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CHESTERFIELD TOWNSHIP

**TOWNSHIP OF CHESTERFIELD
COUNTY OF BURLINGTON**

**FORECASTED FINANCIAL
STATEMENTS**

**WITH
SUPPLEMENTARY INFORMATION**

**FOR EACH YEAR ENDING
DECEMBER 31, 2022 THROUGH
DECEMBER 31, 2031**

TOWNSHIP OF CHESTERFIELD
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Chesterfield
Chesterfield, New Jersey 08515

Management is responsible for the accompanying compiled financial forecast of Township of Chesterfield, which comprises the Current Fund Forecasted Statements of Operations and Changes in Fund Balance - Regulatory Basis, the Current Fund Forecasted Summary Statements of Revenues - Regulatory Basis, the Current Fund Forecasted Summary Statements of Expenditures - Regulatory Basis for each year ending December 31, 2022 through December 31, 2031, and the related summaries of significant assumptions and selected accounting policies in accordance with guidelines for the presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the compiled financial forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this forecast.

The compiled financial forecast is prepared in accordance with the regulatory basis of accounting in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the compiled financial forecast of the variances between the regulatory basis of accounting described in note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Township of Chesterfield's management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the regulatory basis of accounting. Additionally, the Township has also omitted the current fund statements of assets, liabilities, reserves and fund balance - regulatory basis as well as all of the statements related to the Township's trust, capital, utility operating, and utility capital funds. The statements of general fixed asset group of accounts is also omitted. If the omitted statements and disclosures were included in the compiled financial forecast, they might influence the user's conclusions about the Township of Chesterfield's compiled financial forecast. Accordingly, the compiled financial forecast is not designed for those who are not informed about such matters.

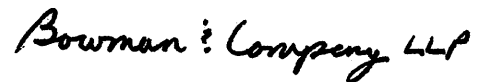
The forecasted results may not be achieved, as there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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The supplementary information contained in the Forecasted Calculations of Reserve for Uncollected Taxes, Forecasted Calculations of Appropriations within "CAPS" and the Forecasted Calculations of Levy Cap are presented for purposes of additional analysis. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The accompanying compiled financial forecast and this report are intended solely for the information and use of the management and the Honorable Mayor and Members of the Township Committee of the Township of Chesterfield, and are not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 3, 2022

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
 Forecasted Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2024</u>	<u>12/31/2025</u>	<u>12/31/2026</u>
<u>Revenue and Other Income Realized</u>					
Fund Balance Utilized	\$ 1,419,500	\$ 1,508,000	\$ 1,571,900	\$ 495,500	\$ 507,900
Miscellaneous Revenues Anticipated	879,000	891,500	894,800	883,500	879,500
Receipts from Delinquent Taxes and Tax Title Liens	180,000	180,000	180,000	180,000	180,000
Receipts from Current Taxes	26,511,000	27,088,960	27,821,931	29,691,214	30,501,000
Non-Budget Revenue	75,000	75,000	75,000	75,000	75,000
Total Revenue and Other Income	<u>29,064,500</u>	<u>29,743,460</u>	<u>30,543,631</u>	<u>31,325,214</u>	<u>32,143,400</u>
<u>Expenditures</u>					
Budget Appropriations:					
Within "CAPS":	3,822,000	3,955,270	4,093,200	4,637,000	4,851,900
Excluded from "CAPS":	1,585,000	1,634,890	1,813,031	1,538,814	1,638,008
County Taxes	3,442,100	3,511,000	3,581,000	3,653,000	3,726,000
Local District School Tax	12,011,800	12,252,000	12,497,000	12,747,000	13,002,000
Regional High School Tax	6,657,800	6,791,000	6,927,000	7,066,000	7,207,000
Fire District Taxes	1,095,800	1,118,000	1,140,000	1,163,000	1,186,000
Total Expenditures	<u>28,614,500</u>	<u>29,262,160</u>	<u>30,051,231</u>	<u>30,804,814</u>	<u>31,610,908</u>
Statutory Excess to Fund Balance	450,000	481,300	492,400	520,400	532,492
<u>Fund Balance</u>					
Balance Jan. 1	4,066,621	3,097,121	2,070,421	990,921	1,015,821
Utilized as Revenue	4,516,621	3,578,421	2,562,821	1,511,321	1,548,313
	1,419,500	1,508,000	1,571,900	495,500	507,900
Balance Dec. 31	<u>\$ 3,097,121</u>	<u>\$ 2,070,421</u>	<u>\$ 990,921</u>	<u>\$ 1,015,821</u>	<u>\$ 1,040,413</u>

