance - December 31, 2023 - Due to	A	\$	<u><u>(700.83)</u></u>

Township of Berkeley Heights, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2023

Year	Balance, Dec. 31, 2022	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2023
				2022	2023				
2022	\$ 321,302.99				307,028.95			14,274.04	
2023		77,771,117.93	354,440.19	359,398.64	77,159,503.46	53,500.00		67,470.30	485,685.72
	\$ 321,302.99	77,771,117.93	354,440.19	359,398.64	77,466,532.41	53,500.00		81,744.34	485,685.72
	A			A-2/A-15	A-2/A-4	A-2/A-7			A

Analysis of Tax Levy

Tax yield:	Ref.	
General Purpose Tax		77,731,853.53
Utilities		39,264.40
Added Tax (R.S. 54:4-63.1 et seq.)		354,440.19
		<u>78,125,558.12</u>
Tax Levy:		
Local District School Tax	A-16	46,535,218.00
County Tax - General	A-17	14,636,769.05
County Tax - Open Space	A-17	556,324.30
Added County Taxes	A-17	69,770.02
		<u>15,262,863.37</u>
Local Tax for Municipal Purposes	A-2	61,798,081.37
Additional Taxes		291,373.68
		<u>16,327,476.75</u>
		<u>78,125,558.12</u>

Township of Berkeley Heights, N.J.

Schedule of Property Acquired for
Taxes Assessed Valuation

Current Fund

Year Ended December 31, 2023

Balance - December 31, 2022	<u>Ref.</u> A	\$ <u>180,500.00</u>
Balance - December 31, 2023	A	\$ <u>180,500.00</u>

Township of Berkeley Heights, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2023

	Ref.	Balance Dec. 31, 2022	Accrued	Collected	Balance Dec. 31, 2023
Clerk:					
Licenses:					
Alcoholic beverages	A-2	\$	18,434.40	18,434.40	
Other	A-2		1,360.00	1,360.00	
Fees and Permits	A-2		263,356.23	261,864.96	1,491.27
Police					
Fees and Permits	A-2		2,770.00	2,770.00	
Engineering Department					
Fees and Permits	A-2		172,040.00	172,040.00	
Registrar					
Other Licenses	A-2		72.00	72.00	
Board of Health					
Fees and Permits	A-2		23,430.00	23,430.00	
Planning Board					
Fees and Permits	A-2		12,600.00	12,600.00	
Board of Adjustment					
Fees and Permits	A-2		9,920.00	9,920.00	
Municipal Court :					
Fines and Costs	A-2	2,446.26	34,425.89	33,390.72	3,481.43
Interest on Investments	A-2		678,728.17	678,728.17	
Uniform Construction Code Fees					
Construction Fees	A-2		1,331,980.00	1,331,980.00	
Energy Receipts Taxes	A-2		1,551,240.12	1,551,240.12	
Municipal Relief Fund	A-2		80,363.21	80,363.21	
Sewer Connection Fees	A-2		2,653,850.98	2,653,850.98	
Interlocal - Board of Ed. - Vehicle Maintenance	A-2		25,000.00	25,000.00	
Interlocal - Board of Ed. - Police Services	A-2		25,000.00	25,000.00	
American Resecue Plan - LFRF	A-2		699,342.95	699,342.95	
Library Reimbursement of Costs	A-2		260,100.00	260,100.00	
Cable TV Franchise Fee	A-2		171,737.28	171,737.28	
Hotel Occupancy Tax Revenue	A-2		320,141.70	320,141.70	
Rents on Township Owned Property	A-2		360,659.93	343,600.09	17,059.84
Uniform Fire Safety Act	A-2		53,570.34	53,570.34	
Police Escort Administration Fees	A-2		34,972.50	34,972.50	
Union County - Lease of Salt Dome	A-2	61,606.04	60,382.08	121,988.12	
Reserve for Sale of Municipal Assets	A-2		154,000.00	154,000.00	
		\$	64,052.30	8,999,477.78	9,041,497.54
			A		A
	Ref.				
Reserve for Sale of Municipal Assets	A-20			154,000.00	
Reserve for Municipal Relief Fund	A-20			80,363.21	
Receipts	A-4			8,807,134.33	
				<u>9,041,497.54</u>	

Township of Berkeley Heights, N.J.

Schedule of Sewer User Charge Receivable

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 305,333.88
Increased by:		
Sewer Billings	Reserve	<u>536,592.97</u>
		841,926.85
Decreased by:		
Collections	A-2/A-4	<u>650,568.45</u>
Balance - December 31, 2023	A	<u><u>\$ 191,358.40</u></u>

Township of Berkeley Heights, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2023

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance <u>Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance <u>Dec. 31, 2023</u>
Other Trust Fund	A	\$ (100.00)	350.00		250.00
General Capital Fund	A			2,695,498.01	(2,695,498.01)
Federal and State Grant Fund	A	(457,779.99)	828,148.62		370,368.63
Animal License Fund	A	(1,792.00)	1,822.22		30.22
		<u>\$ (459,671.99)</u>	<u>830,320.84</u>	<u>2,695,498.01</u>	<u>(2,324,849.16)</u>
 <u>Analysis</u>					
Due to Current Fund	A/A-1				370,648.85
Due From Current Fund	A	(459,671.99)			(2,695,498.01)
		<u>(459,671.99)</u>			<u>(2,324,849.16)</u>
Disbursed	A-4		828,498.62		
Received	A-4			2,610,044.91	
Current Appropriations	A-3			85,453.10	
Statutory Excess Animal License Fund	A-1		1,822.22		
			<u>830,320.84</u>	<u>2,695,498.01</u>	

Township of Berkeley Heights, N.J.

Schedule of Appropriation Reserves

Page 1 of 3

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 222.75	222.75		222.75
Clerk	2,522.55	2,522.55		2,522.55
Collection of Taxes	16.82	16.82		16.82
Assessment of Taxes	16,614.87	16,614.87		16,614.87
Engineering Services and Costs	7,796.64	7,796.64		7,796.64
Planning Board	2,029.95	2,029.95		2,029.95
Municipal Court	1,000.00	1,000.00		1,000.00
Public Defender	2,262.24	2,262.24		2,262.24
Police	102,422.11	102,422.11	92,624.62	9,797.49
Crossing Guards	9,286.50	9,286.50	9,286.50	
Emergency Management	0.40	0.40		0.40
Fire Prevention	5,944.43	5,944.43		5,944.43
Prosecutor	1,000.00	1,000.00		1,000.00
Streets and Roads	37,809.52	27,809.52		27,809.52
Snow Removal	12,253.38	12,253.38		12,253.38
Public Buildings and Grounds	45,134.77	35,134.77		35,134.77
Vehicle Maintenance	24,514.79	14,514.79		14,514.79
Sewer Plant	6,162.51	6,162.51		6,162.51
Recreation	15,042.45	15,042.45		15,042.45
Construction Official	15,892.86	15,892.86		15,892.86
Total Salaries and Wages Within "CAPS"	<u>307,929.54</u>	<u>277,929.54</u>	<u>101,911.12</u>	<u>176,018.42</u>
Other Expenses Within "CAPS":				
Administrative and Executive	4,041.58	23,082.56	22,834.51	248.05
Mayor	750.00	750.00	60.00	690.00
Township Council	2,063.00	2,063.00		2,063.00
Clerk	14,862.35	16,596.86	1,734.51	14,862.35
Financial Administration	3,361.37	33,692.37	30,331.00	3,361.37
Audit Services	600.00	600.00		600.00
Collection of Taxes	1,826.54	1,826.54	146.58	1,679.96
Assessment of Taxes	41,750.75	44,120.67	28,829.92	15,290.75
Legal Services and Costs	86,357.70	89,731.70	25,428.35	64,303.35
Engineering Services and Costs	30,534.65	61,321.65	57,391.00	3,930.65
Environmental Committee	1,125.00	1,125.00		1,125.00
Planning Board	31,629.92	35,694.55	9,490.88	26,203.67
Board of Adjustment	1,751.45	2,711.45	1,409.50	1,301.95
Insurance:				
General Liability	8,449.86	22,975.56	14,525.70	8,449.86
Group Insurance for Employees	245,133.67	245,133.67		245,133.67
Health Benefit Waiver	4,645.87	4,645.87		4,645.87

Township of Berkeley Heights, N.J.

