

CITY OF BEVERLY
County of Burlington

Report of Audit of Financial Statements

For the Year Ended December 31, 2021

CITY OF BEVERLY
COUNTY OF BURLINGTON

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CITY OF BEVERLY

PART I

Report of Audit of Financial Statements

For the Year Ended December 31, 2021

INVERSO & STEWART, LLC

Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: rinverso@inversocpa.com

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Beverly
County of Burlington
Beverly, New Jersey

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements - regulatory basis of the various funds of the City of Beverly, ("City"), County of Burlington, State of New Jersey, as of December 31, 2021 and 2020 and the related comparative statements of operations and changes in fund balance - regulatory basis, and the related statement of revenues-regulatory basis and statement of expenditures - regulatory basis, and the statement of general fixed asset account group for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2021 and 2020, or the results of its operations and the changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In my opinion, the financial statements referred to previously present fairly, in all material respects, the balance sheets - regulatory basis of the various funds of the City 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 prescribed by the Division as described in Note 1.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared by the City on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet with the requirements of the State of New Jersey.

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

As described in Note 1 to the financial statements, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet with 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.

Basis for Unmodified Opinion on Regulatory Basis of Accounting

I conducted my 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 prescribed by the Division. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of my report. I am required to be independent of the City, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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. 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.

In preparing the financial statements - regulatory basis, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements - regulatory basis as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with generally accepted 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 - regulatory basis.
- 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 City'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Supplementary Information

My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental financial statements presented for the various funds 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. 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 my opinion, the Supplementary Information is 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*, I have also issued my report dated October 28, 2022, on my consideration of the City's internal control over financial reporting and on my 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 my 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 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 City's internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

A handwritten signature in black ink, appearing to read 'R. P. Inverso', written in a cursive style.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
October 28, 2022

INVERSO & STEWART, LLC

Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: rinverso@inversocpa.com

-Member of-
American Institute of CPAs
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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 City Council
City of Beverly
County of Burlington
Beverly, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 City of Beverly, in the County of Burlington, 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 City's basic financial statements, and have issued my report thereon dated October 28, 2022. That report indicated that the City of Beverly'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.

Internal Control Over Financial Reporting

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Beverly's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Governments 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

A handwritten signature in black ink, appearing to read 'R. P. Inverso', written in a cursive style.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
October 28, 2022

CITY OF BEVERLY

Current Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Modified Accrual Basis
For the Years Ended December 31, 2021 and 2020

	<u>REFERENCE</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 1,818,603.88	\$ 1,650,457.59
Cash - Change Fund	A-5	300.00	300.00
Due from State of New Jersey			
Senior Citizen and Veteran's Deduction	A-7	1,750.00	1,250.00
Total		<u>1,820,653.88</u>	<u>1,652,007.59</u>
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	266,996.05	259,292.16
Tax Title Liens	A-8	31,954.31	40,562.46
Property Acquired for Taxes - Assessed Valuation	A-9	771,040.00	771,040.00
Revenue Accounts Receivable	A-10	2,039.90	3,318.72
Due from Grant Fund	A	52,657.16	52,579.35
Due from General Capital Fund	C	293,045.88	279,907.43
Due from Animal Control Fund	B	4,972.88	2,974.27
Due from Trust - Other	B	133,422.09	116,769.70
Total		<u>1,556,128.27</u>	<u>1,526,444.09</u>
Deferred Charges:			
Emergency Authorizations (40A:4-48)	A-11	33,872.00	12,166.00
Total		<u>33,872.00</u>	<u>12,166.00</u>
Total Regular Fund		<u>3,410,654.15</u>	<u>3,190,617.68</u>
Federal and State Grant Fund:			
Cash	A-4	201,667.91	71,241.98
Due from Current Fund	A	10,051.15	10,051.15
Federal and State Grants Receivable	A-20	64,752.61	64,752.61
Total Federal and State Grant Fund		<u>276,471.67</u>	<u>146,045.74</u>
Total		<u>\$ 3,687,125.82</u>	<u>\$ 3,336,663.42</u>

(Continued)

CITY OF BEVERLY

Current Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Modified Accrual Basis
For the Years Ended December 31, 2021 and 2020

	<u>REFERENCE</u>	<u>2021</u>	<u>2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-12	\$ 364,634.46	\$ 366,958.05
Encumbrances Payable	A-3	9,686.14	6,461.84
Accounts Payable	A-12	7,254.03	5,472.90
Reserve for Cost of Revaluation		2,009.50	2,009.50
Reserve for Tax Map		16,000.00	16,000.00
Reserve for JIF Safety		2,050.82	2,050.82
Due to State of New Jersey:			
Senior and Vet Deductions	A-7		-
Marriage Licenses	A-13	125.00	50.00
Construction Code Training Fees	A-14	772.00	188.00
Tax Overpayments	A-15	20,505.56	19,832.55
Prepaid Taxes	A-16	55,097.69	46,565.43
Local School Tax Payable	A-17	261,819.00	199,842.00
County Tax Payable	A-18	1,434.72	-
Due To Federal & State Grant Fund	A	10,051.15	10,051.15
Due to Trust-Other	B	136,007.73	133,205.73
Total Liabilities		<u>887,447.80</u>	<u>808,687.97</u>
Reserve for Receivable and Other Assets	A	1,556,128.27	1,526,444.09
Fund Balance	A-1	<u>967,078.08</u>	<u>855,485.62</u>
Total Regular Fund		<u>3,410,654.15</u>	<u>3,190,617.68</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-21	129,736.67	5,754.45
Appropriated Reserves	A-22	91,327.84	84,672.02
Reserve for Encumbrances	A-22	2,750.00	3,039.92
Due to Current Fund	A	52,657.16	52,579.35
Total Federal and State Grant Fund		<u>276,471.67</u>	<u>146,045.74</u>
Total		<u>\$ 3,687,125.82</u>	<u>\$ 3,336,663.42</u>

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

CITY OF BEVERLY

CURRENT FUND

Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 300,000.00	\$ 300,000.00
Miscellaneous Revenue Anticipated	1,281,939.13	762,278.90
Receipts from Delinquent Taxes	267,433.43	274,855.46
Receipts from Current Taxes	5,570,253.13	5,408,333.88
Nonbudget Revenues	13,532.97	13,951.37
Other Credits to Income:		
Statutory Excess - Animal Control Fund	1,993.12	-
Unexpended Balance of Appropriation Reserves	<u>303,290.25</u>	<u>152,426.15</u>
Total Revenue and Other Income Realized	<u>7,738,442.03</u>	<u>6,911,845.76</u>
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	1,363,078.25	1,335,358.00
Other Expenses	1,199,073.14	1,117,944.96
Deferred Charges and Statutory Expenditures Within "CAPS"	351,751.16	319,649.00
Operations Excluded from "CAPS":		
Other Expenses	506,698.46	17,837.10
Capital Improvements	10,000.00	15,876.00
Debt Service	12,732.41	52,293.05
Deferred Charges	12,941.00	10,000.00
Fire District Taxes	189,500.00	185,838.00
County Taxes	473,592.15	492,234.81
Local District School Tax	3,221,696.00	3,125,946.00
Refund of Prior Year Revenue	350.00	-
Prior Year Veterans' and Senior Citizens' Deductions Disallowed	-	2,000.00
Prior Year Tax Overpayment Created	4,060.52	-
Creation of Reserves for:		
Interfunds and Accounts Receivable	<u>15,248.48</u>	<u>47,581.89</u>
Total Expenditures	<u>7,360,721.57</u>	<u>6,722,558.81</u>
Excess in Revenue	377,720.46	189,286.95
Adjustment to Income Before Fund Balance:		
Expenditures Included Above which are by Statute Deferred		
Charges to Budget of Succeeding Year	<u>33,872.00</u>	<u>12,166.00</u>
Statutory Excess of Fund Balance	411,592.46	201,452.95
Fund Balance January 1	<u>855,485.62</u>	<u>954,032.67</u>
Subtotal	1,267,078.08	1,155,485.62
Decreased by Utilization as Anticipated Revenue	<u>300,000.00</u>	<u>300,000.00</u>
Balance December 31	<u><u>\$ 967,078.08</u></u>	<u><u>\$ 855,485.62</u></u>

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

CITY OF BEVERLY

Current Fund

Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2021

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 300,000.00	\$ -	\$ 300,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	376.00		376.00	\$ -
Other	2,500.00		2,004.00	(496.00)
Fees and Permits	32,000.00		31,221.75	(778.25)
Fines and Costs:				
Municipal Court	15,000.00		28,482.34	13,482.34
Interest and Costs on Taxes	30,000.00		42,798.98	12,798.98
Interest Earned on Investments	2,000.00		1,596.37	(403.63)
Payments in Lieu of Taxes	27,600.00		29,656.50	2,056.50
Rent of Office Space	9,000.00		9,000.00	
Consolidated Municipal Property Tax Relief Aid	210,095.00		210,095.00	
Energy Receipts Tax	360,235.00		360,235.00	
Uniform Construction Code Fees	12,000.00		34,276.00	22,276.00
Miscellaneous Revenues Offset with Appropriations:				
Recycling Tonnage Grant	3,270.45		3,270.45	
Body Armor Grant	929.68		929.68	
Clean Communities Program	6,123.88		6,123.88	
Clean Communities Program - 2020 Unappropriated	5,754.45		5,754.45	
NJDOT Grant 2020	243,000.00		243,000.00	
NJDOT Grant 2021	240,000.00		240,000.00	
Special Items of General Revenue Anticipated with				
Services - Other Special Items:				
Cable TV Franchise Fees	7,215.32		7,215.32	
Snow Removal Reimbursement	13,064.00		13,064.00	
Reserve for Payment of Debt	12,839.41		12,839.41	
Total	1,233,003.19		1,281,939.13	48,935.94
Receipts from Delinquent Taxes	293,190.37		267,433.43	(25,756.94)
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal Purposes	1,947,540.02		2,036,689.14	89,149.12
Budget Totals	3,773,733.58		3,886,061.70	\$ 112,328.12
Non-budget Revenues			13,532.97	
Total	\$ 3,773,733.58	\$ -	\$ 3,899,594.67	

(Continued)

CITY OF BEVERLY

CURRENT FUND

**Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2021**

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 5,570,253.13
Allocated to School, County and Fire District Taxes	3,884,788.15
Balance for Support of Municipal Budget Appropriations	1,685,464.98
Add Appropriation - Reserve for Uncollected Taxes	351,224.16
Amount for Support of Municipal Budget Appropriations	<u>\$ 2,036,689.14</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 259,207.57
Tax Title Lien Collections	<u>8,225.86</u>

Total	<u>\$ 267,433.43</u>
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Fees and Permits:

Solicitation Permits	\$ 800.00
Street Opening Permits	720.00
Police Discovery Fees	151.75
Housing Inspection Fees	28,300.00
Zoning Permits	1,200.00
Dumpster Permits	<u>50.00</u>

Total	<u>\$ 31,221.75</u>
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Analysis of Non-budget Revenues

Miscellaneous - Treasurer:

Planning Board Application Fee	\$ 2,000.00
Miscellaneous	2,240.21
Vacant Properties	600.00
Reimbursement of Prior Year Expenditures	7,693.36
Duplicate Tax Bill	365.00
Clerk A/R / Community Garden	160.00
Senior & Vet Admin Fee	370.00
Homestead Rebates Admin Fee	<u>104.40</u>

Receipts	<u>\$ 13,532.97</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF BEVERLY

Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2021

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS":</i>						
General Government						
General Administration						
Salaries and Wages	\$ 62,000.00	\$ 62,000.00	\$ 61,218.44	\$ -	\$ 781.56	\$ -
Other Expenses	28,650.00	28,650.00	16,477.88	329.88	11,842.24	
Mayor and City Council						
Other Expenses	400.00	512.00	512.00			
City Clerk		-				
Salaries and Wages	65,000.00	65,000.00	64,999.92		0.08	
Other Expenses	4,800.00	10,328.22	10,208.22	120.00	0.00	
Financial Administration						
Salaries and Wages	39,813.00	39,813.00	27,812.82		12,000.18	
Other Expenses	39,752.10	39,752.10	26,986.49	91.00	12,674.61	
Audit Services						
Other Expenses	16,000.00	16,000.00	15,800.00		200.00	
Computerized Data Processing						
Other Expenses	6,900.00	6,900.00	6,485.00		415.00	
Collection of Taxes						
Salaries and Wages	20,000.00	20,177.54	20,177.54			
Other Expenses	4,000.00	4,000.00	1,722.72	497.64	1,779.64	
Assessment of Taxes						
Salaries and Wages	18,500.00	18,500.00	18,040.36		459.64	
Other Expenses	2,200.00	2,200.00	1,520.00		680.00	
Legal Services & Costs						
Other Expenses	55,000.00	55,000.00	33,173.05		21,826.95	
Engineering Services & Costs						
Other Expenses	53,000.00	53,000.00	22,743.23		30,256.77	

(Continued)

CITY OF BEVERLY

Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2021

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS" (Cont'd):</i>						
General Government (cont'd)						
Land Use Administration:						
Planning Board						
Salaries & Wages	\$ 4,500.00	\$ 9,773.71	\$ 9,773.71	\$ -	\$ -	\$ -
Other Expenses	10,060.00	10,060.00	5,120.76		4,939.24	
Liability Insurance	50,683.00	50,683.00	48,309.13	350.00	2,023.87	
Workers Compensation Insurance	118,070.00	120,792.87	120,792.87			
Employees Group Health Insurance	271,893.39	246,019.00	197,172.03		48,846.97	
Health Benefit Waivers	1,410.00	1,410.00			1,410.00	
Public Safety Function:						
Police						
Salaries & Wages	864,200.00	864,200.00	813,884.33		50,315.67	
Other Expenses	60,700.00	60,700.00	59,293.80	1,048.70	357.50	
Office of Emergency Management						
Other Expenses	1,250.00	1,250.00	-		1,250.00	
Prosecutor's Office						
Salaries and Wages	9,200.00	9,200.00	6,400.00		2,800.00	
Public Works Function						
Streets and Roads						
Salaries and Wages	122,000.00	122,000.00	98,211.80		23,788.20	
Other Expenses	47,890.06	81,762.06	35,854.60	878.37	45,029.09	
Solid Waste Collection		-	-		-	
Other Expenses	70,000.00	73,000.00	72,996.00		4.00	
Public Buildings and Grounds						
Other Expenses	18,000.00	18,000.00	7,766.16	5,984.00	4,249.84	
Vehicle Maintenance						
Other Expenses	19,000.00	21,509.43	21,416.10	93.33	0.00	
Health and Human Services						
Animal Control						
Other Expenses	6,750.00	6,750.00	6,074.25		675.75	

(Continued)

CITY OF BEVERLY

Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2021

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<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>
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS" (Cont'd):</i>						
Parks and Recreation Functions						
Maintenance of Parks and Playgrounds						
Other Expenses	\$ 3,000.00	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00	\$ -
Aid to Volunteer Emergency Squad						
Other Expenses	22,000.00	22,000.00	22,000.00			
Accumulated Compensated Absences						
Other Expenses	17,000.00	17,000.00	13,598.82		3,401.18	
Utilities						
Electricity	26,000.00	26,000.00	15,189.07		10,810.93	
Street Lighting	49,000.00	49,000.00	42,852.65		6,147.35	
Telephone	20,000.00	20,000.00	16,074.06		3,925.94	
Water	2,900.00	2,900.00	2,392.84		507.16	
Fuel Oil		-	-			
Gasoline	11,000.00	11,161.46	11,161.46			
Landfill/Solid Waste Disposal Cost						
Other Expense	110,000.00	110,000.00	104,588.07		5,411.93	
Municipal Court:						
Salaries and Wages	77,500.00	77,500.00	73,972.25		3,527.75	
Other Expenses	9,700.00	9,700.00	2,523.08	293.22	6,883.70	
Public Defender						
Salaries and Wages	4,600.00	4,800.00	4,800.00		-	
Celebration of Public Events		-	-			
Other Expenses	2,500.00	2,500.00	1,555.81		944.19	
Aid to Library		-	-			
Uniform Construction Code:						
Construction Code Official						
Salaries & Wages	64,500.00	64,500.00	32,534.71		31,965.29	
Other Expenses	1,300.00	1,433.00	1,433.00			

(Continued)

CITY OF BEVERLY

Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2021

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS" (Cont'd):</i>						
Inspection of Housing						
Salaries & Wages	\$ -	\$ 5,614.00	\$ 5,614.00	\$ -	\$ -	\$ -
Other Expenses	16,100.00	16,100.00	14,644.58		1,455.42	
Total Operations Including Contingent - Within "CAPS"	<u>2,528,721.55</u>	<u>2,562,151.39</u>	<u>2,195,877.61</u>	<u>9,686.14</u>	<u>356,587.64</u>	<u>-</u>
Detail:						
Salaries and Wages	1,351,813.00	1,363,078.25	1,237,439.88		125,638.37	
Other Expenses	1,176,908.55	1,199,073.14	958,437.73	9,686.14	230,949.27	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees Retirement System	50,303.00	50,303.00	50,303.00		-	
Social Security System (O.A.S.I.)	102,000.00	102,442.16	102,442.16		-	
Unemployment Insurance	2,500.00	2,500.00	218.05		2,281.95	
Defined Contribution Retirement Program	1,000.00	1,000.00	235.13		764.87	
Police and Firemen's Retirement System	195,506.00	195,506.00	195,506.00		-	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>351,309.00</u>	<u>351,751.16</u>	<u>348,704.34</u>	<u>-</u>	<u>3,046.82</u>	<u>-</u>
Total General Appropriations - For Municipal Purposes Within "CAPS"	<u>2,880,030.55</u>	<u>2,913,902.55</u>	<u>2,544,581.95</u>	<u>9,686.14</u>	<u>359,634.46</u>	
GENERAL APPROPRIATIONS:						
<i>Operations Excluded from "CAPS":</i>						
Supplemental Fire Services Program - Fire						
District Payment	1,120.00	1,120.00	1,120.00			
Recycling Tax	5,000.00	5,000.00			5,000.00	

(Continued)

CITY OF BEVERLY

Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2021

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
GENERAL APPROPRIATIONS:						
<i>Operations Excluded from "CAPS" (Cont'd):</i>						
Aid to Library	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ -	\$ -	\$ -
Clean Communities Program - 2020 Unappropriated	5,754.45	5,754.45	5,754.45			
NJ Department of Transportation Grant 2020	243,000.00	243,000.00	243,000.00			
NJ Department of Transportation Grant 2021	240,000.00	240,000.00	240,000.00			
Clean Communities Program	6,123.88	6,123.88	6,123.88			
Recycling Tonnage Grant	3,270.45	3,270.45	3,270.45			
Body Armor Grant	929.68	929.68	929.68			
Total Operations - Excluded From "CAPS"	506,698.46	506,698.46	501,698.46		5,000.00	-
Detail:					-	-
Salaries and Wages					-	
Other Expenses	506,698.46	506,698.46	501,698.46		5,000.00	
<i>Capital Improvements - Excluded from "CAPS":</i>						
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		-	
Total Capital Improvements - Excluded From "CAPS"	10,000.00	10,000.00	10,000.00	-	-	-
<i>Debt Service - Excluded from "CAPS" :</i>						
Payment of Bond Anticipation Notes		-	-			-
Interest on Notes	12,839.41	12,839.41	12,732.41			107.00
Total Debt Service - Excluded from "CAPS"	12,839.41	12,839.41	12,732.41	-	-	107.00
<i>Deferred Charges - Excluded from "CAPS" :</i>						
Deferred Charges to Future Taxation Unfunded:						
Ordinance 2019-03 and 2015-06	775.00	775.00	775.00			-
Emergency Authorizations	12,166.00	12,166.00	12,166.00			-
Total Deferred Charges - Excluded from "CAPS"	12,941.00	12,941.00	12,941.00	-	-	-

(Continued)

CITY OF BEVERLY

Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2021

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	\$ 542,478.87	\$ 542,478.87	\$ 537,371.87	\$ -	\$ 5,000.00	\$ 107.00
Subtotal General Appropriations	3,422,509.42	3,456,381.42	3,081,953.82	9,686.14	364,634.46	107.00
Reserve for Uncollected Taxes	351,224.16	351,224.16	351,224.16			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 3,773,733.58</u>	<u>\$ 3,807,605.58</u>	<u>\$ 3,433,177.98</u>	<u>\$ 9,686.14</u>	<u>\$ 364,634.46</u>	<u>\$ 107.00</u>
Budget		\$ 3,773,733.58				
Appropriation by 40A:4-46		33,872.00				
Appropriation by 40A:4-87		-				
		<u>\$ 3,807,605.58</u>				
Expended - Paid or Charged:						
Deferred Charges - Emergency Appropriation			\$ 12,166.00			
Reserve for Federal and State Grants - Appropriated			16,078.46			
Reserve for Capital Grants			483,000.00			
Reserve for Uncollected Taxes			351,224.16			
Reimbursed			(49,531.26)			
Disbursed			2,620,240.62			
Total			<u>\$ 3,433,177.98</u>			

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

**CITY OF BEVERLY
TRUST FUND
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2021 and 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 8,843.83	\$ 7,460.34
Total		<u>8,843.83</u>	<u>7,460.34</u>
Other Funds:			
Cash - Treasurer	B-1	541,543.99	567,036.23
Accounts Receivable		32,850.75	5,493.64
Due From Current Fund	A	<u>136,007.73</u>	<u>133,205.73</u>
Total		<u>710,402.47</u>	<u>705,735.60</u>
Total Assets		<u>\$ 719,246.30</u>	<u>\$ 713,195.94</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State Department of Health		\$ -	\$ 24.60
Due Current Fund	A	4,972.88	2,974.27
Reserve for Animal Control Fund Expenditures	B-2	<u>3,870.95</u>	<u>4,461.47</u>
Total		<u>8,843.83</u>	<u>7,460.34</u>
Other Funds:			
Due to Current Fund	A	133,422.09	116,769.70
Payroll Deductions Payable	B-3	-	8,290.09
Reserve for Tax Sale Premiums	B-4	254,188.02	205,004.22
Reserve for Escrow Deposits	B-5	46,550.63	54,620.66
Reserve for Municipal Law Enforcement Fund	B-6	983.53	982.80
Reserve for Regional Contribution Agreements	B-7	218,918.81	251,713.49
Reserve for Community Day Events	B-8	5,204.75	5,484.15
Reserve for Community Development Block Grant Funds:	B-8	33,657.55	48,884.27
Reserve for Off - Duty	B-10	1,794.00	1,106.50
Reserve for Storm Recovery	B-11	2,148.59	2,147.22
Public Defender	B-12	13,354.50	10,572.50
Reserve for POAA	B-13	<u>180.00</u>	<u>160.00</u>
Total		<u>710,402.47</u>	<u>705,735.60</u>
Total Liabilities and Reserves		<u>\$ 719,246.30</u>	<u>\$ 713,195.94</u>

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

CITY OF BEVERLY

GENERAL CAPITAL FUND

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Year Ended December 31, 2021 and 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Cash	C-2	\$ 520,725.37	\$ 401,940.17
Deferred Charges to Future Taxation:			
Funded	C-8	933,000.00	-
Unfunded	C-4	490,685.00	1,131,765.00
Federal and State Grants Receivable	C-5	<u>516,747.75</u>	<u>561,150.75</u>
Total		<u>\$ 2,461,158.12</u>	<u>\$ 2,094,855.92</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Improvement Authorizations:			
Funded	C-6	\$ 647,079.12	\$ 145,402.71
Unfunded	C-6	315,480.11	471,544.40
Due to Federal and State Grant Fund			
Due to Current Fund	A, C-10	293,045.88	279,907.43
Bonds Payable	C-8	933,000.00	-
Bond Anticipation Notes Payable	C-9	80,000.00	933,775.00
Encumbrance Payable	C-6	81,839.94	135,268.90
Reserve for Payment of Notes	C-11	80,342.08	93,181.49
Capital Improvement Fund	C-7	5,178.50	10,583.50
Fund Balance	C-1	<u>25,192.49</u>	<u>25,192.49</u>
Total		<u>\$ 2,461,158.12</u>	<u>\$ 2,094,855.92</u>

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

CITY OF BEVERLY**General Capital Fund****Schedule of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2021**

Balance December 31, 2021 and 2020

\$ 25,192.49

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

CITY OF BEVERLY

ACCOUNT GROUP

Statement of General Fixed Assets Group of Accounts
For the Year Ended December 31, 2021

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2021</u>
General Fixed Assets:				
Land	\$ 472,300.00	\$ -	\$ -	\$ 472,300.00
Buildings	1,376,250.00			1,376,250.00
Vehicles and Equipment	<u>424,275.00</u>	<u>9,408.64</u>		<u>433,683.64</u>
 Total General Fixed Assets	 <u>\$ 2,272,825.00</u>	 <u>\$ 9,408.64</u>	 <u>\$ -</u>	 <u>\$ 2,282,233.64</u>
Total Investment in General Fixed Assets	<u>\$ 2,272,825.00</u>	<u>\$ 9,408.64</u>	<u>\$ -</u>	<u>\$ 2,282,233.64</u>

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

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The City of Beverly (hereafter referred to as the "City") is located in the western portion of the County of Burlington, State of New Jersey. The present population according to the 2020 census is 2,480.

The City was incorporated in 1857 and is governed by a Mayor/Common Council form of government which consists of five members elected at large by the voters. Per the City of Beverly's Charter Amendment, Ordinance 2010-2, approved by the Governor of the State of New Jersey on January 14, 2010 beginning with the 2012 Municipal election, three persons shall be elected as members of the Common Council for "Transitional Terms" of five years. Thereafter, as terms expire, the Mayor and the members of the Common Council shall be elected for terms of four (4) years. The Mayor acts as the Chief Executive Officer of the City. The legislative powers rest with the Common Council. The City Administrator, City Chief Finance Officer and the City Clerk are appointed by the Common Council and monitor the daily administrative and financial responsibilities, including but not limited to, staffing and personnel issues and budget preparation and implementation.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. Based on the application of these criteria, the following organization is considered to be a component unit; however, the City has determined that it is not significant and, therefore, has not been included in the basic financial statements:

Beverly City Sewerage Authority
Municipal Building – Broad Street
Beverly, NJ 08010

Requests for financial information should be addressed to the organization listed above.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the City contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the "Requirements" 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 City accounts for its financial transactions through the use of separate funds 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.

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting, Measurement Focus and Basis of Presentation (Continued)

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.

Budgets and Budgetary Accounting - The City must adopt an annual budget for its current fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 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 City. 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 the 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 City's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, 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. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("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 City 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 balances.

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The City has adopted a capitalization threshold of \$5,000 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. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. 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 City is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the City's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft. No depreciation of general fixed assets is recorded.

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 Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the City 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 Balance included in the Current Fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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 fiscal year. Lapsed appropriation reserves are recorded as income.

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences and Postemployment Benefits - Compensated absences for vacation and sick leave 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.

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 are realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the City 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 City's annual budget, but also the amounts required in support of the budgets of the Beverly City School District, Beverly City Fire District, and the County of Burlington. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The City is responsible for levying, collecting and remitting school taxes for the Beverly City School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the year.

County Taxes - The City is responsible for levying, collecting and remitting county taxes for the County of Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 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 - The City is responsible for levying, collecting and remitting the fire district taxes to the Beverly City Fire District. Operations is charged for the full amount required to be raised from taxation to support the fire district for the year.

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

Expenditures - 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. Outstanding 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 and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest on Delinquent Taxes – It is the policy of the City to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten (10) day grace period.

Comparative Data – Comparative total data for the prior year have been presented in the accompanying statements of assets, liabilities, reserves and fund balance and statement of operations in order to provide an understanding of changes in the City's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues – regulatory basis and the statement of expenditures – regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the Municipality's deposits may not be recovered. Although the Municipality 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 Unit. Under the Act, the first \$250,000 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 trust funds such as salary withholdings or funds that may pass to the Municipality relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. Of the Municipality's amount on deposit of \$3,386,856 as of December 31, 2021, \$250,754 was insured under FDIC and the remaining balance of \$3,136,102 was collateralized under GUDPA.

NOTE 3. PROPERTY TAXES

The following is a comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years ending December 31.

<u>Comparative Schedule of Tax Rates</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Tax Rate	<u>\$ 4.928</u>	<u>\$ 4.794</u>	<u>\$ 4.670</u>	<u>\$ 4.558</u>	<u>\$ 4.502</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.645	\$ 1.608	\$ 1.566	\$ 1.531	\$ 1.507
County	0.400	0.412	0.414	0.416	0.412
Local School	2.723	2.618	2.546	2.470	2.445
Fire District	0.160	0.156	0.144	0.141	0.138

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 3. PROPERTY TAXES (Continued)

Assessed Valuation

2021	\$	118,323,972
2020		119,425,507
2019		119,194,297
2018		119,641,597
2017		119,798,696

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2021	\$ 5,852,037	\$ 5,570,253	95.18%
2020	5,725,259	5,408,334	94.46%
2019	5,573,287	5,259,697	94.37%
2018	5,456,341	5,203,749	95.37%
2017	5,404,366	5,173,954	95.74%

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	\$ 31,954	\$ 266,996	\$ 298,950	5.11%
2020	40,562	259,292	299,854	5.24%
2019	291,133	259,469	550,602	9.88%
2018	210,908	199,647	410,555	7.52%
2017	190,713	174,605	365,318	6.76%

The following comparison is made of the number of tax title liens receivable on December 31, of the current year and previous four years.

<u>Year</u>	<u>Number</u>
2021	4
2020	10
2019	25
2018	21
2017	24

City of Beverly
Notes to Financial Statements
December 31, 2021

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	\$ 771,040
2020	771,040
2019	153,940
2018	153,940
2017	153,940

NOTE 5. FUND BALANCES APPROPRIATED

The following schedule details 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.

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2021	\$ 967,078	\$ 300,000	31.02%
2020	855,486	300,000	35.07%
2019	954,033	300,000	31.45%
2018	969,243	255,500	26.36%
2017	896,740	175,000	19.52%

NOTE 6. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 484,098	\$ 146,059
Federal and State Grant Fund	10,051	52,657
Trust Fund:		
Animal Control Fund	-	4,973
Other Trust Funds	136,008	133,422
General Capital Fund	-	293,046
	<u>\$ 630,157</u>	<u>\$ 630,157</u>

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 7. PENSION PLANS

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 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 ended June 30, 2020 is disclosed below.

Substantially all of the City's employees participate in one of the following pension plans which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (Division): the Police and Firemen's Retirement System (PFRS), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). 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 and required supplementary information. That report may be obtained by writing to or at the following website: the 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>

Police and Firemen's Retirement System (PFRS)

Plan Description - 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. The PFRS provides retirement, death and disability, and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the City.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten 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.

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 7. PENSION PLANS (CONTINUED)

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

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 record in the government-wide financial statements or to disclose in the notes to the financial statements of the local participating employer related to this legislation.

The City's contractually required contribution rate for the year ended December 31, 2020 was 32.45% of the City'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 PFRS measurement date of June 30, 2020, the City's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$195,506 and is 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.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the year ended December 31, 2020 was 4.48% of the City'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 City, to the pension plan for the year ended December 31, 2020 is \$27,004 and is payable by April 1, 2021. Based on the PFRS measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2019 was \$22,470, which was paid on April 1, 2020.

The City is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Employer Retro	Total Liability Paid by City
2020	\$ 56,126	\$ 110,163	\$ 8,033	\$ -	\$ 174,322
2019	50,762	104,823	6,143	776	162,504
2018	31,393	65,353	4,074		100,820

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PFRS and additions to/deductions from PFRS fiduciary net position have been determined on the same basis as they are reported by PFRS. For this purpose, 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.

For the year ended December 31, 2020, the City's proportionate share of pension expense is \$39,771. This expense is not recognized by the City because of the regulatory basis of accounting as described in Note 1.

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 7. PENSION PLANS (CONTINUED)

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

At December 31, 2020, the City proportionate share of the net pension liability is \$2,261,244 and deferred outflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,797	\$ 8,115
Changes of assumptions	5,690	606,226
Net Difference between projected and actual earnings on pension plan investments	132,587	
Changes in proportion	512,944	
City contributions subsequent to the measurement date	195,506	
Total	\$ 869,524	\$ 614,341

\$195,506 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2021.

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

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2021	\$ 53,303
2022	(11,449)
2023	81,573
2024	(55,664)
2025	(8,086)
Total	\$ 59,677

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 7. PENSION PLANS (CONTINUED)

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

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	
June 30, 2018	5.73	
June 30, 2019	-	5.92
June 30, 2020	5.90	
Changes of assumptions		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
Differences between projected and actual investment earnings on pension plan investments		
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-

Additional Information

Collective balances at June 30, 2020 and 2019 are as follows:

	<u>6/30/2020</u>	<u>6/30/2019</u>
Collective deferred outflows of resources	\$ 1,601,195,880	\$ 1,198,936,924
Collective deferred inflows of resources	\$ 4,191,274,402	\$ 4,874,748,912
Collective net pension liability	\$ 14,926,648,722	\$ 14,170,193,618
City's Proportion	.0175000985%	.0172577142%

**City of Beverly
Notes to Financial Statements
December 31, 2021**

NOTE 7. PENSION PLANS (CONTINUED)

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

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 – 15.25% based on years of service
Investment Rate of Return:	7.00%

Additional Information

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

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

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

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 7. PENSION PLANS (CONTINUED)

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

Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

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

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's and State's proportionate share of the net pension liability measured as of June 30, 2020, calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$ 3,006,989	\$ 2,261,244	\$ 1,641,846
State's proportionate share of the net pension liability associated with the City	<u>408,065</u>	<u>350,935</u>	<u>303,494</u>
	<u>\$ 3,415,054</u>	<u>\$ 2,612,179</u>	<u>\$ 1,945,340</u>

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the City, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division's annual financial statements, which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of 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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate was 7.50% in State fiscal year 2020. Employers' contribution amounts are based on an actuarially determined rate. The Authority's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The City's contractually required contribution rate for the year ended December 31, 2020 was 16.99% of the City'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 City's contractually required contribution to the pension plan for the fiscal year ended December 31, 2020 was \$50,303 and is payable by April 1, 2021. Based on the PERS measurement date of June 30, 2019, the City's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$42,887, which was paid by April 1, 2020. Employee contributions to the pension plan during the year ended December 31, 2020 were \$22,974.

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The City is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Long-Term Disability	Employer Retro	Total Liability Paid by City
2020	\$ 3,969	\$ 36,726	\$ 2,193	\$ 259	\$ -	\$ 43,147
2019	5,591	37,114	2,034	486	412	45,637
2018	5,448	33,924	2,017	1,610	418	43,417

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, 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.

At December 31, 2020, the City's proportionate share of the PERS net pension liability was \$749,861. 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 City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended December 31, 2020, the City's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2019 measurement date is \$21,172. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

At December 31, 2020, the City proportionate share of the PERS net pension liability was \$749,861 and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,654	\$ 2,652
Changes of assumptions	24,326	313,974
Net Difference between projected and actual earnings on pension plan investments	25,631	
Changes in proportion	57,866	12,392
City contributions subsequent to the measurement date	50,303	
Total	\$ 171,780	\$ 329,018

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

\$50,303 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2021	\$ (21,099)
2022	(91,269)
2023	(73,902)
2024	(16,506)
2025	(4,765)
Total	\$ (207,541)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of assumptions		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Differences between projected and actual investment earnings on pension plan investments		
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2020 and 2019 are as follows:

	<u>6/30/2020</u>	<u>6/30/2019</u>
Collective deferred outflows of resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective deferred inflows of resources	\$ 7,849,949,467	\$ 7,645,087,574
Collective net pension liability	\$ 16,435,616,426	\$ 18,143,832,135
City's Proportion	.0045982924%	.0044090429%

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

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026:	2.00 – 6.00% based on years of service
Thereafter:	3.00 – 7.00% based on years of service
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 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.

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

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

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

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

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2020, calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$ 943,950	\$ 749,861	\$ 585,171

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program was established in 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), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Divisions of Pensions and Benefits. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

**City of Beverly
Notes to Financial Statements
December 31, 2021**

NOTE 7. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP) (Continued)

The contribution requirements of plan members are determined by State statute. 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. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the City's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The City's contributions, equal to the required contribution for each fiscal year, were as follows:

	<u>Employer</u>
2021	\$ 249
2020	266
2019	318

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

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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 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 ended June 30, 2020, is disclosed below.

Plan Description

The City contributes to the State Health Benefit Program (SHBP), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) administered by the State of New Jersey Division of Pensions and Benefits. 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), 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) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

**City of Beverly
Notes to Financial Statements
December 31, 2021**

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Plan Description (Continued)

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.

The Municipality has adopted a resolution to participate in the SHBP.

Funding policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Postretirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Municipality monthly. Premiums are funded entirely by the Municipality and are based on the type of coverage selected by the employee. The Municipality's contributions to the SHBP for post-retirement benefits for the years ended December 31, 2020 and 2019 were \$35,945 and \$36,054 respectively, which equaled the required benefit contribution for each year.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2020 and June 30, 2019 were \$1,722,336 and \$1,211,290, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020.

**City of Beverly
Notes to Financial Statements
December 31, 2021**

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Components of net OPEB liability

The components of the collective net OPEB liability of the participating employers in the SHBP as of December 31, 2020 and 2019 were as follows:

	2020	2019
Total OPEB liability	\$ 1,706,525	\$ 1,543,135
Plan fiduciary net position	15,678	30,367
Net OPEB liability	<u>\$ 1,722,203</u>	<u>\$ 1,512,768</u>

Plan fiduciary net position as a percentage of the total OPEB liability	0.92%	1.98%
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Actuarial assumptions and other imputes - The total OPEB liability as of the June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%
Salary increases*	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020.
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actually 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.

Discount Rate - The discount rate for 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.

Retirees' Share of Benefit Related Costs - 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.

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

The percentage of the premium for which the retirees will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Sensitivity of the Net OPEB liability to changes in the discount rate - The following presents the net OPEB liability to the Municipality as of June 30, 2020, calculated using a discount rate as disclosed above as well as what the net OPEB liability to the Municipality would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	<u>(1.21%)</u>	<u>(3.50%)</u>	<u>(3.21%)</u>
Proportionate Share Attributable to the Municipality	\$ 2,036,165	\$ 1,722,336	\$ 1,473,912

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the net OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the net 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:

	<u>1% Decrease</u>	<u>Current Healthcare cost trend rate</u>	<u>1% Increase</u>
Proportionate Share Attributable to the Municipality	\$ 1,425,235	\$ 1,722,336	\$ 2,111,394

At December 31, 2020 and 2019, the Municipality reported deferred outflows of resources and referred inflows of resources related to OPEB from the following sources:

	<u>2020</u>		<u>2019</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Net differences between projected and actual investment earnings on OPEB plan investments	\$ 1,094	\$ -	\$ 998	\$ -
Changes in proportion			21,383	
Differences between expected and actual experience	45,365	320,731		354,228
Changes of assumptions	257,607	383,021		429,254
Changes in proportion	145,387	231,764		279,064
Total	<u>\$ 449,453</u>	<u>\$ 935,516</u>	<u>\$ 22,381</u>	<u>\$ 1,062,546</u>

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in OPEB expense as follows:

For the year ended:		
2021	\$	(112,593)
2022		(112,695)
2023		(112,860)
2024		(113,011)
2025		(77,059)
Thereafter		42,155
Total	\$	(486,063)

The components of allocable plan OPEB expense, which exclude OPEB expense related to specific liabilities of individual employers, and total OPEB expense for the year ended December 31, 2020 and 2019 are as follows:

	2020	2019
Service cost	\$ 605,949,339	\$ 666,574,660
Interest on total OPEB liability	497,444,533	636,082,461
Expected investment return	(7,632,336)	(11,286,276)
Administrative expense	9,913,267	9,478,435
Change of benefit terms	1,034,142	(1,903,958)
Current period recognition (amortization) of deferred inflows/outflows of resources	(550,598,668)	(619,405,071)
Changes of assumptions	(418,656,482)	(809,376,790)
Differences between projected and actual investment earnings on OPEB plan investments	4,535,144	3,580,344
Total OPEB expense	\$ 141,988,939	\$ (126,256,195)

The municipality's portion of the OPEB expense is (\$11,633) for December 31, 2020 and is not recognized because of the regulatory basis of accounting as described in note 1.

Special Funding Situation - Under N.J.S.A. 43:3C-24 the City is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

The amounts contributed on behalf of the City by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the City's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

Special Funding Situation (Continued) - At December 31, 2020 and 2019, the State's proportionate share of the net OPEB liability attributable to the City for the OPEB special funding situation is \$2,03,565 and \$1,668,159 respectively. For the years ended December 31, 2020 and 2019 the plan has determined the State's proportionate share of the OPEB expense attributable to the City for the OPEB special funding situation is (\$100,734) and \$22,112 respectively. The State's proportionate share attributable to the City was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

NOTE 9. COMPENSATED ABSENCES

All full-time employees are entitled to fifteen paid sick leave days each year. All unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days are earned based on years of service. Unused vacation days may only be carried forward to the subsequent year with the permission of City Council.

Upon retirement employees will be compensated on 50% of all accumulated sick days at their current rate with a maximum pay-out of \$7,500.00.

The City 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 \$64,335.

Actual payment for compensated absences occurs through the Current Fund budget at the time the employee terminates employment.

NOTE 10. DEFERRED COMPENSATION SALARY ACCOUNT

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

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

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 11. JOINT INSURANCE POOL

The City is a member of the Burlington County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Public Employees Bond
- Public Official Bonds
- Business Automobile
- Workers' Compensation and Employer's Liability
- Environmental Liability
- Property Damage

Annual 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 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 Fund publishes its own financial report for December 31, 2021, which can be obtained by writing to:

Burlington County Municipal Joint Insurance Fund
P.O. Box 489
Marlton, New Jersey 08053.

NOTE 12. NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE

The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the City is required to annually appropriate funds to pay for the projected costs of contributions at a rate determined by the Commissioner of Labor. The expense for these benefits for the years ended December 31, 2021, 2020 and 2019 was \$4,211, \$3,939, and \$4,430, respectively.

NOTE 13. CAPITAL DEBT

Summary of Municipal Debt

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued:</u>			
General Bonds and Notes	\$ 1,013,000	\$ 933,775	\$ 959,764
Total Issued	<u>1,013,000</u>	<u>933,775</u>	<u>959,764</u>
<u>Authorized But Not Issued:</u>			
General Bonds and Notes	<u>410,685</u>	<u>197,990</u>	<u>127,500</u>
Net Debt	<u><u>\$ 1,423,685</u></u>	<u><u>\$ 1,131,765</u></u>	<u><u>\$ 1,087,264</u></u>

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 13. CAPITAL DEBT (CONTINUED)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.078%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 680,000	\$ 680,000	\$ -
General Debt	<u>1,423,685</u>	<u>80,342</u>	<u>1,343,343</u>
Total	<u>\$ 2,103,685</u>	<u>\$ 760,342</u>	<u>\$ 1,343,343</u>

Net Debt, \$1,343,343 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$124,632,518 equals 1.078%.

Equalized Valuation Basis:

2019	\$ 124,341,957
2020	121,578,009
2021	<u>127,977,588</u>
Average	<u>\$ 124,632,518</u>

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

3.50% of Equalized Valuation Basis (Municipal)	\$ 4,362,138
Net Debt	<u>1,343,343</u>
Remaining Borrowing Power	<u>\$ 3,018,795</u>

Serial Bonds are authorized in accordance with State law. All bonds are retired in serial installments within the statutory period of usefulness. Serial Bonds payable at December 31, 2021 consisted of the following issues:

<u>Purpose</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
General Obligation Bonds of 2021	05/01/2031	1.530%	<u>\$ 933,000</u>
Total			<u>\$ 933,000</u>

Bond Anticipation Notes Payable

The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the Notes cannot exceed one year from the date of issuance however, the Notes may be renewed from time to time for a period not to exceed one year. Generally, such Notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original Notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original Note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such Notes were issued be paid or retired. A second and third legal installment must be paid if the Notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 13. CAPITAL DEBT (CONTINUED)

Bond Anticipation Notes Payable (Continued)

As of December 31, 2021, the City had an outstanding bond anticipation note as follows:

<u>Fund</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
General Capital	\$ 80,000	1.5000%	May 26, 2022
Total	<u>\$ 80,000</u>		

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Serial Bonds Payable

<u>General Capital Fund</u>			
<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 63,000	\$ 19,899	\$ 82,899
2023	85,000	12,661	97,661
2024	85,000	11,360	96,360
2025	90,000	10,022	100,022
2026	95,000	8,606	103,606
2032-2034	<u>515,000</u>	<u>20,234</u>	<u>535,234</u>
	<u>\$ 933,000</u>	<u>\$ 82,782</u>	<u>\$ 1,015,782</u>

NOTE 14. CONTINGENCIES

The City participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

NOTE 15. COMMITMENTS – TAX APPEALS

The City has three tax appeals pending in New Jersey State Tax Court as of December 31, 2021. However, it appears that the net potential loss of the tax appeal will not be material to the financial statements.

NOTE 16. REGIONAL CONTRIBUTION AGREEMENT

The Fair Housing Act, N.J.S.A. 52:27D-301 to 329, allows municipalities to enter into a contractual agreement, known as a regional contribution agreement, for transfer for up to 50% of a sending municipality's fair share obligation to a receiving municipality within its housing region. The City of Beverly has entered into an agreement with five other municipalities (sending municipalities) to transfer low and moderate-income housing units in accordance with the above stated statute. The sending municipalities paid a total of \$5,300,100 for their fair share obligation to the City of Beverly. At December 31, 2021 the City has unexpended funds held in trust for the regional contribution agreement in the amount of \$218,919.

City of Beverly
Notes to Financial Statements
December 31, 2021

NOTE 17. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	<u>Balance December 31, 2021</u>	<u>2022 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
<u>Current Fund:</u>			
Emergency Authorization	\$ 33,872.00	\$ 33,872.00	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 33,872.00</u>	<u>\$ 33,872.00</u>	<u>\$ -</u>

The appropriations in the 2022 Budget as introduced are not less than that required by the statutes

NOTE 18. SUBSEQUENT EVENTS

Subsequent to December 31, 2021, the City of Beverly authorized additional Bonds and Notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
Various Road Improvements	10/25/2022	\$ <u>51,300</u>
Acquisition of Capital Equipment	10/25/2022	\$ <u>122,075</u>

SUPPLEMENTAL EXHIBITS

CURRENT FUND

CITY OF BEVERLY

CURRENT FUND

Statement of Cash - Treasurer
For the Year Ended December 31, 2021

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2020	\$ 1,650,457.59	\$ 71,241.98
Receipts:		
Taxes Receivable	\$ 5,763,895.27	
Tax Overpayments	14,924.82	
Tax Tilt Liens Receivable	8,225.86	
Prepaid Taxes	55,097.69	
Revenue Accounts Receivable	769,605.31	
Refunds of Appropriations	49,531.26	
Refunds of PY Appropriations	1,318.08	
Collected for Trust Other Fund:		
POAA	20.00	
Public Defender	2,782.00	
Due to Current Fund		\$ 77.81
Due from State of New Jersey:		
Senior Citizen and Veteran Deductions	18,500.00	
Marriage License Fees	425.00	
Construction Code Training Fees	2,046.00	
Miscellaneous Revenue Not Anticipated	13,532.97	
Petty Cash	100.00	
Federal & State Grants Receivable		10,324.01
Federal & State Grants Unappropriated		129,736.67
Total Receipts	<u>6,700,004.26</u>	<u>140,138.49</u>
Total Funds Available	<u>8,350,461.85</u>	<u>211,380.47</u>
Disbursements:		
2021 Appropriations	2,620,240.62	
Appropriation Reserves and Encumbrances Payable	69,666.59	
Refund of Prior Year Revenue	350.00	
Petty Cash	100.00	
Refund Tax Overpayments	18,312.33	
Due State of New Jersey:		
Construction Code Training Fees	1,462.00	
Marriage License Fees	350.00	
Fire District Tax	189,500.00	
County Taxes	472,157.43	
Local District School Tax	3,159,719.00	
Reserve for Federal & State Grants - Appropriated		9,712.56
Total Disbursements	<u>6,531,857.97</u>	<u>9,712.56</u>
Balance December 31, 2021	<u>\$ 1,818,603.88</u>	<u>\$ 201,667.91</u>

CITY OF BEVERLY

CURRENT FUND

Schedule of Change Funds
For the Year Ended December 31, 2021

<u>OFFICE</u>	<u>Amount</u>
City Clerk	\$ 200.00
Tax Collector	
Municipal Court Clerk	<u>100.00</u>
Total	<u>\$ 300.00</u>

CITY OF BEVERLY

CURRENT FUND

Schedule of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2021

Year	Balance December 31, 2020	2021 Levy	Added Taxes	Treasurer Collections by Cash 2020	2021	State Share of 2021 Senior Citizens and Veterans Deductions Allowed/(Disallowed)	Transfer to Tax Title Liens	Overpayments Applied	Canceled	Balance December 31, 2021
2018	\$ 2,698.05	\$ -	\$ 244.53	\$ -	\$ 2,942.58	\$ -	\$ -	\$ -	\$ -	\$ -
2019	6,880.83		667.96		4,317.69					3,231.10
2020	249,713.28		2,524.95		251,947.30	250.00				40.93
2021		5,852,036.64		46,565.43	5,504,687.70	19,000.00	8,033.07		10,026.42	263,724.02
Total	\$ 259,292.16	\$ 5,852,036.64	\$ 3,437.44	\$ 46,565.43	\$ 5,763,895.27	\$ 19,250.00	\$ 8,033.07	\$ -	\$ 10,026.42	\$ 266,996.05

Analysis of Property Taxes

Tax Yield:	
General Purpose Tax	\$ 5,642,692.02
Fire Tax	189,500.00
Added and Omitted Taxes (54:4-63.1 et seq.)	19,844.62
Total	<u>\$ 5,852,036.64</u>
Tax Levy:	
Local School District Tax (Abstract)	\$ 3,221,696.00
Fire District Tax (Abstract)	189,500.00
County Tax (Abstract)	\$ 411,463.10
County Library Tax (Abstract)	36,558.17
County Open Space Tax (Abstract)	24,136.16
Due County for Added Taxes	1,434.72
Local Tax for Municipal Purposes	1,947,540.02
Additional Taxes Levied - Added Taxes	19,708.47
Total	<u>\$ 5,852,036.64</u>

CITY OF BEVERLY

CURRENT FUND

**Schedule of Due From State of New Jersey -
Senior Citizen and Veterans' Deductions
For the Year Ended December 31, 2021**

Balance December 31, 2020 (Due from State)		\$ (1,250.00)
Increased by:		
Cash Received		<u>18,500.00</u>
		17,250.00
Decreased by:		
Senior Citizen's and Veteran's Deductions per Original Tax Billings	\$ 18,250.00	
Senior Citizen's and Veteran's Deductions Allowed - 2021 Taxes	<u>750.00</u>	
	19,000.00	
Less - Senior Citizen's and Veteran Deductions Disallowed - 2021 Taxes	<u> </u>	
	19,000.00	
Less - Senior Citizen's and Veteran Deductions Disallowed - 2020 Taxes	<u> </u>	<u>19,000.00</u>
Balance December 31, 2021 (Due from State)		<u><u>\$ (1,750.00)</u></u>

CITY OF BEVERLY

CURRENT FUND

Schedule of Tax Title Liens
For the Year Ended December 31, 2021

Balance December 31, 2020		\$	40,562.46
Increased by:			
Transfers from Taxes Receivable	\$	8,033.07	
Interest on Tax Sale		<u>-</u>	
			<u>8,033.07</u>
Total			<u>48,595.53</u>
Decreased by:			
Collections		8,225.86	
Cancellations		<u>8,415.36</u>	
			<u>16,641.22</u>
Balance December 31, 2021		\$	<u><u>31,954.31</u></u>

Schedule of Property Acquired for Taxes
(At Assessed Valuation)
For the Year Ended December 31, 2021

Balance December 31, 2021 and 2020	\$	<u><u>771,040.00</u></u>
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CITY OF BEVERLY

CURRENT FUND

**Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2021**

	Balance December 31, <u>2020</u>	Accrued <u>2021</u>	<u>Collected</u>	Balance December 31, <u>2021</u>	<u>Remarks</u>
City Clerk:					
Licenses:					
Alcoholic Beverages		\$ 376.00	\$ 376.00		
Other		2,004.00	2,004.00		
Fees and Permits		31,221.75	31,221.75		
Rent of Office Space		9,000.00	9,000.00		
Construction Code Official Fees		34,276.00	34,276.00		
Payments in Lieu of Taxes		29,656.50	29,656.50		
Municipal Court - Fines and Costs	\$ 3,318.72	27,203.52	28,482.34	\$ 2,039.90	
Interest and Costs on Taxes		42,798.98	42,798.98		
Interest Earned on Investments		1,180.42	1,180.42		
Consolidated Municipal Property Tax Relief Aid		210,095.00	210,095.00		
Energy Receipts Tax		360,235.00	360,235.00		
Snow Removal Reimbursements		13,064.00	13,064.00		
Cable TV Franchise Fees		7,215.32	7,215.32		
Total	<u>\$ 3,318.72</u>	<u>\$ 768,326.49</u>	<u>\$ 769,605.31</u>	<u>\$ 2,039.90</u>	

CITY OF BEVERLY

CURRENT FUND

Statement of Deferred Charges
For the Year Ended December 31, 2021

<u>Purpose</u>	Balance December 31, <u>2020</u>	Accrued <u>2021</u>	Raised by Budget <u>Appropriation</u>	Balance December 31, <u>2021</u>
Emergency Authorization (40A:4-48)	\$ 12,166.00	33,872.00	\$ 12,166.00	\$ 33,872.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 12,166.00</u>	<u>\$ 33,872.00</u>	<u>\$ 12,166.00</u>	<u>\$ 33,872.00</u>

**CITY OF BEVERLY
CURRENT FUND
Statement of 2020 Appropriation Reserves
For The Year Ended December 31, 2021**

	<u>Balance December 31, 2020</u>					
	<u>Reserve for</u>	<u>Appropriation</u>	<u>Balance</u>	<u>Paid or</u>	<u>Encumbered/</u>	<u>Balance</u>
	<u>Encumbrance</u>	<u>Reserve</u>	<u>After</u>	<u>Charged</u>	<u>Transfer to</u>	<u>Lapsed</u>
	<u>Payable</u>		<u>Transfers</u>		<u>Account Payable</u>	
Inside CAPS:						
Salaries and Wages:						
General Administration						
Salaries and Wages	\$ -	\$ 0.03	\$ 0.03	\$ -	\$ -	\$ 0.03
Other Expenses	1,307.52	10,926.25	12,233.77	831.51	295.00	11,107.26
City Clerk						
Salaries and Wages		13,453.95	13,453.95	-		13,453.95
Other Expenses		1,880.00	1,880.00	(17.13)		1,897.13
Streets and Roads						
Salaries and Wages		15,015.35	10,115.35	-		10,115.35
Other Expenses	680.12	12,990.39	13,670.51	4,826.19	680.12	8,164.20
Municipal Court						
Salaries and Wages		3,601.74	3,601.74	-		3,601.74
Other Expenses	252.00	5,647.51	5,899.51	137.08	252.00	5,510.43
Public Defender						
Salaries and Wages		1,800.00	1,800.00	-		1,800.00
Other Expenses:						
Mayor and City Council	90.00	213.00	303.00	16.50		286.50
Financial Administration						
Salaries and Wages		222.51	222.51	-		222.51
Other Expenses		1,154.71	1,154.71	237.00		917.71
Audit Services		500.00	500.00	-		500.00
Computerized Data Processing		415.00	415.00	-		415.00
Collection of Taxes						
Salaries and Wages		313.26	313.26	-		313.26
Other Expenses	548.76	1,021.69	1,570.45	58.75	490.01	1,021.69
Assessment of Taxes						
Salaries and Wages		313.26	313.26	-		313.26
Other Expenses		553.32	553.32	-		553.32
Legal Services & Costs		38,567.19	38,567.19	3,733.30		34,833.89
Engineering Services & Costs						
Other Expenses		36,018.86	36,018.86	1,097.02	-	34,921.84
Planning Board						
Salaries and Wages		13.40	13.40	-		13.40
Other Expenses		4,885.56	4,885.56	1,253.00		3,632.56
Insurance						
Liability Insurance		10,828.31	10,828.31	-		10,828.31
Worker's Compensation Insurance		8,624.69	8,624.69	-		8,624.69
Employees Group Health Insurance		41,854.89	31,567.89	20,619.72		10,948.17
Health Benefit Waiver		1,410.00	1,410.00	-		1,410.00
Police						
Salaries and Wages		57,110.86	51,110.86	-		51,110.86
Other Expenses	492.44	159.66	6,652.10	4,152.40	64.00	2,435.70
Office of Emergency Management		1,250.00	1,250.00	-		1,250.00
Prosecutor's Office		2,800.00	2,800.00	400.00		2,400.00
Solid Waste Collection		6,170.00	6,670.00	6,636.00		34.00
Public Buildings and Grounds	747.80	15,522.42	16,270.22	408.42		15,861.80
Vehicle Maintenance	2,343.20	10,843.70	13,186.90	2,732.94		10,453.96
Construction Code Official						
Salaries and Wages		25,802.72	25,802.72	(2,057.83)		27,860.55
Other Expenses		972.00	972.00	972.00		-
Animal Control		710.00	710.00	40.00		670.00
Maintenance of Parks and Playgrounds		3,000.00	3,000.00	-		3,000.00
Accumulated Compensated Absences		100.97	100.97	-		100.97
Inspection of Buildings						
Other Expenses		1,883.33	1,883.33	-		1,883.33
Gasoline		6,702.04	6,702.04	1,019.07		5,682.97
Electricity		9,883.35	9,883.35	5,023.71		4,859.64
Street Lighting		189.09	4,389.09	4,337.26		51.83
Telephone		3,270.43	3,270.43	1,226.23		2,044.20
Water		41.74	241.74	241.74		
Landfill Solid Waste Disp. Cost		136.80	10,423.80	10,423.63		0.17
Contribution to:						
Public Employees Retirement System		1.56	1.56	-		1.56
Social Security System (O.A.S.I.)		559.66	559.66	-		559.66
Unemployment Insurance		2,303.10	2,303.10	-		2,303.10
Defined Contribution Retirement Program		319.75	319.75	-		319.75
Operations - Excluded from "CAPS"						
Recycling Tax		5,000.00	5,000.00	-		5,000.00
Total	<u>\$ 6,461.84</u>	<u>\$ 366,958.05</u>	<u>\$ 373,419.89</u>	<u>\$ 68,348.51</u>	<u>\$ 1,781.13</u>	<u>\$ 303,290.25</u>
			Disbursed	\$ 69,666.59		
			Reimbursed	(1,318.08)		
				<u>\$ 68,348.51</u>		

CITY OF BEVERLY
Current Fund
Schedule of Due to State of NJ - Marriage Licenses
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 50.00
Increased by:	
Receipts - State Portion of Marriage Licenses	425.00
	<hr/> 475.00
Decreased by:	
Disbursements	350.00
	<hr/>
Balance December 31, 2021	<u><u>\$ 125.00</u></u>

Schedule of Due to State of NJ - UCC Fees
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 188.00
Increased by:	
State Portion of UCC Fees	2,046.00
	<hr/> 2,234.00
Decreased by:	
Disbursements	1,462.00
	<hr/>
Balance December 31, 2021	<u><u>\$ 772.00</u></u>

CITY OF BEVERLY
Current Fund
Schedule of Tax Overpayments
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 19,832.55
Increased by:		
Prior Year Overpayment Created	\$ 4,060.52	
Collected	<u>14,924.82</u>	
		<u>18,985.34</u>
Subtotal		38,817.89
Decreased by:		
Refunds	18,312.33	
Applied to Taxes Receivable	<u>-</u>	
		<u>18,312.33</u>
Balance December 31, 2021		<u><u>\$ 20,505.56</u></u>

Schedule of Prepaid Taxes
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 46,565.43
Increased by:		
Collected	\$ 55,097.69	
Transferred from Tax Overpayment	<u>-</u>	
		<u>55,097.69</u>
Subtotal		101,663.12
Decreased by:		
Applied to 2021 Taxes		<u>46,565.43</u>
Balance December 31, 2021		<u><u>\$ 55,097.69</u></u>

CITY OF BEVERLY
CURRENT FUND
Schedule of Local School District Taxes Payable
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 199,842.00
Increased by:	
Levy - January 1, 2021 to December 31, 2021	<u>3,221,696.00</u>
Total	3,421,538.00
Decreased by:	
Payments	<u>3,159,719.00</u>
Balance December 31, 2021	<u><u>\$ 261,819.00</u></u>

CITY OF BEVERLY
Current Fund
Schedule of County Taxes Payable
For the Year Ended December 31, 2021

Balance December 31, 2020		
Increased by:		
2021 Levy:		
General County	\$ 411,463.10	
County Library	36,558.17	
County Open Space	24,136.16	
Added and Omitted Taxes	<u>1,434.72</u>	
		<u>473,592.15</u>
Subtotal		473,592.15
Decreased by:		
Payments		<u>472,157.43</u>
Balance December 31, 2021		<u><u>\$ 1,434.72</u></u>

Schedule of Fire District Taxes Payable
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ -
Increased by:	
Levy - January 1, 2021 to December 31, 2021	<u>189,500.00</u>
	189,500.00
Decreased by:	
Payments	<u>189,500.00</u>
Balance December 31, 2021	<u><u>\$ -</u></u>

CITY OF BEVERLY
FEDERAL AND STATE GRANT FUND
Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2021

	Balance December 31, 2020	Accrued	Received	Cancelled	Balance December 31, 2021
Federal Grants:					
Transportation Authority Trust Fund:					
2010 Allotment - Pine Street	\$ 5,944.31	\$ -	\$ -	\$ -	\$ 5,944.31
Small Cities CDBG Grant	18,640.00				18,640.00
Total Federal Grants	24,584.31	-	-	-	24,584.31
State Grants:					
Recycling Tonnage	2,264.30	3,270.45	3,270.45		2,264.30
Body Armor Grant		929.68	929.68		
Clean Communities		11,878.33	11,878.33		
Total State Grants	2,264.30	16,078.46	16,078.46	-	2,264.30
Local Grants:					
Burlington County Park Improvement Grant - 2013	37,904.00				37,904.00
Total Local Grants	37,904.00	-	-	-	37,904.00
Total All Grants	\$ 64,752.61	\$ 16,078.46	\$ 16,078.46	\$ -	\$ 64,752.61
Original Budget		\$ 16,078.46			
Appropriation by N.J.S.A. 40A:4-87		-			
Transferred from Unappropriated Grants			\$ 5,754.45		
Receipts			10,324.01		
		\$ 16,078.46	\$ 16,078.46		

CITY OF BEVERLY
FEDERAL AND STATE GRANT FUND
Schedule of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2021

	Balance December 31, 2020	Received	Realized as Revenue in 2021	Balance December 31, 2021
Federal Grants:				
American Rescue Plan	\$ -	\$ 129,736.67	\$ -	\$ 129,736.67
Total Federal Grants	-	129,736.67	-	129,736.67
State Grants:				
Clean Communities Grant	5,754.45		5,754.45	-
Total State Grants	5,754.45	-	5,754.45	-
Total All Grants	\$ 5,754.45	\$ 129,736.67	\$ 5,754.45	\$ 129,736.67
Transferred to Grants Receivable			\$ 5,754.45	

**CITY OF BEVERLY
FEDERAL AND STATE GRANT FUND
Schedule of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2021**

	Balance December 31, <u>2020</u>	Transferred From 2021 Budget <u>Appropriation</u>	Prior Year Encumbrances <u>Reclassified</u>	Paid or <u>Charged</u>	<u>Canceled</u>	Balance December 31, <u>2021</u>
Federal Grants:						
Small Cities CDBG Grant	\$ 8,400.00	\$ -	\$ -	\$ -	\$ -	\$ 8,400.00
Click It or Ticket	1,462.68					1,462.68
Total Federal Grants	9,862.68			-	-	9,862.68
State Grants:						
Clean Communities Grant	27,453.06	11,878.33	3,039.92	6,642.15		35,729.16
Drunk Driving Enforcement Fund	1,190.97			950.00		240.97
Body Armor Grant	182.66	929.68		784.00		328.34
Alcohol Rehabilitation Grant	8,079.39			61.41		8,017.98
Municipal Alliance Grant	14,362.29					14,362.29
Clean Shores	468.31					468.31
Recycling Tonnage Grant	22,479.22	3,270.45		4,025.00		21,724.67
Total State Grants	74,215.90	16,078.46	3,039.92	12,462.56		80,871.72
Other Grants:						
Comcast Technology Grant	593.44					593.44
Total Local Grants	593.44	-	-			593.44
Total All Grants	<u>\$ 84,672.02</u>	<u>\$ 16,078.46</u>	<u>\$ 3,039.92</u>	<u>\$ 12,462.56</u>	<u>\$ -</u>	<u>\$ 91,327.84</u>
Original Budget		\$ 16,078.46				
Disbursed - Federal and State Grant Fund				\$ 9,712.56		
Encumbered				2,750.00		
		<u>\$ 16,078.46</u>		<u>\$ 12,462.56</u>		

TRUST FUND

CITY of BEVERLY

Trust Fund

Schedule of Cash - Treasurer
For the Year Ended December 31, 2021

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2020	\$ 7,460.34	\$ 567,036.23
Receipts:		
Animal Control Fund:		
Reserve for Animal Control Fund	1,744.20	
State Registration Fees	271.80	
Due Current Fund	5.49	
Payroll Account:		
Net Payroll		887,646.99
Payroll Withholdings		801,613.40
Due Current Fund		4,504.41
Reserve for Escrow Deposits		19,794.86
Reserve for Trust - Tax Premium		271,670.61
Due Current Fund - Tax Premium		82.00
Reserve for Community Day Events		3.45
Reserve for Regional Contribution Agreement		146.32
Reserve for Storm Recovery		1.37
Reserve for Police Outside		44,615.98
Reserve for Municipal Law Enforcement		0.73
Reserve for Community Development Block Grant Funds		30.28
Total Receipts	<u>2,021.49</u>	<u>2,030,110.40</u>
Subtotal	<u>9,481.83</u>	<u>2,597,146.63</u>
Disbursements:		
Animal Control Account:		
State of New Jersey	271.80	
Reserve for Animal Control Fund	366.20	
Reserve for Escrow Deposits		25,434.50
Reserve for Community Day Events		282.85
Payroll Account:		
Net Payroll		887,646.99
Payment to Withholding Agencies		809,903.49
Reserve for Tax Sale Premium		222,486.81
Reserve for Police Outside		61,650.00
Reserve for Community Development Block Grant Funds		15,257.00
Reserve for Regional Contribution Agreement		32,941.00
Total Disbursements	<u>638.00</u>	<u>2,055,602.64</u>
Balance December 31, 2021	<u><u>\$ 8,843.83</u></u>	<u><u>\$ 541,543.99</u></u>

CITY OF BEVERLY

TRUST FUND

**Schedule of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2021**

Balance December 31, 2020		\$ 4,461.47
Increased by:		
Animal License Fees	\$ 1,744.20	
Prior Year Encumbrances Reclassified	<u>-</u>	<u>1,744.20</u>
		6,205.67
Decreased by:		
Expenditures Under R.S. 4:19-15.11	366.20	
Statutory Excess Due Current Fund	<u>1,968.52</u>	<u>2,334.72</u>
Balance December 31, 2021		<u><u>\$ 3,870.95</u></u>

LICENSE FEES COLLECTED

<u>Year</u>	
2019	\$ 1,864.08
2020	<u>2,006.87</u>
Total	<u><u>\$ 3,870.95</u></u>

CITY OF BEVERLY

TRUST FUND

**Schedule of Payroll Deductions Payable
For the Year Ended December 31, 2021**

Balance December 31, 2020		\$ 8,290.09
Increased by:		
Net Payroll	\$ 887,646.99	
Payroll Deductions Withheld	<u>801,613.40</u>	
		<u>1,689,260.39</u>
Total		1,697,550.48
Decreased by:		
Net Payroll	887,646.99	
Payroll Deductions Paid	<u>809,903.49</u>	
		<u>1,697,550.48</u>
Balance December 31, 2021		<u><u>\$ -</u></u>

**Schedule of Reserve for Tax Sale Premiums
For the Year Ended December 31, 2021**

Balance December 31, 2020	\$ 205,004.22
Increased by :	
Cash Received	<u>271,670.61</u>
	476,674.83
Decreased by:	
Returned to Lienholder	<u>222,486.81</u>
Balance December 31, 2021	<u><u>\$ 254,188.02</u></u>

Note - An analysis of the balance at December 31, 2021 is on file with the Tax Collector.

CITY OF BEVERLY

TRUST FUND

**Schedule of Reserve for Escrow Deposits
For the Year Ended December 31, 2021**

Balance December 31, 2020		\$ 54,620.66
Increased by:		
Escrow monies received		<u>19,114.47</u>
Total		73,735.13
Decreased by:		
Disbursed	\$ 25,434.50	
Cancelled	<u>1,750.00</u>	<u>27,184.50</u>
Balance December 31, 2021		<u><u>\$ 46,550.63</u></u>

Note - An analysis of the balance at December 31, 2021 is on file.

**Schedule of Reserve for Municipal Law Enforcement
For the Year Ended December 31, 2021**

Balance December 31, 2020		\$ 982.80
Increased by:		
Receipts		<u>0.73</u>
Balance December 31, 2021		<u><u>\$ 983.53</u></u>

CITY OF BEVERLY

TRUST FUND

**Schedule of Reserve for Regional Contribution Agreements
For the Year Ended December 31, 2021**

	<u>Mount Laurel</u>	<u>Evesham #1</u>	<u>Moorestown</u>	<u>Springfield</u>	<u>Evesham #2</u>	<u>Total</u>
Balance December 31, 2020	\$ 17,919.22	\$ 35,003.40	\$ 16,870.34	\$ 181,920.53	\$ -	\$ 251,713.49
Increased by:						
Cash Receipts	11.29	15.46	10.69	108.88		146.32
Transfer Between Accounts						
Total Receipts	<u>11.29</u>	<u>15.46</u>	<u>10.69</u>	<u>108.88</u>		<u>146.32</u>
Total	<u>17,930.51</u>	<u>35,018.86</u>	<u>16,881.03</u>	<u>182,029.41</u>		<u>251,859.81</u>
Decreased by:						
Cash Disbursed:						
Housing Rehabilitation	<u>168.00</u>	<u>16,768.00</u>		<u>16,005.00</u>		<u>32,941.00</u>
Total Disbursed	<u>168.00</u>	<u>16,768.00</u>		<u>16,005.00</u>		<u>32,941.00</u>
Balance December 31, 2021	<u>\$ 17,762.51</u>	<u>\$ 18,250.86</u>	<u>\$ 16,881.03</u>	<u>\$ 166,024.41</u>	<u>\$ -</u>	<u>\$ 218,918.81</u>

CITY OF BEVERLY

Trust Fund

**Schedule of Reserve for Community Day Activities
For the Year Ended December 31, 2021**

Balance December 31, 2020	\$ 5,484.15
Increased by:	
Receipts	<u>3.45</u>
	5,487.60
Decreased by:	
Disbursed for Activities	<u>282.85</u>
Balance December 31, 2021	<u><u>\$ 5,204.75</u></u>

EXHIBIT B-9

**Schedule of Reserve For Community Development Block Grants
For the Year Ended December 31, 2021**

	Balance December 31, <u>2020</u>	<u>Received</u>	<u>Disbursed</u>	Balance December 31, <u>2021</u>
Public Facilities:				
Housing Rehabilitation	<u>\$ 48,884.27</u>	<u>\$ 30.28</u>	<u>\$ 15,257.00</u>	<u>\$ 33,657.55</u>
Total	<u><u>\$ 48,884.27</u></u>	<u><u>\$ 30.28</u></u>	<u><u>\$ 15,257.00</u></u>	<u><u>\$ 33,657.55</u></u>

EXHIBIT B-10

Trust Fund

**Schedule of Reserve/(Receivable) for Police Off Duty Employment
For the Year Ended December 31, 2021**

Balance December 31, 2020	\$ 1,106.50
Increased by:	
Receipts	\$ 44,615.98
Accounts Receivable - Due from Contactors	<u>29,787.50</u>
	<u>74,403.48</u>
	75,509.98
Decreased by:	
Disbursements	61,650.00
Due to Current Fund	<u>12,065.98</u>
	<u>73,715.98</u>
Balance December 31, 2021 (Accounts Receivable)	<u><u>\$ 1,794.00</u></u>

CITY OF BEVERLY

Trust Fund

**Schedule of Reserve for Storm Recovery Trust
For the Year Ended December 31, 2021**

Balance December 31, 2020	\$ 2,147.22
Increased by:	
Receipts	<u>1.37</u>
	2,148.59
Decreased by:	
Disbursements	<u> </u>
Balance December 31, 2021	<u><u>\$ 2,148.59</u></u>

Trust Fund

**Schedule of Reserve for Public Defender
For the Year Ended December 31, 2021**

Balance December 31, 2020	\$ 10,572.50
Increased by:	
Due Current	<u>2,782.00</u>
Balance December 31, 2021	<u><u>\$ 13,354.50</u></u>

Trust Fund

**Schedule of Reserve for POAA
For the Year Ended December 31, 2021**

Balance December 31, 2020	\$ 160.00
Increased by:	
Due from Current Fund	<u>20.00</u>
Balance December 31, 2021	<u><u>\$ 180.00</u></u>

GENERAL CAPITAL FUND

CITY OF BEVERLY

GENERAL CAPITAL FUND

Schedule of Cash - Treasurer
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 401,940.17
Receipts:		
Interest Earnings	\$ 299.04	
Refunds of Improvement Authorizations	10,000.00	
Grants Receivable	527,403.00	
Proceeds from Issuance of Bonds Anticipation Notes	80,000.00	
	<u> </u>	<u>617,702.04</u>
Total		1,019,642.21
Disbursements:		
Improvement Authorizations	498,916.84	
Due to Current Fund	-	
	<u> </u>	<u>498,916.84</u>
Balance December 31, 2021		<u><u>\$ 520,725.37</u></u>

CITY OF BEVERLY

General Capital Fund

**Analysis of General Capital Fund Cash
For the Year Ended December 31, 2021**

Fund Balance		\$ 25,192.49
Capital Improvement Fund		5,178.50
Due to Current Fund		293,045.88
Reserve for Payment of Notes		80,342.08
Grants Receivable		(516,747.75)
Reserve for Encumbrances		81,839.94
Improvement Authorizations:		
Ord. 2006-17	Purchase of Public Works Truck	
Ord. 2009-15	Various Capital Improvements	
Ord. 2011-8	Multi-purpose:	
	Pine Street Improvements	13.81
	Improvements to Municipal Facilities	323.00
	Acquisition of Land	132,217.82
	Various Improvements to the Municipal Building and Grounds	70,231.38
Ord. 2012-4	Multi-purpose:	
	Improvements to Municipal Facilities	18,526.55
	Reconstruction of Cooper Street	92,491.19
Ord. 2015-06	Multi-purpose:	
	Improvements to Northwest Project	2,397.07
	Improvements to Lainger Park	8,802.50
Ord. 2016-08	Acquisition of Two Police Vehicles	-
Ord. 2017-07	Improvements to Lauinger Field	1,886.00
Ord. 2017-13	Completion of 2015 and 2016 Road Improvements	44,137.50
Ord. 2018-05	Road Improvements	(20,919.45)
Ord. 2019-03	Multi-purpose:	
	Acquisition of Police Equipment	8,889.68
	Acquisition of Public Works Equipment	2,326.48
	Acquisition of Equipment for Municipal Building and Grounds	7,496.81
Ord. 2019-04	NJDOT Program	8,089.33
Ord. 2020-07	Multi-purpose:	
	Acquisition of Police Equipment	(1,268.80)
	Acquisition of Public Works Equipment	(53,306.64)
	Acquisition of Computer Equipment	(9,706.00)
Ord. 2021-03	Road Improvements - 2020 NJDOT Program	
Ord. 2021-10	Road Improvements	6,050.00
Ord. 2021-11	Various Capital and Road Improvements:	
	Acquisition of Police Equipment	(1,362.00)
	Acquisition of Public Works Equipment	450.00
	Acquisition of Computer Equipment	(150.00)
	Development of Online and Manual Copy of Municipal Code	(8,492.00)
	Road Improvements - 2021 NJDOT Program	242,750.00
Total		<u>\$ 520,725.37</u>

CITY OF BEVERLY

General Capital Fund

Schedule of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2021

Analysis of Balance December 31, 2021										
Ord. Number	Improvement Description	Balance December 31, 2020	2021 Authorizations	Funded by Budget Appropriation	Funded by Grant Receipts	Notes Paid from Bond Proceeds	Balance December 31, 2021	Expenditures	Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
2011-08	Multi-Purpose:									
	Acquisition of Land	\$ 139,759.00	\$ -	\$ -	\$ -	\$ 139,759.00	\$ -	\$ -	\$ -	\$ -
	Various Improvements to the Municipal Buildings and Grounds	241,284.00				241,284.00	-		-	
2012-04	Multi-Purpose:									
	Improvements to Municipal Facilities	132,372.00				132,372.00	-		-	
	Reconstruction of Cooper Street	180,568.00				180,568.00	-		-	
2015-06	Multi-Purpose:									
	Improvements to Northwest Project	74,043.00		26.00		74,017.00	-		-	
2016-08	Acquisition of Two Police Vehicles	80,000.00					80,000.00		80,000.00	
2018-05	Road Improvements	47,500.00					47,500.00	20,919.45	-	26,580.55
2019-03	Acquisition of Capital Equipment	165,749.00		749.00		165,000.00	-		-	-
2020-07	Acquisition of Capital Equipment	70,490.00					70,490.00	64,281.44	-	6,208.56
2021-10	Road Improvements		114,950.00				114,950.00		-	114,950.00
2021-11	Acquisition of Capital Equipment		177,745.00				177,745.00	10,004.00	-	167,741.00
		<u>\$ 1,131,765.00</u>	<u>\$ 292,695.00</u>	<u>\$ 775.00</u>	<u>\$ -</u>	<u>\$ 933,000.00</u>	<u>\$ 490,685.00</u>	<u>\$ 95,204.89</u>	<u>\$ 80,000.00</u>	<u>\$ 315,480.11</u>
Improvement Authorizations - Unfunded										
Less - Unexpended Proceeds from Bond Anticipation Notes:										
NONE										

CITY OF BEVERLY

General Capital Fund

**Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2021**

<hr/>			
Balance December 31, 2020			
2019 NJDOT Grant	\$	260,000.00	
2018 NJDOT Grant		296,250.00	
2017 Burlington County Municipal Park Development Program		<u>4,900.75</u>	
	\$		561,150.75
Increased by:			
NJDOT Grant			
2020 NJDOT Grant		243,000.00	
2021 NJDOT Grant		<u>240,000.00</u>	
			<u>483,000.00</u>
			1,044,150.75
Decreased by:			
Cash Received			<u>527,403.00</u>
Balance December 31, 2021	\$		<u><u>516,747.75</u></u>
 <u>Analysis of Balance:</u>			
2021 NJDOT Grant	\$	240,000.00	
2020 NJDOT Grant		206,847.00	
2019 NJDOT Grant		65,000.00	
2017 Burlington County Municipal Park Development Program		<u>4,900.75</u>	
	\$		<u><u>516,747.75</u></u>

CITY OF BEVERLY
General Capital Fund
Statement of Improvement Authorizations
For the Year Ended December 31, 2021

Ord. Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2020		2021 Authorizations	Prior Year Encumbrances	Paid or Charged	Reappropriated	Canceled	Balance December 31, 2021	
				Funded	Unfunded						Funded	Unfunded
2011-08/ 2015-13	Multi-purpose:	06/14/11 11/24/15										
	Pine Street Improvements		\$ 250,000.00	\$ -	\$ 13.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13.81	\$ -
	Improvements to Municipal Facilities		65,000.00		323.00			-			323.00	-
	Acquisition of Land		650,000.00		132,217.82		2,500.00	2,500.00			132,217.82	-
	Various Improvements to the Municipal Building and Grounds				70,231.38			-			70,231.38	-
2012-04	Multi-purpose:	04/10/12										
	Improvements to Municipal Facilities		260,000.00		18,526.55			-			18,526.55	-
	Reconstruction of Cooper St		240,000.00		92,491.19			-			92,491.19	-
2015-06	Multi-purpose:											
	Improvements to Northwest Project		487,000.00		2,397.07			-			2,397.07	-
	Improvements to Lauinger Park		188,000.00	8,802.50				-			8,802.50	
2016-08	Acquisition of Two Police Vehicles	08/23/16	100,000.00				6,014.00	6,014.00				
2017-07	Improvements to Lauinger Field	05/09/17	180,000.00	1,886.00				-			1,886.00	
2017-13	Completion of the 2015 and 2016 Road Improvement Programs	12/07/17	416,000.00	44,137.50				-			44,137.50	
2018-05	Road Improvements - 2018 NJDOT Program	07/10/18	500,000.00		46,111.80			19,531.25				26,580.55
2019-03	Acquisition of Capital Equipment:	05/28/19										
	Acquisition of Police Equipment		24,720.00	7,065.33	4,120.00			2,295.65			8,889.68	-
	Acquisition of Public Works Equipment		145,920.00		53,762.77		79,856.90	131,293.19			2,326.48	(0.00)
	Acquisition of Equip for Mun Bldg/Grnds		44,215.00		24,817.81			17,321.00			7,496.81	-
2019-04	Bond Ordinance - 2019 NJDOT Program	05/28/19	260,000.00	82,911.38				74,822.05			8,089.33	-
2020-07	Acquisition of Capital Equipment:											
	Acquisition of Police Equipment	09/08/20	2,200.00		2,029.20			1,208.00				821.20
	Acquisition of Public Works Equipment	09/08/20	60,000.00		13,102.00		46,898.00	56,306.64				3,693.36
	Acquisition of Computer Equipment	09/08/20	12,000.00	600.00	11,400.00			10,306.00			-	1,694.00
2021-03	Road Improvements - 2020 NJDOT Program	04/13/21	243,000.00			243,000.00		243,000.00				-
2021-10	Road Improvements	09/14/21	121,000.00			121,000.00		-			6,050.00	114,950.00
2021-11	Various Capital and Road Improvements:											
	Acquisition of Police Equipment	09/14/21	89,600.00			89,600.00		5,842.00				83,758.00
	Acquisition of Public Works Equipment	09/14/21	9,000.00			9,000.00		-			450.00	8,550.00
	Acquisition of Computer Equipment	09/14/21	8,500.00			8,500.00		575.00				7,925.00
	Development of Online and Manual Copy of Municipal Code	09/14/21	25,000.00			25,000.00		9,742.00				15,258.00
	Road Improvements - 2021 NJDOT Program	09/14/21	295,000.00			295,000.00		-			242,750.00	52,250.00
Total				\$ 145,402.71	\$ 471,544.40	\$ 791,100.00	\$ 135,268.90	\$ 580,756.78	\$ -	\$ -	\$ 647,079.12	\$ 315,480.11
						Capital Improvement Fund	\$ 15,405.00					
						Due from NJDOT Grants	483,000.00					
						Deferred Charges to Future Taxation - Unfunded	292,695.00					
						Disbursed		\$ 498,916.84				
						Encumbered		81,839.94				
							\$ 791,100.00	\$ 580,756.78	\$ -			

CITY OF BEVERLY

General Capital Fund

Schedule of Capital Improvement Fund
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 10,583.50
Increased by:	
Current Fund Budget Appropriation	<u>10,000.00</u>
	20,583.50
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>15,405.00</u>
Balance December 31, 2021	<u><u>\$ 5,178.50</u></u>

CITY OF BEVERLY

General Capital Fund

Statement of General Obligation Bonds
For the Year Ended December 31, 2021

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Issued	Balance Dec. 31, 2021
			Date	Amount			
General Obligation Bonds, Series 2021	05/27/21	\$ 933,000.00	05/01/22	\$ 63,000.00	1.530%		
			05/01/23	85,000.00	1.530%		
			05/01/24	85,000.00	1.530%		
			05/01/25	90,000.00	1.530%		
			05/01/26	95,000.00	1.530%		
			05/01/27	95,000.00	1.530%		
			05/01/28	100,000.00	1.530%		
			05/01/29	105,000.00	1.530%		
			05/01/30	105,000.00	1.530%		
			05/01/31	110,000.00	1.530%		
						<u>\$ 933,000.00</u>	<u>\$ 933,000.00</u>

CITY OF BEVERLY

General Capital Fund

Statement of Bond Anticipation Notes
For the Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2020	Increased	Decreased	Balance December 31, 2021
2011-08	Multi-Purpose	06/21/11	06/01/20	05/28/21	1.375%	\$ 381,043.00	\$ -	\$ 381,043.00	\$ -
2012-04	Multi-Purpose	08/15/12	06/01/20	05/28/21	1.375%	312,940.00		312,940.00	-
2015-06	Multi-Purpose	08/13/15	06/01/20	05/28/21	1.375%	74,043.00		74,043.00	-
2019-03	Multi-Purpose	10/29/19	06/01/20	05/28/21	1.375%	165,749.00		165,749.00	-
2016-08	Multi-Purpose	05/27/01	05/27/21	05/26/22	1.500%		80,000.00		80,000.00
						<u>\$ 933,775.00</u>	<u>\$ 80,000.00</u>	<u>\$ 933,775.00</u>	<u>\$ 80,000.00</u>
						Renewed	\$ -	\$ -	
						Paid by Budget Appropriation		775.00	
						Bonds Issued		933,000.00	
						Issued for Cash	80,000.00		
						<u>\$ 80,000.00</u>	<u>\$ 933,775.00</u>		

CITY OF BEVERLY

GENERAL CAPITAL FUND

**Schedule of Amount Due To Current Fund
For the Year Ended December 31, 2021**

Balance December 31, 2020 - Due to		\$ 279,907.43
Increased by:		
Receipts - Interest Earnings	\$ 299.04	
Budgeted Reserve for Payment of Debt	12,839.41	
Bond Anticipation Note Paid by Budget Appropriation	<u>775.00</u>	
		<u>13,913.45</u>
		293,820.88
Decreased by:		
Budget Appropriation - Deferred Charges Unfunded Ord. 2015-06	26.00	
Budget Appropriation - Deferred Charges Unfunded Ord. 2019-03	<u>749.00</u>	
		<u>775.00</u>
Balance December 31, 2021		<u><u>\$ 293,045.88</u></u>

CITY OF BEVERLY

General Capital Fund

Schedule of Reserve for Payment of Notes
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 93,181.49
Decreased by:	
2021 Budget Appropriation	<u>12,839.41</u>
Balance December 31, 2021	<u>\$ 80,342.08</u>

CITY OF BEVERLY

General Capital Fund

Statement of Bonds and Notes Authorized But not Issued
For the Year Ended December 31, 2021

<u>Ord. Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2020</u>	<u>2021 Authorizations</u>	<u>Notes Issued</u>	<u>Paid from Budget Appropriation</u>	<u>Grant Received</u>	<u>Balance December 31, 2021</u>
2016-08	Two Police Vehicles	\$ 80,000.00	\$ -	\$ 80,000.00	\$ -	\$ -	\$ -
2018-05	Road Improvement Programs	47,500.00					47,500.00
2020-07	Acquisition of Capital Equipment	70,490.00					70,490.00
2021-10	Road Improvements		114,950.00				114,950.00
2021-11	Various Capital and Road Improvements						
	Acquisition of Police Equipment		85,120.00				85,120.00
	Acquisition of Public Works Equipment		8,550.00				8,550.00
	Acquisition of Computer Equipment		8,075.00				8,075.00
	Development of Online and Manual Copy of Municipal Code		23,750.00				-
	Road Improvements - 2021 NJDOT Program		52,250.00				23,750.00
							52,250.00
Total		\$ 197,990.00	\$ 292,695.00	\$ 80,000.00	\$ -	\$ -	\$ 410,685.00

CITY OF BEVERLY

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2021

**CITY OF BEVERLY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

Regulatory Basis

Unmodified

Internal control over financial reporting:

1) Material weaknesses identified?

_____ yes X no

2) Were reportable conditions identified that were
not considered to be material weaknesses?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

A Federal Single Audit was not required

State Awards

A State Single Audit was not required

CITY OF BEVERLY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Schedule of Financial Statement Findings

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

None noted.

CITY OF BEVERLY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

CITY OF BEVERLY
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 and federal and state grant awards that are required to be reported in accordance with *Government Auditing Standards* and New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

There were no financial statement findings in the prior year.

FEDERAL AWARDS

A Federal Single Audit was not required.

STATE AWARDS

A State Single Audit was not required.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2021:

<u>Name</u>	<u>Term</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
Randy H. Miller	12/31/2023	Mayor		
Robert H. Bancroft	12/31/2025	President of Council		
Robert E. Lowden, Jr.	12/31/2025	Councilperson		
Riccardo Dale	12/31/2025	President Pro-Tem of Council		
Mark Schwedes	12/31/2023	Councilperson		
Bernadine Williams	12/31/2023	Councilperson		
Richard Wolbert		City Administrator	\$ 50,000	(B)
Caitlin A. D'Alfonso		Municipal Clerk, Municipal Improvement Search Officer, Registrar of Vital Statistics Land-use Board Secretary	50,000	(B)
Yvonne Bullock		Chief Financial Officer/Treasurer	1,000,000	(A)
Dawn Gorman		Tax Collector	1,000,000	(A)
Donna Wojculewski		Court Administrator	1,000,000	(A)
Peter C. Lange, Jr.		Municipal Magistrate	1,000,000	(A)
Richard Wolbert		Safety Director	50,000	(B)
Cedric Minter		Construction Code Official	50,000	(B)
Joseph Robinson		Assessor	50,000	(B)
Ted Evans		Zoning Officer	50,000	(B)

All Bonds were examined and properly executed.

(A) Burlington County Municipal Excess Liability Joint Insurance Fund - Separate Bond.

(B) Burlington County Municipal Joint Insurance Fund - Public Employees Honesty Blanket Bond.

ACKNOWLEDGMENT

I express my appreciation for the assistance and courtesies extended to the audit team by the City Officials during the course of our audit.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountant



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant