

Report of Audit

on the

Financial Statements

of the

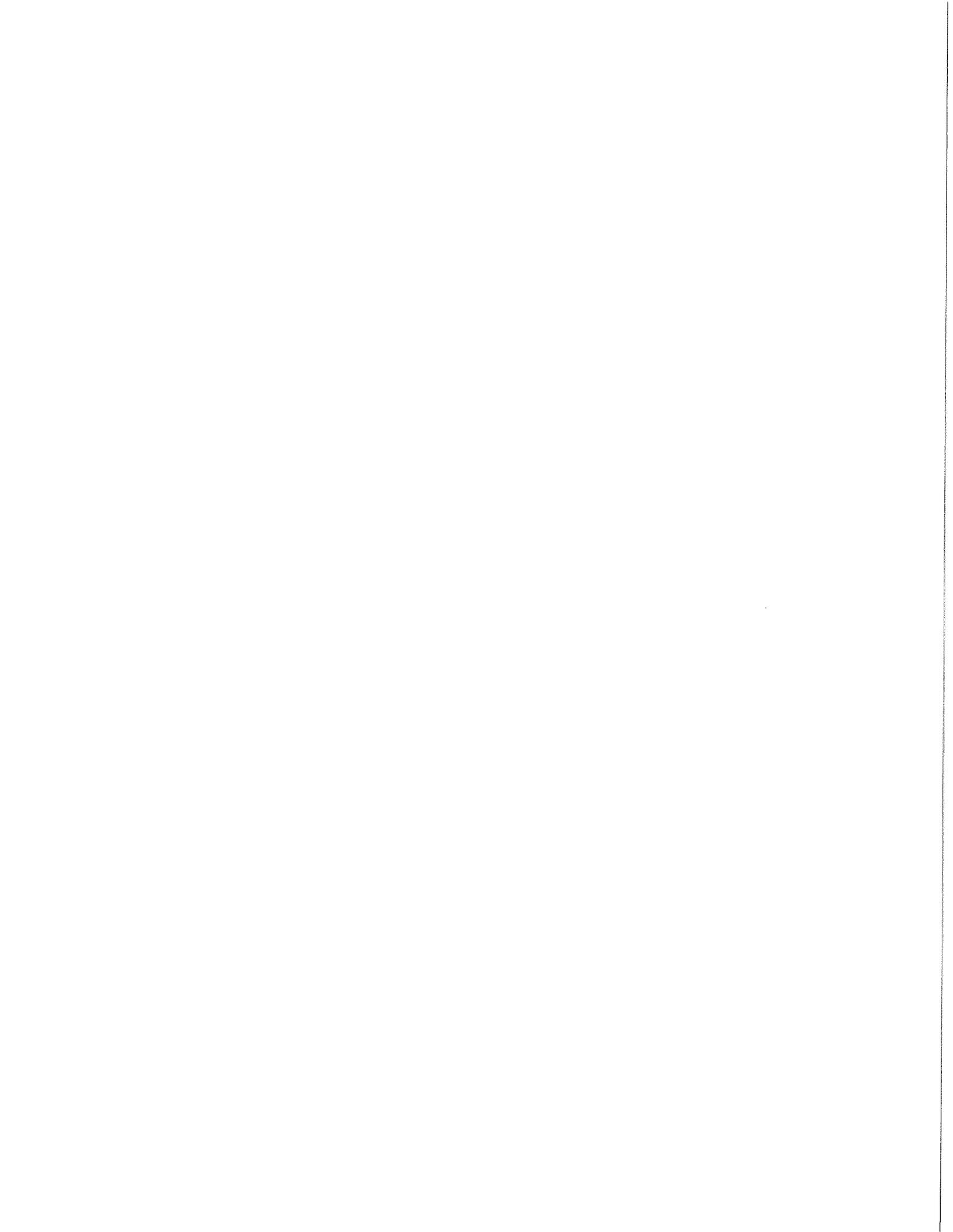
Township of Bridgewater

in the

County of Somerset
New Jersey

for the

Year Ended
December 31, 2017



TOWNSHIP OF BRIDGEWATER

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TOWNSHIP OF BRIDGEWATER

PART I

INDEPENDENT AUDITOR'S REPORT ON
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YEAR ENDED DECEMBER 31, 2017 AND 2016



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Bridgewater
County of Somerset
Bridgewater, New Jersey 08807

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Bridgewater, as of December 31, 2017 and 2016, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the regulatory financial statements are free of material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township of Bridgewater's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Bridgewater's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the regulatory financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township of Bridgewater on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township of Bridgewater as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2017.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets of the various individual funds and account group as of December 31, 2017 and 2016, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2017 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters

Other Information

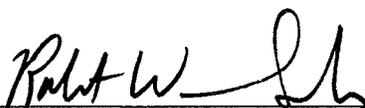
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Bridgewater's regulatory financial statements. The supplementary information and data listed in the table of contents as required by the Division of Local Government Services,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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2018 on our consideration of the Township of Bridgewater's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Bridgewater's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

April 23, 2018



SUPLEE, CLOONEY & COMPANY

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

The Honorable Mayor and Members
of the Township Council
Township of Bridgewater
County of Somerset
Bridgewater, New Jersey 08807

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Bridgewater, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated April 23, 2018. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Bridgewater prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

April 23, 2018

CURRENT FUND

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>ASSETS</u>			
Cash	A-4	\$ 23,385,536.73	\$ 12,885,427.35
Change Fund	A-6	410.00	410.00
Due State of New Jersey - Senior Citizens and Veterans	A-7	251,551.77	222,329.99
		<u>\$ 23,637,498.50</u>	<u>\$ 13,108,167.34</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 1,030,241.29	\$ 902,724.34
Tax Title Liens Receivable	A-9	213,388.82	190,406.94
Property Acquired for Taxes - Assessed Valuation	A-10	422,300.00	422,300.00
Revenue Accounts Receivable	A-13	28,097.55	19,174.73
Interfunds Receivable	A-12	2,217,469.15	1,128,388.44
	A	<u>\$ 3,911,496.81</u>	<u>\$ 2,662,994.45</u>
	A	<u>\$ 27,548,995.31</u>	<u>\$ 15,771,161.79</u>
Grant Fund:			
Cash	A-4	\$ 598,898.83	\$ 334,663.32
Grants Receivable	A-25	367,926.15	215,569.79
	A	<u>\$ 966,824.98</u>	<u>\$ 550,233.11</u>
	A	<u>\$ 28,515,820.29</u>	<u>\$ 16,321,394.90</u>

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

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>				
Appropriations Reserves	A-3:A-14	\$ 1,182,504.41	\$	2,157,531.96
Prepaid Taxes	A-18	13,561,829.94		1,496,445.59
Accounts Payable	A-11	1,629,047.18		1,009,544.99
Tax Overpayments	A-17	19,836.04		139,316.73
Interfunds Payable	A-12	23,836.52		1,118,189.13
Reserve For:				
Sale of Municipal Assets	A-19	261.03		261.03
Marriage Licenses - Due State of NJ	A-27	1,025.00		1,050.00
Construction Code DCA - Due State of New Jersey	A-16	34,453.00		69,018.00
Insurance Damage	A-32	7,147.71		7,147.71
County Taxes Payable	A-20	162,974.42		44,547.21
Regional School Taxes Payable	A-21	0.50		214,704.84
Fire District Taxes Payable	A22	466.99		
Tax Appeals	A-15	596,148.88		647,543.08
Storm Damage - FEMA	A-26	213,211.47		213,497.28
State Library	A-31	6,843.00		4,885.00
		\$ 17,439,586.09	\$	7,123,682.55
Reserve for Receivables and Other Assets	A	3,911,496.81		2,662,994.45
Fund Balance	A-1	6,197,912.41		5,984,484.79
	A	\$ 27,548,995.31	\$	15,771,161.79
Grant Fund:				
Reserve for Grants - Unappropriated	A-24	\$ 131,277.09	\$	0.73
Reserve for Grants - Appropriated	A-23	748,037.15		429,115.15
Due Current Fund	A-29	500.00		3,850.00
Due Other Trust Fund	A-30			2,500.00
Accounts Payable	A-28	87,010.74		114,767.23
	A	\$ 966,824.98	\$	550,233.11
	A	\$ 28,515,820.29	\$	16,321,394.90

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

TOWNSHIP OF BRIDGEWATERCURRENT FUNDSTATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2017</u>	<u>YEAR ENDED DECEMBER 31, 2016</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 4,126,020.57	\$ 3,441,276.97
Miscellaneous Revenue Anticipated	A-2	17,935,531.72	15,315,824.06
Receipts From Delinquent Taxes	A-2	922,105.67	1,066,421.79
Receipts From Current Taxes	A-2	181,418,617.34	177,026,988.88
Non-Budget Revenue	A-2	706,121.76	606,634.10
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	1,106,640.96	1,364,075.62
Accounts Payable Canceled	A-11	58,288.14	44,627.43
Reserves Canceled			5,041.33
Tax Overpayments Canceled		108,943.36	43,224.04
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 206,382,269.52</u>	<u>\$ 198,914,114.22</u>
<u>EXPENDITURES</u>			
Budget Appropriations	A-3	\$ 40,909,551.14	\$ 37,729,608.65
Special Fire District Taxes	A-22	2,456,295.00	2,404,516.00
County Taxes	A-20	36,414,694.93	35,332,942.35
Regional School District Taxes	A-21	121,165,271.00	118,313,892.00
Canceled Receivables	A-25		1,191.33
Refund of Prior Year Revenue- Tax Overpayments	A-17	7,428.55	
Refund of Prior Year Revenue	A-4	500.00	8,041.46
Interfunds Advanced		1,089,080.71	1,118,350.93
<u>TOTAL EXPENDITURES</u>		<u>\$ 202,042,821.33</u>	<u>\$ 194,908,542.72</u>
Excess in Revenue		\$ 4,339,448.19	\$ 4,005,571.50
Fund Balance, January 1	A	5,984,484.79	5,420,190.26
		<u>\$ 10,323,932.98</u>	<u>\$ 9,425,761.76</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>4,126,020.57</u>	<u>3,441,276.97</u>
Fund Balance, December 31	A	<u>\$ 6,197,912.41</u>	<u>\$ 5,984,484.79</u>

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

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	ANTICIPATED BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 4,126,020.57	\$ 4,126,020.57	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-13	\$ 86,000.00	\$ 87,252.00	\$ 1,252.00
Other	A-2	31,000.00	37,921.00	6,921.00
Fees and Permits:				
Construction Code Official	A-2	2,000,000.00	2,473,967.40	473,967.40
Other	A-2	405,000.00	493,106.74	88,106.74
Municipal Court:				
Fines and Costs	A-13	354,000.00	433,108.94	79,108.94
Interest and Costs on Taxes	A-13	260,000.00	265,810.30	5,810.30
Interest on Investments and Deposits	A-13	120,000.00	193,619.69	73,619.69
Recreation Fees	A-2	190,000.00	189,429.39	(570.61)
Consolidated Municipal Property Tax Relief Aid	A-13	40,830.00	40,830.00	
Energy Receipts Tax	A-13	5,859,349.00	5,859,349.00	
Garden State Trust Fund	A-13	4,082.00	4,082.00	
Joint Services with County Library	A-13	290,304.97	198,658.81	(91,646.16)
Public Assistance Services with County	A-13	22,920.00	22,920.00	
Shared Municipal Court	A-13	190,000.00	194,016.20	4,016.20
Shared Resource Officer BOE	A-13	108,000.00	116,474.97	8,474.97
Recycling Tonnage Grant	A-25	56,478.92	56,478.92	
Safe & Secure Communities	A-25	60,000.00	60,000.00	
Clean Communities Program	A-25		97,176.80	97,176.80
Municipal Alliance on Alcoholism and Drug Use	A-25		36,208.25	36,208.25
Youth Services Program	A-25		9,000.00	9,000.00
Body Armor Replacement Fund	A-25		6,686.57	6,686.57
Federal Bulletproof Vest	A-25		8,769.02	8,769.02
Environmental Program	A-25		6,500.00	6,500.00
Alcohol Education Rehabilitation Program	A-25		1,222.46	1,222.46
Highway Safety Grant	A-25	67,662.96	67,662.96	
Municipal Aid Program - Country Club Road	A-25		200,000.00	200,000.00
Municipal Aid Program - Talamini Road	A-25		200,000.00	200,000.00
Life Hazard Use Fees	A-13	135,000.00	131,497.59	(3,502.41)
Suburban Cablevision Franchise Fee	A-13	595,000.00	591,679.31	(3,320.69)
Payment in Lieu of Taxes - Centerbridge I	A-13	102,000.00	117,798.93	15,798.93
Payment in Lieu of Taxes - Centerbridge II	A-13	140,000.00	124,530.08	(15,469.92)
Bridgewater Commons Rent and Royalty - In Lieu of Taxes	A-13	2,100,000.00	2,254,357.11	154,357.11
Host Benefit Fees	A-13	215,000.00	254,143.22	39,143.22
Reserve for Capital Projects	A-13	1,606,354.75	1,606,354.75	
Hotel and Motel Tax	A-13	900,000.00	987,695.17	87,695.17
Debt Service Reimbursement - Open Space Trust Fund	A-13	63,478.89	63,478.89	
Reliable Recycling	A-13	50,000.00	50,100.00	100.00
Cell Tower Revenue	A-13	2,989.83		(2,989.83)
Reserve for Payment of Debt Service	A-13	193,645.25	193,645.25	
Storm Reimbursement	A-26	200,000.00	200,000.00	
Total Miscellaneous Revenues	A-1	\$ 16,449,096.57	\$ 17,935,531.72	\$ 920,872.05
Receipts From Delinquent Taxes	A-1	\$ 850,000.00	\$ 922,105.67	\$ 72,105.67
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2	\$ 21,739,358.92	\$ 24,124,941.09	\$ 2,385,582.17
BUDGET TOTALS		\$ 43,164,476.06	\$ 47,108,599.05	\$ 3,378,559.89
Non-Budget Revenues	A-2		706,121.76	706,121.76
		\$ 43,164,476.06	\$ 47,814,720.81	\$ 4,084,681.65
REF.	A-3		A-3	

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

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Collections	A-1:A-8	\$ 181,418,617.34
Allocated To:		
County Taxes	A-8	36,414,694.93
Regional School District Taxes	A-8	121,165,271.00
Special Fire District Taxes	A-8	2,456,295.00
		\$ <u>160,036,260.93</u>
Balance for Support of Municipal Budget Appropriations		\$ 21,382,356.41
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,742,584.68</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>24,124,941.09</u></u>
Licenses - Other:		
Clerk		\$ 8,165.00
Health Officer		29,150.00
Registrar		<u>606.00</u>
	A-2:A-13	\$ <u><u>37,921.00</u></u>
Other - Fees and Permits:		
Board of Health		\$ 4,325.00
Police		109,259.93
Planning		117,670.00
Registrar		13,835.00
Engineering		48,168.63
Tax Assessor		980.00
Board of Adjustment		11,050.00
Township Clerk		212.18
Fire		181,718.00
Zoning		<u>5,958.00</u>
	A-13	\$ <u>493,176.74</u>
Less: Refunds	A-4	<u>70.00</u>
	A-2	\$ <u><u>493,106.74</u></u>
Recreation Fees	A-13	\$ 193,264.39
Less: Refunds	A-4	<u>3,835.00</u>
	A-2	\$ <u><u>189,429.39</u></u>

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

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

REF.

Uniform Construction Code Fees	A-13	\$	2,475,150.00
Less: Refunds	A-4		<u>1,182.60</u>
	A-2	\$	<u><u>2,473,967.40</u></u>

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:			
Engineering - Road Openings/Bid Specs		\$	2,420.00
JIF Award			72,620.00
Refund of Prior Year Expenses			69,176.63
Refund of Closed Assessments			47,933.54
Bad Check Fees			400.00
Police Outside Overtime Administrative Fees			189,675.81
Police Outside Overtime Car Usage			101,780.00
Senior Citizens and Veterans Administrative Fees			5,156.43
Refuse Revenue			492.54
DMV Inspection Fines			1,625.00
Homestead Rebate Mailing Reimbursement			1,644.00
Tax Collector			
Miscellaneous			<u>200,250.30</u>
	A-4		693,174.25
Excess Reserve for Animal Expenditures	A-12		<u>8,556.26</u>
<u>Total Non-Budget Revenue</u>	A-1:A-2	\$	<u><u>701,730.51</u></u>