Schedule of Appropriation Reserves

Page 2 of 3

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, 2022	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Municipal Court	2,700.00	2,700.00		2,700.00
Police	25,812.52	47,682.20	31,158.51	16,523.69
Crossing Guards	2,901.85	4,814.75	2,887.90	1,926.85
Emergency Management Services	291.70	1,775.00	1,305.70	469.30
Rescue Squad		7,548.35	7,548.35	
Fire	1,662.84	35,103.81	30,727.16	4,376.65
Fire Prevention	2,966.87	6,595.48	3,616.76	2,978.72
Streets and Roads	3,640.00	15,250.43	11,042.37	4,208.06
Snow Removal	46,253.00	60,163.56	9,548.00	50,615.56
Public Building and Grounds	5,476.36	22,064.71	20,137.31	1,927.40
Vehicle Maintenance	22,871.63	37,400.15	14,164.53	23,235.62
Solid Waste	15,188.95	93,581.04	79,583.26	13,997.78
Sewer Plant	8,815.65	361,122.63	349,887.25	11,235.38
Condominium Reimbursement	30,000.00	30,000.00		30,000.00
Board of Health	6,658.64	8,329.32	1,670.68	6,658.64
Welfare Administration	1,000.00	1,000.00		1,000.00
Recreation	413.64	3,286.94	3,006.99	279.95
Construction Code Official	61,199.78	58,727.15	7,909.35	50,817.80
Electricity	29,156.03	45,515.37	45,515.37	
Telephone & Telegraph	6,566.71	21,152.66	15,991.46	5,161.20
Natural Gas	32,035.91	62,504.77	51,886.77	10,618.00
Street Lighting	20,772.40	30,670.32	22,773.05	7,897.27
Water	14,062.68	16,815.51	4,677.38	12,138.13
Fire Hydrant Services	7,753.38	37,806.58	37,806.58	
Gasoline	42,339.05	71,631.77	32,257.65	39,374.12
Total Other Expenses Within "CAPS"	<u>869,423.30</u>	<u>1,669,313.95</u>	<u>977,284.33</u>	<u>692,029.62</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Public Employees' Retirement System	352.72	352.72		352.72
Social Security (O.A.S.I.)	5,305.57	5,305.57		5,305.57
Police and Fireman's Retirement System	1,293.57	1,293.57		1,293.57
Defined Contribution Retirement Plan	34.52	34.52		34.52
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>6,986.38</u>	<u>6,986.38</u>		<u>6,986.38</u>
Total Reserves Within "CAPS"	<u>1,184,339.22</u>	<u>1,954,229.87</u>	<u>1,079,195.45</u>	<u>875,034.42</u>
Salaries & Wages Excluded From "CAPS":				
Brd. Of Education - Vehicle Maintenance	3,500.00	3,500.00		3,500.00

Township of Berkeley Heights, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, 2022	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Total Salary & Wages Excluded From "CAPS"	<u>3,500.00</u>	<u>3,500.00</u>		<u>3,500.00</u>
Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library	112,625.01	112,625.01	112,625.01	
Emergency Services Volunteer Length of Service Award Program	25,000.00	25,000.00	25,000.00	
Reserve for Tax Appeals	168,522.99	174,353.99	174,353.99	
Sewer - New Providence	24,444.48	24,444.48		24,444.48
Borough of New Providence - Court Services	18,491.91	18,491.91	2,969.90	15,522.01
Borough of Madison - Information Technology	6,576.96	12,683.64	9,154.97	3,528.67
Board of Ed. - GLTV	1,500.00	1,500.00		1,500.00
County of Union - Health Services		31,212.00	31,212.00	
County of Union - DPW Manager		12,506.50	12,506.50	
Brd. Of Education - Vehicle Maintenance	3,472.39	4,129.04	656.65	3,472.39
Total Other Expenses Excluded from "CAPS"	<u>360,633.74</u>	<u>416,946.57</u>	<u>368,479.02</u>	<u>48,467.55</u>
Capital Improvement - Acq. Of Police Vehicles	0.44	34,972.50	34,972.50	
Capital Improvement - Stream Cleaning	27,750.00	128,176.69	115,020.00	13,156.69
Capital Improvement - Code Scanning		37,903.00	37,903.00	
Capital Improvement - Catch Basin Repairs	1,000.00	129,750.00	128,750.00	1,000.00
Capital Improvement - Road/Drainage Projects	619,464.26	632,080.86	523,661.18	108,419.68
Capital Improvement - Traffic Signal Upgrades		6,435.00	6,435.00	
Capital Improvement - Vehicles & Equipment		196,298.53	195,884.27	414.26
Capital Improvement - Sewer Parts & Improvemen	<u>87,358.00</u>	<u>283,720.00</u>	<u>161,126.25</u>	<u>122,593.75</u>
Total Capital Improvements from "CAPS"	<u>735,572.70</u>	<u>1,449,336.58</u>	<u>1,203,752.20</u>	<u>245,584.38</u>
Total Reserves Excluded from "CAPS"	<u>1,099,706.44</u>	<u>1,869,783.15</u>	<u>1,572,231.22</u>	<u>297,551.93</u>
Total Reserves	<u>\$ 2,284,045.66</u>	<u>3,824,013.02</u>	<u>2,651,426.67</u>	<u>1,172,586.35</u>
	A			A-1
	Ref.			
Appropriation Reserves	above	2,284,045.66		
Transfer from Reserve for Encumbrances	A-14	<u>1,539,967.36</u>		
		<u>3,824,013.02</u>		
Cash Disbursements	A-4		2,262,545.15	
Transfer to Reserve for Encumbrances	A-14		214,527.53	
Transfer to Reserve for Tax Appeals	A-18		<u>174,353.99</u>	
			<u>2,651,426.67</u>	

Township of Berkeley Heights, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2023

Balance - December 31, 2022	<u>Ref.</u> A	\$ 1,619,770.60
Increased by:		
Transfer from Appropriation Reserves	A-13	214,527.53
Transfer from Current Appropriations	A-3	<u>1,146,200.32</u>
		2,980,498.45
Decreased by:		
Transfer to Appropriation Reserves	A-13	<u>1,539,967.36</u>
Balance - December 31, 2023	A	\$ <u><u>1,440,531.09</u></u>

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2023

Balance - December 31, 2022	<u>Ref.</u> A	\$ 359,398.64
Increased by:		
Receipts - Prepaid 20224 Taxes	A-4	<u>370,610.63</u>
		730,009.27
Decreased by:		
Applied to 2023 Taxes	A-8	<u>359,398.64</u>
Balance - December 31, 2023	A	\$ <u><u>370,610.63</u></u>

Township of Berkeley Heights, N.J.

