

Report of Audit

on the

Financial Statements

of the

Borough of Bernardsville

in the

County of Somerset
New Jersey

for the

Year Ended
December 31, 2020

BOROUGH OF BERNARDSVILLE

I N D E X

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	4-5
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Change in Fund Balance - Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis - Year Ended December 31, 2020	"A-2"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2020	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
<u>General Capital Fund:</u>	
Balance Sheets - Regulatory Basis	"C"
Statement of Fund Balance - Regulatory Basis	"C-1"
<u>Sewer Utility Fund:</u>	
Balance Sheets - Regulatory Basis	"D"
Statements of Operations and Changes in Fund Balance - Regulatory Basis - Operating Fund	"D-1"
Statements of Change in Fund Balance - Regulatory Basis - Capital Fund	"D-2"
Statement of Revenues - Regulatory Basis - Operating Fund for the Year Ended December 31, 2019	"D-3"
Statement of Expenditures - Regulatory Basis - Operating Fund for the Year Ended December 31, 2019	"D-4"
<u>General Fixed Asset Account Group:</u>	
Balance Sheets - Regulatory Basis	"E"
	<u>PAGES</u>
Notes to Financial Statements	6-38

BOROUGH OF BERNARDSVILLE

I N D E X (CONTINUED)

EXHIBITS

Supplementary Schedules - All Funds

Current Fund:

Schedule of Cash - Treasurer	"A-4"
Schedule of Cash - Collector	"A-5"
Schedule of Change Fund	"A-6"
Schedule of Petty Cash Fund	"A-7"
Schedule of Due to State of New Jersey for Senior Citizens and Veterans Deductions	"A-8"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-9"
Schedule of Tax Title Liens	"A-10"
Schedule of Property Acquired for Taxes (at Assessed Valuation)	"A-11"
Schedule of Revenue Accounts Receivable	"A-12"
Schedule of Interfunds	"A-13"
Schedule of 2019 Appropriation Reserves	"A-14"
Schedule of Reserve for Miscellaneous Deposits	"A-15"
Schedule of Tax Overpayments	"A-16"
Schedule of Reserve for Encumbrances	"A-17"
Schedule of Accounts Payable	"A-18"
Schedule of Prepaid Taxes	"A-19"
Schedule of County Taxes Payable	"A-20"
Schedule of Regional School District Tax	"A-21"
Schedule of Municipal Open Space Tax	"A-22"
Schedule of Reserve of Grants Receivable - Grant Fund	"A-23"
Schedule of Reserve for Grants - Appropriated - Grant Fund	"A-24"
Schedule of Grants - Unappropriated - Grant Fund	"A-25"
Schedule of Interfunds - Grant Fund	"A-26"

Trust Fund:

Schedule of Trust Cash	"B-1"
Schedule of Prepaid Licenses - Animal Control Fund	"B-2"
Schedule of State Registration Fees - Animal Control Fund	"B-3"
Schedule of Reserve for Animal Control Fund Expenditures	"B-4"
Schedule of Various Reserves	"B-5"
Schedule of Interfunds	"B-6"
Schedule of Interfunds - Animal Control Fund	"B-7"
Schedule of Encumbrances Payable	"B-8"
Schedule of Receivable from Somerset County	"B-9"

BOROUGH OF BERNARDSVILLE

I N D E X (CONTINUED)

EXHIBITS

General Capital Fund:

Schedule of General Capital Cash	"C-2"
Analysis of General Capital Cash and Investments	"C-3"
Schedule of Deferred Charges to Future Taxation-Funded	"C-4"
Schedule of Deferred Charges to Future Taxation-Unfunded	"C-5"
Schedule of Capital Improvement Fund	"C-6"
Schedule of Contracts Payable	"C-7"
Schedule of Improvement Authorizations	"C-8"
Schedule of General Serial Bonds	"C-9"
Schedule of Grants Receivable	"C-10"
Schedule of Various Reserves	"C-11"
Schedule of Due Trust Other Fund	"C-12"
Schedule of Other Accounts Receivables	"C-13"
Schedule of Due Current Fund	"C-14"
Schedule of Prospective Assessments Raised by Taxation	"C-15"
Schedule of Bonds Anticipation Notes	"C-16"
Schedule of Bonds Authorized But Not Issued	"C-17"

Sewer Utility Fund:

Schedule of Cash - Treasurer	"D-5"
Analysis of Cash - Capital Fund	"D-6"
Schedule of Consumer Accounts Receivable - Operating Fund	"D-7"
Schedule of Sewer Rent Prepaid - Operating Fund	"D-8"
Schedule of 2019 Appropriation Reserves - Operating Fund	"D-9"
Schedule of Encumbrances Payable - Operating Fund	"D-10"
Schedule of Sewer Rent Overpayments - Operating Fund	"D-11"
Schedule of Due Current Fund - Operating Fund	"D-12"
Schedule of Accrued Interest on Bonds, Notes and Loans - Operating Fund	"D-13"
Schedule of Due Sewer Operating Fund - Capital Fund	"D-14"
Schedule of Fixed Capital - Capital Fund	"D-15"
Schedule of Fixed Capital Authorized and Uncompleted - Capital Fund	"D-16"
Schedule of Improvement Authorizations - Capital Fund	"D-17"
Schedule of Reserve for Amortization - Capital Fund	"D-18"
Schedule of Reserve for Deferred Amortization - Capital Fund	"D-19"
Schedule of Capital Improvement Fund - Capital Fund	"D-20"
Schedule of Serial Bonds Payable - Capital Fund	"D-21"
Schedule of Contracts Payable - Capital Fund	"D-22"
Schedule of Accounts Payable - Operating Fund	"D-23"
Schedule of Reserve for Preliminary Costs - Capital Fund	"D-24"

PAGES

PART II

Statistical Data	39-43
Officials in Office and Surety Bonds	44
General Comments and Recommendations	45-48

BOROUGH OF BERNARDSVILLE

PART I

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2020 AND 2019



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Bernardsville
County of Somerset
Bernardsville, New Jersey 07924

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of Bernardsville as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2020.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets of the various individual funds and account group as of December 31, 2020 and 2019, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2020 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Bernardsville's regulatory financial statements. The supplementary information, data and schedules listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2021 on our consideration of the Borough of Bernardsville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Bernardsville's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 3, 2021



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members
of the Borough Committee
Borough of Bernardsville
County of Somerset
Bernardsville, New Jersey 07924

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Bernardsville, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated August 3, 2021. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Bernardsville prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Bernardsville'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 Borough of Bernardsville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 3, 2021

CURRENT FUND

BOROUGH OF BERNARDSVILLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2020	BALANCE DECEMBER 31, 2019
Current Fund:			
Cash	A-4	\$ 3,823,827.12	\$ 3,022,133.26
Change Funds	A-6	500.00	500.00
Due State of New Jersey-Senior Citizens and Veterans Deductions	A-8	15,022.72	13,451.19
		<u>\$ 3,839,349.84</u>	<u>\$ 3,036,084.45</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 444,797.04	\$ 347,064.03
Tax Title Liens Receivable	A-10	6,065.67	5,830.02
Property Acquired for Taxes - Assessed Valuation	A-11	13,100.00	13,100.00
Revenue Accounts Receivable	A-12	3,338.51	6,123.03
Interfunds Receivable	A-13	7,767.51	22,711.64
	A	<u>\$ 475,068.73</u>	<u>\$ 394,828.72</u>
		<u>\$ 4,314,418.57</u>	<u>\$ 3,430,913.17</u>
Grant Fund:			
Cash	A-4	\$ 75,341.38	\$ 89,614.17
Grants Receivable	A-23	10,341.19	14,794.16
Interfunds Receivable	A-26	<u>0.13</u>	<u>0.13</u>
		<u>\$ 85,682.57</u>	<u>\$ 104,408.46</u>
		<u>\$ 4,400,101.14</u>	<u>\$ 3,535,321.63</u>

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

BOROUGH OF BERNARDSVILLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-14	\$ 931,827.98	\$ 259,805.25
Interfunds Payable	A-13	8,308.88	0.13
Reserve for Miscellaneous Deposits	A-15	116,505.83	13,349.83
Tax Overpayments	A-16	9,983.38	18,925.27
Encumbrances Payable	A-17	367,550.47	328,145.02
Accounts Payable	A-18	23,083.75	27,744.06
Prepaid Taxes	A-19	540,684.99	421,903.91
Regional School Taxes Payable	A-21	0.52	1.02
		<u>\$ 1,997,945.80</u>	<u>\$ 1,069,874.49</u>
Reserve for Receivables	A	475,068.73	394,828.72
Fund Balance	A-1	<u>1,841,404.04</u>	<u>1,966,209.96</u>
		<u>\$ 4,314,418.57</u>	<u>\$ 3,430,913.17</u>
Grant Fund:			
Encumbrances Payable	A-17	\$ 10,392.53	\$ 13,403.54
Interfunds Payable	A-26	661.36	
Reserve for Grants-Appropriated	A-24	61,959.68	74,352.22
Reserve for Grants-Unappropriated	A-25	<u>12,669.00</u>	<u>16,652.70</u>
		<u>\$ 85,682.57</u>	<u>\$ 104,408.46</u>
		<u>\$ 4,400,101.14</u>	<u>\$ 3,535,321.63</u>

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

"A-1"

BOROUGH OF BERNARDSVILLE

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

		YEAR ENDED DECEMBER 31, 2020	YEAR ENDED DECEMBER 31, 2019
<u>REVENUE AND OTHER INCOME</u>	<u>REF.</u>		
Fund Balance Utilized	A-1:A-2	\$ 1,725,000.00	\$ 1,713,336.00
Miscellaneous Revenues Anticipated	A-2	2,134,566.11	2,524,668.84
Receipts from Delinquent Taxes	A-2	347,964.40	366,150.87
Receipts from Current Taxes	A-2	45,779,365.79	45,261,727.35
Non-Budget Revenues	A-2	40,488.10	22,912.55
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	A-14	98,524.26	194,265.08
Grant Reserves Canceled	A-24	9,429.62	
<u>Total Income</u>		<u>\$ 50,150,282.41</u>	<u>\$ 50,083,060.69</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Within "CAPS":			
Operations including Contingent	A-3	\$ 9,360,774.00	\$ 9,260,003.60
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	1,334,343.00	1,256,322.00
Excluded from "CAPS"			
Operations	A-3	1,053,644.70	1,153,558.78
Capital Improvement Fund	A-3	263,200.00	328,995.30
Municipal Debt Service	A-3	1,415,477.04	1,436,768.49
Deferred Charges and Judgments	A-3		202,460.01
County Tax	A-20	7,759,481.59	7,927,538.89
County Tax for Added and Omitted Taxes	A-20	25,895.26	16,303.51
Regional District School Tax	A-21	26,857,879.00	26,362,696.00
Municipal Open Space Tax	A-22	439,839.18	447,400.37
Interfund Advances			9,240.65
Grant Receivables Canceled	A-23	9,429.62	0.13
Budget Operations	A-4	30,124.94	418.58
<u>Total Expenditures</u>		<u>\$ 48,550,088.33</u>	<u>\$ 48,401,706.31</u>
Excess in Revenue		\$ 1,600,194.08	\$ 1,681,354.38
<u>Fund Balance</u>			
Balance, January 1	A	1,966,209.96	1,998,191.58
		<u>\$ 3,566,404.04</u>	<u>\$ 3,679,545.96</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	1,725,000.00	1,713,336.00
Balance, December 31	A	<u>\$ 1,841,404.04</u>	<u>\$ 1,966,209.96</u>

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

BOROUGH OF BERNARDSVILLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

		<u>ANTICIPATED</u>			
	<u>REF.</u>	<u>BUDGET</u>	<u>SPECIAL N.J.S. 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	A-1	\$ 1,725,000.00		\$ 1,725,000.00	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-12	\$ 30,000.00		\$ 30,000.00	\$
Other Licenses	A-2	26,000.00		16,139.00	(9,861.00)
Fees and Permits:					
Construction Code Official	A-2	245,000.00		224,814.04	(20,185.96)
Other	A-2	120,000.00		163,019.27	43,019.27
Fines and Costs - Municipal Court	A-12	70,000.00		39,683.09	(30,316.91)
Interest and Costs on Taxes	A-12	100,000.00		109,351.22	9,351.22
Interest on Investments and Deposits	A-12	80,000.00		95,920.10	15,920.10
Parking Lot Fees	A-2	5,000.00		14,675.74	9,675.74
Post Office Rent	A-12	1,500.00		1,500.00	
Pool Fees	A-2	130,325.00		115,835.00	(14,490.00)
Recreation Fees	A-2	163,000.00		36,899.21	(126,100.79)
Hotel Tax	A-12	15,000.00		11,027.82	(3,972.18)
Energy Receipts Tax	A-12	662,172.00		662,172.00	
Drunk Driving Enforcement Fund	A-23	3,097.15		3,097.15	
Clean Communities Grant	A-23		20,688.79	20,688.79	
Municipal Alliance on Alcoholism and Drug Abuse	A-23	12,412.63		12,412.63	
Municipal Alliance on Alcoholism and Drug Abuse -					
Other Municipalities Share	A-23	772.04	955.97	1,728.01	
Body Armor Replacement Fund	A-23		2,178.69	2,178.69	
Police Donation	A-23	5,000.00	10,000.00	15,000.00	
NJ Distracted Driving Crackdown	A-23	756.59		756.59	
Recycling Tonnage Grant	A-23	7,798.96		7,798.96	
Sustainable Jersey Small Grants Program	A-23		2,000.00	2,000.00	
Uniform Fire Safety Act	A-12	12,000.00		17,104.12	5,104.12
Dividend from Joint Insurance Fund	A-15	4,985.00		4,985.00	
Library Rental	A-2	128,000.00		132,907.26	4,907.26
Workers Comp Assessment Fund	A-12	11,700.00		11,959.00	259.00
Due from Sewer Utility Fund - Pension Costs	A-12	35,000.00		35,000.00	
Cable Franchise Fee - Verizon	A-12	82,656.48		82,656.48	
Cable Franchise Fee - Comcast	A-12	32,611.40		32,611.40	
Due from the Library - Pension Costs	A-12	64,500.00		61,418.26	(3,081.74)
Due from Board of Education for Special Law					
Enforcement Officers	A-12	74,100.00		69,227.28	(4,872.72)
Trust Fund Balance- Accumulated Absences	A-12	100,000.00		100,000.00	
	A-1	\$ 2,223,387.25	\$ 35,823.45	\$ 2,134,566.11	\$ (124,644.59)
Receipts From Delinquent Taxes	A-9	\$ 347,500.00		\$ 347,964.40	\$ 464.40
Amount to be Raised by Taxes for Support of:					
Local Tax for Municipal Purposes	A-9	\$ 10,305,094.19		\$ 11,760,365.95	1,455,271.76
Minimum Library Tax	A-9	754,094.62		754,094.62	
	A-2	11,059,188.81		12,514,460.57	1,455,271.76
<u>Budget Totals</u>		\$ 15,355,076.06	\$ 35,823.45	\$ 16,721,991.08	\$ 1,331,091.57
Non-Budget Revenues	A-2			40,488.10	40,488.10
		\$ 15,355,076.06	\$ 35,823.45	\$ 16,762,479.18	\$ 1,371,579.67

REF. A-3 A-3

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

BOROUGH OF BERNARDSVILLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>		
Allocations of Current Tax Collections:			
Revenues from Collections	A-1:A-9	\$	45,779,365.79
Allocated to:			
School and County Taxes		\$	34,643,255.85
Municipal Open Space Tax			<u>439,839.18</u>
			<u>35,083,095.03</u>
Balance for Support of Municipal Appropriations		\$	10,696,270.76
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>1,818,189.81</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>12,514,460.57</u></u>

ANALYSIS OF REALIZED REVENUES

Licenses - Other:			
Clerk/Registrar	A-12	\$	2,429.00
Health Officer	A-12		<u>13,710.00</u>
	A-2	\$	<u><u>16,139.00</u></u>
Other Fees and Permits:			
Engineering Department	A-12	\$	1,610.00
Board of Adjustments	A-12		16,511.77
Zoning Board	A-12		82,150.00
Fire Department	A-12		23,753.00
Police Department	A-12		1,331.00
Health Officer	A-12		31,850.00
Borough Clerk/Registrar	A-12		2,763.50
Shade Tree	A-12		<u>3,900.00</u>
		\$	<u>163,869.27</u>
Less: Refunds	A-4		<u>850.00</u>
	A-2	\$	<u><u>163,019.27</u></u>

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

BOROUGH OF BERNARDSVILLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Construction Code Fees	A-12	\$ 224,945.04
Less: Refunds	A-4	<u>131.00</u>
	A-2	<u>\$ 224,814.04</u>
Parking Lot Fees	A-12	\$ 14,853.66
Less: Refunds	A-4	<u>177.92</u>
	A-2	<u>\$ 14,675.74</u>
Library Rental	A-12	\$ 153,736.86
Less: Refunds	A-4	<u>20,829.60</u>
	A-2	<u>\$ 132,907.26</u>
Pool Fees	A-12	\$ 119,865.00
Less: Refunds	A-4	<u>4,030.00</u>
	A-2	<u>\$ 115,835.00</u>
Recreation Fees	A-12	\$ 40,114.21
Less: Refunds	A-4	<u>3,215.00</u>
	A-2	<u>\$ 36,899.21</u>
Miscellaneous Revenue Not Anticipated:		
Police Outside Duties Administrative Fees		\$ 12,512.50
Senior Citizens and Veterans Administrative Fees		643.57
Gasoline Reimbursement		9,804.91
Sale of Assets		3,389.70
Miscellaneous		<u>5,054.12</u>
	A-4	31,404.80
Animal Control Statutory Excess	A-13	7,106.15
Tax Collector	A-5	<u>1,977.15</u>
	A-1:A-2	<u>\$ 40,488.10</u>

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

BOROUGH OF BERNARDSVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Financial Administration:					
Salaries and Wages	\$ 104,000.00	\$ 111,200.00	\$ 111,148.35	\$ 51.65	\$
Other Expenses	47,500.00	49,100.00	48,428.24	671.76	
Human Resources:					
Other Expenses	80,000.00	80,000.00	71,625.45	8,374.55	
Audit Services:					
Other Expenses	35,725.00	35,725.00	35,725.00		
General Administration:					
Salaries and Wages	171,000.00	171,000.00	170,436.71	563.29	
Other Expenses	214,250.00	199,250.00	104,034.35	95,215.65	
Assessment of Taxes:					
Salaries and Wages	136,000.00	129,500.00	117,591.39	11,908.61	
Other Expenses	4,000.00	6,000.00	3,915.10	2,084.90	
Collection of Taxes:					
Salaries and Wages	37,000.00	38,000.00	37,672.47	327.53	
Other Expenses	8,000.00	8,000.00	7,044.50	955.50	
Legal Services and Costs:					
Other Expenses	185,000.00	154,000.00	114,871.23	39,128.77	
Computer Information and Technology:					
Salaries and Wages	12,648.00	13,148.00	12,819.52	328.48	
Other Expenses	28,000.00	28,000.00	26,190.94	1,809.06	
Planning Board:					
Salaries and Wages	42,500.00	41,500.00	40,340.28	1,159.72	
Other Expenses	30,000.00	30,000.00	28,789.61	1,210.39	
Board of Adjustment:					
Salaries and Wages	29,070.00	30,470.00	30,403.93	66.07	
Other Expenses	30,000.00	30,000.00	21,340.88	8,659.12	
Housing/Zoning:					
Salaries and Wages	156,000.00	153,000.00	146,646.43	6,353.57	
Other Expenses	7,125.00	7,125.00	6,248.66	876.34	

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

BOROUGH OF BERNARDSVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS			PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION				
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>						
Engineering Services:						
Salaries and Wages	\$ 116,500.00	\$ 105,500.00	\$	104,461.24	1,038.76	\$
Other Expenses	70,000.00	80,000.00		79,392.08	607.92	
Local Historian:						
Other Expenses	1,000.00	1,000.00		353.35	646.65	
Municipal Clerk:						
Salaries and Wages	140,000.00	142,900.00		142,445.36	454.64	
Other Expenses	15,180.00	12,180.00		9,956.89	2,223.11	
Insurance:						
Group Health Insurance	880,000.00	860,000.00		780,790.57	79,209.43	
General Liability Insurance	196,000.00	196,000.00		148,955.00	47,045.00	
Worker's Compensation Insurance	183,520.00	183,520.00		137,640.00	45,880.00	
Health Benefit Waiver	25,000.00	25,000.00		22,296.12	2,703.88	
<u>PUBLIC SAFETY</u>						
Aid to Volunteer Fire Companies	113,000.00	113,000.00		90,000.00	23,000.00	
Police:						
Salaries and Wages	2,465,534.00	2,455,534.00		2,356,546.46	98,987.54	
Other Expenses	123,500.00	133,500.00		120,916.07	12,583.93	
Purchase of Police Vehicles	55,000.00	55,000.00		54,939.37	60.63	
Municipal Radio and Communications:						
Salaries and Wages	265,302.00	275,802.00		275,789.27	12.73	
Other Expenses	22,000.00	22,000.00		21,325.94	674.06	
Aid to Volunteer Rescue Squad	62,000.00	62,000.00		62,000.00		
Emergency Management Services:						
Salaries and Wages	7,500.00	7,500.00		7,500.00		
Other Expenses	2,700.00	2,700.00		2,437.84	262.16	
<u>PUBLIC WORKS</u>						
Road Repairs and Maintenance:						
Salaries and Wages	827,000.00	827,000.00		725,293.33	101,706.67	
Other Expenses	480,500.00	427,800.00		323,911.37	103,888.63	
Fire Hydrant Service	70,000.00	85,500.00		70,859.21	14,640.79	

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

BOROUGH OF BERNARDSVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>APPROPRIATIONS</u>		<u>BUDGET AFTER</u>	<u>PAYD OR</u>	<u>RESERVED</u>	<u>UNEXPENDED</u>
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>CHARGED</u>			<u>BALANCE</u>
						<u>CANCELLED</u>
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>						
Shade Tree Committee:						
Other Expenses	\$ 35,000.00	35,000.00	\$ 34,998.42	\$ 1.58	\$	
Somerset County Mandatory Recycling Program	90,000.00	90,000.00	86,259.52	3,740.48		
Senior Citizen Van:						
Other Expenses	5,500.00	4,500.00	2,917.89	1,582.11		
Public Buildings and Grounds:						
Salaries and Wages	192,000.00	205,500.00	202,647.62	2,852.38		
Other Expenses	398,550.00	388,550.00	278,853.63	109,696.37		
Vehicle Maintenance:						
Salaries and Wages	83,000.00	83,500.00	83,472.33	27.67		
Other Expenses	88,000.00	75,000.00	74,500.50	499.50		
Snow Removal (Municipal Services Act):						
Salaries and Wages	3,000.00					
Other Expenses	8,000.00	8,000.00	8,000.00			
<u>HEALTH AND WELFARE</u>						
Board of Health:						
Other Expenses	97,200.00	97,200.00	96,005.81	1,194.19		
Environmental Commission:						
Other Expenses	6,400.00	6,400.00	6,398.84	1.16		
Animal Control Regulations:						
Other Expenses	20,000.00	20,000.00	18,380.00	1,620.00		
Workers and Community Right to Know:						
Other Expenses	500.00	500.00		500.00		
<u>RECREATION AND EDUCATION</u>						
Swimming Pool:						
Salaries and Wages	131,000.00	129,000.00	97,308.83	2,691.17		29,000.00
Other Expenses	60,700.00	60,700.00	32,954.70	745.30		27,000.00
Recreation:						
Salaries and Wages	213,000.00	210,800.00	151,515.29	7,284.71		52,000.00
Other Expenses	59,800.00	59,800.00	21,035.15	1,764.85		37,000.00
Celebration of Public Events:						
Other Expenses	2,500.00	2,500.00	1,581.25	918.75		

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

BOROUGH OF BERNARDSVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>APPROPRIATIONS</u>		<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>UNEXPENDED BALANCE CANCELLED</u>
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>							
<u>SANITATION</u>							
Sanitary Landfill:							
Other Expenses	\$	46,200.00		36,200.00	\$ 34,892.18	\$ 1,307.82	\$
<u>UNIFORM CONSTRUCTION CODE NJAC 5:23-4.17</u>							
Construction Official:							
Salaries and Wages		209,000.00		207,500.00	197,917.07	9,582.93	
Other Expenses		9,125.00		10,125.00	9,865.64	259.36	
Fire Prevention Official:							
Salaries and Wages		48,000.00		41,500.00	40,687.69	812.31	
Other Expenses		2,245.00		17,245.00	687.68	16,557.32	
<u>UNCLASSIFIED</u>							
Utilities:							
Telephone		95,000.00		95,000.00	91,341.84	3,658.16	
Electricity		51,000.00		52,700.00	48,187.22	4,512.78	
Gasoline		81,000.00		75,600.00	56,591.36	19,008.64	
Street Lighting		35,000.00		42,500.00	34,989.40	7,510.60	
Natural Gas		7,000.00		12,000.00	6,961.30	5,038.70	
Accumulated Absences Compensation		50,000.00		50,000.00	50,000.00		
Salary and Wage Adjustment Program:							
Salaries and Wages		10,000.00					
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	\$	9,616,774.00	\$	9,505,774.00	\$ 8,442,033.67	\$ 918,740.33	\$ 145,000.00

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

BOROUGH OF BERNARDSVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	<u>APPROPRIATIONS</u>		<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>UNEXPENDED</u>
	<u>BUDGET</u>		<u>MODIFICATION</u>	<u>CHARGED</u>		<u>BALANCE</u> <u>CANCELLED</u>
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>						
DEFERRED CHARGES AND STATUTORY EXPENDITURES - <u>MUNICIPAL WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 439,344.00	\$	439,344.00	\$ 439,344.00	\$	\$
Social Security System (O.S.A.I.)	281,000.00		284,100.00	279,807.06	4,292.94	
Police and Firemen's Retirement System of NJ	579,899.00		579,899.00	579,899.00		
Unemployment Insurance	20,000.00		20,000.00	16,430.41	3,569.59	
Defined Contribution Retirement Program	11,000.00		11,000.00	6,591.65	4,408.35	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - <u>MUNICIPAL WITHIN "CAPS"</u>	\$ 1,331,243.00	\$	1,334,343.00	\$ 1,322,072.12	\$ 12,270.88	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 10,948,017.00	\$	10,840,117.00	\$ 9,764,105.79	\$ 931,011.21	\$ 145,000.00
MANDATED EXPENDITURES PER N.J.S. 40A:4-45.3g <u>EXCLUDED FROM "CAPS"</u>						
Maintenance of Free Public Library	\$ 891,782.60		891,782.60	\$ 891,782.60	\$	\$
TOTAL OTHER OPERATIONS - <u>EXCLUDED FROM "CAPS"</u>	\$ 891,782.60	\$	891,782.60	\$ 891,782.60	\$	\$
<u>SHARED SERVICES AGREEMENT</u>						
Municipal Court	\$ 95,000.00		95,000.00	\$ 94,183.23	\$ 816.77	\$
TOTAL SHARED SERVICES AGREEMENT	\$ 95,000.00	\$	95,000.00	\$ 94,183.23	\$ 816.77	\$
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>						
Municipal Alliance:						
State Share	\$ 11,578.63		11,578.63	\$ 11,578.63	\$	\$
Borough Share	1,201.28		1,201.28	1,201.28		
Program Coordinator - Other Municipalities (40A:4-87 +\$955.97)	1,606.04		2,562.01	2,562.01		
Clean Communities Grant (40A:4-87 + \$20,688.79)			20,688.79	20,688.79		

