

TOWNSHIP OF BERNARDS

COUNTY OF SOMERSET

REPORT OF AUDIT

2022

*NISIVOCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF BERNARDS

COUNTY OF SOMERSET

REPORT OF AUDIT

2022

TOWNSHIP OF BERNARDS
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TOWNSHIP OF BERNARDS

PART I

FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2022

Independent Auditors' Report

The Honorable Mayor and Members
of the Township Committee
Township of Bernards
Basking Ridge, New Jersey

Report on the Audit of the Financial Statements

Opinions

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

Unmodified Opinions on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2022 and 2021, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

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

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

Emphasis of Matter

As discussed in Note 19 of the financial statements, the Township implemented GASB Statement No. 87, *Leases*, during the year ended December 31, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

The Honorable Mayor and Members
of the Township Committee
Township of Bernards
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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2023 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
May 15, 2023

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

Man C. Lee
Registered Municipal Accountant No. 562
Certified Public Accountant

TOWNSHIP OF BERNARDS
COUNTY OF SOMERSET
2022
CURRENT FUND

TOWNSHIP OF BERNARDS
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2022	2021
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 28,357,890.45	\$ 26,230,206.77
Change Funds		565.00	565.00
		<u>28,358,455.45</u>	<u>26,230,771.77</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	1,425,516.50	522,094.40
Tax Title Liens Receivable	A-7	78,842.51	71,558.66
Property Acquired for Taxes at Assessed Valuation		195,100.00	195,100.00
Revenue Accounts Receivable	A-8	40,464.78	18,454.10
Due from:			
Animal Control Fund	B	38.51	3.88
Other Trust Funds	B	2,991.28	242.52
General Capital Fund	C	10,825.34	582.95
Payroll Accounts - Other Trust Funds	B	25,210.23	25,013.71
Total Receivables and Other Assets		<u>25,210.23</u>	<u>25,013.71</u>
With Full Reserves	A	<u>1,778,989.15</u>	<u>833,050.22</u>
Total Regular Fund		<u>30,137,444.60</u>	<u>27,063,821.99</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-11	571,635.09	603,152.80
Due from Current Fund	A	2,817,967.87	1,350,543.52
Due from Other Trust Fund	B	18,711.64	
		<u>3,408,314.60</u>	<u>1,953,696.32</u>
<u>TOTAL ASSETS</u>		<u>\$ 33,545,759.20</u>	<u>\$ 29,017,518.31</u>

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

		December 31,	
	Ref.	2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-9	\$ 3,157,854.41	\$ 3,397,231.65
Encumbered	A-3;A-9	954,677.87	822,460.04
Total Appropriation Reserves		4,112,532.28	4,219,691.69
Accounts Payable:			
Vendors		49,068.83	55,203.28
Bernards Township Sewerage Authority		173,425.63	
Prepaid Taxes		805,786.56	973,236.15
Due to:			
Federal and State Grant Fund	A	2,817,967.87	1,350,543.52
State of New Jersey:			
Senior Citizen and Veteran Deductions		24,298.98	23,256.52
Marriage License Fees			575.00
DCA Training Fees		20,312.00	19,130.00
Burial Permit Fees		5.00	5.00
Reserve for:			
Sale of Municipal Assets		96,936.00	172,452.53
Public Library Expenditures		1,264,891.59	1,218,515.81
Landfill Solar Project		240,000.00	275,000.00
Municipal Relief Fund		93,806.74	
Appropriated Reserve for:			
Public Library Expenditures Bequest		234,801.78	237,001.78
Unappropriated Reserve for:			
Recreation Fields - Turf Replacement		418,397.47	368,397.47
		10,352,230.73	8,913,008.75
Reserve for Receivables and Other Assets	A	1,778,989.15	833,050.22
Fund Balance	A-1	18,006,224.72	17,317,763.02
Total Regular Fund		30,137,444.60	27,063,821.99
Federal and State Grant Fund:			
Appropriated Reserves	A-12	1,962,047.52	538,182.13
Unappropriated Reserves	A-13	1,446,267.08	1,415,514.19
Total Federal and State Grant Fund		3,408,314.60	1,953,696.32
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$ 33,545,759.20	\$ 29,017,518.31

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

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

		Year Ended December 31,	
	<u>Ref.</u>	2022	2021
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 13,275,000.00	\$ 12,700,000.00
Miscellaneous Revenue Anticipated		9,194,779.25	7,577,128.42
Receipts from:			
Delinquent Taxes		522,719.74	430,141.81
Current Taxes		144,519,232.82	142,408,894.29
Nonbudget Revenue		359,623.31	307,951.21
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		3,186,415.69	3,293,311.86
Cancel Federal and State Grant Fund Appropriated Reserve			26,814.70
Cancellation of Prior Year Accounts Payable		1,030.00	
Interfunds and Other Receivables Returned		25,843.06	518,145.59
Total Income		<u>171,084,643.87</u>	<u>167,262,387.88</u>
<u>Expenditures</u>			
Budget Appropriations		36,017,502.13	34,232,296.62
County Taxes		24,650,528.28	24,266,920.09
County Share of Added and Omitted Taxes		204,112.55	40,981.75
Local School District Taxes		96,095,417.00	94,873,307.00
Refund of Prior Year Revenue:			
Due to Bernards Township Sewerage Authority		113,900.17	
Refund of Prior Year Taxes		31.34	
Prior Year Senior Citizens' Deductions Disallowed		625.34	1,270.54
Cancel Federal and State Grant Fund Receivables			26,814.70
Prior Year Taxes Applied to Overpayments			780.37
Interfunds and Other Receivables Advanced		39,065.36	25,843.06
Total Expenditures		<u>157,121,182.17</u>	<u>153,468,214.13</u>
Excess in Revenue / Statutory Excess to Fund Balance		13,963,461.70	13,794,173.75
<u>Fund Balance</u>			
Balance January 1		<u>17,317,763.02</u>	<u>16,223,589.27</u>
		31,281,224.72	30,017,763.02
Decreased by:			
Utilized as Anticipated Revenue		<u>13,275,000.00</u>	<u>12,700,000.00</u>
Balance December 31	A	\$ 18,006,224.72	\$ 17,317,763.02

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

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

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 13,275,000.00		\$ 13,275,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	27,500.00		34,020.00	\$ 6,520.00
Other				
Fees and Permits	370,000.00		672,232.56	302,232.56
Fines and Costs:				
Municipal Court	30,000.00		136,040.53	106,040.53
Interest and Costs on Taxes	60,000.00		182,811.92	122,811.92
Interest on Investments and Deposits	20,000.00		284,933.98	264,933.98
Swimming Pool:				
Membership Fees	335,000.00		657,580.00	322,580.00
Gate Fees	5,500.00		82,392.00	76,892.00
Refreshment Stand	1,000.00		6,000.00	5,000.00
Recreation - Fees & Permits	207,000.00		476,577.25	269,577.25
Development Application Fees	400.00		5,025.99	4,625.99
Payment in Lieu of Taxes	200,000.00		416,529.58	216,529.58
Uniform Fire Safety Act	20,000.00		46,182.89	26,182.89
Hotel Occupancy Tax	180,000.00		359,220.92	179,220.92
Rental Agreements	110,000.00		77,690.91	32,309.09 *
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,798,308.00		1,798,308.00	
Uniform Construction Code Fees	545,000.00		1,065,543.00	520,543.00
Bernards Township Sewerage Authority - Service Contract	502,028.98		502,029.00	0.02
Interlocal Health Contract	286,250.06		287,450.06	1,200.00
Interlocal Fire Prevention Services	94,999.99		102,590.04	7,590.05
Recycling Tonnage Grant		\$ 14,473.51	14,473.51	
Clean Communities		61,565.00	61,565.00	
Municipal Alliance on Alcoholism and Drug Abuse				
State		10,089.19	10,089.19	
Local Match		2,522.30	2,522.30	
Body Armor Fund:				
State	1,879.90		1,879.90	
NJDOH - Strengthening Local Public Health Capacity:				
2023		274,735.00	274,735.00	
NJDOH - COVID-19 Vaccination Supplemental Funding		50,000.00	50,000.00	
Somerset County Youth Services Commission:				
Peer Educators	7,400.00	3,000.00	10,400.00	
Annual	5,000.00		5,000.00	
Somerset County Cultural & Heritage Commission		4,000.00	4,000.00	
Reserve for Local Fiscal Recovery Fund Program	1,415,014.19		1,415,014.19	
Reserve for Solar Landfill	35,000.00		35,000.00	
Reserve for Sale of Municipal Assets	116,941.53		116,941.53	
Total Miscellaneous Revenue	6,374,222.65	420,385.00	9,194,779.25	2,400,171.60
Receipts from Delinquent Taxes	305,000.00		522,719.74	217,719.74

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

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	21,540,783.57		\$ 25,467,064.08	\$ 3,926,280.51
Minimum Library Tax	<u>2,438,067.00</u>		<u>2,438,067.00</u>	
	<u>23,978,850.57</u>		<u>27,905,131.08</u>	<u>3,926,280.51</u>
 Budget Totals	 43,933,073.22	 \$ 420,385.00	 50,897,630.07	 6,544,171.85
 Nonbudget Revenue			 359,623.31	 359,623.31
	<u>\$ 43,933,073.22</u>	<u>\$ 420,385.00</u>	<u>\$ 51,257,253.38</u>	<u>\$ 6,903,795.16</u>

TOWNSHIP OF BERNARDS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Allocation of Current Tax Collections

Collections		\$ 144,519,232.82
Allocated to:		
County Taxes	\$ 22,465,590.89	
Open Space Taxes	2,184,937.39	
Due to County for Added and Omitted Taxes	204,112.55	
School Taxes	96,095,417.00	
		<u>120,950,057.83</u>
		23,569,174.99
Add: Appropriation "Reserve for Uncollected Taxes"		<u>4,335,956.09</u>
Realized for Support of Municipal Budget		<u><u>\$ 27,905,131.08</u></u>

Interest on Investments and Deposits:

Cash Received - Treasurer	\$ 270,868.62
Due from Other Trust Fund	2,991.28
Due from General Capital Fund	10,825.34
Due from Animal Control Fund	38.51
Due from Payroll Accounts	210.23
	<u>284,933.98</u>
	<u><u>\$ 284,933.98</u></u>

TOWNSHIP OF BERNARDS
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Analysis of Nonbudget Revenue:

Treasurer:

Clerk	\$	4,735.00	
Registrar		168.00	
Board of Health		32,452.50	
Public Works		9,754.67	
Senior Citizen and Veterans Deductions			
Administrative Fee		1,827.00	
Traffic Control Administrative Fees		71,467.20	
Purchasing		17.15	
Inspection Fees		1,650.00	
Prior Year Refunds		146.00	
Fire Prevention		556.22	
Municipal Court		1,100.00	
Prior Year Check Voided		1,538.75	
Planning Board Escrow Fees Administrative Fees		21,945.19	
Insurance Dividends		16,882.00	
Police		73.10	
Construction Fines		2,434.17	
Copies		12.24	
Return Check Fees		120.00	
FEMA Hurricane Ida		108,693.03	
Shared Costs - Construction PERS		75,368.08	
Miscellaneous		7,865.52	
			\$ 358,805.82
Collector:			
Other Miscellaneous			817.49
			\$ 359,623.31

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

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

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 291,348.00	\$ 291,348.00	\$ 248,930.67	\$ 13,743.66	\$ 28,673.67
Other Expenses	61,809.00	61,809.00	3,209.06	11,765.94	46,834.00
Human Resources:					
Salaries and Wages	201,989.00	201,989.00	165,500.53	2,868.05	33,620.42
Other Expenses	65,798.00	65,798.00	21,121.35	9,676.65	35,000.00
Township Committee:					
Salaries and Wages	27,200.00	27,200.00	27,200.00		
Other Expenses	103,825.00	103,825.00	28,267.03	7,557.97	68,000.00
Municipal Clerk:					
Salaries and Wages	221,895.00	221,895.00	207,690.52	166.76	14,037.72
Other Expenses	67,359.00	67,359.00	25,584.00	6,796.00	34,979.00
Financial Administration:					
Salaries and Wages	276,247.00	276,247.00	238,686.83	25,433.55	12,126.62
Other Expenses	51,791.00	51,791.00	17,506.99	10,518.82	23,765.19
Annual Audit	46,035.00	46,035.00	24,785.00	5,000.00	16,250.00
Purchasing:					
Salaries and Wages	92,559.00	92,559.00	84,749.86		7,809.14
Other Expenses	41,424.00	41,424.00	13,428.86	3,758.14	24,237.00
Computer Network Administration:					
Salaries and Wages	333,314.00	333,314.00	280,885.47	27,428.54	24,999.99
Other Expenses	307,424.00	307,424.00	168,274.75	89,148.70	50,000.55
Revenue Administration:					
Salaries and Wages	104,230.00	104,230.00	49,858.96	21,837.58	32,533.46
Other Expenses	67,051.00	67,051.00	29,341.13	10,259.06	27,450.81
Tax Assessment Administration:					
Salaries and Wages	357,011.00	357,011.00	266,447.85	34,825.30	55,737.85
Other Expenses	91,517.00	91,517.00	38,939.96	16,195.04	36,382.00