Schedule of Local District School Tax Payable/(Prepaid)

Current Fund

Year Ended December 31, 2023

Balance - December 31, 2022	<u>Ref.</u> A	(Prepaid)	(237,349.20)
Increased by:			
Levy Calendar Year - 2023	A-1/A-8		\$ <u>46,535,218.00</u>
			46,297,868.80
Decreased by:			
Payments	A-4		\$ <u>46,297,857.32</u>
Balance - December 31, 2023	A		<u><u>11.48</u></u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2023

Balance - December 31, 2022	<u>Ref.</u> A		\$ 29,185.23
Increased by:			
Levy - General County	A-1/A-8	14,636,769.05	
Levy - Open Space	A-1/A-8	556,324.30	
Added and Omitted Taxes	A-1/A-8	<u>69,770.02</u>	
			<u>15,262,863.37</u>
			15,292,048.60
Decreased by:			
Payments	A-4		<u>15,222,278.58</u>
Balance - December 31, 2023	A		<u><u>\$ 69,770.02</u></u>

Township of Berkeley Heights, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2023

<u>Liabilities and Reserves</u>	Balance, Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2023</u>
<u>Liabilities:</u>				
Tax Overpayments	\$ 2,141.02	44,395.06	46,536.08	
Accounts Payable	103,603.95		10,607.60	92,996.35
Due to State of New Jersey:				
Construction Code Surcharge	12,861.00	77,824.00	12,861.00	77,824.00
Marriage License Surcharge		600.00		600.00
<u>Reserves for:</u>				
Sale of Municipal Assets	256,860.00		154,000.00	102,860.00
Municipal Relief Aid	80,363.21	160,691.93	80,363.21	160,691.93
Preparation of Tax Maps	21,000.00			21,000.00
Tax Appeals	339,289.19	299,353.99	610,687.47	27,955.71
	<u>\$ 816,118.37</u>	<u>582,864.98</u>	<u>915,055.36</u>	<u>483,927.99</u>
	A			A
	<u>Ref.</u>			
2023 Anticipated Revenue	A-2		234,363.21	
2023 Budget Appropriation	A-3	125,000.00		
2022 Appropriation Reserves	A-13	174,353.99		
Receipts	A-4	283,510.99		
Disbursed	A-4		680,692.15	
		<u>582,864.98</u>	<u>915,055.36</u>	

Township of Berkeley Heights, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2023

Grant	Balance, Dec. 31, <u>2022</u>	Budget Revenue	Received	Balance, Dec. 31, <u>2023</u>
County & Local Grants:				
Union County Inclusive Grant	\$	3,200.00		3,200.00
Local Arts Grant LAP		3,700.00		3,700.00
Greening Union County Grant	3,818.00	30,300.00		34,118.00
Overlook Hospital Grant		3,290.00		3,290.00
Greening Union County Trees		4,000.00		4,000.00
Historical Commission Grant	5,000.00			5,000.00
2020 History Grant Program	2,000.00			2,000.00
Union County Arts Grant		3,750.00		3,750.00
FM Global Fire Prevention Grant		2,000.00		2,000.00
Union County HEART - History, Education & Arts	1,250.00		1,250.00	
Union County Historic Preservation	103,000.00	40,000.00		143,000.00
2020 History Grant Program	24,445.80			24,445.80
Union County Infrastructure Grant	60,000.00	70,000.00	60,000.00	70,000.00
Union County Kids Recreation	117,100.00		25,991.51	91,108.49
Municipal Alliance	26,102.69			26,102.69
PSEG Sustainable Jersey Small Grant	4,000.00			4,000.00
AJNEC Grant	500.00			500.00
	<u>347,216.49</u>	<u>160,240.00</u>	<u>87,241.51</u>	<u>420,214.98</u>
Federal Grants:				
Distracted Driving Grant	1,750.00			1,750.00
CDBG - Senior Citizen Center Program	15,255.13	15,750.00	14,250.00	16,755.13
Click-It or Ticket	1,500.00			1,500.00
Drive Sober or Get Pulled Over		7,000.00		7,000.00
ARP Firefighter Grant		27,000.00		27,000.00
National Opioid Settlement		11,465.16	11,465.16	
NJDOT Lawrence Ave. Project	113,750.00			113,750.00
	<u>132,255.13</u>	<u>61,215.16</u>	<u>25,715.16</u>	<u>167,755.13</u>
State Grants				
Body Armor Replacement Fund		1,619.75		1,619.75
DCA Local Recreation Improvement Grant		85,000.00		85,000.00
Clean Communities		30,737.92	30,737.92	
Body Worn Camera Grant	59,102.00			59,102.00
DEP EV Charging Station Grant	6,000.00			6,000.00
State of NJ - Emergency Temporary Flare Grant	350,000.00			350,000.00
LEAF - Local Efficiency Achievement	189,000.00		179,351.38	9,648.62
NJ Historic Preservation Grant	60,000.00		14,064.02	45,935.98
NJDEP RGGI Natural Climate Grant		721,000.00		721,000.00
Stormwater Assistance Grant		25,000.00	15,000.00	10,000.00
Spotted Lantern Fly Grant		15,000.00	14,996.80	3.20
	<u>664,102.00</u>	<u>878,357.67</u>	<u>254,150.12</u>	<u>1,288,309.55</u>
	<u>\$ 1,143,573.62</u>	<u>1,099,812.83</u>	<u>367,106.79</u>	<u>1,876,279.66</u>
	A	A-2		A
		Ref.		
	Cash Receipts	A-4	<u>367,106.79</u>	
			<u>367,106.79</u>	

Township of Berkeley Heights, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2023

<u>Grant</u>	Balance, Dec. 31, 2022	Transfer From 2023 Budget	<u>Expended</u>	Balance, Dec. 31, 2023
County & Local Grants:				
Union County Inclusive Grant	\$	3,200.00		3,200.00
Local Arts Grant LAP		3,700.00	3,700.00	
Greening Union County Grant	4,000.00			4,000.00
Greening Union County Grant - Match	3,000.00			3,000.00
Greening Union County Trees		4,000.00		4,000.00
Greening Union County Kids Recreation	11,916.20	30,300.00		42,216.20
Union County Arts Grant		3,750.00		3,750.00
Overlook Hospital Grant		3,290.00	3,249.00	41.00
FM Global Fire Prevention Grant		2,000.00	2,000.00	
PSE&G Emergency Service				
Stormwater Management Grant				
Union County Resource Recovery	8,652.80			8,652.80
Union County Infrastructure	1,684.00	70,000.00	71,684.00	
Union County Infrastructure - Match		70,000.00	70,000.00	
Union County Historic Preservation	95,729.94	40,000.00	5,775.00	129,954.94
Union County Historic Preservation - Match	10,000.00			10,000.00
Union County Kids Recreation	98,981.16		11,564.50	87,416.66
Municipal Alliance -2020	7,308.17			7,308.17
Municipal Alliance - 2020 Match	2,557.50			2,557.50
Municipal Alliance -2021	11,246.00			11,246.00
Municipal Alliance - 2021 Match	2,811.50			2,811.50
Municipal Alliance -2022	6,318.00			6,318.00
Municipal Alliance - 2022 Match	1,580.00			1,580.00
Comcast Technology Grant	96.42			96.42
AARP Grant	1,978.36			1,978.36
PSEG Sustainable Jersey Small Grant	82.00			82.00
Recycling Enhancement	14,400.00		2,233.33	12,166.67
PSEG Sustainable Jersey Small Grant	10,000.50			10,000.50
	<u>292,342.55</u>	<u>230,240.00</u>	<u>170,205.83</u>	<u>352,376.72</u>
Federal Grants:				
CDBG - Senior Citizen Center Program	12,159.91	15,750.00	12,102.88	15,807.03
ARP Firefighter Grant		27,000.00	26,696.76	303.24
National Opioid Settlement		11,465.16		11,465.16
Click-It or Ticket	6,000.00			6,000.00
Distracted Driving Grant	7,000.00			7,000.00
Drive Sober or Get Pulled Over	5,500.00	7,000.00		12,500.00
	<u>30,659.91</u>	<u>61,215.16</u>	<u>38,799.64</u>	<u>53,075.43</u>
State Grants:				
Drunk Driving Enforcement Fund	16.87			16.87
Body Armor Replacement Grant	202.52	1,619.75	1,784.76	37.51
DEP - EV Charging Station	6,000.00		6,000.00	
LEAF - Local Efficiency Achievement	5,331.66		(586.66)	5,918.32
State of NJ DCA - Emergency Temporary Flare Grant	219,891.64		214,738.91	5,152.73
NJ Historic Preservation Grant	54,410.50			54,410.50
Clean Communities Grant		30,737.92	30,677.62	60.30
Recycling Tonnage Grant	21,850.98		21,850.98	
Stormwater Assistance Grant		25,000.00		25,000.00
Spotted Lantern Fly Grant		15,000.00	14,996.80	3.20
NJDEP RGGI Natural Climate Grant		721,000.00	3,504.17	717,495.83
DCA Local Recreation Improvement Grant		85,000.00	39,640.86	45,359.14
Alcohol Education & Rehab Grant	14,492.44		700.00	13,792.44
	<u>322,196.61</u>	<u>878,357.67</u>	<u>333,307.44</u>	<u>867,246.84</u>
	<u>\$ 645,199.07</u>	<u>1,169,812.83</u>	<u>542,312.91</u>	<u>1,272,698.99</u>
	A		A-23	A
	<u>Ref.</u>			
State and Federal Grants	A-3	1,099,812.83		
Matching Funds for Grants	A-3,A-4	70,000.00		
		<u>1,169,812.83</u>		

Township of Berkeley Heights, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2023

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Transfer to</u> <u>Current</u> <u>Fund</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Clean Communities Grant	\$ 27,405.00			27,405.00
Recycling Tonnage Grant			9,945.56	9,945.56
Body Armor Replacement	2,057.80		2,547.62	4,605.42
Alcohol, Education & Rehab. Fund	1,737.26		1,038.36	2,775.62
National Opiod Settlement	5,603.22		3,330.40	8,933.62
American Rescue Plan	<u>699,342.95</u>	<u>699,342.95</u>		
	<u>\$ 736,146.23</u>	<u>699,342.95</u>	<u>16,861.94</u>	<u>53,665.22</u>
	A	A-4	A-4	A

Township of Berkeley Heights, N.J.

Schedule of Interfund Current Fund

Federal and State Grant Fund

Year Ended December 31, 2023

Balance - December 31, 2022	- Due from	<u>Ref.</u> A	\$ 457,779.99
Decreased by:			
Receipts		A-4	<u>828,148.62</u>
			<u>828,148.62</u>
Balance - December 31, 2023	- Due to	A	\$ <u><u>(370,368.63)</u></u>

Schedule of Encumbrance Payable

Federal and State Grant Fund

Year Ended December 31, 2023

Balance - December 31, 2022		<u>Ref.</u> A	220,008.31
Increased by:			
Transfer from Appropriated Grant Reserves		A-20	<u>542,312.91</u>
			762,321.22
Decreased by:			
Cash Disbursements		A-4	<u>582,774.40</u>
Balance - December 31, 2023		A	<u><u>179,546.82</u></u>

Township of Berkeley Heights, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Animal License Fund</u>	<u>Other Trust Fund</u>	<u>Emergency Services Volunteers LOSAP</u>
Balance - December 31, 2022	B	\$ 8,847.06	5,650,737.89	49,407.42
Increase by Receipts:				
Dog License Fees - Borough	B-3	5,644.20		
Cat Licenses	B-3	480.00		
Replacement/Late Fees	B-3	204.00		
State Share Dog License Fees	B-4	556.80		
Other Trust Funds	B-5		1,753,420.32	
Payroll Deductions Payable	B-6		9,028,279.01	
Reserve for Escrow Deposits	B-7		383,759.44	
Reserve for Recreation	B-8		829,699.45	
LOSAP Contributions	B-9			26,194.77
Net Assets Available for Benefits	B-10			7,160.92
Total Receipts		<u>6,885.00</u>	<u>11,995,508.22</u>	<u>33,355.69</u>
		<u>15,732.06</u>	<u>17,646,246.11</u>	<u>82,763.11</u>
Decreased by Disbursements:				
Interfund - Current Fund	B-2			
Reserve for Dog Expenditures	B-3	1,894.84		
State Share Dog License Fees	B-4	560.40		
Other Trust Funds	B-5		1,868,855.40	
Payroll Deductions Payable	B-6		9,016,192.37	
Reserve for Escrow Deposits	B-7		350,754.66	
Reserve for Recreation	B-8		515,516.51	
Net Assets Available for Benefits	B-10			500.00
Total Disbursements		<u>2,455.24</u>	<u>11,751,318.94</u>	<u>500.00</u>
Balance - December 31, 2023	B	\$ <u>13,276.82</u>	<u>5,894,927.17</u>	<u>82,263.11</u>

Township of Berkeley Heights, N.J.

Schedule of Due from/(to) Current Fund

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Total</u>	<u>Other Trust Fund</u>	<u>Animal License Fund</u>
Balance - December 31, 2022	B	\$ 1,892.00	100.00	1,792.00
Decreased by:				
Statutory Excess Animal Fund	B-3	1,822.22		1,822.22
Receipts	B-11	<u>350.00</u>	<u>350.00</u>	<u> </u>
Balance - December 31, 2023	B	<u><u>(280.22)</u></u>	<u><u>(250.00)</u></u>	<u><u>(30.22)</u></u>

Township of Berkeley Heights, N.J.
Reserve for Animal License Fund Expenditures

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 10,635.46
Increased by:		
Dog License Fees - Borough Share	B-1	5,644.20
Cat Licenses	B-1	480.00
Replacement/Late Fees	B-1	<u>204.00</u>
		<u>6,328.20</u>
		16,963.66
Decreased by:		
Statutory Excess	B-2	1,822.22
Expenditures Under N.J.S. 40A:4-39	B-1	<u>1,894.84</u>
		<u>3,717.06</u>
Balance - December 31, 2023	B	<u>\$ 13,246.60</u>

License Fees Collected

2022		6,765.20
2021		<u>6,481.40</u>
		<u>\$ 13,246.60</u>

Due to State of New Jersey

Trust Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 3.60
Increased by:		
State Share of Dog License Fee	B-1	<u>556.80</u>
		560.40
Decreased by:		
Disbursed	B-1	<u>560.40</u>
Balance - December 31, 2023	B	<u>\$ 0.00</u>

Township of Berkeley Heights, N.J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2023

Purpose	Balance		Increase	Decrease	Balance	
	Dec. 31, 2022	Dec. 31, 2023			Dec. 31, 2022	Dec. 31, 2023
Police Outside Overtime Duty	\$ 158,230.66	841,913.07	841,913.07	851,880.19	148,263.54	
C.O.A.H.	2,099,411.55	289,274.75	289,274.75	201,007.61	2,187,678.69	
Forfeitures Accounts	6,304.73	113.12	113.12		6,417.85	
DOJ Equitable Sharing	19,161.70	288.33	288.33	4,892.18	14,557.85	
Tax Sale Premium	260,500.00	105,000.00	105,000.00	258,500.00	107,000.00	
Parking Offenses Adjudication Act	523.96	18.00	18.00		541.96	
Tree Deposits	24,457.13	900.00	900.00	10,202.88	15,154.25	
Recycling	176,931.20	2,810.00	2,810.00		179,741.20	
Fire Sub-Code	31,928.52	18,100.00	18,100.00	6,114.86	43,913.66	
Public Defender Fees	11,652.41	1,900.00	1,900.00	1,900.00	11,652.41	
Peppertown Park Project	5,848.98	100,000.00	100,000.00	27,040.00	78,808.98	
Donations	19,431.24	10,989.66	10,989.66		30,420.90	
Donations Celebration of Public Events	2,250.00				2,250.00	
Youth Academy Donation	6,507.30	5,100.00	5,100.00	3,670.00	7,937.30	
Green Acres (Lord Little Farmstead)	215,320.61	7,916.00	7,916.00	260.00	222,976.61	
Tax Redemption	1,689.87	237,307.52	237,307.52	237,307.52	1,689.87	
Snow Removal/Storm Recovery Reserve	192,138.58			67,023.57	125,115.01	
Miscellaneous	27,967.18	16,688.35	16,688.35	13,642.82	31,012.71	
Accumulated Sick Time	278,134.28	112,315.12	112,315.12	150,380.43	240,068.97	
State Unemployment Insurance	120,919.70	2,786.40	2,786.40	35,033.34	88,672.76	
	<u>\$ 3,659,309.60</u>	<u>1,753,420.32</u>	<u>1,753,420.32</u>	<u>1,868,855.40</u>	<u>3,543,874.52</u>	<u>B</u>
Receipts	Ref.		1,753,420.32			
Disbursed	B-1			1,868,855.40		
	B-1		<u>1,753,420.32</u>	<u>1,868,855.40</u>		

Township of Berkeley Heights, N.J.

