

TOWNSHIP OF BERLIN

COUNTY OF CAMDEN

REPORT OF AUDIT

FOR THE YEAR 2021

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TOWNSHIP OF BERLIN

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR 2021

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Berlin
West Berlin, New Jersey 08091

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Berlin, in the County of Camden, State of New Jersey, as of December 31, 2021 and 2020, and 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, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Berlin, in the County of Camden, State of New Jersey, as of December 31, 2021 and 2020, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2021, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township of Berlin, in the County of Camden, State of New Jersey, as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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

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

As described in note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Supplementary Information

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

The accompanying supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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 accompanying supplemental statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2022 on our consideration of the Township of Berlin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Berlin's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Berlin's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 21, 2022

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Berlin
West Berlin, New Jersey 08091

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Berlin, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated July 21, 2022. That report indicated that the Township of Berlin's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 21, 2022

TOWNSHIP OF BERLIN
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Current Fund:			
Cash--Treasurer	SA-1	\$ 9,247,775.08	\$ 8,168,914.85
Cash--Change Funds	SA-3	375.00	375.00
		<u>9,248,150.08</u>	<u>8,169,289.85</u>
Receivables and Other Assets			
with Full Reserves:			
Tax Title Liens Receivable	SA-5	108,909.87	98,766.14
Property Acquired for Taxes at Assessed Valuation	A	2,078,900.00	2,078,900.00
Delinquent Property Taxes Receivable	SA-6	344,300.52	448,005.82
Revenue Accounts Receivable	SA-7	3,775.62	3,136.78
Due from Township of Berlin Fire District No. 1	SA-1		2,289.46
Due from Township of Berlin Board of Education	SA-1	7,560.00	
Due from Trust -- Other Fund	SB-2	203,500.00	70.48
Due from Sewer Operating Fund	D		121,400.58
Due from Federal and State Grant Fund	SA-1		61,401.39
		<u>2,746,946.01</u>	<u>2,813,970.65</u>
		<u>11,995,096.09</u>	<u>10,983,260.50</u>
Federal and State Grant Fund:			
Cash--Treasurer	SA-1	264,169.23	
Federal and State Grants Receivable	SA-18	1,108,912.97	393,826.97
		<u>1,373,082.20</u>	<u>393,826.97</u>
		<u>\$ 13,368,178.29</u>	<u>\$ 11,377,087.47</u>
LIABILITIES, RESERVES			
AND FUND BALANCE			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-8	\$ 1,414,139.16	\$ 1,298,588.78
Reserve for Encumbrances	A-3;SA-8	198,620.45	177,459.65
Prepaid Taxes	SA-9	319,959.07	253,192.87
Tax Overpayments	SA-13	1,012.44	12,239.40
Local School Taxes Payable	SA-16	3.00	2.50
Due General Capital Fund	C		430,513.43
Due County Added and Omitted Taxes	SA-12	25,168.82	47,963.54
Due State of NJ -- Senior Citizen and Veteran Deductions	SA-4	2,224.90	1,295.45
Due State of NJ -- State Training Fees	SA-10	2,558.00	1,283.00
Due State of NJ -- Marriage License Fees	SA-11	250.00	250.00
Due to Township of Berlin Board of Education	SA-1		39,477.54
Reserve for Tax Appeals	A-3	15,000.00	
Due County of Camden - PILOT	SA-1	1,012.90	
Reserve for Sale of Assets	SA-1		137,862.24
		<u>1,979,948.74</u>	<u>2,400,128.40</u>
Reserve for Receivables and Other Assets	A	2,746,946.01	2,813,970.65
Fund Balance	A-1	7,268,201.34	5,769,161.45
		<u>11,995,096.09</u>	<u>10,983,260.50</u>
Federal and State Grant Fund:			
Due to Current Fund	SA-1		61,401.39
Due to Trust Other Fund	B		12,445.00
Contracts Payable	SA-20	271,045.42	
Reserve for Encumbrances	SA-1;SA-20	4,865.00	50.00
Reserve for Federal and State Grants--Unappropriated	SA-19	298,234.37	2,010.82
Reserve for Federal and State Grants--Appropriated	SA-20	798,937.41	317,919.76
		<u>1,373,082.20</u>	<u>393,826.97</u>
		<u>\$ 13,368,178.29</u>	<u>\$ 11,377,087.47</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF BERLIN
CURRENT FUND
 Statements of Operations and Changes in Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Revenue and Other</u>		
<u>Income Realized</u>		
Fund Balance Utilized	\$ 1,005,000.00	\$ 1,000,000.00
Miscellaneous Revenue Anticipated	2,697,311.98	2,206,145.36
Receipts from Delinquent Taxes and Tax Title Liens	434,159.79	414,486.26
Revenue from Current Taxes	23,759,061.19	23,412,858.96
Non-Budget Revenue	309,347.12	149,220.88
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,338,297.86	1,074,313.46
Cancellation of Tax Overpayments		5,423.42
Liquidation of Reserves for:		
Due from Township of Berlin Fire District No. 1	2,289.46	7,273.25
Due from Utility Operating Fund	121,400.58	66,568.75
Due from Federal and State Grant Fund	61,401.39	
	<u>29,728,269.37</u>	<u>28,336,290.34</u>
Total Income		
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	3,402,900.00	3,558,664.00
Other Expenses	3,771,747.00	3,560,670.00
Deferred Charges and Statutory Expenditures	966,734.00	914,455.27
Excluded from "CAPS":		
Operations:		
Salaries and Wages	57,501.97	76,244.24
Other Expenses	933,285.48	379,967.08
Capital Improvements	715,000.00	810,000.00
Municipal Debt Service	1,000,362.52	921,312.51
Deferred Charges		
County Taxes	5,748,585.91	5,776,947.13
Local District School Taxes	9,405,164.00	9,232,710.00
Fire District Taxes	730,800.00	652,600.00
Due County of Added and Omitted Taxes	25,168.82	47,963.54
Municipal Open Space Taxes	255,571.01	252,263.15
Other Debits to Expenditures:		
Prior Year Senior and Veteran Deductions Disallowed	250.00	18.49
Refund of Prior Year Revenue	169.25	22,094.75
Creation of Reserves for:		
Due from Township of Berlin Board of Education	7,560.00	
Due from Trust -- Other Fund	203,429.52	
Due from Federal and State Grant Fund		16,560.58
	<u>27,224,229.48</u>	<u>26,222,470.74</u>
Total Expenditures		
Statutory Excess to Fund Balance	2,504,039.89	2,113,819.60
<u>Fund Balance</u>		
Balance January 1	<u>5,769,161.45</u>	<u>4,655,341.85</u>
	8,273,201.34	6,769,161.45
Decreased by:		
Utilized as Revenue	<u>1,005,000.00</u>	<u>1,000,000.00</u>
Balance December 31	<u>\$ 7,268,201.34</u>	<u>\$ 5,769,161.45</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2021

	<u>Budget</u>	<u>Anticipated</u> Special N.J.S. <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	\$ 1,005,000.00	-	\$ 1,005,000.00	-
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	4,000.00		7,342.40	\$ 3,342.40
Other	35,000.00		46,592.83	11,592.83
Fees and Permits - Other	75,000.00		50,162.99	(24,837.01)
Municipal Court - Fines and Costs	75,000.00		61,063.94	(13,936.06)
Interest and Cost on Taxes	75,000.00		115,043.21	40,043.21
Franchise Taxes--Cable TV	70,000.00		71,386.16	1,386.16
Energy Receipts Tax	1,287,847.00		1,287,847.00	
Dedicated Uniform Construction Code Fees offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C.5:23-23-4.17):				
Uniform Construction Code Fees	130,000.00		163,456.00	33,456.00
Public and Private Programs Off-Set with Appropriations:				
Clean Communities Program		\$ 13,331.97	13,331.97	
Local Food Drive	1,400.00		1,400.00	
Camden County Recreation Enhancement Grant	25,000.00		25,000.00	
NJDOT Grant - Day Avenue		150,000.00	150,000.00	
NJDOT Grant- Krumm Ave		510,000.00	510,000.00	
Body Worn Camera Grant		44,836.00	44,836.00	
Body Armor Replacement Grant	3,615.71		3,615.71	
Neighborhood Preservation Program		125,000.00	125,000.00	
Neighborhood Preservation Program - COVID 19	10,500.00		10,500.00	
Recycling Tonnage Grant		10,733.77	10,733.77	
Total Miscellaneous Revenues	1,792,362.71	853,901.74	2,697,311.98	51,047.53
Receipts From Delinquent Taxes	350,000.00	-	434,159.79	84,159.79
Amount to be Raised by Taxes for Support of Municipal Budget Including Reserve for Uncollected Taxes	7,871,671.90	-	8,618,539.35	746,867.45
Subtotal General Revenues	10,014,034.61	853,901.74	11,750,011.12	882,074.77
Budget Totals	11,019,034.61	853,901.74	12,755,011.12	882,074.77
Non-Budget Revenues	-	-	309,347.12	309,347.12
	<u>\$ 11,019,034.61</u>	<u>\$ 853,901.74</u>	<u>\$ 13,064,358.24</u>	<u>\$ 1,191,421.89</u>

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2021

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 23,759,061.19
Allocated to Local School, County, Special District and Municipal Open Space Taxes	<u>16,165,289.74</u>
Balance for Support of Municipal Budget Appropriations	7,593,771.45
Add: Appropriation "Reserve for Uncollected Taxes"	<u>1,024,767.90</u>

Amount for Support of Municipal Budget Appropriations \$ 8,618,539.35

Receipts from Delinquent Taxes:

Receipts:

Delinquent Tax Collections	\$ 424,420.38
Overpayments Applied	<u>9,739.41</u>
	<u><u>\$ 434,159.79</u></u>

Fees and Permits--Other:

Police	\$ 2,460.00
Municipal Clerk	24,680.51
Animal Control Permits	60.00
Registrar of Vital Statistics	3,879.36
Planning Board	2,150.00
Continued Certificate of Occupancy	3,530.00
Zoning Board	13,310.00
Tax Search Fees	<u>93.12</u>
	<u><u>\$ 50,162.99</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:

Tax Collector:

Property Maintenance Lien Principal	\$ 1,785.78
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Treasurer:

Police Outside Services	\$ 107,777.50
Photocopy Fees	1,479.95
Premium Forfeiture	5,900.00
Developers Contributions	3,020.64
Engineering Services	20,763.25
Trash Can Fees	4,380.00
Senior Citizen and Veteran Administrative Fee	1,061.84
FEMA Reimbursement	55,278.82
Refund of Prior Year Expenditures	30,856.44
Miscellaneous	35,178.41
Payments In Lieu of Taxes - Taunton Run	<u>19,245.10</u>

284,941.95

Interest on Investments:

Receipts:

Current	13,570.57
Court	90.51

Due from:

Animal Control Fund	18.95
General Capital Fund	7,686.13
Trust Other Fund	<u>1,253.23</u>

22,619.39

\$ 309,347.12

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

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2021

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS"</u>						
<u>General Government</u>						
Mayor and Council						
Salaries and Wages	\$ 88,110.00	\$ 88,110.00	\$ 87,898.06		\$ 211.94	
Other Expenses	32,525.00	32,525.00	20,202.37	\$ 86.40	12,236.23	
Financial Administration						
Salaries and Wages	67,300.00	67,300.00	63,603.19		3,696.81	
Other Expenses	33,100.00	33,100.00	23,510.83	302.51	9,286.66	
Tax Assessment Administration						
Salaries and Wages	22,530.00	22,530.00	22,522.86		7.14	
Other Expenses	7,200.00	7,200.00	3,210.68	1,391.00	2,598.32	
Revenue Administration						
Salaries and Wages	86,170.00	86,170.00	83,030.81		3,139.19	
Other Expenses	18,500.00	18,500.00	4,817.36	1,164.36	12,518.28	
Township Clerk						
Salaries and Wages	113,590.00	113,590.00	107,680.14		5,909.86	
Other Expenses	46,715.00	46,715.00	37,837.69	1,676.06	7,201.25	
Legal Services and Costs						
Other Expenses	80,000.00	80,000.00	34,666.00	4,595.00	40,739.00	
Municipal Prosecutor						
Salaries and Wages	15,060.00	15,060.00	15,056.55		3.45	
Other Expenses	500.00	500.00			500.00	
Engineering Services and Costs						
Salaries and Wages	68,630.00	68,630.00	67,354.92		1,275.08	
Other Expenses	92,950.00	92,950.00	11,992.45	2,455.40	78,502.15	
Public Buildings and Grounds						
Salaries and Wages	68,160.00	68,160.00	58,491.49		9,668.51	
Other Expenses	70,000.00	70,000.00	37,169.48	7,548.18	25,282.34	
Audit Services						
Other Expenses	47,500.00	47,500.00	36,800.00		10,700.00	
Municipal Land Use Law (N.J.S.40:55D-1)						
Planning Board						
Salaries and Wages	15,840.00	15,840.00	15,835.77		4.23	
Other Expenses	11,000.00	11,000.00	4,433.52		6,566.48	

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2021

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>General Government (Cont'd)</u>						
Insurance						
Health Benefit Waiver -- Opt Out	\$ 35,000.00	\$ 35,000.00	\$ 30,131.62		\$ 4,868.38	
Liability Insurance	330,000.00	330,000.00	285,962.00		44,038.00	
Workers Compensation Insurance	150,000.00	150,000.00	93,000.00		57,000.00	
Group Insurance	1,450,000.00	1,437,000.00	1,196,965.14		240,034.86	
Unemployment Compensation Insurance	15,000.00	15,000.00	3,724.13		11,275.87	
Municipal Court						
Salaries and Wages	129,320.00	129,320.00	119,675.84		9,644.16	
Other Expenses	36,117.00	36,117.00	12,481.68	\$ 651.86	22,983.46	
Public Defender						
Other Expenses	500.00	500.00			500.00	
<u>Public Safety</u>						
Police						
Salaries and Wages	1,847,230.00	1,847,230.00	1,716,297.67		130,932.33	
Other Expenses	130,900.00	130,900.00	98,470.91	28,247.19	4,181.90	
Purchase of Police Cars	68,000.00	68,000.00	4,598.00	22,564.00	40,838.00	
Office of Emergency Management						
Salaries and Wages	4,600.00	4,600.00	2,712.62		1,887.38	
Other Expenses	21,100.00	21,100.00	2,604.17		18,495.83	
Ambulance Association						
Other Expenses	20,000.00	20,000.00	13,529.06		6,470.94	
<u>Streets and Roads</u>						
Road Repairs and Maintenance						
Salaries and Wages	58,980.00	58,980.00	34,811.05		24,168.95	
Other Expenses	69,215.00	69,215.00	12,718.96	8,179.34	48,316.70	
Solid Waste Collection						
Salaries and Wages	471,170.00	471,170.00	431,808.71		39,361.29	
Other Expenses	14,725.00	14,725.00	9,699.58		5,025.42	
Vehicle Maintenance						
Salaries and Wages	84,240.00	84,240.00	72,022.27		12,217.73	
Other Expenses	150,750.00	150,750.00	104,378.87	15,310.71	31,060.42	
Landfill / Solid Waste Disposal Costs						
Traffic Signal Monitoring System						
Other Expenses	62,400.00	62,400.00	3,734.54	2,000.00	56,665.46	