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

TOWNSHIP OF BRIDGEWATER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
MAYOR'S OFFICE:					
Salaries and Wages	\$ 49,500.00	\$ 50,000.00	\$ 49,968.81	\$ 31.19	\$
Other Expenses	3,040.94	3,040.94	3,015.12	25.82	
ADMINISTRATION:					
Salaries and Wages	164,707.00	164,707.10	164,707.04	0.06	
Other Expenses	21,670.40	21,670.40	21,217.38	453.02	
ECONOMIC DEVELOPMENT:					
Salaries and Wages	85,265.30	85,265.30	85,265.29	0.01	
Other Expenses	299.11	299.11	75.00	224.11	
TOWNSHIP COUNCIL:					
Salaries and Wages	27,000.00	27,000.25	27,000.06	0.19	
Other Expenses	8,476.82	8,476.82	8,191.39	285.43	
PERSONNEL OFFICE:					
Salaries and Wages	108,496.13	108,496.33	108,496.28	0.05	
Other Expenses	16,530.72	13,530.72	9,288.97	4,241.75	
PURCHASING DEPARTMENT:					
Salaries and Wages	71,731.19	71,731.19	70,958.09	773.10	
Other Expenses	28,125.00	28,125.00	27,970.97	154.03	
IT DEPARTMENT:					
Salaries and Wages	112,969.03	114,069.03	114,000.79	68.24	
Other Expenses	37,241.08	37,241.08	37,203.10	37.98	
TOWNSHIP CLERK:					
Salaries and Wages	157,747.56	157,867.56	157,864.12	3.44	
Other Expenses	15,284.85	15,284.85	14,495.77	789.08	
ELECTIONS:					
Other Expenses	13,370.58	13,810.30	13,810.30		
FINANCE DIRECTOR'S OFFICE					
Salaries and Wages	92,713.69	92,714.04	92,713.96	0.08	
Other Expenses	3,565.80	3,565.80	3,517.80	48.00	
DIVISION OF TREASURY:					
Salaries and Wages	172,673.34	164,259.72	161,020.44	3,239.28	
Other Expenses	54,999.67	41,999.67	41,906.24	93.43	
Audit	58,500.00	53,500.00	53,330.00	170.00	
TAX COLLECTION:					
Salaries and Wages	93,570.03	93,570.03	93,372.04	197.99	
Other Expenses	29,592.00	29,592.00	29,525.95	66.05	
TAX ASSESSMENT:					
Salaries and Wages	175,666.79	170,666.79	165,946.76	4,720.03	
Other Expenses	69,700.00	74,200.00	74,200.00		
Reassessment Program	59,550.00	59,550.00	59,400.00	150.00	
LEGAL OFFICE:					
Salaries and Wages	10,612.08	10,612.08	10,460.16	151.92	
Other Expenses	710,000.00	688,817.13	606,766.50	82,050.63	
INSURANCE:					
Employee Group Insurance	4,784,909.28	4,934,909.28	4,766,941.31	167,967.97	
Other Insurance Premiums	770,000.00	740,100.00	740,073.50	26.50	
Health Benefits Waiver	15,090.72	15,090.72	14,090.06	1,000.66	
ENGINEERING DIRECTOR'S OFFICE:					
Salaries and Wages	65,025.00	65,025.00	65,024.95	0.05	
Other Expenses	2,500.00	2,500.00	2,435.92	64.08	
ENGINEERING:					
Salaries and Wages	246,519.83	246,519.83	239,204.76	7,315.07	
Other Expenses	9,810.67	9,810.67	9,798.67	12.00	
BOARD OF ADJUSTMENT/ZONING:					
Salaries and Wages	60,958.25	62,558.25	61,238.23	1,320.02	
Other Expenses	19,850.00	19,850.00	18,966.24	883.76	
DIVISION OF PLANNING:					
Salaries and Wages	40,242.28	40,242.28	37,879.78	2,362.50	
Other Expenses	61,650.00	51,650.00	39,217.86	12,432.14	
PLANNING BOARD:					
Other Expenses	20,680.00	20,680.00	16,643.49	4,036.51	
POLICE:					
Salaries and Wages	8,577,512.82	8,527,512.82	8,280,598.87	246,913.95	
Other Expenses	368,606.50	394,966.50	394,361.03	605.47	
OFFICE OF EMERGENCY MANAGEMENT:					
Salaries and Wages	7,400.00	7,400.00	6,200.00	1,200.00	
Other Expenses	810.00	1,460.00	1,267.24	192.76	
FIRE SAFETY:					
Salaries and Wages	188,158.99	138,158.99	120,919.02	17,239.97	
Other Expenses	2,826.85	2,826.85	2,826.85		
FIRE HYDRANT SERVICES:					
Other Expenses	864,531.36	869,531.36	869,531.36		
FIRST AID ORGANIZATION CONTRIBUTION:					
Other Expenses	50,000.00	50,000.00	50,000.00		
MUNICIPAL COURT:					
Salaries and Wages	221,474.91	201,474.91	201,474.91		
Other Expenses	45,285.66	45,285.66	39,143.66	6,142.00	
PUBLIC DEFENDER:					
Other Expenses	9,918.79	9,918.79	9,918.79		
ROAD REPAIRS AND MAINTENANCE:					
Salaries and Wages	1,264,225.43	1,214,225.43	1,191,213.60	23,011.83	
Other Expenses	402,300.00	402,300.00	402,180.05	119.95	

TOWNSHIP OF BRIDGEWATER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
VEHICLE MAINTENANCE:					
Salaries and Wages	\$ 365,911.27	\$ 345,911.27	\$ 325,446.06	\$ 20,465.21	\$
Other Expenses	150,988.73	150,988.73	150,196.25	792.48	
RECYCLING:					
Other Expenses	343,522.00	344,252.00	344,248.78	3.22	
SNOW REMOVAL:					
Salaries and Wages	200,000.00	200,000.00	130,278.57	69,721.43	
Other Expenses	450,000.00	450,000.00	351,851.81	98,148.19	
CONTRACT WITH REGIONAL BOARD OF EDUCATION FOR TRANSPORTATION OF LOCAL PUPILS (N.J.S. 18a:39-1.2)	239,251.00	239,251.00	239,251.00		
PARK MAINTENANCE:					
Salaries and Wages	792,221.76	782,221.76	767,631.24	14,590.52	
Other Expenses	63,000.00	63,000.00	62,959.87	40.13	
MUNICIPAL SERVICES REIMBURSEMENT-CONDOMINIUMS:					
Other Expenses	100,000.00	100,000.00	1,482.79	98,517.21	
PUBLIC BUILDINGS AND GROUNDS:					
Salaries and Wages	347,895.07	347,895.07	337,827.77	10,067.30	
Other Expenses	219,950.00	219,950.00	219,773.13	176.87	
DIRECTOR'S OFFICE:					
Salaries and Wages	106,471.41	106,471.41	102,035.08	4,436.33	
Other Expenses	877.81	877.81	841.48	36.33	
DIVISION OF HEALTH:					
Salaries and Wages	207,044.91	207,044.91	200,798.88	6,246.03	
Other Expenses	9,865.00	9,865.00	8,947.72	917.28	
ADMINISTRATION OF PUBLIC ASSISTANCE:					
Salaries and Wages	22,967.20	23,977.20	23,967.23	9.97	
Other Expenses	595.13	595.13	506.00	89.13	
VISITING NURSES SERVICES - CONTRIBUTION	16,861.94	11,861.94	11,659.00	202.94	
CONTRIBUTION TO SOMERSET REGIONAL CENTER PARTNERSHIP	10,910.67	10,910.67	10,890.00	20.67	
ENVIRONMENTAL COMMISSION (N.J.S. 40:56a-1 et seq):					
Other Expenses	952.20	952.20	827.82	124.38	
SENIOR CITIZEN SERVICES:					
Salaries and Wages	103,231.96	93,231.96	88,067.50	5,164.46	
Other Expenses	26,300.00	26,300.00	26,057.35	242.65	
DIVISION OF RECREATION:					
Salaries and Wages	439,863.86	429,863.86	417,317.33	12,546.53	
Other Expenses	95,982.00	95,982.00	95,584.02	397.98	
BRANCH LIBRARY:					
Salaries and Wages	75,420.00	75,420.00	39,628.04		35,791.96
Other Expenses	188,939.93	168,939.93	162,407.61	6,532.32	
GREEN BROOK FLOOD CONTROL:					
Other Expenses	1,289.44	1,289.44	1,249.28	40.16	
STATE UNIFORM CONSTRUCTION CODE CODE OFFICIAL:					
Salaries and Wages	874,604.65	864,604.65	864,604.65		
Other Expenses	138,150.00	113,150.00	112,803.65	346.35	
STREET LIGHTING	327,319.97	327,319.97	319,454.40	7,865.57	
TELEPHONE SERVICE	123,984.84	127,384.84	125,568.53	1,816.31	
CENTRAL OFFICE SUPPLY	18,647.32	18,647.32	18,646.76	0.56	
UTILITIES	585,000.00	711,900.00	711,900.00		
POSTAGE	40,000.00	42,000.00	41,994.26	5.74	
SALARY SETTLEMENTS	250,000.00	250,000.00	250,000.00		
SALARY ADJUSTMENTS	25,000.00				
HISTORIC PRESERVATION	75,000.00	75,000.00		75,000.00	
TOTAL OPERATIONS WITHIN "CAPS"	\$ 27,590,906.52	\$ 27,514,720.65	\$ 26,453,542.34	\$ 1,025,386.35	\$ 35,791.96
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	\$ 27,590,906.52	\$ 27,514,720.65	\$ 26,453,542.34	\$ 1,025,386.35	\$ 35,791.96
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"					
DEFERRED CHARGES:					
Prior Year Bills	\$ 490.00	\$ 490.00	\$ 490.00	\$	\$
CONTRIBUTION TO:					
Public Employees' Retirement System of NJ	\$ 1,004,200.00	\$ 1,008,185.00	\$ 1,008,185.00	\$	\$
Social Security System (O.A.S.I.)	1,242,496.00	1,242,496.00	1,204,343.32	38,152.68	
Pension Firemen's Widows	6,000.00	6,000.00	5,000.00	1,000.00	
DCRP	7,000.00	7,000.00	5,462.06	1,537.94	
Police and Firemen's Retirement System of NJ	1,867,594.00	1,939,794.87	1,939,794.87		
Unemployment Compensation Insurance	10,000.00	10,000.00	10,000.00		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	\$ 4,137,780.00	\$ 4,213,965.87	\$ 4,173,275.25	\$ 40,690.62	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 31,728,686.52	\$ 31,728,686.52	\$ 30,626,817.59	\$ 1,066,076.97	\$ 35,791.96

TOWNSHIP OF BRIDGEWATER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Length of Service Award Program	\$ 89,269.08	\$ 89,269.08	\$ 84,733.60	\$ 4,535.48	\$
Dog Regulation	155,000.00	155,000.00	155,000.00		
<u>ADMINISTRATION OF PUBLIC ASSISTANCE:</u>					
Salaries and Wages	45,840.00	45,840.00	45,840.00		
<u>ENGINEERING SERVICES:</u>					
Salaries and Wages	9,000.00	9,000.00	9,000.00		
<u>MUNICIPAL COURT:</u>					
Salaries and Wages	190,000.00	190,000.00	189,999.95	0.05	
<u>POLICE:</u>					
Salaries and Wages	108,000.00	108,000.00	108,000.00		
<u>BRANCH LIBRARY:</u>					
Salaries and Wages	99,942.16	99,942.16	72,291.48		27,650.68
Other Expenses	40,660.07	40,660.07	8,242.17	32,417.90	
Insurance - Employee Group Insurance	130,197.39	130,197.39	65,385.67	64,811.72	
Social Security	19,505.35	19,505.35		14,651.99	4,853.36
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"	\$ 887,414.05	\$ 887,414.05	\$ 738,492.87	\$ 116,417.14	\$ 32,504.04
<u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</u>					
Municipal Alliance Program:					
State Aid (N.J.S.A. 40A: 4-87 +\$36,208.25)	\$	\$ 36,208.25	\$ 36,208.25	\$	\$
Matching Funds for Grants	10,000.00	10,000.00	10,000.00		
Environmental Grant (N.J.S.A. 40A: 4-87 +\$6,500.00)		6,500.00	6,500.00		
Safe and Secure Communities Program:					
State Aid	60,000.00	60,000.00	60,000.00		
Matching Funds for Grants	110,871.00	110,871.00	110,871.00		
Supplemental Fire Services Program Fire District	11,859.00	11,859.00	11,859.00		
Clean Communities Program (N.J.S.A. 40A: 4-87 +\$97,176.80)		97,176.80	97,176.80		
Alcohol Education Rehabilitation Fund (N.J.S.A. 40A: 4-87 +\$1,222.46)		1,222.46	1,222.46		
Body Armor Replacement Grant (N.J.S.A. 40A: 4-87 +\$6,686.57)		6,686.57	6,686.57		
NJ DOT Municipal Aid Program (N.J.S.A. 40A: 4-87 +\$400,000.00)		400,000.00	400,000.00		
Bullet Proof Vest Partnership (N.J.S.A. 40A: 4-87 +\$8,769.02)		8,769.02	8,769.02		
Recycling Tonnage Grant	56,478.92	56,478.92	56,478.92		
Highway Safety Grant	67,662.96	67,662.96	67,662.96		
Youth Athletic Grant (N.J.S.A. 40A: 4-87+\$9,000.00)		9,000.00	9,000.00		
TOTAL FOR STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES	\$ 316,871.88	\$ 882,434.98	\$ 882,434.98	\$	\$
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	\$ 1,204,285.93	\$ 1,769,849.03	\$ 1,620,927.85	\$ 116,417.14	\$ 32,504.04

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

TOWNSHIP OF BRIDGEWATER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":					
Capital Improvement Fund	\$ 330,030.00	\$ 330,030.00	\$ 330,030.00	\$	\$
Police Improvements	40,950.00	40,950.00	40,939.70	10.30	
Computer Equipment	34,715.75	34,715.75	34,715.75		
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	\$ 405,695.75	\$ 405,695.75	\$ 405,685.45	\$ 10.30	\$
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":					
Payment of Bond Principal	\$ 2,875,000.00	\$ 2,875,000.00	\$ 2,875,000.00	\$	\$
Payment of Note Principal	400,000.00	400,000.00	400,000.00		
Interest on Bonds	1,665,373.19	1,665,373.19	1,664,745.14		628.05
Interest on Notes	317,830.00	317,830.00	316,946.27		883.73
Green Acres Loan Principal	88,939.00	88,939.00	88,938.66		0.34
Green Acres Loan Interest	8,556.00	8,556.00	8,556.00		
Payment of NJEIT Principal	64,596.00	64,596.00	63,595.55		1,000.45
Payment of NJEIT Interest	9,050.00	9,050.00	7,559.11		1,490.89
Improvement Authority	205,929.00	205,929.00	200,325.12		5,603.88
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	\$ 5,635,273.19	\$ 5,635,273.19	\$ 5,625,665.85	\$	\$ 9,607.34
DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM CAPS:					
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55):					
ORD 07-02	\$ 1,400,000.00	\$ 1,400,000.00	\$ 1,400,000.00	\$	\$
ORD 05-51	47,949.99	47,949.99	47,949.99		
TOTAL DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM CAPS	\$ 1,447,949.99	\$ 1,447,949.99	\$ 1,447,949.99	\$	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 8,693,204.86	\$ 9,258,767.96	\$ 9,100,229.14	\$ 116,427.44	\$ 42,111.38
SUBTOTAL GENERAL APPROPRIATIONS	\$ 40,421,891.38	\$ 40,987,454.48	\$ 39,727,046.73	\$ 1,182,504.41	\$ 77,903.34
RESERVE FOR UNCOLLECTED TAXES	\$ 2,742,584.68	\$ 2,742,584.68	\$ 2,742,584.68	\$	\$
TOTAL GENERAL APPROPRIATIONS	\$ 43,164,476.06	\$ 43,730,039.16	\$ 42,469,631.41	\$ 1,182,504.41	\$ 77,903.34
	<u>REF.</u>	A-2:A-3	A-3	A-1:A-3	A:A-1
Budget	A-3		\$ 43,164,476.06		
Appropriation by 40A:4-87	A-2		565,563.10		
	A-3		<u>\$ 43,730,039.16</u>		
Reserve for Accounts Payable	A-11			\$ 1,544,132.47	
Reserve for Grants Appropriated	A-23			749,704.98	
Reserve for Uncollected Taxes	A-2			2,742,584.68	
Disbursements (Net of Refunds)	A-4			<u>37,433,209.28</u>	
	A-3			<u>\$ 42,469,631.41</u>	

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

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TRUST FUND

"B"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
Assessment Fund:			
Cash	B-2:B-3	\$	\$ 47,933.54
Assessments Receivable	B-17		82,989.48
Prospective Assessments Funded	B-18		408,863.19
		\$	\$ <u>539,786.21</u>
Animal Control Fund:			
Cash	B-2	\$ 35,396.26	\$ 32,955.18
Due State Department of Health	B-11		1.00
		\$ <u>35,396.26</u>	\$ <u>32,956.18</u>
Other Funds:			
Cash	B-2	\$ 17,696,832.89	\$ 17,940,469.96
Due Current Fund	B-14	23,836.52	
Due Sewer Utility Operating Fund	B-16		1,118,386.14
Due Grant Fund	B-15		2,500.00
		\$ <u>17,720,669.41</u>	\$ <u>19,061,356.10</u>
		\$ <u>17,756,065.67</u>	\$ <u>19,634,098.49</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Assessment Overpayments	B-20	\$	\$ 1,000.00
Reserve for Assessments and Liens	B-19		491,655.40
Fund Balance	B-1		47,130.81
		\$	\$ <u>539,786.21</u>
Animal Control Fund:			
Due Current Fund	B-13	\$ 8,556.26	\$ 7,378.50
Reserve For Expenditures	B-9	26,447.00	24,889.40
Accounts Payable	B-12	393.00	688.28
		\$ <u>35,396.26</u>	\$ <u>32,956.18</u>
Other Funds:			
Due Current Fund	B-14	\$	\$ 1,117,159.94
Reserve for State Unemployment Insurance	B-6	96,810.03	108,339.83
Reserve for Law Enforcement Trust Fund	B-7	15,260.82	17,815.37
Reserve for Municipal Open Space Trust Deposits	B-8	5,222,962.96	6,798,249.13
Reserve for Tax Sale Premiums	B-4	1,087,000.00	1,056,500.00
Reserve for Redemption of Outside Liens	B-5	44,874.56	36,991.57
Reserve for Various Trust Deposits	B-10	11,253,761.04	9,926,300.26
		\$ <u>17,720,669.41</u>	\$ <u>19,061,356.10</u>
		\$ <u>17,756,065.67</u>	\$ <u>19,634,098.49</u>

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

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF ASSESSMENT TRUST FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ <u>47,130.81</u>
Decreased by:		
Canceled- Due Current Fund	B-21	\$ <u><u>47,130.81</u></u>

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

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GENERAL CAPITAL FUND

TOWNSHIP OF BRIDGEWATERGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 4,535,842.01	\$ 9,766,146.70
Deferred Charges to Future Taxation:			
Funded	C-5	47,132,717.87	50,477,698.50
Unfunded	C-6	22,354,858.92	18,077,412.23
Improvement Authority Receivable	C-8		15,102.94
		<u>\$ 74,023,418.80</u>	<u>\$ 78,336,360.37</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-10	\$ 45,888,000.00	\$ 49,133,000.00
Bond Anticipation Notes	C-11	15,891,140.00	15,891,457.00
Green Acres Loans Payable	C-14	361,000.96	449,939.47
Infrastructure Loan Payable	C-12	246,216.32	309,811.87
Improvement Authority Loans Payable	C-16	637,500.59	584,947.16
Capital Improvement Fund	C-7	46,172.30	46,142.30
Improvement Authorizations:			
Funded	C-9	2,609,331.49	2,830,773.15
Unfunded	C-6:C-9	5,074,923.36	4,236,636.13
Reserve for:			
Capital Projects	C-4	150,000.00	1,756,354.75
Debt Service	C-13	912,072.94	511,199.75
Preliminary Expenses	C-17	5,000.00	5,000.00
Contracts Payable	C-15	1,976,432.92	2,412,858.81
Fund Balance	C-1	225,627.92	168,239.98
		<u>\$ 74,023,418.80</u>	<u>\$ 78,336,360.37</u>

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

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 168,239.98
Increased by:		
Fully Funded Ordinances Cancelled	C-9	<u>57,387.94</u>
Balance, December 31, 2017	C	<u>\$ 225,627.92</u>