Schedule of Payroll Deductions Payable

Trust Funds

Year Ended December 31, 2023

<u>Account</u>	<u>Balance Dec. 31, 2022</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance Dec. 31, 2023</u>
Payroll Agency	\$ 81,444.29	<u>9,028,279.01</u>	<u>9,016,192.37</u>	<u>93,530.93</u>
	<u>\$ 81,444.29</u>	<u><u>9,028,279.01</u></u>	<u><u>9,016,192.37</u></u>	<u><u>93,530.93</u></u>
		<u>B</u>	<u>B-I</u>	<u>B</u>

Township of Berkeley Heights, N.J.
Schedule of Reserve for Escrow Deposits

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 1,285,846.55
Increased by:		
Receipts	B-1	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; margin-right: 10px;">383,759.44</div> <hr style="width: 100px; border: 0.5px solid black;"/> </div>
		1,669,605.99
Decreased by:		
Disbursed	B-1	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; margin-right: 10px;">350,754.66</div> <hr style="width: 100px; border: 0.5px solid black;"/> </div>
Balance - December 31, 2023	B	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; margin-right: 10px;">\$ 1,318,851.33</div> <hr style="width: 100px; border: 1px solid black;"/> </div>

Schedule of Reserve for Recreation

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 624,237.45
Increased by:		
Receipts	B-1	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; margin-right: 10px;">829,699.45</div> <hr style="width: 100px; border: 0.5px solid black;"/> </div>
		1,453,936.90
Decreased by:		
Disbursed	B-1	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; margin-right: 10px;">515,516.51</div> <hr style="width: 100px; border: 0.5px solid black;"/> </div>
Balance - December 31, 2023	B	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; margin-right: 10px;">\$ 938,420.39</div> <hr style="width: 100px; border: 1px solid black;"/> </div>

Township of Berkeley Heights, N.J.

LOSAP Contribution Receivable

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 26,194.77
Increased by:		
Borough Contributions	B-10	<u>24,203.88</u>
		50,398.65
Decreased by:		
Received	B-1	<u>26,194.77</u>
		<u>26,194.77</u>
Balance - December 31, 2023	B	<u>\$ 24,203.88</u>

**Schedule of Emergency Services Volunteer Length
of Service Award Program - Net Assets Available for Benefits**

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 75,602.19
Increased by:		
Borough Contributions	B-9	24,203.88
Increase in Investment Value	B-1	<u>7,160.92</u>
		<u>31,364.80</u>
		106,966.99
Decreased by:		
Administrative Charges		<u>500.00</u>
	B-1	<u>500.00</u>
Balance - December 31, 2023	B	<u>\$ 106,466.99</u>

Township of Berkeley Heights, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>		
Balance - December 31, 2022	C		\$ 6,711,248.25
Increased by Receipts:			
Premium on Sale of Bonds & Notes	C-1	74,166.97	
Deferred Charges to Future Taxation - Unfunded	C-6	325,000.00	
Serial Bonds Issued	C-10	7,795,000.00	
Bond Anticipation Notes	C-11	2,159,673.00	
Budget Appropriations:			
Capital Improvement Fund	C-13	250,000.00	
Various Reserves	C-15	<u>12,150.00</u>	
			<u>10,615,989.97</u>
			17,327,238.22
Decreased by Disbursements:			
Bond Anticipation Notes	C-11	8,898,372.00	
Interfund Current Fund	C-7	586,022.42	
Contracts/Encumbrances Payable	C-14	3,217,748.65	
Various Reserves	C-15	<u>41,110.77</u>	
			<u>12,743,253.84</u>
Balance - December 31, 2023	C		\$ <u><u>4,583,984.38</u></u>

Township of Berkeley Heights, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2023

Fund Balance	<u>Ref.</u>	
Interfund - Current Fund	C-1	\$ 383,240.61
Various Receivables	C-7	(2,695,498.01)
Capital Improvement Fund	C-4	(983,578.20)
Contracts/Encumbrances Payable	C-13	556,872.80
Various Reserves	C-14	3,617,092.09
	C-15	784,742.46

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
07-13/08-26	Various Improvements to WW Treatment Plant	(0.27)
04-17	Municipal Complex Redevelopment Project	650.00
21-17	Various Capital Improvements & Equipment	759.05
12-18	Aid to Municipal Complex Redevelopment Project	10,253.51
09-18	Various Capital Improvements	1,527.03
07-19/06-21	Various Capital Improvements	76,793.42
08-19/	Acq. Of Equipment & Instalation of a Supervisory	
21-20	Control & Data Acq. For Sewer System	(19,700.78)
09-19	Various Sewer Improvements	45,000.00
09-20	Various Capital Improvements	199,188.77
11-20	Redevelopment of Municipal Complex	592,500.57
10-21	Various Capital Improvements	114,962.81
11-21	Park Improvements	106.64
08-22	Various Capital Improvements	1,082,769.16
09-22	Various Capital Improvements	473,916.34
08-23	Various Capital Improvements	1,916,747.88
10-23	Acquisition of Jet Vac Truck	(588,991.68)
11-23	Sewer Treatment Plant Upgrade	(999,761.37)
12-23	Improvememnts to the Waste Water Treatment Plant	14,391.55
		<u>\$ 4,583,984.38</u>

Township of Berkeley Heights, N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2023

	<u>Balance</u>	<u>Grants/</u>	<u>Decrease</u>	<u>Balance</u>
	<u>Dec. 31, 2022</u>	<u>Contributions</u>	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2023</u>
State of New Jersey				
DOT Grants Receivable				
Ord. 7-2019 Sawmill Drive & Cornell Avenue	\$ 50,000.00		50,000.00	
Ord. 7-2019 Briarwood Drive	134,554.08		134,554.08	
Ord. 7-2019 Walkway/Sidewalk, Safe Street to Transit	102,500.00			102,500.00
Ord. 9-2020 Hasting, Ferndale, Greenbriar & Fair	96,372.11			96,372.11
Ord. 10-2021 Riseman Rd., College Ave. & Sawmill Drive	345,000.00		301,793.91	43,206.09
Ord. 8-2022 Improvements to Kline & Fickler Place	410,000.00		307,500.00	102,500.00
Ord. 8-2023 Improvements to Sherman Avenue		639,000.00		639,000.00
	<u>\$ 1,138,426.19</u>	<u>639,000.00</u>	<u>793,847.99</u>	<u>983,578.20</u>
	<u>C</u>	<u>C-12</u>	<u>C-7</u>	<u>C/C-3</u>

Township of Berkeley Heights, N.J.

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>		
Balance - December 31, 2022	C		\$ 40,831,417.75
Increased by:			
Improvement Costs Funded by:			
Bonds Issued	C-6	<u>7,795,000.00</u>	<u>7,795,000.00</u>
			48,626,417.75
Decreased by:			
Paid by Current Year Budget Appropriations:			
NJFIT Trust / Loans Payable	C-9	360,571.43	
Serial Bonds	C-10	<u>1,625,000.00</u>	<u>1,985,571.43</u>
Balance - December 31, 2023	C		<u>\$ 46,640,846.32</u>