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2021

	Appropriations		Expended			Unexpended
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Health and Welfare</u>						
Board of Health						
Salaries and Wages	\$ 5,280.00	\$ 5,280.00	\$ 5,278.51		\$ 1.49	
Other Expenses	550.00	550.00			550.00	
<u>Recreation and Education</u>						
Recreation Services and Programs						
Salaries and Wages	5,200.00	18,200.00	11,177.40		7,022.60	
Other Expenses	5,300.00	5,300.00			5,300.00	
Maintenance of Parks						
Other Expenses	41,325.00	41,325.00	10,221.10	\$ 193.81	30,910.09	
Expense of Participation in Free County Library						
Salaries and Wages	28,000.00	28,000.00			28,000.00	
Other Expenses	11,600.00	11,600.00	3,703.26	386.00	7,510.74	
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	14,000.00	14,000.00	1,999.06	1,137.32	10,863.62	
Uniform Construction Code -						
Appropriations Offset by Dedicated						
Revenues (N.J.A.C. 5:23-4.17)						
Construction Office						
Salaries and Wages	101,050.00	101,050.00	100,032.23		1,017.77	
Other Expenses	32,075.00	32,075.00	1,257.03	359.70	30,458.27	
Code Enforcement						
Salaries and Wages	24,440.00	24,440.00	23,434.38		1,005.62	
Other Expenses	21,200.00	21,200.00	3,736.50		17,463.50	

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2021

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Unclassified</u>						
Utilities:						
Telephone	\$ 37,500.00	\$ 37,500.00	\$ 28,194.78	\$ 6,604.23	\$ 2,700.99	
Street Lighting	140,000.00	140,000.00	129,035.37	10,887.82	76.81	
Electricity and Natural Gas	130,000.00	130,000.00	73,105.63	35,380.27	21,514.10	
Water	5,500.00	5,500.00	2,850.72		2,649.28	
Petroleum Products	135,000.00	135,000.00	27,397.42	14,346.17	93,256.41	
Sewerage	7,000.00	7,000.00	4,305.75	731.25	1,963.00	
Telecommunications	5,000.00	5,000.00	3,514.35		1,485.65	
Landfill/Solid Waste Disposal	240,000.00	240,000.00	205,568.39	25,880.15	8,551.46	
Accumulated Sick leave Compensation	50,000.00	50,000.00	50,000.00			
Total Operations--Within "CAPS"	7,174,647.00	7,174,647.00	5,670,252.87	192,078.73	1,312,315.40	-
Detail:						
Salaries and Wages	3,389,900.00	3,402,900.00	3,118,856.09		284,043.91	
Other Expenses	3,784,747.00	3,771,747.00	2,551,396.78	192,078.73	1,028,271.49	
<u>DEFERRED CHARGES AND STATUTORY</u>						
<u>EXPENDITURES--MUNICIPAL--WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	204,967.00	204,967.00	198,634.03		6,332.97	
Police and Fireman's Retirement System	468,767.00	468,767.00	468,767.00			
Social Security System (O.A.S.I.)	280,000.00	280,000.00	217,520.58		62,479.42	
Defined Contribution Retirement Plan	13,000.00	13,000.00	7,247.32		5,752.68	
Total Deferred Charges and						
Statutory Expenditures--Municipal--Within "CAPS"	966,734.00	966,734.00	892,168.93	-	74,565.07	-
Total General Appropriations						
for Municipal Purposes--Within "CAPS"	8,141,381.00	8,141,381.00	6,562,421.80	192,078.73	1,386,880.47	-

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2021

	Appropriations		Expended			Unexpended Balance
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Solid Waste Disposal						
Recycling Tax	\$ 9,000.00	\$ 9,000.00	\$ 6,617.55	\$ 1,000.00	\$ 1,382.45	
Tax Appeal Refunds	15,000.00	15,000.00	15,000.00			
Storm Water Management						
Salary and Wages	44,170.00	44,170.00	40,400.86		3,769.14	
Other Expenses	28,200.00	28,200.00	14,187.04	3,000.00	11,012.96	
<u>Public and Private Programs Off-Set by Revenues</u>						
Clean Communities Program						
Salaries and Wages (40A:4-87 \$13,331.97)		13,331.97	13,331.97			
Recycling Tonnage Grant						
Other Expenses (40A:4-87 \$10,733.77)		10,733.77	10,733.77			
Body-Worn Camera Grant						
Other Expenses (40A:4-87 \$44,836.00)		44,836.00	44,836.00			
Local Food Drive						
Other Expenses	1,400.00	1,400.00	1,400.00			
NJDOT Grant - Krumm Avenue						
Other Expenses (40A:4-87 \$510,000.00)		510,000.00	510,000.00			
NJDOT Grant - Day Avenue						
Other Expenses (40A:4-87 \$150,000.00)		150,000.00	150,000.00			
Camden County Recreation Enhancement Grant						
Other Expenses	25,000.00	25,000.00	25,000.00			
Neighborhood Preservation Program - COVID 19						
Other Expenses	10,500.00	10,500.00	10,500.00			
Neighborhood Preservation Program						
Other Expenses (40A:4-87 \$125,000.00)		125,000.00	125,000.00			
Body Armor Replacement Grant						
Other Expenses	3,615.71	3,615.71	3,615.71			
Total Operations--Excluded from "CAPS"	136,885.71	990,787.45	970,622.90	4,000.00	16,164.55	-
Detail:						
Salaries and Wages	44,170.00	57,501.97	53,732.83		3,769.14	
Other Expenses	92,715.71	933,285.48	916,890.07	4,000.00	12,395.41	

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2021

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00			
Computer Equipment/Systems	15,000.00	15,000.00	1,364.14	\$ 2,541.72	\$ 11,094.14	
Total Capital Improvements--Excluded from "CAPS"	715,000.00	715,000.00	701,364.14	2,541.72	11,094.14	-
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	620,000.00	620,000.00	620,000.00			
Interest on Bonds	381,000.00	381,000.00	380,362.52			\$ 637.48
Total Municipal Debt Service-- Excluded from "CAPS"	1,001,000.00	1,001,000.00	1,000,362.52	-	-	637.48
Total General Appropriations for Municipal Purposes--Excluded from "CAPS"	1,852,885.71	2,706,787.45	2,672,349.56	6,541.72	27,258.69	637.48
Subtotal General Appropriations	9,994,266.71	10,848,168.45	9,234,771.36	198,620.45	1,414,139.16	637.48
Reserve for Uncollected Taxes	1,024,767.90	1,024,767.90	1,024,767.90	-	-	-
	<u>\$ 11,019,034.61</u>	<u>\$ 11,872,936.35</u>	<u>\$ 10,259,539.26</u>	<u>\$ 198,620.45</u>	<u>\$ 1,414,139.16</u>	<u>\$ 637.48</u>
Appropriation by 40A:4-87		\$ 853,901.74				
Budget as Adopted		11,019,034.61				
		<u>\$ 11,872,936.35</u>				
Reserve for Uncollected Taxes			\$ 1,024,767.90			
Reserve for Federal and State Grant Funds -- Appropriated			894,417.45			
Reserve for Tax Appeals			15,000.00			
Refunds			(325,255.88)			
Disbursed			8,650,609.79			
			<u>\$ 10,259,539.26</u>			

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

TOWNSHIP OF BERLIN
TRUST FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	SB-1	\$ 6,268.80	\$ 8,299.92
Other Funds:			
Cash--Treasurer	SB-1	1,489,539.02	1,136,503.57
Due Federal and State Grant Fund	SB-1		12,445.00
		<u>1,489,539.02</u>	<u>1,148,948.57</u>
Municipal Open Space Fund:			
Cash	SB-1	658,227.39	529,851.65
Due from General Capital Fund	C		2,654.27
		<u>658,227.39</u>	<u>532,505.92</u>
		<u>\$ 2,154,035.21</u>	<u>\$ 1,689,754.41</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-3	\$ 6,268.80	\$ 8,299.92
Other Funds:			
Due to Sewer Utility Operating Fund	D		4.20
Due to Current Fund	SB-2	203,500.00	70.48
Reserve for Escrow Deposits	SB-5	664,381.15	574,664.25
Reserve for New Jersey Unemployment Compensation Insurance	SB-5	101,213.05	95,624.57
Reserve for Recycling Program	SB-5	42,976.62	25,009.75
Reserve for Payroll Deductions Payable	SB-5	38,602.09	33,630.59
Reserve for Accumulated Sick Leave	SB-5	159,070.29	199,402.00
Reserve for John J. McPeak Library	SB-5	565.16	565.16
Reserve for Redemption of Tax Sale Certificates	SB-5	908.60	
Reserve for Parking Offenses Adjudication Act	SB-5	1,346.00	1,346.00
Reserve for Municipal Law Enforcement Program Expenditures	SB-5	12,806.93	16,392.01
Reserve for Berlin Township Police Department	SB-5	5,860.81	5,860.81
Reserve for Township Rehabilitation	SB-5		2,562.49
Reserve for Municipal Public Defender Fees	SB-5	857.68	557.68
Reserve for Storm Recovery	SB-5	33,762.30	49,884.67
Reserve for Premium on Tax Sale	SB-5	144,944.43	128,944.43
Reserve for Flexible Benefits Plan	SB-5	87.19	668.87
Reserve for Recreation	SB-5	4,249.46	3,863.46
Reserve for K9 Donations	SB-5	1,829.40	3,358.17
Reserve for Police Outside Employment	SB-5	72,133.88	
Reserve for Celebration of Public Events	SB-5	68.98	68.98
Reserve for Encumbrances	SB-5	375.00	6,470.00
		<u>1,489,539.02</u>	<u>1,148,948.57</u>
Municipal Open Space Fund:			
Reserve for Future Use	B-1	658,227.39	532,505.92
		<u>\$ 2,154,035.21</u>	<u>\$ 1,689,754.41</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF BERLIN
TRUST -- MUNICIPAL OPEN SPACE FUND
Statements of Operations and Changes in Reserve for Future Use --Regulatory Basis
For the Years Ended December 31, 2021 and 2020

<hr/>		
<u>Revenue and Other</u>		
<u>Income Realized</u>	<u>2021</u>	<u>2020</u>
Amount to be Raised by Taxation	\$ 255,571.01	\$ 252,263.15
Non-Budget Revenues	836.75	833.88
	<hr/>	<hr/>
Total Income	256,407.76	253,097.03
	<hr/>	<hr/>
<u>Expenditures</u>		
Operating	115,140.49	109,826.95
Debt Service	15,545.80	15,545.79
	<hr/>	<hr/>
Total Expenditures	130,686.29	125,372.74
	<hr/>	<hr/>
Excess (Deficit) in Revenue	125,721.47	127,724.29
	<hr/>	<hr/>
Statutory Excess to Reserve	125,721.47	127,724.29
	<hr/>	<hr/>
<u>Reserve for Future Use</u>		
Balance Jan. 1	532,505.92	404,781.63
	<hr/>	<hr/>
	658,227.39	532,505.92
	<hr/>	<hr/>
Balance Dec. 31	<u>\$ 658,227.39</u>	<u>\$ 532,505.92</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF BERLIN
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2021

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Amount to be Raised by Taxation	\$ 254,462.00	\$ 255,571.01	\$ 1,109.01
Non-Budget Revenues	<u>-</u>	<u>836.75</u>	<u>836.75</u>
	<u>\$ 254,462.00</u>	<u>\$ 256,407.76</u>	<u>\$ 1,945.76</u>

Analysis of Realized Revenues

Analysis of Current Tax Collections:

Receipts:

Open Space Tax Levy
Added / Omitted Taxes

\$ 254,462.00
1,109.01

\$ 255,571.01

Analysis of Non-Budget Revenue

Treasurer:

Interest on Deposits

\$ 836.75

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

TOWNSHIP OF BERLIN
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

	<u>Appropriations</u>		<u>Paid or</u>	<u>Reserved</u>	<u>Unexpended</u>
	<u>Original</u>	<u>Budget After</u>	<u>Charged</u>		<u>Balance</u>
	<u>Budget</u>	<u>Modification</u>			<u>Canceled</u>
Operating:					
Salaries and Wages	\$ 117,280.00	\$ 117,280.00	\$ 107,305.06		\$ 9,974.94
Other Expenses	55,000.00	55,000.00	7,835.43		47,164.57
Total Operating	<u>172,280.00</u>	<u>172,280.00</u>	<u>115,140.49</u>	<u>-</u>	<u>57,139.51</u>
Debt Service:					
Payment of Loan Principal	14,500.00	14,500.00	14,428.06		71.94
Interest on Loans	1,120.00	1,120.00	1,117.74		2.26
Total Debt Service	<u>15,620.00</u>	<u>15,620.00</u>	<u>15,545.80</u>	<u>-</u>	<u>74.20</u>
Reserve for Future Use	<u>66,562.00</u>	<u>66,562.00</u>	<u>-</u>	<u>-</u>	<u>66,562.00</u>
	<u>\$ 254,462.00</u>	<u>\$ 254,462.00</u>	<u>\$ 130,686.29</u>	<u>-</u>	<u>\$ 123,775.71</u>
Disbursed			<u>\$ 130,686.29</u>		

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

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2021 and 2020

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	SC-1	\$ 5,720,219.26	\$ 4,812,490.09
Due Current Fund	SC-3		430,513.43
Deferred Charges to Future Taxation:			
Funded	SC-4	<u>10,020,047.67</u>	<u>10,654,475.73</u>
		<u>\$ 15,740,266.93</u>	<u>\$ 15,897,479.25</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
General Serial Bonds	SC-8	\$ 9,975,000.00	\$ 10,595,000.00
Green Acres Loan	SC-9	45,047.67	59,475.73
Contracts Payable	SC-7	43,538.00	
Reserve for Encumbrances	SC-6	36,051.60	46,303.00
Improvement Authorizations:			
Funded	SC-1; SC-6	1,710,086.09	1,463,502.68
Capital Improvement Fund	SC-5	3,930,500.00	3,730,500.00
Due to Open Space Trust Fund	B		2,654.27
Fund Balance	C	<u>43.57</u>	<u>43.57</u>
		<u>\$ 15,740,266.93</u>	<u>\$ 15,897,479.25</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF BERLIN
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Operating Fund:			
Cash	SD-1	\$ 2,211,643.06	\$ 2,162,453.56
Due from Trust Other Fund	B		4.20
Due from Sewer Utility Capital Fund	SD-11		5.32
		<u>2,211,643.06</u>	<u>2,162,463.08</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	<u>53,201.37</u>	<u>49,262.20</u>
Total Operating Fund		<u>2,264,844.43</u>	<u>2,211,725.28</u>
Capital Fund:			
Cash	SD-1	388,498.81	404,444.13
Fixed Capital	SD-6	12,641,344.10	12,641,344.10
Fixed Capital Authorized and Uncompleted	SD-5	<u>750,000.00</u>	<u>750,000.00</u>
Total Capital Fund		<u>13,779,842.91</u>	<u>13,795,788.23</u>
		<u>\$ 16,044,687.34</u>	<u>\$ 16,007,513.51</u>
<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3,SD-10	\$ 78,184.00	\$ 171,501.35
Reserve for Encumbrances	D-3,SD-10	25,059.37	21,940.39
Prepaid Sewer Rents	SD-7	259,064.39	252,921.99
Sewer Rent Overpayments	SD-8	191.28	148.78
Accrued Interest on Bonds and Notes	SD-9	52,709.24	61,249.80
Due Current Fund	A		121,400.58
		<u>415,208.28</u>	<u>629,162.89</u>
Reserve for Receivables	D	53,201.37	49,262.20
Fund Balance	D-1	<u>1,796,434.78</u>	<u>1,533,300.19</u>
Total Operating Fund		<u>2,264,844.43</u>	<u>2,211,725.28</u>
Capital Fund:			
Serial Bonds	SD-14	3,410,000.00	3,885,000.00
Improvement Authorizations Funded	SD-12	388,498.81	404,438.81
Reserve for Amortization	SD-13	9,981,344.10	9,506,344.10
Due to Sewer Utility Operating Fund	SD-11		5.32
Total Capital Fund		<u>13,779,842.91</u>	<u>13,795,788.23</u>
		<u>\$ 16,044,687.34</u>	<u>\$ 16,007,513.51</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF BERLIN
SEWER UTILITY FUND
 Statements of Operations and Changes in Operating Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2021 and 2020

<u>Revenue and Other</u>		
<u>Income Realized</u>	<u>2021</u>	<u>2020</u>
Fund Balance	\$ 106,160.00	\$ 89,300.00
Rents	1,183,223.75	1,137,767.59
Miscellaneous	14,632.14	13,650.24
Non-Budget Revenue	23,050.58	117,989.03
Other Credits to Income:		
Canceled Sewer Overpayments	172.50	155.27
Unexpended Balances of Appropriation Reserves	182,606.32	43,398.31
Total Income	<u>1,509,845.29</u>	<u>1,402,260.44</u>
<u>Expenditures</u>		
Operating	519,760.00	484,927.00
Debt Service	591,390.70	594,290.71
Deferred Charges and Statutory Expenditures	29,400.00	29,078.00
Total Expenditures	<u>1,140,550.70</u>	<u>1,108,295.71</u>
Statutory Excess to Fund Balance	369,294.59	293,964.73
<u>Fund Balance</u>		
Balance January 1	<u>1,533,300.19</u>	<u>1,328,635.46</u>
	1,902,594.78	1,622,600.19
Decreased by:		
Utilized as Revenue:		
Sewer Utility Fund Budget	<u>106,160.00</u>	<u>89,300.00</u>
Balance December 31	<u>\$ 1,796,434.78</u>	<u>\$ 1,533,300.19</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2021

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Appropriated	\$ 106,160.00	\$ 106,160.00	
Rents	1,025,000.00	1,183,223.75	\$ 158,223.75
Miscellaneous	10,000.00	14,632.14	4,632.14
	<hr/>	<hr/>	<hr/>
Budget Totals	1,141,160.00	1,304,015.89	162,855.89
Non-Budget Revenues	-	23,050.58	23,050.58
	<hr/>	<hr/>	<hr/>
	<u>\$ 1,141,160.00</u>	<u>\$ 1,327,066.47</u>	<u>\$ 185,906.47</u>

Analysis of Realized Revenues:

Rents:

Consumer Accounts Receivable:

Sewer Rents:

Collections \$ 930,301.76 |

Prepaid Rents Applied 252,921.99 |

\$ 1,183,223.75

Miscellaneous:

Interest on Delinquent Accounts

Collector Receipts \$ 14,632.14 |

Non-Budget Revenue

Treasurer:

Interest on Investments:

Due from Sewer Utility Capital Fund \$ 589.89 |

Collector:

Connection Fees \$ 19,250.00 |

Interest on Investments: 3,210.69 |

22,460.69

\$ 23,050.58

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

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TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2021

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 190,160.00	\$ 190,160.00	\$ 184,685.00		\$ 5,475.00	
Other Expenses	329,600.00	329,600.00	232,784.66	\$ 25,059.37	71,755.97	
Total Operating	519,760.00	519,760.00	417,469.66	25,059.37	77,230.97	-
Debt Service:						
Payment of Bond Principal	475,000.00	475,000.00	475,000.00			
Interest on Bonds	117,000.00	117,000.00	116,390.70			\$ 609.30
Total Debt Service	592,000.00	592,000.00	591,390.70	-	-	609.30
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	15,000.00	15,000.00	15,000.00			
Social Security System (O.A.S.I.)	14,000.00	14,000.00	13,264.16		735.84	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	400.00	400.00	182.81		217.19	
Total Statutory Expenditures	29,400.00	29,400.00	28,446.97	-	953.03	-
	<u>\$ 1,141,160.00</u>	<u>\$ 1,141,160.00</u>	<u>\$ 1,037,307.33</u>	<u>\$ 25,059.37</u>	<u>\$ 78,184.00</u>	<u>\$ 609.30</u>
Disbursed			\$ 920,916.63			
Accrued Interest on Bonds			116,390.70			
			<u>\$ 1,037,307.33</u>			

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

TOWNSHIP OF BERLIN
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of General Fixed Assets Account Group -- Regulatory Basis
For the Year Ended December 31, 2021

	<u>Balance</u> <u>Dec 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec 31, 2021</u>
General Fixed Assets:				
Land and Improvements	\$ 2,629,083.90			\$ 2,629,083.90
Buildings	6,723,752.08	\$ 57,198.98		6,780,951.06
Furnishings	94,348.30			94,348.30
Equipment	1,680,463.07	16,106.59		1,696,569.66
Vehicles	3,762,490.82	76,495.32		3,838,986.14
Total General Fixed Assets	<u>\$ 14,890,138.17</u>	<u>\$ 149,800.89</u>	<u>-</u>	<u>\$ 15,039,939.06</u>
Total Investments in General Fixed Assets	<u>\$ 14,890,138.17</u>	<u>\$ 149,800.89</u>	<u>-</u>	<u>\$ 15,039,939.06</u>

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

TOWNSHIP OF BERLIN
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - Originally a portion of the Township of Waterford, Berlin Township was created by an act of legislation on April 11, 1910. On April 29, 1927, the Borough of Berlin seceded from the Township. Today, the Township covers an area of 3.27 square miles. According to the 2020 census, the population is 5,867.

The Township of Berlin is governed by a Township Council which is comprised of a Mayor and four Council Members, all of whom are elected at large. The Mayor's term of office is four years and the terms of the Council Members are three years, staggered, ending December 31. Executive and administrative responsibility rests with the Mayor, who is assisted by the Township Clerk.

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

In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

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

Trust Funds - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The general capital fund accounts for 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 - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current, municipal open space, and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balances included in the current fund and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Camden, the Township of Berlin School District, and the Township of Berlin Fire District No. 1. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Berlin School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Berlin Fire District No. 1. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

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

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for 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.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end 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 year. Lapsed appropriation reserves are recorded as income.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e., assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2021, the Township's bank balances of \$18,893,398.97 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 18,581,835.02
Uninsured and Uncollateralized	<u>311,563.95</u>
Total	<u>\$ 18,893,398.97</u>

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
	<u>\$ 3.775</u>	<u>\$ 3.786</u>	<u>\$ 3.729</u>	<u>\$ 3.738</u>	<u>\$ 3.692</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.237	\$ 1.241	\$ 1.217	\$ 1.185	\$ 1.175
Municipal Open Space	.040	.040	.040	.039	.039
County	.904	.924	.867	.922	.900
Local School	1.479	1.476	1.499	1.497	1.488
Fire District	.115	.105	.106	.095	.090

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2021	\$ 636,156,573.00
2020	625,417,666.00
2019	605,512,810.00
2018	588,365,547.00
2017	575,622,204.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2021	\$ 24,116,501.83	\$ 23,759,061.19	98.52%
2020	23,870,743.12	23,412,858.96	98.08%
2019	22,845,315.88	22,393,173.29	98.02%
2018	22,412,458.14	21,795,334.78	97.25%
2017	21,596,876.49	20,956,731.27	97.04%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$ 108,909.87	\$ 344,300.52	\$ 453,210.39	1.88%
2020	98,766.14	448,005.82	546,771.96	2.29%
2019	77,924.69	419,819.61	497,744.30	2.18%
2018	59,865.91	496,851.09	556,717.00	2.48%
2017	43,373.16	613,134.18	656,507.34	3.04%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2021	13
2020	13
2019	12
2018	11
2017	9

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 2,078,900.00
2020	2,078,900.00
2019	2,078,900.00
2018	2,078,900.00
2017	2,098,500.00

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2021	\$ 49,262.20	-	\$ 1,189,225.49	\$ 1,238,487.69	\$ 1,183,223.75
2020	25,134.66	-	1,171,355.49	1,196,490.15	1,137,767.59
2019	11,494.11	-	1,148,126.86	1,159,620.97	1,133,836.31
2018	14,704.45	-	1,131,744.86	1,146,449.31	1,130,050.20
2017	14,518.36	-	1,116,104.18	1,130,622.54	1,113,374.73

Note 6: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2021	\$ 7,268,201.34	\$ 1,169,000.00	16.08%
2020	5,769,161.45	1,005,000.00	17.42%
2019	4,655,341.85	1,000,000.00	21.48%
2018	4,277,082.09	1,300,000.00	30.39%
2017	3,395,425.72	1,280,000.00	37.70%

Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2021	\$ 1,796,434.78	\$ 119,035.00	6.63%
2020	1,533,300.19	106,160.00	6.92%
2019	1,328,635.46	89,300.00	6.72%
2018	1,151,964.30	89,300.00	7.75%
2017	957,017.89	89,300.00	9.33%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2021:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 203,500.00	
Trust - Other		\$ 203,500.00
	<u>\$ 203,500.00</u>	<u>\$ 203,500.00</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2022, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

In June of 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2021, was not available; therefore, the information from the measurement period June 30, 2020 is disclosed below.

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Township. The PFRS Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

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

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The Township's contractually required contribution rate for the year ended December 31, 2020 was 16.56% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$214,090.00, and was payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$196,997.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$97,447.11.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

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

The Township's contractually required contribution rate for the year ended December 31, 2020 was 32.84% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$468,767.00, and was payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$440,226.00, which was paid on April 1, 2020.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Employee contributions to the Plan for the year ended December 31, 2020 were \$143,541.30.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2020 was 4.54% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2020 was \$64,748.00, and was payable by April 1, 2021. For the prior year measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2019 was \$56,745.00, which was paid on April 1, 2020.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2021, employee contributions totaled \$9,842.27 and the Township's contributions were \$7,247.32. There were no forfeitures during the year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - As of December 31, 2020, the Township's proportionate share of the PERS net pension liability was \$3,191,416.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was .0195703734%, which was a decrease of .0006821499% from its proportion measured as of June 30, 2019.

Pension Expense- For the year ended December 31, 2020, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was (\$7,281.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township's contribution to PERS was \$196,997.00, and was paid on April 1, 2020.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System**

Pension Liability - As of December 31, 2020, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 5,421,810.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	841,440.00
	<u>\$ 6,263,250.00</u>

Pension Liability - The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2020 measurement date, the Township's proportion was .0419601888%, which was an decrease of .0016217716% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Township, was .0419601888%, which was a decrease of .0016217716% from its proportion, on-behalf of the Township, measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$254,770.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township's contribution to PFRS was \$440,226.00, and was paid on April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2020 measurement date, was \$95,360.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2020, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 58,110.00	\$ 54,661.00	\$ 112,771.00	\$ 11,286.00	\$ 19,458.00	\$ 30,744.00
Changes of Assumptions	103,533.00	13,644.00	117,177.00	1,336,276.00	1,453,555.00	2,789,831.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	109,085.00	317,906.00	426,991.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	79,328.00	111,797.00	191,125.00	257,499.00	370,225.00	627,724.00
Township Contributions Subsequent to the Measurement Date	107,045.00	234,384.00	341,429.00	-	-	-
	<u>\$ 457,101.00</u>	<u>\$ 732,392.00</u>	<u>\$ 1,189,493.00</u>	<u>\$ 1,605,061.00</u>	<u>\$ 1,843,238.00</u>	<u>\$ 3,448,299.00</u>

Deferred outflows of resources in the amounts of \$107,045.00 and \$234,384.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ended December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Township's year end of December 31, 2020.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2021	\$ (489,962.00)	\$ (559,601.00)	\$ (1,049,563.00)
2022	(411,290.00)	(393,398.00)	(804,688.00)
2023	(222,966.00)	(184,614.00)	(407,580.00)
2024	(107,934.00)	(122,884.00)	(230,818.00)
2025	(22,853.00)	(84,733.00)	(107,586.00)
	<u>\$ (1,255,005.00)</u>	<u>\$ (1,345,230.00)</u>	<u>\$ (2,600,235.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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-2020.

Police and Firemen's Retirement System

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

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

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

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on 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. 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 would be based on 78% of the actuarially determined contributions for the State 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 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.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 measurement date based on 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. 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 will be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 4,017,460.00</u>	<u>\$ 3,191,416.00</u>	<u>\$ 2,490,495.00</u>

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of the June 30, 2020 measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	PFRS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 7,209,891.00	\$ 5,421,810.00	\$ 3,936,672.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	1,118,942.00	841,440.00	610,954.00
	<u>\$ 8,328,833.00</u>	<u>\$ 6,263,250.00</u>	<u>\$ 4,547,626.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Eight Plan Years)

	Measurement Date Ended June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0195703734%	0.0202525233%	0.0196834767%	0.0200915028%
Township's Proportionate Share of the Net Pension Liability	\$ 3,191,416.00	\$ 3,649,198.00	\$ 3,875,576.00	\$ 4,676,981.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,423,052.00	\$ 1,434,740.00	\$ 1,396,024.00	\$ 1,409,980.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	224.27%	254.35%	277.62%	331.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	Measurement Date Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0214447470%	0.0221976598%	0.0221239145%	0.0209236673%
Township's Proportionate Share of the Net Pension Liability	\$ 6,351,319.00	\$ 4,982,930.00	\$ 4,142,202.00	\$ 3,998,928.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,467,740.00	\$ 1,540,968.00	\$ 1,492,344.00	\$ 1,453,840.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	432.73%	323.36%	277.56%	275.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Eight Years)***

	Year Ended December 31,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 214,090.00	\$ 196,997.00	\$ 195,787.00	\$ 186,126.00
Township's Contribution in Relation to the Contractually Required Contribution	\$ (214,090.00)	\$ (196,997.00)	(195,787.00)	(186,126.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,292,826.00	\$ 1,426,921.00	\$ 1,459,867.00	\$ 1,414,084.00
Township's Contributions as a Percentage of Covered Payroll	16.56%	13.81%	13.41%	13.16%
	Year Ended December 31,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 190,512.00	\$ 190,840.00	\$ 182,386.00	\$ 157,656.00
Township's Contribution in Relation to the Contractually Required Contribution	(190,512.00)	(190,840.00)	(182,386.00)	(157,656.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,407,804.00	\$ 1,416,251.00	\$ 1,539,785.00	\$ 1,421,298.00
Township's Contributions as a Percentage of Covered Payroll	13.53%	13.48%	11.84%	11.09%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Eight Plan Years)***

	Measurement Date Ended June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0419601888%	0.0435819604%	0.0446592534%	0.0433002269%
Township's Proportionate Share of the Net Pension Liability	\$ 5,421,810.00	\$ 5,333,481.00	\$ 6,043,133.00	\$ 6,684,718.00
State's Proportionate Share of the Net Pension Liability associated with the Township	841,440.00	842,167.00	820,860.00	748,745.00
Total	<u>\$ 6,263,250.00</u>	<u>\$ 6,175,648.00</u>	<u>\$ 6,863,993.00</u>	<u>\$ 7,433,463.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,447,832.00	\$ 1,474,484.00	\$ 1,481,596.00	\$ 1,401,616.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	374.48%	361.72%	407.88%	476.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	Measurement Date Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0442910611%	0.0436207950%	0.0432087444%	0.0446147106%
Township's Proportionate Share of the Net Pension Liability	\$ 8,460,726.00	\$ 7,265,704.00	\$ 5,435,259.00	\$ 5,931,123.00
State's Proportionate Share of the Net Pension Liability associated with the Township	710,491.00	637,178.00	585,286.00	552,853.00
Total	<u>\$ 9,171,217.00</u>	<u>\$ 7,902,882.00</u>	<u>\$ 6,020,545.00</u>	<u>\$ 6,483,976.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,415,652.00	\$ 1,367,788.00	\$ 1,356,800.00	\$ 1,400,160.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	597.66%	531.20%	400.59%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS) (Last Eight Years)***

	Year Ended December 31,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 468,767.00	\$ 440,226.00	\$ 436,610.00	\$ 383,215.00
Township's Contribution in Relation to the Contractually Required Contribution	(468,767.00)	(440,226.00)	(436,610.00)	(383,215.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 1,427,535.00	\$ 1,422,372.00	\$ 1,442,120.00	\$ 1,465,663.00
Township's Contributions as a Percentage of Covered Payroll	32.84%	30.95%	30.28%	26.15%
	Year Ended December 31,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 361,123.00	\$ 354,572.00	\$ 331,873.00	\$ 325,499.00
Township's Contribution in Relation to the Contractually Required Contribution	(361,123.00)	(354,572.00)	(331,873.00)	(325,499.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 1,416,098.00	\$ 1,416,900.00	\$ 1,368,808.00	\$ 1,356,594.00
Township's Contributions as a Percentage of Covered Payroll	25.50%	25.02%	24.25%	23.99%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Police and Firemen's Retirement System (PFRS)**Changes in Benefit Terms**

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%
2017	6.14%		

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN**

In June of 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2021, was not available; therefore, the information from the measurement period June 30, 2020 is disclosed below.

General Information about the OPEB Plan

Plan Description and Benefits Provided - The Township contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which 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* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Plan Description and Benefits Provided (Cont'd) - Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Township was billed monthly by the Plan and paid \$398,714.07 for the year ended December 31, 2020, representing 14.47% of the Township's covered payroll. During the year ended December 31, 2020, retirees were not required to contribute to the Plan.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

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% 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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Contributions (Cont'd) - 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

The Township does not have a Special Funding Situation within the Plan.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2020 the Township's proportionate share of the net OPEB liability was as follows:

Township's Proportionate Share of Net OPEB Liability	\$	12,056,355.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township		<u>-</u>
	\$	<u>12,056,355.00</u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The Township's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020. For the June 30, 2020 measurement date, the Township's proportion was .067179% which was an increase of .000114% from its proportion measured as of the June 30, 2019 measurement date.

OPEB Expense - At December 31, 2020, the Township's proportionate share of the OPEB benefit, calculated by the Plan as of the June 30, 2020 measurement date is (\$24,170.00). This benefit is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Township made contributions to the Plan totaling \$398,714.07.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2020, the Township had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 317,555.00	\$ 2,245,118.00
Changes of Assumptions	1,803,251.00	2,681,147.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	7,656.00	-
Changes in Proportion	421,864.00	895,187.00
Township Contributions Subsequent to the Measurement Date	201,535.59	-
	<u>\$ 2,751,861.59</u>	<u>\$ 5,821,452.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) – Deferred outflow of resources in the amount of \$201,535.59 will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2021. The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	-
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	-
Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05
June 30, 2020	7.87	7.87

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

Year Ending Dec. 31,	
2021	\$ (767,646.00)
2022	(768,234.00)
2023	(769,184.00)
2024	(770,051.00)
2025	(411,180.00)
Thereafter	215,169.00
	<u>\$ (3,271,126.00)</u>

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2020 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Rate for all Future Years	3.25% to 15.25%

* salary increases are based on years of service within the respective Plan

PERS mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020.

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020.

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Actuarial Assumptions (Cont'd)**

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB Liability at June 30, 2020 was 2.21%. 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.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

The net OPEB liability, calculated using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Township's Proportionate Share of the Net OPEB Liability	\$ 14,253,159.00	\$ 12,056,355.00	\$ 10,317,385.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	-	-	-
	<u>\$ 14,253,159.00</u>	<u>\$ 12,056,355.00</u>	<u>\$ 10,317,385.00</u>

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Township's Proportionate Share of the Net OPEB Liability	\$ 9,976,646.00	\$ 12,056,355.00	\$ 14,779,762.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	-	-	-
	<u>\$ 9,976,646.00</u>	<u>\$ 12,056,355.00</u>	<u>\$ 14,779,762.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the net OPEB Liability (Last Four Plan Years)

	Measurement Date Ended June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.067179%	0.067065%	0.068557%	0.065766%
Township's Proportionate Share of the Net OPEB Liability	\$ 12,056,355.00	\$ 9,084,673.00	\$ 10,740,563.00	\$ 13,426,648.00
State's Proportionate Share of the Net OPEB Liability Associated with the Township	-	-	-	-
Total	<u>\$ 12,056,355.00</u>	<u>\$ 9,084,673.00</u>	<u>\$ 10,740,563.00</u>	<u>\$ 13,426,648.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 2,840,843.00	\$ 2,901,663.00	\$ 2,918,243.00	\$ 2,843,532.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	424.39%	313.09%	368.05%	472.18%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	1.98%	1.97%	1.03%

Schedule of the Township's Contributions (Last Four Years)

	Year Ended December 31,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 398,714.07	\$ 381,109.23	\$ 499,676.74	\$ 450,546.84
Township's Contributions in Relation to the Required Contribution	<u>(398,714.07)</u>	<u>(381,109.23)</u>	<u>(499,676.74)</u>	<u>(450,546.84)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,756,361.00	\$ 2,884,393.00	\$ 2,901,987.00	\$ 2,879,747.00
Township's Contributions as a Percentage of Covered Payroll	14.47%	13.21%	17.22%	15.65%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**

Changes in Benefit Terms - The actuarial valuation as of June 30, 2019 included updates to the provisions of Chapter 48, along with newly adopted changes in different levels of subsidy for employers.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	2.21%	2018	3.87%
2019	3.50%	2017	3.58%

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend, repealment of the excise tax, and updated mortality improvement assumptions.

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023 the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.50% for all future years. For prescription drug benefits, the initial trend rate is 7.00% decreasing to a 4.50% long-term trend rate after seven years.

On October 21, 2020, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2020. The MP-2020 scale reflects more recent mortality data for the U.S. population.

B. BERLIN TOWNSHIP POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The Township provides postemployment health care benefits through a health plan for retirees, which provides postemployment dental insurance benefits, at its cost, to certain police officers hired prior to January 1, 2010. The Township's provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees from the Fraternal Order of Police who retire from active employment with the Township who have at least twenty five (25) years of service as a police officer in any capacity and in any jurisdiction in which that service is eligible for credit in the Police and Firemen's Pension System. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. Additionally, Medicare Part B reimbursement is provided to all employees who retire with at least twenty five (25) years as a Berlin Township employee.

Employees Covered by Benefit Terms - As of January 1, 2021, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. BERLIN TOWNSHIP POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	28
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	
Active Employees	<u>39</u>
	<u>67</u>

Total OPEB Liability

The Township's total OPEB liability of \$5,811,122.00 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% Annually
Salary Increases	3.00% Annually
Discount Rate	2.25%
Healthcare Cost Trend Rates	8.00% Decreasing to 5.00% Ultimate
Retirees' Share of Benefit-Related Costs	NA

The discount rate was based on the S&P Municipal Bond 20 year High Grade Bond index rate.

Mortality rates were based on the RP-2006 Mortality Table with MP-2019 Projection.

An experience study was not performed on the actuarial assumptions used in the January 1, 2021 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Changes in Total OPEB Liability

Balance at December 31, 2020	\$ 5,403,967.00
Changes for the Year:	
Service Cost	\$ 107,133.00
Interest Cost	103,828.00
Benefit Payments	(48,588.00)
Changes in Assumptions	491,826.00
Difference between Expected and Actual Experience	<u>(247,044.00)</u>
Net Changes	<u>407,155.00</u>
Balance at December 31, 2021	<u>\$ 5,811,122.00</u>

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 1.93% at December 31, 2020 to 2.25% at December 31, 2021.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. BERLIN TOWNSHIP POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	December 31, 2021		
	1.00% Decrease (1.25%)	Current Discount Rate (2.25%)	1.00% Increase (3.25%)
Total OPEB Liability	<u>\$ 6,584,001.00</u>	<u>\$ 5,811,122.00</u>	<u>\$ 5,038,244.00</u>

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2021		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	<u>\$ 4,798,355.00</u>	<u>\$ 5,811,122.00</u>	<u>\$ 7,023,797.00</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2021, the Township recognized OPEB expense of \$426,567.00. As of December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 739,812.00	\$ 205,870.00
Difference Between Expected and Actual Experience	<u>410,948.00</u>	<u>81,143.00</u>
	<u>\$ 1,150,760.00</u>	<u>\$ 287,013.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. BERLIN TOWNSHIP POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending Dec 31,	
2022	\$ 215,606.00
2023	215,606.00
2024	218,165.00
2025	173,566.00
2026	40,804.00
Thereafter	
	<u>\$ 863,747.00</u>

Supplementary OPEB Information

In accordance with GASB No. 75, the following information is also presented for the Township's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of Changes in the Township's Total OPEB Liability and Related Ratios (Last Four Years)

	Plan Measurement Date December 31,			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 107,133.00	\$ 73,645.00	\$ 65,323.00	\$ 59,820.00
Interest Cost	103,828.00	143,863.00	144,913.00	139,856.00
Benefit Payments	(48,588.00)	(46,262.00)	(45,702.00)	(45,114.00)
Changes in Assumptions	491,826.00	910,658.00	267,596.00	
Difference Between Expected and Actual Experience	<u>(247,044.00)</u>	<u>(114,040.00)</u>	<u>-</u>	<u>(15,353.00)</u>
Net Change in Total OPEB Liability	407,155.00	967,864.00	432,130.00	139,209.00
Total OPEB Liability - Beginning of Year	<u>5,403,967.00</u>	<u>4,436,103.00</u>	<u>4,003,973.00</u>	<u>3,864,764.00</u>
Total OPEB Liability - End of Year	<u>\$ 5,811,122.00</u>	<u>\$ 5,403,967.00</u>	<u>\$ 4,436,103.00</u>	<u>\$ 4,003,973.00</u>
Covered-Employee Payroll	\$ 3,552,190.06	\$ 3,857,566.31	\$ 3,535,648.58	\$ 3,580,412.00
Total OPEB Liability as a Percentage of Covered Payroll	163.59%	140.09%	125.47%	111.83%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. BERLIN TOWNSHIP POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate changed from 1.93% as of December 31, 2020 to 2.25% as of December 31, 2021.

Note 10: COMPENSATED ABSENCES

Township employees are entitled to varying amounts of sick leave depending upon their department. All employees may accumulate unused sick leave with no limit. General personnel may carry unused vacation days forward to a maximum of five days. However, after one year the unused vacation leave will be forfeited. Police personnel have the option of carrying forward their unused vacation or selling up to 12 hours per year at one hundred percent (100%) of their prevailing salary rate.

Only police personnel hired prior to January 1, 2020 may be compensated for accumulated sick leave upon retirement or resignation at one hundred percent (100%) of their prevailing rate for a maximum of six hundred eighty (680) hours. Any police personnel hired after January 1, 1983 must be employed continuously for a period of fifteen years before unused sick leave may be sold back to the Township. The Township does not record accrued expenses related to, compensated absences. However, it is estimated that, at December 31, 2021, accrued benefits for compensated absences are valued at \$318,528.98. A reserve in the Trust Fund has been created to fund a portion of these accrued benefits. Additional amounts required will be provided in the year's budget in which any required payments are to be made.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 12: LEASE OBLIGATIONS

At December 31, 2021, the Township had lease agreements in effect for the following:

Operating:
 Seven (7) Ricoh Copiers
 One (1) Postage Machine

Operating Leases - Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 12,996.00
2023	10,680.00
2024	7,880.00
2025	3,960.00

Rental payments under operating leases for the year 2021 were \$11,890.56.

Note 13: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2010 - On November 16, 2010, the Township issued \$10,318,000.00 of general improvement bonds, with interest rates ranging from 4.25% to 5.00%. The purpose of the bonds is to fund various capital ordinances, specifically 2005-01, 2006-01, 2006-09, 2007-08, 2007-10, 2008-07 and 2009-02. These bonds were refunded in 2017 and were paid off as of January 1, 2021.

Sewer Improvement Refunding Bonds, Series 2012 - On May 17, 2012, the Township issued \$4,885,000.00 of sewer improvement refunding bonds with interest rates ranging from 2.00% to 4.00%. These bonds have a final maturity of January 1, 2028.

General & Sewer Improvement Bonds, Series 2016 - On October 27, 2016, the Township issued \$2,410,000.00 of general improvement bonds and \$750,000.00 of sewer improvement bonds, with interest rates ranging from 1.50% to 3.00%. The purpose of the bonds is to fund various capital ordinances, specifically 2011-26, 2013-12 and 2016-05. The final maturity of the bonds is November 15, 2029.

General & Sewer Improvement Refunding Bonds, Series 2017 - On January 19, 2017 the Township issued \$8,520,000.00 of general improvement refunding bonds and \$1,020,000.00 of sewer improvement refunding bonds, with interest rates ranging from 2.00% to 5.00% to refund outstanding 2008 sewer improvement bonds with interest rates ranging from 4.75% to 5.00% and outstanding 2010 general improvement bonds with interest rates ranging from 4.50% and 5.00%. The final maturities of the bonds are January 1, 2035 and January 1, 2025 respectively.

Note 13: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

	<u>General</u>		<u>Sewer Utility</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 630,000.00	\$ 360,362.50	\$ 495,000.00	\$ 107,331.26	\$ 1,592,693.76
2023	735,000.00	336,462.50	515,000.00	90,118.76	1,676,581.26
2024	745,000.00	305,437.50	535,000.00	72,531.26	1,657,968.76
2025	755,000.00	272,062.50	555,000.00	52,768.76	1,634,831.26
2026	765,000.00	238,287.50	400,000.00	35,956.26	1,439,243.76
2027-2031	3,675,000.00	759,190.64	910,000.00	34,496.89	5,378,687.53
2032-2035	2,670,000.00	198,196.89			2,868,196.89
	<u>\$ 9,975,000.00</u>	<u>\$ 2,470,000.03</u>	<u>\$ 3,410,000.00</u>	<u>\$ 393,203.19</u>	<u>\$ 16,248,203.22</u>

General Debt - New Jersey Green Acres Loans

On December 10, 2004, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$250,000.00, at an interest rate of 2.0%. The proceeds were used to fund the redevelopment of the Township's Luke Avenue Recreation Park. Semi-annual debt payments are due March 10th and September 10th through 2024.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

	<u>General</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 14,718.07	\$ 827.73	\$ 15,545.80
2023	15,013.90	531.90	15,545.80
2024	15,315.70	230.12	15,545.82
	<u>\$ 45,047.67</u>	<u>\$ 1,589.75</u>	<u>\$ 46,637.42</u>

Note 13: CAPITAL DEBT (CONT'D)

The following schedule represents the Township's summary of debt for the current and two previous years:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 10,020,047.67	\$ 10,654,475.73	\$ 11,188,619.50
Sewer Utility:			
Bonds and Notes	3,410,000.00	3,885,000.00	4,345,000.00
Total Issued	<u>13,430,047.67</u>	<u>14,539,475.73</u>	<u>15,533,619.50</u>
<u>Deductions</u>			
Open Space Debt	45,047.67	59,475.73	73,619.50
Self-Liquidating	3,410,000.00	3,885,000.00	4,345,000.00
Total Deductions	<u>3,455,047.67</u>	<u>3,944,475.73</u>	<u>4,418,619.50</u>
<u>Net Debt</u>	<u>\$ 9,975,000.00</u>	<u>\$ 10,595,000.00</u>	<u>\$ 11,115,000.00</u>

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.467%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 2,235,000.00	\$ 2,235,000.00	
Sewer Utility	3,410,000.00	3,410,000.00	
General	10,020,047.67	45,047.67	\$ 9,975,000.00
	<u>\$ 15,665,047.67</u>	<u>\$ 5,690,047.67</u>	<u>\$ 9,975,000.00</u>

Net debt \$9,975,000.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$679,816,260.33, equals 1.467%.

Note 13: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 23,793,569.11
Less: Net Debt	<u>9,975,000.00</u>
Remaining Borrowing Power	<u>\$ 13,818,569.11</u>

**Calculation of "Self-Liquidating Purpose,"
Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 1,327,066.47
Deductions:	
Operating and Maintenance Costs	\$ 549,160.00
Debt Service	<u>591,390.70</u>
Total Deductions	<u>1,140,550.70</u>
Excess in Revenue	<u>\$ 186,515.77</u>

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

Note 14: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 12,190.69	\$ 6,602.21	\$ 101,213.05
2020	None	2,635.00	95,624.57
2019	1,791.06	11,092.91	98,259.57

Note 14: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The Township of Berlin is a member of the Camden County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability
General Liability including Police Professional and Employee Benefit Liability
Automobile Liability
Blanket Crime including Public Employee Dishonesty
Property Including Boiler and Machinery
Public Officials and Employment Practices Liability
Volunteer Directors and Officers Liability
Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
Excess General Liability
Non-Owned Aircraft Liability
Excess Auto Liability
Fidelity and Performance (Blanket)
Excess Property including Boiler and Machinery
Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Camden County Municipal Joint Insurance Fund
MEL/JIF Underwriting Unit
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054

Note 15: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 2, 1999 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Berlin Open Space, Recreation and Farmland Preservation Trust Fund effective December 27, 1999, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. The Township levies a tax not to exceed four cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Berlin Open Space, Recreation and Farmland Preservation Trust Funds.

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

Litigation - The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 17: CONCENTRATIONS

The Township depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

Note 18: TAX ABATEMENTS

The Township enters into property tax abatement agreements with local businesses under the state Economic Development Opportunity Act of 2013. Under the Act, municipalities may grant property tax abatements of up to fifty percent (50%) of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Township.

For the year ended December 31, 2021, the Township abated property taxes totaling \$53,151.62 under this program. The sole agreement is a PILOT agreement with an over fifty-five apartment complex in the Township.

Note 19: SUBSEQUENT EVENTS

COVID-19 - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Township is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2022.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF BERLIN
CURRENT FUND

Statement of Current Cash per N.J.S 40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2021

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2020	\$ 8,168,914.85	
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 284,941.95	
Taxes Collector Receipts	24,322,616.89	
Due from State of New Jersey:		
Senior Citizen and Veteran Deductions	53,091.78	
State Training Fees--Due State of New Jersey	12,330.00	
Marriage License Fees-- Due State of New Jersey	825.00	
Revenue Accounts Receivable	1,710,470.71	
Due Federal and State Grant Fund	61,401.39	
Due Sewer Utility Operating Fund	121,400.58	
Petty Cash	400.00	
Due from Township of Berlin Fire District No. 1	2,289.46	
Due County of Camden - PILOT	1,881.37	
2021 Appropriation Refunds	325,255.88	
Federal and State Grants Receivable		\$ 475,555.00
Contra	<u>811,562.54</u>	
	<u>27,708,467.55</u>	<u>\$ 475,555.00</u>
	35,877,382.40	475,555.00
Decreased by Disbursements:		
2021 Appropriations	8,650,609.79	
2020 Appropriation Reserves	137,750.57	
State Training Fees--Due State of New Jersey	11,055.00	
Marriage License Fees--Due State of New Jersey	825.00	
Fire District Taxes Payable	730,800.00	
County Taxes Payable	5,748,585.91	
County Added Omitted Taxes	47,963.54	
Local District School Taxes Payable	9,405,163.50	
Municipal Open Space Taxes Payable	255,571.01	
Petty Cash	400.00	
Due from Township of Berlin Board of Education	47,037.54	
Due County of Camden - PILOT	868.47	
Refund of Tax Overpayments	9,440.01	
Reserve for Sale of Assets	137,862.24	
Due General Capital Fund	430,513.43	
Due Trust Other Fund	203,429.52	12,445.00
Operations - Refund of Prior Year Revenue	169.25	
Due Current Fund		61,401.39
Reserve for Encumbrances		50.00
Reserve for Federal and State Grant Funds--Appropriated		137,489.38
Contra	<u>811,562.54</u>	
	<u>26,629,607.32</u>	<u>211,385.77</u>
Balance Dec. 31, 2021	<u><u>\$ 9,247,775.08</u></u>	<u><u>\$ 264,169.23</u></u>

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Current Cash and Reconciliation per N.J.S. 40A:5-5--Collector
For the Year Ended December 31, 2021

Receipts:

Interest and Cost on Taxes	\$ 115,043.21	
Tax Overpayments	18,472.38	
Taxes Receivable	23,867,356.45	
Miscellaneous Revenue Not Anticipated:		
Property Maintenance Liens Receivable	1,785.78	
Prepaid Taxes	<u>319,959.07</u>	
		\$ 24,322,616.89
Decreased by:		
Turnovers to Treasurer		<u><u>\$ 24,322,616.89</u></u>

Exhibit SA-3

CURRENT FUND
Schedule of Change Funds
As of December 31, 2021

<u>Office</u>	<u>Amount</u>
Tax Collector	\$ 175.00
Clerk of Municipal Court	100.00
Township Clerk	50.00
Utility Collector	25.00
Library	<u>25.00</u>
	<u><u>\$ 375.00</u></u>

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Due to State of New Jersey
Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2021

Balance Dec. 31, 2020			\$	1,295.45
Increased by:				
Cash Received			\$	53,091.78
Deductions Disallowed by Tax Collector:				
Current Year Taxes	\$	1,587.67		
Prior Year Taxes -- To Operations		<u>250.00</u>		
				<u>1,837.67</u>
				<u>54,929.45</u>
				56,224.90
Decreased by:				
Deductions per Tax Billings				52,000.00
Deductions Allowed by Tax Collector - Current Year Taxes				<u>2,000.00</u>
				<u>54,000.00</u>
Balance Dec. 31, 2021			\$	<u><u>2,224.90</u></u>

Exhibit SA-5

CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2021

Balance Dec. 31, 2020			\$	98,766.14
Increased by:				
Transfers from Taxes Receivable				<u>10,143.73</u>
Balance Dec. 31, 2021			\$	<u><u>108,909.87</u></u>

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2021

Year	Balance	Levy	Additional	Collections		Due from State of New Jersey	Appeals	Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2020			2020	2021						Dec. 31, 2021
2019	\$ 4,297.68				\$ 21.89						\$ 4,275.79
2020	443,708.14		\$ 250.00		424,398.49			\$ 9,739.41	\$ 3,320.81		6,499.43
	448,005.82	-	250.00	-	424,420.38	-	-	9,739.41	3,320.81	-	10,775.22
2021		\$ 24,116,501.83	3,215.84	\$ 253,192.87	23,442,936.07	\$ 52,412.33	\$ 1,793.13	10,519.92	15,194.32	\$ 10,143.73	333,525.30
	<u>\$ 448,005.82</u>	<u>\$ 24,116,501.83</u>	<u>\$ 3,465.84</u>	<u>\$ 253,192.87</u>	<u>\$ 23,867,356.45</u>	<u>\$ 52,412.33</u>	<u>\$ 1,793.13</u>	<u>\$ 20,259.33</u>	<u>\$ 18,515.13</u>	<u>\$ 10,143.73</u>	<u>\$ 344,300.52</u>

Analysis of 2021 Property Tax Levy

Tax Yield

General Purpose Tax	\$ 24,014,917.23
Added and Omitted Taxes	<u>101,584.60</u>
	<u>\$ 24,116,501.83</u>

Tax Levy

Local District School Tax	\$ 9,405,164.00
Municipal Open Space Tax:	
General Tax	\$ 254,462.00
Added and Omitted Tax	<u>1,109.01</u>
Total Municipal Open Space Taxes	255,571.01
County Taxes:	
County Taxes	5,270,986.86
County Library Tax	341,445.40
County Open Space Tax	<u>136,153.65</u>
	5,748,585.91
Due County for Added and Omitted Taxes	<u>25,168.82</u>
Total County Taxes	5,773,754.73
Special District Taxes:	
Fire	730,800.00
Local Tax for Municipal Purposes	7,871,671.90
Add: Added and Omitted Tax	75,306.77
Add: Additional Tax Levied	<u>4,233.42</u>
Local Tax for Municipal Purposes Levied	<u>7,951,212.09</u>
	<u>\$ 24,116,501.83</u>

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Accrued</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Licenses - Municipal Clerk:				
Alcoholic Beverages		\$ 7,342.40	\$ 7,342.40	
Other		46,592.83	46,592.83	
Fees and Permits:				
Police		2,460.00	2,460.00	
Municipal Clerk		24,680.51	24,680.51	
Animal Control Permits		60.00	60.00	
Registrar of Vital Statistics		3,879.36	3,879.36	
Planning Board		2,150.00	2,150.00	
Continued Certificate of Occupancy		3,530.00	3,530.00	
Zoning Board		13,310.00	13,310.00	
Tax Search Fees		93.12	93.12	
Construction Code Fees and Permits		163,456.00	163,456.00	
Municipal Court Fines and Costs	\$ 3,136.78	61,702.78	61,063.94	\$ 3,775.62
Cable TV Franchise Fee		71,386.16	71,386.16	
Energy Receipts Tax		1,287,847.00	1,287,847.00	
Interest on Investments:				
Current Fund		13,570.57	13,570.57	
Animal Control Fund		18.95	18.95	
Trust Other Fund		1,253.23	1,253.23	
General Capital Fund		7,686.13	7,686.13	
Municipal Court		90.51	90.51	
	<u>\$ 3,136.78</u>	<u>\$ 1,711,109.55</u>	<u>\$ 1,710,470.71</u>	<u>\$ 3,775.62</u>

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of 2020 Appropriation Reserves
For the Year Ended December 31, 2021

	Balance Dec. 31, 2020		Balance After		Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Lapsed</u>
<u>Operations Within CAPs</u>					
<u>General Government</u>					
Mayor and Council					
Salaries and Wages		\$ 631.64	\$ 631.64		\$ 631.64
Other Expenses	\$ 564.00	22,245.59	22,809.59	\$ 564.00	22,245.59
Financial Administration					
Salaries and Wages		45,129.34	45,129.34		45,129.34
Other Expenses	3,054.89	5,076.44	8,131.33	3,054.89	5,076.44
Tax Assessment Administration					
Salaries and Wages		18.46	18.46		18.46
Other Expenses		3,479.71	3,479.71		3,479.71
Revenue Administration					
Salaries and Wages		10.62	10.62		10.62
Other Expenses	237.28	5,828.53	6,065.81	237.36	5,828.45
Township Clerk					
Salaries and Wages		6,537.20	6,537.20		6,537.20
Other Expenses	979.51	17,113.97	18,093.48	1,761.73	16,331.75
Legal Services and Costs					
Other Expenses		39,807.50	39,807.50	3,680.00	36,127.50
Municipal Prosecutor					
Salaries and Wages		38.50	38.50		38.50
Other Expenses		521.00	521.00		521.00
Engineering Services and Costs					
Salaries and Wages		13,079.06	13,079.06		13,079.06
Other Expenses	35,121.18	42,084.00	77,205.18	7,256.18	69,949.00
Public Buildings and Grounds					
Salaries and Wages		2,730.88	2,730.88		2,730.88
Other Expenses	10,826.06	27,279.80	38,105.86	1,103.23	37,002.63
Audit Services					
Other Expenses		5,823.17	5,823.17		5,823.17
Municipal Land Use Law (N.J.S.40:55D-1)					
Planning Board					
Salaries and Wages		74.88	74.88		74.88
Other Expenses		5,083.30	5,083.30	1,083.34	3,999.96
Insurance					
Health Benefit Waiver -- Opt Out		10,312.23	10,312.23		10,312.23
Liability Insurance					
Workers Compensation Insurance		59,930.71	59,930.71		59,930.71
Group Insurance	3,752.46	119,887.54	93,640.00	3,527.46	90,112.54
Unemployment Compensation Insurance		11,511.51	11,511.51		11,511.51
Municipal Court					
Salaries and Wages					
Other Expenses	1,133.48	47,642.80	48,776.28	1,309.73	47,466.55
Public Defender					
Other Expenses		500.00	500.00		500.00
<u>Public Safety</u>					
Police					
Salaries and Wages		266,633.18	266,633.18		266,633.18
Other Expenses	9,030.24	70,130.19	79,160.43	9,849.97	69,310.46
Office of Emergency Management					
Salaries and Wages		1.10	1.10		1.10
Other Expenses	2,254.00		2,254.00	2,254.00	
Ambulance Association					
Other Expenses		3,297.44	3,297.44		3,297.44
<u>Streets and Roads</u>					
Road Repairs and Maintenance					
Salaries and Wages		28,217.94	28,217.94		28,217.94
Other Expenses	11,357.64	49,556.23	60,913.87	8,462.41	52,451.46
Solid Waste Collection					
Salaries and Wages		75,971.83	75,971.83		75,971.83
Other Expenses	1,146.86	7,397.20	8,544.06	2,221.46	6,322.60
Vehicle Maintenance					
Salaries and Wages		34,387.56	34,387.56		34,387.56
Other Expenses	20,444.48	13,845.46	34,289.94	12,501.63	21,788.31
Traffic Signal Monitoring System					
Other Expenses	17,133.92	29,048.05	46,181.97	1,324.00	44,857.97

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of 2020 Appropriation Reserves
For the Year Ended December 31, 2021

	Balance Dec. 31, 2020				
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Transfers</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
<u>Operations Within CAPs (Cont'd)</u>					
<u>Health and Welfare</u>					
Board of Health					
Salaries and Wages		\$ 1,924.96	\$ 1,924.96		\$ 1,924.96
Other Expenses		520.00	520.00		520.00
<u>Recreation and Education</u>					
Recreation Service and Programs					
Salaries and Wages		5,200.00	5,200.00		5,200.00
Other Expenses		5,300.00	5,300.00		5,300.00
Maintenance of Parks					
Other Expenses	\$ 10,542.97	8,468.09	19,011.06	\$ 10,504.44	8,506.62
Expense of Participation in Free County Library					
Salaries and Wages		19,965.29	19,965.29		19,965.29
Other Expenses	81.28	7,977.83	8,059.11	1,740.27	6,318.84
Celebration of Public Events, Anniversary or Holiday					
Other Expenses	51.60	12,293.09	12,344.69	52.29	12,292.40
Uniform Construction Code - Appropriation Offset by					
Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Office					
Salaries and Wages		7,345.18	7,345.18		7,345.18
Other Expenses	74.08	28,869.93	28,944.01	69.32	28,874.69
Code Enforcement					
Salaries and Wages		128.32	128.32		128.32
Other Expenses		16,825.98	16,825.98		16,825.98
<u>Unclassified</u>					
Utilities:					
Telephone	5,180.44	445.52	5,625.96	4,174.19	1,451.77
Street Lighting	12,421.91	22,631.03	35,052.94	12,663.97	22,388.97
Electricity and Natural Gas	4,629.29	2,142.77	21,772.06	21,690.28	81.78
Water		2,031.06	2,031.06		2,031.06
Petroleum Products	7,224.30	25,213.90	46,283.20	6,571.33	39,711.87
Sewerage		1,586.07	1,586.07		1,586.07
Telecommunications		288.18	288.18		288.18
Landfill/Solid Waste Disposal	19,617.78	2.64	20,775.42	19,075.44	1,699.98
<u>Deferred Charges and Statutory Expenditures</u>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		35,045.32	35,045.32		35,045.32
Defined Contribution Retirement Plan		4,775.18	4,775.18		4,775.18
<u>Operations Excluded from CAPs</u>					
Recycling Tax	600.00	766.89	1,366.89	648.90	717.99
Storm Water Management					
Salaries and Wages		17,479.14	17,479.14		17,479.14
Other Expenses		497.85	497.85	368.75	129.10
	<u>\$ 177,459.65</u>	<u>\$ 1,298,588.78</u>	<u>\$ 1,476,048.43</u>	<u>\$ 137,750.57</u>	<u>\$ 1,338,297.86</u>

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 253,192.87
Increased by:	
Receipts - Collector	<u>319,959.07</u>
	573,151.94
Decreased by:	
Application to 2021 Taxes Receivable	<u>253,192.87</u>
Balance Dec. 31, 2021	<u><u>\$ 319,959.07</u></u>

Exhibit SA-10

CURRENT FUND
Statement of Due to State of New Jersey--State Training Fees
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 1,283.00
Increased by:	
Collections	<u>12,330.00</u>
	13,613.00
Decreased by:	
Payments	<u>11,055.00</u>
Balance Dec. 31, 2021	<u><u>\$ 2,558.00</u></u>

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Due to State of New Jersey -- Marriage License Fees
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 250.00
Increased by:	
Collections	<u>825.00</u>
	1,075.00
Decreased by:	
Payments	<u>825.00</u>
Balance Dec. 31, 2021	<u><u>\$ 250.00</u></u>

Exhibit SA-12

CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 47,963.54
Increased by:	
County Share of Added / Omitted Taxes	<u>25,168.82</u>
	73,132.36
Decreased by:	
Payments	<u>47,963.54</u>
Balance Dec. 31, 2021	<u><u>\$ 25,168.82</u></u>

Exhibit SA-13

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 12,239.40
Increased by:	
Overpayments Collected	<u>18,472.38</u>
	30,711.78
Decreased by:	
Overpayments Applied	\$ 20,259.33
Overpayments Refunded	<u>9,440.01</u>
	<u>29,699.34</u>
Balance Dec. 31, 2021	<u><u>\$ 1,012.44</u></u>

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Fire District Taxes Payable
For the Year Ended December 31, 2021

Increased by:		
Levy -- 2021	\$	730,800.00
Decreased by:		
Payments	\$	<u>730,800.00</u>

Exhibit SA-15

CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2021

Increased by:			
Levy -- 2021:			
County Tax	\$	5,270,986.86	
County Library Tax		341,445.40	
County Open Space Tax		<u>136,153.65</u>	
			\$ 5,748,585.91
Decreased by:			
Payments			<u>\$ 5,748,585.91</u>

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Local District School Taxes Payable
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 2.50
Increased by:	
Levy -- 2021	<u>9,405,164.00</u>
	9,405,166.50
Decreased by:	
Payments	<u>9,405,163.50</u>
Balance Dec. 31, 2021	<u><u>\$ 3.00</u></u>

Exhibit SA-17

CURRENT FUND
Statement of Municipal Open Space Taxes Payable
For the Year Ended December 31, 2021

Increased by:		
Levy -- 2021	\$ 254,462.00	
Added / Omitted	<u>1,109.01</u>	
		\$ 255,571.01
Decreased by:		
Payments		<u><u>\$ 255,571.01</u></u>

TOWNSHIP OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2021

<u>Program</u>	<u>Balance Dec. 31, 2020</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2021</u>
State:				
Clean Communities Grant		\$ 13,331.97	\$ 13,331.97	
Drunk Driving Enforcement Grant	\$ 3,500.00			\$ 3,500.00
Body Armor Replacement Grant		1,604.89	1,604.89	
Recycling Tonnage Grant		10,733.77	10,733.77	
Body Worn Camera Grant		44,836.00		44,836.00
NJDOT Grant - Hazel Avenue	50,250.00		50,250.00	
NJDOT Grant - Clarence Avenue	52,500.00			52,500.00
NJDOT Grant - Spruce Avenue	57,133.50			57,133.50
NJDOT Grant - Day Ave		150,000.00		150,000.00
NJDOT Grant - Krumm Ave		510,000.00		510,000.00
Total State	163,383.50	730,506.63	75,920.63	817,969.50
Federal:				
Bulletproof Vest Partnership Grant	4,529.60			4,529.60
Neighbor Preservation Program	40,000.00	125,000.00	40,000.00	125,000.00
Neighborhood Preservation Program - COVID 19	49,500.00	10,500.00	60,000.00	
Community Development Block Grant - Year 37	19,413.87			19,413.87
Community Development Block Grant - Year 38	21,000.00			21,000.00
Community Development Block Grant - Year 39	21,000.00			21,000.00
American Rescue Plan		297,834.37	297,834.37	
Total Federal	155,443.47	433,334.37	397,834.37	190,943.47
County:				
Recreation Enhancement Grant - Spruce Avenue	25,000.00			25,000.00
Recreation Enhancement Grant - Luke Avenue	25,000.00			25,000.00
Recreation Enhancement Grant - Round16	25,000.00			25,000.00
Recreation Enhancement Grant - Round17		25,000.00		25,000.00
Local Food Drive		1,800.00	1,800.00	
Total County	75,000.00	26,800.00	1,800.00	100,000.00
Total Grants	\$ 393,826.97	\$ 1,190,641.00	\$ 475,555.00	\$ 1,108,912.97

TOWNSHIP OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Unappropriated
For the Year Ended December 31, 2021

<u>Program</u>	<u>Balance Dec. 31, 2020</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue</u>	<u>Balance Dec. 31, 2021</u>
State:				
Clean Communities Grant		\$ 13,331.97	\$ 13,331.97	
Body Armor Replacement Grant	\$ 2,010.82	1,604.89	3,615.71	
Recycling Tonnage Grant		10,733.77	10,733.77	
Body Worn Camera Grant		44,836.00	44,836.00	
NJDOT Grant - Day Ave		150,000.00	150,000.00	
NJDOT Grant - Krumm Ave		510,000.00	510,000.00	
Total State	<u>2,010.82</u>	<u>730,506.63</u>	<u>732,517.45</u>	<u>-</u>
Federal:				
Neighborhood Preservation Program		125,000.00	125,000.00	
Neighborhood Preservation Program - COVID 19		10,500.00	10,500.00	
American Rescue Plan		297,834.37		\$ 297,834.37
Total Federal	<u>-</u>	<u>433,334.37</u>	<u>135,500.00</u>	<u>297,834.37</u>
County:				
Recreation Enhancement Grant -- Round 17		25,000.00	25,000.00	
Local Food Drive		1,800.00	1,400.00	400.00
Total County	<u>-</u>	<u>26,800.00</u>	<u>26,400.00</u>	<u>400.00</u>
Total Grants	<u>\$ 2,010.82</u>	<u>\$ 1,190,641.00</u>	<u>\$ 894,417.45</u>	<u>\$ 298,234.37</u>

TOWNSHIP OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Appropriated
For the Year Ended December 31, 2021

<u>Program</u>	<u>Balance Dec. 31, 2020</u>	<u>Transferred from 2021 Budget Appropriation</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
State:				
Clean Communities Grant	\$ 38,877.53	\$ 13,331.97		\$ 52,209.50
Drunk Driving Enforcement Grant	37.96		\$ 37.96	
Body Armor Replacement Grant	144.10	3,615.71	3,759.81	
Recycling Tonnage Grant	14,760.58	10,733.77		25,494.35
Body Worn Camera Grant		44,836.00	29,837.00	14,999.00
NJDOT Grant - Spruce Avenue	33,188.28			33,188.28
NJDOT Grant - Clarence Avenue	5,607.15		5,607.15	
NJDOT Grant - Krumm Ave		510,000.00		510,000.00
NJDOT Grant - Day Ave		150,000.00	148,970.92	1,029.08
Total State	92,615.60	732,517.45	188,212.84	636,920.21
Federal:				
Bulletproof Vest Partnership Grant	1,021.10		1,020.96	0.14
Distracted Driving Enforcement Grant	3,714.35			3,714.35
Neighborhood Preservation Program	125,000.00	125,000.00	165,010.23	84,989.77
Neighborhood Preservation Program - COVID 19	37,055.00	10,500.00	47,555.00	
Community Development Block Grant - Year 37	2,458.98			2,458.98
Community Development Block Grant - Year 38	2,017.26			2,017.26
Community Development Block Grant - Year 39	21,000.00			21,000.00
Total Federal	192,266.69	135,500.00	213,586.19	114,180.50
County:				
Recreation Enhancement Grant - Luke Avenue Park	8,200.64			8,200.64
Recreation Enhancement Grant - Round 16	24,836.83			24,836.83
Recreation Enhancement Grant - Round 17		25,000.00	11,600.77	13,399.23
Local Food Drive		1,400.00		1,400.00
Total County	33,037.47	26,400.00	11,600.77	47,836.70
Total Grants	\$ 317,919.76	\$ 894,417.45	\$ 413,399.80	\$ 798,937.41
Disbursed			\$ 137,489.38	
Reserve for Encumbrances			4,865.00	
Contracts Payable			271,045.42	
			\$ 413,399.80	

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF BERLIN
TRUST FUND
Statement of Trust Cash Per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2021

	<u>Animal Control</u>	<u>Other</u>	<u>Municipal Open Space</u>
Balance Dec. 31, 2020	\$ 8,299.92	\$ 1,136,503.57	\$ 529,851.65
Increased by Receipts:			
Reserve for Dog Fund Expenditures	\$ 11,800.20		
Due to State Department of Health	853.80		
Due General Capital Fund			\$ 2,654.27
Due Current Fund	18.95	\$ 205,789.23	
Due Grant Fund		12,445.00	
2021 Budget Revenue			255,571.01
2021 Non-Budget Revenue			836.75
Contra		22.00	
Reserve for:			
Escrow Deposits		139,548.72	
New Jersey Unemployment Compensation		12,190.69	
Recycling Program		18,846.87	
Payroll Deductions Payable		2,331,264.25	
Net Payroll		2,379,307.67	
Accumulated Sick Leave		50,000.00	
Redemption of Tax Sale Certificates		95,453.75	
K9 Donations		2,250.00	
Municipal Law Enforcement Program Expenditures		1,249.42	
Municipal Public Defender Fees		1,650.00	
Police Outside Employment		241,222.26	
Tax Collector Utility		46,345.21	
Premium on Tax Sale		73,500.00	
Flexible Benefits Plan		5,130.15	
Recreation		386.00	
	<u>12,672.95</u>	<u>5,616,601.22</u>	<u>259,062.03</u>
	20,972.87	6,753,104.79	788,913.68
Decreased by Disbursements:			
Due State Department of Health	853.80		
Expenditures Under R.S. 4:19-15.11	13,831.32		
Due Current Fund	18.95	2,359.71	
Due Sewer Operating		4.20	
2021 Budget Appropriations			130,686.29
Contra		22.00	
Reserve for:			
Escrow Deposits		49,831.82	
New Jersey Unemployment Compensation		6,602.21	
Recycling Program		880.00	
Payroll Deductions Payable		2,326,292.75	
Net Payroll		2,379,307.67	
Accumulated Sick Leave		90,331.71	
Redemption of Tax Sale Certificates		94,545.15	
Municipal Law Enforcement Program Expenditures		4,834.50	
Township Rehabilitation		2,562.49	
K9 Donations		3,778.77	
Municipal Public Defender Fees		975.00	
Storm Recovery		22,592.37	
Tax Collector Utility		46,345.21	
Police Outside Employment		169,088.38	
Premium on Tax Sale		57,500.00	
Flexible Benefits Plan		5,711.83	
	<u>14,704.07</u>	<u>5,263,565.77</u>	<u>130,686.29</u>
Balance Dec. 31, 2021	<u>\$ 6,268.80</u>	<u>\$ 1,489,539.02</u>	<u>\$ 658,227.39</u>

TOWNSHIP OF BERLIN
TRUST--OTHER FUNDS
Statement of Due To Current Fund
For the Year Ended December 31, 2021

	<u>Total</u>	<u>Trust Other</u>	<u>Unemployment</u>	<u>Flex Spending</u>	<u>Tax Title Lien Redemption</u>	<u>Payroll</u>	<u>Tax Collector Utility</u>	<u>Planning Board Escrow</u>	<u>Police Off Duty</u>
Balance December 31, 2020	\$ 70.48		\$ 13.91		\$ 56.57				
Increased by:									
Interfund Loans Received	204,536.00			\$ 3,500.00		\$ 200,000.00			\$ 1,036.00
Interest Earned on Deposits	<u>1,253.23</u>	<u>\$ 380.11</u>		<u>5.22</u>	<u>163.83</u>	<u>405.39</u>	<u>\$ 3.54</u>	<u>\$ 216.28</u>	<u>78.86</u>
	205,859.71	380.11	13.91	3,505.22	220.40	200,405.39	3.54	216.28	1,114.86
Decreased by:									
Disbursements:									
Interfund Loans Returned	1,106.48		13.91		56.57				1,036.00
Interest Disbursed to Current	<u>1,253.23</u>	<u>380.11</u>		<u>5.22</u>	<u>163.83</u>	<u>405.39</u>	<u>3.54</u>	<u>216.28</u>	<u>78.86</u>
	<u>2,359.71</u>	<u>380.11</u>	<u>13.91</u>	<u>5.22</u>	<u>220.40</u>	<u>405.39</u>	<u>3.54</u>	<u>216.28</u>	<u>1,114.86</u>
Balance December 31, 2021	<u>\$ 203,500.00</u>	<u>-</u>	<u>-</u>	<u>\$ 3,500.00</u>	<u>-</u>	<u>\$ 200,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOWNSHIP OF BERLIN
TRUST--ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 8,299.92
Increased by:		
Collections		
Dog License Fees	\$ 9,444.20	
Cat License Fees	<u>2,356.00</u>	
		<u>11,800.20</u>
		20,100.12
Decreased by:		
Expenditures Under R.S.4:19-15.11--Cash		<u>13,831.32</u>
Balance December 31, 2021		<u><u>\$ 6,268.80</u></u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2020	\$ 12,954.00
2019	<u>17,474.81</u>
	<u><u>\$ 30,428.81</u></u>

TRUST--ANIMAL CONTROL FUND
Statement of Due to State Department of Health
For the Year Ended December 31, 2021

Increased by:		
Dog Registration Fees Collected		\$ 853.80
Decreased by:		
Payments		<u><u>\$ 853.80</u></u>

TOWNSHIP OF BERLIN
TRUST--OTHER FUNDS
Statement of Trust Other Reserves
For the Year Ended December 31, 2021

<u>Reserve</u>	<u>Balance Dec 31, 2020</u>	<u>Increased</u>		<u>Decreased</u>		<u>Balance Dec 31, 2021</u>
		<u>Receipts</u>	<u>Reserve for Encumbrances</u>	<u>Disbursements</u>	<u>Reserve for Encumbrances</u>	
Reserve for Escrow Deposits	\$ 574,664.25	\$ 139,548.72		\$ 49,831.82		\$ 664,381.15
Reserve for New Jersey Unemployment Compensation Insurance	95,624.57	12,190.69		6,602.21		101,213.05
Reserve for Recycling Program	25,009.75	18,846.87		880.00		42,976.62
Reserve for Payroll Deductions Payable	33,630.59	2,331,264.25		2,326,292.75		38,602.09
Reserve for Net Payroll		2,379,307.67		2,379,307.67		
Reserve for Accumulated Sick Leave	199,402.00	50,000.00		90,331.71		159,070.29
Reserve for John J. McPeak Library	565.16					565.16
Reserve for Redemption of Tax Sale Certificates		95,453.75		94,545.15		908.60
Reserve for Parking Offenses Adjudication Act	1,346.00					1,346.00
Reserve for Municipal Law Enforcement Program Expenditures	16,392.01	1,249.42		4,834.50		12,806.93
Reserve for Berlin Township Police Department	5,860.81					5,860.81
Reserve for Township Rehabilitation	2,562.49			2,562.49		
Reserve for Municipal Public Defender Fees	557.68	1,650.00		975.00	\$ 375.00	857.68
Reserve for Storm Recovery	49,884.67		\$ 6,470.00	22,592.37		33,762.30
Reserve for Tax Collector Utility		46,345.21		46,345.21		
Reserve for Premium on Tax Sale	128,944.43	73,500.00		57,500.00		144,944.43
Reserve for Flexible Benefits Plan	668.87	5,130.15		5,711.83		87.19
Reserve for Recreation	3,863.46	386.00				4,249.46
Reserve for K9 Donations	3,358.17	2,250.00		3,778.77		1,829.40
Reserve for Police Outside Employment		241,222.26		169,088.38		72,133.88
Reserve for Encumbrances	6,470.00		(6,470.00)		(375.00)	375.00
Reserve for Celebration of Public Events	68.98					68.98
	<u>\$ 1,148,873.89</u>	<u>\$ 5,398,344.99</u>	<u>-</u>	<u>\$ 5,261,179.86</u>	<u>-</u>	<u>\$ 1,286,039.02</u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of General Capital Cash per N.J.S. 40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2021

Balance Dec. 31, 2020		\$ 4,812,490.09
Increased by Receipts:		
Due Current Fund	\$ 438,199.56	
Budget Appropriation:		
Capital Improvement Fund	700,000.00	
Contra	<u>68,897.30</u>	
		<u>1,207,096.86</u>
		6,019,586.95
Decreased by Disbursements:		
Due Current Fund	7,686.13	
Due Open Space Trust Fund	2,654.27	
Improvement Authorizations	174,538.36	
Reserve for Encumbrances	45,591.63	
Contra	<u>68,897.30</u>	
		<u>299,367.69</u>
Balance Dec. 31, 2021		<u><u>\$ 5,720,219.26</u></u>

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2021

		Balance (Deficit) Dec. 31, 2020	Receipts		Disbursements			Balance (Deficit) Dec. 31, 2021	
			Budget Appropriations	Miscellaneous	Improvement Authorizations	Miscellaneous	From	Transfers To	
Fund Balance		\$ 43.57							\$ 43.57
Capital Improvement Fund		3,730,500.00	\$ 700,000.00				\$ 500,000.00		3,930,500.00
Improvement Authorizations:									
04-10	Acquisition, Construction, Repair and Installation of Various Capital Improvements	40,392.47							40,392.47
06-01	Various Capital Improvements and the Acquisition of Various Pieces of Capital Equipment	803.31							803.31
07-08; 09-10	Various Capital Improvements and the Acquisition of Various Pieces of Equipment	24,852.36							24,852.36
09-02	Acquisition of Certain Real Property and Existing Facilities Together with the Completion of Various Renovations and Improvements	7,778.62			\$ 7,778.62				
11-26	Completion of Various Capital Improvements and the Acquisition of Various Equipment	98,002.28			2,475.00				95,527.28
16-04.1	Refurbishment of Trash Trucks	2,500.00							2,500.00
16-04.3	Acquisition of Vehicles for Public Works	46,239.00					43,538.00		2,701.00
16-04.4	Various Improvements to Municipal Buildings and Land	67,575.00			27,448.98				40,126.02
16-04.6	Acquisition of Computer Equipment	17,717.47			13,678.14				4,039.33
16-05.1	Reconstruction and/or Resurfacing of Various Roads	417,868.42							417,868.42
16-05.2	Drainage Improvements to Various Locations	303,560.16							303,560.16
16-05.3	Acquisition of Trash Collection Equipment	67,334.89					16,024.50		51,310.39
16-05.4	Acquisition of Public Works Equipment	22,868.76							22,868.76
16-05.5	Improvements to Recreational Facilities	26,991.66							26,991.66
16-05.6	Acquisition of Ambulance	11,619.28							11,619.28
17-01	Acquisition of Public Works Equipment	4,970.00			4,970.00				
19-06.1	Acquisition of Police Equipment	36,521.80					4,099.10		32,422.70
19-06.2	Various Recreation Improvements	122,000.00			24,985.07				97,014.93
19-06.3	Various Township Building and Grounds Improvements	63,750.00			16,528.00		15,928.00		31,294.00
19-06.4	Improvements to Various Municipal Streets and Roads	60,733.00						\$ 711.37	61,444.37
19-06.5	Acquisition of Various Public Works Equipment	19,424.20							19,424.20
21-07.1	Acquisition of Police Vehicles and Equipment				76,674.55			100,000.00	23,325.45
21-07.2	Acquisition of Various Public Works Vehicles							400,000.00	400,000.00
Due Current Fund		(430,513.43)		\$ 438,199.56		\$ 7,686.13			
Contracts Payable								43,538.00	43,538.00
Reserve for Encumbrances		46,303.00				45,591.63	711.37	36,051.60	36,051.60
Due Open Space Trust Fund		2,654.27				2,654.27			
Contra				68,897.30		68,897.30			
		\$ 4,812,490.09	\$ 700,000.00	\$ 507,096.86	\$ 174,538.36	\$ 124,829.33	\$ 580,300.97	\$ 580,300.97	\$ 5,720,219.26

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 430,513.43
Increased by:	
Disbursements:	
Interfund Loans Returned	<u>7,686.13</u>
	438,199.6
Decreased by:	
Receipts:	
Interest Earned on Investments	\$ 7,686.13
Interfund Loans Received	<u>430,513.43</u>
	<u><u>\$ 438,199.56</u></u>

Exhibit SC-4

GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 10,654,475.73
Decreased by:	
Budget Appropriation:	
Payment of Bond Principal	\$ 620,000.00
Payment of Loan Principal	<u>14,428.06</u>
	<u>634,428.06</u>
Balance Dec. 31, 2021	<u><u>\$ 10,020,047.67</u></u>

Exhibit SC-5

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 3,730,500.00
Increased by Receipts:	
Receipts -- Budget Appropriation	<u>700,000.00</u>
	4,430,500.00
Decreased by:	
Appropriation to Finance	
Improvement Authorizations	<u>500,000.00</u>
Balance Dec. 31, 2021	<u><u>\$ 3,930,500.00</u></u>

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2020</u>		<u>2021 Authorizations</u>	<u>Paid or Charged</u>	<u>Encumbrances Cancelled</u>	<u>Balance Dec. 31, 2021</u>	
				<u>Funded</u>	<u>Unfunded</u>	<u>Capital Improvement Fund</u>			<u>Funded</u>	<u>Unfunded</u>
04-10	Acquisition, Construction, Repair and Installation of Various Capital Improvements	11-22-04	\$ 610,000.00	\$ 40,392.47					\$ 40,392.47	
06-01	Various Capital Improvements and the Acquisition of Various Pieces of Capital Equipment	02-13-06	595,000.00	803.31					803.31	
07-08; 09-10	Various Capital Improvements and the Acquisition of Various Pieces of Equipment	04-23-07	704,000.00	24,852.36					24,852.36	
09-02	Acquisition of Certain Real Property and Existing Facilities with the Completion of Renovations and Improvements	03-23-09	7,950,000.00	7,778.62			\$ 7,778.62			
11-26	Completion of Various Capital Improvements and the Acquisition of Various Equipment	12-12-11	650,000.00	98,002.28			2,475.00		95,527.28	
16-04.1	Refurbishment of Trash Trucks	03-14-16	65,000.00	2,500.00					2,500.00	
16-04.3	Acquisition of Vehicles for Public Works	03-14-16	150,000.00	46,239.00			43,538.00		2,701.00	
16-04.4	Various Improvements to Municipal Buildings and Land	03-14-16	69,500.00	67,575.00			27,448.98		40,126.02	
16-04.6	Acquisition of Computer Equipment	03-14-16	50,000.00	17,717.47			13,678.14		4,039.33	
16-05.1	Reconstruction and/or Resurfacing of Various Roads	03-14-16	458,850.00	417,868.42					417,868.42	
16-05.2	Drainage Improvements to Various Locations	03-14-16	342,825.00	303,560.16					303,560.16	
16-05.3	Acquisition of Trash Collection Equipment	03-14-16	977,550.00	67,334.89			16,024.50		51,310.39	
16-05.4	Acquisition of Public Works Equipment	03-14-16	420,000.00	22,868.76					22,868.76	
16-05.5	Improvements to Recreational Facilities	03-14-16	44,100.00	26,991.66					26,991.66	
16-05.6	Acquisition of Ambulance	03-14-16	181,675.00	11,619.28					11,619.28	
17-01	Acquisition of Public Works Equipment	03-13-17	275,000.00	4,970.00			4,970.00			
19-06.1	Acquisition of Police Equipment	06-10-19	50,000.00	36,521.80			4,099.10		32,422.70	
19-06.2	Various Recreation Improvements	06-10-19	122,000.00	122,000.00			24,985.07		97,014.93	
19-06.3	Various Township Building and Grounds Improvements	06-10-19	93,500.00	63,750.00			32,456.00		31,294.00	
19-06.4	Improvements to Various Municipal Streets and Roads	06-10-19	70,000.00	60,733.00				\$ 711.37	61,444.37	
19-06.5	Acquisition of Various Public Works Equipment	06-10-19	29,000.00	19,424.20					19,424.20	
21-07.1	Acquisition of Police Vehicles and Equipment	09-13-21	100,000.00			\$ 100,000.00	76,674.55		23,325.45	
21-07.2	Acquisition of Various Public Works Vehicles	09-13-21	400,000.00			400,000.00			400,000.00	
				<u>\$ 1,463,502.68</u>	<u>-</u>	<u>\$ 500,000.00</u>	<u>\$ 254,127.96</u>	<u>\$ 711.37</u>	<u>\$ 1,710,086.09</u>	<u>-</u>
Disbursed							\$ 174,538.36			
Contracts Payable							43,538.00			
Reserve for Encumbrances							36,051.60			
							<u>\$ 254,127.96</u>			

Increased by:

\$ 43,538.00

\$ 43,538.00

Ordinance
Number

Amount

16-04.3

\$ 43,538.00

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2021

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
General Bonds--Series 2010	11-16-10	\$ 10,318,000.00				\$ 400,000.00	\$ 400,000.00	
General Bonds--Series 2016	10-27-16	2,410,000.00	11-15-22	\$ 190,000.00	2.000%			
			11-15-23	195,000.00	2.000%			
			11-15-24	200,000.00	3.000%			
			11-15-25	205,000.00	3.000%			
			11-15-26	210,000.00	3.000%			
			11-15-27	215,000.00	3.000%			
			11-15-28/29	220,000.00	3.000%	1,835,000.00	180,000.00	\$ 1,655,000.00
Refunding Bonds--Series 2017	1-19-17	8,520,000.00	1-1-22	440,000.00	3.000%			
			1-1-23	540,000.00	5.000%			
			1-1-24	545,000.00	5.000%			
			1-1-25	550,000.00	5.000%			
			1-1-26	555,000.00	5.000%			
			1-1-27	560,000.00	5.000%			
			1-1-28	555,000.00	3.000%			
			1-1-29	645,000.00	3.000%			
			1-1-30	635,000.00	3.125%			
			1-1-31	625,000.00	3.250%			
			1-1-32	615,000.00	3.250%			
			1-1-33	705,000.00	3.375%			
			1-1-34	695,000.00	3.500%			
			1-1-35	655,000.00	4.000%			
						<u>8,360,000.00</u>	<u>40,000.00</u>	<u>8,320,000.00</u>
						<u>\$ 10,595,000.00</u>	<u>\$ 620,000.00</u>	<u>\$ 9,975,000.00</u>

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of Green Acres Loan
For the Year Ended December 31, 2021

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Paid by Open Space Budget Appropriation</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Green Acres Loan	12-10-04	\$ 250,000.00	3-10-22	\$ 7,322.42	2.00%			
			9-10-22	7,395.65	2.00%			
			3-10-23	7,469.60	2.00%			
			9-10-23	7,544.30	2.00%			
			3-10-24	7,619.74	2.00%			
			9-10-24	7,695.94	2.00%			
						<u>\$ 59,475.73</u>	<u>\$ 14,428.06</u>	<u>\$ 45,047.67</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

TOWNSHIP OF BERLIN
SEWER UTILITY FUND
Statement of Sewer Utility Cash per N.J.S.40A:5-5--Chief Financial Officer
For the Year Ended December 31, 2021

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2020	\$ 2,162,453.56	\$ 404,444.13
Increased by Receipts:		
Utility Collector	\$ 1,226,673.98	
Due Sewer Utility Operating Fund		\$ 589.89
Due Trust Other	4.20	
Due Sewer Utility Capital Fund	<u>595.21</u>	
	<u>1,227,273.39</u>	<u>589.89</u>
	3,389,726.95	405,034.02
Decreased by Disbursements:		
2021 Budget Appropriations	920,916.63	
Accrued Interest on Bonds and Notes	124,931.26	
2020 Appropriation Reserves	10,835.42	
Due Sewer Utility Operating Fund		595.21
Improvement Authorizations		15,940.00
Due Current Fund	<u>121,400.58</u>	
	<u>1,178,083.89</u>	<u>16,535.21</u>
Balance Dec. 31, 2021	<u><u>\$ 2,211,643.06</u></u>	<u><u>\$ 388,498.81</u></u>

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash
 For the Year Ended December 31, 2021

	Balance (Deficit) <u>Dec. 31, 2020</u>	<u>Receipts</u> <u>Miscellaneous</u>	<u>Disbursements</u> <u>Miscellaneous</u>	<u>From</u>	<u>Transfers</u> <u>To</u>	Balance (Deficit) <u>Dec. 31, 2021</u>
Improvement Authorizations:						
Ordinance						
<u>Number</u>						
13-12 Various Improvements to the Sewerage Collection System	\$ 404,438.81		\$ 15,940.00			\$ 388,498.81
Due Sewer Utility Operating Fund	<u>5.32</u>	<u>\$ 589.89</u>	<u>595.21</u>			
	<u>\$ 404,444.13</u>	<u>\$ 589.89</u>	<u>\$ 16,535.21</u>	<u>-</u>	<u>-</u>	<u>\$ 388,498.81</u>

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Sewer Cash and Reconciliation per N.J.S.40A:5-5--Collector
For the Year Ended December 31, 2021

Receipts:	
Consumer Accounts Receivable	\$ 930,301.76
Sewer Overpayments	215.00
Prepaid Sewer Rents	259,064.39
Non-Budget Revenue:	
Connection Fees	19,250.00
Miscellaneous	3,210.69
Interest on Delinquent Rents	<u>14,632.14</u>
	1,226,673.98
Decreased by:	
Turnovers to Treasurer	<u><u>\$ 1,226,673.98</u></u>

Exhibit SD-4

SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 49,262.20
Increased by:	
Net Billings	<u>1,189,225.49</u>
	1,238,487.69
Decreased by:	
Collections	\$ 930,301.76
Cancellations	2,062.57
Prepayments Applied	<u>252,921.99</u>
	<u>1,185,286.32</u>
Balance Dec. 31, 2021	<u><u>\$ 53,201.37</u></u>

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2020</u>	<u>Improvement Authorizations</u>	<u>Balance Dec. 31, 2021</u>
13-12	Various Improvements to the Sewerage Collection System	10-28-13	\$ 750,000.00	<u>\$ 750,000.00</u>	<u>-</u>	<u>\$ 750,000.00</u>

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2021

<u>Description</u>	<u>Balance Dec. 31, 2020</u>	<u>Additions</u>	<u>Balance Dec. 31, 2021</u>
Sewerage Collection System	<u>\$ 12,641,344.10</u>	<u>-</u>	<u>\$ 12,641,344.10</u>

Exhibit SD-7

SEWER UTILITY OPERATING FUND
Statement of Prepaid Sewer Rents
For the Year Ended December 31, 2021

Balance Dec. 31, 2020 (2021 Rents)	\$ 252,921.99
Increased by:	
Collections	<u>259,064.39</u>
	511,986.38
Decreased by:	
Application to Sewer Consumer Accounts Receivable	<u>252,921.99</u>
Balance Dec. 31, 2021 (2022 Rents)	<u>\$ 259,064.39</u>

Exhibit SD-8

SEWER UTILITY OPERATING FUND
Statement of Sewer Rent Overpayments
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 148.78
Increased by:	
Overpayments Received - Collector	<u>215.00</u>
	363.78
Decreased by:	
Canceled	<u>172.50</u>
Balance December 31, 2021	<u>\$ 191.28</u>

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Notes
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 61,249.80
Increased by:	
Charges to Utility Operating Budget	<u>116,390.70</u>
	177,640.50
Decreased by:	
Interest Paid by Utility Operating Fund	<u>124,931.26</u>
Balance Dec. 31, 2021	<u><u>\$ 52,709.24</u></u>

Analysis of Accrued Interest Dec. 31, 2021

Principal Outstanding Dec. 31, 2021	Interest Rate	From	To	Period	Amount
Serial Bonds:					
\$ 2,315,000.00	Variable	07-01-21	12-31-21	180 Days	\$ 37,140.63
485,000.00	Variable	11-15-21	12-31-21	46 Days	1,718.61
610,000.00	Variable	07-01-21	12-31-21	180 Days	<u>13,850.00</u>
					<u><u>\$ 52,709.24</u></u>

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of 2020 Appropriation Reserves
For the Year Ended December 31, 2021

	Balance Balance Dec. 31, 2020			Balance Lapsed
	<u>Encumbered</u>	<u>Reserves</u>	<u>Disbursed</u>	
Operating:				
Salaries and Wages		\$ 7,063.43		\$ 7,063.43
Other Expenses	\$ 21,940.39	162,574.43	\$ 10,835.42	173,679.40
	<u>21,940.39</u>	<u>169,637.86</u>	<u>10,835.42</u>	<u>180,742.83</u>
Deferred Charges and Statutory Expenditures				
Statutory Expenditures:				
Contribution to:				
Social Security System		1,627.03		1,627.03
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)		236.46		236.46
	<u>-</u>	<u>1,863.49</u>	<u>-</u>	<u>1,863.49</u>
	<u>\$ 21,940.39</u>	<u>\$ 171,501.35</u>	<u>\$ 10,835.42</u>	<u>\$ 182,606.32</u>

Exhibit SD-11

SEWER UTILITY CAPITAL FUND
Statement of Due to Sewer Utility Operating Fund
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 5.32
Increased by:	
Receipts:	
Interest Earned on Deposits	589.89
	595.21
Decreased by:	
Disbursed	\$ 595.21

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2020		Increased	Decreased	Balance Dec. 31, 2021	
				Funded	Unfunded			Funded	Unfunded
13-12	Various Improvements to the Sewerage Collection System	10-28-13	\$ 750,000.00	<u>\$ 404,438.81</u>	<u>-</u>	<u>-</u>	<u>\$ 15,940.00</u>	<u>\$ 388,498.81</u>	<u>-</u>

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2021

Balance Dec. 31, 2020	\$ 9,506,344.10
Increased by:	
Long Term Bonded Debt Paid by Operating Budget	<u>475,000.00</u>
Balance Dec. 31, 2021	<u><u>\$ 9,981,344.10</u></u>

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Long Term Bonded Debt
For the Year Ended December 31, 2021

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Paid by Budget Appropriation	Balance Dec. 31, 2021
			Date	Amount				
Refunding Bonds of 2012	5-17-12	\$ 4,885,000.00	1-01-22	\$ 300,000.00	4.000%			
			1-01-23	310,000.00	2.750%			
			1-01-24	320,000.00	2.875%			
			1-01-25	330,000.00	3.250%			
			1-01-26	340,000.00	3.250%			
			1-01-27	350,000.00	3.250%			
			1-01-28	365,000.00	3.125%	\$ 2,600,000.00	\$ 285,000.00	\$ 2,315,000.00
General Bonds of 2016	10-27-16	750,000.00	11-15-22/23	55,000.00	2.000%			
			11-15-24/26	60,000.00	3.000%			
			11-15-27/29	65,000.00	3.000%	540,000.00	55,000.00	485,000.00
Refunding Bonds of 2017	1-19-17	1,020,000.00	1-01-22	140,000.00	3.000%			
			1-01-23	150,000.00	5.000%			
			1-01-24	155,000.00	5.000%			
			1-01-25	165,000.00	5.000%	745,000.00	135,000.00	610,000.00
						\$ 3,885,000.00	\$ 475,000.00	\$ 3,410,000.00

TOWNSHIP OF BERLIN
PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF BERLIN
Schedule of Findings and Recommendations
For the Year Ended December 31, 2021

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

None.

TOWNSHIP OF BERLIN
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

None.

TOWNSHIP OF BERLIN
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 Surety Bond</u>	
Phyllis Magazzu	Mayor	\$1,000,000.00	(A)
Christopher Morris	Council President	1,000,000.00	(A)
Marion Bodanza	Councilmember	1,000,000.00	(A)
Frank Epifanio	Councilmember	1,000,000.00	(A)
Samuel Sykes	Councilmember (to 5/20/21)	1,000,000.00	(A)
Mark Reid	Councilmember (from 5/20/21)	1,000,000.00	(A)
Alexander Davidson	Chief Financial Officer / Treasurer	1,000,000.00	(A)
Cathy Underwood	Township Clerk, Improvement Search Clerk, Registrar of Vital Statistics	1,000,000.00	(A)
Vicki Taylor	Deputy Registrar of Vital Statistics	1,000,000.00	(A)
Nicholas R Trabosh Esq.	Judge of Municipal Court	1,000,000.00	(A)
Maria Reed	Court Administrator and Violations Clerk	1,000,000.00	(A)
Taylor Sirolli	Deputy Court Administrator and Violations Clerk	1,000,000.00	(A)
Kelly Shendock	Secretary to the Building Inspector, Planning Board and Zoning Board	1,000,000.00	(A)
Charles Riebel, Jr.	Engineer and Public Works Director	1,000,000.00	(A)
Joshua Shellenberger	Secretary to Board of Health and Property Maintenance Inspector / Animal Control Officer / Zoning Officer	1,000,000.00	(A)
Dana O'Hara	Tax and Sewer Clerk Tax and Sewer Utility Collector and Tax Search Clerk	1,000,000.00	(A)
Colleen Dawson	Tax and Sewer Clerk (to 7/2/21)	1,000,000.00	(A)
Kristine MacDuff	Tax and Sewer Clerk (from 8/10/21)	1,000,000.00	(A)
John Holroyd	Building Subcode Official / Inspector and Construction Code Officer / Plumbing Inspector	1,000,000.00	(A)
John Holroyd	Fire Subcode Official/Inspector	1,000,000.00	(A)
Sal Cantania	Electrical Inspector	1,000,000.00	(A)
Dan Gatti	Tax Assessor	1,000,000.00	(A)
Leonard Check	Officer in Charge (from 11/1/21)	1,000,000.00	(A)
Wayne Bonfiglio	Police Chief (to 10/31/21)	1,000,000.00	(A)
Stuart A. Platt	Solicitor		

(A) Employees not individually bonded are covered through the Camden County Joint Insurance Fund for \$1,000,000.00 per each loss.

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APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink that reads "Daniel M. DiGangi". The script is cursive and fluid.

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant