

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, 2022

BOROUGH OF BERNARDSVILLE

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BOROUGH OF BERNARDSVILLE

PART I

INDEPENDENT AUDITOR'S REPORT ON
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YEAR ENDED DECEMBER 31, 2022 AND 2021



SUPLEE, CLOONEY & COMPANY

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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 07927

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Bernardsville (the "Borough"), as of and for the years ended December 31, 2022 and 2021, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough as of December 31, 2022 and 2021, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2022.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2022 and 2021, 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, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

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Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

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

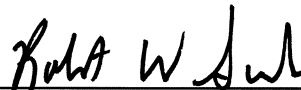
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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2023 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 1, 2023



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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, 2022, 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 1, 2023. 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 1, 2023

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CURRENT FUND

BOROUGH OF BERNARDSVILLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2022	BALANCE DECEMBER 31, 2021
Current Fund:			
Cash	A-4	\$ 4,870,305.15	\$ 4,386,439.46
Change Funds	A-6	700.00	500.00
Due State of New Jersey-Senior Citizens and Veterans Deductions	A-8	16,647.72	16,653.35
		<u>\$ 4,887,652.87</u>	<u>\$ 4,403,592.81</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 496,547.87	\$ 467,554.34
Tax Title Liens Receivable	A-10	6,537.09	6,300.65
Property Acquired for Taxes - Assessed Valuation	A-11	13,100.00	13,100.00
Revenue Accounts Receivable	A-12	1,491.46	2,710.16
Interfunds Receivable	A-13	2,480.41	4,721.15
	A	<u>\$ 520,156.83</u>	<u>\$ 494,386.30</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves	A-14	8,163.20	
		<u>\$ 8,163.20</u>	<u>\$</u>
		<u>\$ 5,415,972.90</u>	<u>\$ 4,897,979.11</u>
Grant Fund:			
Cash	A-4	\$ 517,587.15	\$ 103,920.95
Grants Receivable	A-23	12,865.71	12,354.39
Interfunds Receivable	A-26		397,426.50
		<u>\$ 530,452.86</u>	<u>\$ 513,701.84</u>
		<u>\$ 5,946,425.76</u>	<u>\$ 5,411,680.95</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 DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-14	\$ 1,096,404.52	\$ 694,923.39
Interfunds Payable	A-13		397,426.50
Reserve for Miscellaneous Deposits	A-15	76,400.39	32,060.70
Tax Overpayments	A-16	11,000.53	1,510.66
Encumbrances Payable	A-17	472,577.00	369,453.49
Accounts Payable	A-18	43,226.49	35,176.87
Prepaid Taxes	A-19	413,096.42	482,079.16
Regional School Taxes Payable	A-21	53,056.00	
Due Municipal Open Space Tax	A-22		2,607.56
		<u>\$ 2,165,761.35</u>	<u>\$ 2,015,238.33</u>
Reserve for Receivables	A	520,156.83	494,386.30
Fund Balance	A-1	<u>2,730,054.72</u>	<u>2,388,354.48</u>
		<u>\$ 5,415,972.90</u>	<u>\$ 4,897,979.11</u>
Grant Fund:			
Encumbrances Payable	A-17	\$ 7,112.48	\$ 17,599.08
Reserve for Grants-Appropriated	A-24	104,089.54	88,676.26
Reserve for Grants-Unappropriated	A-25	<u>419,250.84</u>	<u>407,426.50</u>
		<u>\$ 530,452.86</u>	<u>\$ 513,701.84</u>
		<u>\$ 5,946,425.76</u>	<u>\$ 5,411,680.95</u>

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

BOROUGH OF BERNARDSVILLECURRENT FUNDSTATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER <u>31, 2022</u>	YEAR ENDED DECEMBER <u>31, 2021</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,875,000.00	\$ 1,600,000.00
Miscellaneous Revenues Anticipated	A-2	2,958,363.13	3,911,603.13
Receipts from Delinquent Taxes	A-2	468,397.60	438,969.03
Receipts from Current Taxes	A-2	47,731,000.69	46,973,030.67
Non-Budget Revenues	A-2	13,740.35	13,405.68
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	A-14	392,196.21	342,559.23
Animal Control Statutory Excess	A-13	2,480.41	4,721.15
Interfunds Returned	A-13	2,240.74	3,046.36
<u>Total Income</u>		<u>\$ 53,443,419.13</u>	<u>\$ 53,287,335.25</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Within "CAPS":			
Operations including Contingent	A-3	\$ 10,202,170.00	\$ 9,784,269.22
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	1,506,328.07	1,452,340.42
Excluded from "CAPS"			
Operations	A-3	1,069,470.94	1,034,901.78
Capital Improvement Fund	A-3	590,000.00	202,581.00
Municipal Debt Service	A-3	1,606,638.57	2,823,822.74
Deferred Charges and Judgments	A-3	1,000.00	
County Tax	A-20	7,834,858.37	7,852,519.86
County Tax for Added and Omitted Taxes	A-20	27,636.60	45,754.74
Regional District School Tax	A-21	27,914,636.00	27,491,287.00
Municipal Open Space Tax	A-22	469,310.09	452,908.05
Budget Operations	A-4	4,670.25	
<u>Total Expenditures</u>		<u>\$ 51,226,718.89</u>	<u>\$ 51,140,384.81</u>
Excess in Revenue		\$ 2,216,700.24	\$ 2,146,950.44
<u>Fund Balance</u>			
Balance, January 1	A	2,388,354.48	1,841,404.04
		<u>\$ 4,605,054.72</u>	<u>\$ 3,988,354.48</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	1,875,000.00	1,600,000.00
Balance, December 31	A	<u>\$ 2,730,054.72</u>	<u>\$ 2,388,354.48</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, 2022

		<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	\$ 1,875,000.00		\$ 1,875,000.00	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-12	\$ 30,000.00		\$ 30,500.00	\$ 500.00
Other Licenses	A-2	18,000.00		15,860.00	(2,140.00)
Fees and Permits:					
Construction Code Official	A-12	290,000.00		244,153.00	(45,847.00)
Other	A-2	120,000.00		167,067.60	47,067.60
Fines and Costs - Municipal Court	A-12	45,000.00		40,412.82	(4,587.18)
Interest and Costs on Taxes	A-12	110,000.00		136,629.89	26,629.89
Interest on Investments and Deposits	A-12	60,000.00		167,050.78	107,050.78
Post Office Rent	A-12	1,500.00		1,500.00	
Pool Fees	A-2	195,000.00		217,565.55	22,565.55
Recreation Fees	A-2	112,000.00		224,005.35	112,005.35
Hotel Tax	A-12	9,000.00		15,780.93	6,780.93
Energy Receipts Tax	A-12	662,172.00		662,172.00	
Clean Communities Grant	A-13,A-23		22,538.29	22,538.29	
Municipal Alliance on Alcoholism and Drug Abuse	A-13,A-23	8,849.28		8,849.28	
Body Armor Replacement Fund	A-13,A-23	1,189.95		1,189.95	
Police Donation	A-13,A-23	10,000.00		10,000.00	
Municipal Youth Service Grant	A-13,A-23		20,000.00	20,000.00	
Recycling Tonnage Grant	A-13,A-23	30,760.45		30,760.45	
Dividend from Joint Insurance Fund	A-15	6,342.00		6,342.00	
Library Rental	A-2	161,000.00		145,749.93	(15,250.07)
Workers Comp Assessment Fund	A-12	11,700.00		12,363.49	663.49
Due from Sewer Utility Fund - Pension Costs	A-12	50,000.00		50,000.00	
Cable Franchise Fee - Verizon	A-12	77,503.02		77,503.02	
Cable Franchise Fee - Comcast	A-12	31,116.32		31,116.32	
Due from the Library - Pension Costs	A-12	61,400.00		54,780.96	(6,619.04)
Due from Board of Education for Special Law Enforcement Officers	A-12	100,300.00		100,299.98	(0.02)
Capital Fund Balance	A-12	49,745.04		49,745.04	
Reserve for Train Station	A-15	17,000.00		17,000.00	
American Rescue Plan Act	A-12	397,426.50		397,426.50	
	A-1	\$ 2,667,004.56	\$ 42,538.29	\$ 2,958,363.13	\$ 248,820.28
Receipts From Delinquent Taxes	A-2,A-9	\$ 460,000.00		\$ 468,397.60	\$ 8,397.60
Amount to be Raised by Taxes for Support of:					
Local Tax for Municipal Purposes	A-9	\$ 11,085,501.46		\$ 12,638,947.76	1,553,446.30
Minimum Library Tax	A-9	755,819.53		755,819.53	
	A-2	11,841,320.99		13,394,767.29	1,553,446.30
<u>Budget Totals</u>		\$ 16,843,325.55	\$ 42,538.29	\$ 18,696,528.02	\$ 1,810,664.18
Non-Budget Revenues	A-2			13,740.35	13,740.35
		\$ 16,843,325.55	\$ 42,538.29	\$ 18,710,268.37	\$ 1,824,404.53

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, 2022

	<u>REF.</u>		
Allocations of Current Tax Collections:			
Revenues from Collections	A-1:A-9	\$	47,731,000.69
Allocated to:			
School and County Taxes		\$	35,777,130.97
Municipal Open Space Tax			<u>469,310.09</u>
			<u>36,246,441.06</u>
Balance for Support of Municipal Appropriations		\$	11,484,559.63
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>1,910,207.66</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>13,394,767.29</u></u>

ANALYSIS OF REALIZED REVENUES

Licenses - Other:			
Clerk/Registrar	A-12	\$	<u>15,860.00</u>
	A-2	\$	<u><u>15,860.00</u></u>
Other Fees and Permits:			
Borough Clerk/Registrar	A-12	\$	3,465.50
Engineering Department	A-12		770.00
Fire Department	A-12		23,271.00
Police Department	A-12		1,833.00
Board of Adjustments	A-12		3,200.00
Planning Board	A-12		32,764.10
Zoning Board	A-12		78,525.00
Health Officer	A-12		33,825.00
Shade Tree	A-12		4,350.00
Tax Collector	A-5		<u>460.00</u>
		\$	<u>182,463.60</u>
Less: Refunds	A-4		<u>15,396.00</u>
	A-2	\$	<u><u>167,067.60</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, 2022

	<u>REF.</u>	
Library Rental	A-12	\$ 182,469.34
Less: Refunds	A-4	<u>36,719.41</u>
	A-2	<u>\$ 145,749.93</u>
Pool Fees	A-12	\$ 218,135.55
Less: Refunds	A-4	<u>570.00</u>
	A-2	<u>\$ 217,565.55</u>
Recreation Fees	A-12	\$ 227,192.45
Less: Refunds	A-4	<u>3,187.10</u>
	A-2	<u>\$ 224,005.35</u>
Miscellaneous Revenue Not Anticipated:		
Police Outside Duties Administrative Fees		\$ 7,075.00
Homesteads Benefit Mail Reimbursement		136.20
Senior Citizens and Veterans Administrative Fees		555.11
Miscellaneous		<u>5,974.04</u>
	A-1:A-2:A-4	<u>\$ 13,740.35</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, 2022

	<u>APPROPRIATIONS</u>		<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>UNEXPENDED BALANCE CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>			
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
Financial Administration:					
Salaries and Wages	\$ 119,000.00	\$ 131,000.00	\$ 130,781.00	\$ 219.00	\$
Other Expenses	32,500.00	32,500.00	29,870.34	2,629.66	
Human Resources:					
Other Expenses	60,000.00	28,000.00	18,904.08	9,095.92	
Audit Services:					
Other Expenses	36,500.00	36,500.00	36,290.75	209.25	
General Administration:					
Salaries and Wages	160,000.00	161,500.00	161,206.17	293.83	
Other Expenses	155,000.00	210,000.00	143,904.05	66,095.95	
Assessment of Taxes:					
Salaries and Wages	113,000.00	127,000.00	121,849.30	5,150.70	
Other Expenses	25,300.00	8,300.00	7,827.27	472.73	
Collection of Taxes:					
Salaries and Wages	46,000.00	47,600.00	47,125.36	474.64	
Other Expenses	8,000.00	8,000.00	7,575.67	424.33	
Legal Services and Costs:					
Other Expenses	178,000.00	111,300.00	100,897.50	10,402.50	
Computer Information and Technology:					
Salaries and Wages	14,000.00	15,350.00	14,555.09	794.91	
Other Expenses	34,000.00	34,000.00	30,196.59	3,803.41	
Planning Board:					
Salaries and Wages	45,000.00	45,000.00	43,577.48	1,422.52	
Other Expenses	25,000.00	38,000.00	27,916.30	10,083.70	
Board of Adjustment:					
Salaries and Wages	30,000.00	32,000.00	31,488.25	511.75	
Other Expenses	25,000.00	40,000.00	23,913.34	16,086.66	
Housing/Zoning:					
Salaries and Wages	171,000.00	156,000.00	137,104.01	18,895.99	
Other Expenses	7,125.00	7,125.00	7,078.56	46.44	

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, 2022

	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>					
Engineering Services:					
Salaries and Wages	\$ 109,000.00	\$ 109,350.00	\$ 109,204.73	\$ 145.27	\$
Other Expenses	70,000.00	70,000.00	69,338.30	661.70	
Local Historian:					
Other Expenses	1,000.00	1,000.00		1,000.00	
Municipal Clerk:					
Salaries and Wages	147,000.00	150,200.00	148,889.97	1,310.03	
Other Expenses	18,000.00	18,000.00	13,063.74	4,936.26	
Insurance:					
Group Health Insurance	890,000.00	779,500.00	754,555.19	24,944.81	
General Liability Insurance	210,000.00	210,000.00	157,615.00	52,385.00	
Worker's Compensation Insurance	183,000.00	183,000.00	136,842.00	46,158.00	
Health Benefit Waiver	30,000.00	22,000.00	21,612.31	387.69	
<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	2,482,573.50	2,422,573.50	2,131,637.29	290,936.21	
Salaries and Wages - ARPA	397,426.50	397,426.50	397,426.50		
Other Expenses	133,500.00	133,500.00	129,901.80	3,598.20	
Purchase of Police Vehicles	58,000.00	58,000.00	38,190.37	19,809.63	
Municipal Radio and Communications:					
Salaries and Wages	315,000.00	310,000.00	300,183.07	9,816.93	
Other Expenses	22,000.00	22,000.00	18,113.95	3,886.05	
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	5,625.00	1,875.00	
Other Expenses	2,700.00	2,700.00	1,478.89	1,221.11	
<u>PUBLIC WORKS</u>					
Road Repairs and Maintenance:					
Salaries and Wages	864,000.00	864,000.00	806,903.59	57,096.41	
Other Expenses	460,000.00	460,000.00	445,877.80	14,122.20	
Fire Hydrant Service	102,000.00	105,000.00	101,994.53	3,005.47	

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, 2022

	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION			
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>					
Shade Tree Committee:					
Other Expenses	\$ 45,000.00	\$ 45,000.00	\$ 41,903.59	\$ 3,096.41	\$
Somerset County Mandatory Recycling Program	99,000.00	99,000.00	83,240.63	15,759.37	
Senior Citizen Van:					
Other Expenses	7,300.00	7,300.00	1,200.00	6,100.00	
Public Buildings and Grounds:					
Salaries and Wages	242,000.00	232,000.00	206,119.69	25,880.31	
Other Expenses	369,100.00	419,100.00	379,331.52	39,768.48	
Vehicle Maintenance:					
Salaries and Wages	80,000.00	81,000.00	80,451.11	548.89	
Other Expenses	75,000.00	81,000.00	75,731.18	5,268.82	
Snow Removal (Municipal Services Act):					
Salaries and Wages	3,000.00				
Other Expenses	8,000.00				
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Other Expenses	101,000.00	101,000.00	100,395.96	604.04	
Environmental Commission:					
Other Expenses	3,000.00	3,000.00	3,000.00		
Animal Control Regulations:					
Other Expenses	20,000.00	20,000.00	18,250.00	1,750.00	
Workers and Community Right to Know:					
Other Expenses	500.00	500.00		500.00	
<u>RECREATION AND EDUCATION</u>					
Swimming Pool:					
Salaries and Wages	165,000.00	156,800.00	156,678.19	121.81	
Other Expenses	68,000.00	62,000.00	61,957.46	42.54	
Recreation:					
Salaries and Wages	230,000.00	250,900.00	248,131.73	2,768.27	
Other Expenses	69,325.00	63,325.00	63,137.81	187.19	
Celebration of Public Events:					
Other Expenses	2,500.00	2,500.00	1,699.92	800.08	

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, 2022

	<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>SANITATION</u>						
Sanitary Landfill:						
Other Expenses	\$ 46,200.00		46,200.00	\$ 28,026.85	\$ 18,173.15	\$
<u>UNIFORM CONSTRUCTION CODE NJAC 5:23-4.17</u>						
Construction Official:						
Salaries and Wages	217,000.00		221,500.00	218,731.03	2,768.97	
Other Expenses	10,000.00		10,000.00	8,738.82	1,261.18	
Fire Prevention Official:						
Salaries and Wages	10,000.00		10,000.00	6,875.66	3,124.34	
Other Expenses	6,120.00		6,120.00	1,900.00	4,220.00	
<u>UNCLASSIFIED</u>						
Utilities:						
Telephone	110,000.00		120,000.00	113,605.41	6,394.59	
Electricity	51,000.00		43,000.00	38,850.53	4,149.47	
Gasoline	110,000.00		133,000.00	124,895.85	8,104.15	
Street Lighting	40,000.00		43,000.00	42,976.93	23.07	
Natural Gas	25,000.00		25,000.00	21,289.16	3,710.84	
Accumulated Absences Compensation	50,000.00		150,000.00	50,000.00	100,000.00	
Salary and Wage Adjustment Program:						
Salaries and Wages	32,000.00					
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	\$ 10,257,170.00	\$	10,202,170.00	\$ 9,239,634.17	\$ 962,535.83	\$

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, 2022

	<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>							
DEFERRED CHARGES AND STATUTORY EXPENDITURES - <u>MUNICIPAL WITHIN "CAPS"</u>							
Statutory Expenditures:							
Contribution to:							
Public Employees' Retirement System	\$	539,234.00	\$	539,234.00	\$	539,234.00	\$
Social Security System (O.S.A.I.)		302,599.07		306,599.07		302,460.93	
Police and Firemen's Retirement System of NJ		627,495.00		627,495.00		627,495.00	
Unemployment Insurance		20,000.00		21,000.00		20,089.86	
Defined Contribution Retirement Program		12,000.00		12,000.00		7,528.11	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	\$	1,501,328.07	\$	1,506,328.07	\$	1,496,807.90	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$	11,758,498.07	\$	11,708,498.07	\$	10,736,442.07	\$
MANDATED EXPENDITURES PER N.J.S. 40A:4-45.3g EXCLUDED FROM "CAPS"							
Maintenance of Free Public Library	\$	852,082.00		852,082.00	\$	852,082.00	\$
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"	\$	852,082.00	\$	852,082.00	\$	852,082.00	\$
<u>SHARED SERVICES AGREEMENT</u>							
Municipal Court	\$	110,000.00		110,000.00	\$	36,901.48	\$
Fire Prevention		12,000.00		12,000.00		12,000.00	
TOTAL SHARED SERVICES AGREEMENT	\$	122,000.00	\$	122,000.00	\$	48,901.48	\$
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>							
Municipal Alliance:							
State Share	\$	8,849.28	\$	8,849.28	\$	8,849.28	\$
Borough Share		800.97		800.97		800.97	
Clean Communities Grant (40A:4-87 + \$22,538.29)				22,538.29		22,538.29	

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, 2022

	<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	\$ 10,000.00	\$	10,000.00	\$ 10,000.00	\$	\$
Recycling Tonnage Grant	30,760.45		30,760.45	30,760.45		
Body Armor Replacement Fund - State	1,189.95		1,189.95	1,189.95		
Somerset County Youth Service Grant (40A:4-87 + \$20,000.00)			20,000.00	20,000.00		
Matching Grant Funds	1,250.00		1,250.00		1,250.00	
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>	\$ 52,850.65	\$	95,388.94	\$ 94,138.94	\$ 1,250.00	\$
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	\$ 1,026,932.65	\$	1,069,470.94	\$ 995,122.42	\$ 74,348.52	\$
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 540,000.00	\$	590,000.00	\$ 540,000.00	\$ 50,000.00	\$
<u>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>	\$ 540,000.00	\$	590,000.00	\$ 540,000.00	\$ 50,000.00	\$
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 1,155,000.00	\$	1,155,000.00	\$ 1,155,000.00	\$	\$
Payment of Bond Anticipation Note	20,000.00		20,000.00	20,000.00		
Interest on Bonds	428,490.97		428,490.97	428,442.37		48.60
Interest on Notes	3,196.20		3,196.20	3,196.20		
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	\$ 1,606,687.17	\$	1,606,687.17	\$ 1,606,638.57	\$ 48.60	\$ 48.60

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, 2022

	<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>DEFERRED CHARGES-EXCLUDED FROM "CAPS"</u>						
Deferred Charges to Future Taxation - Ord.1481/1501	\$ 200.00	\$	200.00	\$ 200.00	\$	\$
Deferred Charges to Future Taxation - Ord.21-1875	800.00		800.00	800.00		
<u>TOTAL DEFERRED CHARGES-EXCLUDED FROM "CAPS"</u>	<u>\$ 1,000.00</u>	<u>\$</u>	<u>1,000.00</u>	<u>\$ 1,000.00</u>	<u>\$</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	<u>\$ 3,174,619.82</u>	<u>\$</u>	<u>3,267,158.11</u>	<u>\$ 3,142,760.99</u>	<u>\$ 124,348.52</u>	<u>\$ 48.60</u>
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 14,933,117.89</u>	<u>\$</u>	<u>14,975,656.18</u>	<u>\$ 13,879,203.06</u>	<u>\$ 1,096,404.52</u>	<u>\$ 48.60</u>
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>1,910,207.66</u>		<u>1,910,207.66</u>	<u>1,910,207.66</u>		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 16,843,325.55</u>	<u>\$</u>	<u>16,885,863.84</u>	<u>\$ 15,789,410.72</u>	<u>\$ 1,096,404.52</u>	<u>\$ 48.60</u>
				A-1	A:A-1	
REF.	A-2					
Budget			16,843,325.55			
Budget Amendments	A-2		42,538.29			
			<u>\$ 16,885,863.84</u>			
Disbursements	A-4			13,312,487.12		
Reserve for Encumbrances	A-17			472,577.00		
Reserve for Grants Appropriated	A-13,A-24			94,138.94		
Reserve for Uncollected Taxes	A-2			1,910,207.66		
				<u>\$ 15,789,410.72</u>		

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</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>ASSETS</u>			
Animal Control Fund:			
Interfunds Receivable	B-7	\$ 16,505.51	\$ 17,126.55
		<u>\$ 16,505.51</u>	<u>\$ 17,126.55</u>
Other Funds:			
Cash	B-1	\$ 8,662,433.84	\$ 10,188,458.60
Due from Somerset County - Dunster Squibb	B-9	111,087.50	111,087.50
Interfund Receivable	B-6		19,902.88
		<u>\$ 8,773,521.34</u>	<u>\$ 10,319,448.98</u>
		<u>\$ 8,790,026.85</u>	<u>\$ 10,336,575.53</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Prepaid Licenses	B-2	\$ 1,539.60	\$ 1,424.40
Due State of New Jersey	B-3	1.20	
Reserve for Animal Control Expenditures	B-4	11,947.30	10,981.00
Interfund Payable	B-7	2,480.41	4,721.15
Encumbrances Payable	B-4	537.00	
		<u>\$ 16,505.51</u>	<u>\$ 17,126.55</u>
Other Funds:			
Encumbrances Payable	B-8	\$ 87,771.60	\$ 84,994.11
Various Trust Reserves	B-5	8,669,244.23	10,217,328.32
Interfund Payable	B-6	16,505.51	17,126.55
		<u>\$ 8,773,521.34</u>	<u>\$ 10,319,448.98</u>
		<u>\$ 8,790,026.85</u>	<u>\$ 10,336,575.53</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, 2022</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 3,906,802.32	\$ 5,956,216.94
Grants Receivable	C-10	361,250.00	273,750.00
Due Sewer Capital Fund	C-15		7,724.00
Other Accounts Receivable	C-13	60,000.00	37,500.00
Deferred Charges to Future Taxation:			
Funded	C-4	13,580,000.00	14,735,000.00
Unfunded	C-5	<u>7,966,000.00</u>	<u>762,000.00</u>
		<u>\$ 25,874,052.32</u>	<u>\$ 21,772,190.94</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-9	\$ 13,580,000.00	\$ 14,735,000.00
Bond Anticipation Notes	C-16	741,000.00	761,000.00
Improvement Authorizations:			
Funded	C-8	3,441,306.04	3,629,334.69
Unfunded	C-8	6,613,876.05	761,800.00
Capital Improvement Fund	C-6	14,037.69	213,183.69
Contracts Payable	C-7	1,366,965.98	1,491,517.04
Various Reserves	C-11	116,756.30	113,204.90
Due Other Trust Fund - Open Space	C-12		17,295.32
Fund Balance	C-1	<u>110.26</u>	<u>49,855.30</u>
		<u>\$ 25,874,052.32</u>	<u>\$ 21,772,190.94</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, 2021	C	\$	49,855.30
Increased by:			
Improvement Authorizations Canceled	C-8		<u>19,000.00</u>
			68,855.30
Decreased by:			
Finance Improvement Authorization	C-8	\$	19,000.00
Anticipated in Current Fund Budget	C-2		<u>49,745.04</u>
			<u>68,745.04</u>
Balance, December 31, 2022	C	\$	<u><u>110.26</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>	BALANCE DECEMBER 31, 2022	BALANCE DECEMBER 31, 2021
Operating Fund:			
Cash	D-5	\$ 356,816.21	\$ 363,649.00
		<u>356,816.21</u>	<u>363,649.00</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	<u>98,624.15</u>	<u>86,069.81</u>
Deferred Charges:			
Operating Deficit	D-1	<u>14,663.37</u>	
<u>Total Operating Fund</u>		<u>470,103.73</u>	<u>449,718.81</u>
Capital Fund:			
Cash	D-5:D-6	930,910.41	790,725.91
Fixed Capital	D-11	3,309,281.46	3,309,281.46
Fixed Capital Authorized and Uncompleted	D-12	<u>950,000.00</u>	<u>843,000.00</u>
<u>Total Capital Fund</u>		<u>5,190,191.87</u>	<u>4,943,007.37</u>
		\$ <u>5,660,295.60</u>	\$ <u>5,392,726.18</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</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-9	\$ 51,349.56	\$ 31,728.12
Encumbrances Payable	D-10	63,578.73	18,849.44
Accounts Payable	D-14	4,850.88	4,850.88
Prepaid Sewer Rents	D-8	7,917.58	3,804.92
Accrued Interest on Bonds and Loans	D-13	<u>9,419.53</u>	<u>10,052.34</u>
		137,116.28	69,285.70
Reserve for Receivables	D	98,624.15	86,069.81
Fund Balance	D-1	<u>234,363.30</u>	<u>294,363.30</u>
<u>Total Operating Fund</u>		<u>470,103.73</u>	<u>449,718.81</u>
Capital Fund:			
Serial Bonds Payable	D-21	950,000.00	1,025,000.00
Due General Capital Fund	D-15		7,724.00
Improvement Authorizations:			
Funded	D-17	51,179.41	17,481.00
Capital Improvement Fund	D-20	660,722.55	587,722.55
Contracts Payable	D-16	42,872.90	122,795.00
Reserve for:			
Amortization	D-18	2,716,281.46	2,641,281.46
Deferred Amortization	D-19	593,000.00	486,000.00
Fund Balance	D-2	<u>176,135.55</u>	<u>55,003.36</u>
<u>Total Capital Fund</u>		<u>5,190,191.87</u>	<u>4,943,007.37</u>
		<u>\$ 5,660,295.60</u>	<u>\$ 5,392,726.18</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, 2022</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 60,000.00	\$ 60,000.00
Sewer Rents	D-3	1,347,000.19	1,348,636.25
Connection Fees			107,400.00
Interest	D-3	16,267.44	5,991.00
Interest on Sewer User Fees	D-3	6,850.49	14,533.17
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	401.15	56,732.89
<u>TOTAL INCOME</u>		<u>1,430,519.27</u>	<u>1,593,293.31</u>
<u>EXPENDITURES</u>			
Operating	D-4	1,085,193.74	1,035,571.47
Capital Improvements	D-4	180,000.00	210,800.00
Debt Service	D-4	101,173.45	135,867.73
Statutory Expenditures and Deferred Charges	D-4	78,500.00	75,400.00
Refund of Prior Year Revenue	D-5	315.45	
<u>TOTAL EXPENDITURES</u>		<u>1,445,182.64</u>	<u>1,457,639.20</u>
Excess/(Deficit) in Revenue		(14,663.37)	135,654.11
Operating Deficit to be Raised in Budget of Succeeding Year	D	<u>14,663.37</u>	
<u>Fund Balance</u>			
Balance, January 1	D	<u>294,363.30</u>	<u>218,709.19</u>
		294,363.30	354,363.30
Decreased by:			
Utilization by Sewer Utility Operating Budget	D-1:D-3	<u>60,000.00</u>	<u>60,000.00</u>
Balance, December 31	D	<u>\$ 234,363.30</u>	<u>\$ 294,363.30</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

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	55,003.36
Increased by:			
FEMA Reimbursement - UV Disinfection System	D-5		<u>121,132.19</u>
Balance, December 31, 2022	D	\$	<u><u>176,135.55</u></u>

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, 2022

	<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	1,348,000.00	1,347,000.19	(999.81)
Connection Fees	D-1:D-5	20,000.00		(20,000.00)
Interest on Investments	D-1:D-5	5,990.00	16,267.44	10,277.44
Interest on Sewer User Fees	D-1:D-5	<u>11,510.00</u>	<u>6,850.49</u>	<u>(4,659.51)</u>
	D-4	\$ <u>1,445,500.00</u>	\$ <u>1,430,118.12</u>	\$ <u>(15,381.88)</u>

ANALYSIS OF REALIZED REVENUE

Sewer User Fees:

Treasurer:

Receipts

Prepaid Applied

D-5:D-7	\$ 1,343,195.27	
D-7	<u>3,804.92</u>	
D-3		\$ <u>1,347,000.19</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, 2022

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
Operating:					
Salaries and Wages	\$ 520,000.00	\$ 542,000.00	\$ 533,751.58	\$ 8,248.42	\$
Other Expenses	568,693.74	543,193.74	501,551.82	41,641.92	
<u>Total Operating</u>	<u>1,088,693.74</u>	<u>1,085,193.74</u>	<u>1,035,303.40</u>	<u>49,890.34</u>	
Capital Improvements:					
Capital Improvement Fund	180,000.00	180,000.00	180,000.00		
<u>Total Capital Improvements</u>	<u>180,000.00</u>	<u>180,000.00</u>	<u>180,000.00</u>		
Debt Service:					
Payment of Bond Principal	75,000.00	75,000.00	75,000.00		632.81
Interest on Bonds	26,806.26	26,806.26	26,173.45		
<u>Total Debt Service</u>	<u>101,806.26</u>	<u>101,806.26</u>	<u>101,173.45</u>		<u>632.81</u>
Statutory Expenditures:					
Contributions to:					
Public Employees Retirement System	50,000.00	50,000.00	50,000.00		
Social Security System (O.A.S.I.)	25,000.00	28,500.00	27,040.78	1,459.22	
<u>Total Deferred Charges and Statutory Expenditures</u>	<u>75,000.00</u>	<u>78,500.00</u>	<u>77,040.78</u>	<u>1,459.22</u>	
	<u>\$ 1,445,500.00</u>	<u>\$ 1,445,500.00</u>	<u>\$ 1,393,517.63</u>	<u>\$ 51,349.56</u>	<u>\$ 632.81</u>

REF.

D-3

D

Cash Disbursements

Encumbrances Payable

D-5

Accrued Interest

D-10
D-13

\$ 1,303,765.45

63,578.73

26,173.45

\$ 1,393,517.63

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, 2022</u>	DECEMBER <u>31, 2021</u>
General Fixed Assets:		
Land	\$ 4,268,582.70	\$ 4,268,582.70
Buildings and Building Improvements	12,792,975.36	12,430,975.36
Machinery and Equipment	<u>6,838,244.13</u>	<u>6,801,343.40</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 23,899,802.19</u>	<u>\$ 23,500,901.46</u>
Investment in General Fixed Assets	<u>\$ 23,899,802.19</u>	<u>\$ 23,500,901.46</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, 2022 AND 2021

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.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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:

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.

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 68. As of the date of this report the information for the period ended June 30, 2022 PFRS was not available, therefore the information dated June 30, 2021 is disclosed.

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, 2022 was not available, therefore the information dated June 30, 2021 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Leases

Under GAAP, lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

New Jersey's municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording lease receivables, deferred outflows, lease liabilities or deferred inflows on their balance sheets.

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, 2022:

<u>Fund</u>	<u>Change Fund</u>	<u>Cash on Deposit</u>	<u>Reconciling Items</u>	<u>Reconciled Total</u>
Current Fund	\$ 700.00	\$ 4,903,156.33	\$ (32,851.18)	\$ 4,871,005.15
Grant Fund		519,579.37	(1,992.22)	517,587.15
Trust Fund		8,940,087.59	(277,653.75)	8,662,433.84
General Capital Fund		3,851,198.69	55,603.63	3,906,802.32
Sewer Operating Fund		363,018.10	(6,201.89)	356,816.21
Sewer Capital Fund		932,704.14	(1,793.73)	930,910.41
<u>Total December 31, 2022</u>	<u>\$ 700.00</u>	<u>\$ 19,509,744.22</u>	<u>\$ (264,889.14)</u>	<u>\$ 19,245,555.08</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The 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, 2022, 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 \$19,509,744.22, \$250,000.00 was covered by Federal Depository Insurance, \$19,259,744.22 was covered under the provisions of NJGUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

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;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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

The Borough of Bernardsville had no investments outstanding at December 31, 2022.

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 2022</u>	<u>YEAR 2021</u>	<u>YEAR 2020</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 14,321,000.00	\$ 15,496,000.00	\$ 15,111,500.00
Sewer Utility:			
Bonds and Notes	<u>950,000.00</u>	<u>1,025,000.00</u>	<u>1,134,000.00</u>
	<u>\$ 15,271,000.00</u>	<u>\$ 16,521,000.00</u>	<u>\$ 16,245,500.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	<u>7,225,000.00</u>	<u>1,000.00</u>	<u>200.00</u>
Total Authorized but not Issued	<u>7,225,000.00</u>	<u>1,000.00</u>	<u>200.00</u>
Net Bonds and Notes Issued and and Authorized but not issued	<u>\$ 22,496,000.00</u>	<u>\$ 16,522,000.00</u>	<u>\$ 16,245,700.00</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 .940%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional School District Debt	\$8,788,565.70	\$8,788,565.70	-0-
Sewer Utility Debt	950,000.00	950,000.00	-0-
General Debt	<u>21,546,000.00</u>		<u>\$21,546,000.00</u>
	<u>\$31,284,565.70</u>	<u>\$9,738,565.70</u>	<u>\$21,546,000.00</u>

NET DEBT \$21,546,000.00 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$2,291,891,930.00 EQUALS .940%.

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, 2022	\$	2,291,891,930.00
3-1/2 of Equalized Valuation Basis		80,216,217.55
Net Debt		<u>21,546,000.00</u>
Remaining Borrowing Power	\$	<u><u>58,670,217.55</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		\$	1,430,118.12
Deductions:			
Operating and Maintenance Cost	\$	1,163,693.74	
Debt Service		<u>101,173.45</u>	
		\$	<u><u>1,264,867.19</u></u>
Excess in Revenue		\$	<u><u>168,250.93</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, 2022

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>	
2023	\$1,175,000.00	\$343,225.00	\$80,000.00	\$25,118.76	\$1,623,343.76
2024	1,195,000.00	314,425.00	85,000.00	23,318.76	1,617,743.76
2025	1,220,000.00	284,950.00	90,000.00	21,406.26	1,616,356.26
2026	1,240,000.00	254,800.00	95,000.00	19,381.26	1,609,181.26
2027	1,255,000.00	223,000.00	100,000.00	17,125.00	1,595,125.00
2028	1,265,000.00	189,700.00	100,000.00	14,625.00	1,569,325.00
2029	1,270,000.00	156,900.00	100,000.00	12,000.00	1,538,900.00
2030	1,300,000.00	122,200.00	100,000.00	9,000.00	1,531,200.00
2031	1,320,000.00	87,000.00	100,000.00	6,000.00	1,513,000.00
2032	1,340,000.00	51,400.00	100,000.00	3,000.00	1,494,400.00
2033	500,000.00	15,000.00			515,000.00
2034	500,000.00	5,000.00			505,000.00
	<u>\$13,580,000.00</u>	<u>\$2,047,600.00</u>	<u>\$950,000.00</u>	<u>\$150,975.04</u>	<u>\$16,728,575.04</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT

OUTSTANDING
BALANCE
DECEMBER
31, 2022

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 3.000%.

\$9,000,000.00

\$4,835,000 in General Bonds dated April 22, 2021, due in annual remaining installments ranging between \$255,000.00 and \$500,000.00 due on April 15 of each year with interest rates from 3.000% to 2.000%.

4,580,000.00

\$13,580,000.00

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%

\$950,000.00

\$950,000.00

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT TERM DEBT

The Borough had the following Bond Anticipation Notes outstanding at December 31, 2022:

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>
19-1797	04/26/19	03/29/22	03/29/23	1.10%	\$ 741,000.00
					<u>\$ 741,000.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

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

Current Fund	\$2,030,000.00
Sewer Utility Operating	115,000.00

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:

	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
Prepaid Taxes	<u>\$413,096.42</u>	<u>\$482,079.16</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/annrpts.shtml.

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

Police and 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.