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SEWER UTILITY FUND

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>OPERATING FUND:</u>			
Liabilities:			
Interfund Accounts Payable	D-10	\$ 2,208,412.89	\$ 1,118,386.14
Appropriation Reserves	D-5:D-19	1,058,516.29	1,390,899.32
Accounts Payable	D-18	347,781.19	329,377.43
Sewer Overpayments	D-20	4,545.58	75,212.06
Sewer Connection Overpayment	D-12	550.00	550.00
Prepaid Sewer Charges	D-25	34,564.03	1,784.12
Accrued Interest on Bonds	D-31	9,333.91	42,811.41
Accrued Interest on Notes	D-30	43,375.39	
Accrued Interest on Loans	D-29	2,104.17	3,805.29
		<u>\$ 3,709,183.45</u>	<u>\$ 2,962,825.77</u>
Reserve for Receivables	D	330,846.22	413,463.45
Fund Balance	D-1	<u>6,723,614.52</u>	<u>7,146,392.63</u>
		<u>\$ 10,763,644.19</u>	<u>\$ 10,522,681.85</u>
<u>TOTAL OPERATING FUND</u>			
<u>ASSESSMENT TRUST FUND:</u>			
Reserve for Assessments and Liens	D-35	\$ _____	\$ 995,438.44
		\$ _____	\$ 995,438.44
Fund Balance	D-2	_____	<u>11,392.66</u>
		\$ _____	<u>\$ 1,006,831.10</u>
<u>TOTAL ASSESSMENT TRUST FUND</u>			

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

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)</u>			
<u>CAPITAL FUND - REGULAR:</u>			
Liabilities:			
Serial Bonds Payable	D-27	\$ 869,000.00	\$ 989,000.00
Bond Anticipation Notes	D-28	5,740,860.00	5,740,860.00
EIT Loan Payable	D-21	453,779.52	491,177.80
Capital Improvement Fund	D-17	843.56	
Improvement Authorizations:			
Funded	D-26	3,575,084.13	3,022,381.67
Unfunded	D-26	3,579,140.57	4,228,377.21
Contracts Payable	D-24	3,393,538.16	627,949.96
Debt Service	D-11	65,234.50	
Reserve for Amortization	D-23	13,308,051.61	13,150,653.33
Deferred Reserve for Amortization	D-22	8,737,058.00	6,438,058.00
		<u>\$ 39,722,590.05</u>	<u>\$ 34,688,457.97</u>
Fund Balance	D-3	<u>76,361.34</u>	<u>76,361.34</u>
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 39,798,951.39</u>	<u>\$ 34,764,819.31</u>
	D	<u>\$ 50,562,595.58</u>	<u>\$ 46,294,332.26</u>

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

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	D-1:D-4	\$ 3,479,191.16	\$ 2,634,141.34
Sewer Use Charges	D-4	10,024,127.62	9,910,817.00
Connection Fees			
Township of Branchburg - Operating Costs	D-4:D-6	20,000.00	20,000.00
Township of Warren - Debt Service	D-4:D-6	73,350.34	66,015.31
Miscellaneous Revenue Not Anticipated	D-4:D-6	802,015.68	169,595.87
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-19	1,404,095.15	2,583,045.66
Sewer Overpayments Canceled	D-20	34,847.34	93.05
Accounts Payable Canceled	D-18	479.14	7,283.15
		<u>15,838,106.43</u>	<u>15,390,991.38</u>
<u>TOTAL INCOME</u>			
<u>EXPENDITURES</u>			
Operating	D-5	\$ 9,995,047.60	\$ 9,871,638.00
Capital Improvements	D-5	2,299,843.56	1,700,000.00
Debt Service	D-5	316,802.22	201,694.53
Deferred Charges and Statutory Expenditures	D-5	170,000.00	150,808.81
		<u>12,781,693.38</u>	<u>11,924,141.34</u>
<u>TOTAL EXPENDITURES</u>			
Excess in Revenue		\$ 3,056,413.05	\$ 3,466,850.04
Balance, January 1	D	7,146,392.63	6,313,683.93
		<u>10,202,805.68</u>	<u>9,780,533.97</u>
Decreased by:			
Utilization by Sewer Operating Budget	D-1	3,479,191.16	2,634,141.34
Fund Balance, December 31	D	<u>6,723,614.52</u>	<u>7,146,392.63</u>

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

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY ASSESSMENT FUND

STATEMENT OF ASSESSMENT TRUST FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ <u>11,392.66</u>
Decreased by: Canceled	D-7	\$ <u><u>11,392.66</u></u>

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

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2016 and December 31, 2017	D	\$ <u>76,361.34</u>

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

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
OPERATING:					
Salaries and Wages	\$ 1,916,891.16	\$ 1,916,891.16	\$ 1,573,967.21	\$ 342,923.95	\$
Other Expenses	3,353,000.00	3,353,000.00	2,874,617.86	478,382.14	
Somerset Raritan Valley Sewerage Authority	4,700,156.44	4,700,156.44	4,528,772.16	171,384.28	
Salary Settlements	25,000.00	25,000.00	25,000.00		
TOTAL OPERATING	\$ 9,995,047.60	\$ 9,995,047.60	\$ 9,002,357.23	\$ 992,690.37	\$
CAPITAL IMPROVEMENTS:					
Capital Improvement Fund	\$ 2,299,843.56	\$ 2,299,843.56	\$ 2,299,843.56		
TOTAL CAPITAL IMPROVEMENTS	\$ 2,299,843.56	\$ 2,299,843.56	\$ 2,299,843.56		
DEBT SERVICE:					
Payment of Bond Principal	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00		\$
Interest on Bonds	46,000.00	46,000.00			46,000.00
Interest on Notes	157,873.65	157,873.65	157,873.65		
NJEITF Principal	37,398.28	37,398.28	37,398.28		
NJEITF Interest	8,300.00	8,300.00	1,530.29		6,769.71
TOTAL DEBT SERVICE	\$ 369,571.93	\$ 369,571.93	\$ 316,802.22		\$ 52,769.71
STATUTORY EXPENDITURES:					
Statutory Expenditures:					
Social Security	\$ 160,000.00	\$ 160,000.00	\$ 94,174.08	\$ 65,825.92	\$
Unemployment Compensation Insurance	10,000.00	10,000.00	10,000.00		
TOTAL STATUTORY EXPENDITURES	\$ 170,000.00	\$ 170,000.00	\$ 104,174.08	\$ 65,825.92	\$
	\$ 12,834,463.09	\$ 12,834,463.09	\$ 11,723,177.09	\$ 1,058,516.29	\$ 52,769.71
	REF. D-4		D-1	D:D-1	
Disbursements	D-6		\$ 11,420,100.55		
Accrued Interest on Notes	D-30		43,375.39		
Accrued Interest on Loans	D-29		1,530.29		
Accounts Payable	D-18		258,170.86		
			\$ 11,723,177.09		

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

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PUBLIC ASSISTANCE TRUST FUND

TOWNSHIP OF BRIDGEWATER
PUBLIC ASSISTANCE TRUST FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
<u>ASSETS</u>			
Cash - Public Assistance Trust Fund I	E-1	\$ 453.30	\$ 700.63
Cash - Public Assistance Trust Fund II	E-1	<u>68,256.34</u>	<u>103,334.84</u>
		<u>\$ 68,709.64</u>	<u>\$ 104,035.47</u>
<u>LIABILITIES</u>			
Reserve for Public Assistance Trust Fund I		\$ 293.30	\$ 540.63
Reserve for Public Assistance Trust Fund II		<u>68,416.34</u>	<u>103,494.84</u>
		<u>\$ 68,709.64</u>	<u>\$ 104,035.47</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF BRIDGEWATER
STATEMENT OF GENERAL FIXED ASSETS
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
<u>FIXED ASSETS</u>		
Land	\$ 119,908,455.00	\$ 115,673,010.00
Buildings	43,641,398.82	43,641,398.82
Machinery and Equipment	<u>11,759,151.00</u>	<u>11,540,854.17</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 175,309,004.82</u>	<u>\$ 170,855,262.99</u>
 <u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 175,309,004.82</u>	<u>\$ 170,855,262.99</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF BRIDGEWATER

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Bridgewater is an instrumentality of the State of New Jersey established to function as a municipality. The Township Council consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Bridgewater include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Bridgewater, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Bridgewater do not include the operations of the municipal library, first aid organization, volunteer fire companies, or the regional school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the

The accounting policies of the Township of Bridgewater conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Bridgewater are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund – resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund – receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created.

General Capital Fund – receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Sewer Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally-owned sewer utility.

Public Assistance Fund – receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

General Fixed Assets Account Group – utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

Interfunds - interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Township's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Fixed Capital - Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

E. Restatement/Reclassifications of Prior Balances

Certain accounts have been restated in the prior year to conform to categories established in the current fiscal year. None of these restated accounts were material to the financial statements taken as a whole.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Township of Bridgewater had the following cash and cash equivalents at December 31, 2017:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Cuurent Fund	\$410.00	\$19,219,715.94	\$5,164,127.47	\$998,306.68	\$23,385,536.73
Grant Fund		613,651.52		14,752.69	598,898.83
Animal Contol Fund		35,858.22		461.96	35,396.26
Trust Other Fund		18,037,469.93	1,409.21	342,046.25	17,696,832.89
General Capital Fund		4,958,000.03		422,158.02	4,535,842.01
Sewer Operating Fund	100.00	10,863,726.57	11,277.92	442,306.52	10,432,697.97
Sewer Capital Fund		8,291,607.08		608,067.69	7,683,539.39
Public Assistance Fund		69,279.64		570.00	68,709.64
	<u>\$510.00</u>	<u>\$62,089,308.93</u>	<u>\$5,176,814.60</u>	<u>\$2,828,669.81</u>	<u>\$64,437,453.72</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2017, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$1,319,277.85 was covered by Federal Depository Insurance and \$60,770,031.08 was covered by NJ GUDPA.

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Township of Bridgewater's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.743%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 24,774,990.66	\$ 24,774,990.66	\$
Sewer Utility Debt	10,070,302.39	10,070,302.39	
General Debt	<u>70,031,863.27</u>	<u>1,456,358.94</u>	<u>68,575,504.33</u>
	<u>\$ 104,877,156.32</u>	<u>\$ 36,301,651.99</u>	<u>\$ 68,575,504.33</u>

Net debt of \$68,575,504.33 divided by equalized valuation basis per N.J.S. 40A:2-2, as amended, of \$9,180,609,671.67 equals 0.747%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2017</u>	<u>YEAR 2016</u>	<u>YEAR 2015</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 63,023,858.03	\$ 66,369,155.50	\$ 64,174,160.80
Sewer Utility:			
Bonds, Notes and Loans	<u>7,063,639.52</u>	<u>7,221,037.80</u>	<u>1,637,576.08</u>
Total Issued	<u>\$ 70,087,497.55</u>	<u>\$ 73,590,193.30</u>	<u>\$ 65,811,736.88</u>
Less:			
Reserve for Debt Service	<u>\$ 977,307.44</u>	<u>\$ 511,199.75</u>	<u>\$ 314,870.37</u>
Funds Temporarily Held to Pay			
Notes: Cash on Hand	<u>544,286.32</u>		
Total Deductions	<u>\$ 1,521,593.76</u>	<u>\$ 511,199.75</u>	<u>\$ 314,870.37</u>
Net Debt Issued	<u>\$ 68,565,903.79</u>	<u>\$ 73,078,993.55</u>	<u>\$ 65,496,866.51</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ 7,008,005.24	\$ 2,185,955.23	\$ 2,316,234.91
Sewer Utility:			
Bonds and Notes	<u>3,006,662.87</u>	<u>1,585,962.87</u>	<u>5,801,822.87</u>
Total Authorized But Not Issued	<u>\$ 10,014,668.11</u>	<u>\$ 3,771,918.10</u>	<u>\$ 8,118,057.78</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 78,580,571.90</u>	<u>\$ 76,850,911.65</u>	<u>\$ 73,614,924.29</u>

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2017	<u>\$ 9,180,609,671.67</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 321,321,338.51
Net Debt	<u>68,575,504.33</u>
Remaining Borrowing Power	<u>\$ 252,745,834.18</u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Township of Bridgewater for the last three (3) preceding years.

NOTE 3: LONG-TERM DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY PER N.J.S. 40A:2-45

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance		\$ 14,409,864.14
Deductions:		
Operating and Maintenance Cost	\$ 10,165,047.60	
Debt Service	<u>316,802.22</u>	
Total Deductions		<u>10,481,849.82</u>
Excess in Revenue - Self Liquidating		\$ <u>3,928,014.32</u>
Long-Term Debt Obligations:		
General Serial Bonds:		
\$7,992,000.00 General Obligation Bonds of 2007 due in annual installments of \$375,000.00 to \$700,000.00 through 2022 at a variable interest rate		\$3,367,000.00
\$16,642,000.00 General Obligation Bonds of 2012 due in annual installments of \$510,000.00 to \$1,012,000.00 through 2032 at a variable interest rate		13,967,000.00
\$5,655,000.00 General Obligation Refunding Bonds of 2012 due in annual installments of \$600,000.00 to \$640,000.00 through 2022 at a variable interest rate		3,050,000.00
\$22,500,000.00 County Guaranteed Governmental Loan Revenue Bonds of 2010 due in annual installments of \$100,000.00 to \$1,100,000.00 through 2020 at a variable interest rate		2,800,000.00
\$8,439,000.00 General Obligation Bonds of 2016 due in annual installments of \$250,000.00 to \$500,000.00 through 2036 at a variable interest rate		8,099,000.00
\$14,605,000 Governmental Loan Refunding Bonds of 2017 due in annual installments of \$30,000.00 to \$1,055,000.00 through 2035 at a variable interest rate		<u>14,605,000.00</u>
		<u>\$45,888,000.00</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

Long-Term Debt Obligations (Continued):

Sewer Utility Serial Bonds:

\$636,000.00 General Obligation Bonds of 2012 due in annual installments of \$20,000.00 to \$40,000.00 through 2032 at a variable interest rate \$516,000.00

\$415,000.00 General Obligation Refunding Bonds of 2012 due in annual installments of \$55,000.00 to \$60,000.00 through 2022 at a variable interest rate 170,000.00

\$508,000.00 General Obligation Bonds of 2007 due in annual installments of \$20,000.00 to \$37,000.00 through 2022 at a variable interest rate 183,000.00

\$869,000.00

Improvement Authority Loan:

\$122,922.22 Improvement Authority Loan of 2014 due in monthly installments through 2019 at an interest rate of 2.10% 51,125.18

\$106,238.47 Improvement Authority Loan of 2015 due in monthly installments through 2020 at an interest rate of 2.10% 65,235.06

\$161,017.58 Improvement Authority Loan of 2015 due in monthly installments through 2018 at an interest rate of 1.85% 54,785.70

\$280,641.95 Improvement Authority Loan of 2016 due in monthly installments through 2021 at an interest rate of 2.10% 227,638.45

\$120,559.22 Improvement Authority Loan of 2017 due in monthly installments through 2022 at an interest rate of 2.10% 22,559.22

\$118,156.98 Improvement Authority Loan of 2017 due in monthly installments through 2020 at an interest rate of 1.85% 118,156.98

\$637,500.59

NOTE 3: LONG-TERM DEBT (CONTINUED)

Long-Term Debt Obligations (Continued):

New Jersey Environmental Infrastructure Loans:

\$528,286.00 2001A Fund Loan Agreement of 2001 due in semi-annual installments of \$616.70 to \$27,199.86 through 2021	\$96,216.32
\$515,000.00 2001A Trust Loan Agreement of 2001 due in annual installments of \$20,000.00 to \$40,000.00 through 2021 at a variable interest rate	<u>150,000.00</u>
	<u>\$246,216.32</u>

Green Trust Loans:

\$500,000.00 Prince Rodgers Park Loan of 2002 due in semi-annual installments of \$11,306.52 to \$15,391.88 through 2021 at an interest rate of 2.00%	\$118,951.43
\$363,642.00 Prince Rodgers Park Loan of 2005 due in semi-annual installments of \$9,543.62 to \$12,863.36 through 2021 at an interest rate of 2.00%	87,412.67
\$400,000.00 Alfred S. Brown Park Loan of 2002 due in semi-annual installments of \$9,045.22 to \$12,313.50 through 2021 at an interest rate of 2.00%	95,151.15
\$250,000.00 YMCA Land Acquisition Loan of 2002 due in semi-annual installment of \$5,653.26 to \$7,695.94 through 2021 at an interest rate of 2.00%	<u>59,475.71</u>
	<u>\$361,000.96</u>

Bonds and Notes Authorized But Not Issued:

There is \$7,008,005.24 General Capital and \$3,006,662.87 Sewer Capital Bonds and Notes Authorized but not Issued at December 31, 2017.

NOTE 3: LONG TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING AT DECEMBER 31, 2017.

YEAR	GENERAL		SEWER UTILITY	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2018	\$2,980,000.00	\$1,366,837.50	\$120,000.00	\$30,233.75
2019	3,090,000.00	1,345,270.00	117,000.00	25,390.00
2020	3,285,000.00	1,289,582.50	117,000.00	21,101.25
2021	3,395,000.00	1,170,095.00	62,000.00	13,635.00
2022	3,482,000.00	1,103,320.00	62,000.00	12,885.00
2023	2,400,000.00	988,820.00	35,000.00	11,985.00
2024	2,405,000.00	902,920.00	40,000.00	10,860.00
2025	2,410,000.00	816,820.00	40,000.00	9,660.00
2026	2,455,000.00	721,220.00	40,000.00	8,460.00
2027	2,470,000.00	632,438.75	40,000.00	7,235.00
2028	2,490,000.00	541,795.00	40,000.00	5,960.00
2029	2,500,000.00	449,970.00	40,000.00	4,660.00
2030	2,510,000.00	357,013.75	40,000.00	3,335.00
2031	2,510,000.00	271,670.00	40,000.00	1,960.00
2032	2,502,000.00	195,660.00	36,000.00	630.00
2033	1,480,000.00	137,000.00		
2034	1,470,000.00	96,350.00		
2035	1,555,000.00	56,000.00		
2036	499,000.00	12,475.00		
	<u>\$45,888,000.00</u>	<u>\$12,455,257.50</u>	<u>\$869,000.00</u>	<u>\$167,990.00</u>

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS ISSUED AND OUTSTANDING AT DECEMBER 31, 2017.

Payment Date	Fund Loan	Trust Loan		Total
	Principal	Principal	Interest	
2/1/18	\$2,369.43		\$3,650.00	\$3,650.00
8/1/18	25,090.09	\$35,000.00	3,650.00	38,650.00
2/1/19	1,801.42		2,775.00	2,775.00
8/1/19	24,522.07	35,000.00	2,775.00	37,775.00
2/1/20	1,233.40		1,900.00	1,900.00
8/1/20	27,199.86	40,000.00	1,900.00	41,900.00
2/1/21	616.70		950.00	950.00
8/1/21	13,383.35	40,000.00	950.00	40,950.00
	<u>\$96,216.32</u>	<u>\$150,000.00</u>	<u>\$18,550.00</u>	<u>\$168,550.00</u>

NOTE 3: LONG TERM DEBT (CONTINUED)

SCHEDULE OF GREEN TRUST LOANS ISSUED AND OUTSTANDING AT DECEMBER 31, 2017.

Prince Rodgers Park Loans:

<u>Year</u>	<u>2002 Loan</u>		<u>2005 Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2018	\$28,856.13	\$2,235.46	\$24,356.92	\$1,627.08	\$57,075.59
2019	29,436.13	1,655.45	24,846.49	1,137.50	57,075.57
2020	30,027.81	1,063.79	25,345.90	638.08	57,075.58
2021	30,631.36	460.23	12,863.36	128.62	44,083.57
	<u>\$118,951.43</u>	<u>\$5,414.93</u>	<u>\$87,412.67</u>	<u>\$3,531.28</u>	<u>\$215,310.31</u>

Alfred S. Brown Park Loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$23,084.91	\$1,788.37	\$24,873.28
2019	23,548.91	1,324.36	24,873.27
2020	24,022.24	851.03	24,873.27
2021	24,505.09	368.20	24,873.29
	<u>\$95,161.15</u>	<u>\$4,331.96</u>	<u>\$99,493.11</u>

YMCA Land Acquisition Loan:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4/16/18	\$7,178.14	\$594.76	\$7,772.90
10/16/18	7,249.92	522.98	7,772.90
4/16/19	7,322.42	450.48	7,772.90
10/16/19	7,395.65	377.25	7,772.90
4/16/20	7,469.60	303.30	7,772.90
10/16/20	7,544.30	228.60	7,772.90
4/16/21	7,619.74	153.16	7,772.90
10/16/21	7,695.94	76.82	7,772.76
	<u>\$59,475.71</u>	<u>\$2,707.35</u>	<u>\$62,183.06</u>

NOTE 3: LONG TERM DEBT (CONTINUED)

SCHEDULE OF IMPROVEMENT AUTHORITY LOANS ISSUED AND OUTSTANDING AT
DECEMBER 31, 2017.

Year	2014 Loan - 60 Months		Total
	Principal	Interest	
2018	\$25,294.33	\$831.11	\$28,143.44
2019	25,830.85	294.59	28,144.44
	<u>\$51,125.18</u>	<u>\$1,125.70</u>	<u>\$56,287.88</u>

Year	2015 Loan - 36 Months		2015 Loan - 60 Months		Total
	Principal	Interest	Principal	Interest	
2018	\$54,785.70	\$550.62	\$21,290.40	\$1,165.80	\$77,792.52
2019			21,741.82	714.38	22,456.20
2020			22,202.84	253.36	22,456.20
	<u>\$54,785.70</u>	<u>\$550.62</u>	<u>\$65,235.06</u>	<u>\$2,133.54</u>	<u>\$122,704.92</u>

Year	2016 Loan - 60 Months		Total
	Principal	Interest	
2018	\$55,131.30	\$4,251.78	\$59,383.08
2019	56,300.25	3,082.83	59,383.08
2020	57,494.01	1,889.07	59,383.08
2021	58,712.89	670.19	59,383.08
	<u>\$227,638.45</u>	<u>\$9,893.87</u>	<u>\$237,532.32</u>

Year	2017 Loan - 36 Months		2017 Loan - 60 Months		Total
	Principal	Interest	Principal	Interest	
2018	\$38,234.18	\$2,501.86	\$22,518.28	\$3,057.20	\$66,311.52
2019	39,592.05	1,143.99	23,744.28	1,831.20	66,311.52
2020	40,330.75	405.29	24,247.75	1,327.73	66,311.52
2021			24,761.87	813.61	25,575.48
2022			25,287.04	288.04	25,575.08
	<u>\$118,156.98</u>	<u>\$4,051.14</u>	<u>\$120,559.22</u>	<u>\$7,317.78</u>	<u>\$250,085.12</u>

NOTE 4: SHORT-TERM DEBT

The Township had the following short-term debt:

Bond Anticipation Notes:

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital Fund	2.25%	08/10/18	\$15,891,457.00
Sewer Capital Fund	2.25%	08/10/18	<u>5,740,860.00</u>
			<u>\$21,632,317.00</u>

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2017, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2018, as introduced were as follows:

Current Fund	\$4,012,082.00
Sewer Utility Fund	\$3,062,793.00

NOTE 6: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and the Regional School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
Prepaid Taxes	<u>\$13,561,047.18</u>	<u>\$1,496,445.59</u>

NOTE 7: COMPENSATED ABSENCES

The Township of Bridgewater permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid upon retirement or separation at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$1,985,985.20. The Township annually appropriates the amounts that are required to be paid in that year's budget and no liability is accrued at December 31, 2017.

NOTE 8: PENSIONS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

Plan Descriptions

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

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

NOTE 8: PENSIONS (CONTINUED)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

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

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2012, PERS provides for employee contributions of 6.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2012, members contributed at a uniform rate of 10.00% of base salary.

NOTE 8: PENSIONS (CONTINUED)

Funding Policy (Continued)

Certain portions of the costs are contributed by the employees. The Township's share of PERS and PFRS pension costs, which is based upon the annual billings received from the State, amounted to \$2,947,979.87 for 2017, \$2,856,048.42 for 2016 and \$2,685,427.00 for 2015.

The Township's share for DCRP amounted to \$5,462.06 for 2017, \$4,376.38 for 2016 and \$1,466.52 for 2015.

All contributions were equal to the required contributions for each of the three years, respectively.

Certain Township employees are also covered by Federal Insurance Contribution Act.

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" and is effective for fiscal years beginning after June 15, 2014. This statement requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2016. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2016.

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS)

At June 30, 2016, the State reported a net pension liability of \$33,478,165.00 for the Township of Bridgewater’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Township’s proportion of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Township’s proportion was 0.1130364868 percent, which was an increase of 0.0005529198 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the State recognized an actuarially determined pension expense of \$3,164,478.00 for the Township of Bridgewater’s proportionate share of the total pension expense. The pension expense recognized in the Township’s financial statement based on the April 1, 2017 billing was \$1,004,200.00.

At June 30, 2016, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$622,592.00
Changes of assumptions		6,934,888.00
Net difference between projected and actual earnings on pension plan investments		1,276,553.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>\$177,633.00</u>	<u>90,107.00</u>
	<u>\$177,633.00</u>	<u>\$8,924,140.00</u>

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2017	\$1,957,000.00
2018	\$1,957,000.00
2019	\$2,270,958.00
2020	\$1,932,523.00
2021	\$628,981.00

Additional Information

Collective balances at June 30, 2016 and 2015 are as follows:

	<u>6/30/2016</u>	<u>6/30/2015</u>
Collective deferred outflows of resources	\$8,373,091,423	\$5,086,138,484
Collective deferred inflows of resources	557,886,638	478,031,236
Collective net pension liability - local	29,617,131,759	22,447,996,119
Township's proportion	0.1130364868%	0.1124835670%

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. These actuarial valuations used the following assumptions:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Inflation	3.08 Percent	3.04 Percent
Salary Increases (based on age)		
Through 2026	1.65-4.15 Percent	2.15-4.40 Percent
Thereafter	2.65-5.15 Percent	3.15-5.40 Percent
Investment Rate of Return	7.65 Percent	7.90 percent

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA.

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. 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 through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2016		
	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
Township's proportionate share of the pension liability	\$41,023,584.00	\$33,478,165.00	\$27,248,768.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 8: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2016, the State reported a net pension liability of \$43,755,730.00 for the Township of Bridgewater's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Township's proportion was 0.2290536139 percent, which was a decrease of 0.0030109788 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the State recognized an actuarially determined pension expense of \$4,253,062.00. The pension expense recognized in the Township's financial statement based on the April 1, 2017 billing was \$1,867,594.00.

At June 30, 2016, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$286,825.00	
Changes of assumptions		\$6,060,528.00
Net difference between projected and actual earnings on pension plan investments		3,065,876.00
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>\$1,713,122.00</u>	<u>275,896.00</u>
	<u>\$1,999,947.00</u>	<u>\$9,402,300.00</u>

NOTE 8: PENSION PLANS (CONTINUED)

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

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

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

Year Ended	
<u>June 30</u>	<u>Amount</u>
2017	\$1,691,442.00
2018	\$1,691,442.00
2019	\$2,425,809.00
2020	\$1,575,545.00
2021	\$18,115.00

Additional Information

Collective balances at June 30, 2016 and 2015 are as follows:

	<u>6/30/2016</u>	<u>6/30/2015</u>
Collective deferred outflows of resources	\$4,498,179,111	\$3,237,231,807
Collective deferred inflows of resources	165,979,648	176,221,445
Collective net pension liability - local	19,102,557,969	16,656,514,197
Township's proportion	0.2290536139%	0.2320645927%

NOTE 8: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Inflation	3.08 Percent	3.04 Percent
Salary Increases (based on age)		
2012-2021	2.10-8.98 Percent	2.60-9.48 Percent
Thereafter	3.10-9.98 Percent	3.60-10.48 Percent
Investment Rate of Return	7.65 Percent	7.90 Percent

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

NOTE 8: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30,2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
US Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

NOTE 8: PENSION PLANS (CONTINUED)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. 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 through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS).

	June 30, 2016		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.55%</u>	<u>5.55%</u>	<u>6.55%</u>
Township's proportionate share of the PFRS pension liability	\$56,418,992.00	\$43,755,099.00	\$33,428,456.00

NOTE 8: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Township under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Township does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Township related to this legislation.

At December 31, 2016 and 2015, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$3,674,396.00 and \$3,389,815.00 respectively.

At December 31, 2016, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$43,755,730.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>3,674,396.00</u>
	<u>\$47,430,126.00</u>

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen’s Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 9: LITIGATION

The Township is involved in several pending legal proceedings, the impact on the financial statements of which, either individually or in the aggregate, in the opinion of the Township’s legal counsel would not be material

NOTE 10: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2017, the Township does not believe that any material liabilities will result from such audits.

NOTE 11: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the years 2017 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Township has established a reserve for this purpose in the Current Fund, the balance of which is \$596,148.88 at December 31, 2017.

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Below is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Township's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Employee Contributions</u>	<u>Township and Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 22,216.81	\$ 20,000.00	\$ 53,746.61	\$ 96,810.03
2016	21,514.04	20,000.00	42,119.18	108,339.83
2015	21,822.54	25,000.00	24,740.91	108,944.97

NOTE 13: LENGTH OF SERVICE AWARDS PROGRAM

The Township of Bridgewater adopted an ordinance establishing a Length of Service Awards Program effective for 2003 for the members of the Bridgewater First Aid/Rescue Squad pursuant to N.J.S.A. 40A:14-183 et seq. Under this program, each volunteer of the Bridgewater First Aid/Rescue Squad that performs the minimum amount of service will have an annual amount up to \$1,150.00 deposited into a tax deferred account. The Township budgeted \$89,269.08 for the program in 2017.

The accompanying financial statements do not include the Township's Length of Service Awards Program's activities. The Township's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 2,215,469.15	\$ 23,836.52
Grant Fund		500.00
Animal Control Fund		6,556.26
Trust Other Fund	23,836.52	
Sewer Utility Operating Fund	<u>23,836.52</u>	<u>2,208,412.89</u>
	<u>\$ 2,239,305.67</u>	<u>\$ 2,239,305.67</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 15: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

NOTE 15: DEFERRED COMPENSATION PLAN (CONTINUED)

The Plan is administered by the 'Nationwide Retirement Solutions', 'Mass Mutual' and 'AXA-Equitable.'

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities. The Township's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement requires the municipality to disclose in the notes to the financial statements the present value of the estimated future cost of the other post employment benefits (OPEB). OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or required to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their balance sheets; however, OPEB obligations are required to be disclosed in the notes, commencing with the 2008 year.

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTIUED)

PLAN DESCRIPTION – OTHER POST-EMPLOYMENT BENEFITS

In General

The OPEB provided by the Township of Bridgewater is currently funded on a pay-as-you-go basis and includes medical and prescription drugs for retirees and spouses.

Eligibility

The Township of Bridgewater employees who completed 25 years of public employment with the Township are eligible for benefits upon retirement regardless of age. Retirees with less than 25 years of service may receive benefits but they must contribute for the entire cost of such coverage.

Year of service are calculated based upon elapsed time.

Medical Benefits

Post-employment medical benefits are provided to eligible retired employees and their spouses. Once Medicare age is attained by either the retired employee or the spouse in the case of spousal coverage, Medicare is primary and the Township provides supplementary medical insurance.

Prescription Drugs

Post-employment prescription benefits are provided to eligible retired employees and their spouses.

Dental

Post-employment dental insurance is provided to retirees and their spouses.

Vision

Post-employment vision insurance is not provided to retirees or spouses.

Life Insurance

Life insurance is not provided to retired employees or spouses.

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

ACTUARIAL METHODS

Calculation Of Actuarial Accrued Liability

The plan's benefit obligations, currently, are in two parts:

1. the present value of the benefits yet to be paid for those who are currently covered as retirees; and
2. the present value of the benefits to be paid for those active participants once they become eligible for retiree benefits.

Included in each present value is a cost for administering the retiree claims.

The determination of the benefit obligation for those who are retired and covered involves estimating the survival and future claims for them and then discounting those future claims to the present time.

With regard to the active group, a further estimate must be made regarding who will actually survive, in active employment, to retire and be covered after employment.

Assumptions For Valuation

1. Mortality. The mortality table employed in this valuation is the 1994 sex distinct Group Annuity Mortality Table.
2. Discount Rate. Future costs are discounted at the rate of 5.00% compounded annually.
3. Turnover. It is assumed that terminations of employment other than for death or retirement will occur in the future in accordance with The U.S. Office of Personnel Management regarding the experience of the employee group covered by the Federal Employees Retirement System some excerpts from which are:

<u>Age %</u>	<u>Terminating</u>
20	70.4%
40	15.9%
50	0.0%

4. Disability. It is assumed no terminations of employment due to disability. Retirees resulting from a disability were factored into our determination of age at retirement.
5. Age at Retirement. It is assumed that the active participants, on average, will receive their benefits when eligible but no earlier than age 55.
6. Final Average Salary. It is assumed that the final average salary for retirees age 55 and over is \$57,499. Future retirees are assumed to contribute toward retiree health premiums pursuant to Chapter 78, P.L. 2011.
7. Spousal Coverage. It is assumed that married employees will remain married.

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

ACTUARIAL METHODS (CONTINUED)

8. Health Care Cost Inflation. It is assumed that health care gross costs will increase an annual rate of 7.0% for Pre-Medicare medical benefits and 5% for Post-Medicare medical benefits.
9. Administration Expenses. It is assumed that the annual cost to administer the retiree claims, approximately 2%, is included in the annual health care costs.

Change In Assumptions

Effective December 31, 2015, the assumptions for medical trend costs, turnover, and retirement age.

Current Per Capita Claim Costs

We have reviewed the premiums paid data during the twelve months of 2015 for health, prescription drugs, and dental for retirees less than age 65 and over age 65. As a result we have utilized an annual average claims cost of approximately \$21,275 per covered retiree for family coverage and \$10,116 for single coverage prior to age 65. For retirees age 65 and over we have utilized an annual average claims cost of approximately \$6,000 per covered retiree for family coverage and \$3,000 for single coverage.

Pursuant to Chapter 78 of P.L. 2011, effective June 28, 2011, retirees are required to contribute for medical and prescription drugs benefits. The percent of premium contribution, derived from base salary or retirement allowance and type of coverage tier is multiplied by the total premium for the cost of the coverage received by each employee or retiree. Retiree health insurance contributions do not apply to employees that have 20 years or more of service in a state or local retirement system as of the effective date and meet the eligibility requirements of the employer pursuant to N.J.S.A. 40A:10-23, (i.e., age 62 with 15 years of service or 25 years of service).

Annual Required Contribution (ARC)

It is assumed that the actuarial accrued liability will be amortized over thirty years, the maximum funding period permitted employing the level dollar amortization method.

Actuarial Funding Method

The "unit credit" cost method has been employed in establishing the annual required contribution and actuarial accrued liability for the participants.

Demographic Data Statistics

- 152 retirees with an average age of 68
- 47 retirees receiving single benefit coverage
- 191 active employees with an average age of 45 and average accrued service of 12 years

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

VALUATION RESULTS

Benefit Obligations

At 12/31/2015, it is estimated that the actuarial accrued liability of benefit obligations of the Township of Bridgewater for other post-employment benefits to be:

	<u>12/31/2015</u>
1. For covered retired employees	\$24,208,367.
2. For active or terminated vested participants who have satisfied the requirements (except for actually retiring) for retiree coverage	2,053,707.
3. For other active participants	<u>16,952,357.</u>
4. Total	43,214,431.
5. Assets	<u>0.</u>
6. Unfunded Actuarial Accrued Liability (5.) - (4.)	\$43,214,431.

Annual Required Contribution (ARC)

At 12/31/2015, it is estimated that the ARC of the plan for post-employment benefits to be:

	<u>12/31/2015</u>
1. Annual Amount Toward Unfunded Actuarial Accrued Liability	\$ 2,677,296.
2. Normal Cost for OPEB	<u>1,229,062.</u>
3. Total (1.) + (2.)	\$3,906,358.

Benefit Payment Comparison

At 12/31/2015, the OPEB was funded on a pay-as-you-go basis:

1. Pay-As-You-Go Retiree Medical Costs	\$1,615,242. *
2. Annual Required Contribution (ARC)	<u>3,906,358.</u>
3. Net Increase (Decrease) (2.) - (1.)	2,291,116.

* Estimated costs.