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

BOROUGH OF BERNARDSVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>APPROPRIATIONS</u>		<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>UNEXPENDED</u>
	<u>BUDGET</u>		<u>MODIFICATION</u>	<u>CHARGED</u>		<u>BALANCE</u> <u>CANCELLED</u>
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>						
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY</u>						
<u>REVENUE (CONTINUED)</u>						
Police Donation (40A:4-87 + \$10,000.00)	\$ 5,000.00	\$	15,000.00	\$ 15,000.00	\$	\$
Recycling Tonnage Grant	7,798.96		7,798.96	7,798.96		
Body Armor Replacement Fund - State (40A: 4-87 + \$2,178.69)			2,178.69	2,178.69		
Drunk Driving Enforcement Fund	3,097.15		3,097.15	3,097.15		
Sustainable New Jersey (40A: 4-87 +\$2,000.00)			2,000.00	2,000.00		
Distracted Driving Statewide Crackdown	756.59		756.59	756.59		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>	\$ 31,038.65	\$	66,862.10	\$ 66,862.10	\$	\$
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	\$ 1,017,821.25	\$	1,053,644.70	\$ 1,052,827.93	\$ 816.77	\$
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	155,300.00	\$	263,200.00	\$ 263,200.00	\$	\$
<u>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>	\$ 155,300.00	\$	263,200.00	\$ 263,200.00	\$	\$
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 980,000.00	\$	980,000.00	\$ 980,000.00	\$	\$
Payment of Bond Anticipation Note	100,000.00		100,000.00	100,000.00		
Interest on Bonds	290,223.00		290,223.00	290,204.96		18.04
Interest on Notes	45,525.00		45,525.00	45,272.08		252.92
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	\$ 1,415,748.00	\$	1,415,748.00	\$ 1,415,477.04	\$	\$ 270.96

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

BOROUGH OF BERNARDSVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	<u>APPROPRIATIONS</u>		<u>PAID OR</u>	<u>RESERVED</u>	<u>UNEXPENDED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>CHARGED</u>		<u>BALANCE</u>
		<u>MODIFICATION</u>			<u>CANCELLED</u>
\$	2,588,869.25	\$ 2,732,592.70	\$ 2,731,504.97	\$ 816.77	\$ 270.96
\$	13,536,886.25	\$ 13,572,709.70	\$ 12,495,610.76	\$ 931,827.98	\$ 145,270.96
	1,818,189.81	1,818,189.81	1,818,189.81		
\$	15,355,076.06	\$ 15,390,899.51	\$ 14,313,800.57	\$ 931,827.98	\$ 145,270.96

REF.

A-2

A-1

A:A-1

Budget
Budget Amendments

15,355,076.06
35,823.45
\$ 15,390,899.51

Disbursements
Reserve for Encumbrances
Reserve for Grants Appropriated
Reserve for Uncollected Taxes
Less: Refunds

\$ 12,491,424.41
367,550.47
66,862.10
1,818,189.81
\$ 14,744,026.79
430,226.22
\$ 14,313,800.57

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

TRUST FUND

"B"

BOROUGH OF BERNARDSVILLE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2019</u>
<u>ASSETS</u>			
Animal Control Fund:			
Interfunds Receivable	B-7	\$ <u>18,814.60</u>	\$ <u>18,549.93</u>
		\$ <u>18,814.60</u>	\$ <u>18,549.93</u>
Other Funds:			
Cash	B-1	\$ 10,872,243.42	\$ 11,246,180.18
Due from Somerset County - Dunster Squibb	B-9	111,087.50	190,837.50
Interfund Receivable	B-6	<u>3,708.88</u>	<u> </u>
		\$ <u>10,987,039.80</u>	\$ <u>11,437,017.68</u>
		<u>\$ 11,005,854.40</u>	<u>\$ 11,455,567.61</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Prepaid Licenses	B-2	\$ 67.80	\$ 858.00
Due State of New Jersey	B-3	4.80	70.20
Reserve for Animal Control Expenditures	B-4	11,635.85	14,671.00
Interfund Payable	B-7	<u>7,106.15</u>	<u>2,950.73</u>
		\$ <u>18,814.60</u>	\$ <u>18,549.93</u>
Other Funds:			
Encumbrances Payable	B-8	\$ 80,842.73	\$ 27,661.06
Various Trust Reserves	B-5	10,887,382.47	10,547,310.70
Interfund Payable	B-6	<u>18,814.60</u>	<u>862,045.92</u>
		\$ <u>10,987,039.80</u>	\$ <u>11,437,017.68</u>
		<u>\$ 11,005,854.40</u>	<u>\$ 11,455,567.61</u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 3,394,973.52	\$ 2,692,665.44
Grants Receivable	C-10	411,250.00	354,625.00
Due Current Fund	C-14	4,600.00	
Due Other Trust Fund - Open Space	C-12		823,735.08
Prospective Assessments to be Raised by Taxation	C-15	100,000.00	100,000.00
Other Accounts Receivable	C-13	37,500.00	
Deferred Charges to Future Taxation:			
Funded	C-4	10,873,000.00	11,853,000.00
Unfunded	C-5	<u>4,238,700.00</u>	<u>3,293,700.00</u>
		<u>\$ 19,060,023.52</u>	<u>\$ 19,117,725.52</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-9	\$ 10,873,000.00	\$ 11,853,000.00
Bond Anticipation Notes	C-16	4,238,500.00	1,821,000.00
Improvement Authorizations:			
Funded	C-8	1,927,368.29	1,776,194.86
Unfunded	C-8	1,088,646.87	2,472,392.55
Capital Improvement Fund	C-6	230,507.44	55,207.44
Contracts Payable	C-7	179,817.07	536,154.11
Various Reserves	C-11	490,776.30	603,776.30
Fund Balance	C-1	<u>31,407.55</u>	<u>0.26</u>
		<u>\$ 19,060,023.52</u>	<u>\$ 19,117,725.52</u>

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

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	0.26
Increased by:			
Premium on Bond Anticipation Notes Issued	C-2		<u>31,407.29</u>
Balance, December 31, 2020	C	\$	<u><u>31,407.55</u></u>

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

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SEWER UTILITY FUND

BOROUGH OF BERNARDSVILLE

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2019</u>
Operating Fund:			
Cash	D-5	\$ <u>377,080.51</u>	\$ <u>292,805.07</u>
		<u>377,080.51</u>	<u>292,805.07</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	<u>140,769.99</u>	<u>92,991.22</u>
<u>Total Operating Fund</u>		<u>517,850.50</u>	<u>385,796.29</u>
Capital Fund:			
Cash	D-5:D-6	582,782.91	537,583.41
Fixed Capital	D-15	3,221,420.90	2,794,371.64
Fixed Capital Authorized and Uncompleted	D-16	<u>803,000.00</u>	<u>1,475,000.00</u>
<u>Total Capital Fund</u>		<u>4,607,203.81</u>	<u>4,806,955.05</u>
		\$ <u><u>5,125,054.31</u></u>	\$ <u><u>5,192,751.34</u></u>

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

BOROUGH OF BERNARDSVILLE

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-9	\$ 111,296.01	\$ 83,227.56
Encumbrances Payable	D-10	26,492.02	17,398.67
Accounts Payable	D-23	4,609.86	4,609.86
Prepaid Sewer Rents	D-8	4,301.81	8,440.14
Accrued Interest on Bonds and Loans	D-13	11,671.62	14,183.63
		<u>158,371.32</u>	<u>127,859.86</u>
Reserve for Receivables	D-7	140,769.99	92,991.22
Fund Balance	D-1	<u>218,709.19</u>	<u>164,945.21</u>
<u>Total Operating Fund</u>		<u>517,850.50</u>	<u>385,796.29</u>
Capital Fund:			
Serial Bonds Payable	D-21	1,134,000.00	1,245,000.00
Improvement Authorizations:			
Funded	D-17	61,047.99	6,674.95
Capital Improvement Fund	D-20	485,046.64	443,046.64
Contracts Payable	D-22	19,908.47	71,082.01
Reserve for:			
Amortization	D-18	2,547,420.90	2,009,371.64
Deferred Amortization	D-19	343,000.00	1,015,000.00
Preliminary Costs	D-24	2,685.00	2,685.00
Fund Balance	D-2	<u>14,094.81</u>	<u>14,094.81</u>
<u>Total Capital Fund</u>		<u>4,607,203.81</u>	<u>4,806,955.05</u>
		<u>\$ 5,125,054.31</u>	<u>\$ 5,192,751.34</u>

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

"D-1"

BOROUGH OF BERNARDSVILLE
SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 60,000.00	\$ 145,000.00
Sewer Rents	D-3	1,306,803.37	1,259,138.52
Connection Fees	D-3	39,600.00	38,975.68
Interest	D-3	9,546.17	22,385.97
Interest on Sewer User Fees	D-3	10,915.36	9,574.59
Non-Budget Revenue		2,850.00	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	42,245.69	55,556.37
Cancel Sewer Overpayments	D-11	203.39	
<u>TOTAL INCOME</u>		<u>1,472,163.98</u>	<u>1,530,631.13</u>
<u>EXPENDITURES</u>			
Operating	D-4	1,069,400.00	1,049,132.74
Capital Improvements	D-4	80,000.00	200,000.00
Debt Service	D-4	139,000.00	144,557.26
Statutory Expenditures and Deferred Charges	D-4	70,000.00	75,000.00
Refund of Prior Year Revenue	D-5		1,951.00
<u>TOTAL EXPENDITURES</u>		<u>1,358,400.00</u>	<u>1,470,641.00</u>
Excess in Revenue		113,763.98	59,990.13
<u>Fund Balance</u>			
Balance, January 1	D	164,945.21	274,955.08
		278,709.19	334,945.21
Decreased by:			
Utilized as Anticipated Revenue in Current Fund Budget	D-5		25,000.00
Utilization by Sewer Utility Operating Budget	D-1:D-3	60,000.00	145,000.00
Balance, December 31	D	\$ <u>218,709.19</u>	\$ <u>164,945.21</u>

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

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

STATEMENTS OF CHANGE IN FUND BALANCE - REGULATORY BASIS

REF.

Balance, December 31, 2019 and
December 31, 2020

D

\$ 14,094.81

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

BOROUGH OF BERNARDSVILLE

SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ 60,000.00	\$ 60,000.00	\$
Sewer Use Fees	D-1:D-3	1,253,400.00	1,306,803.37	53,403.37
Connection Fees	D-1:D-5	20,000.00	39,600.00	19,600.00
Interest on Investments	D-1:D-5	15,500.00	9,546.17	(5,953.83)
Interest on Sewer User Fees	D-1:D-5	9,500.00	10,915.36	1,415.36
Miscellaneous Revenue Not Anticipated	D-1:D-3		2,850.00	2,850.00
	D-4	<u>\$ 1,358,400.00</u>	<u>\$ 1,429,714.90</u>	<u>\$ 71,314.90</u>

ANALYSIS OF REALIZED REVENUE

Sewer User Fees:

Treasurer:

Receipts	D-5	\$ 1,298,363.23	
Prepaid Applied	D-8	<u>8,440.14</u>	
	D-3		<u>\$ 1,306,803.37</u>

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

BOROUGH OF BERNARDSVILLE
SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Operating:				
Salaries and Wages	\$ 525,504.00	\$ 525,504.00	\$ 479,937.21	\$ 45,566.79
Other Expenses	543,896.00	543,896.00	488,339.89	55,556.11
<u>Total Operating</u>	<u>1,069,400.00</u>	<u>1,069,400.00</u>	<u>968,277.10</u>	<u>101,122.90</u>
Capital Improvements:				
Capital Improvement Fund	80,000.00	80,000.00	80,000.00	
<u>Total Capital Improvements</u>	<u>80,000.00</u>	<u>80,000.00</u>	<u>80,000.00</u>	
Debt Service:				
Payment of Bond Principal	111,000.00	111,000.00	111,000.00	
Interest on Bonds	28,000.00	28,000.00	28,000.00	
<u>Total Debt Service</u>	<u>139,000.00</u>	<u>139,000.00</u>	<u>139,000.00</u>	
Statutory Expenditures:				
Contributions to:				
Public Employees Retirement System	35,000.00	35,000.00	35,000.00	
Social Security System (O.A.S.I.)	35,000.00	35,000.00	24,826.89	10,173.11
<u>Total Deferred Charges and Statutory Expenditures</u>	<u>70,000.00</u>	<u>70,000.00</u>	<u>59,826.89</u>	<u>10,173.11</u>
	<u>\$ 1,358,400.00</u>	<u>\$ 1,358,400.00</u>	<u>\$ 1,247,103.99</u>	<u>\$ 111,296.01</u>

<u>REF.</u>	D-3	D
D-5		\$ 1,192,611.97
D-10		26,492.02
D-13		28,000.00
		<u>\$ 1,247,103.99</u>

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

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BOROUGH OF BERNARDSVILLE
GENERAL FIXED ASSETS ACCOUNT GROUP
BALANCE SHEETS - REGULATORY BASIS

	DECEMBER <u>31, 2020</u>	DECEMBER <u>31, 2019</u>
General Fixed Assets:		
Land	\$ 4,927,282.70	\$ 3,427,282.70
Buildings and Building Improvements	12,430,975.36	12,430,975.36
Machinery and Equipment	<u>6,722,974.69</u>	<u>6,691,382.51</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 24,081,232.75</u>	<u>\$ 22,549,640.57</u>
Investment in General Fixed Assets	<u>\$ 24,081,232.75</u>	<u>\$ 22,549,640.57</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF BERNARDSVILLE

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose of 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.

Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

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

C. Basis of Accounting

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

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - New Jersey Administrative Code (NJAC 5:30-5.6), Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Borough's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of NJAC 5:30-5.6.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction cost or current value. The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

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

Accounting and Financial Reporting for Pensions - Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

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

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions.

It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

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

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2020 was not available, therefore the information dated June 30, 2019 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

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

The Borough of Bernardsville had the following cash and cash equivalents at December 31, 2020:

<u>Fund</u>	<u>Change Fund</u>	<u>Cash on Deposit</u>	<u>Reconciling Items</u>	<u>Reconciled Total</u>
Current Fund	\$ 500.00	\$ 3,750,312.56	\$ 73,514.56	\$ 3,823,827.12
Grant Fund		80,223.06	(4,881.68)	75,341.38
Trust Fund		10,922,372.47	(50,129.05)	10,872,243.42
General Capital Fund		3,429,287.67	(34,314.15)	3,394,973.52
Sewer Operating Fund		393,826.73	(16,746.22)	377,080.51
Sewer Capital Fund		583,278.08	(495.17)	582,782.91
<u>Total December 31, 2020</u>	<u>\$ 500.00</u>	<u>\$ 19,159,300.57</u>	<u>\$ (33,051.71)</u>	<u>\$ 19,126,248.86</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2020, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$19,159,300.57, \$298,610.12 was covered by Federal Depository Insurance, \$18,860,690.45 was covered under the provisions of NJGUDPA.

B. Investments

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

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Bernardsville had no investments outstanding at December 31, 2020.

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

NOTE 3: MUNICIPAL DEBT

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

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2020</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 15,494,500.00	\$ 13,674,000.00	\$ 14,009,000.00
Sewer Utility:			
Bonds and Notes	<u>1,134,000.00</u>	<u>1,245,000.00</u>	<u>1,357,000.00</u>
	<u>\$ 16,628,500.00</u>	<u>\$ 14,919,000.00</u>	<u>\$ 15,366,000.00</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>200.00</u>	<u>1,472,700.00</u>	<u>200.00</u>
Total Authorized But Not Issued	<u>200.00</u>	<u>1,472,700.00</u>	<u>200.00</u>
Net Bonds and Notes Issued and and Authorized But Not Issued	<u>\$ 16,628,700.00</u>	<u>\$ 16,391,700.00</u>	<u>\$ 15,366,200.00</u>

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 regulatory net debt of .688%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional School District Debt	\$14,395,529.71	\$14,395,529.71	-0-
Sewer Utility Debt	1,134,000.00	1,134,000.00	-0-
General Debt	<u>15,494,700.00</u>		<u>\$15,494,700.00</u>
	<u>\$31,024,229.71</u>	<u>\$15,529,529.71</u>	<u>\$15,494,700.00</u>

NET DEBT \$15,494,700.00 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$2,251,611,666.00 EQUALS .688%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

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

Equalized Valuation Basis* - December 31, 2020	\$	2,251,611,666.00
3-1/2 of Equalized Valuation Basis		78,806,408.31
Net Debt		<u>15,494,700.00</u>
Remaining Borrowing Power	\$	<u><u>63,311,708.31</u></u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE"
SEWER UTILITY PER N.J.S.40A:2-45

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year		\$	1,417,363.16
Deductions:			
Operating and Maintenance Cost	\$	1,139,400.00	
Debt Service		<u>139,000.00</u>	
		\$	<u>1,278,400.00</u>
Excess in Revenue		\$	<u><u>138,963.16</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2020

CALENDAR YEAR	<u>GENERAL CAPITAL</u>		<u>SEWER UTILITY CAPITAL</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2021	\$973,000.00	\$272,360.25	\$109,000.00	\$28,487.01	\$1,382,847.26
2022	900,000.00	256,500.00	75,000.00	26,806.26	1,258,306.26
2023	900,000.00	236,250.00	80,000.00	25,118.76	1,241,368.76
2024	900,000.00	216,000.00	85,000.00	23,318.76	1,224,318.76
2025	900,000.00	195,750.00	90,000.00	21,406.26	1,207,156.26
2026	900,000.00	175,500.00	95,000.00	19,381.26	1,189,881.26
2027	900,000.00	154,125.00	100,000.00	17,125.00	1,171,250.00
2028	900,000.00	131,625.00	100,000.00	14,625.00	1,146,250.00
2029	900,000.00	108,000.00	100,000.00	12,000.00	1,120,000.00
2030	900,000.00	81,000.00	100,000.00	9,000.00	1,090,000.00
2031	900,000.00	54,000.00	100,000.00	6,000.00	1,060,000.00
2032	900,000.00	27,000.00	100,000.00	3,000.00	1,030,000.00
	<u>\$10,873,000.00</u>	<u>\$1,908,110.25</u>	<u>\$1,134,000.00</u>	<u>\$206,268.31</u>	<u>\$14,121,378.56</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT

OUTSTANDING
BALANCE
DECEMBER
31, 2020

General Serial Bonds:

\$12,984,000 in General Improvement Bonds dated August 27, 2015 due in annual remaining installments ranging between of \$550,000.00 and \$900,000 due on August 15 of each year with interest rates from 2.250% to 3.00%

\$10,873,000.00

\$1,714,000 in Refunding Bonds dated September 29, 2015, due in annual remaining installments ranging between \$383,000.00 and \$436,000.00 due on February 15 of each year with an interest rate of 1.350%

383,000.00

\$11,256,000.00

Sewer Utility Serial Bonds:

\$1,360,000 in General Improvement Bonds dated August 27, 2015, due in annual remaining installments ranging between of \$60,000.00 and \$100,000 due on August 15 of each year with interest rates from 2.250% to 3.00%

\$1,085,000.00

\$213,000.00 in Refunding Bonds dated September 29, 2015, due in annual remaining installments ranging between \$49,000.00 and \$51,000.00 due on February 15 of each year with an interest rate of 1.350%

49,000.00

\$1,134,000.00

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT TERM DEBT

The Borough had the following Bond Anticipation Notes outstanding at December 31, 2020:

General Capital Fund:

<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
18-1760	04/30/18	04/24/20	04/23/21	2.50%	\$960,000.00
19-1797	04/26/19	04/24/20	04/23/21	2.50%	761,000.00
19-1816	04/24/20	04/24/20	04/23/21	2.50%	1,472,500.00
19-1827	04/24/20	04/24/20	04/23/21	2.50%	855,000.00
20-1837	04/24/20	04/24/20	04/23/21	2.50%	190,000.00
					<u>\$4,238,500.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2020, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2021 were as follows:

Current Fund	\$1,600,000.00
Sewer Utility Operating	60,000.00

NOTE 5: PROPERTY TAXES

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

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

	BALANCE DECEMBER 31, <u>2020</u>	BALANCE DECEMBER 31, <u>2019</u>
Prepaid Taxes	<u>\$540,684.99</u>	<u>\$421,903.91</u>

NOTE 6: PENSION PLANS

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Vesting and Benefit Provisions

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

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

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

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2019, PERS provides for employee contributions of 7.50% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2020, members contributed at a uniform rate of 10.00% of base salary.

Certain portions of the cost are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$1,017,711.00 for 2020, \$940,700.00 for 2019 and \$884,205.00 for 2018.

Certain Borough employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2020. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2020.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$7,382,041.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Borough's proportion was 0.0452680834 percent, which was an increase of 0.0002583627 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$257,435.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$437,812.00.

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 134,415.00	\$ 26,106.00
Changes of assumptions	239,482.00	3,090,930.00
Net difference between projected and actual earnings on pension plan investments	252,324.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>467,719.00</u>	<u>206,021.00</u>
	\$ <u>1,093,940.00</u>	\$ <u>3,323,057.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

Year Ended June 30,	<u>Amount</u>
2021	(\$873,971.40)
2022	(792,174.40)
2023	(430,278.40)
2024	(142,823.40)
2025	10,130.60
	<u>(\$2,229,117.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

	<u>June 30, 2020</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.00-6.00%
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 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$9,292,758.00	\$7,382,041.00	\$5,760,745.00

Pension plan fiduciary net position

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$7,240,476.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2020, the Borough's proportion was 0.0560351174 percent, which was a decrease of 0.0013743388 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$440,274.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$579,899.00.

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 72,996.00	\$ 25,985.00
Changes of assumptions	18,221.00	1,941,128.00
Net difference between projected and actual earnings on pension plan investments	424,543.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>611,198.00</u>	<u>510,309.00</u>
	\$ <u>1,126,958.00</u>	\$ <u>2,477,422.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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

Year Ended		
<u>June 30</u>		<u>Amount</u>
2021	\$	(657,119.20)
2022		(436,915.20)
2023		(165,908.20)
2024		(50,119.20)
2025		<u>(40,402.20)</u>
	\$	<u><u>(1,350,464.00)</u></u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

	<u>June 30, 2020</u>
Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	
Through All Future Years	3.25-15.25%
	Based on Years of Service
Investment Rate of Return	7.00%

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$9,628,343.00	\$7,240,476.00	\$5,257,170.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough 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 Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At June 30, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,123,689.00 and \$1,109,366.00, respectively.

At June 30, 2020, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$7,240,476.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,123,689.00</u>
	<u><u>\$8,364,165.00</u></u>

Pension plan fiduciary net position

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

NOTE 7: COMPENSATED ABSENCES

Under existing policy of the Borough, employees are not allowed to accrue unused vacation and compensatory time after May 31st of the subsequent year. Borough policy does allow employees with 20 years of service to the Borough to be entitled to Retirement Leave calculated in accordance with the policy. It is estimated that the current cost of such unpaid compensation at December 31, 2020 would approximate \$816,380.05. The Borough has established a reserve in the Trust Other Fund in the amount of \$625,096.85. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2020.

NOTE 8: LITIGATION

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

NOTE 9: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2020, the Borough does not believe that any material liabilities will result from such audits.

The Borough has received approval by the New Jersey Department of Environmental Protection for the closure of the Borough's sanitary landfill. The landfill has not received municipal waste for several years. The ultimate costs of the closure of the landfill will most likely exceed the funds held; however, no estimate of the total costs can be made at this time. It is expected that this project will be funded by a capital ordinance when the Borough proceeds with the project.

NOTE 10: TAX APPEALS

There are several tax appeals filed requesting a reduction of assessments for 2020 and prior years. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51, if not paid through normal operations.

NOTE 11: RISK MANAGEMENT

The Borough 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 Borough participates in a self-insurance program through the Suburban Municipal Joint Insurance Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. The Borough's contribution to the Fund for claim payments is based on actuarial assumption determined by the Fund's actuary. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the Borough is required to remit employee withholdings to the State on a quarterly basis. All the Borough's claims are paid by the State.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the various balance sheets at December 31, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$7,767.51	\$8,308.88
Grant Fund		661.36
Animal Control Fund		7,106.15
Trust Other Fund	3,708.88	
General Capital Fund	4,600.00	
	<u>\$16,076.39</u>	<u>\$16,076.39</u>

All balances resulted from the time lag between dates that short-term loans were disbursed and payments between funds were made.

NOTE 13: DEFERRED COMPENSATION PLAN

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

NOTE 13: DEFERRED COMPENSATION PLAN (CONTINUED)

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

The Plan is administered by Mission Square Retirement.

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

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description and Benefits Provided

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. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

The Plan provides medical and prescription drug coverage to retirees and their covered 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.

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.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation

The Borough, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

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. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net 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.

At June 30, 2019 and 2018, the State's proportionate share of the net OPEB liability attributable to the Borough for the special funding situation is \$5,189,866.00 and \$5,804,228.00 respectively.

At June 30, 2019, the Borough's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

Borough's proportionate share of the Net OPEB Liability	\$0
State of New Jersey's proportionate share of Net OPEB Liability associated with the Borough	<u>5,189,866</u>
	<u><u>\$5,189,866</u></u>

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

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:

	<u>2019</u>	<u>2018</u>
Inflation rate	2.50%	2.50%
Salary Increases:		
Public Employees Retirement System (PERS):		
Initial Fiscal Year Applied		
Rate Through 2026	2.00% to 6.00%	
Rate Thereafter	3.00% to 7.00%	
Police and Firemen's Retirement System (PFRS):		
Rate for All Future Years	3.25% to 15.25%	
All Pensions:		
Rate Through 2026		1.65% to 8.98%
Rate Thereafter		2.65% to 9.98%
Mortality:		
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2019	
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2019	

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

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

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

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

OPEB Plan Fiduciary Net Position

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

NOTE 15: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through August 3, 2021 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that the following event needed to be disclosed.

General Bonds

On April 8, 2021 the Borough issued \$4,835,000.00 in General Bonds to permanently finance various capital projects previously authorized by the Borough. These Bonds are due in payments ranging from \$255,000.00 to \$500,000.00 beginning on April 15, 2022 and ending on August 15, 2034 with variable interest ranging between 2.00 and 3.00 percent.

BOROUGH OF BERNARDSVILLE
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2020

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		<u>CURRENT FUND</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2019	A		\$	3,022,133.26	\$ 89,614.17
Increased by Receipts:					
Property Taxes Receivable	A-5	\$	46,349,860.88		
Petty Cash	A-7		1,000.00		
Revenue Accounts Receivable	A-12		1,983,802.59		
Miscellaneous Revenue Not Anticipated	A-2		31,404.80		
State of N.J.- Senior Citizens and Veterans Deductions	A-8		32,178.47		
Reserve for Miscellaneous Deposits	A-15		108,916.00		
Interfunds	A-13:A-26		45,322.24		13,414.49
Appropriation Refunds	A-3		430,226.22		
Grants Receivable	A-23				44,031.47
Reserve for Grants - Unappropriated	A-25			48,982,711.20	70,114.96
				<u>\$ 52,004,844.46</u>	<u>\$ 159,729.13</u>
Decreased by Disbursements:					
2020 Appropriations	A-3	\$	12,491,424.41		
2019 Appropriation Reserves	A-14		451,268.35		
Reserve for Miscellaneous Deposits	A-15		31,242.56		
Refund of Tax Overpayments	A-16		35,113.13		
Accounts Payable	A-18		12,350.41		
County Taxes Payable	A-20		7,785,376.85		
Local District School Tax	A-21		26,857,879.50		
Municipal Open Space Tax	A-22		439,839.18		
Interfunds	A-13:A-26		16,164.49		
Petty Cash Fund	A-7		1,000.00		
Refund of Current Year Revenue	A-2		29,233.52		
Refund of Prior Year Revenue	A-1		30,124.94		
Reserve for Grants-Appropriated	A-24			48,181,017.34	72,836.03
				<u>\$ 3,823,827.12</u>	<u>\$ 84,387.75</u>
Balance, December 31, 2020	A			<u>\$ 3,823,827.12</u>	<u>\$ 75,341.38</u>

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

REF.

Increased by Receipts:

Property Taxes Receivable	A-9	\$	45,654,219.39	
Tax Overpayments	A-16		43,628.13	
Prepaid Taxes	A-19		540,684.99	
Revenue Accounts Receivable	A-12		109,351.22	
Miscellaneous Revenue Not Anticipated	A-2		<u>1,977.15</u>	
				\$ <u>46,349,860.88</u>

Decreased by Disbursements:

Payments to Treasurer	A-4			\$ <u>46,349,860.88</u>
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"A-6"

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

REF.

Balance, December 31, 2019 and
December 31, 2020

A

\$ 500.00

Analysis of Balance

Tax Collector

\$ 300.00

Zoning

100.00

Construction

100.00

\$ 500.00

"A-7"

SCHEDULE OF PETTY CASH FUNDS

Increased by:

Receipts

A-4

\$ 1,000.00

Decreased by:

Disbursements

A-4

\$ 1,000.00

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	13,451.19
Increased by:			
Senior Citizens Deductions Per Tax Billing		\$	2,750.00
Veterans Deductions Per Tax Billing			<u>31,000.00</u>
			33,750.00
		\$	<u>47,201.19</u>
Decreased by:			
Received in Cash From State	A-4		<u>32,178.47</u>
Balance, December 31, 2020	A	\$	<u><u>15,022.72</u></u>

ANALYSIS OF STATE SHARE OF 2020
SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing		\$	2,750.00
Veterans Deductions Per Tax Billing			<u>31,000.00</u>
	A-9	\$	<u><u>33,750.00</u></u>

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	BALANCE DECEMBER 31, 2019	2020 LEVY	<u>CASH COLLECTIONS</u>		<u>ADDED</u>	<u>2020</u>		<u>CANCELED</u>	<u>OVERPAYMENTS APPLIED</u>	<u>TRANSFERRED TO TAX TITLE LIENS</u>	BALANCE DECEMBER 31, 2020
			<u>2019</u>	<u>2020</u>		<u>2019</u>	<u>2020</u>				
2019	\$ 347,064.03	\$	\$	\$	1,250.00	\$	347,964.40	\$ 233.77	\$	\$	\$ 115.86
2020		46,279,336.80	421,903.91	45,340,004.99				55,054.18	17,456.89	235.65	444,681.18
	\$ 347,064.03	\$ 46,279,336.80	\$ 421,903.91	\$ 45,687,969.39	\$ 1,250.00	\$		\$ 55,287.95	\$ 17,456.89	\$ 235.65	\$ 444,797.04
<u>REF.</u>	A		A-2-A-19	A-2					A-16	A-10	A

REF.

Cash-Collector				\$ 45,654,219.39
State Share of Senior Citizens and				
Veterans Deductions			33,750.00	
			\$ 45,687,969.39	

TAX YIELD

General Property Tax
Added and Omitted Tax (54:4-63.1 et.seq.)

\$	46,117,607.73
	161,729.07
\$	46,279,336.80

TAX LEVY

Local District School Tax	A-21	\$ 26,857,879.00
County Taxes:		
County Tax	A-20	\$ 7,759,481.59
Due County for Added Taxes		
(54:4-63.1 et.seq.)	A-20	25,895.26
		7,785,376.85
Local Tax for Municipal Purposes	A-2	10,305,094.19
Library Tax	A-2	754,094.62
Municipal Open Space	A-22	438,380.30
Additional Tax Levied		138,511.84
		11,636,080.95
		\$ 46,279,336.80

"A-10"

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2019	A	\$ 5,830.02
Increased by:		
Transfers From Taxes Receivable	A-9	<u>235.65</u>
Balance, December 31, 2020	A	\$ <u><u>6,065.67</u></u>

"A-11"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2019 and December 31, 2020	A	\$ <u><u>13,100.00</u></u>
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BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>	<u>ACCRUED IN</u> <u>2020</u>	<u>COLLECTED BY</u> <u>TREASURER/</u> <u>COLLECTOR</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>
Clerk/Registrar:					
Licenses:					
Alcoholic Beverage Licenses	A-2	\$	\$ 30,000.00	\$ 30,000.00	\$
Other	A-2		2,429.00	2,429.00	
Fees and Permits	A-2		2,763.50	2,763.50	
Board of Health:					
Other Licenses	A-2		13,710.00	13,710.00	
Fees and Permits	A-2		31,850.00	31,850.00	
Board of Adjustment:					
Fees and Permits	A-2			16,511.77	
Housing & Zoning:					
Fees and Permits	A-2		82,150.00	82,150.00	
Engineering:					
Fees and Permits	A-2		1,610.00	1,610.00	
Police:					
Fees and Permits	A-2		1,331.00	1,331.00	
Fire:					
Fees and Permits	A-2		23,753.00	23,753.00	
Shade Tree:					
Fees and Permits	A-2		3,900.00	3,900.00	
Construction Code Official:					
Fees and Permits	A-2		224,945.04	224,945.04	
Municipal Court:					
Fines and Costs	A-2	6,123.03	36,898.57	39,683.09	3,338.51
Pool Fees	A-2		119,865.00	119,865.00	
Recreation Fees	A-2		40,114.21	40,114.21	
Energy Receipts Tax	A-2		662,172.00	662,172.00	
Interest on Investments and Deposits	A-2		95,920.10	95,920.10	
Interest and Costs on Taxes	A-2		109,351.22	109,351.22	
Parking Lot Fees	A-2		14,853.66	14,853.66	
Post Office Rent	A-2		1,500.00	1,500.00	
Hotel Tax	A-2		11,027.82	11,027.82	
Uniform Fire Safety Act	A-2		17,104.12	17,104.12	
Library Rental	A-2		153,736.86	153,736.86	
Workers Comp Assessment Fund	A-2		11,959.00	11,959.00	
Due from Sewer Utility Fund - Pension Costs	A-2		35,000.00	35,000.00	
Cable Franchise Fee - Verizon	A-2		82,656.48	82,656.48	
Cable Franchise Fee - Comcast	A-2		32,611.40	32,611.40	
Due from the Library - Pension Costs	A-2		61,418.26	61,418.26	
Trust Fund Balance- Accumulated Absences	A-2			100,000.00	
Due from Board of Education for					
Special Law Enforcement Officers	A-2		69,227.28	69,227.28	
		<u>\$ 6,123.03</u>	<u>\$ 1,973,857.52</u>	<u>\$ 2,093,153.81</u>	<u>\$ 3,338.51</u>
	<u>REF.</u>	<u>A</u>			<u>A</u>
Treasurer	A-4			\$ 1,983,802.59	
Tax Collector	A-5			<u>109,351.22</u>	
				<u>\$ 2,093,153.81</u>	

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUNDS</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2019						
Due From	A	\$ 22,711.64	\$	\$	\$	\$
Due To	A	0.13	0.13		19,760.91	
Transfer - Grant Match	A-26	1,201.28	1,201.28			
Receipts	A-4	45,322.24	11,551.72	2,950.73	26,219.79	4,600.00
Disbursements	A-4	16,164.49	13,414.49		2,750.00	
Animal Control Statutory Excess	A-2	7,106.15		7,106.15		
Balance, December 31, 2020						
Due From	A	\$ 7,767.51	\$ 661.36	\$ 7,106.15	\$ -	\$ -
Due To	A	8,308.88	-	-	3,708.88	4,600.00

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2019	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>Salaries and Wages:</u>				
General Administration	\$ 366.08	\$ 366.08	\$	366.08
Municipal Clerk	15.04	15.04		15.04
Financial Administration	45.16	45.16		45.16
Computer Information Technology	43.24	43.24		43.24
Assessment of Taxes	21.78	421.78	400.00	21.78
Public Buildings and Grounds	3,805.70	805.70		805.70
Planning Board	1,430.41	30.41		30.41
Board of Adjustment	900.00			
Housing and Zoning	22.39	1,872.39	1,856.55	15.84
Engineering Services	290.63	290.63		290.63
Municipal Radio and Communications	1,483.38	1,483.38	1,133.43	349.95
Police	4,672.33	4,672.33	4,400.00	272.33
Road Repairs and Maintenance	7,232.22	1,232.22	700.00	532.22
Vehicle Maintenance	72.27	72.27		72.27
Swimming Pool	234.61	234.61		234.61
Recreation	18.36	18.36		18.36
State Uniform Construction Code	438.33	438.33	275.00	163.33
Fire Prevention Official	24.48	2,274.48	2,250.00	24.48
<u>Other Expenses:</u>				
General Administration	13,058.49	29,275.11	17,235.09	12,040.02
Human Resources	6,739.67	1,351.67	1,312.00	39.67
Municipal Clerk	396.53	518.74	518.74	
Financial Administration	745.22	1,452.62	958.77	493.85
Computer Information Technology	1,039.11	1,039.11	113.21	925.90
Assessment of Taxes	1,508.13	1,508.13	1,420.33	87.80
Tax Collector	23.07	118.07		118.07
Legal Services	9,203.12	15,210.55	10,796.80	4,413.75
Public Buildings and Grounds	19.11	46,298.27	28,962.11	17,336.16
Planning Board	1,334.04	20,609.42	20,162.63	446.79
Board of Adjustment	1,402.09	3,002.09	2,672.50	329.59
Housing and Zoning	516.56	614.56	498.00	116.56
Engineering Services	6,116.66	7,977.74	7,625.16	352.58
Historical Preservation	783.15	83.15	83.15	
<u>Insurance:</u>				
Group Insurance	20,404.04	22,154.29	22,111.16	43.13
General Liability Insurance	45,533.00	45,533.00	45,500.50	32.50
Workers Compensation Insurance	45,964.00	45,964.00	45,964.00	
Health Benefit Waiver	713.23	13.23		13.23
Municipal Radio and Communications	0.44	11,098.93	11,098.49	0.44
Police	1,412.38	33,118.06	28,556.08	4,561.98
Purchase of Police Vehicle	15,298.13	18,098.13	18,011.13	87.00
Emergency Management Services	0.16	2,635.16	2,635.00	0.16
Road Repairs and Maintenance	11,146.15	81,359.29	57,963.63	23,395.66
Fire Hydrant Service	18,309.45	7,309.45	7,084.00	225.45
Shade Tree Committee	631.71	7,171.71	6,965.00	206.71
Somerset County Mandatory Recycling Program	863.16	16,863.16	16,800.00	63.16
Senior Citizen Van	1,365.07	1,365.07	847.60	517.47

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2019	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>Other Expenses (Continued):</u>				
Vehicle Maintenance	\$ 989.65	\$ 27,103.05	19,471.26	\$ 7,631.79
Snow Removal (Municipal Services Act)		6,026.07	6,026.07	
Sanitary Landfill	193.42	16,004.71	10,917.10	5,087.61
Board of Health	970.20	970.20		970.20
Environmental Commission		4,783.83	4,783.83	
Animal Control Regulations	50.00	350.00	105.00	245.00
Workers and Community Right to Know	500.00			
Swimming Pool	624.31	6,066.14	5,171.87	894.27
Recreation	10,858.66	9,811.46	9,092.19	719.27
Celebration of Public Events	336.38	336.38		336.38
State Uniform Construction Code	859.63	59.63		59.63
Fire Prevention Official	0.27	1,650.27	1,650.00	0.27
Unclassified				
Telephone	131.59	9,771.26	8,970.56	800.70
Electricity	2,808.12	3,820.99	1,863.88	1,957.11
Gasoline	6,862.20	11,853.50	9,774.28	2,079.22
Street Lighting	1,735.44	4,284.07	2,553.22	1,730.85
Natural Gas	397.29	2,086.22	2,069.13	17.09
Accumulated Absences Compensation		5,000.00	5,000.00	
Statutory Expenditures				
Public Employees Retirement System	2,000.00	2,000.00		2,000.00
Social Security System (OASI)	1,062.10	1,062.10		1,062.10
Unemployment Compensation	1,595.01	1,595.01		1,595.01
Defined Contribution Retirement Program	107.02	107.02		107.02
Interlocal Agreements				
Municipal Court	2,081.68	2,081.68		2,081.68
Capital Improvement Fund		4,600.00	4,600.00	
	<u>\$ 259,805.25</u>	<u>\$ 557,482.71</u>	<u>\$ 458,958.45</u>	<u>\$ 98,524.26</u>
<u>REF.</u>	A			A-1
Budget - Reserved	A-14	\$ 259,805.25		
Reserve for Encumbrances	A-17	<u>297,677.46</u>		
		<u>\$ 557,482.71</u>		
Disbursements	A-4		\$ 451,268.35	
Transferred to Accounts Payable	A-18		<u>7,690.10</u>	
			<u>\$ 458,958.45</u>	

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

		BALANCE DECEMBER 31, 2019	INCREASE	DECREASE	BALANCE DECEMBER 31, 2020
Due State of New Jersey:					
Marriage License Fees		\$ 150.00	\$ 825.00	\$ 775.00	\$ 200.00
Special Deposits		8,214.83			8,214.83
Joint Insurance Fund Dividends		4,985.00	4,991.00	4,985.00	4,991.00
Sale of Municipal Assets			103,100.00		103,100.00
Insurance Proceeds			30,467.56	30,467.56	
		<u>\$ 13,349.83</u>	<u>\$ 139,383.56</u>	<u>\$ 36,227.56</u>	<u>\$ 116,505.83</u>
	<u>REF.</u>	A			A
Receipts	A-4		\$ 108,916.00		
Transfer from Encumbrances Payable	A-17		<u>30,467.56</u>		
			<u>\$ 139,383.56</u>		
Disbursements	A-4			\$ 31,242.56	
2020 Budget Revenue	A-2			<u>4,985.00</u>	
				<u>\$ 36,227.56</u>	

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	18,925.27
Increased by:			
Receipts	A-5		<u>43,628.13</u>
		\$	<u>62,553.40</u>
Decreased by:			
Disbursements	A-4	\$	35,113.13
Applied	A-9		<u>17,456.89</u>
		\$	<u>52,570.02</u>
Balance, December 31, 2020	A	\$	<u><u>9,983.38</u></u>

"A-17"

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	341,548.56
Increased by:			
Budget Appropriations	A-3	\$	367,550.47
Grant Appropriations	A-24		<u>10,392.53</u>
			377,943.00
		\$	<u>719,491.56</u>
Decreased by:			
Transferred to Appropriation Reserves	A-14	\$	297,677.46
Transferred to Reserve for Grants Appropriated	A-24		13,403.54
Reserve for Insurance Proceeds	A-15		<u>30,467.56</u>
			<u>341,548.56</u>
Balance, December 31, 2020	A	\$	<u><u>377,943.00</u></u>
<u>Analysis of Balance</u>			
Current Fund			367,550.47
Grant Fund			<u>10,392.53</u>
			<u><u>377,943.00</u></u>

"A-18"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2019	A	\$	27,744.06
Increased by:			
Transferred from			
Appropriation Reserves	A-14		<u>7,690.10</u>
		\$	<u>35,434.16</u>
Decreased by:			
Disbursements	A-4		<u>12,350.41</u>
Balance, December 31, 2020	A	\$	<u><u>23,083.75</u></u>

"A-19"

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	421,903.91
Increased by:			
Collection of 2021 Taxes	A-5		<u>540,684.99</u>
		\$	<u>962,588.90</u>
Decreased by:			
Applied to Taxes Receivable	A-9		<u>421,903.91</u>
Balance, December 31, 2020	A	\$	<u><u>540,684.99</u></u>

"A-20"

SCHEDULE OF COUNTY TAXES PAYABLE

2020 Tax Levy			
County Tax	A-1:A-9	\$	7,759,481.59
Added County Taxes	A-1:A-9		<u>25,895.26</u>
			<u>7,785,376.85</u>
		\$	<u>7,785,376.85</u>
Decreased by:			
Cash Disbursements	A-4	\$	<u><u>7,785,376.85</u></u>

"A-21"

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX

	<u>REF.</u>	
Balance, December 31, 2019	A	\$ 1.02
Increased by:		
Levy Calandar Year 2020	A-1;A-9	<u>26,857,879.00</u>
		\$ <u>26,857,880.02</u>
Decreased by:		
Payment to Regional District School	A-4	<u>26,857,879.50</u>
Balance, December 31, 2020	A	\$ <u><u>0.52</u></u>

"A-22"

SCHEDULE OF MUNICIPAL OPEN SPACE TAX

Increased by:		
Levy Calandar Year 2020		\$ 438,380.30
Added Open Space Taxes		<u>1,458.88</u>
	A-1:A-9	\$ <u>439,839.18</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>439,839.18</u></u>

BOROUGH OF BERNARDSVILLE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2019	ACCRUED 2020 BUDGET	RECEIVED	UNAPPROPRIATED APPLIED	CANCELED	BALANCE DECEMBER 31, 2020
<u>GRANT</u>						
Municipal Alliance Grant:						
State Share	\$ 14,294.16	\$ 12,412.63	\$ 7,022.48	\$	\$ 9,429.62	\$ 10,254.69
Other Municipalities		1,728.01	1,641.51			86.50
Body Armor Replacement Fund		2,178.69	2,178.69			
Recycling Tonnage Grant		7,798.96		7,798.96		
Clean Communities		20,688.79	20,688.79			
Drunk Driving Enforcement Fund		3,097.15		3,097.15		
Assoc. of N.J. Environmental Commissions	500.00		500.00			
Sustainable Jersey		2,000.00	2,000.00			
Police Donations		5,000.00		5,000.00		
Distracted Driving Statewide Crackdown		756.59		756.59		
Paragano Family Foundation		10,000.00	10,000.00			
	<u>\$ 14,794.16</u>	<u>\$ 65,660.82</u>	<u>\$ 44,031.47</u>	<u>\$ 16,652.70</u>	<u>\$ 9,429.62</u>	<u>\$ 10,341.19</u>

REF.

A

A-2

A-4

A-25

A-1

A

BOROUGH OF BERNARDSVILLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

GRANT/PROGRAM	BALANCE DECEMBER 31, 2019	2020 BUDGET			DISBURSEMENTS	ENCUMBRANCES PAYABLE	CANCELED	BALANCE DECEMBER 31, 2020
		MODIFIED	APPROPRIATIONS					
Municipal Alliance Grant:	\$	12,152.35	\$	12,412.63	\$	4,740.32	\$	13,575.05
State Share		3,747.74		1,201.28		3,300.92		814.23
Local Match		4,690.96		1,728.01		4,197.83		8,253.59
Other Municipality Share		6,192.72		3,097.15		857.28		783.73
Drunk Driving Enforcement Fund		783.73				152.87		2,464.39
Alcohol Education and Rehabilitation		2,617.26				1,468.27		144.53
Click It or Ticket		856.21		756.59		3,627.26		5,000.00
Distracted Driving Statewide Crackdown				5,000.00		134.62		165.38
Police Donation		300.00						588.80
Mayor Wellness Campaign		588.80						2,000.00
Sustainable NJ - 2015				2,000.00				
Sustainable NJ - 2020						632.28		
Clean Communities Grant - 2018		6,712.06				9,131.78		20.00
Clean Communities Grant - 2019				20,688.79		15,172.00		344.79
Clean Communities Grant - 2020				7,798.96		8,002.00		749.00
Recycling Tonnage Grant		1,731.61				1,731.61		2,178.69
Body Armor Replacement Fund - 2019				2,178.69				
Body Armor Replacement Fund - 2020		1,589.73				4,541.97		
Office of Emergency Management Exercise		1,354.05				1,354.05		1,035.00
Federal Bulletproof Vest Partnership		1,035.00						
Rose Bowl Field - Sebastian		10,000.00				6,133.47		10,000.00
EMAA / OEM Grant - 2017		10,000.00				1,500.00		
EMAA / OEM Grant - 2018		10,000.00				5,000.00		3,842.50
Municipal Youth Services Grant - 2019		5,000.00				1,157.50		10,000.00
Municipal Youth Services Grant - 2019		5,000.00						
Paragano Family Foundation				10,000.00				
	\$	74,352.22	\$	87,755.76	\$	72,836.03	\$	61,959.68
	A		A-3		A-4	A-17	A-1	A
Balance	\$	74,352.22						
Transferred from Encumbrances Payable								
	\$	87,755.76						

REF.

A-24

A-17

BOROUGH OF BERNARDSVILLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

<u>GRANT/PROGRAM</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>RECEIPTS</u>	<u>APPLIED TO RECEIVABLES</u>	<u>BALANCE DECEMBER 31, 2020</u>
Donation - Paragano	\$ 5,000.00	\$	5,000.00	\$
Recycling Tonnage Grant	7,798.96		7,798.96	
Police Donation - St. John's		250.00		250.00
Drunk Driving Enforcement Fund	3,097.15		3,097.15	
Federal Bulletproof Vest Partnership		2,419.00		2,419.00
EMMA/ OEM Grant		10,000.00		10,000.00
Distracted Driving Statewide Crackdown	756.59		756.59	
	<u>\$ 16,652.70</u>	<u>\$ 12,669.00</u>	<u>\$ 16,652.70</u>	<u>\$ 12,669.00</u>
<u>REF.</u>	A	A-4	A-23	A

BOROUGH OF BERNARDSVILLE

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2019			
Due From	A	\$ 0.13	\$ 0.13
Receipts	A-4	13,414.49	13,414.49
Disbursements	A-4	11,551.72	11,551.72
Transfer - Grant Match	A-13	1,201.28	1,201.28
		<hr/> 12,753.00	<hr/> 12,753.00
Balance, December 31, 2020			
Due To	A	\$ <u>661.36</u>	\$ <u>661.36</u>

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF TRUST CASH

	<u>REF.</u>	<u>ANIMAL CONTROL</u>		<u>OTHER</u>	
Balance, December 31, 2019	B	\$	-0-	\$	11,246,180.18
Increased by Receipts:					
License Fees	B-4	\$	5,143.00	\$	
State Registration Fees	B-3		474.00		
Prepaid Licenses	B-2		67.80		
Various Reserves and Deposits	B-5			8,854,521.41	
Due from Somerset County	B-9			79,750.00	
Interfunds	B-7:B-6		2,469.40	98,095.07	
			<u>8,154.20</u>		<u>9,032,366.48</u>
		\$	<u>8,154.20</u>	\$	<u>20,278,546.66</u>
Decreased by Disbursements:					
Expenditures Under R.S. 4:19-15.11	B-4	\$	1,930.00	\$	
State Registration Fees	B-3		539.40		
Various Reserves and Deposits	B-5			8,461,267.97	
Interfunds	B-7:B-6		5,684.80	945,035.27	
			<u>8,154.20</u>		<u>9,406,303.24</u>
Balance, December 31, 2020	B	\$	<u>-0-</u>	\$	<u>10,872,243.42</u>

"B-2"

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF PREPAID LICENSES - ANIMAL CONTROL FUND

	<u>REF.</u>		
Balance, December 31, 2019	B	\$	858.00
Increased by:			
Receipts	B-1		<u>67.80</u>
		\$	<u>925.80</u>
Decreased by:			
Applied	B-4		<u>858.00</u>
Balance, December 31, 2020	B	\$	<u><u>67.80</u></u>

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF STATE REGISTRATION FEES
ANIMAL CONTROL FUND

	<u>REF.</u>	
Balance, December 31, 2019	B	\$ 70.20
Increased by:		
Registration Fees	B-1	474.00
		\$ <u>544.20</u>
Decreased by:		
Disbursements	B-1	<u>539.40</u>
Balance, December 31, 2020	B	\$ <u><u>4.80</u></u>

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2019	B		\$ 14,671.00
Increased by:			
Receipts:			
Dog License Fees Collected		\$ 4,957.00	
Cat License Fees Collected		186.00	
	B-1	5,143.00	
Prepaid Licenses Applied	B-2	858.00	
			<u>6,001.00</u>
			\$ <u>20,672.00</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-1	1,930.00	
Statutory Excess Due Current Fund	B-7	7,106.15	
			<u>9,036.15</u>
Balance, December 31, 2020	B		\$ <u><u>11,635.85</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2018	\$ 6,655.85
2019	<u>4,980.00</u>
	\$ <u><u>11,635.85</u></u>

\$	80,842.73
	<u>8,461,267.97</u>
\$	<u><u>8,542,110.70</u></u>

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>ANIMAL CONTROL TRUST</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2019					
Due To	B	\$ 862,045.92	\$ 19,760.91	\$ 18,549.93	\$ 823,735.08
Increased by:					
Receipts	B-1	<u>98,095.07</u>	<u>2,750.00</u>	<u>2,734.07</u>	<u>92,611.00</u>
		\$ <u>98,095.07</u>	\$ <u>2,750.00</u>	\$ <u>2,734.07</u>	\$ <u>92,611.00</u>
Decreased by:					
Disbursements	B-1	<u>945,035.27</u>	<u>26,219.79</u>	<u>2,469.40</u>	<u>916,346.08</u>
		\$ <u>945,035.27</u>	\$ <u>26,219.79</u>	\$ <u>2,469.40</u>	\$ <u>916,346.08</u>
Balance, December 31, 2020					
Due From	B	\$ 3,708.88	\$ 3,708.88	\$ -	\$ -
Due To	B	<u><u>18,814.60</u></u>	<u><u>-</u></u>	<u><u>18,814.60</u></u>	<u><u>-</u></u>

BOROUGH OF BERNARDSVILLE

ANIMAL CONTROL TRUST FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2019				
Due From	B	\$ 18,549.93	\$	\$ 18,549.93
Due To	B	2,950.73	2,950.73	
Increased by:				
Receipts	B-1	2,469.40		2,469.40
Statutory Excess	B-4	7,106.15	7,106.15	
		<u>\$ 9,575.55</u>	<u>\$ 7,106.15</u>	<u>\$ 2,469.40</u>
Decreased by:				
Disbursements	B-1	<u>5,684.80</u>	<u>2,950.73</u>	<u>2,734.07</u>
		<u>\$ 5,684.80</u>	<u>\$ 2,950.73</u>	<u>\$ 2,734.07</u>
Balance, December 31, 2020				
Due From	B	\$ 18,814.60	\$	\$ 18,814.60
Due To	B	<u><u>\$ 7,106.15</u></u>	<u><u>\$ 7,106.15</u></u>	<u><u>\$</u></u>

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2019	B	\$ 27,661.06
Increased by:		
Transferred from Various Trust Reserves	B-5	80,842.73
		<u>\$ 108,503.79</u>
Decreased by:		
Transferred to Various Trust Reserves	B-5	27,661.06
		<u>27,661.06</u>
Balance, December 31, 2020	B	<u><u>\$ 80,842.73</u></u>

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF RECEIVABLE FROM SOMERSET COUNTY

	<u>REF.</u>	
Balance, December 31, 2019	B	\$ 190,837.50
Decreased by:		
Receipts	B-1	<u>79,750.00</u>
Balance, December 31, 2020	B	<u><u>\$ 111,087.50</u></u>

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH

	<u>REF.</u>		
Balance, December 31, 2019	C		\$ 2,692,665.44
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-6	\$ 267,800.00	
Due Current Fund	C-14	3,270,472.08	
Due Trust Other Fund	C-12	916,346.08	
Grants Receivable	C-10	268,375.00	
Various Reserves	C-11	62,000.00	
Bond Anticipation Notes	C-16	4,238,500.00	
Premium on Bond Anticipation Notes	C-1	31,407.29	
Other Accounts Receivable	C-13	125,780.00	
			<u>9,180,680.45</u>
			\$ 11,873,345.89
Decreased by Disbursements:			
Due Current Fund	C-14	3,275,072.08	
Contracts Payable	C-7	3,455,689.29	
Due Trust Other Fund	C-12	26,611.00	
Bond Anticipation Notes	C-16	1,721,000.00	
			<u>8,478,372.37</u>
Balance, December 31, 2020	C		\$ <u>3,394,973.52</u>

"C-3"

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER <u>31, 2020</u>
Fund Balance	\$ 31,407.55
Capital Improvement Fund	230,507.44
Improvement Authorizations Funded as Set Forth on "C-8"	1,927,368.29
Prospective Assessments to be Raised by Taxation	(100,000.00)
Unfunded Improvements Expended - Listed on "C-5"	(200.00)
Contracts Payable	179,817.07
Various Reserves	490,776.30
Due Current Fund	(4,600.00)
Grants Receivable	(411,250.00)
Unexpended Proceeds of Bond Anticipation Note - Listed on "C-5"	1,088,646.87
Other Accounts Receivable	<u>(37,500.00)</u>
	\$ <u><u>3,394,973.52</u></u>
<u>REF.</u>	C

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2019	C	\$ 11,853,000.00
Decreased by:		
2020 Budget Appropriation to Pay Bonds	C-9	<u>980,000.00</u>
Balance, December 31, 2020	C	\$ <u><u>10,873,000.00</u></u>

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2019	2020 AUTHORIZATIONS	REDUCED BY: NOTES PAID BY BUDGET APPROPRIATION	CANCELED	BALANCE DECEMBER 31, 2020	ANALYSIS OF BALANCE DECEMBER 31, 2020	
							BOND ANTICIPATION NOTE	EXPENDITURES
General Improvements:								
1481/1501	Downtown Projects - Supplemental	\$ 200.00	\$	\$		200.00	\$	200.00
18-1760	Various Improvements	1,060,000.00		100,000.00		960,000.00	960,000.00	
19-1797	Acq of Lands for Affordable Housing Purposes	761,000.00				761,000.00	761,000.00	
19-1816	Acq of Property at 271 Mine Brook Road	1,472,500.00				1,472,500.00	1,472,500.00	
18-1827	Improvements to Various Roads		855,000.00			855,000.00	855,000.00	
20-1836	Various Improvements		915,000.00		915,000.00			
20-1837	Various Improvements		190,000.00			190,000.00	190,000.00	
		<u>\$ 3,293,700.00</u>	<u>\$ 1,960,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 915,000.00</u>	<u>\$ 4,238,700.00</u>	<u>\$ 4,238,500.00</u>	<u>\$ 200.00</u>
REF.		C	C-8	C-16	C-8	C	C-16	

"C-6"

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2019	C		\$ 55,207.44
Increased by:			
2020 Budget Appropriation	C-2	\$ 263,200.00	
2019 Appropriation Reserves	C-2	4,600.00	
Improvement Authorizations Canceled	C-8	<u>46,000.00</u>	
			313,800.00
			<u>\$ 369,007.44</u>
Decreased by:			
2020 Improvement Authorizations	C-8		<u>138,500.00</u>
Balance, December 31, 2020	C		<u><u>\$ 230,507.44</u></u>

"C-7"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2019	C		\$ 536,154.11
Increased by:			
Improvement Authorizations (Net)	C-8		<u>3,099,352.25</u>
			<u>\$ 3,635,506.36</u>
Decreased by:			
Disbursements	C-2		<u>3,455,689.29</u>
Balance, December 31, 2020	C		<u><u>\$ 179,817.07</u></u>

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>			<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>	<u>DECEMBER 31, 2020</u>				
General Bonds of 2015	8/27/2015	\$ 12,984,000.00	8/15/2021	\$ 590,000.00		2.250%	\$	\$	
			8/15/2022	900,000.00		2.250%			
			8/15/2023	900,000.00		2.250%			
			8/15/2024	900,000.00		2.250%			
			8/15/2025	900,000.00		2.250%			
			8/15/2026	900,000.00		2.375%			
			8/15/2027	900,000.00		2.500%			
			8/15/2028	900,000.00		2.625%			
			8/15/2029	900,000.00		3.000%			
			8/15/2030	900,000.00		3.000%			
			8/15/2031	900,000.00		3.000%			
			8/15/2032	900,000.00		3.000%	11,040,000.00	550,000.00	10,490,000.00
Refunding Bonds of 2015	9/29/2015	1,714,000.00	2/15/2021	383,000.00		1.350%	813,000.00	430,000.00	383,000.00
							\$ 11,853,000.00	\$ 980,000.00	\$ 10,873,000.00
			<u>REF.</u>				C	C-4	C

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	354,625.00
Increased by:			
Grant Awarded	C-8		<u>500,000.00</u>
		\$	<u>854,625.00</u>
Decreased by:			
Receipts	C-2	\$	268,375.00
Canceled	C-11		<u>175,000.00</u>
			<u>443,375.00</u>
Balance, December 31, 2020	C	\$	<u><u>411,250.00</u></u>

ANALYSIS OF BALANCE

New Jersey Department of Transportation:		
Ordinance #18-1760 NJDOT		\$ 61,250.00
Ordinance #18-1856 NJDOT		50,000.00
Ordinance #18-1856 NJDOT		<u>300,000.00</u>
		\$ <u><u>411,250.00</u></u>

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

	<u>REF.</u>	
Balance, December 31, 2019	C	\$ 603,776.30
Increased by:		
Receipts	C-2	62,000.00
		<u>\$ 665,776.30</u>
Decreased by:		
Canceled	C-10	175,000.00
		<u>175,000.00</u>
Balance, December 31, 2020	C	<u><u>\$ 490,776.30</u></u>
<u>Analysis of Balance</u>		
Prospective Assessments		\$ 100,000.00
Fire Truck		190,313.80
Ambulance		30,000.00
Turf Field		8,462.50
Loader Replacement		100,000.00
Road Repairs Exemption Fee		4,000.00
Cistern (Douglas Road)		<u>58,000.00</u>
		<u><u>\$ 490,776.30</u></u>

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE TRUST OTHER FUND

REF.

Balance, December 31, 2019 (Due From)	C		\$	823,735.08
Increased by:				
Disbursements	C-2	\$	26,611.00	
2020 Improvement Authorizations	C-8		<u>66,000.00</u>	
				<u>92,611.00</u>
			\$	<u>916,346.08</u>
Decreased by:				
Receipts	C-2		\$	<u><u>916,346.08</u></u>

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF OTHER ACCOUNTS RECEIVABLES

	<u>REF.</u>	
Increased by:		
Improvement Authorization	C-8	\$ <u>163,280.00</u>
Decreased by:		
Receipts	C-2	<u>125,780.00</u>
Balance, December 31, 2020	C	\$ <u><u>37,500.00</u></u>

"C-14"

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE CURRENT FUND

REF.

Increased by:			
Disbursements	C-2	\$	3,275,072.08
Decreased by:			
Receipts	C-2		<u>3,270,472.08</u>
Balance, December 31, 2020 (Due From)	C	\$	<u><u>4,600.00</u></u>

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2020</u>
	<u>Local Improvements:</u>		
1481/1501	Downtown Projects-Sidewalks	\$ <u>100,000.00</u>	\$ <u>100,000.00</u>
		\$ <u>100,000.00</u>	\$ <u>100,000.00</u>
	<u>REF.</u>	C	C

"C-17"

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED

ORDINANCE NUMBER	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DECEMBER <u>31, 2020</u>
1481/1501	Downtown Projects-Sidewalks	\$ <u>200.00</u>
		\$ <u><u>200.00</u></u>

BOROUGH OF BERNARDSVILLE

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2019	D	\$	\$ 292,805.07	\$ 537,583.41
Increased by Receipts:				
Sewer Rents Receivable	D-7		1,298,363.23	
Connection Fees	D-3		39,600.00	
Interest on Investments	D-3		9,546.17	
Interest on Sewer User Fees	D-3		10,915.36	
Miscellaneous	D-3		2,850.00	
Sewer Rents Prepaid	D-8		4,301.81	
Overpayments	D-11		1,332.76	
Due Current Fund	D-12		20,000.00	
Due Sewer Operating Fund	D-14			6,651.79
Capital Improvement Fund	D-20			80,000.00
			<u>1,386,909.33</u>	<u>86,651.79</u>
			1,679,714.40	624,235.20
Decreased by Disbursements:				
Appropriations	D-4		1,192,611.97	
Appropriation Reserves	D-9		58,380.54	
Overpayments Refunded	D-11		1,129.37	
Due Current Fund	D-12		20,000.00	
Accrued Interest Payable	D-13		30,512.01	
Due Sewer Operating Fund	D-14			6,651.79
Contracts Payable	D-22			34,800.50
			<u>1,302,633.89</u>	<u>41,452.29</u>
Balance, December 31, 2020	D	\$	<u>377,080.51</u>	<u>\$ 582,782.91</u>

"D-6"

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

ANALYSIS OF CASH

BALANCE
DECEMBER 31,
2020

Fund Balance	\$	14,094.81
Capital Improvement Fund		485,046.64
Reserve for Preliminary Costs		2,685.00
Due to Sewer Utility Operating Fund		19,908.47
Improvement Authorizations:		
Ord. 13-1620 Improvement of the Sanitary Sewerage System		45,908.55
Ord. 15-1702 Improvement of the Sanitary Sewerage System		3,794.08
Ord. 17-1750 Replacement of WWTP Sludge Pump		<u>2,878.61</u>
	\$	<u><u>582,782.91</u></u>

REF.

D

"D-7"

BOROUGH OF BERNARDSVILLE
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2019	D		\$ 92,991.22
Increased by:			
Sewer Rents Levied			1,354,728.63
			<u>\$ 1,447,719.85</u>
Decreased by:			
Collections	D-5	\$ 1,298,363.23	
Canceled		146.49	
Prepaid Applied	D-8	<u>8,440.14</u>	
			<u>1,306,949.86</u>
Balance, December 31, 2020	D		<u>\$ 140,769.99</u>

"D-8"

SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER RENT PREPAID

Balance, December 31, 2019	D		\$ 8,440.14
Increased by:			
Collected	D-5		4,301.81
			<u>\$ 12,741.95</u>
Decreased by:			
Applied	D-7		<u>8,440.14</u>
Balance, December 31, 2020	D		<u>\$ 4,301.81</u>

BOROUGH OF BERNARDSVILLE

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operating:				
Salaries and Wages	\$ 30,330.73	\$ 30,330.73	\$	\$ 30,330.73
Other Expenses	42,703.75	60,102.42	58,380.54	1,721.88
Statutory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	<u>10,193.08</u>	<u>10,193.08</u>	<u></u>	<u>10,193.08</u>
	<u>\$ 83,227.56</u>	<u>\$ 100,626.23</u>	<u>\$ 58,380.54</u>	<u>\$ 42,245.69</u>

REF.

D

D-5

D-1

Balance, December 31, 2019

D

\$ 83,227.56

Encumbrances Payable

D-10

17,398.67

\$ 100,626.23

"D-10"

BOROUGH OF BERNARDSVILLE

SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2019	D	\$ 17,398.67
Increased by:		
Charges to 2020 Budget Appropriations	D-4	26,492.02
		<u>\$ 43,890.69</u>
Decreased by:		
Transferred to Appropriation Reserves	D-9	<u>17,398.67</u>
Balance, December 31, 2020	D	<u><u>\$ 26,492.02</u></u>

"D-11"

BOROUGH OF BERNARDSVILLE
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER RENT OVERPAYMENTS

REF.

Increased by:			
Receipts	D-5		\$ <u>1,332.76</u>
Decreased by:			
Disbursements	D-5	\$ 1,129.37	
Canceled	D-1	<u>203.39</u>	
			\$ <u>1,332.76</u>

"D-12"

SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE CURRENT FUND

Increased by:			
Receipts	D-5		\$ <u>20,000.00</u>
Decreased by:			
Disbursements	D-5		\$ <u>20,000.00</u>

"D-13"

BOROUGH OF BERNARDSVILLE

SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

	<u>REF.</u>	
Balance, December 31, 2019	D	\$ 14,183.63
Increased by:		
Charges to Budget Appropriations	D-4	28,000.00
		\$ <u>42,183.63</u>
Decreased by:		
Cash Disbursements	D-5	<u>30,512.01</u>
Balance, December 31, 2020	D	\$ <u><u>11,671.62</u></u>

"D-14"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE SEWER OPERATING FUND

Increased by:		
Disbursements	D-5	\$ <u>6,651.79</u>
Decreased by:		
Receipts	D-5	\$ <u><u>6,651.79</u></u>

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>ORDINANCE #</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>TRANSFERRED FROM FIXED AUTHORIZED & UNCOMPLETED</u>	<u>BALANCE DECEMBER 31, 2020</u>
Pickup Truck	96-1061	\$ 22,474.12	\$	\$ 22,474.12
Sewer Plant Line	Capital Outlay	8,000.00		8,000.00
Purchase and Installation of Pumps/Motors for Morrison Avenue Pump Station	97-1104	16,677.62		16,677.62
Purchase of Air Compressor	98-1132	11,260.00		11,260.00
Construction of Storage Shed	98-1133	14,896.00		14,896.00
Design Engineering for Childs Road Pumping Station	99-1170	45,000.00		45,000.00
Purchase of Equipment at GPU Pumping Station	00-1196	50,000.00		50,000.00
Purchase of Sewer Jet Equipment	99-1165	37,836.00		37,836.00
Pickup Truck/Generator Morris Avenue Pump Station	01-1233	49,168.64		49,168.64
Improvements of the Sanitary Sewerage System	00-1202	700,000.00		700,000.00
Remediation of Contaminated Soil and Ground	95-1048	30,000.00		30,000.00
Various Projects	97-1087	96,339.44		96,339.44
Acq of Sewer Equipment	02-1290	55,000.00		55,000.00
Improvement to Pumping Station	03-1330	35,000.00		35,000.00
Improvement to Morris Ave Pumping Station	03-1336	15,000.00		15,000.00
Engineering Service for WT Plant	10-1546	37,000.00		37,000.00
Utility Pickup Truck w/Crane Hoist	10-1566	55,000.00		55,000.00
SBR Control System Improvements	11-1566	79,000.00		79,000.00
Traveling Bridge Filters Engineering Study	12-1600	17,000.00		17,000.00
Improvements to Pumping Station	02-1297	14,672.19		14,672.19
Sludge Aeration Blower, SBR Blower/Motor and Air Compressor	04-1367	36,065.00		36,065.00
Replacement of Filter Media in the Wastewater Treatment Plant	06-1438	49,483.00		49,483.00
Improvements of the Sanitary Sewerage System	12-1610	636,930.85		636,930.85
Utility Pickup Truck with Snow Plow	12-1616	31,131.00		31,131.00
Improvements of the Sanitary Sewerage System	15-1702	128,000.00		128,000.00
Improvements of the Sanitary Sewerage System	15-1690	293,437.78		293,437.78
Various Projects	05-1399	65,000.00		65,000.00
Wastewater Treatment Plant Traveling Bridge Filter	07-1469	65,000.00		65,000.00
Improvement of the Sanitary Sewerage System	15-1690	100,000.00		100,000.00
Purchase of Filters for Wastewater Treatment Plant	18-1770		427,049.26	427,049.26
		<u>\$ 2,794,371.64</u>	<u>\$ 427,049.26</u>	<u>\$ 3,221,420.90</u>
<u>REF.</u>		D	D-16	D

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ACCOUNT</u>	<u>ORDINANCE #</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>IMPROVEMENT AUTHORIZATIONS</u>	<u>TRANSFERRED TO FIXED CAPITAL</u>	<u>DEFERRED RESERVE FOR AMORTIZATION</u>	<u>BALANCE DECEMBER 31, 2020</u>
Improvement of the Sanitary Sewerage System	13-1620	\$ 700,000.00	\$	\$	\$	700,000.00
Improvement of the Sanitary Sewerage System	15-1702	25,000.00				25,000.00
Replacement of WWTP Sludge Pump	17-1750	40,000.00				40,000.00
Purchase of Filters for Wastewater Treatment Plant	18-1770	710,000.00		427,049.26	282,950.74	
Dayton Crescent Sewer Repairs	20-1830		38,000.00			38,000.00
		<u>\$ 1,475,000.00</u>	<u>\$ 38,000.00</u>	<u>\$ 427,049.26</u>	<u>\$ 282,950.74</u>	<u>\$ 803,000.00</u>
<u>REF.</u>		D	D-19	D-15	E-18	D

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2019		2020 AUTHORIZATION	PAID OR CHARGED	CONTRACTS PAYABLE CANCELLED	BALANCE DECEMBER 31, 2020 FUNDED
		DATE	AMOUNT		FUNDED				
13-1620	Improvement of the Sanitary Sewerage System	1/14/2013	\$ 700,000.00	\$	2.26	\$	\$	45,906.29	\$ 45,908.55
15-1702	SBR Control System	9/14/2015	25,000.00		3,794.08				3,794.08
17-1750	Replacement of WWTP Sludge Pump	9/11/2017	40,000.00		2,878.61				2,878.61
20-1830	Dayton Crescent Sewer Repairs	5/29/2018	38,000.00			38,000.00	29,533.25		8,466.75
				\$	6,674.95	\$ 38,000.00	\$ 29,533.25	\$ 45,906.29	\$ 61,047.99
					D	D-20	D-22	D-22	D

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2019	D	\$	2,009,371.64
Increased by:			
Serial Bonds Paid by Operating Budget	D-21	\$	111,000.00
Transfer from Deferred Reserve for Amortization	D-17		<u>427,049.26</u>
			<u>538,049.26</u>
Balance, December 31, 2020	D	\$	<u><u>2,547,420.90</u></u>

"D-19"

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2019	D	\$	1,015,000.00
Increased by:			
Fixed Capital Authorized	D-16		<u>38,000.00</u>
			1,053,000.00
Decreased by:			
Canceled Improvement Authorization			
To Reserve for Amortization Fixed Capital	D-18	\$	427,049.26
Fixed Capital- Authorized & Uncomplete	D-16		<u>282,950.74</u>
			<u>710,000.00</u>
Balance, December 31, 2020	D	\$	<u><u>343,000.00</u></u>

Analysis of Balance:

Various Projects		\$	65,000.00
Improvement of the Sanitary Sewerage System			110,000.00
Improvement of the Sanitary Sewerage System			65,000.00
Improvement of the Sanitary Sewerage System			25,000.00
Replacement of WWTP Sludge Pump			40,000.00
Dayton Crescent Sewer Repairs			<u>38,000.00</u>
		\$	<u><u>343,000.00</u></u>

"D-20"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2019	D	\$	443,046.64
Increased by:			
2020 Budget Appropriation	D-5		<u>80,000.00</u>
		\$	<u>523,046.64</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	D-17		<u>38,000.00</u>
Balance, December 31, 2020	D	\$	<u><u>485,046.64</u></u>

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Bonds of 2015	8/27/2015	\$ 1,360,000.00	8/15/2021	\$ 60,000.00	2.250%			
			8/15/2022	75,000.00	2.250%			
			8/15/2023	80,000.00	2.250%			
			8/15/2024	85,000.00	2.250%			
			8/15/2025	90,000.00	2.250%			
			8/15/2026	95,000.00	2.380%			
			8/15/2027	100,000.00	2.500%			
			8/15/2028	100,000.00	2.630%			
			8/15/2029	100,000.00	3.000%			
			8/15/2030	100,000.00	3.000%			
			8/15/2031	100,000.00	3.000%			
			8/15/2032	100,000.00	3.000%			
						\$ 1,145,000.00	\$ 60,000.00	\$ 1,085,000.00
Refunding Bonds of 2015	9/25/2015	213,000.00				100,000.00	51,000.00	49,000.00
						\$ 1,245,000.00	\$ 111,000.00	\$ 1,134,000.00
						D	D-18	D
					<u>REF.</u>			

"D-22"

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	D		\$ 71,082.01
Increased by:			
Improvement Authorizations	D-17	\$ 29,533.25	
			<u>29,533.25</u>
			\$ 100,615.26
Decreased by:			
Disbursements	D-5	34,800.50	
Canceled	D-17	<u>45,906.29</u>	
			<u>80,706.79</u>
Balance, December 31, 2020	D		\$ <u>19,908.47</u>

"D-23"

BOROUGH OF BERNARDSVILLE
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE

REF.

Balance, December 31, 2019 and
December 31, 2020

D

\$ 4,609.86

"D-24"

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PRELIMINARY COSTS

Balance, December 31, 2019 and
December 31, 2020

\$ 2,685.00

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PART II

BOROUGH OF BERNARDSVILLE

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

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

	YEAR 2020		YEAR 2019	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,725,000.00	3.44%	\$ 1,713,336.00	3.42%
Miscellaneous-From Other Than Local				
Property Tax Levies	2,297,952.22	4.58%	2,741,846.47	5.47%
Collection of Delinquent Taxes and				
Tax Title Liens	347,964.40	0.69%	366,150.87	0.73%
Collection of Current Tax Levy	<u>45,779,365.79</u>	<u>91.28%</u>	<u>45,261,727.35</u>	<u>90.38%</u>
<u>TOTAL INCOME</u>	<u>\$ 50,150,282.41</u>	<u>100.00%</u>	<u>\$ 50,083,060.69</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 13,427,438.74	27.66%	\$ 13,638,108.18	28.18%
County Taxes	7,785,376.85	16.04%	7,943,842.40	16.41%
School Taxes	26,857,879.00	55.32%	26,362,696.00	54.47%
Municipal Open Space Taxes	439,839.18	0.91%	447,400.37	0.92%
Other	<u>39,554.56</u>	<u>0.07%</u>	<u>9,659.36</u>	<u>0.02%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 48,550,088.33</u>	<u>100.00%</u>	<u>\$ 48,401,706.31</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,600,194.08		\$ 1,681,354.38	
Fund Balance, January 1	<u>1,966,209.96</u>		<u>1,998,191.58</u>	
	\$ 3,566,404.04		\$ 3,679,545.96	
Less: Utilization as Anticipated Revenue	<u>1,725,000.00</u>		<u>1,713,336.00</u>	
Fund Balance, December 31	<u>\$ 1,841,404.04</u>		<u>\$ 1,966,209.96</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE-SEWER UTILITY FUND

	YEAR ENDED DECEMBER 31, 2020		YEAR ENDED DECEMBER 31, 2019	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 60,000.00	4.08%	\$ 145,000.00	9.47%
Collection of Sewer Rents	1,306,803.37	88.77%	1,259,138.52	82.26%
Miscellaneous - Other Than Sewer Rents	<u>105,360.61</u>	<u>7.16%</u>	<u>126,492.61</u>	<u>8.26%</u>
<u>TOTAL INCOME</u>	<u>\$ 1,472,163.98</u>	<u>100.00%</u>	<u>\$ 1,530,631.13</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 1,069,400.00	78.73%	\$ 1,049,132.74	71.34%
Capital Improvements	80,000.00	5.89%	200,000.00	13.60%
Debt Service	139,000.00	10.23%	144,557.26	9.83%
Deferred Charges and Statutory Expenditures	70,000.00	5.15%	75,000.00	5.10%
Refund of Prior Year Revenue	<u></u>		<u>1,951.00</u>	<u>0.13%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,358,400.00</u>	<u>100.00%</u>	<u>\$ 1,470,641.00</u>	<u>100.00%</u>
Excess in Revenue	113,763.98		\$ 59,990.13	
Fund Balance, January 1	<u>164,945.21</u>		<u>274,955.08</u>	
	\$ 278,709.19		\$ 334,945.21	
Decreased by:				
Utilized as Anticipated Revenue in Current Fund Budget			25,000.00	
Utilized as Anticipated Revenue	<u>60,000.00</u>		<u>145,000.00</u>	
Fund Balance, December 31	<u>\$ 218,709.19</u>		<u>\$ 164,945.21</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	\$2.104	\$2.038	\$1.991
Appointment of Tax Rate:			
Municipal	0.470	0.450	0.435
Municipal Library	0.034	0.033	0.034
Municipal Open Space	0.020	0.020	0.019
County	0.355	0.356	0.355
Regional School	1.225	1.179	1.148

Assessed Valuation:

Year 2020	\$2,191,901,508.00		
Year 2019		\$2,237,001,839.00	
Year 2018			\$2,243,167,657.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2020	\$46,279,336.80	\$45,779,365.79	98.91%
2019	45,683,092.56	45,261,727.35	99.07%
2018	44,711,295.07	44,192,152.50	98.83%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>DECEMBER 31, YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2020	\$6,065.67	\$444,797.04	\$450,862.71	0.97%
2019	5,830.02	347,064.03	352,894.05	0.76%
2018	5,603.80	451,368.53	456,972.33	1.02%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2020	\$13,100.00
2019	13,100.00
2018	13,100.00

EQUALIZED VALUATIONS – REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2020	\$2,251,611,666.00
2019	2,267,524,575.00
2018	2,256,965,924.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2020	\$1,841,404.04	\$1,600,000.00
	2019	1,966,209.96	1,725,000.00
	2018	1,998,191.58	1,713,336.00
	2017	2,380,125.17	1,892,301.66
	2016	2,082,353.82	1,577,750.98
Sewer Utility Operating Fund	2020	218,709.19	60,000.00
	2019	164,945.21	60,000.00
	2018	274,955.08	145,000.00
	2017	488,777.73	357,750.00
	2016	570,228.28	80,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Mary Jane Canose	Mayor	
John Donahue	Council President	
Chad McQueen	Councilman	
Jeffery Hammond	Councilman	
Christine Zamarra	Councilwoman	
Thomas O'Dea' Jr	Councilman	
Jena McCredie	Councilwoman	
Ralph A. Maresca, Jr.	Administrator	*
	Chief Financial Officer	*
Leslie Roberson	Tax Collector	*
	Sewer Collector	*
	Tax Searcher	*
Anthony Suriano	Borough Clerk	*
Cindy Beringer	Deputy Borough Clerk	*
Katherine Howes	Judge – Shared Service with Bedminster	
Teresa Van Allen	Court Administrator	*
John Pidegon	Attorney	
John M. MacDowall	Assistant to the Engineer/Public Works Director	*

All of the Bonds were examined and were properly executed.

*Surety bond coverage is provided by the Suburban Municipal Joint Insurance Fund ("JIF") and the Municipal Excess Liability Joint Insurance Fund ("MEL") Basic coverage is \$50,000 provided by the JIF and excess coverage in the amount of \$950,000 is provided by the MEL.

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

"Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Borough has a Qualified Purchasing Agent and has elected to increase its bid threshold to \$44,000.00.

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

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

- Lawn Maintenance
- Wastewater Treatment Plant
- Drainage Improvements
- Road Improvements
- Snow Plowing
- Sludge Removal
- Emergency Tree Pruning/Removal

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

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$44,000.00 "for the performance of any work or the furnishing or hiring of any material or supplies," other than those where bids had been previously sought by public advertisement or where resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 were advertised during 2020 for the following professional services:

- Auditor
- Attorney
- Engineer
- Bond Counsel
- Wastewater Consulting

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

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

"BE IT RESOLVED by the Governing Body of the Borough of Bernardsville that the rate of interest on delinquent taxes and assessments owed to the said Borough of Bernardsville, be and it hereby is set at eight percent (8%) on the first One Thousand Five Hundred Dollars (\$1,500.00) of taxes due and eighteen percent (18%) of any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00). Such interest shall not be charged, however, on payments made within ten (10) days from the due date."

"BE IT FURTHER RESOLVED there will be a six percent (6%) penalty on delinquency of Ten Thousand Dollars (\$10,000.00) or more at the end of the calendar year."

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

A tax sale was held on November 4, 2020.

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

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

<u>YEAR</u>	<u>AMOUNT</u>
2020	1
2019	1
2018	1

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

TYPE

Payments of 2021 Taxes	25
Payments of 2020 Taxes	25
Delinquent Taxes	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

NONE

