

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2020**

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

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**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Berkeley as of December 31, 2020 and 2019, and the related statements of operations and changes in in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

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

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township, as of December 31, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2020 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2021 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey
November 18, 2021

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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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Berkeley, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated November 18, 2021. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of financial statement findings that we consider to be significant deficiencies as Finding Nos. 2020-001 and 2020-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of financial statement findings as Finding Nos. 2020-001 through 2020-004.

Township of Berkeley's Response to Findings

The Township of Berkeley's response to the findings identified in our audit is described in the accompanying schedule of financial statement findings and questioned costs. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey
November 18, 2021

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Cash	A-4	\$ 7,356,042.56	\$ 9,455,293.94
Cash - Change Fund	A	1,725.00	2,100.00
		<u>7,357,767.56</u>	<u>9,457,393.94</u>
CARES ACT Receivable	A	101,306.69	-
Federal Emergency Management Receivable	A	91,152.50	593,151.50
		<u>7,550,226.75</u>	<u>10,050,545.44</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	631,309.75	958,122.41
Tax Title Liens Receivable	A-6	408,795.06	400,046.24
Property Acquired for Taxes	A	6,179,600.00	6,179,600.00
Revenue Accounts Receivable	A-7	5,090.20	10,343.00
Due From Municipal Utility Authority	A	2,828.84	4,388.29
Trailer Fees Receivable	A	890.00	890.00
Interfunds:			
Trust Other Fund	A-15	295,691.84	-
General Capital	A-15	5,335,500.00	-
Grant Fund	A-16	299,076.98	1,042,643.32
		<u>13,158,782.67</u>	<u>8,596,033.26</u>
Deferred Charges:			
FEMA Community Disaster Loan (Memo)	A	1,067,017.07	1,321,925.36
Special Emergency Authorizations (40A:4-55)	A-8	52,144.03	117,669.30
		<u>1,119,161.10</u>	<u>1,439,594.66</u>
		<u>21,828,170.52</u>	<u>20,086,173.36</u>
<u>Grant Fund</u>			
Grants Receivable	A-17	3,173,664.08	2,609,871.99
		<u>3,173,664.08</u>	<u>2,609,871.99</u>
		<u>\$ 25,001,834.60</u>	<u>\$ 22,696,045.35</u>

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

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3,9	1,353,816.01	1,748,261.74
Reserve for Encumbrances	A-3,9	544,816.91	541,631.43
Prepaid Taxes	A-4	1,645,192.69	1,560,222.25
Reserve for Garden State Trust Fund	A-7	42,590.00	42,590.00
Reserve for Police Found Money	A	1,816.28	1,816.28
Reserve for COVID-19	A	24,510.17	-
Accounts Payable	A	29,167.30	8,017.24
County Taxes Payable	A-12	150,935.40	182,607.36
Tax Overpayments	A	18,894.97	8,240.35
Reserve for Contractually Required Severance	A-14	34,000.31	34,000.31
Local District School Taxes Payable	A-10	45,815.00	100.00
Regional School Taxes Payable	A-11	101,228.59	-
State of New Jersey (P.L. 1971, Ch. 20)	A	59,275.43	53,408.15
FEMA Community Disaster Loan (Memo)	A	1,067,017.07	1,321,925.36
Interfunds:			
Payroll Fund	A-15	204,687.58	-
Trust Fund	A-15	-	14,304.14
		<u>5,323,763.71</u>	<u>5,517,124.61</u>
Reserve for Receivables and Other Assets	A	13,158,782.67	8,596,033.26
Fund Balance	A-1	<u>3,345,624.14</u>	<u>5,973,015.49</u>
		<u>21,828,170.52</u>	<u>20,086,173.36</u>
<u>Grant Fund</u>			
Interfund - Current Fund	A-16	299,076.98	1,042,643.32
Reserve for Encumbrances	A-18	17,980.14	52,415.41
Appropriated Reserves	A-18	2,788,813.27	1,452,520.03
Unappropriated Reserves	A-19	<u>67,793.69</u>	<u>62,293.23</u>
		<u>3,173,664.08</u>	<u>2,609,871.99</u>
		<u><u>\$ 25,001,834.60</u></u>	<u><u>\$ 22,696,045.35</u></u>

There were deferred school taxes on December 31, 2020 and 2019 of \$26,990,770.85 and \$26,510,813.19 respectively (Exhibits A-10 and A-11).

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

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>Year 2020</u>	<u>Year 2019</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 2,710,000.00	\$ 2,710,000.00
Miscellaneous Revenue Anticipated	10,680,253.14	10,348,913.15
Receipts from Delinquent Taxes	1,043,075.85	1,505,836.96
Receipts from Current Taxes	116,276,023.51	111,932,339.81
Non-Budget Revenues	280,360.78	115,545.02
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,329,451.64	631,907.91
Prior Year Cancelled Checks	3,040.14	-
	<u>132,322,205.06</u>	<u>127,244,542.85</u>
Total Income		
<u>Expenditures</u>		
Budget Appropriations within Caps:		
Operations:		
Salaries and Wages	16,460,603.18	16,324,741.70
Other Expenses	15,092,026.42	15,087,508.20
Deferred Charges and Statutory Expenditures	4,501,190.00	4,482,746.41
Budget Appropriations excluded from Caps:		
Operations:		
Salaries and Wages	1,040,827.00	909,959.46
Other Expenses	2,613,032.97	1,373,976.80
Capital Improvements	655,000.00	350,000.00
Municipal Debt Service	6,429,684.95	6,327,426.41
Deferred Charges	402,005.23	413,930.64
	<u>47,194,369.75</u>	<u>45,270,289.62</u>
Local District School Taxes	31,448,990.00	31,018,910.00
Regional School Taxes	24,563,058.34	24,046,003.41
County Taxes	23,709,285.92	23,133,314.29
Local Open Space Tax	522,345.00	517,565.00
Prior Year Senior Citizen Deductions Disallowed	-	91,332.54
Prior Year Tax Appeals	-	66,366.47
Interfund Loans Advanced	4,801,547.40	497,760.42
Tax Overpayments	-	8,240.35
	<u>132,239,596.41</u>	<u>124,649,782.10</u>
Total Expenditures		

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

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>Year 2020</u>	<u>Year 2019</u>
Excess/(Deficit) in Revenue	<u>82,608.65</u>	<u>2,594,760.75</u>
Statutory Excess to Fund Balance	<u>82,608.65</u>	<u>2,594,760.75</u>
Fund Balance January 1	<u>5,973,015.49</u>	<u>6,088,254.74</u>
	6,055,624.14	8,683,015.49
Decreased by:		
Utilization as Anticipated Revenue	<u>2,710,000.00</u>	<u>2,710,000.00</u>
Fund Balance December 31	<u><u>\$ 3,345,624.14</u></u>	<u><u>\$ 5,973,015.49</u></u>

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

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 2,710,000.00	\$ -	\$ 2,710,000.00	\$ -
	2,710,000.00	-	2,710,000.00	-
<u>Miscellaneous Revenues</u>				
Licenses:				
Alcoholic Beverages	46,400.00	-	40,651.00	(5,749.00)
Other	3,500.00	-	3,280.80	(219.20)
Fees and Permits	567,000.00	-	611,116.43	44,116.43
Fines and Costs:				
Municipal Court	173,000.00	-	107,810.57	(65,189.43)
Interest and Costs on Taxes	400,000.00	-	324,747.71	(75,252.29)
Interest on Investments and Deposits	134,000.00	-	85,343.55	(48,656.45)
Beach Admission Fees	117,500.00	-	201,879.40	84,379.40
Municipal Golf Course	81,125.00	-	207,858.48	126,733.48
Water and Cable Franchise Fees		-		-
Hotel and Motel Occupancy Tax	20,000.00	-	20,229.90	229.90
State Aid:				
Energy Receipts Tax	4,213,875.00	-	4,213,875.00	-
Garden State Trust Fund	65,698.00	-	42,590.00	(23,108.00)
Special Items of Revenue:				
Interlocal Services Agreements:				
Animal Control Services	11,898.33	-	8,866.58	(3,031.75)
Ocean Gate Borough - Code Enforcement	8,000.00	-	6,280.00	(1,720.00)
Ocean Gate Borough - Public Works	1,000.00	-	-	(1,000.00)
Ocean Gate Borough - Finance Services	55,000.00	-	54,999.96	(0.04)
Ocean Gate Borough - Fuel Services	38,000.00	-	10,598.60	(27,401.40)
Berkeley Board of Education - Fuel Facilities	60,000.00	-	55,840.15	(4,159.85)
Fire Protection	26,500.00	-	-	(26,500.00)
Central Regional Board of Education - Fuel Facilities	100,000.00	-	111,031.36	11,031.36
Central Regional Board Trash	42,000.00	-	31,500.00	(10,500.00)
Public and Private Programs:				
Municipal Alliance on Alcohol and Drug Abuse	10,518.45	-	10,518.45	-
Homeland Security	54,808.00	-	54,808.00	-
CDBG	-	34,000.00	34,000.00	-
Body Armor Replacement Grant	6,711.15	-	6,711.15	-
Cops in Shops	3,520.00	-	3,520.00	-
Flood Mitigation Assistance Grant	352,049.33	-	352,049.33	-
Clean Communities	122,649.00	-	122,649.00	-
State Body Armor Replacement Fund	5,909.25	-	5,909.25	-
COPs Fast Grant	1,250,000.00	-	1,250,000.00	-
Other Special Items:				
Community Services Officer Program-Ambulance Service Fees	720,000.00	-	757,661.81	37,661.81
Health Care Coverage - Employee Percentage	767,800.00	-	843,731.99	75,931.99
Reserve for Payment of Debt	242,862.72	-	242,862.72	-
Senior/Veteran Administration Fee	25,000.00	-	24,032.13	(967.87)
Surplus from the Berkeley Township Sewer Authority	410,000.00	-	447,887.00	37,887.00
Uniform Fire Safety Act	38,460.77	-	31,825.34	(6,635.43)
Sale of Land	47,800.00	-	63,246.04	15,446.04
Cable TV Franchise Fee	290,331.44	-	290,341.44	10.00
Total Miscellaneous Revenues	10,512,916.44	34,000.00	10,680,253.14	133,336.70
Receipts from Delinquent Taxes	1,139,000.00	-	1,043,075.85	(95,924.15)
Subtotal General Revenues	14,361,916.44	34,000.00	14,433,328.99	37,412.55
Amount to be Raised by Taxes for Support of Municipal Budget	35,828,043.96	-	37,938,601.87	2,110,557.91
Total General Revenues	50,189,960.40	34,000.00	52,371,930.86	2,147,970.46
Non-Budget Revenues	-	-	280,360.78	280,360.78
	\$ 50,189,960.40	\$ 34,000.00	\$ 52,652,291.64	\$ 2,428,331.24

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

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 116,276,023.51
Allocated to:	
School, County Taxes and Municipal Open Space	<u>80,723,636.92</u>
Balance for Support of Municipal Budget	
Appropriations	35,552,386.59
Add: Appropriation "Reserve for Uncollected Taxes"	<u>2,386,215.28</u>

Amount for Support of Municipal Budget
Appropriations

\$ 37,938,601.87

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 912,698.90
Tax Title Lien Collections	<u>130,376.95</u>
	<u><u>\$ 1,043,075.85</u></u>

Analysis of Non-Budget Revenue

Pilot	\$ 17,490.00
Recycling	5,834.50
Construction indirect costs	114,769.74
Miscellaneous Other	33,551.69
Sewer Authority	1,993.93
Insurance Reimbursements	<u>106,720.92</u>
	<u><u>\$ 280,360.78</u></u>

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

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbrance	
OPERATIONS WITHIN CAPS					
<u>General Government Functions</u>					
General Administration					
Salaries and Wages	\$ 270,300.00	\$ 276,100.00	\$ 275,524.82	\$ -	\$ 575.18
Other Expenses	38,500.00	49,500.00	44,512.82	-	4,987.18
Human Resources					
Salaries and Wages	158,002.00	158,002.00	152,225.07	-	776.93
Other Expenses	6,975.00	6,975.00	6,692.01	75.00	207.99
Office of the Mayor					
Salaries and Wages	35,500.00	35,500.00	27,396.53	-	8,103.47
Other Expenses	1,600.00	1,600.00	617.63	-	982.37
Township Council					
Salaries and Wages	105,000.00	105,000.00	104,389.72	-	610.28
Other Expenses	4,500.00	4,500.00	916.25	90.00	3,493.75
Municipal Clerk					
Salaries and Wages	280,195.00	272,195.00	248,135.00	-	14,060.00
Other Expenses	27,000.00	35,000.00	24,730.86	584.20	9,684.94
Division of Information Technology					
Salaries and Wages	59,793.00	65,593.00	65,509.81	-	83.19
Other Expenses	11,000.00	14,100.00	7,204.88	986.99	5,908.13
Office of the Treasurer					
Salaries and Wages	425,461.00	425,461.00	416,994.08	-	8,466.92
Other Expenses	32,500.00	32,500.00	24,955.18	1,384.63	6,160.19
Audit Services					
Other Expenses	65,000.00	65,000.00	57,150.61	-	7,849.39
Revenue Administration (Tax Collection)					
Salaries and Wages	288,141.00	288,141.00	272,745.42	-	5,395.58
Other Expenses	60,000.00	60,000.00	42,137.33	7,486.69	10,375.98
Tax Assessment Administration					
Salaries and Wages	374,689.00	374,689.00	356,007.45	-	3,681.55
Other Expenses	17,275.00	17,275.00	12,476.34	333.33	4,465.33
Division of Purchasing					
Salaries and Wages	39,643.00	39,643.00	38,522.28	-	1,120.72
Other Expenses	91,025.00	101,025.00	96,668.13	542.63	3,814.24
Legal Services					
Other Expenses	400,000.00	400,000.00	364,592.96	-	35,407.04

TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbrance	Reserved	
Engineering Services	240,000.00	240,000.00	187,104.80	1,006.25	51,888.95	-
Other Expenses						
Economic Development Agencies	700.00	700.00	25.00	-	675.00	-
Other Expenses						
Veterans Advisory Council	500.00	500.00	-	-	500.00	-
Other Expenses						
Senior Citizens Advisory Committee	300.00	300.00	100.00	-	200.00	-
Salaries and Wages						
Waterways Advisory Committee						
Salaries and Wages	800.00	800.00	800.00	-	-	-
Other Expenses	200.00	200.00	-	-	200.00	-
Municipal Court:						
Salaries and Wages	282,093.00	282,093.00	255,157.28		10,935.72	16,000.00
Other Expenses	11,500.00	11,500.00	7,576.96	1,551.17	2,371.87	-
Public Defender (P.L. 1997, c256)						
Other Expenses	35,000.00	35,000.00	16,894.80	-	18,105.20	-
Land Use Administration						
Planning Board / Director of Planning						
Other Expenses	160,000.00	170,000.00	160,805.97	-	9,194.03	-
Planning Board						
Salaries and Wages	20,072.00	25,572.00	25,502.40	-	69.60	-
Other Expenses	71,950.00	58,950.00	47,175.86	480.00	11,294.14	-
Division of Zoning						
Salaries and Wages	101,685.00	104,647.58	101,046.65	-	3,600.93	-
Other Expenses	515.00	1,015.00	552.42	-	462.58	-
Zoning Board of Adjustment						
Salaries and Wages	20,072.00	21,572.00	7,283.10	-	4,288.90	10,000.00
Other Expenses	28,400.00	27,900.00	27,900.00	-	-	-
Insurances						
General Liability	1,390,000.00	1,390,000.00	1,326,626.58	-	63,373.42	-
Workers Compensation	500,000.00	500,000.00	378,730.34	-	121,269.66	-
Employee Group Insurance	6,500,000.00	6,289,700.00	5,848,236.64	1,891.00	239,572.36	200,000.00
Unemployment Insurance	20,000.00	20,000.00	-	-	20,000.00	-
Public Safety Functions						
Police Department						
Salaries and Wages	9,269,334.83	9,229,334.83	8,820,742.38	-	108,592.45	300,000.00
Other Expenses	416,500.00	416,500.00	340,516.49	75,387.74	595.77	-
Emergency Management						
Salaries and Wages	16,000.00	16,000.00	15,535.87	-	464.13	-
Other Expenses	5,500.00	5,500.00	4,344.72	696.90	458.38	-

TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbrance	Balance Cancelled
Aid to Volunteer Fire Companies					
Salaries and Wages	15,000.00	15,000.00	14,999.92	-	0.08
Other Expenses	220,000.00	221,100.00	180,786.96	40,252.61	60.43
First Aid Contribution					
Other Expenses	157,000.00	157,000.00	157,000.00	-	-
Fire Department					
Salaries and Wages	96,650.00	63,650.00	36,519.40	-	12,130.60
Other Expenses	2,700.00	6,700.00	5,050.52	950.00	699.48
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	38,460.77	38,460.77	38,460.77	-	-
Municipal Prosecutor:					
Other Expenses	35,000.00	35,000.00	30,607.20	-	4,392.80
Public Works Functions					
Streets and Roads Maintenance:					
Salaries and Wages	571,726.00	614,426.00	614,212.75	-	213.25
Other Expenses	247,250.00	247,250.00	211,017.68	19,802.06	16,430.26
Contractual	250,000.00	250,000.00	250,000.00	-	-
Other Public Works Functions/Signs, Maintenance					
Salaries and Wages	99,780.00	59,780.00	51,683.62	-	8,096.38
Other Expenses	25,000.00	25,000.00	8,226.91	11,814.96	4,958.13
Other Public Works Functions/ Building Demolition					
Other Expenses	10,000.00	10,000.00	-	-	10,000.00
Sanitation/Solid Waste Collection:					
Salaries and Wages	2,030,492.00	2,036,492.00	2,034,123.32	-	2,368.68
Other Expenses	165,500.00	205,500.00	153,726.92	45,079.49	6,693.59
Solid Waste Collection/Recycling					
Salaries and Wages	413,503.00	413,503.00	410,014.39	-	3,488.61
Other Expenses	19,250.00	29,250.00	18,099.60	8,110.01	3,040.39
Buildings and Grounds:					
Salaries and Wages	199,591.00	266,791.00	266,159.45	-	631.55
Other Expenses	72,000.00	92,000.00	75,094.06	13,617.15	3,288.79
Equipment Maintenance					
Salaries and Wages	559,173.00	498,673.00	498,214.06	-	458.94
Other Expenses	22,749.00	23,749.00	19,509.38	3,520.26	719.36
Health and Human Services					
Environmental Health Services					
Salaries and Wages		100.00	100.00	-	-
Other Expenses	750.00	650.00	-	-	650.00
Animal Control Services					
Salaries and Wages	146,989.00	146,989.00	139,467.02	-	7,521.98
Other Expenses	250.00	250.00	-	-	250.00

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbrance	Balance Cancelled
Contribution - Providence House (N.J.S.A. 40:23-8.17)	1,000.00	1,000.00	1,000.00	-	-
Contribution - Community Services Inc. (N.J.S.A. 40:48-9.4)	1,000.00	1,000.00	-	-	-
Contribution - S.T.E.P.S., Inc. (N.J.S.A. 40:48-9.4)	1,000.00	1,000.00	1,000.00	-	-
<u>Parks and Recreation</u>					
Recreation Services and Programs	390,000.00	330,000.00	287,850.20	-	30,000.00
Salaries and Wages	70,000.00	70,000.00	20,976.04	9,925.09	-
Other Expenses					
Recreation Services and Programs/Golf Course					
Salaries and Wages		-		-	-
Other Expenses		-		-	-
Maintenance of Parks					
Salaries and Wages	320,364.00	317,364.00	314,108.30	-	-
Other Expenses	64,200.00	67,200.00	60,665.38	4,974.26	-
Beach and Boardwalk Operations					
Salaries and Wages	115,000.00	115,000.00	110,637.37	-	4,000.00
Other Expenses	7,000.00	7,000.00	6,155.51	180.56	-
<u>Utilities and Bulk Purchases</u>					
Utilities					
Electricity	200,000.00	235,000.00	226,964.87	3,194.02	-
Telephone	161,000.00	161,000.00	148,797.27	7,002.03	-
Water	58,000.00	58,000.00	21,494.94	10,466.99	-
Natural Gas	68,000.00	68,000.00	39,297.10	8,928.67	-
Petroleum Products	550,000.00	550,000.00	287,033.50	172,628.26	-
Telecommunications (Cell Phone)	62,000.00	62,000.00	53,365.81	8,634.19	-
Sewerage Processing and Disposal	23,000.00	23,000.00	3,356.37	5,083.63	-
Fire Hydrants	200,000.00	200,000.00	159,667.29	482.72	-
Street Lighting					
Other Expenses	470,000.00	421,687.42	403,640.99	-	-
<u>Landfill/Solid Waste</u>					
Landfill/Solid Waste Disposal Costs	2,100,000.00	2,100,000.00	2,096,020.36	2,500.00	-
Other Expenses/Tipping					
<u>Code Enforcement and Administration</u>					
Other Code Enforcement Functions:					
Salaries and Wages	228,431.00	239,631.00	239,380.68	-	-
Other Expenses	4,600.00	4,850.00	4,571.70	31.62	-
Total Operations within Caps	32,376,629.60	32,165,629.60	29,911,821.05	469,675.11	615,000.00
Contingent	2,000.00	2,000.00	-	-	-
Total Operations within Caps including Contingent	32,378,629.60	32,167,629.60	29,911,821.05	469,675.11	615,000.00
Detail:					
Salaries and Wages	16,971,440.60	16,875,603.18	16,238,649.11	-	415,000.00
Other Expenses	15,407,189.00	15,292,026.42	13,673,171.94	469,675.11	200,000.00

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

TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbrance	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
<u>WITHIN CAPS</u>					
<u>Deferred Charges</u>					
Prior Year Bills:					
BHMG Corporate Care	190.00	190.00	-	-	-
Overexpenditure		-		-	-
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System	1,361,000.00	1,361,000.00	1,347,974.24	-	10,000.00
Police and Firemen's Retirement System of NJ	2,029,440.00	2,029,440.00	2,029,440.00	-	-
Defined Contribution Retirement Program	7,000.00	7,000.00	6,290.21	247.74	-
Public Employee Retirement System	1,113,560.00	1,113,560.00	1,113,560.00	-	-
Total Deferred Charges and Statutory Expenditures within Caps	4,511,190.00	4,511,190.00	4,497,264.45	247.74	10,000.00
Total Appropriations within Caps	36,889,819.60	36,678,819.60	34,409,085.50	469,922.85	625,000.00
<u>OPERATIONS EXCLUDED FROM CAPS</u>					
Length of Service Awards Program (N.J.A.C. 5:30-14.25)					
Other Expenses	210,000.00	210,000.00	152,351.65	-	-
Stormwater and Water Pollution (N.J.S.A. 40A: 4-45.3(cc))					
Salaries and Wages	201,307.00	201,307.00	197,469.97	-	-
Other Expenses	60,000.00	60,000.00	26,944.54	6,502.40	-
Recycling Enhancement Act (P.L. 2007 c.311)					
Other Expenses	85,000.00	85,000.00	70,199.12	14,091.04	-
<u>Interlocal Municipal Service Agreements</u>					
Central Regional Board of Education - Fuel					
Other Expenses	100,000.00	100,000.00	100,000.00	-	-
Ocean County Social Services - Relocation Expenses					
Other Expenses	1,000.00	1,000.00	-	1,000.00	-
Fire Protection - South Toms River					
Other Expenses	26,500.00	26,500.00	21,000.00	5,500.00	-
Ocean County - Animal Control					
Other Expenses	15,000.00	15,000.00	128.00	-	-
Animal Control - Pine Beach, South Seaside Park, Ocean Gate					
Salaries and Wages	11,898.33	11,898.33	-	-	-
Berkeley Board of Education - Fuel					
Other Expenses	60,000.00	60,000.00	60,000.00	-	-
Ocean Gate Borough - Financial Services					
Salaries and Wages		-		-	-
Other Expenses	55,000.00	55,000.00	55,000.00	-	-

TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbrance	
Central Regional Board of Education - Recreation Other Expenses	-	-	-	-	-
Central Regional Board of Education - Trash Removal Other Expenses	42,000.00	42,000.00	19,336.89	-	22,663.11
Community Service Officer Program (Ambulance) Salaries and Wages	570,000.00	736,000.00	736,000.00	-	-
Other Expenses	150,000.00	135,000.00	59,941.27	48,800.62	26,258.11
Ocean Gate Borough - Public Works Other Expenses	1,000.00	1,000.00	-	-	1,000.00
Ocean Gate Borough - Fuel Other Expenses	20,000.00	20,000.00	9,715.07	-	10,284.93
Ocean Gate Borough - Code Enforcement Other Expenses	10,000.00	10,000.00	7,720.00	-	2,280.00
Public and Private Programs Offset by Revenues					
Clean Communities Grant Salaries and Wages	100,000.00	100,000.00	100,000.00	-	-
Other Expenses	22,649.00	22,649.00	22,649.00	-	-
Municipal Alliance Grant- State Share Salaries and Wages	6,959.80	6,959.80	6,959.80	-	-
Other Expenses	3,558.65	3,558.65	3,558.65	-	-
Municipal Alliance Grant- Municipal Share Salaries and Wages	2,629.61	2,629.61	2,629.61	-	-
Homeland Security Other Expenses	54,808.00	54,808.00	54,808.00	-	-
Body Armor Replacement Grant Other Expenses	6,711.15	6,711.15	6,711.15	-	-
Cops in Shop Salaries and Wages	3,520.00	3,520.00	3,520.00	-	-
Municipal Alliance Grant - State Share (Fiscal Year) Salaries and Wages	5,909.25	5,909.25	5,909.25	-	-
Other Expenses	352,049.33	352,049.33	352,049.33	-	-
Flood Mitigation Assistance Grant Flood Mitigation Assistance Grant- Municipal Share	41,359.85	41,359.85	41,359.85	-	-
CDBG COPS Fast Grant	-	34,000.00	34,000.00	-	-
Salaries and Wages	1,250,000.00	1,250,000.00	1,250,000.00	-	-
Total Operations excluded from Caps	3,468,859.97	3,653,859.97	3,399,961.15	74,894.06	179,004.76
Detail:					
Salaries and Wages	886,725.33	1,040,827.00	1,036,989.97	-	3,837.03
Other Expenses	2,582,134.64	2,613,032.97	2,362,971.18	74,894.06	175,167.73
CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS					
Capital Improvement Fund	595,000.00	655,000.00	655,000.00	-	-
Total Capital Improvements excluded from Caps	595,000.00	655,000.00	655,000.00	-	-

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

**TOWNSHIP OF BERKELEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbrance	Balance Cancelled
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>					
Payment of Bond Principal	4,555,000.00	4,555,000.00	4,555,000.00	-	-
Interest on Bonds	1,233,225.83	1,233,225.83	1,233,225.83	-	-
Interest on Notes	526,265.00	526,265.00	508,049.99	-	18,215.01
NJEIT:					
Loan Repayments for Principal and Interest	133,569.49	133,569.49	133,409.13	-	160.36
Total Municipal Debt Service excluded from Caps	6,448,060.32	6,448,060.32	6,429,684.95	-	18,375.37
<u>DEFERRED CHARGES EXCLUDED FROM CAPS</u>					
Special Emergency Authorizations - From 2015	13,381.24	13,381.24	13,381.24	-	-
Special Emergency Authorizations - From 2016	52,144.03	52,144.03	52,144.03	-	-
CDL Loan Payback	336,479.96	336,479.96	336,479.96	-	-
Total Deferred Charges excluded from Caps	402,005.23	402,005.23	402,005.23	-	-
Total General Appropriations excluded from Caps	10,913,925.52	11,158,925.52	10,886,651.33	74,894.06	18,375.37
Subtotal General Appropriations	47,803,745.12	47,837,745.12	45,295,736.83	544,816.91	643,375.37
Reserve for Uncollected Taxes	2,386,215.28	2,386,215.28	2,386,215.28	-	-
Total General Appropriations	\$ 50,189,960.40	\$ 50,223,960.40	\$ 47,681,952.11	\$ 544,816.91	\$ 643,375.37
Adopted Budget	-	\$ 50,189,960.40			
Appropriations added by 40A:4-87		34,000.00			
		<u>\$ 50,223,960.40</u>			
Reserve for:					
Uncollected Taxes		\$ 2,386,215.28			
Disbursements		43,009,576.96			
Special Emergency Authorizations		402,005.23			
Interfunds:					
Grant Fund		1,884,154.64			
		<u>\$ 47,681,952.11</u>			