NOTE 17: SUBSEQUENT EVENTS

The Township of Bridgewater has evaluated subsequent events occurring after the financial statement date through April 23, 2018 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

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TOWNSHIP OF BRIDGEWATER
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2017

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2016	A	\$ 12,885,427.35	\$ 334,663.32
Increased by Receipts:			
Taxes Receivable	A-8	\$ 180,525,009.55	\$
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	254,121.30	
Interfunds	A-12	2,468,059.54	
Due Current Fund	A-29		500.00
Petty Cash	A-5	1,000.00	
Revenue Accounts Receivable	A-13	16,990,914.34	
Miscellaneous Revenue Not Anticipated	A-2	697,565.50	
Tax Overpayments	A-17	50,635.58	
Prepaid Taxes	A-18	13,561,829.94	
Tax Title Liens	A-9	11,270.37	
Grants - Appropriated - Match	A-23		120,871.00
Grants - Unappropriated	A-24		131,276.36
Grants Receivable	A-25		597,348.62
Construction Code DCA - Due State of NJ	A-16	198,806.00	
Reserve for Storm Damage - FEMA	A-26	199,714.19	
Marriage Licenses Due State of NJ	A-27	5,050.00	
Reserve for State Library	A-31	1,958.00	
		<u>214,965,934.31</u>	<u>849,995.98</u>
		\$ 227,851,361.66	\$ 1,184,659.30
Decreased by Disbursements:			
2017 Appropriations	A-3	\$ 37,433,209.28	\$
Appropriation Reserves	A-14	1,891,109.94	
Accounts Payable	A-11	26,123.20	
Interfunds	A-12	4,642,936.60	
Petty Cash	A-5	1,000.00	
Tax Overpayments	A-17	43,947.04	
Tax Appeals	A-15	51,394.20	
Regional School District Taxes	A-21	121,379,975.34	
County Taxes	A-20	36,296,267.72	
Special Fire District Taxes	A-22	2,455,828.01	
Due Current Fund	A-29		3,850.00
Due Other Trust Fund	A-30		2,500.00
Refund of:			
Uniform Construction Code Fees	A-2	1,182.00	
Fees and Permits	A-2	70.00	
Recreation Fees	A-2	3,835.00	
Construction Code DCA - Due State of NJ	A-16	233,371.00	
Marriage Licenses Due State of NJ	A-27	5,075.00	
Reserve of Prior Year Revenue	A-1	500.00	
Grants-Appropriated	A-23		579,410.47
		<u>204,465,824.33</u>	<u>585,760.47</u>
Balance, December 31, 2017	A	\$ <u>23,385,537.33</u>	\$ <u>598,898.83</u>

"A-5"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF PETTY CASH

<u>OFFICE</u>	<u>RECEIVED FROM TREASURER</u>	<u>RETURNED TO TREASURER</u>
Police Department	\$ 500.00	\$ 500.00
Finance Department	500.00	500.00
	<u>\$ 1,000.00</u>	<u>\$ 1,000.00</u>
<u>REF.</u>	A-4	A-4

"A-6"

SCHEDULE OF CHANGE FUNDS

Balance, December 31, 2016
and December 31, 2017

A	\$ <u>410.00</u>
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DETAIL

Tax Collector	\$ 200.00
Police	50.00
Township Clerk	50.00
Municipal Court	110.00
	<u>\$ 410.00</u>

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>		
Balance, December 31, 2016 (Due From)	A	\$	222,329.99
Increased by:			
Senior Citizens Deductions Per Tax Billing	A-7	\$	41,500.00
Veterans Deductions Per Tax Billing	A-7		222,500.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector	A-7		<u>25,415.89</u>
			<u>289,415.89</u>
		\$	511,745.88
Decreased by:			
Senior Citizens Deductions Disallowed by Collector	A-7	\$	6,072.81
Received From State	A-4		<u>254,121.30</u>
			<u>260,194.11</u>
Balance, December 31, 2017 (Due From)	A	\$	<u><u>251,551.77</u></u>

ANALYSIS OF STATE SHARE OF 2017 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing	A-7	\$	41,500.00
Veterans Deductions Per Tax Billing	A-7		222,500.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector-2017 Taxes	A-7		<u>25,415.89</u>
		\$	289,415.89
Less:			
Deductions Disallowed by Collector	A-7		<u>6,072.81</u>
	A-8	\$	<u><u>283,343.08</u></u>

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2016	2017 LEVY	ADDED TAXES	COLLECTIONS BY CASH 2016	2017	CANCELED	OVERPAYMENTS APPLIED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2017
2016	\$ 902,724.34		\$ 8,204.72	\$	\$ 910,835.30	\$ 60.29	\$	\$	\$ 33.47
2017	\$ 902,724.34	\$ 182,490,630.70	\$ 8,204.72	\$ 1,496,445.59	\$ 910,835.30	\$ 60.29	\$ 24,654.42	\$ 28,440.01	\$ 33.47
					\$ 179,897,517.33	\$ 13,365.53			\$ 1,030,207.82
REF.	A	A-8	8,204.72	1,496,445.59	180,808,352.63	13,425.82	24,654.42	28,440.01	1,030,241.29

REF. A-2-A-18 A-2-A-8 A-2-A-17 A-9

Collector	A-4	\$ 180,525,009.55
Senior Citizens and Veterans Deductions	A-7	283,343.08
	A-8	\$ 180,808,352.63

ANALYSIS OF 2017 PROPERTY TAX LEVY

TAX YIELD		
General Property Tax		\$ 179,226,685.90
Added Taxes (54:4-63.1 et. seq.)		807,649.80
Special Fire District Tax		2,456,295.00
		\$ 182,490,630.70
<u>TAX LEVY</u>		
Regional School District Tax (Abstract)	A-2-A-21	\$ 121,165,271.00
County Tax (Abstract)		
County Library Tax (Abstract)		
County Open Space (Abstract)		
Due County for Added Taxes (54:4-63.1 et. seq.)		\$ 36,251,720.51
<u>Total County Taxes</u>		<u>162,974.42</u>
Special Fire District Tax	A-2-A-20	36,414,694.93
Local Tax for Municipal Purposes (Abstract)	A-2-A-22	2,456,295.00
Add: Additional Tax Levied		
Local Tax for Municipal Purposes Levied		<u>22,454,369.77</u>
	A-8	\$ 182,490,630.70

"A-9"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2016	A		\$ 190,406.94
Increased by:			
Taxes Accrued	A-8	\$ 28,440.01	
Interest & Costs on Tax Sale		<u>5,812.24</u>	
			<u>34,252.25</u>
			\$ <u>224,659.19</u>
Decreased by:			
Receipts	A-4		<u>11,270.37</u>
Balance, December 31, 2017	A		\$ <u><u>213,388.82</u></u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2016 and December 31, 2017	A		\$ <u><u>422,300.00</u></u>
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TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	A		\$ 1,009,544.99
Increased by:			
2017 Budget Appropriations	A-3	\$ 1,544,132.47	
Appropriation Reserves	A-14	<u>57,344.74</u>	
			\$ <u>1,601,477.21</u>
			\$ 2,611,022.20
Decreased by:			
Disbursements	A-4	\$ 26,123.20	
Transferred to Appropriation Reserves	A-14	897,563.68	
Canceled	A-1	<u>58,288.14</u>	
			<u>981,975.02</u>
Balance, December 31, 2017	A		\$ <u><u>1,629,047.18</u></u>

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>OTHER TRUST FUND</u>	<u>SEWER UTILITY OPERATING FUND</u>
Balance, December 31, 2016						
Due To	A	\$ 1,118,189.13	\$	\$	\$	\$ 1,118,189.13
Due From	A	<u>1,128,388.44</u>	<u>3,850.00</u>	<u>7,378.50</u>	<u>1,117,159.94</u>	
Receipts	A-4	\$ 2,468,059.54	\$ 3,850.00	\$ 7,378.50	\$ 2,350,961.49	\$ 105,869.55
Transfer	A-2	8,556.26		8,556.26		
Disbursements	A-4	<u>4,642,936.60</u>	<u>500.00</u>		<u>1,209,965.03</u>	<u>3,432,471.57</u>
Balance, December 31, 2017						
Due To	A	\$ 23,836.52	\$	\$	\$ 23,836.52	\$
Due From	A	<u>2,217,469.15</u>	<u>500.00</u>	<u>8,556.26</u>		<u>2,208,412.89</u>

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>ACCRUED IN 2017</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2017</u>
Licenses:					
Alcoholic Beverages	A-2	\$	\$ 87,252.00	\$ 87,252.00	\$
Other	A-2		37,921.00	37,921.00	
Fees and Permits	A-2		493,176.74	493,176.74	
Municipal Court:					
Fines and Costs	A-2	19,174.73	442,031.76	433,108.94	28,097.55
Interest and Costs on Taxes	A-2		265,810.30	265,810.30	
Interest on Investments and Deposits	A-2		193,619.69	193,619.69	
Recreation Fees	A-2		193,264.39	193,264.39	
Consolidated Municipal Property Tax Relief Aid	A-2		40,830.00	40,830.00	
Energy Receipts Tax	A-2		5,859,349.00	5,859,349.00	
Garden State Trust Fund	A-2		4,082.00	4,082.00	
Uniform Construction Code Fees	A-2		2,475,150.00	2,475,150.00	
Joint Services with County Library	A-2		198,658.81	198,658.81	
Public Assistance Services with County	A-2		22,920.00	22,920.00	
Shared Municipal Court	A-2		194,016.20	194,016.20	
Shared Resource Officer BOE	A-2		116,474.97	116,474.97	
Life Hazard Use Fees	A-2		131,497.59	131,497.59	
Suburban Cablevision - Franchise Fee	A-2		591,679.31	591,679.31	
Payment in Lieu of Taxes-Centerbridge I	A-2		117,798.93	117,798.93	
Payment in Lieu of Taxes-Centerbridge II	A-2		124,530.08	124,530.08	
Bridgewater Commons - Rent / Royalty / In Lieu Of	A-2		2,254,357.11	2,254,357.11	
Host Benefit Fees	A-2		254,143.22	254,143.22	
Reserve for Capital Projects	A-2		1,606,354.75	1,606,354.75	
Hotel/Motel Tax	A-2		987,695.17	987,695.17	
Debt Service Reimbursement - Open Space Trust Fund	A-2		63,478.89	63,478.89	
Reliable Recycling	A-2		50,100.00	50,100.00	
Reserve for Payment of Debt Service	A-2		193,645.25	193,645.25	
		\$ 19,174.73	\$ 16,756,091.91	\$ 16,990,914.34	\$ 28,097.55
<u>REF.</u>		A		A-4	A

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016	TRANSFERRED FROM ACCOUNTS PAYABLE	TRANSFERS	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
SALARIES AND WAGES						
Mayor's Office	\$ 1,381.70	\$	\$	\$ 1,381.70	\$	\$ 1,381.70
Administration	0.60			0.60		0.60
Economic Development	0.57			0.57		0.57
Township Council	3,062.55			3,062.55		3,062.55
Personnel Office	0.09			0.09		0.09
Purchasing Department	1,396.28			1,396.28		1,396.28
IT Department	7,083.00		(5,000.00)	2,083.00		2,083.00
Township Clerk	402.21			402.21		402.21
Division of Treasury	11,987.45	872.27	(6,500.00)	6,359.72	1,743.54	4,616.18
Division of Tax Collection	2,597.00	1,163.03		3,760.03	1,478.50	2,281.53
Tax Assessment	20,846.43	1,163.03	(15,000.00)	7,009.46	1,572.77	5,436.69
Legal Office	199.44			199.44		199.44
Engineering Director's Office	2,523.39			2,523.39		2,523.39
Engineering	94.47	1,163.03	1,000.00	2,257.50	1,430.81	826.69
Board of Adjustments	639.50			639.50		639.50
Division of Planning	2,115.07	2,326.06		4,441.13	771.54	3,669.59
Police	43,641.51	6,978.18		50,619.69	7,588.47	43,031.22
Emergency Management	1,200.00			1,200.00		1,200.00
Fire Safety	12,389.13			12,389.13		12,389.13
Municipal Court	8,480.87	4,652.12		13,132.99	7,408.35	5,724.64
Road Repairs and Maintenance	611.26	1,163.03	1,000.00	2,774.29	1,893.53	880.76
Vehicle Maintenance	58,679.00			58,679.00	1,037.70	57,641.30
Snow Removal	54,413.12			54,413.12	54,413.12	
Park Maintenance	63,717.58		(56,200.00)	7,517.58	2,987.20	4,530.38
Public Buildings and Grounds	11,247.93			11,247.93	3,552.24	7,695.69
Director's Office	0.26			0.26		0.26
Division of Health	2,629.09	1,163.03		3,792.12	2,610.04	1,182.08
Administration of Public Assistance	20.98			20.98		20.98
Senior Citizen Services	9,918.66	1,163.03		11,081.69	1,147.48	9,934.21
Division of Recreation and Parks	29,887.63			29,887.63		29,887.63
Construction Code Official	0.76	3,489.09	7,000.00	10,489.85	7,055.19	3,434.66
Branch Library	24,955.08	4,652.12		29,607.20	2,010.40	27,596.80
Police - Interlocal	139,000.00			139,000.00		139,000.00
OTHER EXPENSES						
Mayor's Office	14.14	145.00		159.14		159.14
Administration	8,996.80	2,275.08		11,271.88	1,745.90	9,525.98
Economic Development	300.00			300.00		300.00
Township Council	503.44	405.09		908.53	350.09	558.44
Personnel Office	20.97	3,333.81		3,354.78	2,594.80	759.98
Purchasing Department	2,101.45	449.05		2,550.50	644.96	1,905.54
IT Department	1,542.55	4,262.45	2,200.00	8,005.00	8,003.13	1.87
Township Clerk	1,501.21	3,860.20		5,361.41	3,277.26	2,084.15
Director of Finance	1,067.65	50.00		1,117.65	50.00	1,067.65
Division of Treasury	331.49	16,867.42		17,198.91	15,682.44	1,516.47
Audit	7,320.00			7,320.00		7,320.00
Division of Collector of Taxes	4,389.51	1,027.43		5,416.94	2,079.00	3,337.94
Assessment of Taxes	4,450.77	25,412.89		29,863.66	3,704.29	26,159.37
Reassessment Program		5,060.00		5,060.00	5,060.00	
Legal Office	233,001.56	46,681.17	(200,000.00)	79,682.73	31,187.04	48,495.69
Employee Group Insurance	46,540.40	166,575.34	480,000.00	693,115.74	637,397.23	55,718.51
Other Insurance Premiums	770.50			770.50		770.50
Engineering Director's Office	2,836.28	205.46		3,041.74	186.48	2,855.26
Engineering	1,575.30	1,309.50		2,884.80	967.76	1,917.04
Board of Adjustments	22,183.83	1,175.64	(15,000.00)	8,359.47	189.46	8,170.01
Division of Planning	32,412.62	5,332.50	(20,000.00)	17,745.12	770.00	16,975.12
Planning Board	10,306.65	13,625.08		23,931.73	614.49	23,317.24
Police	1,911.86	154,255.55		156,167.41	148,942.50	7,224.91
Office of Emergency Management	2,213.84			2,213.84		2,213.84
Fire Safety	247.04	254.60		501.64	354.60	147.04
Fire Hydrant Service	251,601.48			251,601.48	144,088.56	107,512.92
Municipal Court	14,549.05	4,704.15	(10,000.00)	9,253.20	3,616.88	5,636.32
Road Repair and Maintenance	7,362.60	93,543.13		100,905.73	68,807.75	32,097.98
Vehicle Maintenance	5,903.88	32,237.83		38,141.71	23,839.17	14,302.54
Recycling	14,851.05			14,851.05		14,851.05
Snow Removal	321,267.02	89,582.42		410,849.44	410,849.44	
Snow Removal (Excluded)	22,075.40			22,075.40	22,075.40	
Regional Transportation Contract	0.10			0.10		0.10

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016	TRANSFERRED FROM ACCOUNTS PAYABLE	TRANSFERS	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
OTHER EXPENSES (CONTINUED)						
Park Maintenance	\$ 454.86	\$ 13,384.44	\$	\$ 13,839.30	\$ 8,805.97	\$ 5,033.33
Municipal Services Reimbursements: Condominiums	39,584.71			39,584.71	24,670.80	14,913.91
Public Buildings and Grounds	156.40	42,594.00	1,500.00	44,250.40	19,887.73	24,362.67
Director's Office	200.00	245.00		445.00	245.00	200.00
Division of Health	561.98	4,047.45		4,609.43	4,087.02	522.41
Administration of Public Assistance	222.01			222.01	50.00	172.01
Contribution to Somerset Regional Center Partnership	10.00			10.00		10.00
Environmental Commission	3,504.36	95.00		3,599.36	95.00	3,504.36
Visiting Nurses	1,271.14	10,541.75		11,812.89	5,270.75	6,542.14
Senior Citizen Services	9,461.93	1,581.48		11,043.41	2,866.31	8,177.10
Division of Recreation and Parks	16,602.53	15,054.43	(10,000.00)	21,656.96	14,995.43	6,661.53
Branch Library	129.39	14,864.71		14,994.10	11,846.77	3,147.33
Green Brook Flood Control	750.72			750.72		750.72
Construction Code Official	11,415.31	17,669.34	(5,000.00)	24,084.65	9,260.30	14,824.35
Street Lighting	91,327.54		(38,000.00)	53,327.54	47,304.80	6,022.74
Telephone Service	43,078.67	1,369.88		44,448.55	10,885.12	33,563.43
Central Office Supply	17.79	3,364.75		3,382.54	1,153.43	2,229.11
Utilities	309,858.32	29,369.57	(150,000.00)	189,227.89	92,748.81	96,479.08
Postage	14,787.96	216.00	(5,000.00)	10,003.96	216.00	9,787.96
Public Employees' Retirement System			43,000.00	43,000.00		43,000.00
Pension Firemen's Widow	1,000.00			1,000.00		1,000.00
Defined Contribution Retirement Plan (DCRP)	2,623.62	383.44		3,007.06	203.62	2,803.44
Length of Service Awards Program	28,897.84			28,897.84		28,897.84
Branch Library - Interlocal	25,270.69	6,226.24		31,496.93	24,107.32	7,389.61
Branch Library - Social Security	2,919.53			2,919.53		2,919.53
Supplemental Fire Services Program Fire District		10,079.00		10,079.00	10,079.00	
Court Improvements	5,000.00			5,000.00		5,000.00
Computer Equipment	9,151.61	23,898.39		33,050.00	23,895.99	9,154.01
	<u>\$ 2,157,531.96</u>	<u>\$ 897,563.68</u>	<u>\$</u>	<u>\$ 3,055,095.64</u>	<u>\$ 1,948,454.68</u>	<u>\$ 1,106,640.96</u>
REF.	A	A-11				A-1
Disbursements	A-4			\$ 1,891,109.94		
Reserve for Accounts Payable	A-11			<u>57,344.74</u>		
				<u>\$ 1,948,454.68</u>		

"A-15"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 647,543.08
Decreased by:		
Disbursements	A-4	<u>51,394.20</u>
Balance, December 31, 2017	A	<u>\$ 596,148.88</u>

"A-16"

SCHEDULE OF RESERVE FOR CONSTRUCTION CODE DCA - DUE STATE OF N.J.