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

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Cont'd):					
GENERAL GOVERNMENT (Cont'd):					
Legal Services:					
Other Expenses	\$ 855,151.00	\$ 855,151.00	\$ 463,122.55	\$ 41,877.45	\$ 350,151.00
Engineering Services:					
Salaries and Wages	566,105.00	566,105.00	412,985.46	121,791.96	31,327.58
Other Expenses	137,748.00	137,748.00	51,298.41	19,211.59	67,238.00
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages	136,597.00	136,597.00	97,993.62	5,041.85	33,561.53
Other Expenses	207,454.00	207,454.00	69,645.08	37,819.92	99,989.00
Board of Adjustment:					
Salaries and Wages	183,218.00	183,218.00	153,067.11	18,678.76	11,472.13
Other Expenses	136,644.00	136,644.00	27,867.65	47,832.35	60,944.00
Environmental Commission:					
Salaries and Wages	4,197.00	4,197.00	700.00	500.00	2,997.00
Other Expenses	14,910.00	14,910.00	450.00	275.00	14,185.00
PUBLIC SAFETY FUNCTIONS:					
Police Department:					
Salaries and Wages	4,960,189.00	4,960,189.00	4,779,737.85	70,451.22	109,999.93
Other Expenses	259,605.00	259,605.00	230,955.15	3,649.85	25,000.00
Purchase of Police Cars	143,615.00	143,615.00	121,937.85		21,677.15
Crossing Guards:					
Salaries and Wages	135,000.00	135,000.00	88,751.35	36,248.65	10,000.00
Other Expenses	17,250.00	17,250.00	1,468.24	10,781.76	5,000.00
Emergency Management Services:					
Salaries and Wages	32,620.00	32,620.00	7,297.39	8,702.61	16,620.00
Other Expenses	36,093.00	36,093.00	14,672.45	5,327.55	16,093.00
Aid to Volunteer Fire Company	110,000.00	110,000.00	110,000.00		
Aid to Volunteer Ambulance Companies	30,000.00	30,000.00	30,000.00		

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

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Cont'd):					
PUBLIC SAFETY FUNCTIONS (Cont'd):					
Uniform Fire Sub-Code/Fire Hydrants:					
Salaries and Wages	\$ 173,580.00	\$ 173,580.00	\$ 131,506.75	\$ 5,711.52	\$ 36,361.73
Other Expenses	507,065.00	507,065.00	449,831.50	39.30	57,194.20
INSURANCE:					
Unemployment Trust Account Contribution	37,500.00	37,500.00	19,000.00		18,500.00
Liability Insurance	532,489.00	532,489.00	403,145.94	89,918.50	39,424.56
Workers Compensation Insurance	286,197.00	286,197.00	189,321.23	70,307.91	26,567.86
Group Insurance	1,834,386.00	1,834,386.00	1,354,620.80	369,137.17	110,628.03
Waiver for Health Coverage	98,153.00	98,153.00	59,882.03	13,997.97	24,273.00
Other Employee Benefits	142,625.00	142,625.00	79,116.80	26,308.29	37,199.91
PUBLIC WORKS FUNCTIONS:					
Streets and Roads Maintenance:					
Salaries and Wages	1,456,947.00	1,456,947.00	1,309,818.61	92,868.08	54,260.31
Other Expenses	618,806.00	618,806.00	422,685.49	11,414.51	184,706.00
Snow Removal:					
Salaries and Wages	305,750.00	305,750.00	125,220.29	64,779.71	115,750.00
Other Expenses	778,500.00	778,500.00	413,309.32	176,190.68	189,000.00
Other Public Works Functions:					
Shade Tree Commission:					
Salaries and Wages	4,578.00	4,578.00	800.00	700.00	3,078.00
Other Expenses	15,035.00	15,035.00	1,900.42	1,879.58	11,255.00
Street Light Maintenance:					
Other Expenses	85,575.00	85,575.00	12,098.09	26,901.91	46,575.00
Solid Waste Collections:					
Salaries and Wages	85,625.00	85,625.00	66,091.55	9,408.45	10,125.00
Other Expenses	118,944.00	118,944.00	22,966.00	2,534.00	93,444.00

TOWNSHIP OF BERNARDS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2022

(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Cont'd):					
PUBLIC WORKS FUNCTIONS (Cont'd):					
Public Buildings:					
Salaries and Wages	\$ 209,526.00	\$ 209,526.00	\$ 158,862.88	\$ 16,124.67	\$ 34,538.45
Other Expenses	321,207.00	321,207.00	208,302.14	52,397.86	60,507.00
Vehicle Maintenance:					
Salaries and Wages	299,895.00	299,895.00	229,516.81	8,378.04	62,000.15
Other Expenses	412,106.00	412,106.00	318,126.17	43,573.83	50,406.00
Municipal Service Act:					
Other Expenses	241,220.00	241,220.00		178,790.00	62,430.00
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Public Health Services:					
Salaries and Wages	450,209.00	450,209.00	301,147.12	66,782.19	82,279.69
Other Expenses	167,032.00	167,032.00	37,997.07	46,302.93	82,732.00
Animal Control:					
Salaries and Wages	70,773.00	70,773.00	42,279.25	11,102.86	17,390.89
Contributions to Social Service Agencies:					
Other Expenses	28,631.00	28,631.00	20,236.00	3,064.00	5,331.00
PARKS AND RECREATION FUNCTIONS:					
Parks and Recreation:					
Salaries and Wages	505,662.00	505,662.00	367,832.07	81,275.89	56,554.04
Other Expenses	306,400.00	306,400.00	143,076.03	114,018.97	49,305.00
Maintenance of Parks & Public Grounds:					
Salaries and Wages	562,201.00	562,201.00	509,483.13	40,270.27	12,447.60
Other Expenses	206,798.00	206,798.00	129,310.92	9,889.08	67,598.00
Community Pool Commission:					
Salaries and Wages	386,336.00	386,336.00	359,743.70	20,232.31	6,359.99
Other Expenses	307,545.00	307,545.00	269,611.28	6,871.14	31,062.58

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

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Cont'd):					
OTHER COMMON OPERATING FUNCTIONS:					
Community Service:					
Salaries and Wages	\$ 96,182.00	\$ 96,182.00	\$ 26,925.62	\$ 41,092.29	\$ 28,164.09
Other Expenses	32,010.00	32,010.00	1,012.63	7,187.37	23,810.00
Accumulated Leave Compensation:					
Other Expenses	215,300.00	215,300.00	110,000.00		105,300.00
Charter Day Community Celebration:					
Salaries and Wages	9,597.00	9,597.00	3,500.00		6,097.00
Other Expenses	21,980.00	21,980.00	15,394.72	105.28	6,480.00
Labor Day Races:					
Salaries and Wages	3,295.00	3,295.00		2,350.00	945.00
Other Expenses	1,015.00	1,015.00		515.00	500.00
Deer Task Force:					
Salaries and Wages	10,878.00	10,878.00	7,251.54	548.46	3,078.00
Other Expenses	44,420.00	44,420.00	11,034.48	20,340.52	13,045.00
Pay for Performance:					
Salaries and Wages	76,554.00	76,554.00	76,221.21	332.57	0.22
UTILITY EXPENSES AND BULK PURCHASES:					
Other Expenses	807,228.75	807,228.75	404,892.48	214,706.76	187,629.51
LANDFILL/SOLID WASTE DISPOSAL COSTS:					
Landfill/Solid Waste Disposal Costs:					
Salaries and Wages	91,067.00	91,067.00	76,954.00	1,493.91	12,619.09
Other Expenses	216,658.00	216,658.00	81,022.23	36,977.77	98,658.00
UNIFORM CONSTRUCTION CODE:					
Construction Official:					
Salaries and Wages	715,961.00	715,961.00	546,090.57	107,888.24	61,982.19
Other Expenses	587,430.00	587,430.00	359,073.37	18,472.51	209,884.12

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

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Cont'd):					
UNCLASSIFIED:					
Municipal Court:					
Other Expenses	\$ 273,102.28	\$ 273,102.28	\$ 273,102.28		
Total Operations Within "CAPS"	25,536,196.03	25,536,196.03	18,751,673.50	\$ 2,838,352.58	\$ 3,946,169.95
Detail:					
Salaries and Wages	13,438,335.00	13,438,335.00	11,449,728.57	959,057.95	1,029,548.48
Other Expenses	12,097,861.03	12,097,861.03	7,301,944.93	1,879,294.63	2,916,621.47
STATUTORY EXPENDITURES:					
Contributions to:					
Public Employees' Retirement System	995,082.17	995,082.17	994,852.12		230.05
Social Security System (O.A.S.I.)	878,460.00	878,460.00	770,656.43	65,703.57	42,100.00
Police and Firemen's Retirement System of NJ	1,401,753.00	1,401,753.00	1,400,253.00		1,500.00
Defined Contribution Retirement Program	23,000.00	23,000.00	8,393.44	4,606.56	10,000.00
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	3,298,295.17	3,298,295.17	3,174,154.99	70,310.13	53,830.05
Total General Appropriations for Municipal Purposes Within "CAPS"	28,834,491.20	28,834,491.20	21,925,828.49	2,908,662.71	4,000,000.00
Operations Excluded from "CAPS":					
Public Safety:					
L.O.S.A.P.	98,500.00	98,500.00		98,500.00	
Education:					
Municipal Library	2,438,067.00	2,438,067.00	2,287,375.30	150,691.70	

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

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Cont'd):					
Shared Service Agreements:					
Bernards Township Sewerage Authority:					
General Administration:					
Salaries & Wages	\$ 129,387.67	\$ 129,387.67	\$ 129,387.67		
Financial & Revenue Administration:					
Salaries & Wages	127,008.06	127,008.06	127,008.06		
Employee Group Insurance					
Other Expenses	245,633.25	245,633.25	245,633.25		
Interlocal Somerset County Curbside Recycling Pickup:					
Other Expenses	247,000.00	247,000.00	247,000.00		
Public Health Services:					
Salaries & Wages	188,107.53	188,107.53	188,107.53		
Other Expenses	98,142.53	98,142.53	98,142.53		
Fire Prevention Services					
Salaries & Wages	70,251.01	70,251.01	70,251.01		
Other Expenses	24,748.98	24,748.98	24,748.98		
Public and Private Program Offset by Revenue:					
Body Armor Fund:					
State:					
Other Expenses	1,879.90	1,879.90	1,879.90		
Reserve for Local Fiscal Recovery Fund Program:					
Other Expenses	1,415,014.19	1,415,014.19	1,415,014.19		
Recycling Tonnage Grant:					
Other Expenses (N.J.S.A.40A:4-87 + \$14,473.51)					
NJDEP Clean Communities:					
Other Expenses (N.J.S.A.40A:4-87 + \$61,565.00)					
Municipal Alliance on Alcoholism and Drug Abuse:					
State - Other Expenses (N.J.S.A.40A:4-87 + \$10,089.19)					
Local Match - Other Expenses (N.J.S.A.40A:4-87 + \$2,522.30)					

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

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations Excluded from "CAPS" (Cont'd):					
Public and Private Program Offset by Revenue (Cont'd):					
NJACCHO - Strengthening Local Public Health Capacity:					
Other Expenses (N.J.S.A.40A:4-87 \$274,735.00)		\$ 274,735.00	\$ 274,735.00		
NJACCHO - VSF OLPH:					
Other Expenses (N.J.S.A.40A:4-87 \$50,000.00)		50,000.00	50,000.00		
Somerset County Cultural & Heritage:					
Other Expenses	\$ 4,000.00	4,000.00	4,000.00		
Somerset County GRWDB - Summer Youth Employment Program:					
Other Expenses (N.J.S.A.40A:4-87 + \$3,000.00)		3,000.00	3,000.00		
Somerset County Youth Services Commission:					
Annual - Other Expenses	5,000.00	5,000.00	5,000.00		
Grab and Go Teen Outreach Program - Other Expenses	3,400.00	3,400.00	3,400.00		
COPE 2021 - Other Expenses (N.J.S.A.40A:4-87 + \$4,000.00)		4,000.00	4,000.00		
Total Operations Excluded from "CAPS"	5,096,140.12	5,516,525.12	5,267,333.42	\$ 249,191.70	
Detail:					
Salaries & Wages	444,503.26	444,503.26	444,503.26		
Other Expenses	4,651,636.86	5,072,021.86	4,822,830.16	249,191.70	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	5,666,485.81	5,666,485.81	5,666,485.81		
Total Capital Improvements Excluded from "CAPS"	5,666,485.81	5,666,485.81	5,666,485.81		
Total General Appropriations Excluded from "CAPS"	10,762,625.93	11,183,010.93	10,933,819.23	249,191.70	

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

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Subtotal General Appropriations	\$ 39,597,117.13	\$ 40,017,502.13	\$ 32,859,647.72	\$ 3,157,854.41	\$ 4,000,000.00
Reserve for Uncollected Taxes	4,335,956.09	4,335,956.09	4,335,956.09		
Total General Appropriations	<u>\$ 43,933,073.22</u>	<u>\$ 44,353,458.22</u>	<u>\$ 37,195,603.81</u>	<u>\$ 3,157,854.41</u>	<u>\$ 4,000,000.00</u>