NOTE 6: PENSION PLANS (CONTINUED)

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

Newly elected or appointed officials that have an existing DCRP account or are a member of another State-administered retirement system are immediately 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%.

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 2022, 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 2022, 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 \$1,166,729.00 for 2022, \$1,121,219.00 for 2021 and \$1,017,711.00 for 2020.

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.

NOTE 6: PENSION PLANS (CONTINUED)

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, 2021. 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, 2022.

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$6,295,796.00 for the Borough’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the Borough’s proportion was 0.0417178403 percent, which was a decrease of 0.0043266076 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$499,366.00 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, 2022 billing was \$539,234.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

		Deferred Outflow of Resources		Deferred Inflow of Resources
Differences between expected and actual experience	\$	45,440.00	\$	40,072.00
Changes of assumptions		19,506.00		942,730.00
Net difference between projected and actual earnings on pension plan investments		260,577.00		
Changes in proportion and differences between Borough contributions and proportionate share of contributions		262,621.00		659,673.00
	\$	<u>588,144.00</u>	\$	<u>1,642,475.00</u>

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:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	(\$619,457.40)
2024	(354,546.40)
2025	(213,588.40)
2026	213,316.60
2027	(80,055.40)
	<u>(\$1,054,331.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.75-6.55%
	Based on
	Years of Service
Investment Rate of Return	7.00%

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2022 asset are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasury's	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the 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, 2022 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	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	\$8,088,254.00	\$6,295,796.00	\$4,770,343.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the 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.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Borough as of December 31, 2022 was 0.0418845097%, The non-employer contributing entities' contribution and employer pension expense and related revenue for the year ended June 30, 2022 was \$13,247.00.

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>

Police and Firemen's Retirement System (PFRS)

As discussed in Note 1, as of the date of this report the information for the period ended June 30, 2022, for PFRS was not available, therefore the information dated June 30, 2021 is disclosed.

At June 30, 2021, the State reported a net pension liability of \$3,935,304.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the Borough's proportion was 0.0538407700 percent, which was a decrease of 0.0021943474 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the State recognized an actuarially determined pension benefit of \$575,586.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2022 billing was \$627,495.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

		Deferred Outflow of Resources		Deferred Inflow of Resources
Differences between expected and actual experience	\$	44,897.00	\$	471,409.00
Changes of assumptions		20,940.00		1,179,393.00
Net difference between projected and actual earnings on pension plan investments				1,676,961.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions		425,298.00		615,772.00
	\$	<u>491,135.00</u>	\$	<u>3,943,535.00</u>

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

Year Ended		Amount
<u>June 30</u>		
2022	\$	(1,082,361.80)
2023		(821,966.80)
2024		(710,711.80)
2025		(701,376.80)
2026		(121,758.80)
Thereafter		<u>(14,223.00)</u>
	\$	<u>(3,452,400.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

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

June 30, 2021

Inflation:	
Price	2.75%
Salary Increases	
Through All Future Years	3.25-15.25%
	Based on Years of
	Service
Investment Rate of Return	7.00%

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

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2021 and June 30, 2020) 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.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2021 and June 30, 2020, 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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, 2021 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, 2021		
	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	\$5,975,636.00	\$3,935,304.00	\$2,236,948.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. 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.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Borough as of December 31, 2021 and 2020 is 0.0560351174% and 0.0538406402% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2021 and 2020 was \$96,147.00.00 and \$86,467.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2021 and 2020 was \$123,266.00 and \$127,348.00, respectively.

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 (Continued)

At June 30, 2021 and 2020, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,106,803.00 and \$1,123,689.00, respectively.

At June 30, 2021, 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	\$3,935,304.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,106,803.00</u>
	<u>\$5,042,107.00</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, 2022 would approximate \$508,468.46. The Borough has established a reserve in the Trust Other Fund in the amount of \$153,642.76. 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, 2022.

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, 2022, 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 2022 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, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$2,480.41	
Animal Control Fund	16,505.51	2,480.41
Trust Other Fund		16,505.51
	<u>\$18,985.92</u>	<u>\$18,985.92</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.

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.

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.

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

Plan Description and Benefits Provided (Continued)

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.

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 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, 2021 and 2020, the State's proportionate share of the net OPEB liability attributable to the Borough for the special funding situation is \$6,891,481.00 and \$6,520,406.00 respectively.

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

Special Funding Situation (Continued)

At June 30, 2021, 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	\$0.00
State of New Jersey's proportionate share of Net OPEB Liability associated with the Borough	6,891,481.00
	<u>\$6,891,481.00</u>

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>2021</u>
Inflation rate	2.50%
Salary Increases:	
Public Employees Retirement System (PERS):	
Initial Fiscal Year Applied	
Rate Through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS):	
Rate for All Future Years	3.25% to 15.25%

Mortality:

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

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

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

Actuarial Assumptions and Other Inputs (Continued)

Actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Discount Rate

The discount rate for June 30, 2021 was 2.16%. 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: FIXED ASSETS

The Borough's general fixed assets are reported as follows:

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2022</u>
Land and Buildings	\$4,268,582.70			\$4,268,582.70
Buildings and Building Improvements	12,430,975.36	362,000.00		12,792,975.36
Machinery & Equipment	<u>6,801,343.40</u>	<u>100,052.46</u>	<u>63,151.73</u>	<u>6,838,244.13</u>
	<u>\$23,500,901.46</u>	<u>\$462,052.46</u>	<u>\$63,151.73</u>	<u>\$23,899,802.19</u>

NOTE 16: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER 31, <u>2021</u>	AMOUNT RESULTING IN <u>2022</u>	AMOUNT RAISED IN <u>2022</u>	BALANCE DECEMBER 31, <u>2022</u>
Current Fund:				
Overexpenditure of Appropriation Reserves	\$ _____	\$ 8,163.20	\$ _____	\$ 8,163.20
	\$ _____	\$ 8,163.20	\$ _____	\$ 8,163.20
Sewer Utility Fund:				
Deficit in Operations	\$ _____	\$ 14,663.37	\$ _____	\$ 14,663.37
	\$ _____	\$ 14,663.37	\$ _____	\$ 14,663.37

The above deferred charges were raised in the 2023 budget.

NOTE 17: LEASES

The Borough, as lessor, has entered into the following leases as lessor:

- Quest Diagnostics – Office Space. The current lease term expires 5/31/24 with one available three year extension. Payments in 2022 totaled \$54,038.40.
- City Property USA – Office Space. The current lease term, which includes two sub-leases, expires 06/30/24 with no available extensions. Payments in 2022 totaled \$128,430.94.

NOTE 18: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through August 1, 2023 which is the date the financial statements were available to be issued. Based upon this evaluation, no subsequent events are required to be disclosed.

BOROUGH OF BERNARDSVILLE
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2022

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF CASH - TREASURER

REF.		CURRENT FUND	GRANT FUND
A	Balance, December 31, 2021	\$ 4,386,439.46	\$ 103,920.95
	Increased by Receipts:		
A-2	Miscellaneous Revenue Not Anticipated	\$ 13,740.35	\$
A-5	Property Taxes Receivable	48,249,245.31	
A-7	Petty Cash	1,200.00	
A-8	State of N.J. - Senior Citizens and Veterans Deductions	27,755.63	
A-12	Revenue Accounts Receivable	2,760,465.78	
A-13:A-26	Interfunds	4,721.15	398,227.47
A-15	Reserve for Miscellaneous Deposits	68,456.69	92,826.65
A-23	Grants Receivable		409,250.84
A-25	Reserve for Grants - Unappropriated		
		<u>51,125,584.91</u>	<u>900,304.96</u>
		\$ 55,512,024.37	\$ 1,004,225.91
	Decreased by Disbursements:		
A-1	Refund of Prior Year Revenue	4,670.25	
A-2	Refund of Current Year Revenue	55,872.51	\$
A-3	2022 Appropriations	13,312,487.12	
A-6	Change Fund - Clerk	200.00	
A-7	Petty Cash Fund	1,200.00	
A-13	Interfunds	398,227.47	
A-14	2021 Appropriation Reserves	659,053.80	
A-15	Reserve for Miscellaneous Deposits	775.00	
A-18	Accounts Payable	13,240.45	
A-20	County Taxes Payable	7,862,494.97	
A-21	Local District School Tax	27,861,580.00	
A-22	Municipal Open Space Tax	471,917.65	
A-24	Reserve for Grants-Appropriated		89,212.26
A-25	Reserve for Grants - Unappropriated		397,426.50
		<u>50,641,719.22</u>	<u>486,638.76</u>
A	Balance, December 31, 2022	\$ 4,870,305.15	\$ 517,587.15

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>		
Increased by Receipts:			
Property Taxes Receivable	A-9	\$ 47,689,569.13	
Tax Overpayments	A-16	9,489.87	
Prepaid Taxes	A-19	413,096.42	
Revenue Accounts Receivable	A-12	136,629.89	
Fees and Permits	A-2	<u>460.00</u>	
			\$ <u>48,249,245.31</u>
Decreased by Disbursements:			
Payments to Treasurer	A-4		\$ <u>48,249,245.31</u>

"A-6"

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

	<u>REF.</u>	
Balance, December 31, 2021	A	\$ 500.00
Increased by:		
Cash Receipts	A-4	<u>200.00</u>
Balance, December 31, 2022	A	\$ <u><u>700.00</u></u>

Analysis of Balance

Tax Collector	\$ 300.00
Clerk	200.00
Zoning	100.00
Construction	<u>100.00</u>
	\$ <u><u>700.00</u></u>

"A-7"

SCHEDULE OF PETTY CASH FUNDS

Increased by:		
Receipts	A-4	\$ <u>1,200.00</u>
Decreased by:		
Disbursements	A-4	\$ <u>1,200.00</u>

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS
PER CHAPTER 73, P.L. 1976

	<u>REF.</u>		
Balance, December 31, 2021	A	\$	16,653.35
Increased by:			
Senior Citizens Deductions Per Tax Billing		\$	2,250.00
Veterans Deductions Per Tax Billing			<u>25,500.00</u>
			27,750.00
		\$	<u>44,403.35</u>
Decreased by:			
Received in Cash From State	A-4		<u>27,755.63</u>
Balance, December 31, 2022	A	\$	<u><u>16,647.72</u></u>

ANALYSIS OF STATE SHARE OF 2022
SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing		\$	2,250.00
Veterans Deductions Per Tax Billing			<u>25,500.00</u>
	A-9	\$	<u><u>27,750.00</u></u>

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>2022 LEVY</u>	<u>ADDED</u>	<u>CASH COLLECTIONS</u>	<u>CANCELED</u>	<u>TRANSFERRED TO TAX TITLE LIENS</u>	<u>BALANCE DECEMBER 31, 2022</u>
				<u>2021</u>			
2020	\$ 0.05	\$	\$	\$	\$ 0.05	\$	\$
2021	\$ 467,554.29		875.00				31.69
	\$ 467,554.34		875.00				31.69
2022		48,245,101.21	20,802.61	482,079.16	38,150.51	236.44	496,516.18
	\$ 467,554.34	\$ 48,245,101.21	\$ 21,677.61	\$ 482,079.16	\$ 38,150.56	\$ 236.44	\$ 496,547.87
<u>REF.</u>	A			A-2:A-19	A-2	A-10	A

REF.

Cash-Collector	A-5	\$ 47,689,569.13
State Share of Senior Citizens and Veterans Deductions	A-8	27,750.00
		\$ 47,717,319.13

ANALYSIS OF 2022 PROPERTY TAX LEVY

<u>TAX YIELD</u>		
General Property Tax	\$	48,077,429.38
Added and Omitted Tax (54:4-63.1 et seq.)		167,671.83
	\$	48,245,101.21

TAX LEVY

Local District School Tax	A-21	\$ 27,914,636.00
County Taxes:		
County Tax (Includes Open Space)	A-20	\$ 7,834,858.37
Due County for Added Taxes (54:4-63.1 et seq.)	A-20	27,636.60
		7,862,494.97
Local Tax for Municipal Purposes	A-2	11,085,501.46
Library Tax	A-2	755,819.53
Municipal Open Space	A-22	469,310.09
Additional Tax Levied		157,339.16
		12,467,970.24
		\$ 48,245,101.21

"A-10"

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2021	A	\$ 6,300.65
Increased by:		
Transfers From Taxes Receivable	A-9	<u>236.44</u>
Balance, December 31, 2022	A	\$ <u><u>6,537.09</u></u>

"A-11"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2022 and December 31, 2021	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, 2021</u>	<u>ACCRUED IN</u> <u>2022</u>	<u>COLLECTED BY</u> <u>TREASURER/</u> <u>COLLECTOR</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
Clerk/Registrar:					
Licenses:					
Alcoholic Beverage Licenses	A-2	\$	\$ 30,500.00	\$ 30,500.00	\$
Other	A-2		15,860.00	15,860.00	
Fees and Permits	A-2		3,465.50	3,465.50	
Board of Health:					
Fees and Permits	A-2		33,825.00	33,825.00	
Planning Board:					
Fees and Permits	A-2		32,764.10	32,764.10	
Board of Adjustment:					
Fees and Permits	A-2		3,200.00	3,200.00	
Housing & Zoning:					
Fees and Permits	A-2		78,525.00	78,525.00	
Engineering:					
Fees and Permits	A-2		770.00	770.00	
Police:					
Fees and Permits	A-2		1,833.00	1,833.00	
Fire:					
Fees and Permits	A-2		23,271.00	23,271.00	
Shade Tree:					
Fees and Permits	A-2		4,350.00	4,350.00	
Construction Code Official:					
Fees and Permits	A-2		244,153.00	244,153.00	
Municipal Court:					
Fines and Costs	A-2	2,710.16	39,194.12	40,412.82	1,491.46
Pool Fees	A-2		218,135.55	218,135.55	
Recreation Fees	A-2		227,192.45	227,192.45	
Energy Receipts Tax	A-2		662,172.00	662,172.00	
Interest on Investments and Deposits	A-2		167,050.78	167,050.78	
Interest and Costs on Taxes	A-2		136,629.89	136,629.89	
Post Office Rent	A-2		1,500.00	1,500.00	
Hotel Tax	A-2		15,780.93	15,780.93	
Library Rental	A-2		182,469.34	182,469.34	
Workers Comp Assessment Fund	A-2		12,363.49	12,363.49	
Due from Sewer Utility Fund - Pension Costs	A-2		50,000.00	50,000.00	
Cable Franchise Fee - Verizon	A-2		77,503.02	77,503.02	
Cable Franchise Fee - Comcast	A-2		31,116.32	31,116.32	
Due from the Library - Pension Costs	A-2		54,780.96	54,780.96	
Due from Board of Education for					
Special Law Enforcement Officers	A-2		100,299.98	100,299.98	
Capital Fund Balance	A-2		49,745.04	49,745.04	
American Recue Plan Act	A-2		397,426.50	397,426.50	
		<u>\$ 2,710.16</u>	<u>\$ 2,895,876.97</u>	<u>\$ 2,897,095.67</u>	<u>\$ 1,491.46</u>
	<u>REF.</u>	<u>A</u>			<u>A</u>
Treasurer	A-4			\$ 2,760,465.78	
Tax Collector	A-5			<u>136,629.89</u>	
				<u>\$ 2,897,095.67</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>
Balance, December 31, 2021				
Due From	A	\$ 4,721.15	\$	\$ 4,721.15
Due To	A	<u>397,426.50</u>	<u>397,426.50</u>	<u></u>
Grant Appropriations	A-3	94,138.94	94,138.94	
Receipts	A-4	4,721.15		4,721.15
Disbursements	A-4	398,227.47	398,227.47	
Grant Revenues	A-2	93,337.97	93,337.97	
Animal Control Statutory Excess	A-1	<u>2,480.41</u>	<u></u>	<u>2,480.41</u>
Balance, December 31, 2022				
Due From	A	\$ <u>2,480.41</u>	\$ <u></u>	\$ <u>2,480.41</u>

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2021	ADJUSTED BALANCE	PAID OR CHARGED	OVEREXPENDED	BALANCE LAPSED
<u>Salaries and Wages:</u>					
General Administration	\$ 90.54	\$ 90.54			\$ 90.54
Municipal Clerk	603.94	603.94			603.94
Computer Information Technology	44.94	44.94			44.94
Assessment of Taxes	399.24	399.24			399.24
Tax Collector	490.06	490.06			490.06
Public Buildings and Grounds	1,223.45	1,223.45	1,223.45		
Planning Board	1,120.56	1,120.56			1,120.56
Housing and Zoning	2,085.99	2,085.99			2,085.99
Engineering Services	315.84	315.84			315.84
Municipal Radio and Communications	2,810.80	2,810.80	1,425.18		1,385.62
Police	121,535.31	106,535.31	74,897.89		31,637.42
Road Repairs and Maintenance	99,354.01	49,354.01	18,458.78		30,895.23
Vehicle Maintenance	523.86	523.86	523.86		
Swimming Pool	11,597.42	11,597.42			11,597.42
Recreation	13,963.52	13,963.52	2,671.86		11,291.66
State Uniform Construction Code	2,156.27	2,156.27			2,156.27
Fire Prevention Official	198.38	198.38			198.38
<u>Other Expenses:</u>					
General Administration	50,788.33	70,630.38	17,801.53		52,828.85
Human Resources	6,514.37	10,553.37	4,264.75		6,288.62
Municipal Clerk	19.68	114.59	80.23		34.36
Financial Administration	1,077.64	1,349.73	1,278.48		71.25
Computer Information Technology	2,799.42	8,655.18	5,400.00		3,255.18
Assessment of Taxes	1,762.46	10,846.25	8,602.29		2,243.96
Tax Collector	503.02	628.02	125.00		503.02
Legal Services	8,290.11	7,457.81	5,172.00		2,285.81
Public Buildings and Grounds	6,413.31	38,216.77	10,441.95		27,774.82
Planning Board	8,410.36	8,435.62	2,612.96		5,822.66
Board of Adjustment	9,084.80	9,084.80	2,475.00		6,609.80
Housing and Zoning	84.47	84.47			84.47
Engineering Services	23,432.46	28,434.08	22,034.20		6,399.88
Historical Preservation	1,000.00	1,000.00			1,000.00
Insurance:					
Group Insurance	51,836.80	(8,163.20)		8,163.20	
General Liability Insurance	47,633.50	47,633.50	46,475.50		1,158.00
Workers Compensation Insurance	45,267.50	45,267.50	45,267.50		
Health Benefit Waiver	622.87	622.87			622.87
Aid to Volunteer Rescue Squad	22,661.05	23,000.00	338.95		22,661.05
Municipal Radio and Communications	2,259.69	6,037.99	3,315.69		2,722.30
Police	1,435.40	33,983.81	25,817.27		8,166.54
Purchase of Police Vehicle		35,778.31	35,778.31		
Emergency Management Services	119.65	1,362.86	1,148.21		214.65
Road Repairs and Maintenance	46,129.14	184,011.44	125,055.02		58,956.42
Fire Hydrant Service	17,446.64	17,446.64			17,446.64
Shade Tree Committee		23,460.00	23,460.00		
Somerset County Mandatory Recycling Program	4,113.68	21,713.68	15,400.00		6,313.68
Senior Citizen Van	1,354.48	2,303.33	881.84		1,421.49

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2021	ADJUSTED BALANCE	PAID OR CHARGED	OVEREXPENDED	BALANCE LAPSED
<u>Other Expenses (Continued):</u>					
Vehicle Maintenance	\$ 3,839.43	\$ 19,146.24	\$ 17,341.98	\$	1,804.26
Sanitary Landfill	7,794.80	31,552.80	18,587.00		12,965.80
Board of Health	371.71	371.71			371.71
Environmental Commission	70.77	5,747.37	5,676.60		70.77
Animal Control Regulations	1,100.00	1,100.00			1,100.00
Workers and Community Right to Know	500.00	500.00			500.00
Swimming Pool	1,501.99	1,501.99			1,501.99
Recreation	5,120.32	8,750.61	7,212.22		1,538.39
Celebration of Public Events	980.00	980.00			980.00
State Uniform Construction Code	2,248.88	2,248.88	1,695.62		553.26
Fire Prevention Official	19,149.44	19,149.44			19,149.44
Unclassified					
Telephone	454.37	614.73	223.61		391.12
Electricity	9,027.29	14,027.29	14,027.29		
Gasoline	8,591.33	14,764.31	4,257.55		10,506.76
Street Lighting	862.71	6,718.73	6,674.32		44.41
Natural Gas	3,123.90	3,127.36	1,861.46		1,265.90
Accumulated Absences Compensation		50,000.00	50,000.00		
Statutory Expenditures					
Social Security System (OASI)	358.52	358.52	358.52		
Unemployment Compensation	3,751.34	3,751.34			3,751.34
Defined Contribution Retirement Program	4,654.90	4,654.90			4,654.90
Municipal Court	1,345.52	1,345.52			1,345.52
Matching Grant Funds	501.21	501.21			501.21
Capital Improvement Fund		50,000.00	50,000.00		
	<u>\$ 694,923.39</u>	<u>\$ 1,064,376.88</u>	<u>\$ 680,343.87</u>	<u>8,163.20</u>	<u>\$ 392,196.21</u>

REF.

A

A

A-1

Budget - Reserved A-14
Reserve for Encumbrances A-17

\$ 694,923.39
369,453.49
\$ 1,064,376.88

Disbursements A-4
Transferred to Accounts Payable A-18

\$ 659,053.80
21,290.07
\$ 680,343.87

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER 31, 2021	INCREASE	DECREASE	BALANCE DECEMBER 31, 2022
Due State of New Jersey:				
Marriage License Fees	\$	\$ 775.00	\$ 775.00	\$
Special Deposits	8,214.83			8,214.83
Joint Insurance Fund Dividends	6,342.00	8,398.00	6,342.00	8,398.00
Railroad Station	17,503.87	18,967.95	17,000.00	19,471.82
LEA Rebates - Due to Bernards Township		5,774.28		5,774.28
Municipal Relief Fund		34,541.46		34,541.46
	<u>\$ 32,060.70</u>	<u>\$ 68,456.69</u>	<u>\$ 24,117.00</u>	<u>\$ 76,400.39</u>
	A	A-4		A
Disbursements	A-4		\$ 775.00	
2022 Budget Revenue	A-2		6,342.00	
2022 Budget Revenue	A-2		17,000.00	
			<u>\$ 24,117.00</u>	

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2021	A	\$	1,510.66
Increased by:			
Receipts	A-5		<u>9,489.87</u>
Balance, December 31, 2022	A	\$	<u><u>11,000.53</u></u>

"A-17"

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2021			
Current Fund	A	\$ 369,453.49	
Grant Fund	A	<u>17,599.08</u>	
			\$ 387,052.57
Increased by:			
Budget Appropriations	A-3	472,577.00	
Grant Appropriations	A-24	<u>7,112.48</u>	
			<u>479,689.48</u>
			\$ 866,742.05
Decreased by:			
Transferred to Appropriation Reserves	A-14	369,453.49	
Transferred to Reserve for Grants Appropriated	A-24	<u>17,599.08</u>	
			<u>387,052.57</u>
Current Fund	A	472,577.00	
Grant Fund	A	<u>7,112.48</u>	
Balance, December 31, 2022			\$ <u><u>479,689.48</u></u>

"A-18"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2021	A	\$ 35,176.87
Increased by:		
Transferred from Appropriation Reserves	A-14	<u>21,290.07</u>
		\$ <u>56,466.94</u>
Decreased by:		
Disbursements	A-4	<u>13,240.45</u>
Balance, December 31, 2022	A	\$ <u><u>43,226.49</u></u>

"A-19"

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2021	A	\$	482,079.16
Increased by:			
Collection of 2023 Taxes	A-5		<u>413,096.42</u>
		\$	895,175.58
Decreased by:			
Applied to Taxes Receivable	A-9		<u>482,079.16</u>
Balance, December 31, 2022	A	\$	<u><u>413,096.42</u></u>

"A-20"

SCHEDULE OF COUNTY TAXES PAYABLE

2022 Tax Levy			
County Tax	A-1:A-9	\$	7,834,858.37
Added County Taxes	A-1:A-9		<u>27,636.60</u>
			<u>7,862,494.97</u>
		\$	7,862,494.97
Decreased by:			
Cash Disbursements	A-4	\$	<u><u>7,862,494.97</u></u>

"A-21"

BOROUGH OF BERNARDSVILLE

CURRENT FUND

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX

REF.

Increased by:			
Levy Calendar Year 2022	A-1:A-9	\$	27,914,636.00
Decreased by:			
Payment to Regional District School	A-4		<u>27,861,580.00</u>
Balance, December 31, 2022	A	\$	<u><u>53,056.00</u></u>

"A-22"

SCHEDULE OF MUNICIPAL OPEN SPACE TAX

Balance, December 31, 2021	A	\$	2,607.56
Increased by:			
Levy Calendar Year 2022		\$	467,683.73
Added Open Space Taxes			<u>1,626.36</u>
	A-1:A-9		<u>469,310.09</u>
		\$	<u><u>471,917.65</u></u>
Decreased by:			
Cash Disbursements	A-4	\$	<u><u>471,917.65</u></u>

BOROUGH OF BERNARDSVILLE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>GRANT</u>	<u>BALANCE</u> DECEMBER 31, 2021	<u>ACCRUED</u> 2022 <u>BUDGET</u>	<u>RECEIVED</u>	<u>BALANCE</u> DECEMBER 31, 2022
Municipal Alliance Grant:				
State Share	\$ 12,267.89	\$ 8,849.28	\$ 8,337.96	\$ 12,779.21
Other Municipalities	86.50			86.50
Body Armor Replacement Fund		1,189.95	1,189.95	
Recycling Tonnage Grant		30,760.45	30,760.45	
Clean Communities		22,538.29	22,538.29	
Municipal Youth Service Grant		20,000.00	20,000.00	
Police Donations		10,000.00	10,000.00	
	<u>\$ 12,354.39</u>	<u>\$ 93,337.97</u>	<u>\$ 92,826.65</u>	<u>\$ 12,865.71</u>

REF.

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A-26

A-4

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BOROUGH OF BERNARDSVILLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

GRANT/PROGRAM	BALANCE DECEMBER 31, 2021	PRIOR YEAR ENCUMBRANCES PAYABLE	2022 BUDGET APPROPRIATIONS	DISBURSEMENTS	ENCUMBRANCES PAYABLE	BALANCE DECEMBER 31, 2022
Municipal Alliance Grant:	\$					
State Share	14,860.06	\$ 300.00	\$ 8,849.28	\$ 6,543.29	\$	17,466.05
Local Match	304.48		800.97			1,105.45
Other Municipality Share	325.30					325.30
Drunk Driving Enforcement Fund	7,380.60	120.00		120.00	120.00	7,260.60
Alcohol Education and Rehabilitation	783.73					783.73
Click It or Ticket	2,464.39					2,464.39
Paragano Family Foundation/Police Donation	13,491.40		10,000.00	4,547.83	376.00	18,567.57
Mayor Wellness Campaign	165.38					165.38
Sustainable NJ - 2015	588.80			361.97	183.08	43.75
Sustainable NJ - 2020	1,946.96			1,946.96		
Clean Communities Grant - 2021	7,178.00	2,420.00		9,598.00		
Clean Communities Grant - 2022			22,538.29	11,484.29	5,600.00	5,454.00
Recycling Tonnage Grant	9,232.91	1,721.49	30,760.45	10,954.40	833.40	7,209.26
Recycling Tonnage Grant	0.29			22,717.79		0.29
Body Armor Replacement Fund - 2020		1,666.27		1,660.33		5.94
Body Armor Replacement Fund - 2021		2,419.00	1,189.95			1,189.95
Body Armor Replacement Fund - 2022				2,419.00		
Federal Bulletproof Vest Partnership						
Rose Bowl Field - Sebastian	1,035.00					1,035.00
EMAA / OEM Grant - 2018	4,025.81	2,975.40		7,001.21		6,687.31
EMAA / OEM Grant - 2019	4,023.08	5,976.92		3,312.69		10,000.00
EMAA / OEM Grant - 2020	10,000.00					
Municipal Youth Services Grant - 2019	870.07			870.07		4,325.57
Municipal Youth Services Grant - 2020-2021	10,000.00		20,000.00	5,674.43		20,000.00
Municipal Youth Services Grant - 2021-2022						
	\$ 88,676.26	\$ 17,599.08	\$ 94,138.94	\$ 89,212.26	\$ 7,112.48	\$ 104,089.54

REF.

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A-17

A-3,A-26

A-4

A-17

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"A-25"

BOROUGH OF BERNARDSVILLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

<u>GRANT/PROGRAM</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>INCREASES</u>	<u>TRANSFERRED TO 2022 CURRENT FUND BUDGET AS REVENUE</u>	<u>BALANCE DECEMBER 31, 2022</u>
Donation - Paragano	\$ 10,000.00	\$	\$	10,000.00
American Rescue Plan Act	397,426.50	397,426.50	397,426.50	397,426.50
Body Armor		1,574.34		1,574.34
Police Donation - St. John's		250.00		250.00
EMAA/ OEM Grant		10,000.00		10,000.00
	<u>\$ 407,426.50</u>	<u>\$ 409,250.84</u>	<u>\$ 397,426.50</u>	<u>\$ 419,250.84</u>
<u>REF.</u>	A	A-4	A-4	A

BOROUGH OF BERNARDSVILLE

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2021	A	\$ 397,426.50	\$ 397,426.50
Increased by:			
Grant Appropriations	A-24	<u>94,138.94</u>	<u>94,138.94</u>
		94,138.94	94,138.94
		491,565.44	491,565.44
Decreased by:			
Receipts	A-4	398,227.47	398,227.47
Grant Revenues	A-23	<u>93,337.97</u>	<u>93,337.97</u>
		491,565.44	491,565.44
Balance, December 31, 2022	A	\$ <u> </u>	\$ <u> </u>

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF CASH

	REF.	ANIMAL CONTROL		OTHER
Balance, December 31, 2021	B	\$	-0-	\$ 10,188,458.60
Increased by Receipts:				
Prepaid Licenses	B-2	\$	1,539.60	
State Registration Fees	B-3		404.40	
License Fees	B-4		4,479.20	
Various Reserves and Deposits	B-5			10,763,319.99
Interfunds	B-7:B-6		7,043.04	523,163.30
			<u>13,466.24</u>	<u>11,286,483.29</u>
		\$	13,466.24	\$ 21,474,941.89
Decreased by Disbursements:				
State Registration Fees	B-3	\$	522.60	
Expenditures Under R.S. 4:19-15.11	B-4		1,800.49	
Various Reserves and Deposits	B-5			12,308,626.59
Interfunds	B-7:B-6		11,143.15	503,881.46
			<u>13,466.24</u>	<u>12,812,508.05</u>
Balance, December 31, 2022	B	\$	-0-	\$ 8,662,433.84

"B-2"

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF PREPAID LICENSES - ANIMAL CONTROL FUND

	<u>REF.</u>		
Balance, December 31, 2021	B	\$	1,424.40
Increased by:			
Receipts	B-1		<u>1,539.60</u>
		\$	2,964.00
Decreased by:			
Applied to Reserve	B-4	\$	1,305.00
Applied to Due to State	B-3		<u>119.40</u>
			<u>1,424.40</u>
Balance, December 31, 2022	B	\$	<u><u>1,539.60</u></u>

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF STATE REGISTRATION FEES
ANIMAL CONTROL FUND

	<u>REF.</u>		
Increased by:			
Registration Fees	B-1	\$	404.40
Prepays - Due to State	B-2		<u>119.40</u>
			523.80
		\$	<u>523.80</u>
Decreased by:			
Disbursements	B-1		<u>522.60</u>
Balance, December 31, 2022	B	\$	<u><u>1.20</u></u>

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2021	B	\$	10,981.00
Increased by:			
Receipts:			
Dog License Fees Collected		\$	4,297.20
Cat License Fees Collected			<u>182.00</u>
	B-1		4,479.20
Prepaid Licenses Applied	B-2		<u>1,305.00</u>
			<u>5,784.20</u>
		\$	<u>16,765.20</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-1		1,800.49
Reserve for Encumbrance Payable	B		537.00
Statutory Excess Due Current Fund	B-7		<u>2,480.41</u>
			<u>4,817.90</u>
Balance, December 31, 2022	B	\$	<u><u>11,947.30</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2020	\$ 6,001.00
2021	<u>5,946.30</u>
	\$ <u><u>11,947.30</u></u>

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF VARIOUS RESERVES

	BALANCE DECEMBER 31, 2021	MODIFIED	RECEIPTS	EXPENDITURES	BALANCE DECEMBER 31, 2022
Accumulated Absences	\$ 433,353.34	\$ 433,353.34	\$ 100,000.00	\$ 379,710.58	\$ 153,642.76
Class of 2020 Garden	887.94	887.94		151.14	736.80
Community Garden	1,278.35	1,278.35	625.00	1,343.24	560.11
Construction Code DCA Due State	7,713.00	7,713.00	21,304.00	23,978.00	5,039.00
Escrow	327,226.62	327,226.62	230,434.20	155,145.10	402,515.72
Fire Prevention	6,915.96	6,915.96	97.74		7,013.70
Housing Trust (COAH)	3,215,672.34	3,242,370.87	69,185.00	1,723,768.20	1,587,787.67
Open Space	5,407,037.08	5,423,669.26	345,472.80	17,782.68	5,751,359.38
Payroll Deductions	7,238.01	7,238.01	9,246,777.95	9,236,705.33	17,310.63
Police Outside Duty	43,640.27	43,640.27	105,726.28	108,668.89	40,697.66
Public Defender	7,559.94	7,559.94	0.32		7,560.26
Recreation	35,837.44	60,940.84	263,930.12	262,501.09	62,369.87
Shade Tree	58,791.69	58,791.69	5,000.00	27,944.75	35,846.94
Special Law Enforcement Trust	3,413.49	3,413.49	48.16		3,461.65
Storm Recovery	141,876.00	158,436.00	155,949.22	96,078.00	218,307.22
Tax Sale Premium	516,400.00	516,400.00	218,769.20	360,169.01	375,000.19
Veterans Banners	2,486.85	2,486.85		2,452.18	34.67
	\$ 10,217,328.32	\$ 10,302,322.43	\$ 10,763,319.99	\$ 12,396,398.19	\$ 8,669,244.23

REF.

B

B-1

B

Balance, December 31, 2021
Encumbrances Payable

B-5
B-8

\$ 10,217,328.32
84,994.11
\$ 10,302,322.43

Encumbrances Payable
Disbursements

B-8
B-1

\$ 87,771.60
12,308,626.59
\$ 12,396,398.19

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, 2021					
Due From	B	\$ 19,902.88	\$	\$ -	\$ 17,295.32
Due To	B	17,126.55	2,607.56	17,126.55	
Increased by:					
Receipts	B-1	523,163.30	499,445.98	6,422.00	17,295.32
		<u>\$ 523,163.30</u>	<u>\$ 499,445.98</u>	<u>\$ 6,422.00</u>	<u>\$ 17,295.32</u>
Decreased by:					
Disbursements	B-1	503,881.46	496,838.42	7,043.04	
		<u>\$ 503,881.46</u>	<u>\$ 496,838.42</u>	<u>\$ 7,043.04</u>	
Balance, December 31, 2022					
Due To	B	<u>16,505.51</u>	<u>\$</u>	<u>16,505.51</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, 2021				
Due From	B	\$ 17,126.55		\$ 17,126.55
Due To	B	4,721.15	\$ 4,721.15	
Increased by:				
Receipts	B-1	7,043.04		7,043.04
Statutory Excess	B-4	2,480.41	2,480.41	
		\$ 9,523.45	\$ 2,480.41	\$ 7,043.04
Decreased by:				
Disbursements	B-1	11,143.15	4,721.15	6,422.00
		\$ 11,143.15	\$ 4,721.15	\$ 6,422.00
Balance, December 31, 2022				
Due From	B	\$ 16,505.51		\$ 16,505.51
Due To	B	2,480.41	\$ 2,480.41	

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 84,994.11
Increased by:		
Transferred from Various Trust Reserves	B-5	87,771.60
		\$ <u>172,765.71</u>
Decreased by:		
Transferred to Various Trust Reserves	B-5	<u>84,994.11</u>
Balance, December 31, 2022	B	\$ <u><u>87,771.60</u></u>

BOROUGH OF BERNARDSVILLE

TRUST FUND

SCHEDULE OF RECEIVABLE FROM SOMERSET COUNTY

	<u>REF.</u>		
Balance, December 31, 2021	B	\$	111,087.50
Balance, December 31, 2022	B	\$	<u>111,087.50</u>

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CASH

	<u>REF.</u>		
Balance, December 31, 2021	C		\$ 5,956,216.94
Increased by Receipts:			
Serial Bonds Issued	C-5	\$ 1,000.00	
Budget Appropriations:			
Capital Improvement Fund	C-6	635,854.00	
Grants Receivable	C-10	210,465.55	
Various Reserves	C-11	6,000.00	
Due Trust Other Fund	C-12	1,205,000.00	
Other Accounts Receivable	C-13	37,500.00	
Due Current Fund	C-14	61,691.21	
Due Sewer Utility Capital Fund	C-15	7,724.00	
Bond Anticipation Notes	C-16	741,000.00	
			<u>2,906,234.76</u>
			\$ 8,862,451.70
Decreased by Disbursements:			
Fund Balance Anticipated as Current Fund Revenue	C-1	49,745.04	
Contracts Payable	C-7	3,073,269.21	
Various Reserves	C-11	7,648.60	
Due Trust Other Fund	C-12	1,022,295.32	
Due Current Fund	C-14	61,691.21	
Bond Anticipation Notes	C-16	741,000.00	
			<u>4,955,649.38</u>
Balance, December 31, 2022	C		\$ <u>3,906,802.32</u>

"C-3"

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

ANALYSIS OF CASH AND INVESTMENTS

BALANCE
DECEMBER
31, 2022

Fund Balance	\$	110.26
Capital Improvement Fund		14,037.69
Improvement Authorizations Funded as Set Forth on "C-8"		3,441,306.04
Unfunded Improvements Expended - Listed on "C-5"		(1,352,123.95)
Contracts Payable		1,366,965.98
Various Reserves		116,756.30
Grants Receivable		(361,250.00)
Unexpended Proceeds of Bond Anticipation Note - Listed on "C-5"		741,000.00
Other Accounts Receivable		<u>(60,000.00)</u>
	\$	<u><u>3,906,802.32</u></u>

REF.

C

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 14,735,000.00
Decreased by:		
2022 Budget Appropriation to Pay Bonds	C-9	<u>1,155,000.00</u>
Balance, December 31, 2022	C	\$ <u><u>13,580,000.00</u></u>

"C-6"

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2021	C		\$ 213,183.69
Increased by:			
2022 Budget Appropriation	C-2	\$ 540,000.00	
2021 Budget Appropriation	C-2	50,000.00	
Cash Receipt - Grant	C-2	45,854.00	
Improvement Authorizations Canceled	C-8	<u>85,000.00</u>	
			<u>720,854.00</u>
			\$ 934,037.69
Decreased by:			
2022 Improvement Authorizations	C-8	<u>920,000.00</u>	
			<u>920,000.00</u>
Balance, December 31, 2022	C		\$ <u>14,037.69</u>

"C-7"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2021	C		\$ 1,491,517.04
Increased by:			
Improvement Authorizations (Net)	C-8	\$ <u>2,953,918.15</u>	
			<u>2,953,918.15</u>
			\$ 4,445,435.19
Decreased by:			
Disbursements	C-2	3,073,269.21	
Canceled	C-11	<u>5,200.00</u>	
			<u>3,078,469.21</u>
Balance, December 31, 2022	C		\$ <u>1,366,965.98</u>

BOROUGH OF BERNARDSVILLE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE		2022 AUTHORIZATIONS	NET CONTRACTS PAYABLE	CANCELED	BALANCE		
		DATE	AMOUNT	DECEMBER 31, 2021	DECEMBER 31, 2022				FUNDED	UNFUNDED	
General Improvements:											
15-1691	Various Improvements	05/26/15	\$ 6,698,000.00	\$ 44,119.87	\$	\$	44,119.87	\$	\$		
18-1759	Improv. to the Borough Turf Fields at the Polo Grounds	03/01/18	100,000.00	34,077.62			4,125.00		29,952.62		
18-1760	Various Improvements	03/12/18	1,743,115.50	134,117.26			2,185.00		131,932.26		
18-1761	Various Equipment	03/12/18	269,250.00	28,313.62			10,013.62		18,300.00		
18-1774	Mitigation Project	07/12/18	12,500.00	2,570.00			2,508.00		62.00		
19-1797	Acq of Lands for Affordable Housing Purposes	03/11/19	800,000.00	19,379.92	761,000.00		2,000.00		37,379.92	741,000.00	
19-1799	Various Improvements - Open Space	03/25/19	75,000.00	3,415.70			374.00		3,041.70		
19-1801	Whitenack Road Bank Stabilization	04/22/19	120,000.00								
19-1803	Various Equipment	05/28/19	90,000.00	6,515.20			6,515.20				
19-1812	Various Improvements to Existing Borough Recreation and Open Space Facilities										
19-1814	Purchase of 261 Claremont Road	06/24/19	146,000.00	36,454.33					36,454.33		
20-1837	Various Improvements	09/09/19	630,000.00	630,000.00					630,000.00		
20-1839	Various Improvements	03/23/20	200,000.00	16,185.97			2,189.13		13,996.84		
20-1856	Purchase and Installation of Library Doors	03/23/20	75,000.00	63,750.00			63,750.00				
20-1874	Improvement of Various Roads	10/26/20	500,000.00	3,503.85			3,503.85				
21-1874	Improvement to Various Roads	02/21/21	1,511,000.00	127,997.24			86,963.35	2,034.45	38,999.44		
21-1875	Various Improvements	03/08/21	2,550,000.00	1,447,041.30	800.00		12,353.29	19,000.00	1,416,488.01		
21-1880	Various Equipment	05/10/21	400,000.00	223,810.40			(6,546.07)	85,000.00	145,356.47		
21-1898	Improvements to Municipal Open Space Properties	10/25/21	250,000.00	208,082.41			69,062.44		139,019.97		
21-1906	Construction of a Pickleball Court	12/27/21	600,000.00	600,000.00			490,577.78		109,422.22		
22-1911	Library Restroom Renovations	03/28/22	60,000.00			60,000.00			60,000.00	744,728.80	
22-1914	Improvement of Various Roads	05/09/22	1,100,000.00			1,100,000.00	355,271.20		374,900.26		
22-1917/22-1937	Various Equipment	05/23/22	660,000.00			660,000.00	285,099.74				
22-1924	Acquisition of 65 Morristown Road	07/11/22	1,500,000.00			1,500,000.00	1,406,852.75		200,000.00	93,147.25	
22-1925	Improvements to Open Space Properties	07/11/22	4,000,000.00			4,000,000.00			4,000,000.00	3,800,000.00	
22-1932	Various Roads	09/26/22	1,300,000.00			1,300,000.00	9,000.00		56,000.00	1,235,000.00	
22-1939	Road Department Vehicles	12/12/22	104,000.00			104,000.00	104,000.00				
				\$ 3,629,334.69	\$ 761,800.00	\$ 8,724,000.00	\$ 2,953,918.15	\$ 106,034.45	\$ 3,441,306.04	\$ 6,613,876.05	
				REF.	C	C	C-7	Below	C:C-3	C:C-5	
Deferred Charges to Future Taxation - Unfunded						\$					
Other Accounts Receivable				C-5							
Capital Surplus				C-13		7,225,000.00					
Capital Improvement Fund				C-1		60,000.00					
State Aid Receivable				C-6		19,000.00					
Open Space Trust				C-10		920,000.00					
				C-12		300,000.00					
						200,000.00					
						\$ 8,724,000.00					
Fund Balance				C-1							
Capital Improvement Fund				C-6				\$	19,000.00		
Grant Receivable				C-10					85,000.00		
									2,034.45		
								\$	106,034.45		

Deferred Charges to Future Taxation - Unfunded
Other Accounts Receivable
Capital Surplus
Capital Improvement Fund
State Aid Receivable
Open Space Trust

Fund Balance
Capital Improvement Fund
Grant Receivable

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2022		INTEREST RATE	BALANCE DECEMBER 31, 2021	DECREASED	BALANCE DECEMBER 31, 2022
			DATE	AMOUNT				
General Bonds of 2015	8/27/2015	\$ 12,984,000.00	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%	9,900,000.00	900,000.00	9,000,000.00
General Bonds of 2021	4/22/2021	4,835,000.00	4/15/2023	275,000.00	3.000%			
			4/15/2024	295,000.00	3.000%			
			4/15/2025	320,000.00	3.000%			
			4/15/2026	340,000.00	3.000%			
			4/15/2027	355,000.00	3.000%			
			4/15/2028	365,000.00	3.000%			
			4/15/2029	370,000.00	2.000%			
			4/15/2030	400,000.00	2.000%			
			4/15/2031	420,000.00	2.000%			
			4/15/2032	440,000.00	2.000%			
			4/15/2033	500,000.00	2.000%			
			4/15/2034	500,000.00	2.000%			
						<u>4,835,000.00</u>	<u>255,000.00</u>	<u>4,580,000.00</u>
						<u>\$ 14,735,000.00</u>	<u>\$ 1,155,000.00</u>	<u>\$ 13,580,000.00</u>
REF.						C	C-4	C

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 273,750.00
Increased by:		
Grant Awarded	C-8	300,000.00
		<u>\$ 573,750.00</u>
Decreased by:		
Receipts	C-2	\$ 210,465.55
Canceled	C-8	<u>2,034.45</u>
		<u>212,500.00</u>
Balance, December 31, 2022	C	<u><u>\$ 361,250.00</u></u>

ANALYSIS OF BALANCE

New Jersey Department of Transportation:	
Ordinance #18-1760 NJDOT	\$ 61,250.00
Ordinance #22-1914 NJDOT	<u>300,000.00</u>
	<u><u>\$ 361,250.00</u></u>

"C-11"

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

	<u>REF.</u>		
Balance, December 31, 2021	C	\$	113,204.90
Increased by:			
Receipts	C-2	\$	6,000.00
Contracts Payable	C-7		<u>5,200.00</u>
			<u>11,200.00</u>
			124,404.90
Decreased by:			
Disbursements	C-2	\$	<u>7,648.60</u>
			<u>7,648.60</u>
Balance, December 31, 2022	C	\$	<u><u>116,756.30</u></u>
<u>Analysis of Balance</u>			
Quiet Zone - Preliminary Expenses		\$	2,400.00
Fire Truck			313.80
Ambulance			30,000.00
Turf Field			11,042.50
Road Repairs Exemption Fee			15,000.00
Cistern (Douglas Road)			<u>58,000.00</u>
		\$	<u><u>116,756.30</u></u>

"C-12"

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE TRUST OTHER FUND

REF.

Balance, December 31, 2021	C		\$	17,295.32
Increased by:				
Receipts	C-2	\$	1,005,000.00	
Funded by Open Space Trust	C-2		<u>200,000.00</u>	
				<u>1,205,000.00</u>
				<u>1,222,295.32</u>
Decreased by:				
Disbursements	C-2	\$	1,022,295.32	
2022 Improvement Authorizations	C-8		<u>200,000.00</u>	
			\$	<u><u>1,222,295.32</u></u>

"C-13"

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF OTHER ACCOUNTS RECEIVABLES

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 37,500.00
Increased by:		
Improvement Authorization	C-8	<u>60,000.00</u>
		\$ <u>97,500.00</u>
Decreased by:		
Receipts	C-2	<u>37,500.00</u>
Balance, December 31, 2022	C	\$ <u><u>60,000.00</u></u>

"C-14"

SCHEDULE OF DUE CURRENT FUND

Increased by:		
Disbursements	C-2	\$ <u>61,691.21</u>
Decreased by:		
Receipts	C-2	\$ <u><u>61,691.21</u></u>

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE SEWER UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 7,724.00
Decreased by:		
Cash Receipts	C-2	\$ <u>7,724.00</u>

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	BALANCE DECEMBER 31, 2021	INCREASED	DECREASED	BALANCE DECEMBER 31, 2022
<u>General Improvements:</u>									
19-1797	Acq of Lands for Affordable Housing Purposes	4/26/19	3/29/22	3/29/23	1.10%	\$ 761,000.00	\$ 741,000.00	\$ 761,000.00	\$ 741,000.00
						<u>\$ 761,000.00</u>	<u>\$ 741,000.00</u>	<u>\$ 761,000.00</u>	<u>\$ 741,000.00</u>
					<u>REF.</u>	C	C-2		C:C-5
			Paid by Budget Appropriation		C-5		\$ 20,000.00		
			Cash Disbursements		C-2		<u>741,000.00</u>		
							\$ 761,000.00		

"C-17"

BOROUGH OF BERNARDSVILLE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2022</u>
22-1914	Improvements to Various Roads	\$ 760,000.00
22-1924	Acquisition of Property	1,430,000.00
22-1925	Improvements to Open Space Properties	3,800,000.00
22-1932	Various Roads	<u>1,235,000.00</u>
		<u>\$ 7,225,000.00</u>

BOROUGH OF BERNARDSVILLE

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2021	D	\$ 363,649.00	\$ 790,725.91
Increased by Receipts:			
Fund Balance - FEMA Reimbursement	D-2		121,132.19
Interest on Investments	D-3	16,267.44	
Interest on Sewer User Fees	D-3	6,850.49	
Sewer Rents Receivable	D-7	1,343,195.27	
Sewer Rents Prepaid	D-8	7,917.58	
Capital Improvement Fund	D-20		180,000.00
		<u>1,374,230.78</u>	<u>301,132.19</u>
		1,737,879.78	1,091,858.10
Decreased by Disbursements:			
Refund of Prior Year Revenue	D-1	315.45	
Appropriations	D-4	1,303,765.45	
Appropriation Reserves	D-9	50,176.41	
Accrued Interest Payable	D-13	26,806.26	
Due General Capital Fund	D-15		7,724.00
Contracts Payable	D-16		153,223.69
		<u>1,381,063.57</u>	<u>160,947.69</u>
Balance, December 31, 2022	D	\$ 356,816.21	\$ 930,910.41

"D-6"

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

ANALYSIS OF CASH

BALANCE
DECEMBER 31,
2022

Fund Balance	\$	176,135.55
Capital Improvement Fund		660,722.55
Contracts Payable		42,872.90
Improvement Authorizations:		
Ord. 13-1620 Improvement of the Sanitary Sewerage System		5,000.00
Ord 21-1902 Sewer Plant SBR Blower Motor		81.00
Ord 21-1903 Sewer Plant UV Disinfection System		11,001.81
Ord 22-1928 Improvements to Wastewater Treatment Plant		21,127.00
Ord 22-1929 Pill Hill Valve & Pump Impeller		<u>13,969.60</u>
	\$	<u><u>930,910.41</u></u>

REF.

D

"D-7"

BOROUGH OF BERNARDSVILLE

SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	86,069.81
Increased by:			
Sewer Rents Levied	Reserve		<u>1,359,554.53</u>
		\$	<u>1,445,624.34</u>
Decreased by:			
Collections	D-3,D-5	\$	1,343,195.27
Prepaid Applied	D-8		<u>3,804.92</u>
			<u>1,347,000.19</u>
Balance, December 31, 2022	D	\$	<u><u>98,624.15</u></u>

"D-8"

SCHEDULE OF SEWER RENT PREPAID

Balance, December 31, 2021	D	\$	3,804.92
Increased by:			
Collected	D-5		<u>7,917.58</u>
		\$	<u>11,722.50</u>
Decreased by:			
Applied	D-7		<u>3,804.92</u>
Balance, December 31, 2022	D	\$	<u><u>7,917.58</u></u>

BOROUGH OF BERNARDSVILLE

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

		BALANCE DECEMBER <u>31, 2021</u>	BALANCE AFTER <u>TRANSFERS</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
Operating:					
Salaries and Wages		\$ 16,527.97	\$ 6,527.97	\$ 6,527.97	\$
Other Expenses		14,799.00	43,648.44	43,648.44	
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)		<u>401.15</u>	<u>401.15</u>	<u></u>	<u>401.15</u>
		<u>\$ 31,728.12</u>	<u>\$ 50,577.56</u>	<u>\$ 50,176.41</u>	<u>\$ 401.15</u>
	<u>REF.</u>	D		D-5	D-1
Balance, December 31, 2021	D		\$ 31,728.12		
Encumbrances Payable	D-10		<u>18,849.44</u>		
			<u>\$ 50,577.56</u>		

BOROUGH OF BERNARDSVILLE

SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2021	D	\$ 18,849.44
Increased by:		
Charges to 2021 Budget Appropriations	D-4	63,578.73
		\$ <u>82,428.17</u>
Decreased by:		
Transferred to Appropriation Reserves	D-9	<u>18,849.44</u>
Balance, December 31, 2022	D	\$ <u><u>63,578.73</u></u>

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>ORDINANCE #</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2022</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
Improvement of the Sanitary Sewerage System	15-1702	21,205.92	21,205.92
Replacement of WWTP Sludge Pump	17-1750	37,121.39	37,121.39
Dayton Crescent Sewer Repairs	20-1830	29,533.25	29,533.25
		<u>\$ 3,309,281.46</u>	<u>\$ 3,309,281.46</u>
<u>REF.</u>		D	D

"D-12"

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ACCOUNT</u>	<u>ORDINANCE #</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>IMPROVEMENT AUTHORIZATIONS</u>	<u>BALANCE DECEMBER 31, 2022</u>
Improvement of the Sanitary Sewerage System	13-1620	\$ 700,000.00	\$	700,000.00
Sewer Plant SBR Blower Motor	21-1902	10,000.00		10,000.00
Sewer Plant UV Disinfection System	21-1903	133,000.00		133,000.00
Improvements to Wastewater Treatment Plant	22-1928		72,000.00	72,000.00
Pill Hill Valve & Pump Impeller	22-1929		35,000.00	35,000.00
		<u>\$ 843,000.00</u>	<u>\$ 107,000.00</u>	<u>\$ 950,000.00</u>
<u>REF.</u>		D	D-19	D

BOROUGH OF BERNARDSVILLE

SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

	<u>REF.</u>	
Balance, December 31, 2021	D	\$ 10,052.34
Increased by:		
Charges to Budget Appropriations	D-4	<u>26,173.45</u>
		\$ <u>36,225.79</u>
Decreased by:		
Cash Disbursements	D-5	<u>26,806.26</u>
Balance, December 31, 2022	D	\$ <u><u>9,419.53</u></u>

"D-14"

BOROUGH OF BERNARDSVILLE
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	4,850.88
Balance, December 31, 2022	D	\$	<u>4,850.88</u>

"D-15"

SEWER UTILITY CAPITAL FUND
DUE TO GENERAL CAPITAL FUND

Balance, December 31, 2021	D	\$	7,724.00
Decreased by:			
Cash Disbursements	D-5	\$	<u>7,724.00</u>

"D-16"

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2021	D	\$ 122,795.00
Increased by:		
Improvement Authorizations	D-17	73,301.59
		<u>\$ 196,096.59</u>
Decreased by:		
Disbursements	D-5	<u>153,223.69</u>
Balance, December 31, 2022	D	<u><u>\$ 42,872.90</u></u>

"D-17"

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		DATE	AMOUNT	BALANCE DECEMBER 31, 2021		2022 AUTHORIZATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2022	
						FUNDED				FUNDED	
General Improvements:											
13-1620	Improvement of the Sanitary Sewerage System	01/14/13	\$	700,000.00	\$	5,000.00	\$		\$	5,000.00	
21-1902	Sewer Plant SBR Blower Motor	12/13/21		10,000.00		81.00				81.00	
21-1903	Sewer Plant UV Disinfection System	12/31/21		133,000.00		12,400.00			1,398.19	11,001.81	
22-1928	Improvements to Wastewater Treatment Plant	08/08/22		72,000.00			72,000.00		50,873.00	21,127.00	
22-1929	Pill Hill Valve & Pump Impeller	08/08/22		35,000.00			35,000.00		21,030.40	13,969.60	
			\$		\$	17,481.00	\$	107,000.00	\$	73,301.59	\$
							D	D-20	D-16		D

"D-18"

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>	
Balance, December 31, 2021	D	\$ 2,641,281.46
Increased by:		
Serial Bonds Paid by Operating Budget	D-21	<u>75,000.00</u>
Balance, December 31, 2022	D	<u>\$ 2,716,281.46</u>

"D-19"

BOROUGH OF BERNARDSVILLE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

	<u>REF.</u>	
Balance, December 31, 2021	D	\$ 486,000.00
Increased by:		
Fixed Capital Authorized	D-12	<u>107,000.00</u>
Balance, December 31, 2022	D	<u><u>\$ 593,000.00</u></u>
<u>Analysis of Balance:</u>		
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		38,000.00
Sewer Plant SBR Blower Motor		10,000.00
Sewer Plant UV Disinfection System		133,000.00
Improvements to Wastewater Treatment Plant		72,000.00
Pill Hill Valve & Pump Impeller		<u>35,000.00</u>
		<u><u>\$ 593,000.00</u></u>

"D-20"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2021	D	\$ 587,722.55
Increased by:		
2022 Budget Appropriation	D-5	<u>180,000.00</u>
		<u>\$ 767,722.55</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	D-17	<u>107,000.00</u>
Balance, December 31, 2022	D	<u><u>\$ 660,722.55</u></u>

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PART II

BOROUGH OF BERNARDSVILLE

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

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

	YEAR 2022		YEAR 2021	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,875,000.00	3.51%	\$ 1,600,000.00	3.00%
Miscellaneous - From Other Than Local				
Property Tax Levies	3,369,020.84	6.30%	4,275,335.55	8.02%
Collection of Delinquent Taxes and				
Tax Title Liens	468,397.60	0.88%	438,969.03	0.83%
Collection of Current Tax Levy	<u>47,731,000.69</u>	<u>89.31%</u>	<u>46,973,030.67</u>	<u>88.15%</u>
<u>TOTAL INCOME</u>	<u>\$ 53,443,419.13</u>	<u>100.00%</u>	<u>\$ 53,287,335.25</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 14,975,607.58	29.23%	\$ 15,297,915.16	29.91%
County Taxes	7,862,494.97	15.35%	7,898,274.60	15.44%
Regional District School Tax	27,914,636.00	54.49%	27,491,287.00	53.76%
Municipal Open Space Tax	469,310.09	0.92%	452,908.05	0.89%
Other	<u>4,670.25</u>	<u>0.01%</u>		
<u>TOTAL EXPENDITURES</u>	<u>\$ 51,226,718.89</u>	<u>100.00%</u>	<u>\$ 51,140,384.81</u>	<u>100.00%</u>
Excess in Revenue	\$ 2,216,700.24		\$ 2,146,950.44	
<u>Fund Balance</u>				
Balance, January 1	<u>2,388,354.48</u>		<u>1,841,404.04</u>	
	\$ 4,605,054.72		\$ 3,988,354.48	
Decreased by:				
Utilization as Anticipated Revenue	<u>1,875,000.00</u>		<u>1,600,000.00</u>	
Balance, December 31	<u>\$ 2,730,054.72</u>		<u>\$ 2,388,354.48</u>	

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

	YEAR 2022		YEAR 2021	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 60,000.00	4.20%	\$ 60,000.00	3.77%
Collection of Sewer Rents	1,347,000.19	94.16%	1,348,636.25	84.64%
Connection Fees			107,400.00	6.74%
Miscellaneous	23,519.08	1.64%	77,257.06	4.85%
<u>TOTAL INCOME</u>	<u>1,430,519.27</u>	<u>100.00%</u>	<u>1,593,293.31</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Operating	1,085,193.74	75.09%	1,035,571.47	71.04%
Capital Improvements	180,000.00	12.46%	210,800.00	14.46%
Debt Service	101,173.45	7.00%	135,867.73	9.32%
Statutory Expenditures and Deferred Charges	78,500.00	5.43%	75,400.00	5.17%
Refund of Prior Year Revenue	315.45	0.02%		
<u>TOTAL EXPENDITURES</u>	<u>1,445,182.64</u>	<u>100.00%</u>	<u>1,457,639.20</u>	<u>100.00%</u>
Excess/(Deficit) in Revenue	(14,663.37)		135,654.11	
Operating Deficit to be Raised in Budget of Succeeding Year	<u>14,663.37</u>			
<u>Fund Balance</u>				
Balance, January 1	294,363.30		218,709.19	
	<u>294,363.30</u>		<u>354,363.30</u>	
Decreased by:				
Utilization by Sewer Utility Operating Budget	60,000.00		60,000.00	
Balance, December 31	<u>\$ 234,363.30</u>		<u>\$ 294,363.30</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	\$2.056	\$2.098	\$2.104
Appointment of Tax Rate:			
Municipal	0.474	0.473	0.470
Municipal Library	0.032	0.033	0.034
Municipal Open Space	0.020	0.020	0.020
County	0.336	0.350	0.355
Regional School	1.194	1.222	1.225

Assessed Valuation:

Year 2022	\$2,338,396,370.00		
Year 2021		\$2,249,815,367.00	
Year 2020			\$2,191,901,508.00

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>
2022	\$48,265,903.82	\$47,731,000.69	98.89%
2021	47,474,055.81	46,973,030.67	98.94%
2020	46,279,336.80	45,779,365.79	98.91%

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>
2022	\$6,537.09	\$496,547.87	\$503,084.96	1.04%
2021	6,300.65	467,554.34	473,854.99	1.00%
2020	6,065.67	444,797.04	450,862.71	0.97%

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>
2022	\$13,100.00
2021	13,100.00
2020	13,100.00

EQUALIZED VALUATIONS – REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2022	\$2,373,089,707.00
2021	2,262,241,584.00
2020	2,240,344,499.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED IN</u> <u>BUDGET</u> <u>OF SUCCEEDING</u> <u>YEAR</u>
Current Fund	2022	\$2,730,054.72	\$2,030,000.00
	2021	2,388,354.48	1,875,000.00
	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
Sewer Utility Operating Fund	2022	234,363.30	115,000.00
	2021	294,363.30	60,000.00
	2020	218,709.19	60,000.00
	2019	164,945.21	60,000.00
	2018	274,955.08	145,000.00

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	
Chad McQueen	Council President	
Jay Ambelang	Councilman	
Diane Greenfield	Councilwoman	
Jena McCredie	Councilwoman	
Al Ribeiro	Councilman	
Christine Zamarra	Councilwoman	
Tom Czerniecki	Administrator	*
Leslie Roberson	Chief Financial Officer	*
	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:

- 2022 Grass Cutting and Lawn Maintenance
- Milling and Paving of Various Roads
- Library Door Replacement and Automatic Operator Installation
- Trailer Mounted Leaf Collector
- Mountain Top Road Drainage Project
- Drainage Improvements to and Roadway Reconstruction of Bernards Avenue
- Purchase of Vehicles

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 2021 for the following professional services:

- Auditor
- Attorney
- Engineer
- Bond Counsel
- Planning and Affordable Housing Services

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 3, 2022 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 16, 2022.

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>
2022	1
2021	1
2020	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:

<u>TYPE</u>	
Payments of 2022 Taxes	25
Payments of 2021 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