See Accompanying Summary of Significant Forecast Assumptions and Selected Accounting Policies

(Continued)

TOWNSHIP OF CHESTERFIELD
CURRENT FUND

Forecasted Statements of Operations and Changes in Fund Balance - Regulatory Basis
For Each Year Ending December 31, 2022 through December 31, 2031

	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031
<u>Revenue and Other Income Realized</u>					
Fund Balance Utilized	\$ 520,200	\$ 531,900	\$ 543,600	\$ 554,400	\$ 565,800
Miscellaneous Revenues Anticipated	875,600	871,700	867,800	863,900	860,000
Receipts from Delinquent Taxes and Tax Title Liens	180,000	180,000	180,000	180,000	180,000
Receipts from Current Taxes	31,242,500	32,019,400	32,667,500	33,484,000	34,357,200
Non-Budget Revenue	75,000	75,000	75,000	75,000	75,000
Total Revenue and Other Income	32,893,300	33,678,000	34,333,900	35,157,300	36,038,000
<u>Expenditures</u>					
Budget Appropriations:					
Within "CAPS":	5,082,000	5,329,800	5,595,700	5,883,100	6,192,400
Excluded from "CAPS":	1,643,614	1,656,933	1,513,163	1,503,906	1,518,263
County Taxes	3,801,000	3,877,000	3,955,000	4,034,000	4,115,000
Local District School Tax	13,262,000	13,527,000	13,798,000	14,074,000	14,355,000
Regional High School Tax	7,351,000	7,498,000	7,648,000	7,801,000	7,957,000
Fire District Taxes	1,210,000	1,234,000	1,259,000	1,284,000	1,310,000
Total Expenditures	32,349,614	33,122,733	33,768,863	34,580,006	35,447,663
Statutory Excess to Fund Balance	543,686	555,267	565,037	577,294	590,337
<u>Fund Balance</u>					
Balance Jan. 1	1,040,413	1,063,899	1,087,266	1,108,703	1,131,596
Utilized as Revenue	1,584,099	1,619,166	1,652,303	1,685,996	1,721,934
Balance Dec. 31	520,200	531,900	543,600	554,400	565,800
	<u>\$ 1,063,899</u>	<u>\$ 1,087,266</u>	<u>\$ 1,108,703</u>	<u>\$ 1,131,596</u>	<u>\$ 1,156,134</u>

See Accompanying Summary of Significant Forecast Assumptions and Selected Accounting Policies

TOWNSHIP OF CHESTERFIELD
CURRENT FUND

Forecasted Summary Statements of Revenues - Regulatory Basis
For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2024</u>	<u>12/31/2025</u>	<u>12/31/2026</u>
Fund Balance Anticipated	\$ 1,419,500	\$ 1,508,000	\$ 1,571,900	\$ 495,500	\$ 507,900
Miscellaneous Revenues	879,000	891,500	894,800	883,500	879,500
Receipts from Delinquent Taxes	180,000	180,000	180,000	180,000	180,000
Amount to be Raised by Taxes Allowed (Maximum)	3,303,500	3,416,960	3,676,931	3,961,686	4,179,094
Amount to be Raised by Taxes Additional Needed				1,100,528	1,200,906
Amount to be Raised by Taxes	3,303,500	3,416,960	3,676,931	5,062,214	5,380,000
Budget Totals	<u>\$ 5,782,000</u>	<u>\$ 5,996,460</u>	<u>\$ 6,323,631</u>	<u>\$ 6,621,214</u>	<u>\$ 6,947,400</u>

See Accompanying Summary of Significant Forecast Assumptions and Selected Accounting Policies

(Continued)

TOWNSHIP OF CHESTERFIELD
CURRENT FUND

Forecasted Summary Statements of Revenues - Regulatory Basis
For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2027</u>	<u>12/31/2028</u>	<u>12/31/2029</u>	<u>12/31/2030</u>	<u>12/31/2031</u>
Fund Balance Anticipated	\$ 520,200	\$ 531,900	\$ 543,600	\$ 554,400	\$ 565,800
Miscellaneous Revenues	875,600	871,700	867,800	863,900	860,000
Receipts from Delinquent Taxes	180,000	180,000	180,000	180,000	180,000
Amount to be Raised by Taxes Allowed (Maximum)	4,324,055	4,501,421	4,670,503	4,870,385	5,069,831
Amount to be Raised by Taxes Additional Needed	1,294,445	1,381,979.20	1,336,997	1,420,615	1,550,369
Amount to be Raised by Taxes	5,618,500	5,883,400	6,007,500	6,291,000	6,620,200
Budget Totals	<u>\$ 7,194,300</u>	<u>\$ 7,467,000</u>	<u>\$ 7,598,900</u>	<u>\$ 7,889,300</u>	<u>\$ 8,226,000</u>

See Accompanying Summary of Significant Forecast Assumptions and Selected Accounting Policies

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
 Forecasted Summary Statements of Expenditures - Regulatory Basis
 For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2024</u>	<u>12/31/2025</u>	<u>12/31/2026</u>
OPERATIONS--WITHIN "CAPS"					
Total Operations --within "CAPS"	\$ 3,267,313	\$ 3,350,670	\$ 3,432,800	\$ 3,914,000	\$ 4,058,600
Detail:					
Salaries and Wages	1,415,050	1,437,070	1,439,300	1,836,200	1,891,900
Other Expenses (Including Contingent)	1,852,263	1,913,600	1,993,500	2,077,800	2,166,700
DEFERRED CHARGES AND STATUTORY EXPENDITURES --MUNICIPAL--WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	93,000	97,700	102,600	107,700.00	113,100.00
Social Security System (O.A.S.I.)	163,187	168,100	173,100	178,300	183,600
Police and Firemen's Retirement System	286,000	326,000	371,600	423,600	482,900
Unemployment Compensation	10,000	10,200	10,400	10,600	10,800
Defined Contribution Retirement Program	2,500	2,600	2,700	2,800	2,900
Total Deferred Charges and Statutory Expenditures--Municipal--Within "CAPS"	554,687	604,600	660,400	723,000	793,300
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN--"CAPS"	<u>3,822,000</u>	<u>3,955,270</u>	<u>4,093,200</u>	<u>4,637,000</u>	<u>4,851,900</u>

See Accompanying Summary of Significant Forecast Assumptions and Selected Accounting Policies

(Continued)

TOWNSHIP OF CHESTERFIELD
CURRENT FUND

Forecasted Summary Statements of Expenditures - Regulatory Basis
 For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2024</u>	<u>12/31/2025</u>	<u>12/31/2026</u>
<u>OPERATIONS--EXCLUDED FROM "CAPS"</u>					
Aid to Crosswicks Library	\$ 25,000	\$ 25,500	\$ 26,010	\$ 26,530	\$ 27,061
Reserve for Tax Appeals	3,000	3,060	3,121	3,184	3,247
Appropriation "CAP" Waiver (40A:4-45.3ee):					
Public Safety					
Police - Salary and Wages	583,000	611,130	660,400	316,300	314,800
Ambulance Service - Contractual	140,000	152,800	165,900	179,200	192,800
Shared Service Agreements	115,000	117,300	119,600	122,000	124,400
Public and Private Programs Off-set by Revenues	5,000				
Total Operations Excluded from "CAPS"	871,000	909,790	975,031	647,214	662,308
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>	25,000	25,000	175,000	25,000	25,000
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>	689,000	700,100	663,000	826,600	910,700
<u>DEFERRED CHARGES - MUNICIPAL--EXCLUDED FROM "CAPS"</u>				40,000	40,000
<u>RESERVE FOR UNCOLLECTED TAXES</u>	375,000	406,300	417,400	445,400	457,492
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 5,782,000</u>	<u>\$ 5,996,460</u>	<u>\$ 6,323,631</u>	<u>\$ 6,621,214</u>	<u>\$ 6,947,400</u>

See Accompanying Summary of Significant Forecast Assumptions and Selected Accounting Policies

(Continued)

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
 Forecasted Summary Statements of Expenditures - Regulatory Basis
 For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2027</u>	<u>12/31/2028</u>	<u>12/31/2029</u>	<u>12/31/2030</u>	<u>12/31/2031</u>
<u>OPERATIONS--WITHIN "CAPS"</u>					
Total Operations --within "CAPS"	\$ 4,209,600	\$ 4,368,400	\$ 4,534,100	\$ 4,708,500	\$ 4,890,200
Detail:					
Salaries and Wages	1,949,300	2,009,100	2,070,500	2,134,700	2,199,900
Other Expenses (Including Contingent)	2,260,300	2,359,300	2,463,600	2,573,800	2,690,300
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES --MUNICIPAL--WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	118,800	124,700	130,900	137,400	144,300
Social Security System (O.A.S.I.)	189,100	194,800	200,600	206,600	212,800
Police and Firemen's Retirement System	550,500	627,600	715,500	815,700	929,900
Unemployment Compensation	11,000	11,200	11,400	11,600	11,800
Defined Contribution Retirement Program	3,000	3,100	3,200	3,300	3,400
Total Deferred Charges and Statutory Expenditures--Municipal--Within "CAPS"	<u>872,400</u>	<u>961,400</u>	<u>1,061,600</u>	<u>1,174,600</u>	<u>1,302,200</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN--"CAPS"</u>	<u>5,082,000</u>	<u>5,329,800</u>	<u>5,595,700</u>	<u>5,883,100</u>	<u>6,192,400</u>

See Accompanying Summary of Significant Forecast Assumptions and Selected Accounting Policies

(Continued)

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
 Forecasted Summary Statements of Expenditures - Regulatory Basis
 For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2027</u>	<u>12/31/2028</u>	<u>12/31/2029</u>	<u>12/31/2030</u>	<u>12/31/2031</u>
OPERATIONS-- EXCLUDED FROM "CAPS"					
Aid to Crosswicks Library	\$ 27,602	\$ 28,154	\$ 28,717	\$ 29,291	\$ 29,877
Reserve for Tax Appeals	3,312	3,378	3,446	3,515	3,585
Appropriation "CAP" Waiver (40A:4-45.3ee):					
Public Safety	313,100	310,500	307,800	303,900	300,600
Police - Salary and Wages	206,700	220,800	235,200	249,900	264,900
Ambulance Service - Contractual	126,900	129,400	132,000	134,600	137,300
Shared Service Agreements					
Public and Private Programs Off-set by Revenues:					
Total Operations Excluded from "CAPS"	<u>677,614</u>	<u>692,233</u>	<u>707,163</u>	<u>721,206</u>	<u>736,263</u>
CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"	<u>901,000</u>	<u>899,700</u>	<u>741,000</u>	<u>757,700</u>	<u>757,000</u>
DEFERRED CHARGES - MUNICIPAL--EXCLUDED FROM "CAPS"	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
RESERVE FOR UNCOLLECTED TAXES	<u>468,686</u>	<u>480,267</u>	<u>490,037</u>	<u>502,294</u>	<u>515,337</u>
TOTAL GENERAL APPROPRIATIONS	<u>\$ 7,194,300</u>	<u>\$ 7,467,000</u>	<u>\$ 7,598,900</u>	<u>\$ 7,889,300</u>	<u>\$ 8,226,000</u>

See Accompanying Summary of Significant Forecast Assumptions and Selected Accounting Policies

TOWNSHIP OF CHESTERFIELD
Summary of Significant Forecast Assumptions and Selected Accounting Policies
For Each Year Ending December 31, 2022 through December 31, 2031

Note 1: NATURE OF THE FORECASTS

These compiled financial forecasts (the "forecasts") present, to the best of management's knowledge and belief, the Township of Chesterfield's (Township) expected Current Fund Forecasted Statements of Operations and Changes in Fund Balance - Regulatory Basis, Current Fund Forecasted Summary Statements of Revenues - Regulatory Basis, and Current Fund Forecasted Summary Statements of Expenditures - Regulatory Basis for each year ending December 31, 2022 through December 31, 2031. The assumptions disclosed herein, while not all-inclusive, are those that management believes are significant to the forecasts. Accordingly, the forecasts reflect management's judgement as of June 3, 2022, the date of these forecasts, of the expected conditions and its expected course of action. There usually will be differences between the forecasted amounts and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Management's rationale for the significant assumptions is that the Township will continue to maintain the level of service that it currently provides and expenditures will continue to increase at a similar rate as it has in the past couple of years.

The purpose of these forecasts is to assist the management of the Township to determine when the Township would not be able to support appropriations Outside the CAP by utilizing available fund balance in accordance with management's informal budgetary policy of fund balance utilized in subsequent budgets.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Chesterfield (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 21, 1798. The Township, located in Burlington County, New Jersey, has a total area of approximately twenty-two square miles, and is located approximately twenty-seven miles from the City of Philadelphia. The Township borders Bordentown, Mansfield, North Hanover, Springfield and Hamilton Townships. According to the 2020 census, the population is 9,422.

The Township is governed under the Township Committee form of government, with a five-member Committee. The Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Legislative and executive power is vested in the Committee.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The forecasts are prepared in accordance with the principles and practices established by the State of New Jersey, Department of Community Affairs, Division of Local Government Services (the "State") and 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 forecasts are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by the State. 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 that affect this forecast are explained in this note.

In the forecasts, the management of the Township has elected to omit the current fund statements of assets, liabilities, reserves and fund balance - regulatory basis as well as all of the statements related to the Township's trust, capital, utility operating, and utility capital funds. The statements of general fixed asset group of accounts is also omitted.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting - The Township 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 municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

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.

The Township's forecasts are prepared on the same basis of accounting utilized for the preparation of the Township's budget.

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.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased.

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.

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, the Township of Chesterfield School District, the Northern Burlington County Regional High School District, and the Township of Chesterfield Fire District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Chesterfield School District and the Northern Burlington County Regional High School District. For the local and regional high school districts, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2021 and decreased by the amount deferred at December 31, 2022.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the 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. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income. Management has selected to omit the lapse of any prior year appropriations in the forecasts as a revenue, even though the Township has lapsed prior year appropriations in each of the past years.

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

Note 3: CURRENT FUND FORECASTED STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

The following assumptions have been made by management related to the forecasted statements of operations and changes in fund balance - regulatory basis:

- Management has selected to omit the lapse of any prior year appropriations as a revenue.
- Management has estimated that the Township will receive \$75,000.00 per year in miscellaneous revenues not anticipated.
- Management has selected that fund balance will not be impacted by the creation or liquidation of interfunds, tax overpayments or senior citizens deductions and that no American Rescue Plan Funds or any other reserves in current fund or any other fund will be utilized unless otherwise noted.
- The amounts on the forecasted statement of operations and changes in fund balance - regulatory basis are affected by the assumptions described in notes 4 through 8.

Note 4: CURRENT FUND FORECASTED SUMMARY STATEMENTS OF REVENUES - REGULATORY BASIS

The following assumptions have been made by management related to the current fund forecasted summary statements of revenues - regulatory basis:

- The forecasted calculation assumes that the 2022 amounts are based on the adopted budget. From those numbers, the forecasted calculation assumes a 0% increase in revenue unless otherwise noted below.
- Fund balance anticipated was forecasted by management to keep the Township compliant within the levy cap calculation until 2024; and then utilizing 50% of available fund balance thereafter.
- Court revenues are projected to increase to \$50,000 in 2023 and increase 2% per year thereafter.
- Construction code revenues are projected to decrease \$5,000 per year.
- Public and private revenues off-set with appropriations for 2023 through 2031 were not forecasted due to unpredictability.
- Reserve for open space will be budgeted for \$40,000 per year until the balance is liquidated in 2024.
- Reserve for the payment of debt will be increased by \$40,000 beginning in 2024.
- The delinquent tax balance at the end of every year is assumed to be \$200,000 and that 90% of that balance will be collected in the subsequent year.
- The amount to be raised by taxes is determined by the forecasted calculations of reserve for uncollected taxes. See Note 6.

Note 5: CURRENT FUND FORECASTED SUMMARY STATEMENTS OF EXPENDITURES - REGULATORY BASIS

The following assumptions have been made by management related to the current fund forecasted summary statements of expenditures - regulatory basis. The forecasted calculation assumes that the 2022 amounts are based on the adopted budget. From those numbers, the forecasted calculation assumes the following:

- OPERATIONS--WITHIN "CAPS"
 - Salaries and Wages
 - 3.0% increase per year for Police salaries and wages.
 - 2.0% for all other salaries and wages.
 - It is assumed that there will be no significant changes in salary due to retirements.
 - Other Expenses (Including Contingent)
 - 2.0% increase for other expenses unless otherwise noted below.
 - 7.5% increase per year for liability insurance.
 - 5.0% increase per year for workers compensation insurance.
 - 5.0% increase per year for group plan for employees.
 - Acquisition of police car is assumed to be \$75,000 for 2023 through 2031.
 - 10.0% increase per year for road repair and maintenance - other expenses.
 - 7.0% increase per year for road repair and maintenance - vehicle maintenance.
 - 5.0% increase per year for Parks and Playgrounds - Other Expense.
 - 4.0% increase per year for Electricity.
 - 5.0% increase per year for Street Lighting.
 - 6.0% increase per year for Telecommunications.
- DEFERRED CHARGES AND STATUTORY EXPENDITURES --MUNICIPAL--WITHIN "CAPS"
 - 5.0% increase per year for Public Employees Retirement System.
 - 3.0% increase per year for Social Security System (O.A.S.I.).
 - 14.0% increase per year for Police and Firemen's Retirement System.
 - 2.0% increase for Unemployment Compensation & Defined Contribution Retirement Program.
- OPERATIONS-- EXCLUDED FROM "CAPS"
 - 2.0% increase for Aid to Crosswicks Library and Reserve for Tax Appeals.
 - Cap Waiver Law remains the same from 2022 to 2031.
 - Amounts for Police - Salary and Wages excluded from Cap were adjusted to stay within the Levy Cap calculation until 2024; and then including the maximum allowed within the Cap Waiver Law.
 - 2% increase plus an additional 10k per year for Ambulance Service – Contractual.
 - 2.0% increase for Shared Service Agreements.
 - Public and Private Programs Off-set by Revenues were not forecasted due to unpredictability.
- CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"
 - Capital Improvement will be budgeted at \$25,000 per year except for 2024, where an additional \$150,000 will be included for an anticipated project.

Note 5: CURRENT FUND FORECASTED SUMMARY STATEMENTS OF EXPENDITURES - REGULATORY BASIS (CONT'D)

The following assumptions have been made by management related to the current fund forecasted summary statements of expenditures - regulatory basis. The forecasted calculation assumes that the 2022 amounts are based on the adopted budget. From those numbers, the forecasted calculation assumes the following (Cont'd):

- **MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"**
 - Amounts from the Township's existing debt service schedule were utilized for payment of bond principal and interest on bonds.
 - The existing note principal, less a paydown of \$87,500.00 in 2025, and a future debt authorization of \$3,200,000 will be permanently financed in 2025 and factored into the debt service budget beginning in 2026.
 - The projected debt service is assumed to be a conforming schedule over 20 years with an interest rate of 4.00%.
 - It is assumed that an additional \$200,000 in authorizations will be issued every 3 years and note principal paid off 10 years after authorization with paydown beginning once legally required.
 - An interest rate of 2.5% is assumed for all notes issued.
- **DEFERRED CHARGES – MUNICIPAL -- EXCLUDED FROM "CAPS"**
 - A special emergency for revaluation is anticipated in the amount of \$200,000 in 2024. The deferred charge will be funded equally over the following 5 years.
- **RESERVE FOR UNCOLLECTED TAXES**
 - Amounts for the Reserve for Uncollected Taxes were calculated on the Forecasted Calculation of Reserve for Uncollected Taxes.

Note 6: FORECASTED CALCULATIONS OF RESERVE FOR UNCOLLECTED TAXES

The forecasted calculation assumes a 2% increase per year for Local District School Tax, Regional High School Tax, County Tax and Special District Tax. Additionally, the anticipated collection percentage is 98.59% for 2022; and 98.50% for 2023 through 2031. See Exhibit SA-1.

Note 7: FORECASTED CALCULATIONS OF APPROPRIATIONS WITHIN "CAPS"

The forecasted calculation assumes that the appropriation cap calculation remains the same as it exists in 2022, that the cost of living adjustment will be 3.5%, that there will be no exclusions for health insurance, there will be no new ratables and that no cap bank will be utilized during the forecast period. See Exhibit SA-2.

Note 8: FORECASTED CALCULATIONS OF LEVY CAP

The forecasted calculation assumes that the levy cap calculation remains the same as it exists in 2022, that there will be no exclusions other than pension, capital improvement and debt service, there will be no new ratables and that no cap bank will be utilized during the forecast period. See Exhibit SA-3.

SUPPLEMENTARY INFORMATION

TOWNSHIP OF CHESTERFIELD
CURRENT FUND

Forecasted Calculations of Reserve for Uncollected Taxes
For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2024</u>	<u>12/31/2025</u>	<u>12/31/2026</u>
Total General Appropriations	\$ 5,407,000	\$ 5,590,160	\$ 5,906,231	\$ 6,175,814	\$ 6,489,908
Local District School Tax	12,011,800	12,252,000	12,497,000	12,747,000	13,002,000
Regional High School Tax	6,657,800	6,791,000	6,927,000	7,066,000	7,207,000
County Tax	3,442,100	3,511,000	3,581,000	3,653,000	3,726,000
Special District Tax	1,095,800	1,118,000	1,140,000	1,163,000	1,186,000
Total General Appropriations & Other Taxes	28,614,500	29,262,160	30,051,231	30,804,814	31,610,908
Less: Total Anticipated Revenues	2,478,500	2,579,500	2,646,700	1,559,000	1,567,400
Cash Required	26,136,000	26,682,660	27,404,531	29,245,814	30,043,508
Anticipated Collection Percentage	98.59%	98.50%	98.50%	98.50%	98.50%
Amount to be Raised by Taxation	\$ 26,511,000	\$ 27,089,000	\$ 27,821,900	\$ 29,691,200	\$ 30,501,000
Appropriation "Reserve for Uncollected Taxes"	\$ 375,000	\$ 406,300	\$ 417,400	\$ 445,400	\$ 457,492
Amount to be Raised by Taxation in Municipal Budget	\$ 3,303,500	\$ 3,416,960	\$ 3,676,931	\$ 5,062,214	\$ 5,380,000

TOWNSHIP OF CHESTERFIELD
CURRENT FUND

Forecasted Calculations of Reserve for Uncollected Taxes
For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2027</u>	<u>12/31/2028</u>	<u>12/31/2029</u>	<u>12/31/2030</u>	<u>12/31/2031</u>
Total General Appropriations	\$ 6,725,614	\$ 6,986,733	\$ 7,108,863	\$ 7,387,006	\$ 7,710,663
Local District School Tax	13,262,000	13,527,000	13,798,000	14,074,000	14,355,000
Regional High School Tax	7,351,000	7,498,000	7,648,000	7,801,000	7,957,000
County Tax	3,801,000	3,877,000	3,955,000	4,034,000	4,115,000
Special District Tax	1,210,000	1,234,000	1,259,000	1,284,000	1,310,000
Total General Appropriations & Other Taxes	32,349,614	33,122,733	33,768,863	34,580,006	35,447,663
Less: Total Anticipated Revenues	1,575,800	1,583,600	1,591,400	1,598,300	1,605,800
Cash Required	30,773,814	31,539,133	32,177,463	32,981,706	33,841,863
Anticipated Collection Percentage	98.50%	98.50%	98.50%	98.50%	98.50%
Amount to be Raised by Taxation	<u>\$ 31,242,500</u>	<u>\$ 32,019,400</u>	<u>\$ 32,667,500</u>	<u>\$ 33,484,000</u>	<u>\$ 34,357,200</u>
Appropriation "Reserve for Uncollected Taxes"	<u>\$ 468,686</u>	<u>\$ 480,267</u>	<u>\$ 490,037</u>	<u>\$ 502,294</u>	<u>\$ 515,337</u>
Amount to be Raised by Taxation in Municipal Budget	<u>\$ 5,618,500</u>	<u>\$ 5,883,400</u>	<u>\$ 6,007,500</u>	<u>\$ 6,291,000</u>	<u>\$ 6,620,200</u>

TOWNSHIP OF CHESTERFIELD
CURRENT FUND

Forecasted Calculations of Appropriations within "CAPS"
For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2024</u>	<u>12/31/2025</u>	<u>12/31/2026</u>
Total General Appropriations	\$ 5,439,000	\$ 5,782,000	\$ 5,996,460	\$ 6,323,631	\$ 6,621,214
Exceptions					
Total Other Operations	691,000	751,000	792,490	855,431	525,214
Total Interlocal Service Agreement	115,000	115,000	117,300	119,600	122,000
Total Capital Improvements	25,000	25,000	25,000	175,000	25,000
Total Debt Service	540,000	689,000	700,100	663,000	826,600
Total Public & Private Programs	6,339	5,000			40,000
Total Deferred Charges					445,400
Reserve for Uncollected Taxes	390,000	375,000	406,300	417,400	4,637,000
Amount on Which CAP is Applied	3,671,661	3,822,000	3,955,270	4,093,200	4,637,000
COLA Adjustment (with COLA Ordinance)	128,508	133,770	138,434	143,262	162,295
Maximum Appropriations within "CAPS"	3,822,460	3,955,770	4,093,704	4,236,462	4,799,295
Total General Appropriations within "CAPS"	<u>3,822,000</u>	<u>3,955,270</u>	<u>4,093,200</u>	<u>4,637,000</u>	<u>4,851,900</u>
Remaining CAP Appropriations	<u>\$ 460</u>	<u>\$ 500</u>	<u>\$ 504</u>	<u>\$ (400,538)</u>	<u>\$ (52,605)</u>

(Continued)

TOWNSHIP OF CHESTERFIELD
CURRENT FUND

Forecasted Calculations of Appropriations within "CAPS"
For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2027</u>	<u>12/31/2028</u>	<u>12/31/2029</u>	<u>12/31/2030</u>	<u>12/31/2031</u>
Total General Appropriations	\$ 6,947,400	\$ 7,194,300	\$ 7,467,000	\$ 7,598,900	\$ 7,889,300
Exceptions					
Total Other Operations	537,908	550,714	562,833	575,163	586,606
Total Interlocal Service Agreement	124,400	126,900	129,400	132,000	134,600
Total Capital Improvements	25,000	25,000	25,000	25,000	25,000
Total Debt Service	910,700	901,000	899,700	741,000	757,700
Total Public & Private Programs	40,000	40,000	40,000	40,000	40,000
Total Deferred Charges	457,492	468,686	480,267	490,037	502,294
Reserve for Uncollected Taxes					
Amount on Which CAP is Applied	4,851,900	5,082,000	5,329,800	5,595,700	5,883,100
COLA Adjustment (with COLA Ordinance)	169,817	177,870	186,543	195,850	205,909
Maximum Appropriations within "CAPS"	5,021,717	5,259,870	5,516,343	5,791,550	6,089,009
Total General Appropriations within "CAPS"	<u>5,082,000</u>	<u>5,329,800</u>	<u>5,595,700</u>	<u>5,883,100</u>	<u>6,192,400</u>
Remaining CAP Appropriations	<u>\$ (60,283)</u>	<u>\$ (69,930)</u>	<u>\$ (79,357)</u>	<u>\$ (91,550)</u>	<u>\$ (103,391)</u>

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
 Forecasted Calculations of Levy Cap
 For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2024</u>	<u>12/31/2025</u>	<u>12/31/2026</u>
Amount to be Raised by Taxation	\$ 3,042,820	\$ 3,303,500	\$ 3,416,960	\$ 3,676,931	\$ 5,062,214
Less Adjustments					
Net Levy for Municipal Purpose Tax for CAP Calculation	3,042,820	3,303,500	3,416,960	3,676,931	5,062,214
Plus 2% CAP Increase	60,856	66,070	68,339	73,539	101,244
Adjusted Tax Levy Prior To Exclusions	3,103,676	3,369,570	3,485,299	3,750,470	5,163,458
Exclusions:					
Allowable Pension Obligations Increases					
PERS		2,840	2,946	3,048	3,246
PFRS	29,520	34,280	39,080	44,568	50,828
Allowable Capital Improvement Increase			150,000		
Allowable Debt Service and Capital Leases Inc.	149,280	11,100		163,600	84,100
Total Exclusions	200,070	48,220	192,026	211,216	138,174
Adjusted Tax Levy	3,303,746	3,417,790	3,677,325	3,961,686	5,301,632
Amount To Be Raised By Taxation For Municipal Purposes	3,303,500	3,416,960	3,676,931	5,062,214	5,380,000
Over Or (Under) 2% Levy Cap	\$ (246)	\$ (830)	\$ (394)	\$ 1,100,528	\$ 78,368

(Continued)

TOWNSHIP OF CHESTERFIELD
CURRENT FUND

Forecasted Calculations of Levy Cap
For Each Year Ending December 31, 2022 through December 31, 2031

	<u>12/31/2027</u>	<u>12/31/2028</u>	<u>12/31/2029</u>	<u>12/31/2030</u>	<u>12/31/2031</u>
Amount to be Raised by Taxation	\$ 5,380,000	\$ 5,618,500	\$ 5,883,400	\$ 6,007,500	\$ 6,291,000
Less Adjustments					
Net Levy for Municipal Purpose Tax for CAP Calculation	5,380,000	5,618,500	5,883,400	6,007,500	6,291,000
Plus 2% CAP Increase	107,600	112,370	117,668	120,150	125,820
Adjusted Tax Levy Prior To Exclusions	5,487,600	5,730,870	6,001,068	6,127,650	6,416,820
Exclusions:					
Allowable Pension Obligations Increases					
PERS	3,438	3,524	3,706	3,882	4,152
PFRS	57,942	66,090	75,348	85,890	97,886
Allowable Capital Improvement Increase					
Allowable Debt Service and Capital Leases Inc.				16,700	
Total Exclusions	61,380	90,884	79,054	106,472	102,038
Adjusted Tax Levy	5,548,980	5,821,754	6,080,122	6,234,122	6,518,858
Amount To Be Raised By Taxation For Municipal Purposes	5,618,500	5,883,400	6,007,500	6,291,000	6,620,200
Over Or (Under) 2% Levy Cap	\$ 69,520	\$ 61,646	\$ (72,622)	\$ 56,878	\$ 101,342