Ref. A

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

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After</u>	<u>Paid or</u>
		<u>Modification</u>	<u>Charged</u>
Adopted Budget		\$ 43,933,073.22	
Added by:			
N.J.S.A. 40A:4-87		420,385.00	
		<u>\$ 44,353,458.22</u>	
Cash Disbursed			\$ 30,660,541.04
Reserve for Uncollected Taxes			4,335,956.09
Encumbrances	A		954,677.87
Transfer to Appropriated Grant Reserves:			
Federal, State and Local Grants			1,847,156.79
Local Matching Funds			2,522.30
			<u>37,800,854.09</u>
Less: Appropriation Refunds			<u>605,250.28</u>
			<u>\$ 37,195,603.81</u>

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

TOWNSHIP OF BERNARDS
COUNTY OF SOMERSET
2022
TRUST FUNDS

TOWNSHIP OF BERNARDS
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 23,046.28	\$ 12,805.43
Change Fund		25.00	25.00
		<u>23,071.28</u>	<u>12,830.43</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	6,358,975.12	5,971,481.41
		<u>6,358,975.12</u>	<u>5,971,481.41</u>
<u>TOTAL ASSETS</u>		<u>\$ 6,382,046.40</u>	<u>\$ 5,984,311.84</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	A	\$ 38.51	\$ 3.88
Due to State of NJ - Dog License Fees		214.20	176.40
Prepaid Animal Licenses		3,318.80	2,844.60
Reserve for Animal Control Expenditures	B-6	19,499.77	9,805.55
		<u>23,071.28</u>	<u>12,830.43</u>

TOWNSHIP OF BERNARDS
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

		December 31,	
	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>LIABILITIES AND RESERVES</u> (Cont'd)			
Other Trust Funds:			
Due to Current Fund:			
Other Trust Funds	A	\$ 2,991.28	\$ 242.52
Payroll	A	25,210.23	25,013.71
Due to Federal and State Grant Fund	A	18,711.64	
Due to Bernards Township Sewerage Authority		65,000.00	65,000.00
Reserve for:			
Developers Escrow		1,973,624.02	2,013,386.72
Library State Aid		14,330.00	14,626.00
Recycling Expenditures		2,526.56	9,769.61
Accumulated Sick Leave Expenditures		446,158.08	562,006.72
Uniform Fire Safety Act Penalties		51,095.07	37,029.07
Parking Offenses Adjudication Act		534.00	492.00
County Environmental Health Act		7,195.42	9,186.42
Municipal Alliance		26,073.64	25,922.93
Affordable Housing		1,375,898.80	1,058,581.54
Open Space		3,319.60	3,319.60
Unemployment Compensation		329,128.07	279,191.30
Self Insurance		842,944.37	715,869.28
Forfeited Assets		66,752.16	49,694.96
Storm Recovery		572,545.17	522,545.17
Recreation		41,618.20	13,107.20
Landfill Closure		22,503.30	28,043.28
Payroll Deductions		9,970.38	15,776.86
Animal Control Expense Donations		1,700.00	1,700.00
Employee Recognition Program Donations		17,225.32	14,475.32
Green Initiatives Donations		47,147.38	29,747.38
Health Prevention Program Donations		3,824.05	3,824.05
Police Equipment Donations		1,895.20	7,183.20
Police Program Donations		6,720.28	6,720.28
DARE Program Donations		739.07	739.07
Community Policing Program Donations		3,811.35	3,811.35
Recreation Program Donations		13,826.63	14,275.48
Memorial Trees & Benches Donations		1,198.99	6,403.31
Street Signage-Hills Donations		13,550.00	13,550.00
Tree Arboretum Donations		51.00	51.00
Tree Replacement Donations		192,166.08	196,418.45
Tax Sale Premiums		116,200.00	193,600.00
Stormwater Management		40,789.78	30,177.63
		<u>6,358,975.12</u>	<u>5,971,481.41</u>
<u>TOTAL LIABILITIES AND RESERVES</u>		\$ 6,382,046.40	\$ 5,984,311.84

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

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

NOT APPLICABLE

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

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

NOT APPLICABLE

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

NOT APPLICABLE

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

TOWNSHIP OF BERNARDS
COUNTY OF SOMERSET
2022
GENERAL CAPITAL FUND

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

		December 31,	
	Ref.	2022	2021
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 10,131,794.12	\$ 9,418,154.65
<u>TOTAL ASSETS</u>		<u>\$ 10,131,794.12</u>	<u>\$ 9,418,154.65</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Improvement Authorizations:			
Funded	C-5	\$ 9,458,659.90	\$ 8,755,262.82
Due to Current Fund	A	10,825.34	582.95
Capital Improvement Fund	C-6	518,218.88	518,218.88
Reserve for:			
Preliminary Expenses		1,875.00	1,875.00
Off-Tract Contributions		142,215.00	142,215.00
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 10,131,794.12</u>	<u>\$ 9,418,154.65</u>

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

TOWNSHIP OF BERNARDS
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

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

TOWNSHIP OF BERNARDS
COUNTY OF SOMERSET
2022
GOLF UTILITY FUND

TOWNSHIP OF BERNARDS
GOLF UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents - Treasurer	D-4	\$ 135,533.70	\$ 83,684.40
Change Fund		<u>100.00</u>	<u>100.00</u>
Total Operating Fund		<u>135,633.70</u>	<u>83,784.40</u>
<u>TOTAL ASSETS</u>		<u>\$ 135,633.70</u>	<u>\$ 83,784.40</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3; D-6	\$ 5,762.39	\$ 28,126.89
Encumbered	D-3; D-6	<u>18,176.14</u>	<u>12,630.46</u>
Total Appropriation Reserves		<u>23,938.53</u>	<u>40,757.35</u>
Accounts Payable		<u>11,298.00</u>	
Due to New Jersey Department of Veteran Affairs	D-1	<u>10,000.00</u>	<u>10,000.00</u>
		<u>45,236.53</u>	<u>50,757.35</u>
Fund Balance	D-1	<u>90,397.17</u>	<u>33,027.05</u>
Total Operating Fund		<u>135,633.70</u>	<u>83,784.40</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 135,633.70</u>	<u>\$ 83,784.40</u>

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

TOWNSHIP OF BERNARDS
GOLF UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

		Year Ended December 31,	
	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 23,082.97	\$ 6,293.05
Memberships		372,350.00	302,230.00
Miscellaneous Revenue		61,729.06	42,788.25
Irrigation Assessments		24,895.00	51,740.00
Other Credits to Income:			
Appropriation Reserves Lapsed		28,237.28	8,008.80
Total Income		<u>510,294.31</u>	<u>411,060.10</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		419,841.22	376,492.26
Due to New Jersey Department of Veteran Affairs		10,000.00	10,000.00
Total Expenditures		<u>429,841.22</u>	<u>386,492.26</u>
Excess in Revenue		80,453.09	24,567.84
<u>Fund Balance</u>			
Balance January 1		33,027.05	14,752.26
		113,480.14	39,320.10
Decreased by:			
Utilization as Anticipated Revenue		<u>23,082.97</u>	<u>6,293.05</u>
Balance December 31	D	<u>\$ 90,397.17</u>	<u>\$ 33,027.05</u>

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

TOWNSHIP OF BERNARDS
GOLF UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	Budget Anticipated	Realized	Excess/ Deficit*
Fund Balance Anticipated	\$ 23,082.97	\$ 23,082.97	
Memberships	302,230.00	372,350.00	\$ 70,120.00
Miscellaneous Revenue	42,788.25	61,729.06	18,940.81
Irrigation Assessments	51,740.00	24,895.00	26,845.00 *
	\$ 419,841.22	\$ 482,057.03	\$ 62,215.81

Analysis of Miscellaneous Revenue

Treasurer:

Interest on Investments	\$ 2,523.06
Miscellaneous - Gate Revenue	59,206.00
	\$ 61,729.06

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

TOWNSHIP OF BERNARDS
GOLF UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	Appropriations		Expended by	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operating:				
Salaries and Wages	\$ 106,840.96	\$ 106,840.96	\$ 101,078.57	\$ 5,762.39
Other Expenses	313,000.26	313,000.26	313,000.26	
	<u>\$ 419,841.22</u>	<u>\$ 419,841.22</u>	<u>\$ 414,078.83</u>	<u>\$ 5,762.39</u>

Ref.

D

	Cash Disbursed	\$ 395,902.69
D	Encumbrances Payable	<u>18,176.14</u>
		<u>\$ 414,078.83</u>

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

TOWNSHIP OF BERNARDS
COUNTY OF SOMERSET
2022
PUBLIC ASSISTANCE FUND

TOWNSHIP OF BERNARDS
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	E-1	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>
TOTAL ASSETS		<u><u>\$ 10,000.00</u></u>	<u><u>\$ 10,000.00</u></u>
<u>RESERVES</u>			
Reserve for Public Assistance		<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>
TOTAL RESERVES		<u><u>\$ 10,000.00</u></u>	<u><u>\$ 10,000.00</u></u>

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

TOWNSHIP OF BERNARDS
COUNTY OF SOMERSET
2022
GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31,	
	2022	2021
<u>ASSETS</u>		
Land	\$ 68,039,818.73	\$ 68,039,818.73
Land Improvements	4,880,449.59	4,683,775.71
Buildings	9,141,297.49	9,141,297.49
Vehicles	8,945,732.30	8,866,733.16
Equipment	7,495,119.14	7,122,913.84
Other Improvements	3,000.00	3,000.00
<u>TOTAL ASSETS</u>	<u>\$ 98,505,417.25</u>	<u>\$ 97,857,538.93</u>
 <u>RESERVES</u>		
Reserve for General Fixed Assets	\$ 98,505,417.25	\$ 97,857,538.93
<u>TOTAL RESERVES</u>	<u>\$ 98,505,417.25</u>	<u>\$ 97,857,538.93</u>

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

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

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Bernards include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the sewerage authority, or volunteer fire and first aid squads.

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

B. Description of Funds

The accounting policies of the Township of Bernards conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds:

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

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

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

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

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

B. Description of Funds (Cont'd)

Golf Utility Operating Fund - Account for the operations of the municipally owned golf utility.

Public Assistance Fund – Receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes. The operations of the State funds welfare program were transferred to the County effective 2003.

General Fixed Asset Account Group - These accounts were established with estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E.

C. Basis of Accounting

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

The more significant accounting policies in New Jersey follow.

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

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

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

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

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

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

C. Basis of Accounting (Cont'd)

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

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

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

- E. Other significant accounting policies include:

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

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

Investments – Investments are stated at cost.

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

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

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

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

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

E. Other significant accounting policies include: (Cont'd)

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

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

General Fixed Assets Account Group – In accordance with New Jersey Administrative Code accounting requirements, the Township has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at historical cost as estimated by the independent appraisal company which conducted the inventory of the Township's assets in a prior year. Subsequent fixed assets purchases are valued at historical cost. Infrastructure assets are not included in general fixed assets, as per state directive.

Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund and General Capital Fund. The values recorded in the General Fixed Assets Account Group and the Current and General Capital Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

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

Note 2: Long-Term Debt

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

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

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

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.0%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 46,775,000.00	\$ 46,775,000.00	
	<u>\$ 46,775,000.00</u>	<u>\$ 46,775,000.00</u>	<u>\$ -0-</u>

Net Debt of \$0 divided by Equalized Valuation Basis Per N.J.S. 40A:2-2 as Amended, \$7,395,748,178.67 = 0.0%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 258,851,186.25
Net Debt	<u>-0-</u>
Remaining Borrowing Power	<u>\$ 258,851,186.25</u>

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

As of 12/31/2017, the Township was completely debt free.

Note 3: Fund Balances Appropriated

The amount of fund balance at December 31, 2022, which is included in the adopted budget for the Current Fund for the year ending December 31, 2023 is as follows:

Current Fund	\$ 13,730,400.34
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Note 4: Local School District Taxes

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

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

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

Note 5: Pension Plans

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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

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

Note 5: Pension Plans (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets.

Township contributions to PERS amounted to \$1,176,770 for 2022.

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

Pension Liabilities and Pension Expense

At June 30, 2021, the Township's liability was \$11,903,690 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the Township's proportion was 0.100%, which was a decrease of 0.004% from its proportion measured as of June 30, 2020. The Township has rolled forward the net pension liability as of June 30, 2021 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities to include the June 30, 2021 pension information in the Notes to the Financial Statements as the June 30, 2022 pension information has not been released as of the date of this audit.

For the year ended December 31, 2022, the Township recognized actual pension expense in the amount of \$1,176,770.

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

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

Note 5: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

Inflation Rate:	
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%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2021 are summarized in the following table:

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

Note 5: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Township's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

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

Note 5: Pension Plans (Cont'd)

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

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Cont'd)

	June 30, 2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's proportionate share of the Net Pension Liability	\$ 16,219,383	\$ 11,903,690	\$ 8,253,391

Pension Plan Fiduciary Net Position

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

B. 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 the PFRS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

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

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

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

Note 5: Pension Plans (Cont'd)

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. 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 costs and unfunded accrued liability. For fiscal year 2021, 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, 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 amounts 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 the assets.

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 nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

Township contributions to PFRS amounted to \$1,400,253 for the year ended December 31, 2022. During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$214,552 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$275,067.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

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

Note 5: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense

At June 30, 2021, the Township's liability for its proportionate share of the net pension liability was \$8,781,618. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the Township's proportion was 0.120%, which was a decrease of 0.001% from its proportion measured as of June 30, 2020. The Township has rolled forward the net pension liability as of June 30, 2021 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities to include the June 30, 2021 pension information in the Notes to the Financial Statements as the June 30, 2022 pension information has not been released as of the date of this audit.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$2,469,828 as of June 30, 2021. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The State's proportionate share 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. At June 30, 2021, the State's proportion was 0.120%, which was a decrease of 0.001% from its proportion measured as of June 30, 2020 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 8,781,618
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>2,469,828</u>
Total Net Pension Liability	<u>\$ 11,251,446</u>

For the year ended December 31, 2022, the Township recognized total pension expense of \$1,400,253.

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate: 2.75%

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

Note 5: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

Salary Increases:	
Through all future years	3.25 – 15.25% based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%

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

Note 5: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Township) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Township) as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2021			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's proportionate share of the NPL and and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 17,084,969	\$ 11,251,446	\$ 6,395,668

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

Note 5: Pension Plans (Cont'd)

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

Plan Fiduciary Net Position - PFRS

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the Township recognized pension expense of \$8,393.44 for the year ended December 31, 2022. Employee contributions to DCRP amounted to \$23,637.50 for the year ended December 31, 2022.

Note 6: Accrued Sick Benefits

The Township permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid upon retirement. It is estimated that the current cost of such unpaid compensation is \$638,984.16 at December 31, 2022. This amount is not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used. Additionally, there is \$446,158.08 in a Reserve for Accumulated Absences on the Trust Funds balance sheet at December 31, 2022.

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

Note 7: Accrued Compensatory Time

The Township permits employees to accrue a limited amount of compensatory time based on employee category in lieu of overtime pay, which may be taken as time off or paid upon request. As of December 31, 2022, there are three (3) separate categories of employees with differing accrued compensatory time benefits as follows:

- A. Non-Union Employees
- B. Union Members of Teamsters Local #469
- C. Union Members of PBA Local #357

Note 8: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy.

The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Tax Rate</u>	\$ 2.011	\$ 2.110	\$ 2.094
<u>Apportionment of Tax Rate</u>			
Municipal	.333	.347	.343
County	.343	.360	.362
Local School	1.335	1.403	1.389
<u>Assessed Valuations</u>			
2022	<u>\$ 7,199,859,900.00</u>		
2021		<u>\$ 6,763,337,979</u>	
2020			<u>\$ 6,707,165,385</u>

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

Note 8: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collection

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

Year	Tax Levy	Currently	
		Cash Collections	Percentage of Collection
2022	\$ 145,981,691.42	\$ 144,519,232.82	98.99%
2021	142,946,566.40	142,408,894.29	99.62%
2020	140,676,167.95	140,218,224.83	99.67%

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

Note 9: Cash and Cash Equivalents

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

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

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

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

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed in the section of this note on investments.

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

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

Note 9: Cash and Cash Equivalents (Cont'd)

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

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

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

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;

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

Note 9: Cash and Cash Equivalents (Cont'd)

Investments (Cont'd)

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

Fund	Cash on Hand	Checking Accounts	New Jersey Cash Management Fund	Totals
Current	\$ 565.00	\$ 22,932,736.89	\$ 5,425,153.56	\$ 28,358,455.45
Animal Control	25.00	22,727.67	318.61	23,071.28
Other Trust		3,210,090.67	3,148,884.45	6,358,975.12
General Capital		7,915,475.83	2,216,318.29	10,131,794.12
Golf Utility Operating	100.00	81,305.48	54,228.22	135,633.70
Public Assistance			10,000.00	10,000.00
	<u>\$ 690.00</u>	<u>\$ 34,162,336.54</u>	<u>\$ 10,854,903.13</u>	<u>\$ 45,017,929.67</u>

The carrying amount of the Township's cash and cash equivalents at year end was \$45,017,929.67 and the bank balance was \$45,534,908.01. The \$10,854,903.13 in the New Jersey Cash Management Fund is uninsured and unregistered.

Note 10: Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township obtains their health benefit coverage through the New Jersey State Health Benefits Plan.

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

Note 10: Risk Management (Cont'd)

The Township is currently a member of the Suburban Municipal Joint Insurance Fund (SMJIF) (the "Fund"). This joint insurance fund provides insurance to participating members, including but not limited to, general liability, automobile liability and automobile physical damage coverage known as comprehensive/collision, workers' compensation, environmental liability for spills and other environmental incidents, hazard and theft insurance on property and contents, employment practices and public officials liability (EPL/POL) coverage.

The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of governmental entities established for the purpose of providing low-cost insurance coverage for its members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

The gross claim fund assessment is determined by the actuary and, when combined with expense and premium projections, constitutes the Fund's budget. Assessments for participating members are determined by underwriting criteria established by the executive committee. As a member of this Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

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

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

	<u>Suburban Municipal Joint Insurance Fund</u>
Total Assets	<u>\$ 8,172,281</u>
Net Position	<u>\$ 3,944,002</u>
Total Revenue	<u>\$ 5,309,201</u>
Total Expenses	<u>\$ 5,877,268</u>
Change in Net Position	<u>\$ (568,067)</u>
Members Dividends	<u>\$ -0-</u>

Financial statements for the Fund are available at the office of the Funds Executive Director:

PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

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

Note 10: Risk Management (Cont'd)

Self-Insurance Reserve

In 1983, the Township adopted an ordinance creating a Self-Insurance Fund, administered by two officials of the Township who are appointed by the Township Committee and who serve as Insurance Fund Commissioners. The fund operates pursuant to provisions of R.S.40A:10-6 et seq. It is used to pay for insurance claim deductibles or for smaller claims below deductible not submitted to insurance. It is also intended to be available in the event of an unforeseen loss not covered under the Township's insurance policies.

New Jersey Unemployment Compensation Insurance

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

<u>Year</u>	<u>Township Contribution</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 19,000.00	\$ 4,481.58	\$ 27,307.22	\$ 852.03	\$ 329,128.07
2021	19,000.00	92.66	20,000.00	7,029.29	279,191.30
2020	19,000.00	1,134.25	25,000.00	16,326.83	247,127.93

Note 11: Open Space Trust Reserve

In 1997, the Township created an Open Space Trust Fund with a tax levy of up to \$.02 per \$100 of assessed valuation. In 2001, the Township increased the Open Space tax levy to \$.04 per \$100 of assessed valuation with voters' approval. The funds collected are used to acquire and maintain open space property and for recreation purposes in the Township. The funds are being held in the Open Space Trust Fund Reserve on the Other Trust Funds balance sheet. In 2018, the Township stopped assessing open space taxes as outstanding debt relating to open space was paid off as of December 31, 2017. As of December 31, 2022, the balance in the Reserve for Open Space is \$3,319.60.

Note 12: Contingencies

The Township is periodically involved in various other lawsuits arising in the normal course of business, which often include claims for property damage, personal injury, and various contract disputes. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Township's financial position as of December 31, 2022.

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township's Tax Assessor will aggressively defend the Township's assessments.

Amounts received or receivable from grantors, principally the federal and state governments, are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds.

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

Note 12: Contingencies (Cont'd)

The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Note 13: Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
Current	\$ 39,065.36	\$ 2,817,967.87
Federal and State Grant	2,836,679.51	
Animal Control		38.51
Other Trust		21,702.92
Other Trust - Payroll		25,210.23
General Capital		10,825.34
	\$ 2,875,744.87	\$ 2,875,744.87

The interfund receivable in the Federal and State Grant Fund reflects the Federal and State Grant Fund receipts collected by the Current Fund; net of Federal and State Grant Fund expenditures paid by the Current Fund. The interfund payables in the Animal Control Fund and the General Capital Fund represent 2022 interest due to the Current Fund. The interfund payable in the Other Trust Fund represents 2022 interest due to the Current Fund and grant receipts due to the Federal and State Grant Fund. The interfund payable from Other Trust Fund – Payroll is due to Current Fund for an advance and interest accrued during the year.

Note 14: Economic Dependency

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

Note 15: Related Party Transactions

The following 2022 Township Committee members were also members of the Township of Bernards Sewerage Authority:

Janice Fields

Jennifer Asay

Andrew McNally

The Township of Bernards provides certain administrative, financial and bookkeeping services to the Authority by means of a shared service agreement. The total amount paid to the Township for these services in 2022 was \$502,029. Additionally, there exists a service contract between the Township and the Authority which requires the Township to pay to the Authority an annual service charge and to make up any deficit in the Authority's operating and maintenance expenses and debt service expenses to the extent that accumulated surpluses in the Authority's various funds do not cover such deficits. Since 1994, it has not been necessary for the Township to make such contributions to cover deficits. The Authority currently has no outstanding debt.

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

Note 16: Fixed Assets

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

	Balance Dec. 31, 2021	Additions	Deletions	Adjustments	Balance Dec. 31, 2022
Land	\$ 68,039,818.73				\$ 68,039,818.73
Land Improvements	4,683,775.71	\$ 259,951.89	\$ 73,470.00	\$ 10,191.99	4,880,449.59
Buildings	9,141,297.49				9,141,297.49
Vehicles	8,866,733.16	334,964.64	255,965.50		8,945,732.30
Equipment	7,122,913.84	507,801.20	125,403.91	(10,191.99)	7,495,119.14
Other Improvements	3,000.00				3,000.00
	<u>\$ 97,857,538.93</u>	<u>\$ 1,102,717.73</u>	<u>\$ 454,839.41</u>	<u>\$ -0-</u>	<u>\$ 98,505,417.25</u>
	Balance Dec. 31, 2020	Additions	Deletions	Adjustments	Balance Dec. 31, 2021
Land	\$ 68,039,818.73				\$ 68,039,818.73
Land Improvements	4,650,583.94	\$ 31,202.76		\$ 1,989.01	4,683,775.71
Buildings	9,241,297.49		\$ 100,000.00		9,141,297.49
Vehicles	8,731,066.18	381,196.24	245,529.26		8,866,733.16
Equipment	7,296,159.57	258,218.24	429,474.96	(1,989.01)	7,122,913.84
Other Improvements	3,000.00				3,000.00
	<u>\$ 97,961,925.91</u>	<u>\$ 670,617.24</u>	<u>\$ 775,004.22</u>	<u>\$ -0-</u>	<u>\$ 97,857,538.93</u>

Note 17: Tax Abatements

GASB requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

As of December 31, 2022, The Township provides a tax abatement to a nonprofit housing corporation for its senior citizen housing development in the Township pursuant to N.J.S.A. 15A:1-1 (the "Law") and a resolution of the governing body dated June 23, 2009 and an agreement dated July 28, 2009. In consideration of the full abatement of taxes, the nonprofit housing corporation is required to pay to the Township an annual service charge. The annual service charge made by the nonprofit corporation will be equal to 15% of the annual gross rents derived from such housing project as detailed in the tax abatement agreement. The tax abatement provided under the agreement shall be terminated when the nonprofit corporation or its successors and the development cease to remain subject to the provisions of the Law or a period of not more than 50 years from the effective date of the tax exemption, whichever event occurs first.

In the event that a breach of the agreement by either the Township or the nonprofit housing corporation or a dispute arises between the two parties, either party may apply to the Superior Court, Chancery Division to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the Limited-Dividend Laws and the HFA Law.

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

Note 17: Tax Abatements (Cont'd)

The Township recognized revenue in the amount of \$416,529.58 from this annual service charge or payment in lieu of taxes which is recorded as a miscellaneous revenue anticipated in the Current Fund. The taxes which would have been paid on this property for 2022 without the abatement would have been \$483,513.78 of which \$80,265.21 would have been for the local municipal tax and minimum library tax.

Note 18: Postemployment Benefits Other Than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

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) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their dependents of the 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.

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

Note 18: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Contributions

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 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.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. For New Jersey local governments who report under the regulatory basis of accounting, the net OPEB liability and related deferred inflows are not recorded in the financial statements and there is only note disclosure of this information. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

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 expense are based on separately calculated total OPEB liabilities. 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, 2020 through June 30, 2021. Employer and nonemployer allocation percentages were rounded for presentation purposes.

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

Note 18: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense

The Borough has rolled forward the net OPEB liability as of June 30, 2021 with no adjustments. The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting municipalities and counties to include the June 30, 2021 OPEB information in the Notes to the Financial Statements as the June 30, 2022 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

The State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2021 was \$12,832,373. At June 30, 2021, the State's proportion related to the Township was .332328%. This is the percentage of the total State Share of the net OPEB liability of the Plan. During the year ended June 30, 2021, the State of New Jersey's OPEB benefit related to the Township was \$1,751,025.

Actuarial Assumptions and Other Inputs

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.

Inflation Rate	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% - 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%

* - Salary increases are based on years of service within the respective plan.

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

Actuarial assumptions used in the June 30, 2020 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.