Balance, December 31, 2016	A	\$ 69,018.00
Increased by:		
Receipts	A-4	<u>198,806.00</u>
		\$ <u>267,824.00</u>
Decreased by:		
Disbursements	A-4	<u>233,371.00</u>
Balance, December 31, 2017	A	<u>\$ 34,453.00</u>

TOWNSHIP OF BRIDGEWATER
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	139,316.73
Increased by:			
Overpayments in 2017	A-4	\$	50,635.58
Refund of Prior Year Revenue - overpayments canceled	A-1		7,428.55
			<u>58,064.13</u>
		\$	<u>197,380.86</u>
Decreased by:			
Refunded	A-4	\$	43,947.04
Canceled			108,943.36
Applied to Taxes	A-8		<u>24,654.42</u>
			<u>177,544.82</u>
Balance, December 31, 2017	A	\$	<u><u>19,836.04</u></u>

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2016	A	\$	1,496,445.59
Increased by:			
Collection of 2018 Taxes	A-4		<u>13,561,829.94</u>
		\$	<u>15,058,275.53</u>
Decreased by:			
Applied to 2017 Taxes	A-8		<u>1,496,445.59</u>
Balance, December 31, 2016	A	\$	<u><u>13,561,829.94</u></u>

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2016 and December 31, 2017	A	\$ <u>261.03</u>

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2016	A		\$ 44,547.21
Increased by:			
2017 Levy		\$ 36,251,720.51	
Added Taxes		<u>162,974.42</u>	
	A-1:A-8		\$ <u>36,414,694.93</u>
			\$ <u>36,459,242.14</u>
Decreased by:			
Payments	A-4		<u>36,296,267.72</u>
Balance, December 31, 2017	A		\$ <u>162,974.42</u>

"A-21"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 214,704.84
Increased by:		
School Levy	A-1:A-8	<u>121,165,271.00</u>
		\$ <u>121,379,975.84</u>
Decreased by:		
Payments	A-4	<u>121,379,975.34</u>
Balance, December 31, 2017	A	\$ <u><u>0.50</u></u>

"A-22"

SCHEDULE OF SPECIAL FIRE DISTRICT TAXES PAYABLE

Increased by:		
2017 Special District Tax Levy	A-1:A-8	\$ 2,456,295.00
Decreased by:		
Payments	A-4	<u>2,455,828.01</u>
Balance, December 31, 2017	A	\$ <u><u>466.99</u></u>

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2016	2017 BUDGET APPROPRIATION	EXPENDED	BALANCE DECEMBER 31, 2016
Drunk Driving Enforcement Fund	\$ 20,746.27	\$	\$ 1,881.86	\$ 18,864.41
Clean Communities Program	83,033.70	97,176.80	136,151.12	44,059.38
Municipal Alliance Program	25,899.07	36,208.25	36,210.83	25,896.49
Municipal Alliance Program Match	10,360.13	10,000.00	10,227.72	10,132.41
Safe & Secure Communities	60,000.00	60,000.00		120,000.00
Safe & Secure Communities & Match	110,871.00	110,871.00		221,742.00
NJ American Water- Environmental grant	6,500.00	6,500.00		6,500.00
Alcohol Education Rehabilitation	7,025.89	1,222.46	500.00	7,383.80
Body Armor Replacement Fund	2,000.00	6,686.57	13,712.46	
ROID - Match				2,000.00
Recycling Tonnage Program		56,478.92	55,334.13	1,144.79
Somerset County Youth Services Commission	3,949.87	9,000.00	8,885.59	4,064.28
Office of Emergency Management	34,937.48		2,500.00	32,437.48
Regional Center Partnership	27,500.00		25,000.00	2,500.00
NJ DOT - Highway Safety Fund - Safe Corridor		67,662.96	67,654.89	8.07
NJ DOT- Municipal Aid - Country Club Road - Phase VI	13,942.67		13,942.67	
NJ DOT -Municipal Aid- Country Club Road - Phase VIII		200,000.00	157,795.11	42,204.89
NJ DOT - Municipal Aid - Talamini Road		200,000.00		200,000.00
	\$ 429,115.15	\$ 870,575.98	\$ 551,653.98	\$ 748,037.15
REF.	A			A
Grants Appropriated		\$ 749,704.98		
Matching Funds for Grants		120,871.00		
		\$ 870,575.98		
Disbursements			\$ 579,410.47	
Accounts Payable			87,010.74	
			\$ 666,421.21	
Less: Transferred from Accounts Payable			114,767.23	
			\$ 551,653.98	

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

	BALANCE DECEMBER <u>31, 2015</u>	<u>RECEIPTS</u>	BALANCE DECEMBER <u>31, 2016</u>
Recycling Tonnage Grant	\$ 0.73	\$ 100,146.37	\$ 100,147.10
Drunk Driving Enforcement Fund		6,629.99	6,629.99
Emergency Management		7,000.00	7,000.00
Regional Center Partnership		17,500.00	17,500.00
	<u>\$ 0.73</u>	<u>\$ 131,276.36</u>	<u>\$ 131,277.09</u>
<u>REF.</u>	A	A-4	A

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2016	BUDGET APPROPRIATION	RECEIPTS	BALANCE DECEMBER 31, 2017
Alcohol Education Rehabilitation Fund	\$	\$ 1,222.46	\$ 1,222.46	\$
Clean Communities Program		97,176.80	97,176.80	
Municipal Alliance Program	14,986.89	36,208.25	28,024.42	23,170.72
Body Armor Replacement Fund		6,686.57	6,686.57	
Federal Bulletproof Vest Partnership	19,457.90	8,769.02	11,226.75	17,000.17
Safe and Secure Communities	60,000.00	60,000.00	120,000.00	
Open Space Stewardship	20.00			20.00
Youth Services Commission	5,000.00	9,000.00	9,000.00	5,000.00
Historic Preservation	33,605.00	6,500.00	5,850.00	33,605.00
NJ American Water Environmental Grant		67,662.96	67,654.89	650.00
NJ DOT - Highway Safety - Safe Corridors			40,500.00	8.07
NJ DOT - Municipal Aid Program - Country Club Road Phase VI	40,500.00			
NJ DOT - Municipal Aid Program - Country Club Road Phase V	42,000.00			
NJ DOT - Municipal Aid Program - Country Club Road Phase VIII		200,000.00	42,000.00	
NJ DOT - Municipal Aid Program - Talamini Road		500,000.00	111,527.81	88,472.19
Recycling Tonnage Program		56,478.92	56,478.92	500,000.00
	\$ 215,569.79	\$ 1,049,704.98	\$ 597,348.62	\$ 667,926.15
REF.	A	A-2	A-4	A

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR STORM DAMAGE - FEMA

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 213,497.28
Increased by:		
Receipts	A-4	<u>199,714.19</u>
		\$ <u>413,211.47</u>
Decreased by:		
Applied to Revenue	A-2	<u>200,000.00</u>
Balance, December 31, 2017	A	\$ <u><u>213,211.47</u></u>

"A-27"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR MARRIAGE LICENSES - DUE STATE OF NEW JERSEY

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	1,050.00
Increased by:			
Receipts	A-4		5,050.00
		\$	<u>6,100.00</u>
Decreased by:			
Paid to State	A-4		5,075.00
			<u>5,075.00</u>
Balance, December 31, 2017	A	\$	<u><u>1,025.00</u></u>

"A-28"

GRANT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2016	A	\$	114,767.23
Increased by:			
Grants Appropriated	A-23		87,010.74
		\$	<u>201,777.97</u>
Decreased by:			
Transferred to Grants Appropriated	A-23		114,767.23
			<u>114,767.23</u>
Balance, December 31, 2017	A	\$	<u><u>87,010.74</u></u>

"A-29"

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2016 (Due To)	A	\$ 3,850.00
Increased by:		
Receipts	A-4	500.00
		\$ <u>4,350.00</u>
Decreased by:		
Disbursements	A-4	<u>3,850.00</u>
Balance, December 31, 2017 (Due To)	A	\$ <u><u>500.00</u></u>

"A-30"

GRANT FUND

SCHEDULE OF DUE OTHER TRUST FUND

Balance, December 31, 2016 (Due To)	A	\$ <u>2,500.00</u>
Decreased by:		
Disbursements	A-4	\$ <u><u>2,500.00</u></u>

"A-31"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR LIBRARY EXPENDITURES

	<u>REF.</u>	
Balance, December 31, 2016 (Due To)	A	\$ 4,885.00
Increased by:		
Receipts	A-4	<u>1,958.00</u>
Balance, December 31, 2017 (Due To)	A	<u>\$ 6,843.00</u>

"A-32"

SCHEDULE OF RESERVE FOR INSURANCE DAMAGE

Balance, December 31, 2016 and December 31, 2017	A	\$ <u>7,147.71</u>
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TOWNSHIP OF BRIDGEWATER

TRUST FUND

ANALYSIS OF ASSESSMENT FUND CASH

	BALANCE DECEMBER 31, <u>2016</u>	<u>CANCELED</u>
Assessment Serial Bonds:		
Middlebrook 79-19	\$ 0.18	\$ 0.18
Ethicon 87-20/88-7/88-24/89-30/90-10	(197.45)	(197.45)
Assessment Fund Balance	47,130.81	47,130.81
Assessment Overpayments	<u>1,000.00</u>	<u>1,000.00</u>
	\$ <u>47,933.54</u>	\$ <u>47,933.54</u>

REF.

B

"B-4"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 1,056,500.00
Increased by:		
Receipts	B-2	<u>601,900.00</u>
		\$ 1,658,400.00
Decreased by:		
Disbursements	B-2	<u>571,400.00</u>
Balance, December 31, 2017	B	<u><u>\$ 1,087,000.00</u></u>

"B-5"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

Balance, December 31, 2016	B	\$ 36,991.57
Increased by:		
Receipts	B-2	<u>583,959.06</u>
		\$ 620,950.63
Decreased by:		
Disbursements	B-2	<u>576,076.07</u>
Balance, December 31, 2017	B	<u><u>\$ 44,874.56</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 108,339.83
Increased by:		
Receipts	B-2	<u>42,216.81</u>
		\$ 150,556.64
Decreased by:		
Disbursements	B-2	<u>53,746.61</u>
Balance, December 31, 2017	B	<u><u>\$ 96,810.03</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 17,815.37
Increased by:		
Receipts	B-2	259.85
		<u>\$ 18,075.22</u>
Decreased by:		
Disbursements	B-2	<u>2,814.40</u>
Balance, December 31, 2017	B	<u><u>\$ 15,260.82</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TRUST DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 6,798,249.13
Increased by:		
Receipts	B-2	<u>79,094.29</u>
		\$ <u>6,877,343.42</u>
Decreased by:		
Disbursements	B-2	<u>1,654,380.46</u>
Balance, December 31, 2017	B	\$ <u><u>5,222,962.96</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2016	B		\$ 24,889.40
Increased by:			
Cat License Fees Collected		\$ 924.00	
Dog License Fees Collected		12,105.00	
Late Fees		1,123.00	
Kennel/Pet Shop Licenses		75.00	
	B-2		<u>14,227.00</u>
			\$ <u>39,116.40</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-2	\$ 3,720.14	
Accounts Payable	B-12	393.00	
Excess Reserve for Expenditures Due Current Fund	B-13	8,556.26	
			<u>12,669.40</u>
Balance, December 31, 2017	B		\$ <u><u>26,447.00</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2016	\$ 14,152.00
2015	<u>12,295.80</u>
	\$ <u><u>26,447.80</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS TRUST DEPOSITS

ACCOUNT	BALANCE DECEMBER 31, 2016	INCREASED BY	DECREASED BY	BALANCE DECEMBER 31, 2017
Escrow/Other Accounts	\$ 933,542.60	\$ 797,977.60	\$ 285,154.83	\$ 1,446,365.37
Public Defender	22,427.43	9,151.65	17,681.21	13,897.87
Police Offense Adjudication Act	4,907.00	80.00		4,987.00
Fire Fines and Penalties	48,583.54	66,266.00	47,858.81	66,990.73
Fire Penalties Due Departments	13,600.00	36,175.00	39,525.00	10,250.00
Salary Settlements	56,411.61	275,000.00	281,401.45	50,010.16
COAH	3,098,121.47	867,700.21	274,902.98	3,690,918.70
Site Inspections	970,349.39	314,792.30	409,658.73	875,482.96
Performance Bonds	3,204,599.23	2,226,589.63	1,867,482.17	3,563,706.69
Professional Fees Escrow	875,369.98	1,266,007.48	1,336,422.41	804,955.05
Police Outside Overtime	172,970.12	1,237,579.28	1,274,538.13	136,011.27
Maintenance Escrow	128,453.59	158,614.12	66,878.24	220,189.47
Payroll Deductions Payable	286,216.10	8,659,218.04	8,686,186.57	259,247.57
Third Party Inspections	110,748.20			110,748.20
	\$ 9,926,300.26	\$ 15,915,151.31	\$ 14,587,690.53	\$ 11,253,761.04
REF.	B	B-2	B-2	B

A detailed analysis of the various deposits is on file in the office of the Township Treasurer.

"B-11"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF DUE STATE DEPARTMENT OF HEALTH - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2016 (Due From)	B	\$	1.00
Increased by:			
State Registration Fees Collected	B-2		<u>2,556.00</u>
		\$	<u>2,555.00</u>
Decreased by:			
Paid to State Department of Health	B-2	\$	<u><u>2,555.00</u></u>

"B-12"

SCHEDULE OF ACCOUNTS PAYABLE - ANIMAL CONTROL FUND

Balance, December 31, 2016	B	\$	688.28
Increased by:			
Accounts Payable	B-9		<u>393.00</u>
		\$	<u>1,081.28</u>
Decreased by:			
Disbursements	B-2		<u>688.28</u>
Balance, December 31, 2017	B	\$	<u><u>393.00</u></u>

"B-13"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2016 (Due To)	B	\$ 7,378.50
Increased by:		
Excess Reserve for Animal Control Expenditures	B-9	8,556.26
		\$ <u>15,934.76</u>
Decreased by:		
Disbursements	B-2	<u>7,378.50</u>
Balance, December 31, 2017 (Due To)	B	\$ <u><u>8,556.26</u></u>

"B-14"

SCHEDULE OF DUE CURRENT FUND - OTHER TRUST FUND

Balance, December 31, 2016 (Due To)	B	\$ 1,117,159.94
Increased by:		
Receipts	B-2	1,209,965.03
		\$ <u>2,327,124.97</u>
Decreased by:		
Disbursements	B-2	<u>2,350,961.49</u>
Balance, December 31, 2017 (Due From)	B	\$ <u><u>23,836.52</u></u>

"B-15"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF DUE GRANT FUND - OTHER TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2016 (Due From)	B	\$ <u>2,500.00</u>
Decreased by:		
Receipts	B-2	\$ <u><u>2,500.00</u></u>

"B-16"

SCHEDULE OF DUE SEWER UTILITY OPERATING FUND - OTHER TRUST FUND

Balance, December 31, 2016 (Due From)	B	\$ <u>1,118,386.14</u>
Decreased by:		
Receipts	B-2	\$ <u><u>1,118,386.14</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF CONFIRMATION</u>	<u>INSTALLMENT</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>CANCELED</u>
79-19A	Middlebrook Sewers Contract 144A/B	8/15/94	10	9/15/94 - 2003	\$ 65,585.92	\$ 65,585.92
87-20A	Ethicon Lawns	2/02/98	10	4/03/98 - 2007	17,403.56	17,403.56
					<u>\$ 82,989.48</u>	<u>\$ 82,989.48</u>

REF. B

"B-18"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>CANCELED</u>
79-19	Construction of Sanitary Sewer - Middlebrook	\$ <u>408,863.19</u>	\$ <u>408,863.19</u>
		\$ <u>408,863.19</u>	\$ <u>408,863.19</u>
		<u>REF.</u>	B

"B-19"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ <u>491,655.40</u>
Decreased by:		
Canceled		\$ <u><u>491,655.40</u></u>

"B-20"

SCHEDULE OF ASSESSMENT OVERPAYMENTS

Balance, December 31, 2016	B	\$ <u>1,000.00</u>
Decreased by:		
Canceled		\$ <u><u>1,000.00</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ASSESSMENT TRUST FUND

	<u>REF.</u>		
Increased by:			
Fund Balance	B-1	\$ 47,130.81	
Canceled		<u>802.73</u>	
			\$ <u>47,933.54</u>
Decreased by:			
Disbursements	B-2		\$ <u><u>47,933.54</u></u>

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2016	C		\$ 9,766,146.70
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-7	\$ 330,030.00	
Deferred Charging to Future Taxation - Unfunded	C-6	1,448,266.99	
Improvement Authority	C-8	15,102.94	
Bond Anticipation Notes	C-11	15,891,140.00	
Reserve for Debt Service	C-13	<u>594,518.44</u>	
			<u>18,279,058.37</u>
			\$ <u>28,045,205.07</u>
Decreased by Disbursements:			
Contracts Payable	C-15	\$ 5,817,906.06	
Capital Project-Utilized as Current Fund Revenue	C-4	1,606,354.75	
Reserve for Debt Service	C-13	193,645.25	
Bond Anticipation Notes	C-11	<u>15,891,457.00</u>	
			<u>23,509,363.06</u>
Balance, December 31, 2017	C		\$ <u><u>4,535,842.01</u></u>

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER <u>31, 2017</u>
Capital Improvement Fund	\$ 46,172.30
Fund Balance	225,627.92
Accounts Receivable	
Reserve for Capital Projects	150,000.00
Reserve for Debt Service	912,072.94
Reserve for Preliminary Expenses	5,000.00
Contracts Payable	1,976,432.92
Unexpended Proceeds of Bond Anticipation Notes (Listed on C-6)	2,215,852.18
Funded Improvement Authorizations	2,609,331.49
Cash on Hand to Pay Notes(Listed on C-6)	544,286.32
Unfunded Improvements Expended (Listed on C-6)	<u>(4,148,934.06)</u>
	<u>\$ 4,535,842.01</u>

REF.

C

"C-4"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL PROJECTS

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 1,756,354.75
Decreased by:		
Disbursements - Current Fund Revenue	C-2	<u>1,606,354.75</u>
Balance, December 31, 2017	C	<u>\$ 150,000.00</u>

"C-5"

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

Balance, December 31, 2016	C	\$ 50,477,698.50
Increased by:		
Improvement Authority Loans	C-16	<u>238,716.20</u>
		\$ 50,716,414.70
Decreased by:		
Improvement Authority Loans Paid by Budget	C-16	\$ 186,162.77
Green Acres Loans Paid by Budget	C-14	88,938.51
Infrastructure Loans Paid by Budget	C-12	63,595.55
Bonds Defeased	C-10	370,000.00
Bonds Paid by Budget	C-10	<u>2,875,000.00</u>
		<u>3,583,696.83</u>
Balance, December 31, 2017	C	<u>\$ 47,132,717.87</u>

TOWNSHIP OF BRIDGEWATER
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	2017 AUTHORIZATION	DECREASED	BALANCE DECEMBER 31, 2017	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
		\$ 227,452.08	\$	\$ 47,949.99	\$ 227,452.08		\$ 227,452.08	\$
05-34	Road Improvements - Milltown Road	47,949.99						
05-51	Drainage and Resurfacing - Carteret Road	510,553.16			510,553.16		503,473.16	7,080.00
06-14	Various Road Improvements	1,400,000.00		1,400,000.00				
07-02	Construction of Municipal Complex	1,900,000.00		478,066.64	1,421,933.36	1,421,933.36		
14-02	Acquisition of 9-1-1 Communications Equipment	491,150.00		28,552.51	462,597.49	462,597.49		
14-05	Various Public Works Equipments	3,058,382.00		317.00	3,058,065.00	3,058,065.00		
14-07	Various Road Improvements	1,885,750.00		37,667.17	1,848,082.83	1,848,082.83		
15-02	Acquisition of Land	3,700,250.00			3,700,250.00	3,700,250.00		
15-05	Various Road Improvements	99,750.00			99,750.00	99,750.00		
15-06	Various Public Works Equipments	4,369,525.00			4,369,525.00	4,369,525.00		
16-13	Various Road Improvements	386,650.00			386,650.00	386,650.00		
16-14	Acquisition of Various Public Works Equipment		5,909,000.00		5,909,000.00		3,197,783.55	2,711,216.45
17-14	Various Road Improvements		361,000.00		361,000.00		220,225.27	140,774.73
17-15	Acquisition of Various Public Works Equipment							
		<u>\$ 18,077,412.23</u>	<u>\$ 6,270,000.00</u>	<u>\$ 1,992,553.31</u>	<u>\$ 22,354,858.92</u>	<u>\$ 15,346,853.68</u>	<u>\$ 4,148,934.06</u>	<u>\$ 2,859,071.18</u>
		C	C-9		C		C-3	
	REF.							
	C-9			\$ 544,286.32		\$ 15,891,140.00		\$ 5,074,923.36
	C-2			<u>1,448,266.99</u>		<u>544,286.32</u>		<u>2,215,852.18</u>
				<u>\$ 1,992,553.31</u>		<u>\$ 15,346,853.68</u>		<u>\$ 2,859,071.18</u>
	C-11							
	C-3							
	C-9							
	C-3							

Canceled
Raised by Budget

Bond Anticipation Notes Payable
Less: Cash on Hand to Pay Notes

Improvement Authorizations Unfunded
Less: Unexpended Proceeds of Bond Anticipation Notes

"C-7"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 46,142.30
Increased by:		
2017 Budget Appropriation	C-2	330,030.00
		<u>\$ 376,172.30</u>
Decreased by:		
Appropriated to Finance Improvements	C-9	330,000.00
		<u>330,000.00</u>
Balance, December 31, 2017	C	<u>\$ 46,172.30</u>

"C-8"

SCHEDULE OF IMPROVEMENT AUTHORITY RECEIVABLE

Balance, December 31, 2016 (Due From)	C	\$ <u>15,102.94</u>
Decreased by:		
Receipts	C-2	\$ <u>15,102.94</u>

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
14-02	Acquisition of 9-1-1 Communications Equipment	08/18/15	08/14/17	08/10/18	2.25%	\$ 1,900,000.00	\$ 1,900,000.00	\$ 1,900,000.00	\$ 1,900,000.00
14-05	Various Public Works Equipment	08/18/15	08/14/17	08/10/18	2.25%	491,150.00	491,150.00	491,150.00	491,150.00
14-07	Various Road Improvements	08/18/15	08/14/17	08/10/18	2.25%	3,058,382.00	3,058,065.00	3,058,382.00	3,058,065.00
15-02	Acquisition of Land	08/18/15	08/14/17	08/10/18	2.25%	1,885,750.00	1,885,750.00	1,885,750.00	1,885,750.00
15-05	Various Road Improvements	08/18/15	08/14/17	08/10/18	2.25%	3,700,250.00	3,700,250.00	3,700,250.00	3,700,250.00
15-06	Various Public Works Equipment	08/18/15	08/14/17	08/10/18	2.25%	99,750.00	99,750.00	99,750.00	99,750.00
16-13	Various Road Improvements	08/16/16	08/14/17	08/10/18	2.25%	4,369,525.00	4,369,525.00	4,369,525.00	4,369,525.00
16-14	Acquisition of Various Public Works Equipment	08/16/16	08/14/17	08/10/18	2.25%	386,650.00	386,650.00	386,650.00	386,650.00
						<u>\$ 15,891,457.00</u>	<u>\$ 15,891,140.00</u>	<u>\$ 15,891,457.00</u>	<u>\$ 15,891,140.00</u>
					<u>REF.</u>	C	C-2	C-2	C-C-6

"C-12"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR INFRASTRUCTURE LOAN PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	C	\$	309,811.87
Decreased by:			
Payment on Loan	C-5		<u>63,595.55</u>
Balance, December 31, 2017	C	\$	<u><u>246,216.32</u></u>

"C-13"

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

Balance, December 31, 2016	C	\$	511,199.75
Increased by:			
Receipts	C-2		<u>594,518.44</u>
		\$	<u>1,105,718.19</u>
Decreased by:			
Disbursements	C-2		<u>193,645.25</u>
Balance, December 31, 2017	C	\$	<u><u>912,072.94</u></u>

"C-14"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF GREEN ACRES LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 449,939.47
Decreased by:		
Payment on Loans	C-5	<u>88,938.51</u>
Balance, December 31, 2017	C	<u>\$ 361,000.96</u>

"C-15"

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

Balance, December 31, 2017	C	\$ 2,412,858.81
Increased by:		
Charges to Improvement Authorizations	C-9	<u>5,381,480.17</u>
		\$ <u>7,794,338.98</u>
Decreased by:		
Disbursements	C-2	<u>5,817,906.06</u>
Balance, December 31, 2017	C	<u>\$ 1,976,432.92</u>

"C-16"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORITY LOANS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 584,947.16
Increased by:		
Improvement Authority Loans	C-5	<u>238,716.20</u>
		\$ <u>823,663.36</u>
Decreased by:		
Payment on Loans	C-5	<u>186,162.77</u>
Balance, December 31, 2017	C	\$ <u><u>637,500.59</u></u>

"C-17"

SCHEDULE OF RESERVE FOR PRELIMINARY EXPENSES

Balance, December 31, 2016 and December 31, 2017	C	\$ <u><u>5,000.00</u></u>
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TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE</u> <u>DECEMBER 31, 2017</u>
05-34	Road Improvements Milltown Road	\$	227,452.08
06-14	Various Road Improvements		510,553.16
07-14	Various Road Improvements		5,909,000.00
07-15	Various Public Works Equipment		361,000.00
			<hr/>
		\$	<u>7,008,005.24</u>

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>ASSESSMENT TRUST</u>	<u>CAPITAL</u>
Balance, December 31, 2016	D	\$ <u>8,990,929.27</u>	\$ <u>11,392.66</u>	\$ <u>6,369,107.31</u>
Increased by Receipts:				
Sewer Charges Receivable	D-13	\$ 9,984,047.52	\$	\$
Miscellaneous Revenue Not Anticipated	D-1:D-4	802,015.68		
Interfunds	D-10	3,432,471.57		
Debt Service	D-11			65,234.50
Sewer Overpayments	D-20	10,737.20		
Bond Anticipation Notes	D-28			5,740,860.00
Capital Improvement Fund	D-17			2,299,843.56
Branchburg Share of Operating Costs	D-1:D-4	20,000.00		
Township of Warren - Debt Service	D-1:D-4	73,350.34		
Prepaid Sewer Charges	D-25	34,564.03		
		\$ <u>14,357,186.34</u>	\$ _____	\$ <u>8,105,938.06</u>
		\$ <u>23,348,115.61</u>	\$ <u>11,392.66</u>	\$ <u>14,475,045.37</u>
Decreased by Disbursements:				
2017 Budget Appropriations	D-5	\$ 11,420,100.55	\$	\$
2016 Appropriation Reserves	D-19	198,670.73		
Interfunds	D-10	1,224,255.69		
Sewer Overpayments	D-20	8,260.36		
Bond Anticipation Notes	D-28			5,740,860.00
Accrued Interest on Bonds	D-31	33,477.50		
Accrued Interest on Loans	D-29	3,231.41		
Accounts Payable	D-18	27,421.40		
Contracts Payable	D-24			1,050,645.98
Due Sewer Operating Fund	D-7		11,392.66	
		\$ <u>12,915,417.64</u>	\$ <u>11,392.66</u>	\$ <u>6,791,505.98</u>
Balance, December 31, 2017	D:D-8	\$ <u>10,432,697.97</u>	\$ _____	\$ <u>7,683,539.39</u>

"D-7"

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY ASSESSMENT FUND
DUE SEWER OPERATING FUND

	<u>REF.</u>	
Increased by:		
Canceled	D-2	\$ <u>11,392.66</u>
Decreased by:		
Disbursements	D-6	\$ <u><u>11,392.66</u></u>

"D-8"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

BALANCE
DECEMBER
31, 2017

SEWER:

Fund Balance	\$	76,361.34
Contracts Payable		3,393,538.16
Reserve for Debt Service		65,234.50
Capital Improvement Fund		843.56
Improvement Authorizations - Funded:		
Ord. # 01-19 and 04-01 Design and Upgrade to Gilbride Pump Station		39,615.00
Ord. # 01-34 Infiltration and Inflow Program in FINDERNE SECTION		89,825.93
Ord. # 09-10 Improvements to Sanitary Sewer System		644,267.14
Ord. # 12-06 Various Sewer Utility Improvements		777,946.06
Ord. # 16-12 Various Sewer Utility Improvements		
Ord. # 17-20 Various Sewer Utility Improvements		2,023,430.00
Authorized But Not Issued		(3,006,662.87)
Unfunded Improvements Expended		<u>3,579,140.57</u>
	\$	<u><u>7,683,539.39</u></u>

REF.

D:D-6

"D-9"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF CHANGE FUND

REF.

Balance, December 31, 2016
and December 31, 2017

D

\$ 100.00

"D-11"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>REF.</u>	
Increased by:		
Receipts	D-6	\$ <u>65,234.50</u>
Balance, December 31, 2017	D	\$ <u><u>65,234.50</u></u>

"D-12"

SEWER UTILITY FUND

SCHEDULE OF CONNECTION CHARGES RECEIVABLE

Balance, December 31, 2016 and December 31, 2017 (Overpayment)	D	\$ <u><u>550.00</u></u>
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"D-13"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2016	D		\$ 413,463.45
Increased by:			
Sewer Charges Levied (Net)			10,144,549.55
			<u>\$ 10,558,013.00</u>
Decreased By:			
Collections	D-6	\$ 9,984,047.52	
Prepaid Applied	D-25	1,784.12	
Sewer Overpayments Applied	D-20	38,295.98	
Transfer to Sewer Liens Receivable	D-14	7,182.00	
Canceled		<u>203,039.16</u>	
			<u>10,234,348.78</u>
Balance, December 31, 2017	D		<u>\$ 323,664.22</u>

"D-14"

SCHEDULE OF SEWER UTILITY LIENS RECEIVABLE

Increased by:			
Transfer from Sewer Use Charges Receivable	D-13		\$ <u>7,182.00</u>
Balance, December 31, 2017	D		<u>\$ 7,182.00</u>

"D-15"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE DATE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>INCREASED BY</u>	<u>BALANCE DECEMBER 31, 2016</u>
01-19:04-01	Design and Upgrade to Gilbride Pump Station	06/18/01	\$ 1,264,500.00	\$	\$ 1,264,500.00
01-34	Infiltration and' Inflow Program in Finderne Section	11/19/01	100,000.00		100,000.00
09-10	Improvements to the Sanitary Sewer System	06/15/09	1,300,000.00		1,300,000.00
12-06	Various Sewer Utility Improvements	06/18/12	2,075,000.00		2,075,000.00
13-05	Various Sewer Utility Improvements	05/20/13	1,800,000.00		1,800,000.00
14-06	Various Sewer Utility Improvements	05/30/14	2,440,000.00		2,440,000.00
15-07	Various Sewer Utility Improvements	05/14/15	1,560,000.00		1,560,000.00
16-12	Various Sewer Utility Improvements	06/20/16	3,225,000.00		3,225,000.00
17-20	Various Sewer Utility Improvements	08/21/17		3,719,700.00	3,719,700.00
			<u>\$ 13,764,500.00</u>	<u>\$ 3,719,700.00</u>	<u>\$ 17,484,200.00</u>
		<u>REF.</u>	D	D-26	D

"D-16"

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2016 & 2017</u>
Bridgewater Trunk Sewer	\$ 1,040,000.00
Somerset Shopping Center Trunk Sewer Crossing #3 Trunk Sewer and North Branch Trunk Sewer Section 2	1,200,000.00
North Branch Trunk Sewer Connection	2,915,519.36
Vanderveer Trunk	300,000.00
Improvements to Ivy Lane	126,034.63
Purchase of Equipment	460,930.87
Middlebrook Trunk Sewer Connection	8,588,727.14
	<u>\$ 14,631,212.00</u>
	<u>REF.</u>
	D

"D-17"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Increased by:		
2017 Budget Appropriation	D-6	\$ 2,299,843.56
Decreased by:		
Appropriated to Finance Improvements	D-22	<u>2,299,000.00</u>
Balance, December 31, 2017	D	<u>\$ 843.56</u>

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	D		\$ 329,377.43
Increased by:			
2017 Appropriations	D-5	\$ 258,170.86	
2016 Appropriation Reserves	D-19	<u>72,241.58</u>	
			\$ <u>330,412.44</u>
Decreased by:			
Disbursements	D-6	\$ 27,421.40	
Accounts Payable Canceled	D-1	479.14	
2016 Appropriation Reserves	D-19	<u>284,108.14</u>	
			<u>312,008.68</u>
Balance, December 31, 2017	D		\$ <u><u>347,781.19</u></u>

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>	
Operating:					
Salaries and Wages	\$ 253,493.22	\$ 256,110.04	\$ 69,702.99	\$ 186,407.05	
Other Expenses	459,437.85	740,929.17	200,539.70	540,389.47	
Somerset Raritan Valley Sewerage Authority	537,159.44	537,159.44		537,159.44	
Statutory Expenditures:					
Contribution to Social Security System	<u>140,808.81</u>	<u>140,808.81</u>	<u>669.62</u>	<u>140,139.19</u>	
	<u>\$ 1,390,899.32</u>	<u>\$ 1,675,007.46</u>	<u>\$ 270,912.31</u>	<u>\$ 1,404,095.15</u>	
	<u>REF.</u>	<u>D</u>			<u>D-1</u>
Balance, December 31, 2016	\$	1,390,899.32			
Transfer of Accounts Payable		<u>284,108.14</u>			
	\$	<u>1,675,007.46</u>			
Disbursements			\$ 198,670.73		
Accounts Payable			<u>72,241.58</u>		
	\$		<u>270,912.31</u>		

"D-20"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGE OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2016	D		\$ 75,212.06
Increased by:			
Receipts	D-6		<u>10,737.20</u>
			\$ 85,949.26
Decreased by:			
Overpayments Canceled	D-1	\$ 34,847.34	
Overpayments Applied	D-13	38,295.98	
Refunded	D-6	<u>8,260.36</u>	
			<u>81,403.68</u>
Balance, December 31, 2017	D		\$ <u><u>4,545.58</u></u>

"D-21"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ 491,177.80
Decreased by:		
Loans Paid by Budget	D-23	<u>37,398.28</u>
Balance, December 31, 2017	D	<u>\$ 453,779.52</u>

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	BALANCE DECEMBER 31, 2016	<u>INCREASED</u>	BALANCE DECEMBER 31, 2017
01-19:04-01	Design and Upgrade to Gilbride Pump Station	06/18/01	\$ 1,263,225.00	\$	\$ 1,263,225.00
01-34	Infiltration and Inflow Program in Findeme Section	11/19/01	100,000.00		100,000.00
09-10	Improvements to the Sanitary Sewer System	06/15/09	1,299,833.00		1,299,833.00
12-06	Various Sewer Utility Improvements	06/18/12	2,075,000.00		2,075,000.00
16-12	Various Sewer Utility Improvements	07/12/16	1,700,000.00		1,700,000.00
17-20	Various Sewer Utility Improvements	08/21/17		2,299,000.00	2,299,000.00
			<u>\$ 6,438,058.00</u>	<u>\$ 2,299,000.00</u>	<u>\$ 8,737,058.00</u>

REF.

D

D-17

D

"D-23"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2016	D		\$ 13,150,653.33
Increased by:			
EIT Loan Payable Paid by Operating Budget	D-21	\$ 37,398.28	
Serial Bonds Paid by Operating Budget	D-27	<u>120,000.00</u>	
			<u>157,398.28</u>
Balance, December 31, 2017	D		<u>\$ 13,308,051.61</u>

"D-24"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2016	D		\$ 627,949.96
Increased by:			
Charges to Improvement Authorizations	D-26		<u>3,816,234.18</u>
			\$ <u>4,444,184.14</u>
Decreased by:			
Disbursements	D-6		<u>1,050,645.98</u>
Balance, December 31, 2017	D		<u>\$ 3,393,538.16</u>

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF PREPAID SEWER CHARGES

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ 1,784.12
Increased by:		
Receipts	D-6	<u>34,564.03</u>
		\$ 36,348.15
Decreased by:		
Prepaid Applied	D-13	<u>1,784.12</u>
Balance, December 31, 2017	D	<u><u>\$ 34,564.03</u></u>

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT	BALANCE, DECEMBER 31, 2016		2017 AUTHORIZATIONS		DECREASED	BALANCE, DECEMBER 31, 2017	
			FUNDED	UNFUNDED	FUNDED	UNFUNDED		FUNDED	UNFUNDED
01-19 & 04-01	Design and Upgrade to Gilbride Pump Station	\$ 729,000.00	\$ 39,615.00	\$ 1,275.00	\$	\$	\$ 39,615.00	\$ 1,275.00	
01-34	Infiltration/Inflow Program in Findeme Section	100,000.00	89,825.93				89,825.93		
09-10	Improvements to the Sanitary Sewer System	1,300,000.00	644,267.14	167.00			644,267.14	167.00	
12-06	Various Sewer Utility Improvements	2,075,000.00	778,296.06			350.00	777,946.06		
13-05	Various Sewer Utility Improvements	1,800,000.00		1,409,361.92		1,078,808.60		330,553.32	
14-06	Various Sewer Utility Improvements	2,440,000.00		1,067,743.45		1,864.20		1,065,879.25	
15-07	Various Sewer Utility Improvements	1,560,000.00		224,829.84		27,814.82		197,015.02	
16-12	Various Sewer Utility Improvements	3,225,000.00		1,525,000.00		2,431,826.56		563,550.98	
17-20	Various Sewer Utility Improvements	3,719,700.00			3,719,700.00	275,570.00		1,420,700.00	
		\$	\$ 3,022,381.67	\$ 4,228,377.21	\$ 3,719,700.00	\$ 3,816,234.18	\$ 3,575,084.13	\$ 3,579,140.57	
REF.			D	D	D-15	D-24	D	D	

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY CAPITAL FUND

SCHEDULE OF SEWER SERIAL BONDS PAYABLE

DATE OF ISSUE	ORIGINAL ISSUE	MATURETIES OF BONDS OUTSTANDING DECEMBER 31, 2017	INTEREST RATE	BALANCE DECEMBER 31, 2015	DECREASED	BALANCE DECEMBER 31, 2016
Sewer Utility Bonds	7/15/2007	\$ 508,000.00	4.125%	\$ 218,000.00	\$ 35,000.00	183,000.00
Sewer Utility Bonds	4/1/2012	7/15/2019-2022	4.125%			
		4/1/2018-2019	2.000%			
		04/01/2020	2.500%			
		04/01/2021	3.000%			
		04/01/2022	3.000%			
		04/01/2023	3.000%			
		4/1/2024-2026	3.000%			
		04/01/2027	3.125%			
		4/1/2028-2029	3.250%			
		04/01/2030	3.375%			
Sewer Utility Refunding Bonds	10/1/2012	04/01/2031	3.500%	541,000.00	25,000.00	516,000.00
		04/01/2032	3.500%	36,000.00		36,000.00
		10/01/2018	4.000%	60,000.00		60,000.00
		10/1/2019-2020	4.000%	230,000.00	60,000.00	170,000.00
				\$ 989,000.00	\$ 120,000.00	\$ 869,000.00

REF.

D

D-23

D

D

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>		<u>BALANCE DECEMBER 31, 2016</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2016</u>
13-05	Various Sewer Utility Improvements	05/20/13	08/14/17	08/10/18	2.25%	\$	1,410,569.00	\$ 1,410,569.00	\$	1,410,569.00
14-06	Various Sewer Utility Improvements	05/30/14	08/14/17	08/10/18	2.25%		2,083,081.00	2,083,081.00		2,083,081.00
15-07	Various Sewer Utility Improvements	05/14/15	08/14/17	08/10/18	2.25%		722,210.00	722,210.00		722,210.00
16-12	Various Sewer Utility Improvements	07/12/16	08/14/17	08/10/18	2.25%		1,525,000.00	1,525,000.00		1,525,000.00
						\$	<u>5,740,860.00</u>	<u>5,740,860.00</u>	<u>5,740,860.00</u>	<u>5,740,860.00</u>

REF.

D

D-6

D-6

D

"D-29"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ACCRUED INTEREST ON LOANS

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ 3,805.29
Increased by:		
Budget Appropriation Charges	D-5	1,530.29
		\$ <u>5,335.58</u>
Decreased by:		
Interest Paid	D-6	<u>3,231.41</u>
Balance, December 31, 2017	D	\$ <u><u>2,104.17</u></u>

"D-30"

SCHEDULE OF ACCRUED INTEREST ON NOTES

Increased by:		
Budget Appropriation Charges	D-5	\$ <u>43,375.39</u>
Balance, December 31, 2017	D	\$ <u><u>43,375.39</u></u>

"D-31"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ 42,811.41
Decreased by:		
Interest Paid	D-6	<u>33,477.50</u>
Balance, December 31, 2017	D	<u>\$ 9,333.91</u>

"D-32"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2017</u>
	Sewer Utility Capital Fund:	
98-11	Purchase of Equipment	\$ 380.87
01-19:04-01	Design and Upgrade to Gilbride Pump Station	1,275.00
09-10	Improvements to the Sanitary Sewer System	167.00
13-05	Various Sewer Utility Improvements	389,431.00
14-06	Various Sewer Utility Improvements	356,919.00
15-07	Various Sewer Utility Improvements	837,790.00
17-20	Various Sewer Utility Improvements	<u>1,420,700.00</u>
		<u>\$ 3,006,662.87</u>

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF CONFIRMATION</u>	<u>INSTALLMENTS</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>ASSESSMENTS RECEIVABLE CANCELED</u>
76-13	Sunset Lake Section II Sewer	02/24/83	10	3/24/83-92	\$ 845.99	\$ 845.99
76-3	Milltown Road Sewer	05/21/84	10	6/21/84-93	7,948.00	7,948.00
80-17	Crossing #4 Sewer	08/1/86	10	9/1/86-95	29,386.11	29,386.11
79-19	Middle Brook Collector	02/22/90	10	3/22/90-99	15,795.76	15,795.76
					<u>\$ 53,975.86</u>	<u>\$ 53,975.86</u>

REF.

D

"D-34"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>PROSPECTIVE ASSESSMENTS CANCELED</u>
68-25/80-17	Crossing #4 Section I Area Sewers	\$ 37,376.22	\$ 37,376.22
76-6/79-20	Sunset Lake Sewers	524,086.36	524,086.36
78-16	Bluestone Lane Sewers	190,000.00	190,000.00
79-29	North Branch Drive Sewers	190,000.00	190,000.00
		<u>\$ 941,462.58</u>	<u>\$ 941,462.58</u>
		<u>REF.</u>	<u>D</u>

"D-35"

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

Balance, December 31, 2016	D	\$ <u>995,438.44</u>
Decreased by: Canceled		\$ <u>995,438.44</u>

TOWNSHIP OF BRIDGEWATER
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE CASH

	<u>REF.</u>	<u>PUBLIC ASSISTANCE TRUST FUND 1</u>	<u>PUBLIC ASSISTANCE TRUST FUND 2</u>
Balance, December 31, 2016	E	\$ 700.63	\$ 103,334.84
Increased by Receipts:			
State Aid for Public Assistance and Other Receipts	E-4	\$ 700.63	101,445.41
		<u>\$ 700.63</u>	<u>\$ 204,780.25</u>
Decreased by Disbursements:			
Reserve for:			
Public Assistance	E-5	247.33	136,523.91
		<u>247.33</u>	<u>136,523.91</u>
Balance, December 31, 2017	E	<u>\$ 453.30</u>	<u>\$ 68,256.34</u>

TOWNSHIP OF BRIDGEWATER

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION PER N.J.S.A. 40A:5-5

Balance, December 31, 2017	\$	68,709.64
Increased by:		
Receipts		<u>9.34</u>
Balance, January 31, 2018	\$	<u><u>68,718.98</u></u>

<u>RECONCILIATION - JANUARY 31, 2018</u>	<u>P.A.T.F. I</u>	<u>P.A.T.F. II</u>	<u>TOTAL</u>
	<u>ACCOUNT</u>	<u>ACCOUNT</u>	
Balance on Deposit Per Statement of TD Banknorth:			
Account #398-3034572	\$ 1.79	\$	\$ 1.79
PNC Bank:			
Account #80-3235-8177		68,835.68	68,835.68
Account #81-0395-2342	<u>451.51</u>		<u>451.51</u>
	\$ <u>453.30</u>	\$ <u>68,835.68</u>	\$ <u>69,288.98</u>
Less: Outstanding Checks		<u>(570.00)</u>	<u>(570.00)</u>
Balance, January 31, 2018	\$ <u><u>453.30</u></u>	\$ <u><u>68,265.68</u></u>	\$ <u><u>68,718.98</u></u>

TOWNSHIP OF BRIDGEWATER

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION AS OF DECEMBER 31, 2017

Balance, December 31, 2016	\$	104,035.47
Increased by:		
Receipts		<u>101,445.41</u>
	\$	205,480.88
Decreased by:		
Disbursements		<u>136,771.24</u>
Balance, December 31, 2017	\$	<u><u>68,709.64</u></u>

<u>RECONCILIATION - DECEMBER 31, 2017</u>	<u>P.A.T.F. I ACCOUNT</u>	<u>P.A.T.F. II ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit Per Statement of TD Banknorth:			
Account #398-3034572	\$ 1.79	\$	\$ 1.79
PNC Bank:			
Account #80-3235-8177		68,826.34	68,826.34
Account #81-0395-2342	<u>451.51</u>		<u>451.51</u>
	\$ <u>453.30</u>	\$ <u>68,826.34</u>	\$ <u>69,279.64</u>
Less: Outstanding Checks (Per List on File)		<u>(570.00)</u>	<u>(570.00)</u>
Balance, December 31, 2017	\$ <u><u>453.30</u></u>	\$ <u><u>68,256.34</u></u>	\$ <u><u>68,709.64</u></u>

"E-4"

TOWNSHIP OF BRIDGEWATER

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE REVENUES
YEAR ENDED DECEMBER 31, 2017

	<u>P.A.T.F.</u> <u>ACCOUNT #2</u>	<u>FUND</u> <u>TOTAL</u>
State Aid Payments	\$ 80,600.00	\$ 80,600.00
Supplemental Security Income:		
State / Municipal Refund	7,980.00	7,980.00
Interest and Other	<u>12,865.41</u>	<u>12,865.41</u>
<u>TOTAL REVENUES (P.A.T.F.)</u>	<u>\$ 101,445.41</u>	<u>\$ 101,445.41</u>

"E-5"

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
YEAR ENDED DECEMBER 31, 2017

Current Year Assistance (Reported):			
Maintenance Payments	\$	52,151.00	\$ 52,151.00
Other:			
Temporary Rental Assistance		59,467.00	59,467.00
Emergency Assistance		24,770.91	24,770.91
Other		<u>135.00</u>	<u>135.00</u>
<u>Total Reported</u>	\$	<u>136,523.91</u>	\$ <u>136,523.91</u>
Ineligible Assistance	\$	<u>247.33</u>	<u>247.33</u>
<u>TOTAL DISBURSEMENTS (P.A.T.F.)</u>	\$	<u>136,523.91</u>	\$ <u>136,771.24</u>

PART II
TOWNSHIP OF BRIDGEWATER
STATISTICAL DATA
LIST OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

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

	<u>YEAR 2017</u>		<u>YEAR 2016</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 4,126,020.57	2.00%	\$ 3,441,276.97	1.73%
Miscellaneous - From Other Than				
Local Property Tax Levies	19,915,525.94	9.65%	17,379,426.58	8.74%
Collection of Delinquent Taxes				
and Tax Title Liens	922,105.67	0.45%	1,066,421.79	0.54%
Collections of Current Tax Levy	<u>181,418,617.34</u>	<u>87.90%</u>	<u>177,026,988.88</u>	<u>88.99%</u>
<u>Total Revenue</u>	<u>\$ 206,382,269.52</u>	<u>100.00%</u>	<u>\$ 198,914,114.22</u>	<u>100.00%</u>
 <u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 40,909,551.14	20.25%	\$ 37,729,608.65	19.36%
County Taxes	36,414,694.93	18.02%	35,332,942.35	18.13%
Regional School Taxes	121,165,271.00	59.97%	118,313,892.00	60.70%
Special Fire District Taxes	2,456,295.00	1.22%	2,404,516.00	1.23%
Other Expenditures	<u>1,097,009.26</u>	<u>0.54%</u>	<u>1,127,583.72</u>	<u>0.58%</u>
<u>Total Expenditures</u>	<u>\$ 202,042,821.33</u>	<u>100.00%</u>	<u>\$ 194,908,542.72</u>	<u>100.00%</u>
Excess in Revenue	\$ 4,339,448.19		\$ 4,005,571.50	
Fund Balance - January 1	<u>5,984,484.79</u>		<u>5,420,190.26</u>	
	\$ 10,323,932.98		\$ 9,425,761.76	
Less: Utilization as Anticipated Revenue	<u>4,126,020.57</u>		<u>3,441,276.97</u>	
Fund Balance, December 31	<u>\$ 6,197,912.41</u>		<u>\$ 5,984,484.79</u>	

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

	YEAR 2017		YEAR 2016	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 3,479,191.16	21.97%	\$ 2,634,141.34	17.11%
Collection of Sewer Use Charges	10,024,127.62	63.29%	9,910,817.00	64.39%
Miscellaneous	<u>2,334,787.65</u>	<u>14.75%</u>	<u>2,846,033.04</u>	<u>18.50%</u>
<u>Total Revenue</u>	<u>\$ 15,838,106.43</u>	<u>100.00%</u>	<u>\$ 15,390,991.38</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 9,995,047.60	78.20%	\$ 9,871,638.00	82.79%
Capital Improvements	2,299,843.56	17.99%	1,700,000.00	14.26%
Deferred Charges and Statutory Expenditures	170,000.00	1.33%	150,808.81	1.26%
Debt Service	<u>316,802.22</u>	<u>2.48%</u>	<u>201,694.53</u>	<u>1.69%</u>
<u>Total Expenditures</u>	<u>\$ 12,781,693.38</u>	<u>100.00%</u>	<u>\$ 11,924,141.34</u>	<u>100.00%</u>
Excess in Revenue	\$ 3,056,413.05		\$ 3,466,850.04	
Fund Balance, January 1	<u>7,146,392.63</u>		<u>6,313,683.93</u>	
	\$ 10,202,805.68		\$ 9,780,533.97	
Less: Utilization as Anticipated Revenue	<u>3,479,191.16</u>		<u>2,634,141.34</u>	
Fund Balance, December 31	<u>\$ 6,723,614.52</u>		<u>\$ 7,146,392.63</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$2.093</u>	<u>\$2.062</u>	<u>\$2.061</u>
Appointment of Tax Rate:			
Municipal	\$0.253	\$0.255	\$0.253
County	0.425	0.417	0.418
Local School	<u>1.415</u>	<u>1.390</u>	<u>1.390</u>

Assessed Valuation:

Year 2017	\$ <u>8,561,233,644.00</u>		
Year 2016		\$ <u>8,506,211,198.00</u>	
Year 2015			\$ <u>8,413,284,948.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2017	\$182,490,630.70	\$181,418,617.34	99.41%
2016	178,059,177.02	177,026,988.88	99.42%
2015	176,275,325.40	174,944,329.29	99.24%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>DECEMBER 31, YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2017	\$213,388.82	\$1,030,241.29	\$1,243,630.11	0.68%
2016	190,406.94	902,724.34	1,093,131.28	0.61%
2015	150,759.14	1,235,117.03	1,385,876.17	0.79%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31st on the basis of the last assessed valuation of such properties was as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2017	\$422,300.00
2016	422,300.00
2015	422,300.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED IN BUDGET</u> <u>OF SUCCEEDING</u> <u>YEAR</u>
Current Fund	2017	\$ 6,197,912.41	\$ 4,012,082.00
	2016	5,984,484.79	4,126,020.57
	2015	5,420,190.26	3,441,276.97
	2014	4,938,091.58	3,039,376.57
	2013	5,208,560.43	3,016,405.53
Sewer Utility Operating Fund	2017	\$ 6,723,614.52	\$ 3,062,793.00
	2016	7,146,392.63	3,479,191.16
	2015	6,313,683.93	2,634,141.34
	2014	5,859,789.13	1,546,183.07
	2013	5,080,565.62	844,656.72

EQUALIZED VALUATIONS – REAL PROPERTY

<u>Year</u>	
2017	\$9,164,237,758.00
2016	9,367,290,013.00
2015	9,010,301,244.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Daniel J. Hayes Jr.	Mayor		
Allen Kurdyla	Council Member - President		
Matthew Moench	Council Member		
Howard Norgalis	Council Member		
Filipe Pedroso	Council Member		
Christine Henderson Rose	Council Member		
James Naples	Director of Administration	*	
Linda Doyle	Municipal Clerk, Assessment Search Officer	\$25,000.00	Penn National Insurance
Grace Karanja	Deputy Municipal Clerk	*	
Natasha Turchan	Director of Finance, Chief Financial Officer	\$250,000.00	Penn National Insurance
Rose Witt	Qualified Purchasing Agent	*	
Gary Howarth	Human Resources Officer	*	
Darrow Murdock	Tax Collector, Tax Search Officer, Sewer Collector	\$650,000.00	Penn National Insurance
Anthony DiRado	Tax Assessor	*	
Willam Savo	Township Attorney	*	
Scarlett Doyle	Township Planner	*	
Steve Rodzinak	Construction Code Official	*	
Dave Battaglia	Director of Municipal Services, Township Engineer	*	
Thomas Forsythe	Deputy Director of Municipal Services Superintendent of Public Works	*	

OFFICIALS IN OFFICE AND SURETY BONDS (CONTINUED)

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
William Kelleher	Municipal Court Judge	*	
Audrey Lipinski	Court Administrator	\$75,000.00	Penn National Insurance
Alfred Nicaretta	Police Chief	*	
Karl McAleer	Fire Official	*	
Chris Poulsen	Director of Human Services (to December 11, 2017)	*	
Peter Leung	Health Officer	*	
Nadine Carr	Registrar	*	
Patricia Padovani	Director of Welfare	*	
Christine Schneider	Superintendent of Recreation	*	
		*	

*All officials and employees (except as noted) handling and collecting Township funds are covered by a blanket position bond for faithful performance for \$1,000,000.00. The blanket position bond is written by the Pennsylvania National Mutual Insurance Company.

All of the bonds were examined and were properly executed.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

"Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 was increased to \$40,000.00 by resolution of the governing body.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following items:

- Snow Removal Service
- Woodlawn Ave Sidewalk and Rambler Drive Curb Ramp Repair
- Winslow Drive Improvements
- Dry Cleaning Police Uniforms
- Custodial Services – Municipal, Public Works, Police and Senior Center
- Bradley Gardens Sewer Rehabilitation Project
- Improvements to Brown Road
- Country Club Road Improvements
- Purchase of Police Uniforms, Shoes and Gear
- Police Ballistic Vests and Vest Carriers
- Sidewalk Improvement Project
- Hunter Road Improvement Project
- BWT-1, BWT-2 and BWT-3 Road Improvement Projects
- Drum Hill Road Improvement Project
- Hauck Road Improvement Project
- Leghorn Ave Sanitary Sewer Rehab and Restoration
- Colonial Way Road Improvement Project
- Dogwood Drive Road Improvement Project

The minutes indicate that resolutions were adopted and advertised 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 or 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.

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4
(CONTINUED)

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$40,000.00 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 provisions of N.J.S.A. 40A:11-6.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

The statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 5, 2017 adopted the following resolution pursuant to the provisions of R.S. 54:4-67 fixing the rate of delinquent taxes and assessments at 8% per annum on the first \$1,500.00 and a rate of 18% per annum on any amount in excess of \$1,500.00 becoming delinquent after the due date and if the delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged if payment of any installment is made within ten days after the date upon which the same becomes payable. Sanitary Sewer Charges are fixed at a delinquent rate of 18% per annum on all delinquent charges after the due date.

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 27, 2017 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

The following is a comparison of the number of tax title liens (including sewer) receivable on December 31st of the last five years:

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2017	26
2016	27
2015	28
2014	27
2013	24

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of the mailing of verification notices as follows:

<u>TYPE</u>	
Payments of 2018 Taxes	50
Payments of 2017 Taxes	50
Delinquent Taxes	25
Payment of Sewer Utility Charges	50
Delinquent Sewer Utility Charges	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year. It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

None