**TOWNSHIP OF BERKELEY
OTHER TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 31,317.86	\$ 22,126.46
<u>Other Trust Fund</u>			
Cash	B-1	6,349,578.56	5,273,284.27
Due From Berkeley BOE	B	-	45,337.50
Due From Payroll	B-4	486,773.56	414,212.74
Due From Current Fund	B-4	-	14,304.14
		<u>6,836,352.12</u>	<u>5,747,138.65</u>
Length of Service Awards Program Fund (LOSAP)			
Funds Held by Trustee	B-7	<u>2,346,994.58</u>	<u>2,179,740.60</u>
		<u>\$ 9,214,664.56</u>	<u>\$ 7,949,005.71</u>
<u>Liabilities and Reserves</u>			
<u>Animal Control Trust Fund</u>			
Reserve for Animal Control Trust Fund	B-2	\$ 31,308.86	\$ 22,117.46
Due to State of New Jersey	B-3	<u>9.00</u>	<u>9.00</u>
		<u>31,317.86</u>	<u>22,126.46</u>
<u>Other Trust Fund</u>			
Interfund			
Current Fund	B-4	295,691.84	-
General Capital	B-4	432,500.00	432,500.00
Payroll Fund	B-4	-	259,705.47
Due to State of New Jersey	B	16,174.00	15,610.00
Reserve for:			
Miscellaneous Reserves	B-5	5,941,227.59	4,898,495.84
Open Space	B-6	<u>150,758.69</u>	<u>140,827.34</u>
		<u>6,836,352.12</u>	<u>5,747,138.65</u>
Length of Service Awards Program Fund (LOSAP)			
Funds Held by Trustee	B-7	<u>2,346,994.58</u>	<u>2,179,740.60</u>
		<u>\$ 9,214,664.56</u>	<u>\$ 7,949,005.71</u>

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

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Cash	C-2	\$ 3,638,750.30	\$ 6,768,746.02
Deferred Charges to Future Taxation:			
Funded	C-4	44,806,834.02	40,022,672.98
Unfunded	C-5	17,708,560.00	17,458,256.00
Interfunds:			
Open Space Trust	B	432,500.00	432,500.00
Grants Receivable	C-7	916,175.82	189,638.82
		<u>\$ 67,502,820.14</u>	<u>\$ 64,871,813.82</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-6	\$ 151,381.97	\$ 53,240.97
Interfunds:			
Current Fund	A	5,335,500.00	-
Reserve for Debt Service	C-3	-	242,862.72
Improvement Authorizations:			
Funded	C-8	2,235,830.78	863,669.38
Unfunded	C-8	3,751,973.26	2,295,139.48
Reserve for Encumbrances	C-8	4,134,402.90	3,929,493.45
Bond Anticipation Notes	C-12	6,935,500.00	17,367,500.00
Environmental Infrastructure Trust Fund Loans	C-9	920,564.34	1,112,388.00
Serial Bonds	C-10	43,269,000.00	38,204,000.00
Green Trust Loan Payable	C-11	617,269.68	706,284.98
Fund Balance	C-1	151,397.21	97,234.84
		<u>\$ 67,502,820.14</u>	<u>\$ 64,871,813.82</u>

There were bonds and notes authorized but not issued on December 31, 2020 and 2019 of \$10,773,060.00 and \$90,756.00, respectively. (Exhibit C-13).

**TOWNSHIP OF BERKELEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$	97,234.84
Increased by:			
Receipts:			
BAN Premium	\$ 49,277.65		
Bond Premium	<u>4,884.72</u>		
			<u>54,162.37</u>
Balance December 31, 2020		\$	<u><u>151,397.21</u></u>

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

**TOWNSHIP OF BERKELEY
PAYROLL FUND
STATEMENTS OF ASSETS AND LIABILITIES
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash	\$ 339,294.99	\$ 308,498.76
Interfund Receivable - Current	<u>204,687.58</u>	<u>259,705.47</u>
	<u><u>\$ 543,982.57</u></u>	<u><u>\$ 568,204.23</u></u>
<u>Liabilities</u>		
Interfund Payable - Special Trust	\$ 294,281.53	\$ 414,212.74
Interfund Payable - Outside Employment Trust	192,492.03	-
Payroll Deductions Payable	<u>57,209.01</u>	<u>153,991.49</u>
	<u><u>\$ 543,982.57</u></u>	<u><u>\$ 568,204.23</u></u>

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

TOWNSHIP OF BERKELEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS AND LIABILITIES
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
General Fixed Assets:		
Land	\$ 8,163,670.07	\$ 7,747,516.11
Buildings and Improvements	10,711,431.70	10,355,500.00
Machinery and Equipment	<u>23,112,855.10</u>	<u>22,751,382.00</u>
	<u>\$ 41,987,956.87</u>	<u>\$ 40,854,398.11</u>
Investment in General Fixed Assets	<u>\$ 41,987,956.87</u>	<u>\$ 40,854,398.11</u>

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

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

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

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80, 90 and 97, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). If the provisions of these GASB statements had been complied with, the financial statements of the following components unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Berkeley Municipal Utilities Authority
Berkeley Housing Authority

Berkeley Sewerage Authority

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

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

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

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

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

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

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the

governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the

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

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

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

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

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

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

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

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

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

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

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

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2020:

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

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to section 1, paragraph 4 are effective immediately. All other requirements will be effective for reporting periods beginning June 15, 2021. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the Township’s financial statements.

Management has determined that the implementation of these Statements did not have a significant impact on the Township’s financial statements.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 87, *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021.

Management has not yet determined the impact of these pronouncements.

Note 2. Deposits and Investments

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

Deposits

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

Deposits (continued)

As of December 31, 2020, the Township's bank balance of \$19,264,903.32 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 12,402,114.61
Uninsured and Uncollateralized	<u>6,862,788.71</u>
	<u><u>\$ 19,264,903.32</u></u>

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 2. Deposits and Investments (continued)

Investments

Under the regulatory basis of accounting, investments are measured at cost in the Township's financial statements. However, had the financial statements been prepared in accordance with generally accepted accounting principles (GAAP), investments would be reported at fair value (except for fully benefit-responsive investment contracts, which would be reported at contract value). Contract value is the relevant measure for the portion of the Length of Service Awards Program (LOSAP) Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the LOSAP Plan.

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2020, the Township had no investments held at Level 2 or 3.

Following is a description of the valuation methodologies used for investments measured at fair value.

Money Market Funds: Valued at the quoted NAV of shares held by the Township at year-end.

Mutual Funds: Valued at quoted market prices which represent the net asset value ("NAV") shares held by the Township at year-end.

The Township's fair value, hierarchy level and maturities of its investments at December 31, 2020 was as follows:

	Carrying Value	Fair Value as of December 31, 2020		Investment Maturities in Less Than 1 Year
		Level 1	Total	
<u>Investment Type</u>				
Mutual Funds	\$ 1,896,743.91	\$ 1,896,743.91	\$ 1,896,743.91	\$ 1,896,743.91
Money Market	<u>225,238.53</u>	<u>225,238.53</u>	<u>225,238.53</u>	<u>225,238.53</u>
	<u>\$ 2,121,982.44</u>	<u>\$ 2,121,982.44</u>	<u>\$ 2,121,982.44</u>	<u>\$ 2,121,982.44</u>
<u>Fund</u>				
Trust Fund - LOSAP	<u>\$ 2,121,982.44</u>	<u>\$ 2,121,982.44</u>	<u>\$ 2,121,982.44</u>	<u>\$ 2,121,982.44</u>

Investments at Contract Value - The Township held a fully benefit-responsive investment contract with The Variable Annuity Life Insurance Company (VALIC) totaling \$225,012.14 as of December 31, 2020. VALIC maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the Township is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 2. Deposits and Investments (continued)

Investments (continued)

guaranteed to the LOSAP Plan. The Township's ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer's ability to meet its financial obligations. The fixed account continues in-force until they are terminated by VALIC or the LOSAP Plan and do not define a maturity date.

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. The total Trust Fund LOSAP value held by the Township at December 31, 2020 was as follows:

Trust Fund - LOSAP (Fair Value)	\$ 2,121,982.44
Trust Fund - LOSAP (Contract Value)	<u>225,012.14</u>
Total Trust Fund - LOSAP	<u><u>\$ 2,346,994.58</u></u>

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

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

Credit Risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Township's investment policies place no limit in the amount the Township may invest in any one issuer.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 3. Property Taxes

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

Comparison Schedule of Tax Rates

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$ 2.167</u>	<u>\$ 2.167</u>	<u>\$ 2.160</u>
Apportionment of Tax Rate:			
Municipal	0.646	0.646	0.646
Municipal Open Space	0.010	0.010	0.010
County	0.445	0.445	0.437
Local School	0.600	0.600	0.601
Regional School	0.466	0.466	0.466

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 5,175,652,820.00
2019	5,175,652,820.00
2018	5,136,193,690.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2020	\$ 117,116,843.33	\$ 116,276,023.51	99.28%
2019	113,303,764.22	111,932,339.81	98.78%
2018	111,672,917.87	109,861,705.35	98.37%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2020	\$ 408,795.06	\$ 631,309.75	\$ 1,040,104.81	0.89%
2019	400,046.24	958,122.41	1,358,168.65	1.20%
2018	1,091,188.14	1,030,938.02	2,122,126.16	1.90%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2020	285
2019	276
2018	353

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 4. Property Acquired By Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2020	\$ 6,179,600.00
2019	6,179,600.00
2018	6,179,600.00

Note 5. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2020	\$ 3,345,624.14	\$ -	0.00%
2019	5,973,015.49	2,710,000.00	45.37%
2018	6,088,254.74	2,710,000.00	44.51%

Note 6. Disaggregated Receivable and Payable Balances

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

Note 7. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 5,930,268.82	\$ 204,687.58
State and Federal Grant Fund	-	299,076.98
Trust Other Fund	486,773.56	728,191.84
Capital Fund	432,500.00	5,335,500.00
Payroll Fund	204,687.58	486,773.56
	<u>\$ 7,054,229.96</u>	<u>\$ 7,054,229.96</u>

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 7. Interfund Receivables, Payables and Transfers (continued)

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

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 1,486,561.13	\$ 1,492,028.70
State and Federal Grant Fund	582,296.67	1,281,873.55
Trust Other Fund	-	299,254.97
Capital Fund	897,862.72	242,862.72
Payroll Fund	349,299.42	-
	<u>\$ 3,316,019.94</u>	<u>\$ 3,316,019.94</u>

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

Note 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2020.

	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2020</u>
Land	\$ 7,747,516.11	\$ 479,400.00	\$ 63,246.04	\$ 8,163,670.07
Buildings and Improvements	10,355,500.00	355,931.70	-	10,711,431.70
Machinery & Equipment	22,751,382.00	361,473.10	-	23,112,855.10
	<u>\$ 40,854,398.11</u>	<u>\$ 1,196,804.80</u>	<u>\$ 63,246.04</u>	<u>\$ 41,987,956.87</u>

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2020, the Township's contractually required contribution to PERS plan was \$1,175,466.

Components of Net Pension Liability - At December 31, 2020, the Township's proportionate share of the PERS net pension liability was \$17,522,541. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Township's proportion measured as of June 30, 2020, was 0.1074515718% which was a decrease of 0.00108542842% from its proportion measured as of June 30, 2019.

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/20</u>	<u>12/31/19</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 2,419,743	\$ 3,842,216
Deferred Inflows of Resources	7,956,420	7,627,393
Net Pension Liability	17,522,541	19,751,385
Township's portion of the Plan's total Net Pension Liability	0.10745%	0.10962%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2020 measurement date is \$757,103. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$1,175,466 to the plan in 2020.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

At December 31, 2020, the Township reported 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>
Differences between Expected and Actual Experience	\$ 319,057	\$ 61,967
Changes of Assumptions	568,451	7,336,854
Net Difference between Projected and Actual Earnings on Pension Plan Investments	598,935	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>933,300</u>	<u>557,599</u>
	<u>\$ 2,419,743</u>	<u>\$ 7,956,420</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

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

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2021	\$ (1,362,064)
2022	(1,882,186)
2023	(1,452,894)
2024	(764,660)
2025	<u>(116,917)</u>
	<u>\$ (5,578,721)</u>

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

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

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2019. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

A. 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, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Municipal bond rates of 3.50% as of June 30, 2019 and 2.21% as of June 30, 2020 were used in the development of the blended GASB discount rate after the plan's fiduciary net position was no longer sufficient to make future benefit payments, when applicable. As selected by the State Treasurer, the rates are based on the Bond Buyer GO 20-Bond Municipal Bond Index. Based on the long-term rate of return of 7.00% and the municipal bond rate of 3.50% as of June 30, 2019 and the long-term rate of return of 7.00% and the municipal bond rate of 2.21% as of June 30, 2020, the blended GASB discount rates are 6.85% as of June 30, 2019 and 7.00% as of June 30, 2020. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00 %) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 22,231,407	\$ 17,522,541	\$ 13,781,643

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

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

The following represents the membership tiers for PFRS:

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

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2020, the Township's contractually required contributions to PFRS plan was \$2,154,996.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

Net Pension Liability and Pension Expense - At December 31, 2020 the Township's proportionate share of the PFRS net pension liability was \$24,924,917. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Township's proportion measured as of June 30, 2020, was 0.1928976210%, which was an increase of 0.0041403693% from its proportion measured as of June 30, 2019.

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/20</u>	<u>12/31/19</u>
	June 30, 2020	June 30, 2019
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 2,924,801	\$ 1,818,896
Deferred Inflows of Resources	7,130,925	8,861,730
Net Pension Liability	24,924,917	23,099,770
Township's portion of the Plan's total net pension Liability	0.19290%	0.18876%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2020, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2020 measurement date was \$1,222,898. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$2,154,996 to the plan in 2020.

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 251,285	\$ 89,453
Changes of Assumptions	62,723	6,682,221
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,461,464	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>1,149,329</u>	<u>359,251</u>
	<u><u>\$ 2,924,801</u></u>	<u><u>\$ 7,130,925</u></u>

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92
June 30, 2020	5.90	5.90

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

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

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2021	\$ (2,242,089)
2022	(1,276,549)
2023	(353,073)
2024	(12,885)
2025	<u>(321,528)</u>
	<u><u>\$ (4,206,124)</u></u>

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

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Township is \$3,868,234 as of December 31, 2020. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2020 was 0.1928976210%, which was an increase of 0.0041403693% from its proportion measured as of June 30, 2019, which is the same proportion as the Township's. At December 31, 2020, the Township's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 24,924,917
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>3,868,234</u>
	<u><u>\$ 28,793,151</u></u>

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

At December 31, 2020, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2020 measurement date was \$438,387.

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

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

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Municipal bond rates of 3.50% as of June 30, 2019 and 2.21% as of June 30, 2020 were used in the development of the blended GASB discount rate after the Plan's fiduciary net position was no longer sufficient to make future benefit payments, when applicable. As selected by the State Treasurer, the rates are based on the Bond Buyer GO 20-Bond Municipal Bond Index. Based on the long-term rate of return of 7.00% and the municipal bond rate of 3.50% as of June 30, 2019 and the long-term rate of return of 7.00% and the municipal bond rate of 2.21% as of June 30, 2020, the blended GASB discount rates are 6.85% as of June 30, 2019 and 7.00% as of June 30, 2020. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9. Pension Obligations (continued):

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 33,145,009	\$ 24,924,917	\$ 18,097,502
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>5,143,955</u>	<u>3,868,234</u>	<u>2,808,650</u>
	<u><u>\$ 38,288,964</u></u>	<u><u>\$ 28,793,151</u></u>	<u><u>\$ 20,906,152</u></u>

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

Note 10. Municipal Debt

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 51,742,334.02	\$ 57,390,172.98	\$ 55,188,476.41
Total Debt Issued	<u>51,742,334.02</u>	<u>57,390,172.98</u>	<u>55,188,476.41</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	<u>10,773,060.00</u>	<u>90,756.00</u>	<u>522,501.00</u>
Total Authorized But Not Issued	<u>10,773,060.00</u>	<u>90,756.00</u>	<u>522,501.00</u>
Total Gross Debt	<u><u>\$ 62,515,394.02</u></u>	<u><u>\$ 57,480,928.98</u></u>	<u><u>\$ 55,710,977.41</u></u>

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10. Municipal Debt (continued)

Deductions:

General:

Funds on Hand For Payment of Bonds and Notes:

Reserve for Debt Service	\$	-	\$	242,862.72	\$	420,891.87
Open Space Trust (N.J.S.A. 40A:244(h))		150,758.69		140,827.34		731,641.55

Total Deductions		150,758.69		383,690.06		1,152,533.42
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Total Net Debt	\$	62,364,635.33	\$	57,097,238.92	\$	54,558,443.99
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Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Debt	\$ 175,366.92	\$ 175,366.92	\$ -
General Debt	62,515,394.02	150,758.69	62,364,635.33
	<u>\$ 62,690,760.94</u>	<u>\$ 326,125.61</u>	<u>\$ 62,364,635.33</u>

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

Net Debt \$62,364,635.33 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$5,746,156,890.00, equals 1.085%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2020 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 201,115,491.15
Net Debt	<u>62,364,635.33</u>
Remaining Borrowing Power	<u>\$ 138,750,855.82</u>

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10. Municipal Debt (continued)

A. General Debt

The Township has five general bonds issued and outstanding. Amounts outstanding at December 31, 2020 for each bond is as follows:

\$9,950,000 2012 Bonds in annual installments ranging from \$525,000 to \$1,050,000 through 2023 at interest rates ranging from 2.125% to 3.00%	\$ 3,150,000.00
\$11,409,000 2016 Bonds in annual installments ranging from \$575,000 to \$1,150,000 through 2028 at interest rates ranging from 2.00% to 3.00%	9,109,000.00
\$19,955,000 2018 Bonds in annual installments ranging from \$1,115,000 to \$12,300,000 through 2029 at interest rates ranging from 3.00% to 5.00%	17,575,000.00
\$9,715,000 2020 Bonds in annual installments ranging from \$550,000 to \$1,085,000 through 2030 at interest rates ranging from 2.125% to 4.00%	9,715,000.00
\$3,750,000 2020 Refunding Bonds in annual installments ranging from \$30,000 to \$920,000 through 2030 at 4.00% interest.	3,720,000.00
	<u>\$ 43,269,000.00</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 4,910,000.00	\$ 1,845,630.96	\$ 6,755,630.96
2022	5,070,000.00	1,507,876.26	6,577,876.26
2023	5,505,000.00	1,322,326.26	6,827,326.26
2024	5,110,000.00	1,047,036.26	6,157,036.26
2025	4,550,000.00	865,836.26	5,415,836.26
2025-2029	18,124,000.00	1,389,993.17	19,513,993.17
	<u>\$ 43,269,000.00</u>	<u>\$ 7,978,699.17</u>	<u>\$ 51,247,699.17</u>

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10. Municipal Debt (continued)

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2020:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2020</u>
Series 2019 A	5/14/2020	5/14/2021	2.00%	\$ 6,935,500.00
				<u>\$ 6,935,500.00</u>

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

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2020, the Township had \$10,773,060.00 in various General Capital bonds and notes authorized but not issued.

D. Loans Payable

New Jersey Environmental Infrastructure Trust

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

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

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10. Municipal Debt (continued)

D. Loans Payable (continued)

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 183,109.71	\$ 14,730.00	\$ 197,839.71
2022	121,516.60	11,126.25	132,642.85
2023	119,687.17	9,653.75	129,340.92
2024	132,279.31	8,200.00	140,479.31
2025	130,221.20	6,931.25	137,152.45
2025-2029	371,119.36	10,618.75	381,738.11
Deobligated	<u>(137,369.01)</u>	<u>-</u>	<u>(137,369.01)</u>
	<u>\$ 920,564.34</u>	<u>\$ 61,260.00</u>	<u>\$ 981,824.34</u>

Green Trust Loans

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

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

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

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10. Municipal Debt (continued)

D. Loans Payable (continued)

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 73,958.74	\$ 11,893.62	\$ 85,852.36
2022	58,431.00	10,575.51	69,006.51
2023	59,605.47	9,401.05	69,006.52
2024	60,803.54	8,202.99	69,006.53
2025	62,025.69	6,980.83	69,006.52
2025-2029	168,914.57	19,836.71	188,751.28
2030-2034	86,788.57	9,518.82	96,307.39
2035-2038	46,742.10	1,411.56	48,153.66
	<u>\$ 617,269.68</u>	<u>\$ 77,821.09</u>	<u>\$ 695,090.77</u>

Summary of Principal Debt

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

	Balance December 31, <u>2019</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2020</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 38,204,000.00	\$ 13,465,000.00	\$ 8,400,000.00	\$ 43,269,000.00	\$ 4,910,000.00
Bond Anticipation Notes	17,367,500.00	6,935,500.00	17,367,500.00	6,935,500.00	6,935,500.00
Green Trust Loan	706,284.98	-	89,015.30	617,269.68	73,958.74
NJEIT Loans	1,112,388.00	-	191,823.66	920,564.34	183,109.71
Authorized But Not Issued	90,756.00	10,682,304.00	-	10,773,060.00	-
	<u>\$ 57,480,928.98</u>	<u>\$ 31,082,804.00</u>	<u>\$ 26,048,338.96</u>	<u>\$ 62,515,394.02</u>	<u>\$ 12,102,568.45</u>

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 11. Deferred Charges to be Raised in Succeeding Budgets

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

<u>Description</u>	Balance December 31, <u>2020</u>	2021 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Special Emergency Authorizations (40A:4-55)			
2016 Contractually Required Liabilities	\$ 52,144.03	\$ 52,144.03	\$ -

Note 12. Deferred School Taxes

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

<u>Local Taxes</u>	Balance, December 31,	
	<u>2020</u>	<u>2019</u>
Total Balance of Local Tax	\$ 14,935,374.01	\$ 14,683,636.01
Deferred Taxes	<u>14,889,559.01</u>	<u>14,683,536.01</u>
Local Tax Payable	<u>\$ 45,815.00</u>	<u>\$ 100.00</u>

<u>Regional Tax</u>	Balance, December 31,	
	<u>2020</u>	<u>2019</u>
Total Balance of Regional Tax	\$ 12,202,440.43	\$ 11,827,277.18
Deferred Taxes	<u>12,101,211.84</u>	<u>11,827,277.18</u>
Regional Tax Payable	<u>\$ 101,228.59</u>	<u>\$ -</u>

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 13. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$4,079,080.07 at December 31, 2020.

Note 14. Service Contract – Utility Authorities

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

Note 15. FEMA Community Disaster Loan

On May 21, 2013, the Township submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$5,000,000 in relation to Super Storm Sandy losses and expenditures. The Township drew down \$5,000,000 of the total amount in October 2013 and recognized this as revenue in the Current Fund in the year ended December 31, 2013. The Township's accrued interest at December 31, 2020 is \$77,423.33.

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

The Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and unreimbursed disaster related operating expenses. The Township applied and was approved to have a partial cancellation of this loan in the amount of \$3,755,497.97 plus the related accrued interest based on calculation provided by FEMA representatives. See note 18 for additional information.

Note 16. Contingent Liabilities

Pending Litigation

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

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 17. Postemployment Benefits Other Than Pensions

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the ended June 30, 2020. The New Division of Pension and Benefits will post these reports on their website as the are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2019.

General Information about the OPEB Plan

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

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

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

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

Basis of Presentation

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

Allocation Methodology

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

Net OPEB Liability

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Inflation Rate 2.50%

Salary Increases*:

Public Employees' Retirement System (PERS)

Initial Fiscal Year Applied

Rate through 2026 2.00% to 6.00%

Rate thereafter 3.00% to 7.00%

Police and Firemen's Retirement System (PFRS)

Rate for all future years 3.25% to 15.25%

Mortality:

PERS Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

PERS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

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

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

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

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

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

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Health Care Trend Assumptions

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

Discount Rate

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

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

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

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

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

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

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

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

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

Changes in Proportion

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

Plan Membership

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

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

TOWNSHIP OF BERKELEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Changes in the Total OPEB Liability

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

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

Note 18. Subsequent Events

The Township has evaluated subsequent events through November 18, 2021, the date the financial statements were available to be issued.

In October of 2021 Congress enacted a bill providing for the forgiveness of Community Disaster Loans held by local municipal governments. The Township expects the balance of \$1,067,017.07 will not have to be repaid.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$ 9,455,293.94
Increased by Receipts:		
Taxes Receivable	114,574,576.16	
Revenue Accounts Receivable	8,840,087.96	
Overpayments	18,894.97	
State of New Jersey (Ch. 20, P.L. 1971)	1,201,606.31	
Miscellaneous Revenue not Anticipated	280,360.78	
Tax Title Liens Receivable	130,376.95	
Prepaid Taxes	1,645,192.69	
Municipal Utility Authority	1,559.45	
FEMA Receivable - Sandy	501,999.00	
COVID Reserve	24,510.17	
Interfunds:		
Grant Fund	1,281,873.55	
Other	204,687.58	
		<u>128,705,725.57</u>
		138,161,019.51
Decreased by Disbursements:		
Budget Appropriations	43,009,576.96	
County Taxes Payable	23,740,957.88	
Regional School Tax	24,461,829.75	
Local School District Tax	31,403,275.00	
Appropriation Reserves	941,238.26	
Accounts Payable	8,017.24	
Tax Overpayments Refunded	141,325.61	
Open Space Tax	522,345.00	
CARES Act Receivable	101,306.69	
Interfunds:		
Grant Fund	582,296.67	
Other	5,892,807.89	
		<u>130,804,976.95</u>
Balance December 31, 2020		<u><u>\$ 7,356,042.56</u></u>

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2020**

Year	Balance Dec. 31, 2019	2020 Levy	Added/ Omitted	2019	Collections	2020	Due from State	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2020
Special Taxes										
2017	\$ 17,756.31	\$ -	\$ -	\$ -	\$ 384.36	\$ -	(250.00)	\$ 16,240.28	\$ -	\$ 1,131.67
2018	30.78	-	6,824.48	-	258.89	-	(1,750.00)	19.81	-	6,826.56
2019	9,286.02	-	1,706.12	-	5,849.51	-	(41,006.83)	108.87	-	6,783.76
	931,049.30	-	-	-	949,212.97	-		12,226.56	3,364.84	7,251.76
	958,122.41	-	8,530.60	-	955,705.73	-	(43,006.83)	28,595.52	3,364.84	21,993.75
2020	-	116,957,377.29	150,935.44	1,561,232.83	113,477,544.82		1,237,245.86	110,530.25	112,442.97	609,316.00
	\$ 958,122.41	\$ 116,957,377.29	\$ 159,466.04	\$ 1,561,232.83	\$ 114,433,250.55		\$ 1,194,239.03	\$ 139,125.77	\$ 115,807.81	\$ 631,309.75

Analysis of 2020 Property Tax Yield and Tax Levy

Tax Yield:

General Purpose Tax
Added and Omitted Taxes

\$ 116,957,377.29
159,466.04

\$ 117,116,843.33

Tax Levy:

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

\$ 31,655,013.00
24,836,993.00

23,709,285.92

36,915,551.41

\$ 117,116,843.33

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$ 400,046.24
Increased by:	
Transfers from Taxes Receivable	<u>139,125.77</u>
	539,172.01
Decreased by:	
Receipts	<u>130,376.95</u>
Balance December 31, 2020	<u><u>\$ 408,795.06</u></u>

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Balance Dec. 31, 2019</u>	<u>Accrued in 2019</u>	<u>Collections</u>	<u>Balance Dec. 31, 2020</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 40,651.00	\$ 40,651.00	\$ -
Other	-	3,280.80	3,280.80	-
Fees and Permits	-	611,116.43	611,116.43	-
Fines and Costs:				
Municipal Court	10,343.00	102,557.77	107,810.57	5,090.20
Interest and Costs on Taxes	-	324,747.71	324,747.71	-
Interest on Investments and Deposits	-	85,343.55	85,343.55	-
Beach Admission Fees	-	201,879.40	201,879.40	-
Municipal Golf Course	-	207,858.48	207,858.48	-
Hotel and Motel Occupancy Tax	-	20,229.90	20,229.90	-
State Aid:				
Energy Receipts Tax	-	4,213,875.00	4,213,875.00	-
Garden State Trust Fund	-	42,590.00	42,590.00	-
Special Items of Revenue:				
Interlocal Services Agreements:				
Animal Control Services	-	8,866.58	8,866.58	-
Ocean Gate Borough - Code Enforcement	-	6,280.00	6,280.00	-
Ocean Gate Borough - Finance Services	-	54,999.96	54,999.96	-
Ocean Gate Borough - Fuel Services	-	10,598.60	10,598.60	-
Berkeley Board of Education - Fuel Facilities	-	55,840.15	55,840.15	-
Fire Protection	-	-	-	-
Central Regional Board of Education - Fuel Facilities	-	111,031.36	111,031.36	-
Central Regional Board Trash	-	31,500.00	31,500.00	-
Other Special Items:				
Community Services Officer Program-Ambulance Service Fees	-	757,661.81	757,661.81	-
Health Care Coverage - Employee Percentage	-	843,731.99	843,731.99	-
Sale of Land	-	63,246.04	63,246.04	-
Capital Fund Reserve for Cash	-	242,862.72	242,862.72	-
Senior/Veteran Administration Fee	-	24,032.13	24,032.13	-
Surplus from the Berkeley Township Sewer Authority	-	447,887.00	447,887.00	-
Uniform Fire Safety Act	-	31,825.34	31,825.34	-
Interfund - Due from Trust Fund	-	290,341.44	290,341.44	-
	<u>\$ 10,343.00</u>	<u>\$8,834,835.16</u>	<u>\$8,840,087.96</u>	<u>\$ 5,090.20</u>

TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Date Authorized</u>	<u>Improvement Description</u>	<u>Net Amount Authorized</u>	<u>1/5 of</u>		<u>Balance Dec. 31, 2019</u>	<u>2020 Budget Appropriation</u>	<u>Balance Dec. 31, 2020</u>
			<u>Net Amount</u>	<u>Authorized</u>			
12/14/2015	Contractually Required Severance	\$ 66,906.24	\$ 13,381.25		\$ 13,381.24	\$ 13,381.24	\$ -
11/14/2016	Contractually Required Severance	260,750.15	52,150.03		104,288.06	52,144.03	52,144.03
					<u>\$ 117,669.30</u>	<u>\$ 65,525.27</u>	<u>\$ 52,144.03</u>

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance Dec. 31, 2019	Reserve for Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN CAPS						
<u>General Government Functions</u>						
General Administration:						
Salaries and Wages	\$ 4,517.22	\$ -	-	\$ 4,517.22	\$ -	\$ 4,517.22
Other Expenses	4,986.60	90.94	-	5,077.54	3,231.66	1,845.88
Human Resources:						
Salaries and Wages	741.73	-	-	741.73	-	741.73
Other Expenses	5,621.90	-	-	5,621.90	395.00	5,226.90
Office of the Mayor:						
Other Expenses	1,210.00	-	-	1,210.00	-	1,210.00
Township Council:						
Salaries and Wages	1,538.34	-	-	1,538.34	-	1,538.34
Other Expenses	3,940.00	-	-	3,940.00	-	3,940.00
Municipal Clerk:						
Salaries and Wages	1,954.75	-	-	1,954.75	-	1,954.75
Other Expenses	2,029.50	1,962.43	-	3,991.93	1,298.23	2,693.70
Division of Information Technology						
Salaries and Wages	818.28	-	-	818.28	-	818.28
Other Expenses	361.12	-	-	361.12	-	361.12
Financial Administration:						
Salaries and Wages	24,705.57	-	-	24,705.57	-	24,705.57
Other Expenses	5,429.31	5,546.58	-	10,975.89	7,373.05	3,602.84
Audit Services:						
Other Expenses	13.00	-	-	13.00	-	13.00
Revenue Administration (Tax Collection):						
Salaries and Wages	893.75	-	-	893.75	-	893.75
Other Expenses	19,252.50	789.88	-	20,042.38	5,194.20	14,848.18
Tax Assessment Administration:						
Salaries and Wages	5,087.52	-	-	5,087.52	-	5,087.52
Other Expenses	1,619.51	888.44	-	2,507.95	2,021.94	486.01
Division of Purchasing						
Salaries and Wages	893.77	-	-	893.77	-	893.77
Other Expenses	525.72	2,177.14	-	2,702.86	2,485.16	217.70
Legal Services:						
Other Expenses	39,041.36	55,963.50	29,000.00	124,004.86	108,245.44	15,759.42

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance Dec. 31, 2019	Reserve for Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Lapsed
Engineering Services:						
Other Expenses	36,627.18	-	5,000.00	41,627.18	38,636.01	2,991.17
Economic Development Agencies:						
Other Expenses	675.00	-	-	675.00	-	675.00
Veterans Advisory Council						
Other Expenses	500.00	-	-	500.00	-	500.00
Waterways Advisory Committee:						
Salaries and Wages	4,400.00	-	-	4,400.00	-	4,400.00
Other Expenses	600.00	-	-	600.00	-	600.00
Municipal Court:						
Salaries and Wages	2,805.43	-	-	2,805.43	-	2,805.43
Other Expenses	2,419.35	2,297.61	-	4,716.96	2,297.61	2,419.35
Public Defender (P.L. 1997, c256):						
Other Expenses	14,067.15	-	-	14,067.15	5,833.32	8,233.83
<u>Land Use Administration</u>						
Planning Board / Director of Planning:						
Other Expenses	4,575.64	-	18,000.00	22,575.64	21,876.64	699.00
Planning Board:						
Salaries and Wages	4,548.07	-	-	4,548.07	-	4,548.07
Other Expenses	11,155.54	684.00	-	11,839.54	2,472.00	9,367.54
Division of Zoning:						
Salaries and Wages	397.91	-	-	397.91	-	397.91
Other Expenses	163.83	-	-	163.83	-	163.83
Zoning Board of Adjustment:						
Salaries and Wages	189.27	-	-	189.27	-	189.27
Other Expenses	15,834.78	825.00	-	16,659.78	10,316.47	6,343.31
<u>Insurance</u>						
General Liability	95,297.62	-	(95,000.00)	297.62	-	297.62
Workers Compensation	2,547.30	-	-	2,547.30	779.91	1,767.39
Employee Group Insurance	56,603.52	6,677.30	-	63,280.82	6,767.70	56,513.12
<u>Public Safety Functions</u>						
Police Department:						
Salaries and Wages	44,817.26	-	(16,000.00)	28,817.26	-	28,817.26
Other Expenses	31,475.06	48,503.11	-	79,978.17	61,663.13	18,315.04
Emergency Management:						
Salaries and Wages	3,152.72	-	-	3,152.72	-	3,152.72
Other Expenses	565.26	600.00	-	1,165.26	600.00	565.26

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance Dec. 31, 2019	Reserve for Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Lapsed
Aid to Volunteer Fire Companies:						
Salaries and Wages	0.08	-	-	0.08	-	0.08
Other Expenses	2,979.66	55,019.18	-	57,998.84	53,445.03	4,553.81
First Aid Contribution						
Other Expenses	-	-	-	-	(7,116.26)	7,116.26
Fire Department:						
Salaries and Wages	43,551.32	-	-	43,551.32	-	43,551.32
Other Expenses	572.49	-	-	572.49	-	572.49
Municipal Prosecutor:						
Other Expenses	42.50	-	-	42.50	-	42.50
Public Works Functions						
Streets and Roads Maintenance:						
Salaries and Wages	2,407.65	-	-	2,407.65	-	2,407.65
Other Expenses	9,677.71	47,943.84	-	57,621.55	45,595.81	12,025.74
Contractual	237,246.66	-	-	237,246.66	200,000.00	37,246.66
Other Public Works Functions/ Signs, Maintenance:						
Salaries and Wages	42,815.55	-	-	42,815.55	-	42,815.55
Other Expenses	269.86	1,671.50	-	1,941.36	1,351.50	589.86
Other Public Works Functions/ Building Demolition:						
Other Expenses	8,600.00	-	-	8,600.00	-	8,600.00
Sanitation/Solid Waste Collection:						
Salaries and Wages	31.04	-	-	31.04	-	31.04
Other Expenses	24,515.35	21,041.19	-	45,556.54	18,465.12	27,091.42
Solid Waste Collection/Recycling:						
Salaries and Wages	2,951.02	-	-	2,951.02	-	2,951.02
Other Expenses	1,101.63	2,630.94	-	3,732.57	771.45	2,961.12
Buildings and Grounds:						
Salaries and Wages	2,669.52	-	-	2,669.52	-	2,669.52
Other Expenses	4,407.97	5,491.33	-	9,899.30	6,789.02	3,110.28
Equipment Maintenance:						
Salaries and Wages	10,334.21	-	-	10,334.21	-	10,334.21
Other Expenses	1,710.10	4,572.86	-	6,282.96	4,996.81	1,286.15
Health and Human Services						
Environmental Health Services:						
Other Expenses	150.00	-	-	150.00	-	150.00

TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance Dec. 31, 2019	Reserve for Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Lapsed
Animal Control Services:						
Salaries and Wages	6,272.16	-	-	6,272.16	-	6,272.16
Other Expenses	250.00	-	-	250.00	-	250.00
<u>Parks and Recreation</u>						
Recreation Services and Programs:						
Salaries and Wages	119,517.51	-	-	119,517.51	-	119,517.51
Other Expenses	31,167.66	2,497.09	-	33,664.75	5,874.59	27,790.16
Recreation Services and Programs/Golf Course:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	1,000.00	-	-	1,000.00	-	1,000.00
Maintenance of Parks:						
Salaries and Wages	15,055.35	-	-	15,055.35	-	15,055.35
Other Expenses	1,266.34	2,126.77	-	3,393.11	2,571.04	822.07
Beach and Boardwalk Operations:						
Salaries and Wages	37,185.40	-	-	37,185.40	-	37,185.40
Other Expenses	1,790.62	-	-	1,790.62	838.64	951.98
<u>Utilities and Bulk Purchases</u>						
Utilities:						
Other Expenses	134,689.18	29,842.14	-	164,531.32	97,175.48	67,355.84
Street Lighting:						
Other Expenses	47,708.24	3,664.20	-	51,372.44	38,636.16	12,736.28
Gasoline:						
Other Expenses	37,804.53	47,243.90	59,000.00	144,048.43	111,439.50	32,608.93
<u>Landfill/Solid Waste</u>						
Landfill/Solid Waste Disposal Costs:						
Other Expenses/Tipping	46,391.38	105,300.00	-	151,691.38	5,300.00	146,391.38
<u>Code Enforcement and Administration</u>						
Other Code Enforcement Functions:						
Salaries and Wages	4,964.11	-	-	4,964.11	-	4,964.11
Other Expenses	3,214.50	491.14	-	3,705.64	1,243.07	2,462.57
Total Operations within Caps	1,342,910.64	456,542.01	-	1,799,452.65	868,864.43	930,588.22
Contingent	2,000.00	-	-	2,000.00	429.67	1,570.33
Total Operations within Caps including Contingent	1,344,910.64	456,542.01	-	1,801,452.65	869,294.10	932,158.55

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance Dec. 31, 2019	Reserve for Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Lapsed
<u>STATUTORY EXPENDITURES WITHIN CAPS</u>						
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System	33,018.37	-	-	33,018.37	-	33,018.37
Defined Contribution Retirement Program	39.63	-	-	39.63	-	39.63
Public Employee Retirement System	900.00	-	-	900.00	-	900.00
Total Deferred Charges and Statutory Expenditures within Caps	33,958.00	-	-	33,958.00	-	33,958.00
Total Appropriations within Caps	1,378,868.64	456,542.01	-	1,835,410.65	869,294.10	966,116.55
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN CAPS</u>						
<u>OPERATIONS EXCLUDED FROM CAPS</u>						
Length of Service Awards Program (N.J.A.C. 5:30-14.25):						
Other Expenses	19,286.00	-	-	19,286.00	-	19,286.00
Stormwater and Water Pollution (N.J.S.A. 40A: 4-45.3(cc)):						
Salaries and Wages	7,633.18	-	-	7,633.18	-	7,633.18
Other Expenses	824.72	9,196.68	-	10,021.40	9,196.68	824.72
Recycling Enhancement Act (P.L. 2007 c.311):						
Other Expenses	1,130.49	8,488.93	-	9,619.42	8,070.25	1,549.17
<u>Interlocal Municipal Service Agreements</u>						
Ocean County Social Services-Relocation Expenses:						
Other Expenses	1,000.00	-	-	1,000.00	-	1,000.00
Fire Protection - South Toms River:						
Other Expenses	-	6,000.00	-	6,000.00	5,917.41	82.59
Ocean County- Animal Control						
Salaries and Wages	8,400.00	692.00	-	9,092.00	692.00	8,400.00

TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance Dec. 31, 2018	Reserve for Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Lapsed
Community Service Officer Program(Ambulance):						
Salaries and Wages	14,021.82	-	-	14,021.82	-	14,021.82
Other Expenses	17,096.89	60,711.81	-	77,808.70	67,271.09	10,537.61
<u>DEFERRED CHARGES EXCLUDED FROM CAPS</u>						
CDL Loan Payback	300,000.00	-	-	300,000.00	-	300,000.00
Total Operations excluded from Caps	369,393.10	85,089.42	-	454,482.52	91,147.43	363,335.09
Total General Appropriations	\$ 1,748,261.74	\$ 541,631.43	\$ -	\$ 2,289,893.17	\$ 960,441.53	\$ 1,329,451.64
Disbursed					\$ 941,238.26	
Encumbrances					19,203.27	
					\$ 960,441.53	

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019:		
School Tax Payable	\$ 100.00	
School Tax Deferred	<u>14,683,536.01</u>	<u>\$ 14,683,636.01</u>
Increased by:		
Levy for School Year July 1, 2020 to June 30, 2021		<u>31,655,013.00</u>
		46,338,649.01
Decreased by:		
Disbursements		<u>31,403,275.00</u>
Balance December 31, 2020:		
School Tax Payable	45,815.00	
School Tax Deferred	<u>14,889,559.01</u>	<u>\$ 14,935,374.01</u>
<u>2020 Charge to Operations for Regional School Tax</u>		
Balance December 31, 2019 - School Tax Deferred		\$ 14,683,536.01
Add: 2020-2021 School Tax Levy		31,655,013.00
Less: Ending Balance December 31, 2020 - School Tax Deferred		<u>(14,889,559.01)</u>
Amount Charged to 2020 Operations		<u>\$ 31,448,990.00</u>

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019:		
School Tax Deferred	\$	11,827,277.18
Increased by:		
Levy for School Year July 1, 2020 to June 30, 2021		<u>24,836,993.00</u>
		36,664,270.18
Decreased by:		
Disbursements		<u>24,461,829.75</u>
Balance December 31, 2020:		
School Tax Payable	\$	101,228.59
School Tax Deferred		<u>12,101,211.84</u>
	\$	<u><u>12,202,440.43</u></u>
<u>2020 Charge to Operations for Regional School Tax</u>		
Balance December 31, 2019 - School Tax Deferred	\$	11,827,277.18
Add: 2020-2021 School Tax Levy		24,836,993.00
Less: Ending Balance December 31, 2020 - School Tax Deferred		<u>(12,101,211.84)</u>
Amount Charged to 2020 Operations	\$	<u><u>24,563,058.34</u></u>

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$ 182,607.36
2020 Tax Levy:		
County Tax (Abstract)	\$ 19,714,495.46	
County Library Tax (Abstract)	2,172,722.83	
County Health Tax (Abstract)	969,189.66	
County Open Space Tax (Abstract)	701,942.57	
Due County for Added and Omitted Taxes	<u>150,935.40</u>	
		<u>23,709,285.92</u>
		23,891,893.28
Decreased by:		
Disbursements		<u>23,740,957.88</u>
Balance December 31, 2020		<u><u>\$ 150,935.40</u></u>

Exhibit A-13

**SCHEDULE OF MUNICIPAL OPEN SPACE TAX
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$ -
Increased by:		
Levy Calendar Year 2020		<u>522,345.00</u>
		522,345.00
Decreased by:		
Disbursements		<u>522,345.00</u>
Balance December 31, 2020		<u><u>\$ -</u></u>

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF SPENDING RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Improvement Description</u>	<u>Balance Dec. 31, 2019</u>	<u>Received</u>	<u>Expended</u>	<u>Balance Dec. 31, 2020</u>
Contractually Required Severance	<u>\$ 34,000.31</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,000.31</u>
	<u><u>\$ 34,000.31</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,000.31</u></u>

**TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Total (Memo Only)	Other Trust Fund	General Capital Fund	Payroll Fund
Balance December 31, 2019 - (Due From) /Due To	\$ 14,304.14	\$ 14,304.14	\$ -	\$ -
Increased by:				
Disbursed	5,892,807.89	557,307.89	5,335,500.00	-
Total Increases	5,892,807.89	557,307.89	5,335,500.00	-
Total Increases and Balances	(5,878,503.75)	(543,003.75)	(5,335,500.00)	-
Decreased by:				
Receipts	204,687.58	-	-	204,687.58
Adjustments	247,311.91	247,311.91	-	-
Total Decreases	451,999.49	247,311.91	-	204,687.58
Balance December 31, 2020 - (Due From) /Due To	<u>\$ (5,426,504.26)</u>	<u>\$ (295,691.84)</u>	<u>\$ (5,335,500.00)</u>	<u>\$ 204,687.58</u>

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

Balance December 31, 2019 - Due To / (From)		\$ (1,042,643.32)
Increased by:		
Grant Accounts Receivable Deposits	\$ 1,276,373.09	
Unappropriated Funds Received	5,500.46	
Transferred from 2020 Budget Appropriations	<u>1,884,154.64</u>	
		<u>3,166,028.19</u>
Decreased by:		2,123,384.87
Grant Fund Disbursements	582,296.67	
Transferred from 2020 Anticipated Revenue	<u>1,840,165.18</u>	
		<u>2,422,461.85</u>
Balance December 31, 2020 - Due To / (From)		<u><u>\$ (299,076.98)</u></u>

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

<u>Grant</u>	Balance Dec. 31, 2019	2020 Budget Revenue	Received	Balance Dec. 31, 2020
DOJ - Bulletproof Vest Partnership	\$ 1,069.99	\$ -	\$ -	\$ 1,069.99
Municipal Alliance Grant-2017	23,334.16	-	-	23,334.16
HDSRF,Public Entity Grant Program	712,380.00	-	712,380.00	-
Post Sandy Planning -South Seaside Park	620.46	-	-	620.46
Post Sandy Planning-Master Plan	1,718.83	-	-	1,718.83
Post Sandy Planning-Coastal Neighborhood	1,733.63	-	-	1,733.63
Post Sandy Planning-Community Rating System	8,241.96	-	-	8,241.96
Post Sandy Planning-Floodplain Management	2,640.50	-	-	2,640.50
Ocean - Municipal Recycling Grant Program	7,213.00	-	-	7,213.00
Post Sandy Planning Assistance Grant	68,106.03	-	-	68,106.03
Hazard Discharge Site - AT&T Property	30,708.00	-	-	30,708.00
Hazard Mitigation Grant - Federal Portion - Municipal Building	110,926.00	-	-	110,926.00
Hazard Mitigation Grant - Federal Portion - Recreation Building	63,500.00	-	-	63,500.00
Hazard Mitigation Grant - Federal Portion - Police Building	83,976.00	-	-	83,976.00
Bulletproof Vest Program 2015	7,683.87	-	3,660.13	4,023.74
FY2015 Homeland Security Grant	432.20	-	-	432.20
FY2020 Homeland Security Grant	-	54,808.00	-	54,808.00
U.S. Department of Homeland Security FY 2016-Elevation Grant	558,174.56	-	291,429.90	266,744.66
NJOEM FY 2018-966 Grant	3,350.72	-	-	3,350.72
Bulletproof Vest Partnership Grant	4,461.18	-	-	4,461.18
FY16 Child Restraint Grant Program	270.00	-	-	270.00
Cops in Crosswalks Grant	150.00	-	-	150.00
2016 Bulletproof Vest Partnership	4,715.00	-	-	4,715.00
FY16 Homeland Security Grant	195.85	-	-	195.85
Green Acres Grant - Veterans Park Improvements	200,000.00	-	-	200,000.00
Municipal Alliance on Alchohol and Drug Abuse - 2018	31,388.00	-	-	31,388.00
Municipal Alliance on Alchohol and Drug Abuse - 2019	31,388.00	-	4,789.42	26,598.58
Municipal Alliance on Alchohol and Drug Abuse - 2020	-	10,518.45	-	10,518.45
FEMA Emergency Generator Project - Police Building	187,328.00	-	-	187,328.00
FEMA Emergency Generator Project - Amination Building	119,769.00	-	-	119,769.00
DOT Grant FY 2018 - Various Road Improvements	127,590.15	-	125,749.45	1,840.70
CDBG - Road and Drainage Improvements - Jamaica Blvd 2018	34,000.00	-	-	34,000.00
CDBG 2020	-	34,000.00	-	34,000.00
2018 Society of Fire Protection Engineers Grant	1,000.00	-	-	1,000.00
NJ OEM Grant - 2018	32,886.35	-	-	32,886.35
NJ OEM Grant - 2019	6,364.80	-	-	6,364.80
Cops in Shops	-	3,520.00	3,520.00	-
FY18 Homeland Security Grant	425.00	-	-	425.00
FY17 Homeland Security Grant	12,199.70	-	12,195.19	4.51
NJ DOT Municipal Grant Aid	122,515.15	-	-	122,515.15
Flood Mitigation	-	352,049.33	-	352,049.33
Clean Communities-2020	-	122,649.00	122,649.00	-
COPS FAST	-	1,250,000.00	-	1,250,000.00
State Body Armor Replacement Fund	-	5,909.25	-	5,909.25
Body Armor Replacement Grant	7,415.90	6,711.15	-	14,127.05
	<u>\$ 2,609,871.99</u>	<u>\$ 1,840,165.18</u>	<u>\$ 1,276,373.09</u>	<u>\$ 3,173,664.08</u>

TOWNSHIP OF BERKELEY
CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES
GRANT FUND

Grant	Balance	Transfer from	Transfer	Paid or	Transfer	Balance
	Dec. 31, 2019	2020 Budget	From	Charged	To	Dec. 31, 2020
		Appropriation	Encumbrances		Encumbrances	
	\$	\$				\$
Clean Communities Program-2014	103.34	-	-	-	-	103.34
Municipal Recycling Grant Program 2014	4,101.66	-	-	-	-	4,101.66
Post Sandy Planning Assistance Grant	59,394.56	-	-	-	-	59,394.56
Alcohol Education & Rehabilitation Grant	235.73	-	-	-	-	235.73
Hazardous Discharge Remediation Grant - AT&T Building	1,192.34	-	-	-	-	1,192.34
Hazard Mitigation Grant Program - Police - Local Share	240.80	-	-	-	-	240.80
Body Armor Fund - 2015	1,900.00	-	-	-	-	1,900.00
Homeland Security Grant - FY 2018	1,769.00	-	4,720.00	4,720.00	-	1,769.00
Homeland Security Grant - FY 2018	4.51	-	-	-	-	4.51
Homeland Security Grant - FY 2015	432.20	-	-	-	-	432.20
Homeland Security Grant - FY 2020	-	54,808.00	-	-	-	54,808.00
Clean Communities Grant - 2015	147.82	-	-	-	-	147.82
Clean Communities Program - 2016	68.40	-	-	-	-	68.40
Municipal Alliance on Alcohol and Drug Abuse - 2018	27,657.39	-	86.26	(803.06)	-	28,546.71
Municipal Alliance on Alcohol and Drug Abuse-Local Match - 2018	7,847.00	-	-	-	-	7,847.00
Municipal Alliance on Alcohol and Drug Abuse - 2019	31,388.00	-	-	6,328.34	-	25,059.66
Municipal Alliance on Alcohol and Drug Abuse-Local Match - 2019	7,847.00	-	-	-	-	7,847.00
Municipal Alliance on Alcohol and Drug Abuse - 2020	-	13,148.06	-	-	-	13,148.06
DDEF FY2015 Grant	14,360.39	-	-	-	-	14,360.39
Body Armor Fund	6,056.81	6,711.15	-	5,793.11	-	6,974.85
FY 15 EMPG EMMA Grant	5,120.00	-	-	-	-	5,120.00
FY 15 EMPG EMMA Grant-Local Match	7,000.00	-	-	-	-	7,000.00
Cops in Crosswalks Grant - 2018	35,200.00	-	-	-	-	35,200.00
Cops in Crosswalks Grant - PY's	150.00	-	-	-	-	150.00
2016 Body Armor	3,893.11	-	-	-	-	3,893.11
2016 Bulletproof Vest Partnership	4,715.00	-	-	-	-	4,715.00
FY16 Homeland Security Grant	195.85	-	-	-	-	195.85
Municipal Alliance on Alcohol and Drug Abuse - 2017	15,740.68	-	-	-	-	15,740.68
Municipal Alliance on Alcohol and Drug Abuse-Local Match - 2017	3,634.79	-	-	-	-	3,634.79
HDSRF, Public Entity Grant Program	19,373.28	-	1,981.09	14,579.66	-	6,774.71
Hazardous Discharge Site Remediation Municipal Grant Program	3,201.50	-	-	-	-	3,201.50
NJ Sandy Recovery-Post Sandy Planning Grant-S. Seaside Pk Neighborhood	2,352.43	-	-	-	-	2,352.43
NJ Sandy Recovery-Post Sandy Planning Grant-Master Plan	2,502.29	-	-	-	-	2,502.29
Post Sandy Planning-Coastal Neighborhood	4,318.10	-	-	-	-	4,318.10

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

	Balance Dec. 31, 2019	Transfer from 2020 Budget Appropriation	Transfer From Encumbrances	Paid or Charged	Transfer To Encumbrances	Balance Dec. 31, 2020
Post Sandy Planning-Community Rating System	13,133.50	-	-	-	-	13,133.50
Post Sandy Planning-Floodplain Management	4,612.06	-	-	1,811.50	-	2,800.56
State of New Jersey 2019 Recycling Tonnage Grant	82,078.44	-	-	-	-	82,078.44
State of New Jersey 2014 Recycling Tonnage Grant	998.18	-	-	-	-	998.18
Ocean County Tourism Grant	833.00	-	-	-	-	833.00
U.S. Department of Homeland Security FY 2016-Elevation Grant	552,824.26	-	-	288,720.06	-	264,104.20
NJ Drunk Driving Enforcement Grant - 2017	7,085.92	-	-	-	-	7,085.92
CDBG Grant-Roadway & Drainage Imp - Jamaica - 2018	19,227.16	-	-	12,756.70	-	6,470.46
CDBG Grant-Roadway & Drainage Improvements for Various Locations	31,000.00	-	-	-	-	31,000.00
NJOEM FY 2021-996 Grant	-	-	-	-	-	-
NJOEM FY 2020-996 Grant	4.80	-	32,881.55	32,881.55	-	4.80
NJOEM FY 2019-966 Grant	865.80	-	-	-	-	865.80
NJOEM FY 2018-966 Grant	3,350.72	-	-	-	-	3,350.72
NJ Body Armor -2017	5,722.43	-	-	-	3,557.92	2,164.51
NJ Body Armor -2019	7,415.90	-	-	6,310.63	-	1,105.27
State Body Armor Replacement Fund	-	5,909.25	-	-	-	5,909.25
Bulletproof Vest Partnership Grant	1,904.30	-	-	1,769.46	134.84	-
Click It or Ticket Grant-2018	5,500.00	-	-	-	-	5,500.00
Distracted Driving Overtime Enforcement Grant-2018	6,600.00	-	-	-	-	6,600.00
Clean Communities Grant - 2017	491.08	-	-	-	-	491.08
Clean Communities Grant - 2019	48,128.70	-	807.00	7,558.06	500.00	40,877.64
Society of Fire Protection Engineers - 2018	1,000.00	-	-	-	-	1,000.00
DOT - Various Road Improvements - 2018	5,636.87	-	11,939.51	16,778.51	-	797.87
DOT - Jamaica Blvd Phase 3 - 2019	365,000.00	-	-	-	-	365,000.00
Clean Communities Program - 2018	380.74	-	-	-	-	380.74
Clean Communities Program - 2020	-	122,649.00	-	122,649.00	-	-
COPS FAST	-	1,250,000.00	-	-	-	1,250,000.00
COPS in Shops	-	3,520.00	-	3,520.00	-	-
Flood Mitigation	-	393,409.18	-	56,015.65	13,787.38	323,606.15
Hazard Mitigation Grant Program - Police - Federal Share	11,082.19	-	-	-	-	11,082.19
Drive Sober or Get Pulled Over - 2019	5,500.00	-	-	907.50	-	4,592.50
	<u>\$ 1,452,520.03</u>	<u>\$ 1,884,154.64</u>	<u>\$ 52,415.41</u>	<u>\$ 582,296.67</u>	<u>\$ 17,980.14</u>	<u>\$ 2,788,813.27</u>
Adopted Budget	\$ 1,850,154.64					
Added by 40A-4-87	34,000.00					
	<u>\$ 1,884,154.64</u>					

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

<u>Grant</u>	<u>Balance Dec. 31, 2019</u>	<u>Receipts</u>	<u>Balance Dec. 31, 2020</u>
Recycling Tonnage Grant-2018	\$ 62,293.23	\$ -	\$ 62,293.23
Drive Sober, Get Pulled Over	-	5,500.00	5,500.00
Clean Communities	-	0.46	0.46
	<u>\$ 62,293.23</u>	<u>\$ 5,500.46</u>	<u>\$ 67,793.69</u>

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TRUST FUND

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

	Animal Control Trust Fund	Other Trust Fund
Balance December 31, 2019	\$ 22,126.46	\$ 5,273,284.27
Increased by Receipts:		
Animal Control License Fees	36,467.83	-
Miscellaneous Reserves	-	9,579,795.65
Due From Berkeley BOE	-	45,337.50
Reserve For Open Space	-	551,815.39
Due to State of New Jersey	4,964.00	564.00
Interfund		
Payroll	-	702,288.63
	<u>41,431.83</u>	<u>10,879,801.17</u>
	63,558.29	16,153,085.44
Decreased by Disbursements:		
Expenditures Under R.S. 4:19-15.11	27,276.43	-
Miscellaneous Reserves	-	8,784,375.81
Reserve for Open Space	-	541,884.04
Due to State of New Jersey	4,964.00	-
Interfund	-	477,247.03
	<u>32,240.43</u>	<u>9,803,506.88</u>
Balance December 31, 2020	<u>\$ 31,317.86</u>	<u>\$ 6,349,578.56</u>

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

Balance December 31, 2019		\$ 22,117.46
Increased by:		
Animal Control License Fees Collected	\$ 30,279.40	
Other Fees	<u>6,188.43</u>	
		<u>36,467.83</u>
		58,585.29
Decreased by:		
Expenditures Under R.S. 4:19-15.11		<u>27,276.43</u>
Balance December 31, 2020		<u><u>\$ 31,308.86</u></u>

License and Penalty Fees Collected

<u>Year</u>	<u>Amount</u>
2019	\$ 35,562.40
2018	<u>36,730.00</u>
	<u><u>\$ 72,292.40</u></u>

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

	\$ 9.00
Increased by:	
2020 Animal License Fees	<u>4,964.00</u>
	4,973.00
Decreased by:	
Fees Paid to State	<u>4,964.00</u>
Balance December 31, 2020	<u><u>\$ 9.00</u></u>

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

	Total (Memo Only)	Current Fund	General Capital Fund	Payroll Special Trust	Payroll Fund
Balance December 31, 2019 - Due To (From)	\$ 263,688.59	\$ (14,304.14)	\$ 432,500.00	\$ (414,212.74)	\$ 259,705.47
Increased by:					
Receipts	702,288.63	557,307.89	-	119,931.21	25,049.53
Decreased by:					
Disbursements	965,977.22	543,003.75	432,500.00	(294,281.53)	284,755.00
Adjustment	477,247.03	-	-	-	477,247.03
	247,311.91	247,311.91	-	-	-
Balance December 31, 2020 - Due To (From)	<u>\$ 241,418.28</u>	<u>\$ 295,691.84</u>	<u>\$ 432,500.00</u>	<u>\$ (294,281.53)</u>	<u>\$ (192,492.03)</u>

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

Balance December 31, 2019		\$ 4,898,495.84
Increased by:		
Interfund	\$ 702,288.63	
Adjustment	22,270.31	
Receipts	<u>9,579,795.65</u>	<u>10,304,354.59</u>
		15,202,850.43
Decreased by:		
Interfund	477,247.03	
Disbursements	<u>8,784,375.81</u>	<u>9,261,622.84</u>
Balance December 31, 2020		<u><u>\$ 5,941,227.59</u></u>

Analysis of Balance

Reserve for:		
Law Enforcement		\$ 93,517.26
Sanitary Landfill		13,164.46
Unemployment Compensation		22,694.54
Construction Code		34,629.30
Tree Inspection Fees		11,382.03
Tax Map Maintenance		1,062.05
Founders Day		1,411.41
Drainage Improvements		137,331.62
Affordable Housing		985,755.62
Uniform Fire Safety Act - Penalty Monies		865.11
Fire Prevention Donations		4,089.23
Street Opening		47,832.50
DARE		11,062.59
Developers Road Impact		169,432.75
Public Defender		3,048.69
Tax Sale Premium		1,235,150.00
POAA		254.89
Third Party Liens		48,985.06
Foreclosures		11,112.88
Developers Escrow		2,095,550.31
Inspection Fees - Grading		11,535.79
Planning/Zoning Board Escrow		145,043.84
Reserve for ABC		112.00
Tree Planting		1,017.02
Municipal Alliance Donations		5,961.14
Disposal of Forfeited Property		4,082.39
Inspection Holly Park		3,141.84
Outside Employment		242,809.29
Reserve for Snow Removal		559,691.98
Recreations - Open Space		<u>39,500.00</u>
		<u><u>\$ 5,941,227.59</u></u>

Exhibit B-6

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

Balance December 31, 2019		\$ 140,827.34
Increased by:		
2020 Tax Levy - Open Space	\$ 525,622.35	
Cash Receipts	23,978.11	
Interest on Deposits	2,214.93	
	<hr/>	<hr/>
		551,815.39
		<hr/>
		692,642.73
Decreased by:		
Salary and Wages	330,400.00	
Other Expenses	211,484.04	
	<hr/>	<hr/>
		541,884.04
		<hr/>
Balance December 31, 2020		<u><u>\$ 150,758.69</u></u>

Exhibit B-7

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

Balance December 31, 2019		\$ 2,179,740.60
Increased by:		
Gains	289,175.31	
Contributions	156,401.00	
Interest Earned	11,136.12	
	<hr/>	<hr/>
		456,712.43
		<hr/>
		2,636,453.03
Decreased by:		
Distributions		<hr/>
		289,458.45
		<hr/>
Balance December 31, 2020		<u><u>\$ 2,346,994.58</u></u>

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GENERAL CAPITAL FUND

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

Balance December 31, 2019		\$ 6,768,746.02
Increased by:		
Debt Sale Proceeds:		
Proceeds on Bond Issuance	\$ 10,432,000.00	
Premium on Debt Issuance	54,162.37	
Bond Anticipation Notes	6,935,500.00	
Grant Receipts	210,000.00	
Budget Appropriation:		
Capital Improvement Fund	<u>655,000.00</u>	
		<u>18,286,662.37</u>
		25,055,408.39
Decreased by:		
Improvement Authorizations	9,141,795.37	
Bond Anticipation Notes	12,032,000.00	
Reserve for Payment of Debt	<u>242,862.72</u>	
		<u>21,416,658.09</u>
Balance December 31, 2020		<u><u>\$ 3,638,750.30</u></u>

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

		Balance Dec. 31, 2020
		<hr/>
Fund Balance		\$ 151,397.21
Capital Improvement Fund		151,381.97
Grants Receivable		(916,175.82)
Interfund - Current Fund		5,335,500.00
Interfund - Open Space Fund		(432,500.00)
Reserve for Encumbrances		4,134,402.90
Improvement Authorizations:		
Ordinance	Improvement Description	
Number		
01-03	Various Capital Improvements	
06-31	Various Capital Improvements	92,305.25
09-11, 09-26	Various Capital Improvements	
10-31	Various Capital Improvements	
11-18	Various Capital Improvements	
12-14	Various Capital Improvements	(116.00)
13-26	Various Capital Improvements	(27.00)
14-03	Various Capital Improvements	10,131.50
15-01	Various Capital Improvements	18,665.91
16-01	Various Capital Improvements	4,111.90
17-09	Various Capital Improvements	435,882.95
17-21	Various Capital Improvements	(90,000.00)
18-01	Various Capital Improvements	986,576.27
19-01	Various Capital Improvements	194,423.54
20-01	Various Capital Improvements	(6,581,529.63)
20-09	Improvements to Manitou Park School House	688,157.00
20-10	Acquisition of Real Property	(543,837.65)
		<hr/>
		\$ 3,638,750.30
		<hr/>

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

Balance December 31, 2019		\$ 40,022,672.98
Increased by:		
Serial Bonds Issued		<u>13,465,000.00</u>
		53,487,672.98
Decreased by:		
Budgeted Principal Reductions:		
Serial Bonds	\$ 4,555,000.00	
NJEIT Loans	191,823.66	
Green Trust Loans	89,015.30	
Serial Bonds Refunded	<u>3,845,000.00</u>	
		<u>8,680,838.96</u>
Balance December 31, 2020		<u><u>\$ 44,806,834.02</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Bonds Issued	Balance Dec. 31, 2020	Analysis of Balance		
						Notes Payable	Expended Balance	Unexpended Balance
12-14	Various Capital Improvements	\$ 282,116.00	\$ -	\$ 282,000.00	\$ 116.00	\$ -	\$ 116.00	\$ -
13-26	Various Capital Improvements	1,382,027.00	-	1,382,000.00	27.00	-	27.00	-
14-03	Various Capital Improvements	200,000.50	-	200,000.00	0.50	-	-	0.50
15-01	Various Capital Improvements	0.50	-	-	0.50	-	-	0.50
17-21	Turf Fields (Open Space)	522,500.00	-	-	522,500.00	432,500.00	90,000.00	-
18-01	Various Capital Improvements	8,568,387.00	-	8,568,000.00	387.00	-	-	387.00
19-01	Various Capital Improvements	6,503,225.00	-	-	6,503,225.00	6,503,000.00	-	225.00
20-01	Various Capital Improvements	-	7,975,911.00	-	7,975,911.00	-	6,581,529.63	1,394,381.37
20-09	Improvements to Manitou Park School House	-	1,041,393.00	-	1,041,393.00	-	-	1,041,393.00
20-10	Acquisition of Real Property	-	1,665,000.00	-	1,665,000.00	-	543,837.65	1,121,162.35
		<u>\$ 17,458,256.00</u>	<u>\$ 10,682,304.00</u>	<u>\$ 10,432,000.00</u>	<u>\$ 17,708,560.00</u>	<u>\$ 6,935,500.00</u>	<u>\$ 7,215,510.28</u>	<u>\$ 3,557,549.72</u>
Improvement Authorizations - Unfunded								
Less: Unexpended Proceeds of Bond Anticipation Notes								\$ 3,751,973.26
Ordinance Number	Improvement Description							
19-01	Various Capital Improvements							
								<u>194,423.54</u>
								<u>\$ 3,557,549.72</u>

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

Balance December 31, 2019	\$ 53,240.97
Increased by:	
Budget Appropriation	<u>655,000.00</u>
	708,240.97
Decreased by:	
Appropriations to Finance Improvement Authorizations	<u>556,859.00</u>
Balance December 31, 2020	<u><u>\$ 151,381.97</u></u>

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

Ordinance Number	Description	Balance Dec. 31, 2019	Grants Awarded	Received	Balance Dec. 31, 2020
09-29, 09-11	NJ DEP Green Acres - Manitou Park	\$ 12,998.74	\$ -	\$ -	\$ 12,998.74
11-18	US Department of Homeland Security - FEMA	41,418.00	-	-	41,418.00
17-09	NJ DOT-LAIF-John F. Kennedy Blvd	135,222.08	-	-	135,222.08
20-01	NJ DOT - Fort de France Avenue	0.00	280,000.00	210,000.00	70,000.00
20-09	NJ Historic Trust - Manitou Park School House	0.00	656,537.00	-	656,537.00
		<u>189,638.82</u>	<u>\$ 936,537.00</u>	<u>\$ 210,000.00</u>	<u>\$ \$916,175.82</u>

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

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2019		2020 Authorizations	Transfer from Encumbrances	Paid or Charged	Transfer to Encumbrances	Balance Dec. 31, 2020	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
06-31	Various Capital Improvements	05/23/06	\$ 5,849,102.00	\$ 98,907.78	\$ -	\$ -	\$ -	\$ 6,602.53	\$ -	\$ 92,305.25	\$ -
14-03	Various Capital Improvements	02/24/14	6,421,430.00	-	9,132.00	-	-	(1,000.00)	-	10,131.50	0.50
15-01	Various Capital Improvements	01/26/15	6,569,450.00	23,009.24	0.50	-	12,386.83	16,730.16	-	18,665.91	0.50
16-01	Various Capital Improvements	01/25/16	7,821,000.00	148,081.84	-	-	19,742.90	153,836.61	9,876.23	4,111.90	-
17-09	Various Capital Improvements	02/27/17	8,650,000.00	593,670.52	-	-	595,389.67	750,982.24	2,195.00	435,882.95	-
18-01	Various Capital Improvements	02/26/18	9,019,355.00	-	1,529,814.48	-	436,205.31	761,206.60	217,849.92	986,576.27	387.00
19-01	Various Capital Improvements	01/28/19	6,845,500.00	-	756,192.50	-	2,865,768.74	3,258,971.46	168,341.24	-	194,648.54
20-01	Various Capital Improvements	01/27/20	8,675,700.00	-	-	8,675,700.00	-	3,567,872.02	3,713,446.61	-	1,394,381.37
20-09	Improvements to Manitou Park School Hous	03/23/20	1,750,000.00	-	-	1,750,000.00	-	13,726.90	6,723.10	688,157.00	1,041,393.00
20-10	Acquisition of Real Property	03/23/20	1,750,000.00	-	-	1,750,000.00	-	612,866.85	15,970.80	-	1,121,162.35
				\$ 863,669.38	\$ 2,295,139.48	\$ 12,175,700.00	\$ 3,929,493.45	\$ 9,141,795.37	\$ 4,134,402.90	\$ 2,235,830.78	\$ 3,751,973.26
	Deferred Charges - Unfunded					\$ 10,682,304.00					
	Grants Receivable					936,537.00					
	Capital Improvement Fund					556,859.00					
						\$ 12,175,700.00					

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

<u>Purpose</u>	<u>Year Issued</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Decreases</u>	<u>Balance Dec. 31, 2020</u>
NJ Fund Loan	2007	\$ 975,000.00	0.00%	\$ 398,724.87	\$ 51,384.16	\$ 347,340.71
NJ Trust Loan	2007	345,000.00	3.40% to 5.00%	159,000.00	17,000.00	142,000.00
NJ Fund Loan	2008	390,046.00	0.00%	46,777.76	32,014.08	14,763.68
NJ Trust Loan	2008	390,046.00	5.00% to 5.50%	81,000.00	38,000.00	43,000.00
NJ Trust Loan	2010	250,000.00	3.845% to 4.260%	152,000.00	15,000.00	137,000.00
NJ Fund Loan	2010	755,700.00	0.00%	274,885.37	38,425.42	236,459.95
				<u>\$ 1,112,388.00</u>	<u>\$ 191,823.66</u>	<u>\$ 920,564.34</u>
				Cash Disbursement	\$ 133,409.13	
				Credits and Adjustments	58,414.53	
					<u>\$ 191,823.66</u>	

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2019	Issued	Paid by Budget Appropriation	Refunded	Balance Dec. 31, 2020
			Outstanding Dec. 31, 2020	Date						
General Obligation Bonds	1/07/2010	\$ 12,745,000.00	N/A	N/A	N/A	\$ 4,795,000.00	\$ -	\$ 950,000.00	\$3,845,000.00	\$ -
General Obligation Bonds	10/11/2012	9,950,000.00	10/15/2021	1,050,000.00	2.125%	4,200,000.00	-	1,050,000.00	-	3,150,000.00
			10/15/2022	1,050,000.00	2.250%					
			10/15/2023	1,050,000.00	3.000%					
General Obligation Refunding Bonds	5/28/2015	3,085,000.00	5/15/2021	1,095,000.00	3.000%	720,000.00	-	720,000.00	-	-
General Obligation Bonds	5/24/2016	11,409,000.00	5/15/2022	1,120,000.00	3.000%	9,684,000.00	-	575,000.00	-	9,109,000.00
			5/15/2023	1,145,000.00	3.000%					
			5/15/2024	1,150,000.00	2.000%					
			5/15/2025	1,150,000.00	2.000%					
			5/15/2026	1,150,000.00	2.000%					
			5/15/2027	1,150,000.00	2.000%					
			5/15/2028	1,149,000.00	2.000%					
General Obligation Bonds	5/16/18	19,955,000.00	5/15/2021	1,300,000.00	5.000%	18,805,000.00	-	1,230,000.00	-	17,575,000.00
			5/15/2022	1,390,000.00	5.000%					
			5/15/2023	1,485,000.00	5.000%					
			5/15/2024	1,900,000.00	5.000%					
			5/15/2025	2,300,000.00	5.000%					
			5/15/2026	2,300,000.00	4.000%					
			5/15/2027	2,300,000.00	4.000%					
General Obligation Bonds	5/15/2028	2,300,000.00	5/15/2028	2,300,000.00	4.000%					
			5/15/2029	2,300,000.00	3.000%					
			5/01/2021	550,000.00	4.000%	-	9,715,000.00	-	-	9,715,000.00
			5/01/2022	590,000.00	4.000%					
			5/01/2023	905,000.00	4.000%					
			5/01/2024	1,095,000.00	4.000%					
			5/01/2025	1,100,000.00	4.000%					
General Obligation Bonds	5/14/20	9,715,000.00	5/01/2026	1,100,000.00	4.000%					
			5/01/2027	1,100,000.00	4.000%					
			5/01/2028	1,100,000.00	4.000%					
			5/01/2029	1,090,000.00	2.000%					
			5/01/2030	1,085,000.00	2.125%					
			1/15/2021	915,000.00	4.000%	-	3,750,000.00	30,000.00	-	3,720,000.00
			1/15/2022	920,000.00	4.000%					
Refunding Bonds	1/1/2020	3,750,000.00	1/15/2023	920,000.00	4.000%					
			1/15/2024	965,000.00	4.000%					
									\$ 38,204,000.00	\$13,465,000.00

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

Purpose	Year	Original Issue	Maturities of Loans		Interest Rate	Balance Dec. 31, 2019	Paid by Budget Appropriation	Balance Dec. 31, 2020
			Outstanding Dec. 31, 2020 Date	Amount				
Veterans' Park Driving Range	2001	\$ 409,630.28	4/26/2015 to 4/26/2021 Level Debt Payments	16,845.81	2.00%	\$ 49,543.28	\$ 32,864.26	\$ 16,679.02
Toms River Park	2008	500,000.00	3/21/2015 to 3/21/2027 Level Debt Payments	15,880.75	2.00%	220,187.39	27,494.53	192,692.86
Toms River Park Phase II	2008	289,202.77	2/19/2015 to 2/19/2028 Level Debt Payments	8,991.78	2.00%	139,932.27	15,260.83	124,671.44
Manitou Park	2018	309,753.77	5/01/2019 to 5/01/2038 Level Debt Payments	9,630.74	2.00%	296,622.04	13,395.68	283,226.36
						\$ 706,284.98	\$ 89,015.30	\$ 617,269.68

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

Ordinance Number	Improvement Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Issued for Cash	Decreases	Balance Dec. 31, 2020
12-14	Various Capital Improvements				\$ 282,000.00	\$ -	\$ 282,000.00	\$ -
13-26	Various Capital Improvements				1,382,000.00	-	1,382,000.00	-
14-03	Various Capital Improvements				200,000.00	-	200,000.00	-
17-21	Turf Fields (Open Space)	5/23/2017	5/14/2021	2.00%	432,500.00	432,500.00	432,500.00	432,500.00
18-01	Various Capital Improvements				8,568,000.00	-	8,568,000.00	-
19-01	Various Capital Improvements	5/16/2019	5/14/2021	2.00%	6,503,000.00	6,503,000.00	6,503,000.00	6,503,000.00
					<u>\$ 17,367,500.00</u>	<u>\$ 6,935,500.00</u>	<u>\$ 17,367,500.00</u>	<u>\$ 6,935,500.00</u>
						Cash Disbursed	\$ 12,032,000.00	
						Interfund Current	5,335,500.00	
							<u>\$ 17,367,500.00</u>	

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Balance Dec. 31, 2020
12-14	Various Capital Improvements	\$ 116.00	-	\$ 116.00
13-26	Various Capital Improvements	27.00	-	27.00
14-03	Various Capital Improvements	0.50	-	0.50
15-01	Acquisition of Real Property for Open Space	0.50	-	0.50
17-21	Various Capital Improvements	90,000.00	-	90,000.00
18-01	Various Capital Improvements	387.00	-	387.00
19-01	Various Capital Improvements	225.00	-	225.00
20-01	Various Capital Improvements	-	7,975,911.00	7,975,911.00
20-09	Improvements to Manitou Park School House	-	1,041,393.00	1,041,393.00
20-10	Acquisition of Real Property	-	1,665,000.00	1,665,000.00
		<u>\$ 90,756.00</u>	<u>\$ 10,682,304.00</u>	<u>\$ 10,773,060.00</u>

TOWNSHIP OF BERKELEY

PART II

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

FOR THE YEAR ENDED DECEMBER 31, 2020

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TOWNSHIP OF BERKELEY
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Finding 2020-001:

Criteria or Specific Requirement:

In accordance with maintaining an internal control environment that is effective in the prevention and/or identification of potential financial statement misstatement and/or misclassification, the Township should properly maintain a complete and accurate general ledger system.

Condition:

The general ledger was not properly maintained in the Townships' financial reporting system.

Cause:

Three key employees in the Township's finance departed left during the first quarter of 2020 resulting in a backlog of accounting responsibilities. This backlog took considerable time to resolve after new employees were hired.

Context:

The general ledger required significant journal entries that had not been recorded including the following: interfund cash transfers were not recorded, the tax levy was not posted, prior year appropriation reserves were not lapsed to fund balance, and cancelled appropriations were not recorded.

Effect or Potential Effect:

The Township does not have proper support for general ledger balances.

Recommendation:

That internal control policies and procedures should be developed to properly maintain a timely and accurate general ledger system.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

Finding 2020-002:

Criteria or Specific Requirement:

Effective internal controls over cash include the preparation of timely and accurate bank reconciliations on a monthly basis.

Condition:

Cash reconciliations for two bank accounts were not prepared timely or accurately.

Cause:

Three key employees in the Township's finance departed left during the first quarter of 21020 resulting in a backlog of accounting responsibilities. This backlog took considerable time to resolve after new employees were hired.

TOWNSHIP OF BERKELEY
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Finding 2020-002 (Continued):

Context:

Monthly Cash reconciliations were prepared seven months after the reporting periods were closed. The General Capital and Current fund reconciliations required substantial adjustments for interfund and other activity that was not recorded.

Effect or Potential Effect:

Could lead to improper reporting of cash balances.

Recommendation:

That the Township completes bank reconciliation on a monthly basis and all unreconciled items are identified and resolved.

View of Responsible Officials and Corrective Action Plan:

The responsible officials agree with this finding and will address the matter as part of their corrective action plan.

Finding 2020-003:

Criteria or Specific Requirement:

Federal and State laws require employers to file quarterly returns for Income tax, Social Security tax, and Medicare tax withheld from employees' paychecks and to remit those taxes to respective agencies in a timely manner.

Condition:

The Township did not remit taxes withheld from employees' paychecks for the October 15, 2020 pay period.

Cause:

The Township did not remit the necessary funds to respective agencies.

Context:

The October 15, 2020 pay period taxes were not remitted to the appropriate agency until November 2021.

Effect or Potential Effect:

The Township may be imposed penalties for the late remittance.

Recommendation:

That the Township should implement controls to ensure that funds are to the respective agencies for taxes and other withholdings in a timely manner.

View of Responsible Officials and Corrective Action Plan:

The responsible officials agree with this finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF BERKELEY
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Finding 2020-004:

Criteria or Specific Requirement:

In accordance with maintaining internal control over financial reporting, including Information Technology (IT) General Controls, that are effective in the prevention and/or identification of potential threats to the Townships information systems, the Township should properly maintain regular and reliable back-up of the financial reporting system

Condition:

The Township's IT Department was unable to provide evidence that backups were being performed.

Cause:

The Township's IT Department did not back up or retain evidence of backups for the Township's accounting software.

Context:

Backups were not performed during the year ended December 31, 2020.

Effect or Potential Effect:

The Township may be unable to recover financial reporting information in the event of a system failure.

Recommendation:

That the Township should implement controls to ensure backups are performed and retained for a sufficient period of time.

View of Responsible Officials and Corrective Action Plan:

The responsible officials agree with this finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF BERKELEY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

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

FINACIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

TOWNSHIP OF BERKELEY

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2020.

GENERAL COMMENTS:

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

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the period from January 1, 2020 through June 30, 2020 and \$44,000 for the period from July 1, 2020 through December 31, 2020.

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 1, 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

OTHER COMMENTS (FINDINGS):

Finding 2020-001 (*Finding 2020-001 in the Schedule of Findings and Recommendations section*)

The general ledger was not properly maintained in the Township’s financial reporting system

Finding 2020-002 (*Finding 2020-002 in the Schedule of Findings and Recommendations section*)

Cash reconciliations for two bank accounts were not prepared timely or accurately.

Finding 2020-003 (*Finding 2020-003 in the Schedule of Findings and Recommendations section*)

The Township did not remit taxes withheld from employees’ paychecks for the one pay period of October 2020 until November 2021.

Finding 2020-004 (*Finding 2020-004 in the Schedule of Findings and Recommendations section*)

The Township’s IT Department was unable to provide evidence that backups were being performed.

RECOMMENDATIONS:

Finding 2020-001

That internal control policies and procedures should be developed to properly maintain a timely and accurate general ledger system.

Finding 2020-002

That the Township completes bank reconciliation on a monthly basis and all unreconciled items are identified and resolved

Finding 2020-003

That the Township should implement controls to ensure that funds are to the respective agencies for taxes and other withholdings in a timely manner.

Finding 2020-004

That the Township should implement controls to ensure backups are performed and retained for a sufficient period of time.

OFFICIALS IN OFFICE

The following officials were in office at December 31, 2020:

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

Appreciation

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Lakewood, New Jersey
November 18, 2021