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

Note 18: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially is 5.65% for fiscal year 2021 and decreases to a 4.5% long term trend rate after seven years. For PPO post 65 medical benefits, the trend rate is initially 13.08% and decreases to a 4.5% long term trend rate starting with fiscal year 2032 and later. For HMO Post 65 medical benefits, the trend rate is initially 13.76% and decreases to a 4.50% long term trend rate starting with fiscal year 2032 and later. For prescription drug benefits, the initial trend rate is 6.75% for fiscal year 2021 and decreases to a 4.5% long term rate after seven years.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond 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.

Note 19: Leases

The Township implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the current year.

The Township entered into three lease agreements with different wireless carriers for the lease of the Township's real property for the construction and operation of wireless communication monopole and related support facilities. The initial term of the leases shall be 5 years commencing in 2003, 2004, and 2018. The lessees can extend the lease for four renewal terms of 5 years. The 2018 lease can be extended for nine renewal terms of 5 years. The initial annual lease payment for the 2003 and 2004 leases range from \$25,000 to \$25,056 and increase 15% for each renewal term. The initial annual lease payment for the 2018 lease was \$31,908 and increases 5% for each renewal term. The total lease payments in 2022 were \$76,128.92.

TOWNSHIP OF BERNARDS

SUPPLEMENTARY DATA

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

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
<u>Elected Officials</u>			
James Baldassare	Mayor		
Andrew McNally	Deputy Mayor		
Jennifer Asay	Committeeperson		
Janice Fields	Committeeperson		
Kathleen M. Grochala	Committeeperson		
<u>Appointed Officials</u>			
Pasquale Monaco	Township Administrator	**	**
Christine Kieffer	Municipal Clerk; Assessment Search Officer	**	**
Sean McCarthy	Chief Financial Officer	**	**
David Centrelli	Tax Assessor	**	**
Kevin Sant'Angelo	Tax Collector; Tax Search Officer	**	**
Francis Decibus	Purchasing Agent	**	**
Thomas Timko	Township Engineer	**	**
David Schley	Township Planner	**	**
Nancy Koederitz	Zoning Enforcement Officer	**	**
Dennis Bettler	Construction Code Official	**	**
Jon Burger	Police Chief	**	**
Jennifer Gander	Director of Parks and Recreation, Community Pool and Golf Utility	**	**
Rachel Burt	Library Director	**	**
Lucy Forgione	Health Officer; Registrar; Dog License Clerk	**	**
Katherine Howes	Magistrate	**	**

** All employees, who are not specifically bonded, are covered under \$950,000 and \$50,000 Faithful Performance Blanket Bonds with the Municipal Excess Liability Joint Insurance Fund and Suburban Municipal Joint Insurance Fund, respectively.

TOWNSHIP OF BERNARDS
COUNTY OF SOMERSET
2022
CURRENT FUND

TOWNSHIP OF BERNARDS
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 26,230,206.77
Increased by Receipts:		
Tax Collector		\$ 145,464,911.75
Revenue Accounts Receivable		6,579,751.77
Due to State of N.J.:		
Veterans and Senior Citizens' Deductions		91,350.00
Marriage License Fees		1,350.00
DCA Training Fees		86,371.00
Burial Permit Fees		10.00
Due to Bernards Sewage Authority		59,525.46
Nonbudget Revenue		358,805.82
2022 Appropriation Refunds		605,250.28
2021 Appropriation Reserve Refunds		25.39
Due to Federal and State Grant Fund:		
Federal and State Grants Receivable		465,682.61
Unappropriated Grant Reserves		1,427,555.44
Due from Animal Control Fund:		
Settlement of Prior Year Interfund		3.88
Due from Other Trust Funds:		
Settlement of Prior Year Interfund		242.52
Due from General Capital Fund:		
Settlement of Prior Year Interfund		582.95
Due from Payroll Accounts:		
Settlement of Prior Year Interfund		13.71
Reserve for:		
Library		136,614.42
Sale of Municipal Assets		41,425.00
Recreation Fields		50,000.00
Municipal Relief Fund		93,806.74
		155,463,278.74
		181,693,485.51

TOWNSHIP OF BERNARDS
CURRENT FUND
SCHEDULE OF CASH - TREASURER
(Continued)

Ref.

Decreased by Disbursements:

2022 Appropriation Expenditures	\$ 30,660,541.04
2021 Appropriation Reserves	1,030,627.16
Accounts Payable	7,778.68
Due to State of N.J.:	
Marriage License Fees	1,925.00
DCA Training Fees	85,189.00
Burial Permit Fees	10.00
Due from Federal and State Grant Fund:	
Appropriated Grant Reserves	425,813.70
Local School District Taxes	96,095,417.00
County Taxes	24,854,640.83
Refund of Tax Overpayments	27,424.05
Refund of Outside Liens	53,758.62
Refund of Prior Year Taxes	31.34
Reserve for:	
Public Library Expenditures	90,238.64
Library Bequest	2,200.00

\$ 153,335,595.06

Balance December 31, 2022

A

\$ 28,357,890.45

TOWNSHIP OF BERNARDS
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

Increased by Receipts:

Taxes Receivable	\$ 143,977,783.53
Payment in Lieu of Taxes	416,529.58
2023 Prepaid Taxes	805,786.56
Interest and Costs on Taxes	182,811.92
Redemption of Outside Liens	53,758.62
Miscellaneous Revenue Not Anticipated:	
Miscellaneous	817.49
Tax Overpayments	27,424.05

\$ 145,464,911.75

Decreased by:

Payments to Treasurer	<u><u>\$ 145,464,911.75</u></u>
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TOWNSHIP OF BERNARDS
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>Ref.</u>	<u>Year</u>	Balance Dec. 31, 2021	2022 Levy	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance Dec. 31, 2022
				2021	2022				
	2021	\$ 522,094.40			\$ 522,719.74	\$ (625.34)			
	2022		\$ 145,981,691.42	\$ 973,236.15	143,455,063.79	90,932.88	\$ 29,658.25	\$ 7,283.85	\$ 1,425,516.50
		\$ 522,094.40	\$ 145,981,691.42	\$ 973,236.15	\$ 143,977,783.53	\$ 90,307.54	\$ 29,658.25	\$ 7,283.85	\$ 1,425,516.50
A									
Analysis of 2022 Property Tax Levy:									
Tax Yield:									
		General Purpose Tax		\$ 144,789,182.59					
		Added Taxes (54:4-63.1 et seq.)		1,192,508.83					
					\$ 145,981,691.42				
Tax Levy:									
		Local School District Taxes			\$ 96,095,417.00				
		County Taxes:							
		County Taxes		\$ 22,465,590.89					
		County Open Space Taxes		2,184,937.39					
		Due County for Added and Omitted Taxes		204,112.55					
					24,854,640.83				
					120,950,057.83				
		Local Tax for Municipal Purposes		21,540,783.57					
		Minimum Library Taxes		2,438,067.00					
		Additional Taxes Levied		1,052,783.02					
					25,031,633.59				
					\$ 145,981,691.42				
A									

TOWNSHIP OF BERNARDS
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 71,558.66
Increased by:		
Transfer from Taxes Receivable		<u>7,283.85</u>
Balance December 31, 2022	A	<u><u>\$ 78,842.51</u></u>

TOWNSHIP OF BERNARDS
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2021	Accrued In 2022	Collected by Collector	Collected by Treasurer	Balance Dec. 31, 2022
Licenses:					
Alcoholic Beverages		\$ 34,020.00		\$ 34,020.00	
Fees and Permits		672,232.56		672,232.56	
Fines and Costs:					
Municipal Court	\$ 18,454.10	126,143.21		136,040.53	\$ 8,556.78
Interest and Costs on Taxes		182,811.92	\$ 182,811.92		
Interest on Investments and Deposits		270,868.62		270,868.62	
Swimming Pool:					
Membership Fees		657,580.00		657,580.00	
Gate Fees		82,392.00		82,392.00	
Refreshment Stand		6,000.00		6,000.00	
Recreation - Fees & Permits		476,577.25		476,577.25	
Development Application Fees		5,025.99		5,025.99	
Payment in Lieu of Taxes		416,529.58	416,529.58		
Hotel Occupancy Tax		359,220.92		359,220.92	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		1,798,308.00		1,798,308.00	
Uniform Construction Code Fees		1,065,543.00		1,065,543.00	
Bernards Township Sewerage Authority - Service Contract		502,029.00		502,029.00	
Interlocal Health Contract		287,450.06		287,450.06	
Interlocal Fire Prevention Services		102,590.04		102,590.04	
Uniform Fire Safety Act		46,182.89		46,182.89	
Rental Agreements		109,598.91		77,690.91	31,908.00
	<u>\$ 18,454.10</u>	<u>\$ 7,201,103.95</u>	<u>\$ 599,341.50</u>	<u>\$ 6,579,751.77</u>	<u>\$ 40,464.78</u>

Ref.

A

A

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

	Balance Dec. 31, 2021	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	\$ 13,928.76	\$ 13,928.76	\$ 1,200.40	\$ 12,728.36
Other Expenses	12,542.64	12,542.64	275.76	12,266.88
Human Resources:				
Salaries and Wages	4,149.03	4,149.03	1,205.60	2,943.43
Other Expenses	10,970.32	10,970.32	1,239.03	9,731.29
Township Committee:				
Other Expenses	26,616.58	26,616.58	552.10	26,064.48
Municipal Clerk:				
Salaries and Wages	8,131.52	8,131.52	1,976.00	6,155.52
Other Expenses	13,438.62	13,438.62	125.17	13,313.45
Financial Administration:				
Salaries and Wages	20,836.57	20,836.57	2,199.60	18,636.97
Other Expenses	7,315.38	7,315.38	280.97	7,034.41
Annual Audit	19,357.00	19,357.00	19,202.00	155.00
Purchasing:				
Other Expenses	5,489.40	5,489.40	869.93	4,619.47
Computer Network Administration:				
Salaries and Wages	9,355.70	9,355.70	2,024.40	7,331.30
Other Expenses	129,137.78	129,137.78	51,924.49	77,213.29
Revenue Administration:				
Salaries and Wages	40,383.20	40,383.20	995.20	39,388.00
Other Expenses	14,947.62	14,947.62	356.62	14,591.00
Tax Assessment Administration:				
Salaries and Wages	20,467.38	20,467.38	3,628.96	16,838.42
Other Expenses	23,122.90	23,122.90	1,041.04	22,081.86
Legal Services:				
Other Expenses	318,329.31	318,329.31	27,121.22	291,208.09
Engineering Services:				
Salaries and Wages	24,081.51	24,081.51	2,615.60	21,465.91
Other Expenses	39,759.99	39,759.99	957.84	38,802.15
LAND USE ADMINISTRATION:				
Planning Board:				
Salaries and Wages	5,435.67	5,435.67		5,435.67
Other Expenses	95,191.68	95,191.68	10,554.31	84,637.37
Board of Adjustment:				
Salaries and Wages	19,239.65	19,239.65	2,581.60	16,658.05
Other Expenses	69,815.53	69,815.53	252.56	69,562.97
Environmental Commission:				
Salaries and Wages	400.00	400.00		400.00
Other Expenses	275.00	275.00		275.00

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

	Balance Dec. 31, 2021	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY FUNCTIONS:				
Police Department:				
Salaries and Wages	\$ 189,336.44	\$ 189,336.44	\$ 3,260.80	\$ 186,075.64
Other Expenses	91,483.68	91,483.68	39,864.65	51,619.03
Purchase of Police Cars	10,000.00	10,000.00	9,690.00	310.00
Crossing Guards:				
Salaries and Wages	41,611.13	41,611.13	2,087.28	39,523.85
Other Expenses	12,250.00	12,250.00	2,002.07	10,247.93
Emergency Management Services:				
Salaries and Wages	7,175.55	7,175.55		7,175.55
Other Expenses	8,470.40	8,470.40		8,470.40
Uniform Fire Sub-Code/Fire Hydrants:				
Salaries and Wages	1,265.42	1,265.42		1,265.42
Other Expenses	105,726.30	105,726.30	88,271.17	17,455.13
INSURANCE:				
Liability Insurance	197,553.25	197,553.25	107,470.25	90,083.00
Workers Compensation Insurance	134,667.25	134,667.25	64,667.25	70,000.00
Group Insurance	397,314.05	397,314.05		397,314.05
Waiver for Health Coverage	10,063.18	10,063.18		10,063.18
Other Employee Benefits	26,379.48	26,379.48		26,379.48
PUBLIC WORKS FUNCTIONS:				
Streets and Roads Maintenance:				
Salaries and Wages	184,641.93	184,641.93	21,111.80	163,530.13
Other Expenses	30,603.38	30,603.38	4,085.25	26,518.13
Snow Removal:				
Salaries and Wages	34,606.08	34,606.08	25,000.00	9,606.08
Other Expenses	89,529.75	89,529.75	27,555.00	61,974.75
Other Public Works Functions:				
Shade Tree Commission:				
Salaries and Wages	400.00	400.00		400.00
Other Expenses	2,446.52	2,446.52		2,446.52
Street Light Maintenance:				
Other Expenses	8,148.37	8,148.37		8,148.37
Solid Waste Collections:				
Salaries and Wages	8,134.89	8,134.89	302.56	7,832.33
Other Expenses	16,370.00	16,370.00	11,350.00	5,020.00
Public Buildings:				
Salaries and Wages	29,113.17	29,113.17	4,341.04	24,772.13
Other Expenses	30,172.86	30,172.86	15,849.90	14,322.96
Vehicle Maintenance:				
Salaries and Wages	1,709.70	1,709.70	1,709.70	
Other Expenses	94,386.32	94,386.32	8,564.75	85,821.57

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

	Balance Dec. 31, 2021	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC WORKS FUNCTIONS:				
Municipal Service Act:				
Other Expenses	\$ 178,790.00	\$ 178,790.00	\$ 124,056.00	\$ 54,734.00
HEALTH AND HUMAN SERVICES FUNCTIONS:				
Public Health Services:				
Salaries and Wages	11,020.21	11,020.21	4,742.61	6,277.60
Other Expenses	59,302.61	59,302.61	1,191.81	58,110.80
Animal Control:				
Salaries and Wages	12,012.54	12,012.54	1,154.00	10,858.54
Contributions to Social Service Agencies:				
Other Expenses	4,028.00	4,028.00		4,028.00
PARKS AND RECREATION FUNCTIONS:				
Parks and Recreation:				
Salaries and Wages	61,708.91	61,708.91	2,108.48	59,600.43
Other Expenses	131,038.62	131,038.62	13,775.54	117,263.08
Maintenance of Parks & Public Grounds:				
Salaries and Wages	44,018.75	44,018.75	9,653.72	34,365.03
Other Expenses	15,926.80	15,926.80	7,645.58	8,281.22
Community Pool Commission:				
Salaries and Wages				
Other Expenses	17,386.44	17,386.44	957.53	16,428.91
OTHER COMMON OPERATING FUNCTIONS:				
Community Service:				
Salaries and Wages	11,499.95	11,499.95		11,499.95
Other Expenses	4,407.08	4,407.08	33.25	4,373.83
Charter Day Community Celebration:				
Salaries and Wages	3,500.00	3,500.00		3,500.00
Other Expenses	15,195.00	15,195.00	472.50	14,722.50
Labor Day Races:				
Salaries and Wages	351.63	351.63		351.63
Other Expenses	515.00	515.00		515.00
Deer Task Force:				
Salaries and Wages	746.10	746.10		746.10
Other Expenses	26,242.81	26,242.81	4,125.00	22,117.81
Pay for Performance:				
Salaries and Wages	14,070.82	14,070.82	1,400.00	12,670.82
UTILITY EXPENSES AND BULK PURCHASES:				
Other Expenses	415,640.89	414,417.89	19,075.62	395,342.27
Landfill/Solid Waste Disposal Costs:				
Salaries and Wages	1,845.40	1,845.40	1,467.60	377.80
Other Expenses	7,377.66	7,377.66	4,064.60	3,313.06

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

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
UNIFORM CONSTRUCTION CODE:				
Construction Official:				
Salaries and Wages	\$ 100,100.32	\$ 100,100.32	\$ 7,744.80	\$ 92,355.52
Other Expenses	24,414.49	24,414.49	2,957.00	21,457.49
UNCLASSIFIED:				
Municipal Court:				
Salaries and Wages	3,420.00	3,420.00		3,420.00
STATUTORY EXPENDITURES:				
Contributions to:				
Social Security System (O.A.S.I.)	77,550.82	77,550.82		77,550.82
Defined Contribution Retirement Program	5,940.60	5,940.60		5,940.60
Operations Excluded from "CAPS":				
Public Safety:				
L.O.S.A.P.	95,579.00	96,802.00	96,802.00	
Education:				
Municipal Library	159,562.61	159,562.61	159,484.49	78.12
	<u>\$ 4,219,691.69</u>	<u>\$ 4,219,691.69</u>	<u>\$ 1,033,276.00</u>	<u>\$ 3,186,415.69</u>
 <u>Ref.</u>				
<u>Analysis of Balance on December 31, 2021:</u>				
Unencumbered	A \$ 3,397,231.65			
Encumbered	A 822,460.04			
	<u>\$ 4,219,691.69</u>			
Cash Disbursed			\$ 1,030,627.16	
Accounts Payable			<u>2,674.23</u>	
			1,033,301.39	
Less: Appropriation Refunds			<u>25.39</u>	
			<u>\$ 1,033,276.00</u>	

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

Increased by:	
Levy Calendar Year 2022	\$ 96,095,417.00
Decreased by:	
Payments to Local School District	<u>\$ 96,095,417.00</u>

TOWNSHIP OF BERNARDS
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2022

Increased by:	
Levy Calendar Year 2022	\$ 24,854,640.83
Decreased by:	
Payments to the County of Somerset	<u>\$ 24,854,640.83</u>

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

	Balance Dec. 31, 2021	Budget Revenue Realized	Received	Transferred from Unappropriated Reserves	Balance Dec. 31, 2022
NJDOT Municipal Aid Grant:					
2016 - Douglas Road	\$ 4,131.64				\$ 4,131.64
2020 - Spring Valley Boulevard	80,000.00				80,000.00
2021 - Spring Valley Boulevard II	100,000.00				100,000.00
Municipal Alliance on Alcoholism and Drug Abuse:					
Fiscal Year 2021	8,474.92		\$ 8,474.92		
Fiscal Year 2022		\$ 10,089.19			10,089.19
Local Match		2,522.30	2,522.30		
Clean Communities Program		61,565.00	61,565.00		
Recycling Tonnage Grant - 2022		14,473.51	14,473.51		
Body Armor Replacement Grant - 2022		1,879.90	1,879.90		
NJDOH - Strengthening Local Public Health Capacity:					
2021	0.26				0.26
2022	246,452.00		233,334.00		13,118.00
2023		274,735.00	66,506.00		208,229.00
NJDOH- Vaccination Supplemental Funding:	49,144.00	50,000.00	43,970.00		55,174.00
Somerset County Cultural and Heritage Grant:					
Plays in the Park		4,000.00	2,625.00	\$ 500.00	875.00
Lyons Train Station	3,438.00				3,438.00
Lyons Station Canopy	96,580.00				96,580.00
Somerset County Youth Services Commission		15,400.00	15,400.00		
Somerset County CDBG:					
Senior Food Security & Wellness	14,931.98		14,931.98		
Local Fiscal Recovery Fund Program		1,415,014.19		1,415,014.19	
	<u>\$ 603,152.80</u>	<u>\$ 1,849,679.09</u>	<u>\$ 465,682.61</u>	<u>\$ 1,415,514.19</u>	<u>\$ 571,635.09</u>
<u>Ref.</u>	A				A
Federal Grants		\$ 1,739,749.19	\$ 358,741.98		
State Grants		88,007.60	86,393.33		
Local Grants		19,400.00	18,025.00		
Local Matching Funds		2,522.30	2,522.30		
		<u>\$ 1,849,679.09</u>	<u>\$ 465,682.61</u>		

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

	Balance Dec. 31, 2021	Transferred from Budget Appropriations	Expended	Balance Dec. 31, 2022
Bulletproof Vest Partnership - 2020	\$ 2,647.46		\$ 2,647.46	
NJDOT - Municipal Aid Grant:				
2018 - Manchester Drive and Juniper Way	2,500.24			\$ 2,500.24
2020 - Spring Valley Boulevard	62,198.60		15,683.63	46,514.97
2021 - Spring Valley Boulevard II	77,748.25		19,604.53	58,143.72
NJ Board of Public Works:				
Clean Fleet Electric Vehicle Incentive Program	9,500.00			9,500.00
NJ Body Worn Cameras	59,102.00		17,364.00	41,738.00
Municipal Alliance on Alcoholism and Drug Abuse:				
Fiscal Year 2021	8,474.92		8,474.92	
Fiscal Year 2022		\$ 10,089.19	930.00	9,159.19
Local Match		2,522.30	2,522.30	
NJDEP Clean Communities Program:				
2021	1,936.28		1,936.28	
2022		61,565.00	50,408.63	11,156.37
Recycling Tonnage Grant - 2022		14,473.51	14,473.51	
Drunk Driving Enforcement Grant:				
2016	2,336.50		2,336.50	
2017	3,101.35		2,622.56	478.79
2018	2,493.20			2,493.20
2019	2,546.58			2,546.58
2021	6,154.48			6,154.48
Body Armor Replacement Grant:				
2021	2,832.55		2,832.55	
2022		1,879.90	1,879.90	
NJ Department of Human and Senior Services:				
Hepatitis B Grant:				
2005	397.33			397.33
2006	856.00			856.00
2008	719.00			719.00
2009	316.00			316.00
2010	390.00			390.00
2011	273.00			273.00
2013	748.00			748.00
2014	260.00			260.00
2016	345.00			345.00
2020	130.00			130.00
NJDOH - Strengthening Local Public Health Capacity:				
2022	233,699.82		221,221.59	12,478.23
2023		274,735.00	3,051.38	271,683.62
NJDOH - Vaccination Supplemental Funding	40,320.00	50,000.00	40,988.17	49,331.83

TOWNSHIP OF BERNARDS
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
(Continued)

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Transferred</u> <u>from Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
NJACCHO:				
Emergency Preparedness:				
2017	\$ 10.05			\$ 10.05
2020	5,615.38			5,615.38
COVID-19 - 2021	6,131.87			6,131.87
Somerset County Cultural and Heritage Grant:				
Plays in the Park	1,500.00	\$ 4,000.00		5,500.00
Lyons Station Canopy	554.49			554.49
Somerset County Youth Services Commission	2,343.78	15,400.00	\$ 16,835.79	907.99
Local Fiscal Recovery Fund Program		1,415,014.19		1,415,014.19
	<u>\$ 538,182.13</u>	<u>\$ 1,849,679.09</u>	<u>\$ 425,813.70</u>	<u>\$ 1,962,047.52</u>

Ref.

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Federal Grants	\$ 1,739,749.19	\$ 267,908.60
State Grants	88,007.60	138,547.01
Local Grants	19,400.00	16,835.79
Local Matching Funds	2,522.30	2,522.30
	<u>\$ 1,849,679.09</u>	<u>\$ 425,813.70</u>

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

	Balance Dec. 31, 2021	Grant Funds Received	Transferred to Federal and State Grant Receivable	Balance Dec. 31, 2022
Emergency Management Performance Grant		\$ 10,000.00		\$ 10,000.00
COVID 19 - American Rescue Plan Grant:				
Coronavirus State and Local Government				
Fiscal Recovery Funds	\$1,415,014.19	1,415,014.19	\$1,415,014.19	\$1,415,014.19
Somerset County Cultural and Heritage Grant:				
Plays in the Park	500.00		500.00	
National Opioid Settlement		18,711.64		18,711.64
Body Armor Replacement Grant - 2023		2,541.25		2,541.25
	<u>\$1,415,514.19</u>	<u>\$1,446,267.08</u>	<u>\$1,415,514.19</u>	<u>\$1,446,267.08</u>

Ref.

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Cash Receipts	\$1,427,555.44
Due from Other Trust Funds	<u>18,711.64</u>
	<u>\$1,446,267.08</u>
 Federal Grants	 \$1,425,014.19
State Grants	2,541.25
Local Grants	<u>18,711.64</u>
	<u>\$1,446,267.08</u>

TOWNSHIP OF BERNARDS
COUNTY OF SOMERSET
2022
TRUST FUNDS

TOWNSHIP OF BERNARDS
TRUST FUNDS
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2021	B	\$ 12,805.43	\$ 5,971,481.41
Increased by Receipts:			
Municipal Dog License Fees		\$ 36,748.80	
State Dog License Fees		2,695.20	
Prepaid State Dog License Fees		214.20	
Cat License Fees		3,344.50	
Dog License Late Fees		4,030.00	
Dog Replacement Tag Fees		11.00	
Prepaid Animal Licenses		3,318.80	
Miscellaneous Fees		6,102.61	
Due to/from Current Fund:			
Interest Earned:			
Animal Control Fund		38.51	
Other Trust Funds			\$ 2,991.28
Payroll			210.23
Due to/from Federal and State Grant Fund:			
Receipts collected on behalf of			
Federal and State Grant Fund			18,711.64
Reserve for:			
Developers Escrow			1,023,525.03
Library State Aid			14,330.00
Recycling Expenditures			280,636.35
Accumulated Sick Leave Expenditures			118,010.91
Uniform Fire Safety Act Penalties			15,550.00
Public Defender			1,100.00
Parking Offenses Adjudication Act			42.00
Municipal Alliance			9,215.10
Affordable Housing			353,063.26
Unemployment Compensation			50,788.80
Self Insurance			207,987.64
Forfeited Asset			17,057.20
Storm Recovery			50,000.00
Recreation			158,225.00
Landfill Closure			68.68
Payroll Deductions			16,709,068.18
Employee Recognition Program Donations			2,750.00
Green Initiatives Donations			17,400.00
Police Equipment Donations			500.00
Recreation Program Donations			750.00
Memorial Trees & Benches Donations			2,200.00
Tax Sale Premiums			5,200.00
Stormwater Management			11,000.00
		<u>56,503.62</u>	<u>19,070,381.30</u>
		69,309.05	25,041,862.71

TOWNSHIP OF BERNARDS
TRUST FUNDS
SCHEDULE OF CASH
(Continued)

<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:		
Expenditures Under R.S.4:19-15.11	\$ 43,387.29	
Due to State of New Jersey	2,871.60	
Due to Current Fund:		
Settlement of Prior Year Interfund:		
Other Trust Funds		\$ 242.52
Payroll		13.71
Animal Control Fund	3.88	
Reserve for:		
Developers Escrow		1,063,287.73
Library State Aid		14,626.00
Recycling Expenditures		287,879.40
Accumulated Sick Leave Expenditures		233,859.55
Uniform Fire Safety Act Penalties		1,484.00
Public Defender		1,100.00
County Environmental Health Act		1,991.00
Municipal Alliance		9,064.39
Affordable Housing		35,746.00
Unemployment Compensation		852.03
Self Insurance		80,912.55
Recreation		129,714.00
Landfill Closure		5,608.66
Payroll Deductions		16,714,874.66
Police Equipment Donations		5,788.00
Recreation Program Donations		1,198.85
Memorial Trees & Benches Donations		7,404.32
Tree Replacement Donations		4,252.37
Tax Sale Premiums		82,600.00
Stormwater Management		387.85
	<u>\$ 46,262.77</u>	<u>\$ 18,682,887.59</u>
Balance December 31, 2022	B <u>\$ 23,046.28</u>	<u>\$ 6,358,975.12</u>

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

NOT APPLICABLE

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

	<u>Ref.</u>		
Balance December 31, 2021	B	\$	9,805.55
Increased by:			
Cash Received in Animal Control Fund:			
Municipal Dog License Fees		\$	36,748.80
Cat License Fees			3,344.50
Dog License Late Fees			4,030.00
Dog Replacement Tag Fees			11.00
Miscellaneous Fees			6,102.61
Prior Year Prepaid Licenses			2,844.60
			<hr/> 53,081.51
			<hr/> 62,887.06
Decreased by:			
Expenditures Under R.S.4:19-15.11			<hr/> 43,387.29
Balance December 31, 2022	B	\$	<hr/> <hr/> 19,499.77

License Fees Collected

<u>Year</u>	<u>Amount</u>
2020	\$ 42,586.20
2021	<hr/> 43,720.20
Maximum Allowable Reserve	<hr/> <hr/> \$ 86,306.40

TOWNSHIP OF BERNARDS
COUNTY OF SOMERSET
2022
GENERAL CAPITAL FUND

TOWNSHIP OF BERNARDS
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2021	C	\$ 9,418,154.65
Increased by:		
Budget Appropriation:		
Capital Improvement Fund	\$ 5,666,485.81	
Improvement Authorization Refund	90,490.19	
Due to Current Fund:		
Interest Earned	10,825.34	
		<u>5,767,801.34</u>
		15,185,955.99
Decreased by:		
Due to Current Fund:		
Settlement of Prior Year Interfund	582.95	
Improvement Authorization Expenditures	5,053,578.92	
		<u>5,054,161.87</u>
Balance December 31, 2022	C	<u>\$ 10,131,794.12</u>

TOWNSHIP OF BERNARDS
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH

Ord. No.	Improvement Description	Receipts		Disbursements		Balance Dec. 31, 2022		
		Balance Dec. 31, 2021	Miscellaneous	Budget Appropriation	Improvement Authorization Expenditures		Transfers	
							From	To
Capital Improvement Fund								
Due To Current Fund		\$ 518,218.88		\$ 5,666,485.81		\$ 518,218.88		
Reserve for Preliminary Expenses		582.95	\$ 10,825.34		\$ 582.95	10,825.34		
Reserve for Off-Tract Contributions		1,875.00				1,875.00		
		142,215.00				142,215.00		
2120I	BRFC Equipment	5,501.55				5,501.55		
2180A	Emergency Communications Equipment	238,926.90			\$ 7,657.42	231,269.48		
2270A	Engineering Projects	2,322.50				2,322.50		
2270C	Facility Improvements	742.05				742.05		
2312C	Facility Improvements	8,818.24				8,818.24		
2337A	Engineering Projects	47,613.86				47,613.86		
2337C	Facility Improvements	7,753.91			7,753.91			
2337F	Systems Administration	18,593.14				18,593.14		
2337G	BRFA Equipment	594.02				594.02		
2366F	BRFA Equipment	1,953.26				1,953.26		
2366J	Park Infrastructure Improvements	27,634.05				27,634.05		
2373	Pool Infrastructure Improvements	49.00				49.00		
2382A	Engineering Projects	968.49				968.49		
2387A	Engineering Projects	134,149.03			9,196.78	124,952.25		
2387E	BRFA Equipment	132,667.43			2,011.68	130,655.75		
2387F	BRFC Equipment	8,615.18			8,615.18			
2387G	LCFC Equipment	1,441.25				1,441.25		
2387K	Pool Infrastructure Improvements	17,612.89		2,107.21	4,367.48	15,352.62		
2397	Engineering Projects	6,034.27			1,501.72	4,532.55		
2417A	Engineering Projects	235,920.46			84,165.87	151,754.59		
2417B	Facility Improvements	96,070.04			94,666.54	1,403.50		
2417D	Systems Administration	4,104.77				4,104.77		
2417E	BRFAS Equipment	108,100.00			43,141.05	64,958.95		
2417F	BRFC Equipment	208,254.12			8,254.12	200,000.00		
2417G	LCFC Equipment	66,458.21				66,458.21		
2417H	Grounds Equipment	1,658.80			1,385.99	272.81		
2417I	Park Infrastructure Improvements	3,494.22			1,229.30	2,264.92		
2417K	Pool Infrastructure Improvements	65,000.00				65,000.00		
2442A	Engineering Projects	115,134.29			38,734.97	76,399.32		
2446A	Engineering Projects	1,343,420.92			643,894.99	699,525.93		
2446B	Facility Improvements	155,473.63	88,382.98		218,218.89	25,637.72		
2446C	DPW Equipment & Repairs	0.01				0.01		
2446D	Systems Administration	5,385.89			5,135.89	250.00		

TOWNSHIP OF BERNARDS
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH

Ord. No.	Improvement Description	Balance Dec. 31, 2021	Receipts		Disbursements		Transfers		Balance Dec. 31, 2022
			Miscellaneous	Budget Appropriation	Miscellaneous	Improvement Authorization Expenditures	From	To	
2446E	BRFAS Equipment	\$ 100,827.30				\$ 16,143.80			\$ 84,683.50
2446F	BRFS Equipment	221,059.19				1,460.00			219,599.19
2446G	LCFC Equipment	113,212.92				100,869.27			12,343.65
2446H	Grounds Equipment	40,994.78				38,325.99			2,668.79
2446I	Park Infrastructure Improvements	15,000.00							15,000.00
2446J	Police Equipment	3,739.25				3,739.25			
2446K	Pool Infrastructure Improvements	65,000.00							65,000.00
2446L	Fleet	44,337.14				44,337.14			
2465A	Engineering Projects	874,188.63				29,923.46			844,265.17
2465B	Fleet	25,000.00				24,674.00			326.00
2470A	Engineering Projects	2,770,810.79				2,217,399.15			553,411.64
2470B	Facility Improvements	268,372.51				149,029.42			119,343.09
2470C	DPW Equipment & Repairs	121,448.59				120,791.85			656.74
2470D	Systems Administration	35,816.21				35,205.61			610.60
2470E	BRFAS Equipment	46,000.00				32,729.34			13,270.66
2470F	BRFC Equipment	161,794.95				38,302.42			123,492.53
2470G	LCFC Equipment	178,000.00				9,627.69			168,372.31
2470H	Grounds Equipment	80,941.18				8,950.00			71,991.18
2470I	Park Infrastructure Improvements	195,000.00				179,779.14			15,220.86
2470J	Police Equipment	23,253.00				283.75			22,969.25
2470K	Pool	65,000.00							65,000.00
2470L	Fleet	235,000.00				235,000.00			
2495B	Fleet					74,374.86	\$ 500,000.00		425,625.14
2499A	Engineering Projects					21,575.63	3,374,985.81		3,353,410.18
2499B	Facility Improvements						415,000.00		415,000.00
2499C	DPW Equipment & Repairs						440,000.00		
2499D	Systems Administration					440,000.00			
2499E	BRFAS Equipment					14,190.97			51,209.03
2499F	BRFC Equipment								66,800.00
2499G	LCFC Equipment								231,800.00
2499H	Fleet								210,000.00
2499I	Park Infrastructure Improvements								57,500.00
2499J	Police Equipment								80,000.00
2499K	Pool Infrastructure Improvements								32,500.00
2499L	Grounds Equipment					36,934.40			135,000.00
		\$ 9,418,154.65	\$ 101,315.53	\$ 5,666,485.81	\$ 582.95	\$ 5,053,578.92	\$ 5,666,485.81	\$ 5,666,485.81	\$ 10,131,794.12

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

NOT APPLICABLE

TOWNSHIP OF BERNARDS
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance		2022 Authorizations		Paid or		Balance	
				Date	Amount	Dec. 31, 2021 Funded	Capital Improvement Fund	Charged	Dec. 31, 2022 Funded		
2120I	BRFC Equipment		\$	08/10/10	\$ 50,000.00	\$ 5,501.55			\$	5,501.55	
2180A	Emergency Communications Equipment			12/13/11	600,000.00	238,926.90				231,269.48	
2270A	Engineering Projects			05/13/14	160,000.00	2,322.50			\$	7,657.42	
2270C	Facility Improvements			05/13/14	177,400.00	742.05				2,322.50	
2312C	Facility Improvements			04/28/15	119,000.00	8,818.24				742.05	
2337A	Engineering Projects			05/10/16	2,490,000.00	47,613.86				8,818.24	
2337C	Facility Improvements			05/10/16	238,150.00	7,753.91				47,613.86	
2337F	Systems Administration			05/10/16	75,400.00	18,593.14		7,753.91			
2337G	BRFA Equipment			05/10/16	10,000.00	594.02				18,593.14	
2366F	BRFA Equipment			05/23/17	10,000.00	1,953.26				594.02	
2366J	Park Infrastructure Improvements			05/23/17	92,000.00	27,634.05				1,953.26	
2373	Pool Infrastructure Improvements			10/10/17	65,000.00	49.00				27,634.05	
2382A	Engineering Projects			03/13/18	1,020,000.00	968.49				49.00	
2387A	Engineering Projects			04/24/18	2,155,000.00	134,149.03				968.49	
2387E	BRFA Equipment			04/24/18	210,000.00	132,667.43			9,196.78	124,952.25	
2387F	BRFC Equipment			04/24/18	85,000.00	8,615.18			2,011.68	130,655.75	
2387G	LCFC Equipment			04/24/18	674,000.00	1,441.25			8,615.18		
2387K	Pool Infrastructure Improvements			04/24/18	65,000.00	17,612.89				1,441.25	
2397	Engineering Projects			07/24/18	450,000.00	6,034.27			2,260.27	15,352.62	
2417A	Engineering Projects			04/23/19	4,005,000.00	235,920.46			1,501.72	4,532.55	
2417B	Facility Improvements			04/23/19	340,000.00	96,070.04			84,165.87	151,754.59	
2417D	Systems Administration			04/23/19	78,400.00	4,104.77			94,666.54	1,403.50	
2417E	BRFAS Equipment			04/23/19	110,000.00	108,100.00			43,141.05	4,104.77	
2417F	BRFC Equipment			04/23/19	225,000.00	208,254.12			8,254.12	64,958.95	
2417G	LCFC Equipment			04/23/19	178,000.00	66,458.21				200,000.00	
2417H	Grounds Equipment			04/23/19	215,000.00	1,658.80			1,385.99	66,458.21	
2417I	Park Infrastructure Improvements			04/23/19	30,000.00	3,494.22			1,229.30	272.81	
										2,264.92	

TOWNSHIP OF BERNARDS
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
(Continued)

Ord. No.	Improvement Description	Ordinance		Balance		2022 Authorizations		Paid or		Balance	
				Date	Amount	Dec. 31, 2021	Funded	Capital Improvement Fund	Charged	Dec. 31, 2022	Funded
2417K	Pool Infrastructure Improvements		\$	04/23/19	65,000.00	\$	65,000.00			\$	65,000.00
2442A	Engineering Projects			03/10/20	1,000,000.00		115,134.29		\$ 38,734.97		76,399.32
2446A	Engineering Projects			05/26/20	3,075,000.00		1,343,420.92		643,894.99		699,525.93
2446B	Facility Improvements			05/26/20	245,000.00		155,473.63		129,835.91		25,637.72
2446C	DPW Equipment & Repairs			05/26/20	445,000.00		0.01				0.01
2446D	Systems Administration			05/26/20	122,400.00		5,385.89		5,135.89		250.00
2446E	BRFAS Equipment			05/26/20	119,250.00		100,827.30		16,143.80		84,683.50
2446F	BRFS Equipment			05/26/20	288,785.00		221,059.19		1,460.00		219,599.19
2446G	LCFC Equipment			05/26/20	143,000.00		113,212.92		100,869.27		12,343.65
2446H	Grounds Equipment			05/26/20	105,000.00		40,994.78		38,325.99		2,668.79
2446I	Park Infrastructure Improvements			05/26/20	70,000.00		15,000.00				15,000.00
2446J	Police Equipment			05/26/20	24,000.00		3,739.25		3,739.25		
2446K	Pool Infrastructure Improvements			05/26/20	65,000.00		65,000.00				65,000.00
2446L	Fleet			05/26/20	210,000.00		44,337.14		44,337.14		
2465A	Engineering Projects			03/09/21	1,300,000.00		874,188.63		29,923.46		844,265.17
2465B	Fleet			03/09/21	25,000.00		25,000.00		24,674.00		326.00
2470A	Engineering Projects			05/11/21	2,775,000.00		2,770,810.79		2,217,399.15		553,411.64
2470B	Facility Improvements			05/11/21	300,000.00		268,372.51		149,029.42		119,343.09
2470C	DPW Equipment & Repairs			05/11/21	395,000.00		121,448.59		120,791.85		656.74
2470D	Systems Administration			05/11/21	65,400.00		35,816.21		35,205.61		610.60
2470E	BRFAS Equipment			05/11/21	46,000.00		46,000.00		32,729.34		13,270.66
2470F	BRFC Equipment			05/11/21	172,275.00		161,794.95		38,302.42		123,492.53
2470G	LCFC Equipment			05/11/21	178,000.00		178,000.00		9,627.69		168,372.31
2470H	Grounds Equipment			05/11/21	85,000.00		80,941.18		8,950.00		71,991.18
2470I	Park Infrastructure Improvements			05/11/21	195,000.00		195,000.00		179,779.14		15,220.86
2470J	Police Equipment			05/11/21	24,000.00		23,253.00		283.75		22,969.25
2470K	Pool			05/11/21	65,000.00		65,000.00				65,000.00

TOWNSHIP OF BERNARDS
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2021	C	\$ 518,218.88
Increased by:		
2022 Budget Appropriation		5,666,485.81
		<u>6,184,704.69</u>
Decreased by:		
Appropriated to Finance Improvement		
Authorizations		5,666,485.81
		<u>5,666,485.81</u>
Balance December 31, 2022	C	<u><u>\$ 518,218.88</u></u>

TOWN OF BERNARDS
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

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

NOT APPLICABLE

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

NOT APPLICABLE

TOWNSHIP OF BERNARDS
COUNTY OF SOMERSET
2022
GOLF UTILITY FUND

TOWNSHIP OF BERNARDS
GOLF UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>
Balance December 31, 2021	D	\$ 83,684.40
Increased by Receipts:		
Memberships		\$ 372,350.00
Miscellaneous Revenue		61,729.06
Irrigation Assessments		24,895.00
		<u>458,974.06</u>
		542,658.46
Decreased by Disbursements:		
2022 Appropriation Expenditures		395,902.69
2021 Appropriation Reserves		1,222.07
Due to New Jersey Department of Veteran Affairs		10,000.00
		<u>407,124.76</u>
Balance December 31, 2022	D	<u>\$ 135,533.70</u>

TOWNSHIP OF BERNARDS
GOLF UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2022

Increased by:

Membership Fees Charged in 2022	\$ 372,350.00
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Decreased by:

Collections	<u>\$ 372,350.00</u>
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TOWNSHIP OF BERNARDS
GOLF UTILITY OPERATING FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

	Balance Dec. 31, 2021	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 12,053.65	\$ 12,053.65		\$ 12,053.65
Other Expenses	28,703.70	28,703.70	\$ 12,520.07	16,183.63
	<u>\$ 40,757.35</u>	<u>\$ 40,757.35</u>	<u>\$ 12,520.07</u>	<u>\$ 28,237.28</u>

	<u>Ref.</u>	
<u>Analysis of Balance December 31, 2021</u>		
Unencumbered	D	\$ 28,126.89
Encumbered	D	<u>12,630.46</u>
		<u>\$ 40,757.35</u>
		Cash Disbursed
		\$ 1,222.07
		Accounts Payable
		<u>11,298.00</u>
		<u>\$ 12,520.07</u>

TOWNSHIP OF BERNARDS
COUNTY OF SOMERSET
2022
PUBLIC ASSISTANCE FUND

TOWNSHIP OF BERNARDS
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 10,000.00
Balance December 31, 2022	E	<u>\$ 10,000.00</u>

TOWNSHIP OF BERNARDS

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2022

TOWNSHIP OF BERNARDS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Name of Federal Agency or Department/Cluster Title	Assistance Listing Number	Name of Program	Pass Through Entity ID	Grant Award Amount	Grant Period		Current Year Receipts	Current Year Expenditures	Cumulative Expenditures	Provided to Subrecipients
					From	To				
<u>U.S. Department of Housing and Urban Development</u> CDBG Entitlement Grants Cluster (Passed through Somerset County)	14.218	Community Development Block Grant: Senior Food Security & Wellness Program	N/A	\$ 79,971.98	01/01/21	12/31/21	\$ 14,931.98		\$ 79,971.98	
Total Department of Housing and Urban Development							14,931.98		79,971.98	
<u>U.S. Department of Justice</u> (Passed thru N.J. Department of Law and Public Safety)	16.607	Bulletproof Vest Partnership Program 2020	N/A	8,025.45	01/01/20	12/31/22		\$ 2,647.46	8,025.45	
Total Department of Justice								2,647.46	8,025.45	
<u>U.S. Department of Treasury</u> (Passed through New Jersey Department of Community Affairs)	21.027	COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	100-022-8030 687-046010	2,830,028.38	03/03/21	12/31/24	1,415,014.19			
Total Department of Treasury							1,415,014.19			
<u>U.S. Department of Health and Human Services</u> (Passed thru NJ Department of Health and Senior Services)	93.323	Epidemiology and Lab Capacity: COVID-19 Enhanced Detection Strengthening Local Public Health 2022 2023	100-046-4230- 5xx-03xxxx 5xx-03xxxx	291,042.00 274,735.00	7/1/2021 7/1/2022	06/30/22 06/30/23	233,334.00 66,506.00 299,840.00	221,221.59 3,051.38 224,272.97	278,563.77 3,051.38 281,615.15	
	93.268	Immunization Cooperative Agreements: COVID-19 Supplemental Vaccination Funding	100-046-4230- 558-037840	100,000.00	7/1/2021	06/30/23	43,970.00	40,988.17	50,668.17	
	97.036	Disaster Grants - Public Assistance - FEMA: Hurricane IDA	100-066-1200 C84-069910	108,693.03	09/01/21	09/03/21	108,693.03	108,693.03 *	108,693.03	
Total U.S. Department of Health and Human Services							452,503.03	373,954.17	440,976.35	
<u>U.S. Department of Homeland Security</u> (Passed Through NJ Department of Emergency Management)	97.042	Office of Emergency Management - 2022 Emergency Management Grant	100-066-1200 726-062600	10,000.00	01/01/22	12/31/23	10,000.00			
Total U.S. Department of Homeland Security							10,000.00			
Total Federal Awards							\$ 1,892,449.20	\$ 376,601.63	\$ 528,973.78	\$ -0-

* Prior year expenses

N/A - Not Available/Applicable

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

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

Name of State Agency or Department	Name of Program	Grant ID. No.	Grant Award Amount	Grant Period		Current Year Receipts	Current Year Expenditures	Cumulative Expenditures
				From	To			
<u>Department of Law and Public Safety</u>	Drunk Driving Enforcement Fund:	N/A	\$ 3,646.90	01/01/16	12/31/22		\$ 2,336.50	\$ 3,646.90
			3,101.35	01/01/17	12/31/23		2,622.56	2,622.56
							4,959.06	6,269.46
	Body Armor Replacement Grant:							
	2021	718-066-1020	2,832.55	01/01/21	12/31/22		2,832.55	2,832.55
	2022	001-090160	1,879.90	01/01/22	12/31/22	\$ 1,879.90	1,879.90	1,879.90
	2023		2,541.25	01/01/23	12/31/23	2,541.25		
						4,421.15	4,712.45	4,712.45
	NJ Body Worn Camera Grant:	100-066-1020						
	2021	495-92120	59,102.00	01/01/21	12/31/23		17,364.00	17,364.00
						4,421.15	27,035.51	28,345.91
Total Department of Law and Public Safety								
<u>Department of Transportation</u>	Transportation Trust Fund Authority Act: Municipal Aid: 2020 - Spring Valley Blvd 2021 - Spring Valley Blvd II	480-078-6320- AN8-606280 AOP-606281						
			320,000.00	01/01/20	12/31/23		15,683.63	273,485.03
			400,000.00	01/01/21	12/31/23		19,604.53	341,856.28
							35,288.16	615,341.31
Total Department of Transportation								
<u>Department of Treasury</u> (Passed through the County of Somerset)	Governor's Council on Alcoholism and Drug Abuse - Municipal Alliance: Fiscal Year 2021 Fiscal Year 2022	N/A N/A						
			8,474.92	07/01/21	06/30/22	8,474.92	8,474.92	8,474.92
			10,089.19	07/01/22	06/30/23		930.00	930.00
						8,474.92	9,404.92	9,404.92
Total Department of Treasury								
<u>Department of Environmental Protection</u>	Clean Communities Grant: 2021 2022	765-042-4900- 004-178910						
			59,489.88	01/01/21	12/31/22		1,936.28	59,489.88
			61,565.00	01/01/22	12/31/23	61,565.00	50,408.63	50,408.63
						61,565.00	52,344.91	109,898.51
	Recycling Tonnage Grant:	100-042-4910						
	2022	224-238490	14,473.51	01/01/22	12/31/22	14,473.51	14,473.51	14,473.51
Total Department of Environmental Protection								
						76,038.51	66,818.42	124,372.02
	Total State Awards					\$ 88,934.58	\$ 138,547.01	\$ 777,464.16

N/A - Not Available

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

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

A. BASIS OF PRESENTATION

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

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable Mayor and Members
of the Township Committee
Township of Bernards
Basking Ridge, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds and account group of the Township of Bernards, in the County of Somerset (the "Township") as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements and have issued our report thereon dated May 15, 2023. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

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

Mount Arlington, New Jersey
May 15, 2023

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

Man C. Lee
Registered Municipal Accountant No. 562
Certified Public Accountant

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

Summary of Auditors' Results:

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

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

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

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

The Township had no prior year audit findings.

TOWNSHIP OF BERNARDS

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

TOWNSHIP OF BERNARDS
COMMENTS AND RECOMMENDATIONS

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

N.J.S.A. 40A:11-3 states:

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

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

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

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

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

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

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

TOWNSHIP OF BERNARDS
COMMENTS AND RECOMMENDATIONS
(Continued)

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

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

Collection of Interest on Delinquent Taxes

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

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

“WHEREAS, the Township of Bernards wishes to set forth procedures for the collection of taxes;

NOW, THEREFORE, BE IT ORDAINED by the Township Committee of the Township of Bernards that the procedures are set forth as follows:

DELINQUENT TAX PAYMENTS

The below-stated charges shall be assessed against delinquent accounts:

Interest – 8% per annum on first \$1,500. 18% per annum on amounts in excess of \$1,500.

Penalties – Additional 6% on amounts in excess of \$10,000 as of December 31 current year.

Grace Period – A ten (10) day grace period shall be granted for the payment of current taxes.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 5, 2022, and was complete with respect to all items eligible for sale.

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

<u>Year</u>	<u>Number of Liens</u>
2022	7
2021	7
2020	8

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

TOWNSHIP OF BERNARDS
COMMENTS AND RECOMMENDATIONS
(Continued)

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2023 Taxes	20
Payments of 2022 Taxes	20
Delinquent Taxes	15
Tax Title Liens	2

Municipal Court

A summary of Municipal Court transactions for the year 2022 is as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

	Balance Dec. 31, 2021	Receipts	Disbursements	Balance Dec. 31, 2022
State of New Jersey	\$ 14,216.93	\$ 167,549.79	\$ 172,315.24	\$ 9,451.48
County	4,288.00	46,874.77	47,386.77	3,776.00
Municipality	18,454.10	126,143.21	136,040.53	8,556.78
Municipality - POAA		44.00	42.00	2.00
Conditional Dismissal		75.00		75.00
Conditional Discharge		83.00	83.00	
Weights and Measures		4,300.00	4,300.00	
Public Defender	200.00	1,100.00	1,100.00	200.00
Restitution		425.00	425.00	
Miscellaneous	5.45	121.51	101.85	25.11
Bail	2,200.42	11,408.09	12,658.05	950.46
	<u>\$ 39,364.90</u>	<u>\$ 358,124.37</u>	<u>\$ 374,452.44</u>	<u>\$ 23,036.83</u>

Management Suggestions

Federal and State Grant Balances

As of December 31, 2022, there were various appropriated reserve and receivable balances in the Federal and State Grant Fund which have been on the Township's records for several years. It is suggested that the Township review these older grant balances.

TOWNSHIP OF BERNARDS
COMMENTS AND RECOMMENDATIONS
 (Continued)

Management Suggestions (Cont'd)

Governmental Accounting Standards Board (GASB) Statements

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

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

COVID-19 Federal Funding

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

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

Status of Prior Year Recommendations

There were none.

TOWNSHIP OF BERNARDS
SUMMARY OF RECOMMENDATIONS

It is recommended that:

None.

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