Township of Berkeley Heights, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Funded	Paid By Budget	Canceled	Balance Dec. 31, 2023	Analysis of Balance - Dec. 31, 2023	
								Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
08-26	Various Improvements to WW Treatment Plant	0.27					0.27		0.27
07-19/06-21	Various Capital Improvements	2,439,639.00		2,301,524.00	138,115.00				
08-19/	Acq. Of Equipment & Installation of a Supervisory Control & Data Acq. For Sewer System	2,414,500.00		357,628.00		2,037,171.22	19,700.78		19,700.78
09-19	Various Sewer Improvements	136,946.00		131,392.00	5,554.00				
09-20	Various Capital Improvements	2,180,293.00		2,080,456.00	99,837.00		293.00		293.00
11-20	Redevelopment of Municipal Complex	700,000.00		1,900,000.00			700,000.00		700,000.00
10-21	Various Capital Improvements	1,900,000.00		1,349,000.00			63,692.00	63,692.00	
08-22	Various Capital Improvements	1,349,000.00		1,072,729.00			2,095,981.00	2,095,981.00	
09-22	Various Capital Improvements	1,136,421.00	2,095,981.00				2,095,981.00		
08-23	Various Capital Improvements		590,000.00				590,000.00		1,008.32
10-23	Acquisition of Jet Vac Truck		8,000,000.00				8,000,000.00		999,761.37
11-2023	Sewer Treatment Plant Upgrade								7,000,238.63
		\$ 12,256,799.27	10,685,981.00	9,192,729.00	243,213.00	2,037,171.22	11,469,667.05	2,159,673.00	1,608,454.10
		C	C-12/C-16		C-11	C-12/C-16	C		7,701,539.95

Receipts Bond Proceeds	Ref.
Interfund - Current Fund	C-2
Transferred to Deferred Charges - Funded	C-7
	C-5
	325,000.00
	1,072,729.00
	7,795,000.00
	<u>9,192,729.00</u>

Less: Unexpended Proceeds of Bond Anticipation Notes - Ord. #	Improvement Authorizations Unfunded	C-12	9,681,979.83
	09-22		63,692.00
	08-23		<u>1,916,747.88</u>
			1,980,439.88
			<u>7,701,539.95</u>

Township of Berkeley Heights, N.J.

Schedule of Interfund - Current Fund

General Capital Fund

Year Ended December 31, 2023

		<u>Ref.</u>	
Balance - December 31, 2022	Due from	C	\$
Increased by:			
Grant Receipts Deposited in Current Fund		C-4	793,847.99
Grant Receipts Deferred Charges - Unfunded		C-6	1,072,729.00
Grant Receipts Capital Improvement Fund		C-13	126,269.00
Infrastructure Loan Receivable		C-8	85,453.10
Various Reserves		C-15	31,176.50
Disbursed		C-2	<u>586,022.42</u>
			<u>2,695,498.01</u>
Balance - December 31, 2023	- Due from	C, C-3	\$ <u><u>2,695,498.01</u></u>

Schedule of Infrastructure Loan Receivable

General Capital Fund

Year Ended December 31, 2023

		<u>Ref.</u>	
Balance - December 31, 2022		C	\$ 85,453.10
Decreased by:			
Funded by Budget Appropriation		C-7	<u>85,453.10</u>
Balance - December 31, 2023		C	\$ <u><u> </u></u>

Township of Berkeley Heights, N.J.

Schedule of New Jersey Environmental Infrastructure Trust/Loans Payable

General Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	C	\$ 1,776,417.75
Decreased by:		
Principal Paid by Budget	C-5	<u>360,571.43</u>
Balance - December 31, 2023	C	<u>\$ 1,415,846.32</u>

Township of Berkeley Heights, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2023		Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
			Date	Amount					
Refunding Bonds	12/1/2016	4,775,000.00	12/1/2024	435,000.00	4.000%	\$ 2,180,000.00		435,000.00	1,745,000.00
			12/1/2025-26	440,000.00	4.000%				
			12/1/2027	430,000.00	4.000%				
General Improvement Bonds - 2019	2/1/2019	15,265,000.00	2/1/2024	700,000.00	4.000%	13,700,000.00		600,000.00	13,100,000.00
			2/1/2025-26	800,000.00	4.000%				
			2/1/2025-27	800,000.00	3.000%				
			2/1/2028-37	1,000,000.00	3.000%				
General Improvement Bonds - 2022	7/1/2022	23,175,000.00	7/1/2024-34	590,000.00	5.000%	23,175,000.00		590,000.00	22,585,000.00
			7/1/2035	600,000.00	5.000%				
			7/1/2036	630,000.00	4.000%				
			7/1/2037	655,000.00	4.000%				
			7/1/2038	685,000.00	4.000%				
			7/1/2039	720,000.00	4.000%				
			7/1/2040	750,000.00	4.000%				
			7/1/2041	785,000.00	4.000%				
			7/1/2042	820,000.00	4.000%				
			7/1/2043	860,000.00	4.000%				
			7/1/2044	900,000.00	4.000%				
			7/1/2045	940,000.00	4.000%				
			7/1/2046	985,000.00	4.000%				
			7/1/2047	1,030,000.00	4.000%				
			7/1/2048	1,080,000.00	4.000%				
		7/1/2049	1,130,000.00	4.000%					
		7/1/2050-52	1,175,000.00	4.000%					
General Improvement Bonds - 2023	7/6/2023	7,795,000.00	7/1/2024	675,000.00	3.000%		7,795,000.00		7,795,000.00
			7/1/2025	490,000.00	3.000%				
			7/1/2026	490,000.00	3.000%				
			7/1/2027	775,000.00	4.000%				
			7/1/2028	820,000.00	3.000%				
			7/1/2029	850,000.00	3.000%				
			7/1/2030	880,000.00	3.000%				
			7/1/2031	910,000.00	4.000%				
			7/1/2032	950,000.00	4.000%				
			7/1/2033	955,000.00	4.000%				
						\$ 39,055,000.00	7,795,000.00	1,625,000.00	45,225,000.00
						C	C-2	C-5	C

Township of Berkeley Heights, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2022		2023 Authorizations	Paid or Charged	Canceled	Balance Dec. 31, 2023	
				Funded	Unfunded				Funded	Unfunded
General Improvements:										
07-13/08-26	Various Improvements to WW Treatment Plant		4,250,000.00	6,605.01			6,605.01			
04-17	Municipal Complex Redevelopment Project		28,000,000.00	320.05		(329.95)				
11-16	Various Capital Improvements		1,114,300.00	200.60		200.60				
21-17	Various Capital Improvements & Equipment		1,834,700.00	759.05						759.05
12-18	Aid to Municipal Complex Redevelopment Project	07-10-2018	4,000,000.00	2,937.54		(7,315.97)				10,253.51
09-18	Various Capital Improvements	06-26-2018	949,175.00	29,336.03		27,809.00				1,527.03
21-18	Installation of Back-Up Fuel Tank	10-23-2018	35,550.00	25,298.87		2,556.37				0.00
07-19/06-21	Various Capital Improvements	04-20-2021	3,838,425.00			43,740.22				76,793.42
08-19/21-20	Acq. Of Equipment & Installation of a Supervisory Control & Data Acq. For Sewer System	08-20-2019	1,540,000.00	2,057,376.68		20,205.46		2,037,171.22		
09-19	Various Sewer Improvements	09-22-2020	150,000.00	54,883.44		9,883.44				45,000.00
09-20	Various Capital Improvements	08-20-2019	2,655,045.00	451,177.23		251,695.46				199,188.77
11-20	Redevelopment of Municipal Complex	06-09-2020	3,500,000.00	836,799.20		244,298.63				592,500.57
10-21	Various Capital Improvements	08-18-2020	2,345,000.00	287,454.15		134,991.34				114,962.81
11-21	Park Improvements	06-15-2021	12,000.00	106.64						106.64
08-22	Various Capital Improvements	05-03-2022	1,830,000.00	308,205.29		574,436.13				1,082,769.16
09-22	Various Capital Improvements	05-03-2022	1,262,690.00	787,190.20		313,273.86				410,224.34
08-23	Various Capital Improvements	05-23-2023	2,842,665.00			2,842,665.00				
10-23	Acquisition of Jet Vac Truck	07-18-2023	590,000.00			590,000.00				
11-23	Sewer Treatment Plant Upgrade	07-18-2023	8,000,000.00			999,761.37				1,916,747.88
12-23	Improvements to the Waste Water Treatment Plant	07-18-2023	22,742.50			8,350.95				7,000,238.63
17-23	Acquisition of DPW Equipment	09-05-2023	37,500.00			37,500.00				
				<u>C</u>	<u>C</u>	<u>C-14</u>	<u>C-6</u>	<u>C</u>	<u>C</u>	<u>C</u>
				\$ 1,210,568.28	5,807,615.34	11,432,665.00	4,182,570.72	2,037,171.22	2,549,126.85	9,681,979.83

Ref.	Amount
C-4	639,000.00
C-6/C-16	10,685,981.00
C-13	107,684.00
C-14	4,190,216.64
C-14	(7,645.92)
	<u>11,432,665.00</u>
	<u>4,182,570.72</u>

Various Grants & Contributions
 Deferred Charges to Future Taxation - Unfunded
 Capital Improvement Fund
 Contracts/Encumbrances
 Contracts/Encumbrances Cancelled

Township of Berkeley Heights, N.J.
Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>		
Balance - December 31, 2022	C	\$	288,287.80
Increased by:			
Budget Appropriation	C-2	250,000.00	
Grant Reimbursement	C-2	<u>126,269.00</u>	
			<u>376,269.00</u>
			664,556.80
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-12		<u>107,684.00</u>
Balance - December 31, 2023	C/C-3	\$	<u><u>556,872.80</u></u>

Schedule of Contracts Payable

General Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>		
Balance - December 31, 2022	C	\$	2,620,786.30
Increased by:			
Improvement Authorization Charges	C-12	\$ 4,190,216.64	
Various Reserves Charges	C-14	<u>31,483.72</u>	
			<u>4,221,700.36</u>
			6,842,486.66
Decreased by:			
Disbursed	C-2	\$ 3,217,748.65	
Canceled	C-11	<u>7,645.92</u>	
			<u>3,225,394.57</u>
Balance - December 31, 2023	C/C-3	\$	<u><u>3,617,092.09</u></u>

Township of Berkeley Heights, N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2023

	Balance <u>Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2023</u>
Debt Service	\$ 738,685.55			738,685.55
Recreation Equipment.Improvements	304.18		304.14	0.04
Police Vehicle	64,340.72	43,326.50	61,610.35	46,056.87
Various Drainage Improvements	<u>10,680.00</u>		<u>10,680.00</u>	
	<u>\$ 814,010.45</u>	<u>43,326.50</u>	<u>72,594.49</u>	<u>784,742.46</u>
	C			C/C-3
	<u>Ref.</u>			
Receipts	C-2	12,150.00		
Receipts Depoisted in Current Fund	C-7	31,176.50		
Disbursed	C-2		41,110.77	
Encumbered	C-14		<u>31,483.72</u>	
		<u>43,326.50</u>	<u>72,594.49</u>	

Township of Berkeley Heights, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Balance		Decreased	Balance Dec. 31, 2023
		Dec. 31, 2022	2023 Authorizations		
<u>General improvements:</u>					
08-26	Various Improvements to WW Treatment Plant	\$ 0.27			0.27
08-19/	Acq. Of Equipment & Installation of a Supervisory	2,414,500.00		2,394,799.22	19,700.78
09-20	Various Capital Improvements	293.00			293.00
11-20	Redevelopment of Municipal Complex	700,000.00			700,000.00
09-22	Various Capital Improvements	421.00		421.00	
08-23	Various Capital Improvements		2,095,981.00	2,095,981.00	
10-23	Acquisition of Jet Vac Truck		590,000.00		590,000.00
11-2023	Sewer Treatment Plant Upgrade		8,000,000.00		8,000,000.00
		\$ 3,115,214.27	10,685,981.00	4,491,201.22	9,309,994.05
		<u>Footnote C</u>	<u>C-12</u>		<u>Footnote C</u>
	Notes Issued			2,095,981.00	
	Funded by Miscellaneous Receipts			421.00	
	Cancelled			2,037,171.22	
	Funded by Bond Proceeds			357,628.00	
				<u>4,491,201.22</u>	

TOWNSHIP OF BERKELEY HEIGHTS

PART II

LETTER ON INTERNAL CONTROL AND COMPLIANCE

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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**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
Berkeley Heights, NJ 07922

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Township of Berkeley Heights in the County of Union as of and for the year ended December 31, 2023 and the related notes to the financial statements, and have issued our report thereon dated August 20, 2024, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Township of Berkeley Heights in the accompany comments and recommendations section of this report.


Compliance and Other Matters


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

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township of Berkeley Heights in the accompanying comments and recommendations section of this 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 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 internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. 413


WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

August 20, 2024





WIELKOTZ & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND N.J. OMB CIRCULAR 15-08**

The Honorable Mayor and
Members of the Township Council
Township of Berkeley Heights
Berkeley Heights, New Jersey 07508

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Township of Berkeley Heights in the County of Union, New Jersey's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the N.J. Office of Management and Budget Circular 15-08 Compliance Supplement that could have a direct and material effect on each of Township of Berkeley Heights' major federal and state programs for the year ended December 31, 2023. Township of Berkeley Heights' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Township of Berkeley Heights complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.



We are required to be independent of Township of Berkeley Heights and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Township of Berkeley Heights' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Township of Berkeley Heights' federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Township of Berkeley Heights's compliance based on our audit. 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 generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Township of Berkeley Heights' compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Township of Berkeley Heights's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Township of Berkeley Heights' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Township of Berkeley Heights' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Honorable Mayor and
Members of the Township Council
Page 4.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

August 20, 2024



TOWNSHIP OF BERKELEY HEIGHTS, N.J.

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2023

Name of Federal Agency or Department	Federal Program	C.F.D.A. Account No.	Total Grant Award Amount	Original Grant Period		Balance Jan. 1, 2023	Receipts	Expended	Reimburse Prior Year Expenses	Balance Dec. 31, 2023	Memo Cumulative Total Expenditures
				From	To						
Department of Housing and Urban Development	Community Development Block Grant	14-218	16,750.00	9/1/2022	8/31/2023	(4,988.64)	14,250.00	11,761.36		(2,500.00)	17,091.52
		14-218	15,750.00	9/1/2023	8/31/2024			341.52		(341.52)	341.52
		21-027	1,398,685.88	3/1/2021	12/31/2024	699,342.94		699,342.94		(26,696.76)	1,398,685.88
U.S. Department of Treasury	COVID ARP Fiscal Recovery Funding	21-027	27,000.00	12/5/2022	12/31/2023			26,696.76			26,696.76
U.S. Department of Transportation	Click-it or Ticket Drive Sober or Get Pulled Over	20-616	6,000.00			4,500.00				4,500.00	
		20-616	5,500.00			5,500.00				5,500.00	
		20-616	7,000.00								
		20-616	7,000.00			5,250.00				5,250.00	
U.S. Department of Homeland Security	Pass Through NJ Department of Law & Public Safety: Public Assistance Grant Program Ordinance 09-22	97-036	1,198,998.00				1,198,998.00	313,273.86	475,499.80	410,224.34	788,773.66
		93-788	Various			5,603.22	14,785.56			20,398.78	
U.S. Department of Health and Human Services	National OPIOD Settlement										
Pass thru State of N.J.						715,207.52	1,228,043.56	1,051,416.44	475,499.80	416,334.84	2,231,389.34

TOWNSHIP OF BERKELEY HEIGHTS, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2023

State Funding Department	State Program	State Grant (Award) No.	Grant Award Amount	Balance Jan. 1, 2023	Receipts	Expended	Balance Dec. 31, 2023	Memo Cumulative Total Expenditures
Department of Environmental Protection	Clean Communities Program Clean Communities Program Recycling Tonnage Grant Recycling Tonnage Grant Recycling Tonnage Grant Recycling Tonnage Grant EV Charging Station Grant RGGI Natural Climate Grant Stormwater Assistance Grant	4900-765-042-4900	27,405.00	27,405.00	30,737.92	30,677.62	27,405.00	30,677.62
		4900-765-042-4900	30,737.92			518.39	60.30	17,245.80
		4900-752-042-4900	518.39			9,627.30		9,627.30
		4900-752-042-4900	9,627.30			11,705.29		11,705.29
		4900-752-042-4900	11,705.29			9,945.56		9,945.56
		4900-752-042-4900	9,945.56			(6,000.00)		6,000.00
		4900-752-042-4900	6,000.00			(3,504.17)		3,504.17
		4850-100-042-4850	25,000.00			15,000.00		15,000.00
		1020-718-066-1020	1,480.45			202.52		1,480.45
		1020-718-066-1020	2,057.80			1,582.24		1,582.24
Department of Law and Public Safety	Body Armor Fund Body Armor Fund Body Armor Fund Body Armor Fund Drunk Driving Enforcement Fund Body Worn Camera Grant	1020-718-066-1020	2,057.80	2,057.80		1,582.24	2,057.80	1,582.24
		1020-718-066-1020	1,619.75			2,547.62		2,547.62
		1020-718-066-1020	2,547.62			16.87		16.87
		6400-100-078-6400	16.87			(59,102.00)		(59,102.00)
Department of Community Affairs	Alcohol, Education & Rehab Fund	9735-760-098-Y900	11,780.82	11,780.82		700.00	11,080.82	700.00
		9735-760-098-Y900	666.83			666.83		666.83
		9735-760-098-Y900	2,044.79			2,044.79		2,044.79
		9735-760-098-Y900	1,736.26			1,736.26		1,736.26
		9735-760-098-Y900	1,038.36			1,038.36		1,038.36
Department of Agriculture	LEAF - Local Efficiency Achievement	8030-495-667-049680	243,000.00	(183,668.34)	179,351.38	(586.66)	(3,730.30)	237,081.68
		2023-495-022-8030-733	350,000.00	(130,108.36)		214,732.91	(344,847.27)	344,847.27
		Emergency Flare Grant	85,000.00			39,640.86	(39,640.86)	39,640.86
New Jersey Historic Trust	Historic Preservation Fund	Local Recreation Improvement Grant	15,000.00		14,996.80	14,996.80		14,996.80
		Spotted Lantern Fly Grant	60,000.00	(5,589.50)	14,064.02	8,474.52	5,589.50	5,589.50
Department of Transportation	Municipal Aid Program - Sawmill Drive & Cornell Avenue Brianwood Drive Walkway/Sidewalk Safe Street to Transit Hasting, Ferndale, Greenbriar, etc. Riseman Rd., College Ave. & Sawmill Dr. Improvements to Kline & Fickler Place Improvements to Sherman Avenue	6320-480-078-6320	200,000.00	(50,000.00)	50,000.00	26,072.11	(102,500.00)	200,000.00
		6320-480-078-6320	460,000.00	(108,481.97)	134,554.08		460,000.00	
		6320-490-078-6320	410,000.00	(102,500.00)			410,000.00	
		6320-480-078-6320	350,000.00	(87,875.96)			350,000.00	
		6320-480-078-6320	345,000.00	(345,000.00)	301,793.91		345,000.00	
		6320-480-078-6320	410,000.00		307,500.00		206,936.09	
		6320-480-078-6320	639,000.00				515,950.86	
				(1,004,564.26)	1,061,529.65	1,083,266.50	(1,026,301.11)	3,272,667.93

**TOWNSHIP OF BERKELEY HEIGHTS
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the Borough of New Providence. The Borough is defined in Note 1A to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Borough's financial statements.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance award expenditures are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Capital Fund	\$313,273.86	\$749,959.06	\$1,063,232.92
Grant Fund	38,799.64	333,307.44	372,107.08
Current Fund	<u>699,342.94</u>	<u>699,342.94</u>	<u>699,342.94</u>
	<u>\$1,051,416.44</u>	<u>\$1,083,266.50</u>	<u>\$2,134,682.94</u>

NOTE 4. DE MINIMIS DIRECT COST RATE

The Township has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**TOWNSHIP OF BERKELEY HEIGHTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>GAAP - Adverse;</u>	<u>Regulatory - Unmodified</u>
Internal control over financial reporting:		
1. Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____ no
2. Were significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	_____ <u>X</u> _____ no
Noncompliance material to general-purpose financial statements noted?	_____ yes	_____ <u>X</u> _____ no

Federal Awards Section

Dollar threshold used to determine type A programs:	<u>\$750,000</u>	
Auditee qualified as low-risk auditee?	_____ <u>X</u> _____ yes	_____ _____ no
Type of auditors' report on compliance for major programs	<u>Unmodified</u>	
Internal Control over compliance:		
1. Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____ no
2. Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes	_____ <u>X</u> _____ no
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____ yes	_____ <u>X</u> _____ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program
21.027 (A)	Local Fiscal Recovery Funds - American Rescue Plan Act

Note: (A) - Tested as Major Type A Program.

**TOWNSHIP OF BERKELEY HEIGHTS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (continued)**

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000.00

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: unmodified

Internal Control over major programs:

1. Material weakness(es) identified? yes X no

2. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08, as applicable? yes X no

Identification of major programs:

State Grant/Project Number(s)
078-6320-480

Name of State Program
Highway Planning and Construction

**TOWNSHIP OF BERKELEY HEIGHTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(continued)**

Section II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of General Auditing Standards.

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

Schedule of Prior Year Findings

None

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.00 and \$25,000.00 with a qualified purchasing agent. On July 1, 2020 the threshold was increased to \$44,000.00 with a qualified purchasing agent.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500.00, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

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

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

Improvements to Kline Place and Fickler Place
Residential Cleanup Program
Littell-Lord Farm House Restoration

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

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 material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "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. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 4, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes and year end penalty:

BE IT RESOLVED by the Mayor and Council of the Township of Berkeley Heights, County of Union, State of New Jersey, that the interest rate on delinquent taxes shall be established at the rate of eight percent (8%) per annum on amounts up to \$1,500.00 and eighteen percent (18%) per annum on amounts over \$1,500.00 and that pursuant to N.J.S.A. 54:4-67, as amended, there is hereby imposed a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00, who fails to pay said delinquency prior to December 31, 2015. The penalty be and the same hereby is fixed at six percent (6%) of the amount of delinquency, and that the penalty as herein provided shall be in addition to all other interest and penalty provisions now existing for unpaid taxes.

BE IT FURTHER RESOLVED, that there is hereby established, pursuant to New Jersey Statute 54:4-67, as amended, a ten (10) day grace period for the payment of any current year tax installment. During said ten-day grace period, no interest shall be chargeable upon the then-current tax installment payments due.

It appears from our test of the collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held one December 5, 2023 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2023	-0-
2022	-0-
2021	-0-

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

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices.

The result of the test, which was made for the year ending December 31, 2023, is not yet known, but a separate report will be rendered if any irregularities are developed. In addition we utilized analytical review procedures to ascertain the validity of the receivables.

COMMENTS

Other Comments

1. Various quarterly payroll returns were not filed on a timely basis resulting in penalties being assessed.
2. Disbursements posted to the general ledger for payroll were not in agreement with amounts being paid.
3. State Building and Marriage surcharge fees were not paid to state in 2023.
- *4. Monthly receipts were not posted into the revenue account status report on a monthly basis.
5. There were several expenditures that were not posted correctly into appropriations account status reports.
- *6. Bank reconciliations were not prepared on a monthly basis nor in agreement with the general ledger.
7. Outside offices receipts were not in agreement with the revenue transaction audit trail.
8. The Fixed Asset Report was not updated for additions and deletions.

RECOMMENDATIONS

1. That all payroll returns be filed timely to avoid penalties being assessed.
2. That payroll account disbursements posted to the general ledger.
3. That State Building and Marriage surcharge fees be paid to the state in a timely manner.
- *4. That all receipts be posted into the revenue account status report on a monthly basis.
5. That all expenditures be posted correctly into the appropriations account status report.
- *6. That bank reconciliations be prepared on a monthly and agreed to the general ledger.
7. Outside offices receipts be reconciled to the revenue transaction audit trail.
8. That the Fixed Asset Report be updated for additions and deletions.

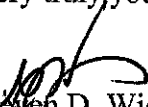
STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS


A review was performed on all prior year recommendations and corrective action was taken on all items except those marked with an “*”.

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

Very truly yours,


Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. 413


WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey