BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)

Financial Statements and Supplementary Information

For the years ended December 31, 2024 and 2023

(With Independent Auditor's Report thereon)

PART 2 of 2

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

General Information about the OPEB Plan (continued)

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. 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.

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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 (benefit). The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities.

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

Allocation Methodology (continued)

For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2024 were $4,833,833,875 and $12,914,432,673, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2023 through June 30, 2024. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

The components of the collective net OPEB liability of the plan as of June 30, 2024 is as follows:

Total OPEB Liability	$ 17,748,257,548
Plan's fiduciary net position	(157,187,957)
Net OPEB Liability	$ 17,905,445,505

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases*:	
Public Employees' Retirement System (PERS)	
Rate for all future years	2.75% to 6.55%

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

Pre-retirement healthy mortality

Pre-retirement mortality rates for PERS were based on the PUB-2010 General classification Headcount-weighted mortality table with fully generational improvement projections from the central year using Scale MP-2021. Pre-retirement mortality rates for PFRS were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

Net OPEB Liability (continued)

Post-retirement healthy mortality

Post-retirement mortality rates for Chapter 330 retirees were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates for other retirees is based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality

Disabled retiree mortality rates for PERS future disabled retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for PFRS future disabled retirees were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality rates for Chapter 330 current retirees were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for other current retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

OPEB Obligation and OPEB (Benefit) Expense

The Authority's proportionate share of the total Other Post-Employment Benefits Obligations was $1,884,369. The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the OPEB Obligation associated with the Authority was based on projection of the State's long-term contributions to the OPEB plan associated with the Authority relative to the projected contributions by the State associated with all participating entities, actuarially determined. At June 30, 2024, the State proportionate share of the OPEB Obligation attributable to the Authority was 0.010524%, which was an increase of 0.001754% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2024, the State of New Jersey recognized an OPEB (benefit) expense in the amount of $34,443 for the State's proportionate share of the OPEB (benefit) expense attributable to the Authority. This OPEB (benefit) expense was based on the OPEB plans June 30, 2024, measurement date.

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% decreasing to a 4.5% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2024 was 3.93%. 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.

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1 % Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's proportionate share of total OPEB obligation associated with the Authority	$ 1,1593,792	$ 1,884,369	$ 2,257,970
State of New Jersey's total nonemployer OPEB Liability	$ 15,144,352,142	$ 17,905,445,505	$ 21,455,435,62

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1 % Decrease (2.93%)	At Discount Rate (3.93%)	At Discount Rate (4.93%)
State of New Jersey's proportionate share of total OPEB obligation associated with the Authority	$ 2,195,087	$ 1,884,369	$ 1,635,512
State of New Jersey's total nonemployer OPEB Liability	$ 20,857,914,273	$ 17,905,445,505	$15,540,780,410

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

Additional Information

The following is a summary of the deferred outflows of resources, deferred inflows of resources, and net OPEB liability balances as of June 30, 2024:

Balances at December 31, 2024 and December 31, 2023

	12/31/2024	12/31/2023
Actuarial valuation date (including roll forward)	June 30, 2024	June 30, 2023
Deferred Outflows of Resources	$ 1,500,140	$ 1,257,825
Deferred Inflows of Resources	1,096,645	1,436,832
Net OPEB Liability	1,884,369	1,316,074
Authority's portion of the plan's total OPEB Liability	0.01052%	0.00877%

OPEB Deferred Outflows/Inflows of Resources

At December 31, 2024, the Authority's proportionate share of the OPEB outflows and inflows, calculated by the plan as of the June 30, 2024 measurement date is $1,500,140 and $1,096,645, respectively. At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 95,430	$ 319,277
Changes of assumptions	315,031	312,793
Net difference between projected and actual earnings on OPEB plan investments	-	853
Changes in proportion and differences between the Authority's contributions and proportion share of contributions	1,089,679	463,722
	$ 1,500,140	$ 1,096,645

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to OPEB that will be recognized in future periods:

Fiscal Year(s) Ending December 31,	Amount
2025	$ (28,865)
2026	38,496
2027	80,671
2028	42,765
2029	59,697
Thereafter	210,731
Total	$ 403,495

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.89, 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Plan Membership

At July 1, 2023, the Program membership consisted of the following:

Active plan members	60,691
Retirees current receiving benefits	28,889
Total plan members	89,590

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the measurement date June 30, 2024 is as follows:

Service costs	$ 545,086,159
Interest on the total OPEB Liability	554,448,470
Change of benefit terms	107,670,542
Differences between expected and actual experience	408,491,660
Changes of assumptions	1,735,990,164
Contributions from the employer	(399,436,504)
Contributions from nonemployer contributing entities	(62,827,411)
Net investment income	(1,636,336)
Administrative expenses	11,119,284
Net change in total OPEB Liability	2,898,906,028
Total OPEB Liability (beginning)	15,006,539,477
Total OPEB Liability (ending)	$ 17,905,445,505

NOTE 9: PENSION OBLIGATIONS

Public Employees' Retirement System (PERS)

Plan Description

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

NOTE 9: PENSION OBLIGATIONS (continued)

Plan Description (continued)

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 the respective tier.

Basis of Presentation

The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions

The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2024, the State's pension contribution was less than the actuarial determined amount.The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

NOTE 9: PENSION OBLIGATIONS

Contributions (continued)

For the year ended December 31, 2024, the Authority's contractually required contribution to PERS plan was $85,437.

Components of Net Pension Liability

At December 31, 2024, the Authority's proportionate share of the PERS net pension liability was $1,027,064. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Authority's proportion of the net pension liability was based on the Authority's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The Authority's proportion measured as of June 30, 2024, was 0.00628% which was an decrease of 0.00081% from its proportion measured as of June 30, 2023.

Balances at December 31, 2024 and December 31, 2023

	12/31/2024	12/31/2023
Actuarial valuation date (including roll forward)	June 30, 2024	June 30, 2023
Deferred Outflows of Resources	$ 99,605	$ 156,092
Deferred Inflows of Resources	154,540	95,241
Net Pension Liability	853,167	1,027,064
Authority's portion of the plan's total Net Pension Liability	0.00628%	0.00709%

Pension (Benefit) Expense and Deferred Outflows/Inflows of Resources

At December 31, 2024, the Authority's proportionate share of the PERS expense (benefit), calculated by the plan as of the June 30, 2024 measurement date is $27,327. At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 17,091	$ 2,271
Changes of Assumptions	1,060	9,707
Net difference between projected and actual earnings on pension plan investments	-	39,559
Changes in proportion and differences between the Authority's contributions and proportion share of contributions	81,454	103,003
	$ 99,605	$ 154,540

NOTE 9: PENSION OBLIGATIONS (continued)

Pension (Benefit) Expense and Deferred Outflows/Inflows of Resources (continued)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Fiscal Year(s) Ending December 31,	Amount
2025	$ (40,533)
2026	23,719
2027	(20,435)
2028	(13,619)
2029	(4,067)
Total	$ (54,935)

Special Funding Situation

Under N.J.S.A. 43:15A-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, are Chapter 366, P.L. 2001 and Chapter 133, 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 non-employer 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 to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Authority as of December 31, 2024. At December 31, 2024, the State's proportionate share of the PERS expense, associated with the Authority, calculated by the plan as of the June 30, 2024 measurement date was $2,751.

Actuarial Assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

NOTE 9: PENSION OBLIGATIONS (continued)

Actuarial Assumptions (continued)

The actuarial valuations used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.00% - 6.55% Based on Years of Service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2024) 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.

NOTE 9: PENSION OBLIGATIONS (continued)

Long-Term Expected Rate of Return (continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 9: PENSION OBLIGATIONS (continued)

Sensitivity of the Authority's proportionate share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Authority'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%)
Authority's proportionate share of the Net Pension Liability	$ 1,143,192	$ 853,167	$ 619,651

NOTE 10: RISK MANAGEMENT

The Authority is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Authority is a member of the New Jersey Utilities Authorities Joint Insurance Fund (JIF). The joint insurance pool is both an insured and self-administered group of 80 authorities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance program which has a contract for excess insurance. There were no settlements in excess of insurance coverage for 2014-2024.

NOTE 11: DONATED PROPERTY

In 2024, no donated property was donated to the Authority.

In 2023, one property owner constructed and donated water mains to the Authority. The total value of the dedicated water mains is $2,114. Ownership was assumed, recorded and acceptance of the maintenance bond was authorized at the completion of each project.

All of these donated properties were treated as non-operating revenue in the statement of revenues, expenses and changes in net position and capitalized on the Authority's statement of net position for the years ended December 31, 2024 and 2023.

NOTE 12 : LEASE RECEIVABLE

On April 15, 2019, the Authority entered into an agreement with a tenant. Under the lease, the tenant will pay monthly rates varying from $3,500 to $7,115 until April 2044 in exchange for operating its cell phone communication antenna above the Authorities water tower. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.25%, which is an implied rate.

As of December 31, 2024 and 2023, the Authority recognized $43,297 and $43,297 of lease revenue and $30,179 and $30,731 of interest revenue under the lease, respectively.

NOTE 12 : LEASE RECEIVABLE (continued)

On April 15, 2019, the Authority entered into an agreement with a tenant. Under the lease, the tenant will pay monthly rates varying from $3,500 to $7,215 until April 2044 in exchange for operating its cell phone communication antenna above the Authorities water tower. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.25%, which is an implied rate.

As of December 31, 2024 and 2023, the Authority recognized $44,140 and $44,140 of lease revenue and $30,749 and $31,321 of interest revenue under the lease, respectively.

On April 24, 2009, the Authority entered into an agreement with a tenant. Under the lease, the tenant will pay monthly rates varying from $2,750 to $4,763 until September 2024 in exchange for operating its cell phone communication antenna above the Authorities water tower. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.25%, which is an implied rate.

As of December 31, 2024 and 2023, the Authority recognized $39,502 and $52,669 of lease revenue and $575 and $2,322 of interest revenue under the lease, respectively.

On July 12, 2001, the Authority entered into an agreement with a tenant. Under the lease, the tenant will pay monthly rates varying from $1,833 to $4,034 until July 2026 in exchange for operating its cell phone communication antenna above the Authorities water tower. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.25%, which is an implied rate.

As of December 31, 2024 and 2023, the Authority recognized $41,520 and $41,520 of lease revenue and $3,165 and $4,515 of interest revenue under the lease, respectively.

On November 27, 2013, the Authority entered into an agreement with a tenant. Under the lease, the tenant will pay monthly rates varying from $3,171 to $5,741 until November 2028 in exchange for operating its cell phone communication antenna above the Authorities water tower. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3.25%, which is an implied rate.

As of December 31, 2024 and 2023, the Authority recognized $54,487 and $54,487 of lease revenue and $8,654 and $10,224 of interest revenue under the lease, respectively.

On October 1, 2022 the Authority entered into an agreement with a tenant. Under the lease, the tenant will pay monthly rates varying from $3,800 to $7,725 until September 2047 in exchange for operating its cell phone communication antenna above the Authorities water tower. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 5.73%, which is an implied rate.

As of December 31, 2024 and 2023, the Authority recognized $32,380 and $32,380 of lease revenue and $46,407 and $46,416 of interest revenue under the lease, respectively.

NOTE 12 : LEASE RECEIVABLE (continued)

On June 27, 2022, the Authority entered into an agreement with a tenant. Under the lease, the tenant will pay monthly rates varying from $3,667 to $7,454 until June 2047 in exchange for operating its cell phone communication antenna above the Authorities water tower. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4.85%, which is an implied rate.

As of December 31, 2024 and 2023, the Authority recognized $34,507 and $34,507 of lease revenue and $41,555 and $41,730 of interest revenue under the lease, respectively.

On December 5, 2023, the Authority entered into an agreement with a tenant. Under the lease, the tenant will pay monthly rates varying from $3,750 to $7,623 until November 2048 in exchange for operating its cell phone communication antenna above the Authorities water tower. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 8.50%, which is an implied rate.

As of December 31, 2024 and 2023, the Authority recognized $23,980 and $-0- of lease revenue and $51,325 and $-0- of interest revenue under the lease, respectively.

Fiscal Year(s) Ending December 31,	Principal	Interest	Total
2025	$ 144,595	$ 207,774	$ 352,369
2026	139,739	203,007	342,746
2027	125,756	198,794	324,550
2028	134,669	194,276	328,945
2029	83,356	190,379	273,735
Thereafter	3,809,295	2,107,537	5,916,832
Total	$ 4,437,410	$ 3,101,767	$ 7,539,177

NOTE 13: PRIOR PERIOD RESTATEMENT/ADJUSTMENT

During the fiscal year ended December 31, 2024, the Authority implemented GASB Statement No. 101, *Compensated Absences*, which requires governments to recognize a liability for compensated absences when the leave is earned, rather than when it becomes payable. The standard also expands the types of compensated absences that must be recognized, including certain non-vesting leave such as parental, military, and jury duty leave.

Impact of the Restatement

As a result of implementing GASB 101, compensated absences payable and unrestricted net position was restated to reflect the updated liability for compensated absences, expense accounts and the related cash flow activities.

NOTE 13: PRIOR PERIOD RESTATEMENT/ADJUSTMENT (continued)

During the year ended December 31, 2023, the restatement affects the following accounts:

1. **Statements of Net Position:** Compensated Absences Payable have been increased by $8,477 to reflect the increase in the liability as result of implementation of GASB 101.
2. **Statements of Revenue, Expenses and Changes in Net Position:** Total Operating expenses increase by $8,477 to reflect the decrease in compensated absences related to GASB 101. Net income decreased by $8,477 to reflect the implementation of GASB 101.
3. **Unrestricted Net Position:** The net impact on net position at the beginning of the earliest comparative period is a decrease of $8,477 reflecting the cumulative effect of the adjustments.

A summary of the restatement's effect on the relevant financial statement line items is presented below:

	2023		
	As Previously Reported	Adjustment	As Restated
Statement of Net Position			
Compensated absences	$ 110,817	$ 8,477	$ 119,294
Unrestricted net position	2,875,012	(8,477)	2,866,535
Statement of Revenue, Expenses and Changes in Net Position			
Total operating expenses	2,070,928	8,477	2,079,405
Net income	481,487	(8,477)	473,010
Statement of Cash Flows			
Increase/(decrease) in compensated absences	14,313	8,477	22,790

Schedule I

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of the Authority's Proportionate Share of Net Pension Liability
Public Employees' Retirement System
Last Ten Fiscal Years

	Measurement Date Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.00628%	0.00709%	0.00707%	0.00650%	0.00576%	0.00633%	0.00585%	0.00569%	0.00550%	0.00555%
Authority's proportionate share of the net pension liability	$ 853,167	$ 1,027,064	$ 1,066,229	$ 769,895	$ 940,103	$ 1,141,269	$ 1,151,943	$ 1,325,527	$ 1,629,302	$ 1,245,391
Authority's covered-employee payroll	$ 598,834	$ 513,034	$ 518,710	$ 476,935	$ 454,020	$ 450,671	$ 409,809	$ 393,181	$ 379,990	$ 368,749
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	142.47%	200.19%	205.55%	161.43%	207.06%	253.24%	281.09%	337.13%	428.77%	337.73%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Authority Contributions
Public Employees' Retirement System
Last Ten Fiscal Years

	For the Year Ended, December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's contractually required contribution	$ 85,437	$ 94,771	$ 89,095	$ 76,110	$ 63,065	$ 61,610	$ 58,194	$ 52,751	$ 48,872	$ 47,697
Contributions in relation to the contractually required contribution	(85,437)	(94,771)	(89,095)	(76,110)	(63,065)	(61,610)	(58,194)	(52,751)	(48,872)	(47,697)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 598,834	$ 513,034	$ 511,012	$ 518,710	$ 476,935	$ 454,020	$ 450,671	$ 409,809	$ 393,181	$ 379,990
Contributions as a percentage of covered payroll	14.27%	18.47%	17.44%	14.67%	13.22%	13.57%	12.91%	12.87%	12.43%	12.55%

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Schedule of the Authority's Proportionate Share of the Net Other Post-employment Benefit Liability
Local Government Retired Employees Plan
Last Nine Fiscal Years *

	Measurement Date Ended June 30,								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the other postemployment benefit liability (asset)	0.01052%	0.00877%	0.00847%	0.00853%	0.00768%	0.00715%	0.00773%	0.00763%	0.00843%
Authority's proportionate share of the net other postemployment benefit liability (asset)	$ 1,884,369	$ 1,316,074	$ 1,367,871	$ 1,534,841	$ 1,377,941	$ 969,086	$ 1,210,246	$ 1,556,704	$ 1,829,914
Authority's covered-employee payroll	$ 598,834	$ 513,034	$ 518,710	$ 476,935	$ 454,020	$ 450,671	$ 409,809	$ 393,181	$ 379,990
Authority's proportionate share of the net other postemployment benefit liability (asset) as a percentage of its covered-employee payroll	314.67%	256.53%	263.71%	321.81%	303.50%	215.03%	295.32%	395.93%	481.57%
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	-0.89%	-0.79%	-0.36%	0.28%	0.91%	1.98%	1.97%	1.03%	0.69%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Public Employees' Retirement System (PERS)

Changes of Benefit Terms

None.

Changes of Assumptions

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

Year	Rate	Year	Rate	Year	Rate	Year	Rate
2024	7.00%	2021	7.00%	2018	5.66%	2015	5.39%
2023	7.00%	2020	7.00%	2017	5.00%		
2022	7.00%	2019	6.28%	2016	3.98%		

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

Year	Rate	Year	Rate	Year	Rate	Year	Rate
2024	7.00%	2021	7.00%	2018	7.00%	2015	7.90%
2023	7.00%	2020	7.00%	2017	7.00%		
2022	7.00%	2019	7.00%	2016	7.65%		

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

Other Post-Employment Benefits (OPEB)

Changes in Benefits

The change in benefit terms from June 30, 2023, to June 30, 2024 was a result of employers adopting and or changing Chapter 48 provisions.

Differences Between Expected and Actual Experiences

The increase in differences between expected and actual experiences from June 30, 2023 to June 30, 2024 was a result of an updated to census information, and premiums and claims experience.

Changes of Assumptions

The increase in changes in assumptions from June 30, 2023 to June 30, 2024 is a result of a change in the discount rate, trend update, and an experience study update.

The discount rate used as of June 30, measurement date for the last seven fiscal years is as follows:

Year	Rate	Year	Rate	Year	Rate
2024	3.93%	2021	2.16%	2018	3.87%
2023	3.65%	2020	2.21%	2017	3.58%
2022	3.54%	2019	3.50%	2016	2.85%

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedules of Revenues and Expenses - Budget to Actual
For the years ended December 31, 2024 and 2023

	For the year ended December 31, 2024				For the year ended December 31, 2023			
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)	Original Budget	Final Budget	*Restated* Actual	Favorable (Unfavorable)
REVENUES:								
User charges and fees	$ 1,950,000	$ 1,950,000	$ 2,072,299	$ 122,299	$ 1,865,000	$ 1,865,000	$ 1,989,256	$ 124,256
Interest and penalties on user fees	20,000	20,000	27,760	7,760	10,000	10,000	29,781	19,781
Connection fees	168,000	168,000	246,345	78,345	20,000	20,000	99,905	79,905
Interest earned on connection fees	-	-	-	-	-	-	40	40
Interest income	50,000	50,000	268,908	218,908	35,000	35,000	214,338	179,338
Water tower rental	320,000	320,000	313,813	(6,187)	270,000	270,000	262,934	(7,066)
Other revenue	-	-	64,888	64,888	-	-	5,504	5,504
Total revenues	2,508,000	2,508,000	2,994,013	486,013	2,200,000	2,200,000	2,601,758	401,758
EXPENSES:								
Operating appropriations								
Cost of providing services								
Salaries and wages	444,000	444,000	379,146	64,854	430,000	430,000	328,322	101,678
Payroll taxes and fringe benefits	188,000	188,000	140,531	47,469	194,000	194,000	132,763	61,237
Utilities and natural gas	82,000	115,000	110,990	4,010	75,000	96,000	95,548	452
Plant and system expense	162,000	162,000	110,517	51,483	133,000	133,000	102,432	30,568
Permits and fees	19,000	19,000	17,530	1,470	19,000	19,000	16,070	2,930
Uniforms	4,000	4,000	3,594	406	4,000	4,000	3,867	133
Vehicle expense	17,000	17,000	13,120	3,880	17,000	17,000	1,331	15,669
Insurance	36,000	40,000	38,652	1,348	31,000	34,000	33,592	408
Total cost of providing services	952,000	989,000	814,080	174,920	903,000	927,000	713,925	213,075
Administrative expenses								
Salaries and wages	357,000	357,000	321,756	35,244	320,000	320,000	310,511	9,489
Payroll taxes and fringe benefits	155,000	155,000	119,492	35,508	150,000	150,000	124,962	25,038
Legal expense	45,000	41,000	11,013	29,987	35,000	43,200	43,149	51
Audit and consulting	47,000	47,000	33,307	13,693	42,000	37,800	36,825	975
Advertising and printing	2,500	2,500	1,373	1,127	2,500	2,500	1,322	1,178
Office expenses and supplies	80,000	80,000	58,437	21,563	71,000	71,000	62,014	8,986
Trustee fees	25,000	25,000	14,850	10,150	24,000	20,000	19,350	650
Engineering Fees	200,000	167,000	6,628	160,372	200,000	179,000	20,259	158,741
Postage	10,000	10,000	8,998	1,002	9,000	9,000	7,680	1,320
Telephone	9,000	9,000	5,347	3,653	10,000	7,000	5,533	1,467
Total administrative expenses	930,500	893,500	581,201	312,299	863,500	839,500	631,605	207,895
Total operating appropriations	1,882,500	1,882,500	1,395,281	487,219	1,766,500	1,766,500	1,345,530	420,970
Interest expense	236,356	236,356	236,373	(17)	250,505	250,505	248,115	2,390
OTHER COSTS FUNDED BY REVENUES:								
Principal maturity	595,722	595,722	595,702	20	610,750	610,750	610,765	(15)
Operations and maintenance reserve	100,000	100,000	100,000	-	100,000	100,000	100,000	-
Capital outlay	20,000	20,000	20,000	-	20,000	20,000	20,000	-
Total other costs funded by revenues	715,722	715,722	715,702	20	730,750	730,750	730,765	(15)
Total expenses	2,834,578	2,834,578	2,347,356	487,222	2,747,755	2,747,755	2,324,410	423,345
Budgetary revenues over expense	$ (326,578)	$ (326,578)	$ 646,657	$ 973,235	$ (547,755)	$ (547,755)	$ 277,348	$ 825,103

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedules of Revenues and Expenses - Budget to Actual (continued)
For the years ended December 31, 2024 and 2023

Reconciliation of Budgetary Basis to Net Income:	2024 Actual	*Restated* 2023 Actual
Budgetary revenues over expenses	$ 646,657	$ 277,348
Adjustments to budgetary basis:		
Depreciation expense	(846,820)	(860,186)
Adjustment for interest accrual	5,298	4,063
Pension liability benefit/(expense) - GASB 68	58,111	51,571
Pension liability benefit/(expense) - GASB 75	14,207	74,740
Principal maturity	595,702	610,765
Capital outlay expenditures	20,000	20,000
Interest income from leasing arrangements	186,939	167,259
Operating and Maintenance Reserve	100,000	100,000
Amortization of bond premiums	24,361	25,336
Total adjustments	157,798	195,662
Net income	$ 804,455	$ 473,010

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Bond Service Requirements by Years
December 31, 2024

Fiscal Year Ending December 31,	2003 Bonds Principal	2003 Bonds Interest	2003 Bonds Total
2025	$ 42,151	$ 33,804	$ 75,955
2026	43,642	32,420	76,062
2027	45,072	30,990	76,062
2028	46,549	29,513	76,062
2029	48,074	27,988	76,062
2030	49,649	26,413	76,062
2031	51,276	24,786	76,062
2032	52,956	23,106	76,062
2033	54,691	21,371	76,062
2034	56,483	19,579	76,062
2035	58,334	17,728	76,062
2036	60,245	15,817	76,062
2037	62,219	13,843	76,062
2038	64,257	11,805	76,062
2039	66,363	9,699	76,062
2040	68,537	7,525	76,062
2041	70,782	5,280	76,062
2042	73,102	2,961	76,063
2043	36,119	587	36,706
Total	$ 1,050,501	$ 355,215	$ 1,405,716

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Bond Service Requirements by Years (continued)
December 31, 2024

Fiscal Year Ending December 31,	2012 Bonds Principal	2012 Bonds Interest	2012 Bonds Total
2025	$ 215,000	$ 122,144	$ 337,144
2026	220,000	115,694	335,694
2027	225,000	109,094	334,094
2028	235,000	102,344	337,344
2029	240,000	95,294	335,294
2030	245,000	88,094	333,094
2031	255,000	78,294	333,294
2032	265,000	68,094	333,094
2033	280,000	57,494	337,494
2034	290,000	46,294	336,294
2035	215,000	37,594	252,594
2036	145,000	31,144	176,144
2037	150,000	26,612	176,612
2038	155,000	21,925	176,925
2039	125,000	16,887	141,887
2040	95,000	12,825	107,825
2041	20,000	9,737	29,737
2042	20,000	9,087	29,087
2043	40,000	8,437	48,437
2044	40,000	7,087	47,087
2045	40,000	5,737	45,737
2046	40,000	4,387	44,387
2047	45,000	3,037	48,037
2048	45,000	1,519	46,519
Total	$ 3,645,000	$ 1,078,855	$ 4,723,855

Schedule VI

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years
December 31, 2024

Fiscal Year Ending December 31,	NJEIT 2007A Loans Payable Principal	Interest	Total
2025	$ 102,865	$ -	$ 102,865
2026	40,954	-	40,954
Total	$ 143,819	$ -	$ 143,819

Schedule VI
(continued)

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years (continued)
December 31, 2024

Fiscal Year Ending December 31,	NJEIT 2015-A-R1 Loans Payable Principal	Interest	Total
2025	$ 124,000	$ 19,750	$ 143,750
2026	133,000	13,550	146,550
2027	138,000	6,900	144,900
Total	$ 395,000	$ 40,200	$ 435,200

Schedule VI
(continued)

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years (continued)
December 31, 2024

Fiscal Year Ending December 31,	NJEIT 2014A Loans Payable - Trust Principal	Interest	Total
2025	$ 10,000	$ 2,900	$ 12,900
2026	10,000	2,600	12,600
2027	10,000	2,300	12,300
2028	10,000	2,000	12,000
2029	10,000	1,700	11,700
2030	10,000	1,400	11,400
2031	10,000	1,100	11,100
2032	10,000	800	10,800
2033	15,000	488	15,488
Total	$ 95,000	$ 15,288	$ 110,288

Schedule VI
(continued)

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years (continued)
December 31, 2024

Fiscal Year Ending December 31,	NJEIT 2014A NANO Loans Payable - Trust Principal	Interest	Total
2025	$ 13,022	$ 3,935	$ 16,957
2026	13,341	3,616	16,957
2027	13,695	3,263	16,958
2028	14,078	2,879	16,957
2029	14,486	2,471	16,957
2030	14,928	2,029	16,957
2031	15,391	1,566	16,957
2032	15,883	1,074	16,957
2033	16,408	550	16,958
Total	$ 131,232	$ 21,383	$ 152,615

Schedule VI
(continued)

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years (continued)
December 31, 2024

Fiscal Year Ending December 31,	NJEIT 2014A NANO Loans Payable - Fund Principal	Interest	Total
2025	$ 12,712	$ -	$ 12,712
2026	12,712	-	12,712
2027	12,712	-	12,712
2028	12,712	-	12,712
2029	12,712	-	12,712
2030	12,712	-	12,712
2031	12,712	-	12,712
2032	12,712	-	12,712
2033	12,711	-	12,711
Total	$ 114,407	$ -	$ 114,407

Schedule VI
(continued)

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years (continued)
December 31, 2024

Fiscal Year Ending December 31,	NJEIT 2017A NANO Loans Payable - Trust Principal	Interest	Total
2025	$ 5,000	$ 7,175	$ 12,175
2026	5,000	6,925	11,925
2027	5,000	6,775	11,775
2028	5,000	6,625	11,625
2029	10,000	6,475	16,475
2030	10,000	6,175	16,175
2031	10,000	5,875	15,875
2032	10,000	5,575	15,575
2033	10,000	5,275	15,275
2034	10,000	4,963	14,963
2035	10,000	4,638	14,638
2036	10,000	4,313	14,313
2037	10,000	3,975	13,975
2038	10,000	3,638	13,638
2039	10,000	3,300	13,300
2040	10,000	2,963	12,963
2041	10,000	2,625	12,625
2042	10,000	2,275	12,275
2043	10,000	1,925	11,925
2044	15,000	1,575	16,575
2045	15,000	1,050	16,050
2046	15,000	525	15,525
Total	$ 215,000	$ 94,638	$ 309,638

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years (continued)
December 31, 2024

Fiscal Year Ending December 31,	NJEIT 2017A NANO Loans Payable - Fund Principal	Interest	Total
2025	$ 8,427	$ -	$ 8,427
2026	8,427	-	8,427
2027	8,427	-	8,427
2028	8,427	-	8,427
2029	8,427	-	8,427
2030	8,427	-	8,427
2031	8,427	-	8,427
2032	8,427	-	8,427
2033	8,427	-	8,427
2034	8,427	-	8,427
2035	8,427	-	8,427
2036	8,427	-	8,427
2037	8,427	-	8,427
2038	8,427	-	8,427
2039	8,427	-	8,427
2040	8,427	-	8,427
2041	8,427	-	8,427
2042	8,427	-	8,427
2043	8,427	-	8,427
2044	8,427	-	8,427
2045	8,427	-	8,427
2046	8,426	-	8,426
Total	$ 185,393	$ -	$ 185,393

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years (continued)
December 31, 2024

Fiscal Year Ending December 31,	NJEIT 2017A-1 Loans Payable - Trust		
	Principal	Interest	Total
2025	$ 5,000	$ 5,731	$ 10,731
2026	5,000	5,481	10,481
2027	5,000	5,331	10,331
2028	5,000	5,181	10,181
2029	5,000	5,031	10,031
2030	5,000	4,881	9,881
2031	5,000	4,731	9,731
2032	5,000	4,581	9,581
2033	5,000	4,431	9,431
2034	5,000	4,275	9,275
2035	10,000	4,113	14,113
2036	10,000	3,787	13,787
2037	10,000	3,450	13,450
2038	10,000	3,113	13,113
2039	10,000	2,775	12,775
2040	10,000	2,438	12,438
2041	10,000	2,100	12,100
2042	10,000	1,750	11,750
2043	10,000	1,400	11,400
2044	10,000	1,050	11,050
2045	10,000	700	10,700
2046	10,000	350	10,350
Total	$ 170,000	$ 76,680	$ 246,680

Schedule VI
(continued)

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years (continued)
December 31, 2024

Fiscal Year Ending December 31,	NJEIT 2017A-1 Loans Payable - Fund Principal	Interest	Total
2025	$ 20,268	$ -	$ 20,268
2026	20,268	-	20,268
2027	20,268	-	20,268
2028	20,268	-	20,268
2029	20,268	-	20,268
2030	20,268	-	20,268
2031	20,268	-	20,268
2032	20,268	-	20,268
2033	20,268	-	20,268
2034	20,268	-	20,268
2035	20,268	-	20,268
2036	20,268	-	20,268
2037	20,268	-	20,268
2038	20,268	-	20,268
2039	20,268	-	20,268
2040	20,268	-	20,268
2041	20,268	-	20,268
2042	20,268	-	20,268
2043	20,269	-	20,269
2044	20,269	-	20,269
2045	20,269	-	20,269
2046	20,269	-	20,269
Total	$ 445,900	$ -	$ 445,900

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years (continued)
December 31, 2024

	NJEIT 2018A-1 Loans Payable - Fund		
Fiscal Year Ending December 31,	Principal	Interest	Total
2025	$ 5,299	$ -	$ 5,299
2026	5,299	-	5,299
2027	5,299	-	5,299
2028	5,299	-	5,299
2029	5,299	-	5,299
2030	5,299	-	5,299
2031	5,299	-	5,299
2032	5,299	-	5,299
2033	5,299	-	5,299
2034	5,299	-	5,299
2035	5,299	-	5,299
2036	5,300	-	5,300
2037	5,300	-	5,300
2038	5,300	-	5,300
2039	5,300	-	5,300
2040	5,300	-	5,300
2041	5,300	-	5,300
2042	5,299	-	5,299
Total	$ 95,388	$ -	$ 95,388

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years (continued)
December 31, 2024

Fiscal Year Ending December 31,	NJEIT 2021A-1 Loans Payable - Fund Principal	Interest	Total
2025	$ 2,742	$ -	$ 2,742
2026	2,742	-	2,742
2027	2,742	-	2,742
2028	2,742	-	2,742
2029	2,742	-	2,742
2030	2,742	-	2,742
2031	2,742	-	2,742
2032	2,742	-	2,742
2033	2,742	-	2,742
2034	2,742	-	2,742
2035	2,742	-	2,742
2036	2,742	-	2,742
2037	2,742	-	2,742
2038	2,742	-	2,742
2039	2,742	-	2,742
2040	2,742	-	2,742
2041	2,742	-	2,742
2042	2,742	-	2,742
2043	2,742	-	2,742
2044	2,742	-	2,742
2045	2,742	-	2,742
2046	2,742	-	2,742
2047	2,742	-	2,742
2048	2,742	-	2,742
2049	2,742	-	2,742
2050	2,739	-	2,739
Total	$ 71,289	$ -	$ 71,289

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years (continued)
December 31, 2024

Fiscal Year Ending December 31,	NJEIT 2021A-1 Loans Payable - Trust Principal	Interest	Total
2025	$ 40,000	$ 20,432	$ 60,432
2026	40,000	18,572	58,572
2027	45,000	16,751	61,751
2028	45,000	14,773	59,773
2029	45,000	12,852	57,852
2030	45,000	10,976	55,976
2031	45,000	9,583	54,583
2032	45,000	8,717	53,717
2033	50,000	7,925	57,925
2034	50,000	7,045	57,045
2035	50,000	6,216	56,216
2036	50,000	5,426	55,426
2037	50,000	5,100	55,100
2038	55,000	4,650	59,650
2039	55,000	4,200	59,200
2040	55,000	3,900	58,900
2041	55,000	3,600	58,600
2042	55,000	3,300	58,300
2043	55,000	3,000	58,000
2044	55,000	2,700	57,700
2045	55,000	2,400	57,400
2046	55,000	2,100	57,100
2047	60,000	1,800	61,800
2048	60,000	1,350	61,350
2049	60,000	900	60,900
2050	60,000	450	60,450
Total	$ 1,335,000	$ 178,718	$ 1,513,718

Schedule VI
(continued)

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Debt Service Requirements by Years (continued)
December 31, 2024

Fiscal Year Ending December 31,	NJEIT 2018A-1 Loans Payable - Trust Principal	Interest	Total
2025	$ 5,000	$ 3,537	$ 8,537
2026	5,000	3,288	8,288
2027	5,000	3,037	8,037
2028	5,000	2,788	7,788
2029	5,000	2,637	7,637
2030	5,000	2,488	7,488
2031	5,000	2,337	7,337
2032	5,000	2,188	7,188
2033	5,000	2,031	7,031
2034	5,000	1,875	6,875
2035	5,000	1,713	6,713
2036	5,000	1,550	6,550
2037	5,000	1,381	6,381
2038	5,000	1,213	6,213
2039	5,000	1,044	6,044
2040	5,000	875	5,875
2041	10,000	700	10,700
2042	10,000	350	10,350
Total	$ 100,000	$ 35,032	$ 135,032

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

Honorable Chairman and Members
of Berkeley Township Municipal Utilities Authority
County of Ocean
Berkeley Township, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Berkeley Township Municipal Utilities Authority, a component unit of the Township of Berkeley, County of Ocean, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Berkeley Township Municipal Utilities Authority's basic financial statements and have issued our report thereon dated October 21, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Berkeley Township Municipal Utilities Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Berkeley Township Municipal Utilities Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Audit Standards* and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

October 21, 2025
Lakewood, New Jersey

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

The Chairman and Commissioners
of the Berkeley Township Municipal Utilities Authority
County of Ocean
Berkeley Township, New Jersey

Report on Compliance for Each Major State Program

We have audited the Berkeley Township Municipal Utilities Authority's (hereafter referred to as the Authority), a component unit of the Township of Berkeley, County of Ocean, State of New Jersey compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Authority's major state programs for the fiscal year ended December 31, 2024. The Authority's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended December 31, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance 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; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Local Finance Board and by the Division of Local Government Services. Department of Community Affairs, State of New Jersey. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Management's Responsibility

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with state statutes, regulations, rules, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express on the Authority's compliance based on our audit. 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, *Government Auditing Standards*, New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs State of New Jersey will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Local Finance Board and by the Division of Local Government Services, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs State of New Jersey but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibility section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

October 21, 2025
Lakewood, New Jersey

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Expenditures of State Financial Assistance
December 31, 2024

State Grantor/Pass-through Grantor Program Title		Grant or Contact Number	Expenditures	Cumulative Total Expenditures	Pass-through to Subrecipients
State of New Jersey, Department of Environmental Protection					
Passed through the State of New Jersey Environmental Infrastructure Bank					
Financing Program Trust - 2024 Construction Loan	*	W1505323-001	$ 1,285,503	$ 1,285,503	$ -
Total State Financial Assistance			$ 1,285,503	$ 1,285,503	$ -

* - Denotes major program

The accompanying notes to the schedule of state awards is an integral part of this statement.

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Notes to the Schedule of Expenditures of State Financial Assistance

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance presents the activity of all state financial assistance programs of the Berkeley Township Municipal Utilities Authority (hereafter referred to as the Authority), a component unit of the Township of Berkeley, County of Ocean, State of New Jersey. The Authority is defined in Note 1 of the basic financial statements. The information in this schedule is presented in accordance with the requirements of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of state financial assistance is presented using the budgetary basis of accounting. This basis of accounting is described in Note 1 to the Authority's basic financial statements. The information in this schedule is presented in accordance with the requirements of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO THE STATE FINANCIAL REPORTS

The basic financial statements are presented on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made. Amounts reported in the accompanying schedule agree with the amounts reported in the Authority's financial statements.

NOTE 4: RELATIONSHIP TO THE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with the amounts reported in the Authority's financial statements.

NOTE 5: NON-CASH STATE ASSISTANCE

Amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports.

NOTE 6: LOAN GUARANTEES

At December 31, 2024, the Authority is not the guarantor of any loans outstanding.

BERKELEY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Findings and Questioned Costs
For the year ended December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified?	___ Yes _X_ None Reported
2) Significant deficiency(ies) identified?	___ Yes _X_ None Reported
Noncompliance material to financial statements noted?	___ Yes _X_ None Reported

State Financial Assistance

Dollar threshold used to determine Type A programs	$750,000
Auditee qualified as low-risk auditee?	___ Yes _X_ No
Internal control over major programs:	
1) Material weakness(es) identified?	___ Yes _X_ None Reported
2) Significant deficiency(ies) identified?	___ Yes _X_ None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	___ Yes _X_ None Reported

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
NJIB - W1505323-001	New Jersey Environmental Infrastructure Bank Financing Program Trust

BERKELEY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Schedule of Findings and Questioned Costs (Continued)
For the year ended December 31, 2024

Section II – Financial Statement Findings

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

No Current Year Findings

Section III – State Financial Assistance Finding and Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of state programs, as required by New Jersey OMB's Circular 15-08.

No Current Year Findings

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County Ocean, State of New Jersey)
Summary Schedule of Prior Year Audit Findings and Questioned Costs
For the year ended December 31, 2024

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

None Noted

STATE FINANCIAL ASSISTANCE FINDINGS

N/A – No State Single Audit in Prior Year

BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Berkeley, County of Ocean, State of New Jersey)
Board of Commissioners and Management

	Position
Michael W. Hale	Chairman
Jerome F. Bollettieri	Vice Chairman
Richard W. Elliott, Jr.	Secretary
Samuel J. Cammarato	Treasurer
Denise Pellecchia	Commissioner
William McGrath	Alternate No. 1
Frederick S. Bekiarian..	Alternate No. 2
Michele Nugent	Executive Director
Brian P. Blair	Chief of Operations

Honorable Chairman and Members
of the Berkeley Township Municipal Utilities Authority
County of Ocean
Bayville, New Jersey

We have audited the financial accounts and transactions of the Berkeley Township Municipal Utilities Authority (hereafter referred to as the Authority), a component unit of the Township of Berkeley, County of Ocean, State of New Jersey for the year ended December 31, 2024. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised by *(N.J.S.A.40A:11-4)*

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate $44,000, except by contract or agreement.

The Authority has a qualified purchasing agent on staff and therefore may award contracts up to $44,000 without competitive bids.

It is pointed out that the Members of the Authority have the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising and awarded by resolution.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

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

<u>Contracts and Agreements Required to be Advertised by (*N.J.S.A.40A:11-4*) (continued)</u>

The examination of expenditures revealed individual payments, contracts or agreements in excess of $6,600 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

The supporting documentation indicated that quotes were requested for all items that required them.

Examination of Cash Receipts

A test check of cash receipts was made. The results of the examination did not disclose any discrepancies with respect to cash receipts.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate. The results of the examination did not disclose any discrepancies with respect to signatures, certification or supporting documentation.

Examination of Payroll

The examination of the payroll account included the detailed computation of various deductions or other credits from the payroll of the Authority employees and we ascertained that the accumulated withholdings were disbursed to the proper agencies.

Property, Plant & Equipment

The property, plant and equipment subsidiary ledger was maintained properly and a reconciliation between the physical and perpetual inventory records was performed at year-end.

Budget Adoption

The State of New Jersey requires that the Authority's 2024 operating and capital budgets be approved and adopted for each fiscal year. The Authority approved its operating budget on October 26, 2023 and adopted its operating budget on December 14, 2023.

Current Year Findings

There were no current year findings.

Follow-Up of Prior Years' Findings

In accordance with *Government Auditing Standards* and audit requirements prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, our procedures included a review of all prior year findings. There were no prior year findings.

Acknowledgment

We received the complete cooperation of all the staff of the Authority and we greatly appreciate the courtesies extended to the members of the audit team. During our audit, we did not note any problems or weaknesses significant enough that would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call us.

HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

October 21, 2025
Lakewood, New Jersey