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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, 2018

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, 2018 AND 2017



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, 2018 and 2017, 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, 2018, 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, 2018 and 2017, 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, 2018.

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, 2018 and 2017, 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, 2018 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 June 24, 2019 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

June 24, 2019



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, 2018, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated June 24 2019. 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.

SUPLEE, CLOONEY & COMPANY

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

June 24, 2019

CURRENT FUND

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
<u>ASSETS</u>			
Cash	A-4	\$ 13,059,677.85	\$ 23,385,536.73
Change Fund	A-6	410.00	410.00
Due State of New Jersey - Senior Citizens and Veterans	A-7	3,500.00	251,551.77
		<u>\$ 13,063,587.85</u>	<u>\$ 23,637,498.50</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 1,104,301.09	\$ 1,030,241.29
Tax Title Liens Receivable	A-9	147,551.82	213,388.82
Property Acquired for Taxes - Assessed Valuation	A-10	422,300.00	422,300.00
Revenue Accounts Receivable	A-13	25,763.02	28,097.55
Interfunds Receivable	A-12	1,640,167.96	2,217,469.15
	A	<u>\$ 3,340,083.89</u>	<u>\$ 3,911,496.81</u>
	A	<u>\$ 16,403,671.74</u>	<u>\$ 27,548,995.31</u>
Grant Fund:			
Cash	A-4	\$ 554,703.64	\$ 598,898.83
Grants Receivable	A-25	<u>502,246.86</u>	<u>367,926.15</u>
	A	<u>\$ 1,056,950.50</u>	<u>\$ 966,824.98</u>
	A	<u>\$ 17,460,622.24</u>	<u>\$ 28,515,820.29</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, 2018</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriations Reserves	A-3:A-14	\$ 1,449,404.45	\$ 1,182,504.41
Prepaid Taxes	A-18	1,663,782.45	13,561,829.94
Encumbrances Payable	A-11	1,229,914.23	1,601,477.21
Accounts Payable	A-11	47,609.51	27,569.97
Tax Overpayments	A-17	295,729.71	19,836.04
Interfunds Payable	A-12		23,836.52
Reserve For:			
Sale of Municipal Assets	A-19	261.03	261.03
Marriage Licenses - Due State of NJ	A-28	900.00	1,025.00
Construction Code DCA - Due State of New Jersey	A-16	36,765.00	34,453.00
Insurance Damage	A-31	7,147.71	7,147.71
County Taxes Payable	A-20	223,020.68	162,974.42
Regional School Taxes Payable	A-21		0.50
Fire District Taxes Payable	A-22	0.30	466.99
Tax Appeals	A-15	590,143.66	596,148.88
Storm Damage - FEMA	A-26	213,211.47	213,211.47
State Library	A-27	7,757.00	6,843.00
		\$ 5,765,647.20	\$ 17,439,586.09
Reserve for Receivables and Other Assets	A	3,340,083.89	3,911,496.81
Fund Balance	A-1	7,297,940.65	6,197,912.41
	A	\$ 16,403,671.74	\$ 27,548,995.31
Grant Fund:			
Reserve for Grants - Unappropriated	A-24	\$ 24,917.64	\$ 131,277.09
Reserve for Grants - Appropriated	A-23	954,064.05	748,037.15
Due Current Fund	A-30		500.00
Accounts Payable	A-29	77,968.81	87,010.74
	A	\$ 1,056,950.50	\$ 966,824.98
	A	\$ 17,460,622.24	\$ 28,515,820.29

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

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2018</u>	<u>YEAR ENDED DECEMBER 31, 2017</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 4,012,082.07	\$ 4,126,020.57
Miscellaneous Revenue Anticipated	A-2	16,537,608.68	17,935,531.72
Receipts From Delinquent Taxes	A-2	1,113,709.40	922,105.67
Receipts From Current Taxes	A-2	186,082,916.85	181,418,617.34
Non-Budget Revenue	A-2	1,179,217.74	706,121.76
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	646,189.14	1,106,640.96
Accounts Payable Canceled	A-11	21,665.50	58,288.14
Interfunds Returned		577,301.19	
Tax Overpayments Canceled	A-17	864.40	108,943.36
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 210,171,554.97</u>	<u>\$ 206,382,269.52</u>
<u>EXPENDITURES</u>			
Budget Appropriations	A-3	\$ 40,130,416.07	\$ 40,909,551.14
Special Fire District Taxes	A-22	2,512,180.00	2,456,295.00
County Taxes	A-20	36,232,882.16	36,414,694.93
Regional School District Taxes	A-21	125,914,655.00	121,165,271.00
Canceled Receivables	A-7	253,150.60	
Refund of Prior Year Revenue- Tax Overpayments			7,428.55
Refund of Prior Year Revenue	A-4	16,160.83	500.00
Interfunds Advanced			1,089,080.71
<u>TOTAL EXPENDITURES</u>		<u>\$ 205,059,444.66</u>	<u>\$ 202,042,821.33</u>
Excess in Revenue		\$ 5,112,110.31	\$ 4,339,448.19
Fund Balance, January 1	A	6,197,912.41	5,984,484.79
		<u>\$ 11,310,022.72</u>	<u>\$ 10,323,932.98</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	4,012,082.07	4,126,020.57
Fund Balance, December 31	A	<u>\$ 7,297,940.65</u>	<u>\$ 6,197,912.41</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, 2018

REF.	ANTICIPATED		SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
	ANTICIPATED BUDGET				
Fund Balance Anticipated	A-1	\$ 4,012,082.07		\$ 4,012,082.07	
Miscellaneous Revenues:					
Licenses					
Alcoholic Beverages	A-13	\$ 86,000.00	\$	\$ 87,502.00	\$ 1,502.00
Other	A-2	35,000.00		31,812.47	(3,187.53)
Fees and Permits:					
Construction Code Official	A-2	2,300,000.00		2,075,671.00	(224,329.00)
Other	A-2	450,000.00		412,281.45	(37,718.55)
Municipal Court:					
Fines and Costs	A-13	420,000.00		449,218.86	29,218.86
Interest and Costs on Taxes	A-13	200,000.00		284,789.62	84,789.62
Interest on Investments and Deposits	A-13	150,000.00		501,042.62	351,042.62
Recreation Fees	A-2	180,000.00		212,063.82	32,063.82
Consolidated Municipal Property Tax Relief Aid	A-13	40,830.00			(40,830.00)
Energy Receipts Tax	A-13	5,859,349.00		5,900,179.00	40,830.00
Garden State Trust Fund	A-13	4,082.00		4,082.00	
Joint Services with County Library	A-13	112,319.32		113,819.32	1,500.00
Shared Municipal Court	A-13	193,800.00		198,169.52	4,369.52
Shared Resource Officer BOE	A-13	108,000.00		124,432.69	16,432.69
Recycling Tonnage Grant	A-25		100,147.10	100,147.10	
Safe & Secure Communities	A-25		60,000.00	60,000.00	
Clean Communities Program	A-25		93,025.11	93,025.11	
Municipal Alliance on Alcoholism and Drug Use	A-25		36,208.25	36,208.25	
Youth Services Program	A-25		7,500.00	7,500.00	
Heroes and Helpers	A-25		2,000.00	2,000.00	
Federal Bulletproof Vest	A-25		17,690.00	17,690.00	
Emergency Management	A-25		7,000.00	7,000.00	
Alcohol Education Rehabilitation Program	A-25		952.02	952.02	
Drunk Driving Enforcement Fund	A-25		6,629.99	6,629.99	
Municipal Aid Program- Country Club Road	A-25		325,000.00	325,000.00	
Highway Safety - Safe Corridors	A-25		46,014.48	46,014.48	
Regional Center Partnership	A-25		17,500.00	17,500.00	
Radon Awareness	A-25		2,000.00	2,000.00	
Workplace Yoga	A-25		350.00	350.00	
Life Hazard Use Fees	A-13	180,000.00		169,570.81	(10,429.19)
Suburban Cablevision Franchise Fee	A-13	590,000.00		601,793.00	11,793.00
Payment in Lieu of Taxes - Centerbridge I	A-13	102,000.00		113,102.17	11,102.17
Payment in Lieu of Taxes - Centerbridge II	A-13	109,000.00		107,513.60	(1,486.40)
Bridgewater Commons Rent and Royalty - In Lieu of Taxes	A-13	2,200,000.00		2,041,330.90	(158,669.10)
Host Benefit Fees	A-13	210,000.00		253,740.05	43,740.05
Hotel and Motel Tax	A-13	900,000.00		1,078,697.78	178,697.78
Debt Service Reimbursement - Open Space Trust Fund	A-13	61,679.05		61,679.05	
Reliable Recycling	A-13	50,000.00		50,100.00	100.00
Reserve for Payment of Debt Service	A-13	943,000.00		943,000.00	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 15,485,059.37	\$ 722,016.95	\$ 16,537,608.68	\$ 330,532.36
Receipts From Delinquent Taxes	A-1	\$ 850,000.00		\$ 1,113,709.40	\$ 263,709.40
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	\$ 21,736,641.72		\$ 24,093,199.69	\$ 2,356,557.97
<u>BUDGET TOTALS</u>		\$ 42,083,783.16	\$ 722,016.95	\$ 45,756,599.84	\$ 2,950,799.73
Non-Budget Revenues	A-2			1,179,217.74	1,179,217.74
		\$ 42,083,783.16	\$ 722,016.95	\$ 46,935,817.58	\$ 4,130,017.47
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, 2018

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Collections	A-1:A-8	\$ 186,082,916.85
Allocated To:		
County Taxes	A-8	36,232,882.16
Regional School District Taxes	A-8	125,914,655.00
Special Fire District Taxes	A-8	2,512,180.00
		<u>\$ 164,659,717.16</u>
Balance for Support of Municipal Budget Appropriations		\$ 21,423,199.69
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,670,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 24,093,199.69</u>
Licenses - Other:		
Clerk		\$ 60.47
Health Officer		31,170.00
Registrar		<u>582.00</u>
	A-2:A-13	<u>\$ 31,812.47</u>
Other - Fees and Permits:		
Board of Health		\$ 3,585.00
Police		79,748.55
Planning		115,687.82
Registrar		14,500.00
Engineering		39,335.56
Tax Assessor		991.00
Board of Adjustment		7,575.00
Township Clerk		9,525.00
Fire		136,486.00
Zoning		<u>5,232.52</u>
	A-13	<u>\$ 412,666.45</u>
Less: Refunds	A-4	<u>385.00</u>
	A-2	<u>\$ 412,281.45</u>
Recreation Fees	A-13	\$ 215,578.82
Less: Refunds	A-4	<u>3,515.00</u>
	A-2	<u>\$ 212,063.82</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, 2018

REF.

Uniform Construction Code Fees	A-13	\$	2,082,058.00
Less: Refunds	A-4		<u>6,387.00</u>
	A-2	\$	<u><u>2,075,671.00</u></u>

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:			
Engineering- Road Openings/Bid Specs		\$	4,515.00
Tax Premium- over 5 years old			22,800.00
JIF Award			106,819.79
Refund of Prior Year Expenses			366,719.40
Prior Year Escrow Interest			104,979.71
Bad Check Fees			280.00
Police Outside Overtime Administrative Fees			161,940.91
Police Outside Overtime Car Usage			88,895.00
Senior Citizens & Veterans Administrative Fees			4,822.07
Sale of Liquor License			100,000.00
DMV Inspection Fines			550.00
Homestead Rebate Mailing Reimbursement			3,061.20
County Auction			40,400.45
Mall Parking			22,800.00
Refuse Revenue			1,493.02
Shared Service- Raritan Borough Building Dept			11,011.25
Tax Collector			8,409.03
Miscellaneous			<u>123,327.08</u>
	A-4		1,172,823.91
Excess Reserve for Animal Expenditures	A-12		<u>6,393.83</u>
<u>Total Non-Budget Revenue</u>	A-1:A-2	\$	<u><u>1,179,217.74</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, 2018

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
MAYOR'S OFFICE					
Salaries and Wages	\$ 52,178.00	\$ 52,178.00	\$ 52,177.50	\$ 0.50	\$
Other Expenses	3,050.00	3,050.00	2,754.36	295.64	
ADMINISTRATION					
Salaries and Wages	168,002.00	168,002.00	161,001.02	7,000.98	
Other Expenses	21,750.00	106,750.00	104,180.02	2,569.98	
ECONOMIC DEVELOPMENT					
Salaries and Wages	88,971.00	88,971.00	86,970.66	0.34	
Other Expenses	100.00	100.00	90.00	10.00	
TOWNSHIP COUNCIL					
Salaries and Wages	27,000.00	27,010.00	27,000.06	9.94	
Other Expenses	8,656.00	8,656.00	6,777.56	1,878.44	
PERSONNEL OFFICE					
Salaries and Wages	99,666.06	89,666.06	80,712.41	8,953.65	
Other Expenses	10,265.00	10,265.00	9,823.00	442.00	
PURCHASING DEPARTMENT					
Salaries and Wages	73,254.00	77,254.00	75,672.37	1,581.63	
Other Expenses	28,125.00	32,125.00	31,904.00	221.00	
IT DEPARTMENT					
Salaries and Wages	119,439.00	119,439.00	119,438.24	0.76	
Other Expenses	33,000.00	33,000.00	32,832.22	167.78	
TOWNSHIP CLERK					
Salaries and Wages	164,652.50	164,752.50	164,745.30	7.20	
Other Expenses	14,275.00	14,275.00	14,009.39	265.61	
ELECTIONS					
Other Expenses	13,100.00	17,100.00	16,337.70	762.30	
FINANCE DIRECTOR'S OFFICE					
Salaries and Wages	94,568.00	98,568.00	98,317.94	250.06	
Other Expenses	2,515.00	2,515.00	2,332.41	182.59	
DIVISION OF TREASURY					
Salaries and Wages	183,927.00	183,927.00	178,388.49	5,538.51	
Other Expenses	42,850.00	27,850.00	22,041.61	5,808.39	
Audit	54,500.00	54,500.00	52,985.00	1,515.00	
TAX COLLECTION					
Salaries and Wages	90,541.00	93,041.00	93,040.30	0.70	
Other Expenses	28,392.50	28,392.50	28,392.50		
TAX ASSESSMENT					
Salaries and Wages	169,313.00	159,313.00	140,609.96	18,703.04	
Other Expenses	73,950.00	73,950.00	73,885.01	64.99	
Reassessment Program	60,000.00	60,000.00	59,460.00	540.00	
LEGAL OFFICE					
Salaries and Wages	10,613.00	10,813.00	10,772.88	40.12	
Other Expenses	710,000.00	710,000.00	467,603.25	242,396.75	
INSURANCE					
Employee Group Insurance	4,800,000.00	4,800,000.00	4,701,013.27	98,986.73	
Other Insurance Premiums	770,000.00	755,000.00	693,580.93	61,419.07	
Health Benefits Waiver	23,000.00	23,000.00	18,613.18	4,386.82	
ENGINEERING DIRECTOR'S OFFICE					
Salaries and Wages	66,326.00	66,326.00	66,325.39	0.61	
Other Expenses	2,500.00	2,500.00	1,351.44	1,148.56	
ENGINEERING					
Salaries and Wages	254,633.00	234,633.00	212,473.39	22,159.61	
Other Expenses	7,909.00	7,909.00	7,864.85	44.15	
BOARD OF ADJUSTMENT/ZONING					
Salaries and Wages	62,178.00	62,178.00	39,734.97	22,443.03	
Other Expenses	19,450.00	19,450.00	12,761.47	6,688.53	
DIVISION OF PLANNING					
Salaries and Wages	39,845.00	39,845.00	25,290.98	14,554.02	
Other Expenses	60,850.00	60,850.00	51,787.72	9,062.28	
PLANNING BOARD					
Other Expenses	17,160.00	17,160.00	11,927.98	5,232.02	
POLICE					
Salaries and Wages	8,554,245.00	8,515,785.00	8,497,266.59	18,518.41	
Other Expenses	416,626.00	416,626.00	414,852.57	1,773.43	
OFFICE OF EMERGENCY MANAGEMENT					
Other Expenses	1,700.00	1,700.00	1,384.86	315.14	
FIRE SAFETY					
Salaries and Wages	145,255.00	137,255.00	130,998.86	6,256.14	
Other Expenses	6,681.00	6,681.00	2,034.92	4,646.08	
FIRE HYDRANT SERVICES					
Other Expenses	872,000.00	872,000.00	661,873.69	210,126.31	
FIRST AID ORGANIZATION CONTRIBUTION					
Other Expenses	50,000.00	50,000.00	50,000.00		
MUNICIPAL COURT					
Salaries and Wages	202,699.63	192,699.63	178,138.71	14,560.92	
Other Expenses	43,510.00	43,510.00	36,182.70	7,327.30	
PUBLIC DEFENDER					
Other Expenses	10,000.00	10,000.00	10,000.00		
ROAD REPAIRS AND MAINTENANCE					
Salaries and Wages	1,227,604.00	1,227,604.00	1,126,838.62	100,765.38	
Other Expenses	407,800.00	407,800.00	394,067.44	13,732.56	

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, 2018

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
VEHICLE MAINTENANCE					
Salaries and Wages	\$ 338,726 00	\$ 338,726.00	\$ 320,959 69	\$ 17,766 31	\$
Other Expenses	146,225 00	146,225.00	145,420 03	804 97	
RECYCLING					
Other Expenses	301,000 00	301,000.00	300,580 70	419 30	
SNOW REMOVAL					
Salaries and Wages	150,000 00	150,000.00	150,000 00		
Other Expenses	440,000 00	440,000.00	439,980 77	39 23	
CONTRACT WITH REGIONAL BOARD OF EDUCATION FOR TRANSPORTATION OF LOCAL PUPILS (N J S 18a,39-1 2)	227,043 90	227,043.90	227,043 90		
PARK MAINTENANCE					
Salaries and Wages	794,804 80	794,804.80	781,370.36	33,434 44	
Other Expenses	56,500 00	56,500.00	51,385.39	5,114 61	
MUNICIPAL SERVICES REIMBURSEMENT-CONDOMINIUMS					
Other Expenses	100,000 00	100,000.00		100,000 00	
PUBLIC BUILDINGS AND GROUNDS					
Salaries and Wages	354,877 00	369,877 00	369,366 39	510 61	
Other Expenses	224,000 00	224,000.00	221,866 53	2,133 47	
DIRECTOR'S OFFICE					
Salaries and Wages	109,000 00	89,000.00	82,170 46	6,829 54	
Other Expenses	695 00	695.00	236 10	458 90	
DIVISION OF HEALTH					
Salaries and Wages	205,986 00	207,586.00	207,586 00		
Other Expenses	9,865 00	9,865.00	8,386 20	1,478 80	
ADMINISTRATION OF PUBLIC ASSISTANCE					
Salaries and Wages	71,184 00	71,184.00	71,183 39	0 61	
Other Expenses	600 00	600.00	227 61	372 39	
VISITING NURSES SERVICES - CONTRIBUTION	11,000 00	11,000.00	9,374 50	1,625 50	
CONTRIBUTION TO SOMERSET REGIONAL CENTER PARTNERSHIP	11,000 00	11,000.00	10,890 00	110 00	
ENVIRONMENTAL COMMISSION (N J S 40 56a-1 et seq)					
Other Expenses	960 00	1,010 00	975 43	34 57	
SENIOR CITIZEN SERVICES					
Salaries and Wages	100,737 00	100,737 00	94,346 72	6,390 28	
Other Expenses	26,300 00	26,300 00	22,025 05	4,274 95	
DIVISION OF RECREATION					
Salaries and Wages	451,094 00	451,094 00	439,662 34	11,431 66	
Other Expenses	95,989 20	95,989 20	95,034 43	954 77	
BRANCH LIBRARY					
Other Expenses	114,545 90	114,545 90	114,121 93	423 97	
GREEN BROOK FLOOD CONTROL					
Other Expenses	1,300 00	1,300 00	1,249.28	50 72	
STATE UNIFORM CONSTRUCTION CODE CODE OFFICIAL					
Salaries and Wages	902,222 00	902,222 00	865,204 45	37,017 55	
Other Expenses	108,800 00	108,800 00	108,618 35	181 65	
STREET LIGHTING	327,000 00	327,000 00	260,036 66	66,963 34	
TELEPHONE SERVICE	123,985 00	123,985 00	123,965 85	19 15	
CENTRAL OFFICE SUPPLY	18,500 00	18,500 00	17,876 51	623 49	
UTILITIES	700,000 00	700,000 00	524,350 20	175,649 80	
POSTAGE	34,000 00	34,000 00	33,765 67	234 33	
SALARY SETTLEMENTS	250,000 00	250,000 00	250,000 00		
SALARY ADJUSTMENTS	23,000 00	19,000 00		19,000 00	
TOTAL OPERATIONS WITHIN "CAPS"	\$ 27,337,564 49	\$ 27,307,564 49	\$ 25,889,860 58	\$ 1,417,703 91	\$
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	\$ 27,337,564 49	\$ 27,307,564 49	\$ 25,889,860 58	\$ 1,417,703 91	\$
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"					
STATUTORY EXPENDITURES					
CONTRIBUTION TO					
Public Employees' Retirement System of NJ	\$ 1,044,611 00	\$ 1,059,611 00	\$ 1,059,610 87	\$ 0 13	\$
Social Security System (O A S I)	1,292,195 84	1,292,195 84	1,292,194 83	1 01	
Pension Firemen's Widows	6,000 00	6,000 00	4,583 34	1,416 66	
DCRP	7,000 00	7,000 00	6,628 21	371 79	
Police & Firemen's Retirement System of NJ	2,026,783 00	2,026,783 00	2,026,783 00		
Unemployment Compensation Insurance	10,000 00	10,000 00	10,000 00		
TOTAL DEFERRED CHARGES & STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	\$ 4,386,589 84	\$ 4,401,589 84	\$ 4,399,800 25	\$ 1,789 59	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 31,724,154 33	\$ 31,709,154 33	\$ 30,289,660 83	\$ 1,419,493 50	\$

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, 2018

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Length of Service Award Program	\$ 87,154.56	\$ 87,154.56	\$ 87,154.56	\$	\$
Dog Regulation	155,000.00	155,000.00	155,000.00		
Engineering Services					
Other Expenses	9,000.00	9,000.00	9,000.00		
Municipal Court					
Salaries and Wages	193,800.00	193,800.00	193,800.00		
Police					
Salaries and Wages	108,000.00	108,000.00	108,000.00		
BRANCH LIBRARY					
Other Expenses	94,145.10	94,145.10	88,931.15	5,213.95	
Insurance - Employee Group Insurance	13,225.06	13,225.06	100.00	13,125.06	
Social Security	4,949.16	4,949.16		4,949.16	
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	\$ 665,273.88	\$ 665,273.88	\$ 641,985.71	\$ 23,288.17	\$
<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		
Target Public Safety Grant (N J S A 40A 4-87 +\$2,000.00)		2,000.00	2,000.00		
Safe and Secure Communities Program					
State Aid (N J S A 40A 4-87 +\$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 +\$93,025.11)		93,025.11	93,025.11		
Alcohol Education Rehabilitation Fund (N J S A 40A 4-87 +\$952.02)		952.02	952.02		
Drunk Driving Enforcement Fund (N J S A 40A 4-87 +\$6,629.99)		6,629.99	6,629.99		
Regional Center Challenge Grant (N J S A 40A 4-87 +\$17,500.00)		17,500.00	17,500.00		
NJ DOT Municipal Aid Program (N J S A 40A 4-87 +\$325,000.00)		325,000.00	325,000.00		
Bullet Proof Vest Partnership (N J S A 40A 4-87 +\$17,690.00)		17,690.00	17,690.00		
Recycling Tonnage Grant (N J S A 40A 4-87 +\$100,147.10)		100,147.10	100,147.10		
Emergency Management Grant (N J S A 40A 4-87 +\$7,000.00)		7,000.00	7,000.00		
Health Department Grant (N J S A 40A 4-87 +\$2,000.00)		2,000.00	2,000.00		
Highway Safety Grant (N J S A 40A 4-87 +\$46,014.48)		46,014.48	46,014.48		
Workplace Yoga Grant (N J S A 40A 4-87 +\$350.00)		350.00	350.00		
Youth Services (N J S A 40A 4-87+\$7,500.00)		7,500.00	7,500.00		
TOTAL FOR STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES	\$ 132,730.00	\$ 854,746.95	\$ 854,746.95	\$	\$
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	\$ 798,003.88	\$ 1,520,020.83	\$ 1,496,732.66	\$ 23,288.17	\$

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, 2018

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 330,000.00	\$ 330,000.00	\$ 330,000.00	\$	\$
Police Improvements	38,300.00	38,300.00	33,063.50	5,236.50	
Computer Equipment	33,900.00	33,900.00	32,513.72	1,386.28	
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	\$ 402,200.00	\$ 402,200.00	\$ 395,577.22	\$ 6,622.78	\$
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 2,980,000.00	\$ 2,980,000.00	\$ 2,980,000.00	\$	\$
Payment of Note Principal	995,802.00	995,802.00	995,140.00		662.00
Interest on Bonds	1,532,726.25	1,532,726.25	1,532,248.32		477.93
Interest on Notes	353,577.87	353,577.87	353,577.86		0.01
Green Acres Loan Principal	90,726.02	90,726.02	90,726.02		
Green Acres Loan Interest	6,768.65	6,768.65	6,768.65		
Payment of NJEIT Principal	62,459.52	62,459.52	62,459.52		
Payment of NJEIT Interest	7,300.00	7,300.00	5,867.40		1,432.60
Improvement Authority	232,612.58	247,612.56	244,801.06		2,811.50
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	\$ 6,261,972.87	\$ 6,276,972.87	\$ 6,271,588.83	\$	\$ 5,384.04
DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM CAPS					
Deferred Charges to Future Taxation - Unfunded Various Ordinances	\$ 227,452.08	\$ 227,452.08	\$ 227,452.08	\$	\$
TOTAL DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM CAPS	\$ 227,452.08	\$ 227,452.08	\$ 227,452.08	\$	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 7,689,628.83	\$ 8,426,645.78	\$ 8,391,350.79	\$ 29,910.95	\$ 5,384.04
SUBTOTAL GENERAL APPROPRIATIONS	\$ 39,413,783.16	\$ 40,135,800.11	\$ 38,681,011.62	\$ 1,449,404.45	\$ 5,384.04
RESERVE FOR UNCOLLECTED TAXES	\$ 2,670,000.00	\$ 2,670,000.00	\$ 2,670,000.00	\$	\$
TOTAL GENERAL APPROPRIATIONS	\$ 42,083,783.16	\$ 42,805,800.11	\$ 41,351,011.62	\$ 1,449,404.45	\$ 5,384.04
	REF	A-2 A-3	A-3	A-1 A-3	A A-1
Budget	A-3		\$ 42,083,783.16		
Appropriation by 40A 4-87	A-2		722,016.95		
	A-3		\$ 42,805,800.11		
Reserve for Accounts Payable	A-11			\$ 1,068,245.42	
Reserve for Grants Appropriated	A-23			722,016.95	
Reserve for Uncollected Taxes	A-2			2,670,000.00	
Disbursements (net of refunds)	A-4			36,890,749.25	
	A-3			\$ 41,351,011.62	

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, 2018</u>	<u>BALANCE DECEMBER 31, 2017</u>
Animal Control Fund:			
Cash	B-2	\$ 46,112.43	\$ 35,396.26
		<u>\$ 46,112.43</u>	<u>\$ 35,396.26</u>
Other Funds:			
Cash	B-2	\$ 17,594,057.94	\$ 17,696,832.89
Due Current Fund	B-13		23,836.52
		<u>\$ 17,594,057.94</u>	<u>\$ 17,720,669.41</u>
		<u>\$ 17,640,170.37</u>	<u>\$ 17,756,065.67</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due Current Fund	B-12	\$ 6,393.83	\$ 8,556.26
Reserve For Expenditures	B-9	26,447.80	26,447.00
Accounts Payable	B-11	13,270.80	393.00
		<u>\$ 46,112.43</u>	<u>\$ 35,396.26</u>
Other Funds:			
Due Current Fund	B-13	\$ 35,467.74	\$
Reserve for State Unemployment Insurance	B-6	92,312.95	96,810.03
Reserve for Law Enforcement Trust Fund	B-7	11,734.92	15,260.82
Reserve for Municipal Open Space Trust Deposits	B-8	5,181,540.28	5,222,962.96
Reserve for Tax Sale Premiums	B-4	823,300.00	1,087,000.00
Reserve for Redemption of Outside Liens	B-5	15,850.59	44,874.56
Reserve for Various Trust Deposits	B-3	11,433,851.46	11,253,761.04
		<u>\$ 17,594,057.94</u>	<u>\$ 17,720,669.41</u>
		<u>\$ 17,640,170.37</u>	<u>\$ 17,756,065.67</u>

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

GENERAL CAPITAL FUND

TOWNSHIP OF BRIDGEWATER
GENERAL CAPITAL FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 4,607,000.16	\$ 4,535,842.01
Deferred Charges to Future Taxation:			
Funded	C-4	57,211,727.25	47,132,717.87
Unfunded	C-6	<u>13,851,331.52</u>	<u>22,354,858.92</u>
		<u>\$ 75,670,058.93</u>	<u>\$ 74,023,418.80</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-10	\$ 56,078,000.00	\$ 45,888,000.00
Bond Anticipation Notes	C-11	7,996,000.00	15,891,140.00
Green Acres Loans Payable	C-16	270,274.94	361,000.96
Infrastructure Loan Payable	C-13	183,756.80	246,216.32
Improvement Authority Loans Payable	C-15	679,695.51	637,500.59
Capital Improvement Fund	C-7	46,172.30	46,172.30
Improvement Authorizations:			
Funded	C-9	3,070,130.03	2,609,331.49
Unfunded	C-6:C-9	2,136,371.90	5,074,923.36
Reserve for:			
Capital Projects	C-8	150,000.00	150,000.00
Debt Service	C-14	404,573.53	912,072.94
Preliminary Expenses	C-5	5,000.00	5,000.00
Contracts Payable	C-12	2,929,838.72	1,976,432.92
Fund Balance	C-1	<u>1,720,245.20</u>	<u>225,627.92</u>
		<u>\$ 75,670,058.93</u>	<u>\$ 74,023,418.80</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, 2017	C	\$ 225,627.92
Increased by:		
Fully Funded Ordinances Cancelled	C-9	1,525,544.34
		\$ <u>1,751,172.26</u>
Decreased by-		
Utilized as Anticipated Revenue Current Fund	C-2	<u>30,927.06</u>
Balance, December 31, 2018	C	\$ <u><u>1,720,245.20</u></u>

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

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SEWER UTILITY FUND

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY FUND
BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>BALANCE DECEMBER 31, 2017</u>
OPERATING FUND:			
Cash	D-6	\$ 9,082,324.54	\$ 10,432,697.97
Change Fund	D-5	<u>100.00</u>	<u>100.00</u>
		\$ <u>9,082,424.54</u>	\$ <u>10,432,797.97</u>
Receivables with Full Reserves:			
Sewer Charges Receivable	D-8	\$ 460,237.87	\$ 323,664.22
Sewer Utility Liens	D-20	<u> </u>	<u>7,182.00</u>
	D	\$ <u>460,237.87</u>	\$ <u>330,846.22</u>
<u>TOTAL OPERATING FUND</u>	D	\$ <u>9,542,662.41</u>	\$ <u>10,763,644.19</u>
CAPITAL FUND - REGULAR:			
Cash	D-6:D-7	\$ 6,266,857.94	\$ 7,683,539.39
Fixed Capital	D-16	14,631,212.00	14,631,212.00
Fixed Capital Authorized and Uncompleted	D-15	<u>19,229,700.00</u>	<u>17,484,200.00</u>
<u>TOTAL CAPITAL FUND</u>	D	\$ <u>40,127,769.94</u>	\$ <u>39,798,951.39</u>
	D	\$ <u><u>49,670,432.35</u></u>	\$ <u><u>50,562,595.58</u></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, 2018</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
OPERATING FUND:			
Liabilities:			
Due Current Fund	D-10	\$ 1,598,306.39	\$ 2,208,412.89
Appropriation Reserves	D-4;D-18	1,221,011.89	1,058,516.29
Encumbrances Payable	D-14	461,775.73	258,170.86
Accounts Payable	D-14	62,918.44	89,610.33
Sewer Overpayments	D-9	25,134.59	4,545.58
Sewer Connection Overpayment	D-12	550.00	550.00
Prepaid Sewer Charges	D-19	51,579.17	34,564.03
Accrued Interest on Bonds	D-29	8,473.91	9,333.91
Accrued Interest on Notes	D-28		43,375.39
Accrued Interest on Loans	D-27	2,104.17	2,104.17
		<u>\$ 3,431,854.29</u>	<u>\$ 3,709,183.45</u>
Reserve for Receivables	D	460,237.87	330,846.22
Fund Balance	D-1	<u>5,650,570.25</u>	<u>6,723,614.52</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 9,542,662.41</u>	<u>\$ 10,763,644.19</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, 2018</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)</u>			
CAPITAL FUND - REGULAR:			
Liabilities:			
Serial Bonds Payable	D-25	\$ 6,489,000.00	\$ 869,000.00
Bond Anticipation Notes	D-26		5,740,860.00
EIT Loan Payable	D-21	416,381.24	453,779.52
Capital Improvement Fund	D-17	843.56	843.56
Improvement Authorizations:			
Funded	D-24	5,924,438.46	3,575,084.13
Unfunded	D-24	2,113,424.75	3,579,140.57
Contracts Payable	D-13	1,026,275.00	3,393,538.16
Reserve for Debt Service	D-11	177,677.70	65,234.50
Reserve for Amortization	D-23	13,466,309.89	13,308,051.61
Deferred Reserve for Amortization	D-22	10,482,558.00	8,737,058.00
		\$ 40,096,908.60	\$ 39,722,590.05
Fund Balance	D-2	30,861.34	76,361.34
<u>TOTAL CAPITAL FUND</u>	D	\$ 40,127,769.94	\$ 39,798,951.39
	D	\$ 49,670,432.35	\$ 50,562,595.58

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>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	D-1:D-4	\$ 3,062,793.00	\$ 3,479,191.16
Sewer Use Charges	D-3	9,699,351.90	10,024,127.62
Township of Branchburg - Operating Costs	D-3:D-6	20,000.00	20,000.00
Township of Warren - Debt Service	D-3:D-6	73,350.34	73,350.34
Miscellaneous Revenue Not Anticipated	D-3:D-6	429,440.60	802,015.68
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-18	1,101,880.09	1,404,095.15
Sewer Overpayments Canceled			34,847.34
Accrued Interest on Notes Canceled	D-28	43,375.39	
Accounts Payable Canceled	D-14	13,429.95	479.14
<u>TOTAL INCOME</u>		<u>\$ 14,443,621.27</u>	<u>\$ 15,838,106.43</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 10,243,601.00	\$ 9,995,047.60
Capital Improvements	D-4	1,700,000.00	2,299,843.56
Debt Service	D-4	320,271.54	316,802.22
Deferred Charges and Statutory Expenditures	D-4	190,000.00	170,000.00
<u>TOTAL EXPENDITURES</u>		<u>\$ 12,453,872.54</u>	<u>\$ 12,781,693.38</u>
Excess in Revenue		\$ 1,989,748.73	\$ 3,056,413.05
Balance, January 1	D	6,723,614.52	7,146,392.63
		<u>\$ 8,713,363.25</u>	<u>\$ 10,202,805.68</u>
Decreased by:			
Utilization by Sewer Operating Budget	D-1	3,062,793.00	3,479,191.16
Fund Balance, December 31	D	<u>\$ 5,650,570.25</u>	<u>\$ 6,723,614.52</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, 2017	D	\$ 76,361.34
Decreased by:		
Appropriated to Finance Improvements	D-22	<u>45,500.00</u>
Balance, December 31, 2018	D	<u>\$ 30,861.34</u>

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

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	D-1	\$ 3,062,793.00	\$ 3,062,793.00	\$
Sewer Use Charges	D-1	9,301,250.00	9,699,351.90	398,101.90
Township of Branchburg- Share of Operating Costs	D-1:D-6	20,000.00	20,000.00	
Township of Warren- Contribution	D-1:D-6	<u>70,000.00</u>	<u>73,350.34</u>	<u>3,350.34</u>
<u>BUDGET TOTALS</u>	D-4	\$ 12,454,043.00	\$ 12,855,495.24	\$ 401,452.24
Non - Budget Revenue	D-1:D-3:D-6		<u>429,440.60</u>	<u>429,440.60</u>
		<u>\$ 12,454,043.00</u>	<u>\$ 13,284,935.84</u>	<u>\$ 830,892.84</u>

ANALYSIS OF NON-BUDGET REVENUE:

Miscellaneous;		
Interest on Sewer Charges		\$ 123,383.48
Sewer Connection Fees		155,883.76
Interest on Investments and Deposits		148,833.36
Miscellaneous		<u>1,340.00</u>
	D-1:D-3:D-6	<u>\$ 429,440.60</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, 2018

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
OPERATING:					
Salaries and Wages	\$ 1,851,601.00	\$ 1,851,601.00	\$ 1,799,766.67	\$ 51,834.33	\$
Other Expenses	3,367,000.00	3,367,000.00	3,137,405.51	229,594.49	
Somerset Raritan Valley Sewerage Authority	5,000,000.00	5,000,000.00	4,215,051.36	784,948.64	
Salary Settlements	25,000.00	25,000.00	25,000.00		
<u>TOTAL OPERATING</u>	<u>\$ 10,243,601.00</u>	<u>\$ 10,243,601.00</u>	<u>\$ 9,177,223.54</u>	<u>\$ 1,066,377.46</u>	<u>\$</u>
CAPITAL IMPROVEMENTS:					
Capital Improvement Fund	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00		\$
<u>TOTAL CAPITAL IMPROVEMENTS</u>	<u>\$ 1,700,000.00</u>	<u>\$ 1,700,000.00</u>	<u>\$ 1,700,000.00</u>		<u>\$</u>
DEBT SERVICE:					
Payment of Bond Principal	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00		\$
Interest on Bonds	29,734.00	29,734.00	29,733.79		0.21
Interest on Notes	127,735.00	127,735.00	127,734.14		0.86
NJEITF Principal	37,398.00	37,398.00	37,228.61		169.39
NJEITF Interest	5,575.00	5,575.00	5,575.00		
<u>TOTAL DEBT SERVICE</u>	<u>\$ 320,442.00</u>	<u>\$ 320,442.00</u>	<u>\$ 320,271.54</u>		<u>\$ 170.46</u>
STATUTORY EXPENDITURES:					
Statutory Expenditures:					
Social Security	\$ 180,000.00	\$ 180,000.00	\$ 25,365.57	\$ 154,634.43	\$
Unemployment Compensation Insurance	10,000.00	10,000.00	10,000.00		
<u>TOTAL STATUTORY EXPENDITURES</u>	<u>\$ 190,000.00</u>	<u>\$ 190,000.00</u>	<u>\$ 35,365.57</u>	<u>\$ 154,634.43</u>	<u>\$</u>
	<u>\$ 12,454,043.00</u>	<u>\$ 12,454,043.00</u>	<u>\$ 11,232,860.65</u>	<u>\$ 1,221,011.89</u>	<u>\$ 170.46</u>
REF.	D-4		D-1	D:D-1	
Disbursements	D-6		\$ 10,771,084.92		
Encumbrances Payable	D-14		461,775.73		
			<u>\$ 11,232,860.65</u>		

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

PUBLIC ASSISTANCE TRUST FUND

"E"

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

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
<u>ASSETS</u>			
Cash - Public Assistance Trust Fund I	E-1	\$ 343.30	\$ 453.30
Cash - Public Assistance Trust Fund II	E-1	<u>68,422.56</u>	<u>68,256.34</u>
		<u>\$ 68,765.86</u>	<u>\$ 68,709.64</u>
<u>LIABILITIES</u>			
Due State of New Jersey		\$ 68,192.00	\$
Reserve for Public Assistance Trust Fund I		343.30	293.30
Reserve for Public Assistance Trust Fund II		<u>230.56</u>	<u>68,416.34</u>
		<u>\$ 68,765.86</u>	<u>\$ 68,709.64</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, 2018</u>	BALANCE DECEMBER <u>31, 2017</u>
FIXED ASSETS		
Land	\$ 119,908,455.00	\$ 119,908,455.00
Buildings	43,641,399.00	43,641,398.82
Machinery and Equipment	<u>12,115,644.00</u>	<u>11,759,151.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 175,665,498.00</u>	<u>\$ 175,309,004.82</u>
RESERVE		
Investments in General Fixed Assets	<u>\$ 175,665,498.00</u>	<u>\$ 175,309,004.82</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, 2018 AND 2017

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, 2018:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Cuurent Fund	\$410.00	\$13,307,356.04	\$110,652.02	\$358,330.21	\$13,059,677.85
Grant Fund		665,064.56		110,361.02	554,703.54
Animal Contol Fund		46,215.12		102.69	46,112.43
Trust Other Fund		17,710,970.60	5,772.37	122,685.03	17,594,057.94
General Capital Fund		4,662,531.91		55,531.75	4,607,000.16
Sewer Operating Fund	100.00	9,076,381.58	12,691.71	6,748.75	9,082,324.54
Sewer Capital Fund		6,288,218.23		21,360.29	6,266,857.94
Public Assistance Fund		69,335.86		570.00	68,765.86
	<u>\$510.00</u>	<u>\$51,826,073.90</u>	<u>\$129,116.10</u>	<u>\$675,689.74</u>	<u>\$51,279,500.26</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, 2018, 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 \$1,319,335.86 was covered by Federal Depository Insurance and \$50,506,738.04 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 0.753%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 20,762,597.69	\$ 20,762,597.69	\$
Sewer Utility Debt	9,912,904.11	9,912,904.11	
General Debt	<u>71,541,125.41</u>	<u>882,640.17</u>	<u>70,658,485.24</u>
	<u>\$ 102,216,627.21</u>	<u>\$ 31,558,141.97</u>	<u>\$ 70,658,485.24</u>

Net debt of \$70,658,485.24 divided by equalized valuation basis per N.J.S. 40A:2-2, as amended, of \$9,379,718,393.00 equals 0.753%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2018</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 65,207,727.25	\$ 63,023,858.03	\$ 66,369,155.50
Sewer Utility:			
Bonds, Notes and Loans	<u>6,905,381.24</u>	<u>7,063,639.52</u>	<u>7,221,037.80</u>
Total Issued	<u>\$ 72,113,108.49</u>	<u>\$ 70,087,497.55</u>	<u>\$ 73,590,193.30</u>
Less:			
Reserve for Debt Service	\$ 404,573.53	\$ 912,072.94	\$ 511,199.75
Funds Temporarily Held to Pay			
Notes: Cash on Hand	<u>478,066.64</u>	<u>544,286.32</u>	
Total Deductions	<u>\$ 882,640.17</u>	<u>\$ 1,456,359.26</u>	<u>\$ 511,199.75</u>
Net Debt Issued	<u>\$ 71,230,468.32</u>	<u>\$ 68,631,138.29</u>	<u>\$ 73,078,993.55</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ 6,333,398.16	\$ 7,008,005.24	\$ 2,185,955.23
Sewer Utility:			
Bonds and Notes	<u>3,007,522.87</u>	<u>3,006,662.87</u>	<u>1,585,962.87</u>
Total Authorized But Not Issued	<u>\$ 9,340,921.03</u>	<u>\$ 10,014,668.11</u>	<u>\$ 3,771,918.10</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u><u>\$ 80,571,389.35</u></u>	<u><u>\$ 78,645,806.40</u></u>	<u><u>\$ 76,850,911.65</u></u>

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

Equalized Valuation Basis* - December 31, 2018	<u>\$ 9,379,718,393.00</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 328,290,143.76
Net Debt	<u>70,658,485.24</u>
Remaining Borrowing Power	<u><u>\$ 257,631,658.52</u></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		\$ 13,284,935.84
Deductions:		
Operating and Maintenance Cost	\$ 10,433,601.00	
Debt Service	<u>320,442.00</u>	
Total Deductions		<u>10,754,043.00</u>
Excess in Revenue - Self Liquidating		<u>\$ 2,530,892.84</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	\$2,767,000.00
\$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	13,382,000.00
\$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	2,435,000.00
\$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	1,900,000.00
\$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	7,849,000.00
\$13,170,000.00 General Obligation Bonds of 2018 due in Annual installments of \$450,000.00 to \$900,000.00 through 2037 at a variable interest rate	13,170,000.00
\$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>14,575,000.00</u>
	<u>\$56,078,000.00</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	\$491,000.00
\$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	110,000.00
\$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	148,000.00
\$5,740,000.00 General Obligation Bonds of 2018 due in annual installments of \$190,000.00 to \$380,000.00 through 2037 at a variable interest rate	<u>5,740,000.00</u>
	<u>\$6,489,000.00</u>

Improvement Authority Loans:

\$122,922.22 Improvement Authority Loan of 2014 due in monthly installments through 2019 at an interest rate of 2.10%	25,830.85
\$106,238.47 Improvement Authority Loan of 2015 due in monthly installments through 2020 at an interest rate of 2.10%	22,184.64
\$280,641.95 Improvement Authority Loan of 2016 due in monthly installments through 2021 at an interest rate of 2.10%	172,507.15
\$120,559.22 Improvement Authority Loan of 2017 due in monthly installments through 2022 at an interest rate of 2.10%	98,040.94
\$118,156.98 Improvement Authority Loan of 2017 due in monthly installments through 2020 at an interest rate of 1.85%	79,922.80
\$290,929.93 Improvement Authority Loan of 2018 due in monthly installments through 2020 at an interest rate of 3.477%	<u>281,209.13</u>
	<u>\$679,695.51</u>

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	\$68,756.80
\$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>115,000.00</u>
	<u>\$183,756.80</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%	\$90,095.30
\$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%	63,055.75
\$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%	72,076.24
\$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>45,047.65</u>
	<u>\$270,274.94</u>

Bonds and Notes Authorized But Not Issued:

There is \$6,333,398.16 General Capital and \$3,007,522.87 Sewer Capital Bonds and Notes Authorized but not Issued at December 31, 2018.

NOTE 3: LONG TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT
ISSUED AND OUTSTANDING AT DECEMBER 31, 2018.

YEAR	GENERAL		SEWER UTILITY	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2019	\$3,540,000.00	\$1,789,058.89	\$307,000.00	\$219,332.22
2020	3,805,000.00	1,734,457.50	307,000.00	215,651.25
2021	3,845,000.00	1,594,170.00	297,000.00	200,585.00
2022	4,037,000.00	1,504,895.00	307,000.00	188,085.00
2023	2,985,000.00	1,362,645.00	290,000.00	174,935.00
2024	3,020,000.00	1,247,495.00	310,000.00	161,060.00
2025	3,050,000.00	1,130,645.00	320,000.00	146,360.00
2026	3,110,000.00	1,003,045.00	330,000.00	131,160.00
2027	3,145,000.00	897,888.75	335,000.00	122,685.00
2028	3,190,000.00	786,995.00	345,000.00	112,560.00
2029	3,220,000.00	674,170.00	355,000.00	102,110.00
2030	3,250,000.00	559,613.75	365,000.00	91,335.00
2031	3,275,000.00	452,070.00	375,000.00	80,210.00
2032	3,287,000.00	353,110.00	381,000.00	68,830.00
2033	2,295,000.00	270,900.00	355,000.00	57,850.00
2034	2,310,000.00	205,800.00	370,000.00	47,200.00
2035	2,420,000.00	140,250.00	380,000.00	36,100.00
2036	1,394,000.00	69,693.76	380,000.00	24,225.00
2037	900,000.00	29,250.00	380,000.00	12,350.00
	<u>\$56,078,000.00</u>	<u>\$15,806,152.65</u>	<u>\$6,489,000.00</u>	<u>\$2,192,623.47</u>

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS ISSUED AND
OUTSTANDING AT DECEMBER 31, 2018.

Payment Date	Fund Loan	Trust Loan		Total
	Principal	Principal	Interest	
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>\$68,756.80</u>	<u>\$115,000.00</u>	<u>\$11,250.00</u>	<u>\$126,250.00</u>

NOTE 3: LONG TERM DEBT (CONTINUED)

SCHEDULE OF GREEN TRUST LOANS ISSUED AND OUTSTANDING AT DECEMBER 31, 2018.

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>	
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>\$90,095.30</u>	<u>\$3,179.47</u>	<u>\$63,055.75</u>	<u>\$1,904.20</u>	<u>\$158,234.72</u>

Alfred S. Brown Park Loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$72,076.24</u>	<u>\$2,543.59</u>	<u>\$74,619.83</u>

YMCA Land Acquisition Loan:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$45,047.65</u>	<u>\$1,589.61</u>	<u>\$46,637.26</u>

NOTE 3: LONG TERM DEBT (CONTINUED)

SCHEDULE OF IMPROVEMENT AUTHORITY LOANS ISSUED AND OUTSTANDING AT
DECEMBER 31, 2018.

<u>Year</u>	<u>2014 Loan - 60 Months</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$25,830.85	\$294.59	\$28,144.44
	<u>\$25,830.85</u>	<u>\$294.59</u>	<u>\$28,144.44</u>

<u>Year</u>	<u>2015 Loan - 60 Months</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$10,974.68	\$364.60	\$11,339.28
2020	11,209.96	129.32	11,339.28
	<u>\$22,184.64</u>	<u>\$493.92</u>	<u>\$22,678.56</u>

<u>Year</u>	<u>2016 Loan - 60 Months</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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>\$172,507.15</u>	<u>\$5,642.09</u>	<u>\$178,149.24</u>

<u>Year</u>	<u>2017 Loan - 36 Months</u>		<u>2017 Loan - 60 Months</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
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>\$79,922.80</u>	<u>\$1,549.28</u>	<u>\$98,040.94</u>	<u>\$4,260.58</u>	<u>\$183,773.60</u>

<u>Year</u>	<u>2018 Loan - 60 Months</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$54,374.26	\$8,916.86	\$63,291.12
2020	56,295.33	6,995.79	63,291.12
2021	58,284.30	5,006.82	63,291.12
2022	60,343.54	2,947.58	63,291.12
2023	51,911.70	830.90	52,742.60
	<u>\$281,209.13</u>	<u>\$24,697.95</u>	<u>\$305,907.08</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	2.75%	08/08/19	<u>\$7,996,000.00</u>

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2018, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2019, 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:

	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2017</u>
Prepaid Taxes	<u>\$1,663,782.45</u>	<u>\$13,561,047.18</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 \$2,487,868.23. 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, 2018.

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 Firemen'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.

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 Firemen's Retirement System (PFRS) - The Police and Firemen'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: PENSION PLANS

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 vested 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 vested. 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 for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2018, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2018, the State contributed an amount less than the actuarially determined amount. During 2018, PFRS provides for employee contributions of 10.00% of employees' base salary.

NOTE 8: PENSION PLANS

Funding Policy (Continued)

The Township's share of pension, which is based upon the annual billings received from the state, amounted to \$3,097,605.42 for 2018, \$2,947,979.87 for 2017 and \$2,856,048.42 for 2016.

Certain Township employees are also covered by the 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" which 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, 2018. 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, 2018.

Public Employees Retirement System (PERS)

At June 30, 2018, the State reported a net pension liability of \$22,401,360.00 for the Township of Bridgewater's proportionate share of the total net pension liability. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the Township's proportion was 0.1137731200 percent, which was an increase of 0.0023139686 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the State recognized an actuarially determined pension expense of \$1,240,018.00 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, 2018 billing was \$1,032,550.00.

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

		Deferred Inflow of <u>Resources</u>	Deferred Outflow of <u>Resources</u>
Differences between expected and actual experience	\$	115,509.00	\$ 427,197.00
Changes of assumptions		7,162,764.00	3,691,373.00
Net difference between projected and actual earnings on pension plan investments		210,126.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions		<u>293,076.00</u>	<u>479,879.00</u>
	\$	<u>7,781,475.00</u>	<u>\$ 4,598,449.00</u>

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:

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	\$192,837.60
2020	(\$177,899.40)
2021	(\$1,506,228.40)
2022	(\$1,300,646.40)
2023	<u>(\$391,089.40)</u>
	<u>(\$3,183,026.00)</u>

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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. These actuarial valuations used the following assumptions:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Inflation	2.25 Percent	2.25 Percent
Salary Increases (based on age)		
Though 2026	1.65-4.15 Percent	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent	7.00 percent

Preretirement 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 Conduent modified 2014 projection scale. Postretirement 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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).

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2017 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.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018 and 7.00 at June 30, 2017) 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, 2018 are summarized in the following table:

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 (Continued)

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% and 5.00 as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30 2018 and June 30, 2017 and a municipal bond rate of 3.87% and 3.58% for June 30, 2018 and June 30, 2017 respectively 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 50% 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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, 2018 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, 2018		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
Township's proportionate share of the pension liability	\$28,167,129.00	\$22,401,360.00	\$17,564,249.00

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>

Police and Firemen's Retirement System (PFRS)

At June 30, 2018, the State reported a net pension liability of \$30,525,138.00 for the Township of Bridgewater's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the Township's proportion was 0.2255832881 percent, which was a decrease of 0.0034269638 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the State recognized an actuarially determined pension expense of \$1,843,353.00. The pension expense recognized in the Township's financial statement based on the April 1, 2017 billing was \$2,026,783.00.

NOTE 8: PENSION PLANS (CONTINUED)

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

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

At June 30, 2018, 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	\$ 126,320.00	\$ 310,553.00
Changes of assumptions	7,823,066.00	2,620,172.00
Net difference between projected and actual earnings on pension plan investments	167,000.00	
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>1,149,848.00</u>	<u>119,581.00</u>
	<u>9,266,234.00</u>	<u>3,050,306.00</u>

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>
2018	\$ 56,466.60
2019	(1,090,993.40)
2020	(2,681,791.40)
2021	(1,795,307.40)
2022	<u>(704,302.40)</u>
	<u>\$ (6,215,928.00)</u>

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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following assumptions:

	<u>2018</u>	<u>2017</u>
Inflation	2.25 Percent	2.25 Percent
Salary Increases (based on age)		
Through 2026	2.10-8.98 Percent Based on Age	2.10-8.98 Percent Based on Age
Thereafter	3.10-9.98 Percent Based on Age	3.10-9.98 Percent Based on Age
Investment Rate of Return	7.00 Percent	7.00 Percent

Preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 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)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2018 and June 30, 2017) 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's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 6.51% and 6.14% as of June 30, 2018 and June 30, 2017 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2018 and June 30, 2017 and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and June 30, 2017 respectively 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.

NOTE 8: PENSION PLANS (CONTINUED)

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

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

Discount Rate (Continued)

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 50% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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, 2018 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, 2018		
	1% Decrease <u>5.51%</u>	At Current Discount Rate <u>6.51%</u>	1% Increase <u>7.51%</u>
Township's proportionate share of the PFRS pension liability	\$40,854,109.00	\$30,525,138.00	\$22,005,618.00

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 June 30, 2018 and 2017, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$4,146,335.00 and \$3,960,030.00 respectively.

At June 30, 2018, 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	\$30,525,138.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>4,146,335.00</u>
	<u>\$34,671,473.00</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, 2018, 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 2018 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 \$590,143.66 at December 31, 2018.

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.

NOTE 12: RISK MANAGEMENT

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>
2018	\$ 22,077.84	\$ 20,000.00	\$ 46,574.92	\$ 92,312.95
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

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 \$87,154.56 for the program in 2018.

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, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,640,167.96	\$
Animal Control Fund		6,393.83
Trust Other Fund		35,467.74
Sewer Utility Operating Fund		1,598,306.39
	<u>\$ 1,640,167.96</u>	<u>\$ 1,640,167.96</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.

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 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Township's defined benefit OPEB plan, Township of Bridgewater Postretirement Healthcare Plan (the Plan), provides OPEB for all eligible employees of the Township in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Township. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Summary of Benefits

The Plan provides retirees and their eligible dependents medical, prescription, dental and vision benefits provided that they have meet the eligibility requirement contained in the Township' various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	165
Inactive employees entitled to but not currently receiving benefits payments	-0-
Active Employees	<u>178</u>
	<u>244</u>

Contributions

The contribution requirements of the Township and Plan members are established and maybe be amended by the Township's governing body.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical, prescription drug, dental and vision coverage in accordance with the provisions set forth under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Township's plan document, ranging from 3.5% to 35%.

Net OPEB Liability

The Township's total OPEB liability of \$70,963,267 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Actuarial Assumptions

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation 2.5%

Salary Increases 3.0%

Healthcare cost trend rates 7.0 percent decreasing to an ultimate rate of 3.5 percent in 2026.

Mortality rates were based on the RP-2014 projected to 2023 using Scale MP-2018.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2018–December 31, 2018.

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met. The discount rates used for determining the Total OPEB liabilities at December 31, 2017 and December 31, 2018, based on the "The Muni 20 year Aa" as published by Fidelity Investments, are 3.81% and 3.31%, respectively.

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/17	\$64,708,111
Changes for the year:	
Service cost	439,148
Interest Cost	2,511,091
Changes of benefit terms	
Differences between expected and actual experience	2,328,771
Changes in assumptions or other inputs	3,086,406
Benefit payments	(2,110,261)
Net change in OPEB Liability	<u>6,255,155</u>
Balance at 12/31/18	<u><u>\$70,963,266</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.81 percent in 2017 to 3.31 percent in 2018.

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates.

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

	December 31, 2018		
	1.00% <u>Decrease (2.31%)</u>	At Discount <u>Rate (3.31)</u>	1.00% <u>Increase (4.31%)</u>
Net OPEB Liability	\$84,387,202	\$70,963,266	\$60,585,836

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates.

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

	December 31, 2018		
	1.00% <u>Decrease</u> (6.0% decreasing to 2.5%)	Healthcare Cost <u>Trend Rate</u> (7.0% decreasing to 3.5%)	1.00% <u>Increase</u> (8.0% decreasing to 4.5%)
Net OPEB Liability	\$61,125,191	\$70,963,266	\$83,170,233

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018 the actuarially determined OPEB expense reflected in the Plan report was \$5,032,991. The OPEB expense recognized in the Township's financial statement based on actual billing was \$2,110,261.

At December 31, 2018, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflow of <u>Resources</u>	Deferred Outflow of <u>Resources</u>
Changes of assumptions	\$ -	\$ 3,772,721.00
Net difference between expected and actual experience	-	1,746,578.00
Changes in proportion	-	-
District contributions subsequent to the measurement date	-	-
	<u>\$ -</u>	<u>\$ 5,519,299.00</u>

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

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

Year Ended <u>June 30,</u>	<u>Amount</u>
2019	\$2,082,752
2020	\$2,082,752
2021	<u>\$1,353,795</u>
	<u><u>\$5,519,299</u></u>

NOTE 17: SUBSEQUENT EVENTS

The Township of Bridgewater has evaluated subsequent events occurring after the financial statement date through June 24, 2019 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

TOWNSHIP OF BRIDGEWATER
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2018

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	REF.	CURRENT FUND	GRANT FUND
Balance, December 31, 2017	A	\$ 23,385,536.73	\$ 598,898.83
Increased by Receipts:			
Taxes Receivable	A-8	\$ 173,301,954.95	\$
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	235,254.82	
Interfunds	A-12	2,279,122.94	
Petty Cash	A-5	1,000.00	
Revenue Accounts Receivable	A-13	15,825,878.73	
Miscellaneous Revenue Not Anticipated	A-2	1,172,823.91	
Tax Overpayments	A-17	354,611.37	
Prepaid Taxes	A-18	1,663,782.45	
Tax Title Liens	A-9	92,464.66	
Grants-Appropriated - Match	A-23		120,871.00
Grants - Unappropriated	A-24		24,917.64
Grants Receivable	A-25		456,419.15
Construction Code DCA - Due State of NJ	A-16	133,931.00	
Marriage Licenses Due State of NJ	A-28	4,850.00	
Reserve for State Library	A-27	914.00	
		<u>195,066,588.83</u>	<u>602,207.79</u>
		\$ 218,452,125.56	\$ 1,201,106.62
Decreased by Disbursements:			
2018 Appropriations	A-3	\$ 36,890,749.25	\$
Appropriation Reserves	A-14	1,918,778.93	
Accounts Payable	A-11	15,639.70	
Interfunds	A-12	1,719,264.44	
Petty Cash	A-5	1,000.00	
Tax Overpayments	A-17	77,830.25	
Tax Appeals	A-15	6,005.22	
Regional School District Taxes	A-21	125,914,655.50	
County Taxes	A-20	36,172,835.90	
Special Fire District Taxes	A-22	2,512,646.69	
Due Current Fund	A-30		500.00
Refund of:			
Uniform Construction Code Fees	A-2	6,387.00	
Fees and Permits	A-2	385.00	
Recreation Fees	A-2	3,515.00	
Construction Code DCA - Due State of NJ	A-16	131,619.00	
Marriage Licenses Due State of NJ	A-28	4,975.00	
Reserve of Prior Year Revenue	A-1	16,160.83	
Grants-Appropriated	A-23		645,902.98
		<u>205,392,447.71</u>	<u>646,402.98</u>
Balance, December 31, 2018	A	\$ <u>13,059,677.85</u>	\$ <u>554,703.64</u>

"A-5"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF PETTY CASH

OFFICE

Police Department
Finance Department

	RECEIVED FROM TREASURER	RETURNED TO TREASURER
	\$ 500.00	\$ 500.00
	500.00	500.00
	<u>\$ 1,000.00</u>	<u>\$ 1,000.00</u>

REF.

A-4

A-4

"A-6"

SCHEDULE OF CHANGE FUNDS

Balance, December 31, 2017
and December 31, 2018

A

\$ 410.00

DETAIL

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

"A-7"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

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

	<u>REF.</u>		
Balance, December 31, 2017 (Due From)	A	\$	251,551.77
Increased by:			
Senior Citizens Deductions Per Tax Billing	A-7	\$	36,250.00
Veterans Deductions Per Tax Billing	A-7		210,500.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector	A-7		<u>3,500.00</u>
			250,250.00
		\$	<u>501,801.77</u>
Decreased by:			
Canceled	A-1	\$	253,150.60
Taxes Receivable	A-8		9,896.35
Received From State	A-4		<u>235,254.82</u>
			498,301.77
Balance, December 31, 2018 (Due From)	A	\$	<u><u>3,500.00</u></u>

ANALYSIS OF STATE SHARE OF 2018 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing	A-7	\$	36,250.00
Veterans Deductions Per Tax Billing	A-7		210,500.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector-2018 Taxes	A-7		<u>3,500.00</u>
		\$	<u><u>250,250.00</u></u>

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2017	2018 LEVY	ADDED TAXES	COLLECTIONS BY CASH	CANCELED	OVERPAYMENTS APPLIED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2018
				2017	2018			
2016	\$ 33.47	\$	\$	\$	0.12	\$	\$	\$
2017	1,030,207.82	\$	9,896.35		1,031,128.82	12.15	1,548.14	\$
2018	1,030,241.29	\$	9,896.35	\$	1,031,128.94	12.15	1,548.14	\$
		187,417,474.49		13,561,829.94	172,921,076.01	10.90	7,564.77	1,104,301.09
	1,030,241.29	\$	9,896.35	13,561,829.94	173,552,204.95	23.05	9,112.91	1,104,301.09
REF.	A	A-8	A-7	A-2,A-18	A-2,A-8	A-2,A-17	A-9	A

REF.

Collector	A-4	\$ 173,301,954.95
Senior Citizens and Veterans Deductions	A-7	250,250.00
	A-8	\$ 173,552,204.95

ANALYSIS OF 2018 PROPERTY TAX LEVY

TAX YIELD		
General Property Tax	\$	183,755,867.74
Added Taxes (54.4-63.1 et seq.)		1,149,426.75
Special Fire District Tax		2,512,180.00
	\$	187,417,474.49

TAX LEVY

Regional School District Tax (Abstract)	A-2,A-21	\$	125,914,655.00
County Tax (Abstract)			
County Library Tax (Abstract)		\$	28,974,780.27
County Open Space (Abstract)			4,295,387.91
			2,739,693.30
Due County for Added Taxes (54.4-63.1 et seq.)		\$	36,009,861.48
Total County Taxes			223,020.68
Special Fire District Tax	A-2,A-20		36,232,882.16
Local Tax for Municipal Purposes (Abstract)	A-2,A-22	\$	2,512,180.00
Add Additional Tax Levied			21,736,641.72
Local Tax for Municipal Purposes Levied			1,021,115.61
	A-8	\$	22,757,757.33
		\$	187,417,474.49

"A-9"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2017	A	\$	213,388.82
Increased by:			
Taxes Accrued	A-8	\$	9,112.91
Interest & Costs on Tax Sale			<u>17,514.75</u>
			26,627.66
		\$	<u>240,016.48</u>
Decreased by:			
Receipts	A-4		<u>92,464.66</u>
Balance, December 31, 2018	A	\$	<u><u>147,551.82</u></u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2017 and December 31, 2018	A	\$	<u><u>422,300.00</u></u>
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TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES/ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2017	A		\$ 1,629,047.18
Increased by:			
2018 Budget Appropriations	A-3	\$ 1,068,245.42	
Appropriation Reserves	A-14	<u>161,668.81</u>	
			<u>1,229,914.23</u>
			\$ 2,858,961.41
Decreased by:			
Disbursements	A-4	\$ 15,639.70	
Transferred to Appropriation Reserves	A-14	1,544,132.47	
Canceled- Accounts Payable	A-1	<u>21,665.50</u>	
			<u>1,581,437.67</u>
Balance, December 31, 2018			\$ <u><u>1,277,523.74</u></u>
Reserve for Encumbrances	A		\$ 1,229,914.23
Reserve for Accounts Payable	A		<u>47,609.51</u>
			\$ <u><u>1,277,523.74</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, 2017						
Due To	A	\$ 23,836.52	\$	\$	\$ 23,836.52	\$
Due From	A	2,217,469.15	500.00	8,556.26		2,208,412.89
Receipts	A-4	\$ 2,279,122.94	\$ 500.00	\$ 8,556.26	\$ 53,212.63	\$ 2,216,854.05
Transfer	A-2	6,393.83		6,393.83		
Disbursements	A-4	1,719,264.44			112,516.89	1,606,747.55
Balance, December 31, 2018						
Due From	A	\$ 1,640,167.96	\$	\$ 6,393.83	\$ 35,467.74	\$ 1,598,306.39

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

ACCOUNTS	REF.	BALANCE DECEMBER 31, 2017	ACCRUED IN 2018	COLLECTED	BALANCE DECEMBER 31, 2018
Licenses:					
Alcoholic Beverages	A-2	\$	\$ 87,502.00	\$ 87,502.00	\$
Other	A-2		31,812.47	31,812.47	
Fees and Permits	A-2		412,666.45	412,666.45	
Municipal Court:					
Fines and Costs	A-2	28,097.55	446,884.33	449,218.86	25,763.02
Interest and Costs on Taxes	A-2		284,789.62	284,789.62	
Interest on Investments and Deposits	A-2		501,042.62	501,042.62	
Recreation Fees	A-2		215,578.82	215,578.82	
Energy Receipts Tax	A-2		5,900,179.00	5,900,179.00	
Garden State Trust Fund	A-2		4,082.00	4,082.00	
Uniform Construction Code Fees	A-2		2,082,058.00	2,082,058.00	
Joint Services with County Library	A-2		113,819.32	113,819.32	
Shared Municipal Court	A-2		198,169.52	198,169.52	
Shared Resource Officer BOE	A-2		124,432.69	124,432.69	
Life Hazard Use Fees	A-2		169,570.81	169,570.81	
Suburban Cablevision - Franchise Fee	A-2		601,793.00	601,793.00	
Payment in Lieu of Taxes-Centerbridge I	A-2		113,102.17	113,102.17	
Payment in Lieu of Taxes-Centerbridge II	A-2		107,513.60	107,513.60	
Bridgewater Commons - Rent / Royalty / In Lieu Of	A-2		2,041,330.90	2,041,330.90	
Host Benefit Fees	A-2		253,740.05	253,740.05	
Hotel/Motel Tax	A-2		1,078,697.78	1,078,697.78	
Debt Service Reimbursement - Open Space Trust Fund	A-2		61,679.05	61,679.05	
Reliable Recycling	A-2		50,100.00	50,100.00	
Reserve for Payment of Debt Service	A-2		943,000.00	943,000.00	
		\$ 28,097.55	\$ 14,880,544.20	\$ 15,825,878.73	\$ 25,763.02
REF.		A		A-4	A

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2017	TRANSFERRED FROM ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>					
Mayor's Office	\$ 31.19		\$ 31.19	\$	\$ 31.19
Administration	0.06		0.06		0.06
Economic Development	0.01		0.01		0.01
Township Council	0.19		0.19		0.19
Personnel Office	0.05		0.05		0.05
Purchasing Department	773.10		773.10		773.10
IT Department	68.24		68.24		68.24
Township Clerk	3.44		3.44		3.44
Director of Finance	0.08		0.08		0.08
Division of Treasury	3,239.28		3,239.28	612.06	2,627.22
Division of Tax Collection	197.99	2,352.00	2,549.99	553.45	1,996.54
Tax Assessment	4,720.03		720.03		720.03
Legal Office	151.92		151.92		151.92
Engineering Director's Office	0.05		0.05		0.05
Engineering	7,315.07		1,315.07		1,315.07
Board of Adjustments	1,320.02		1,320.02		1,320.02
Division of Planning	2,362.50		2,362.50		2,362.50
Police	138,913.95		25,913.95	(108,775.00)	132,688.95
Emergency Management	1,200.00		1,200.00		1,200.00
Fire Safety	17,239.97		2,239.97		2,239.97
Road Repairs and Maintenance	23,011.83		8,011.83	2,385.20	5,626.63
Vehicle Maintenance	20,465.21		5,465.21	211.68	5,253.53
Snow Removal	69,721.43		69,721.43	69,721.43	
Park Maintenance	14,590.52		4,590.52	1,411.20	3,179.32
Public Buildings and Grounds	10,067.30		3,067.30	2,878.40	188.90
Director's Office	4,436.33		4,436.33		4,436.33
Division of Health	6,246.03		6,246.03		6,246.03
Administration of Public Assistance	9.97		9.97		9.97
Senior Citizen Services	5,164.46		5,164.46	579.64	4,584.82
Division of Recreation and Parks	12,546.53		2,546.53		2,546.53
Municipal Court - Interlocal	0.05	17,823.90	17,823.95	8,220.40	9,603.55
Police - Interlocal	108,000.00		108,000.00	108,000.00	
<u>OTHER EXPENSES</u>					
Mayor's Office	25.82		25.82		25.82
Administration	453.02	3,395.94	3,848.96	3,395.94	453.02
Economic Development	224.11		224.11		224.11
Township Council	285.43	394.56	679.99	649.48	30.51
Personnel Office	4,241.75	2,145.80	3,387.55	145.80	3,241.75
Purchasing Department	154.03	575.08	729.11		729.11
IT Department	37.98	8,154.65	8,192.63	5,264.41	2,928.22
Township Clerk	789.08	2,418.12	3,207.20	1,269.56	1,937.64
Elections		464.54	464.54	464.54	
Director of Finance	48.00	906.63	954.63	162.90	791.73
Division of Treasury	93.43	23,196.30	23,289.73	15,037.51	8,252.22
Audit	170.00		170.00		170.00
Division of Collector of Taxes	66.05	3,440.00	1,506.05	545.64	960.41
Assessment of Taxes		30,690.83	30,690.83	11,126.42	19,564.41
Reassessment Program	150.00	580.00	730.00	580.00	150.00
Legal Office	82,050.63	166,737.15	188,787.78	103,363.08	85,424.70
Employee Group Insurance	167,967.97	2,298.10	503,266.07	499,175.24	4,090.83
Other Insurance Premiums	26.50	184,412.64	184,439.14	184,412.64	26.50
Health Benefits Waiver	1,000.66		1,000.66		1,000.66
Engineering Director's Office	64.08	1,200.00	1,264.08		1,264.08
Engineering	12.00	3,092.20	3,104.20	292.20	2,812.00
Board of Adjustments	883.76	8,527.75	9,411.51	857.92	8,553.59
Division of Planning	12,432.14	13,108.22	15,540.36	3,791.12	11,749.24
Planning Board	4,036.51	12,750.81	13,787.32	148.52	13,638.80
Police	605.47	152,899.53	153,505.00	153,505.00	
Office of Emergency Management	192.76		192.76	192.76	
Fire Hydrant Service		144,372.69	145,472.69	145,387.66	85.03
Municipal Court	6,142.00	2,747.96	8,889.96	2,467.99	6,421.97
Road Repair and Maintenance	119.95	134,985.65	131,005.60	103,682.42	27,323.18
Vehicle Maintenance	792.48	19,799.99	20,592.47	12,285.54	8,306.93
Recycling	3.22	44,561.59	44,564.81	43,834.81	730.00
Snow Removal	98,148.19	78,396.85	176,545.04	176,545.04	

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2017	TRANSFERRED FROM ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>					
Park Maintenance	\$ 40.13	3,625.05	\$ 3,665.18	\$ 1,023.43	\$ 2,641.75
Municipal Services Reimbursements- Condominiums	98,517.21		98,517.21	59,898.28	38,618.93
Public Buildings and Grounds	176.87	85,176.41	85,353.28	44,481.06	40,872.22
Director's Office	36.33	451.50	487.83	451.50	36.33
Division of Health	917.28	4,682.25	5,599.53	1,140.00	4,459.53
Administration of Public Assistance	89.13		89.13	55.00	34.13
Contribution to Somerset Regional Center Partnership	20.67		20.67		20.67
Environmental Commission	124.38		124.38		124.38
Visiting Nurses	202.94	3,000.00	3,202.94	3,000.00	202.94
Senior Citizen Services	242.65	6,799.72	7,042.37	6,939.14	103.23
Division of Recreation and Parks	397.98	1,535.00	1,932.98	1,380.00	552.98
Branch Library	6,532.32	4,206.70	10,739.02	8,816.01	1,923.01
Green Brook Flood Control	40.16		40.16		40.16
Construction Code Official	346.35	31,064.12	28,410.47	17,135.75	11,274.72
Street Lighting	7,865.57	144,000.00	151,865.57	63,387.98	88,477.59
Telephone Service	1,816.31	6,000.00	7,816.31	3,532.68	4,283.63
Central Office Supply	0.56	7,947.44	7,948.00	4,788.53	3,159.47
Utilities		148,961.58	168,961.58	168,961.58	
Postage	5.74	302.45	308.19		308.19
Historic Preservation	75,000.00				
Deferred Charges		490.00	490.00		490.00
Social Security System (O A S I)	38,152.68		8,152.68	5,603.49	2,549.19
Public Employees' Retirement System			31,000.00	31,000.00	
Pension Firemen's Widow	1,000.00		1,000.00		1,000.00
Defined Contribution Retirement Plan (DCRP)	1,537.94	450.81	1,988.75	91.17	1,897.58
Length of Service Awards Program	4,535.48		4,535.48	1,210.48	3,325.00
Branch Library - Interlocal	32,417.90	233.00	32,650.90	8,581.21	24,069.69
Branch Library - Employee Group Insurance	64,811.72		64,811.72	64,811.17	0.55
Branch Library - Social Security	14,651.99		14,651.99		14,651.99
Police Department - General Equipment	10.30	11,809.00	11,819.30	11,809.00	10.30
Supplemental Fire Services Program Fire District		2,608.00	2,608.00	2,608.00	
Computer Equipment		14,359.96	14,359.96	13,359.68	1,000.28
	<u>\$ 1,182,504.41</u>	<u>\$ 1,544,132.47</u>	<u>\$ 2,726,636.88</u>	<u>\$ 2,080,447.74</u>	<u>\$ 646,189.14</u>

REF.

A

A-11

A-1

Disbursements

A-4

\$ 1,918,778.93

Reserve for Accounts Payable

A-11

161,668.81

\$ 2,080,447.74

"A-15"

TOWNSHIP OF BRIDGEWATER
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>REF.</u>	
Balance, December 31, 2017	A	\$ 596,148.88
Decreased by:		
Disbursements	A-4	<u>6,005.22</u>
Balance, December 31, 2018	A	\$ <u>590,143.66</u>

"A-16"

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

Balance, December 31, 2017	A	\$ 34,453.00
Increased by:		
Receipts	A-4	<u>133,931.00</u>
		\$ <u>168,384.00</u>
Decreased by:		
Disbursements	A-4	<u>131,619.00</u>
Balance, December 31, 2018	A	\$ <u>36,765.00</u>

"A-17"

TOWNSHIP OF BRIDGEWATER
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2017	A	\$	19,836.04
Increased by:			
Overpayments in 2018	A-4		<u>354,611.37</u>
		\$	<u>374,447.41</u>
Decreased by:			
Refunded	A-4	\$	77,830.25
Canceled	A-1		864.40
Applied to Taxes	A-8		<u>23.05</u>
			<u>78,717.70</u>
Balance, December 31, 2018	A	\$	<u><u>295,729.71</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2017	A	\$	13,561,829.94
Increased by:			
Collection of 2019 Taxes	A-4		<u>1,663,782.45</u>
		\$	<u>15,225,612.39</u>
Decreased by:			
Applied to 2018 Taxes	A-8		<u>13,561,829.94</u>
Balance, December 31, 2018	A	\$	<u><u>1,663,782.45</u></u>

"A-19"

TOWNSHIP OF BRIDGEWATER
CURRENT FUND
SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

REF.

Balance, December 31, 2017
and December 31, 2018

A

\$ 261.03

"A-20"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2017

A

\$ 162,974.42

Increased by:
2018 Levy
Added Taxes

\$ 36,009,861.48
223,020.68

A-1:A-8

36,232,882.16
\$ 36,395,856.58

Decreased by:
Payments

A-4

36,172,835.90

Balance, December 31, 2018

A

\$ 223,020.68

"A-21"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2017	A	\$ 0.50
Increased by:		
School Levy	A-1:A-8	125,914,655.00
		<u>\$ 125,914,655.50</u>
Decreased by:		
Payments	A-4	<u>\$ 125,914,655.50</u>

"A-22"

SCHEDULE OF SPECIAL FIRE DISTRICT TAXES PAYABLE

Balance, December 31, 2017	A	\$ 466.99
Increased by:		
2018 Special District Tax Levy	A-1:A-8	2,512,180.00
		<u>\$ 2,512,646.99</u>
Decreased by:		
Payments	A-4	<u>2,512,646.69</u>
Balance, December 31, 2018	A	<u><u>\$ 0.30</u></u>

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2017	2018 BUDGET APPROPRIATION	EXPENDED	BALANCE DECEMBER 31, 2018
Drunk Driving Enforcement Fund	\$ 18,864.41	\$ 6,629.99	\$ 2,796.72	\$ 22,697.68
Clean Communities Program	44,059.38	93,025.11	63,995.44	73,089.05
Municipal Alliance Program	25,896.49	36,208.25	37,610.69	24,494.05
Municipal Alliance Program Match	10,132.41	10,000.00	7,805.20	12,327.21
Safe & Secure Communities	120,000.00	60,000.00		180,000.00
Safe & Secure Communities & Match	221,742.00	110,871.00		332,613.00
NJ American Water- Environmental grant	6,500.00		6,500.00	
Alcohol Education Rehabilitation	7,383.80	952.02	3,000.00	5,335.82
Federal Bulletproof Vest Program	9,099.15	17,690.00		26,789.15
ROID - Match	2,000.00			2,000.00
Recycling Tonnage Program	1,144.79	100,147.10	99,729.00	1,562.89
Somerset County Youth Services Commission	4,064.28	7,500.00	8,718.32	2,845.96
Office of Emergency Management	32,437.48	7,000.00	8,728.98	30,708.50
Regional Center Partnership	2,500.00	17,500.00		20,000.00
NJ DOT - Highway Safety Fund - Safe Corridor	8.07	46,014.48	45,976.70	45.85
NJ DOT- Municipal Aid - Country Club Road - Section I		175,000.00		175,000.00
NJ DOT -Municipal Aid- Country Club Road - Phase VIII	42,204.89	150,000.00	150,000.00	42,204.89
NJ DOT -Municipal Aid- Country Club Road - Phase IX		200,000.00	200,000.00	
Heroes and Helpers	200,000.00	2,000.00	2,000.00	2,000.00
Radon Awareness		2,000.00		
Workplace Yoga		350.00		350.00
	<u>\$ 748,037.15</u>	<u>\$ 842,887.95</u>	<u>\$ 636,861.05</u>	<u>\$ 954,064.05</u>

REF.

A

A

Grants Appropriated
Matching Funds for Grants

\$ 722,016.95
120,871.00

A-3
A-4

Disbursements
Accounts Payable

\$ 645,902.98
77,968.81

A-4
A-28

Less: Transferred from Accounts Payable

\$ 723,871.79
87,010.74
636,861.05

A-28

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

	BALANCE DECEMBER 31, 2017	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2018
Recycling Tonnage Grant	\$ 100,147.10	\$	100,147.10	\$
Drunk Driving Enforcement Fund	6,629.99	8,017.64	6,629.99	8,017.64
Emergency Management	7,000.00	9,400.00	7,000.00	9,400.00
Regional Center Partnership	17,500.00	7,500.00	17,500.00	7,500.00
	<u>\$ 131,277.09</u>	<u>\$ 24,917.64</u>	<u>\$ 131,277.09</u>	<u>\$ 24,917.64</u>
<u>REF.</u>	A	A-4	A-25	A

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2017	BUDGET APPROPRIATION	RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2018
	\$	\$	\$	\$	\$
Drunk Driving Enforcement Fund		6,629.99		6,629.99	
Alcohol Education Rehabilitation Fund		952.02	952.02		
Clean Communities Program		93,025.11	93,025.11		
Municipal Alliance Program	23,170.72	36,208.25	41,155.49		18,223.48
Federal Bulletproof Vest Partnership	17,000.17	17,690.00	9,150.00		25,540.17
Emergency Management		7,000.00		7,000.00	
Safe and Secure Communities		60,000.00	60,000.00		
Open Space Stewardship	20.00				20.00
Youth Services Commission	5,000.00	7,500.00	7,500.00		5,000.00
Historic Preservation	33,605.00				33,605.00
NJ American Water Environmental Grant	650.00		650.00		
NJ DOT - Highway Safety - Safe Corridors	8.07	46,014.48	45,976.70		45.85
NJ DOT - Municipal Aid Program - Country Club Road Section I		175,000.00			175,000.00
NJ DOT - Municipal Aid Program - Country Club Road Phase VIII	88,472.19		47,303.72		41,168.47
NJ DOT - Municipal Aid Program - Country Club Road Phase IX		150,000.00			150,000.00
NJ DOT - Municipal Aid Program - Talamini Road	200,000.00		148,356.11		51,643.89
Regional Center Partnership		17,500.00		17,500.00	
Heroes and Helpers		2,000.00	2,000.00		
Radon Awareness		2,000.00			
Workplace Yoga		350.00	350.00		2,000.00
Recycling Tonnage Program		100,147.10		100,147.10	
	\$	\$	\$	\$	\$
	367,926.15	722,016.95	456,419.15	131,277.09	502,246.86
REF.	A	A-2	A-4	A-24	A

"A-26"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR STORM DAMAGE - FEMA

REF.

Balance, December 31, 2017
and December 31, 2018

A

\$ 213,211.47

"A-27"

SCHEDULE OF RESERVE FOR LIBRARY EXPENDITURES

Balance, December 31, 2017

A

\$ 6,843.00

Increased by:
Receipts

A-4

914.00

Balance, December 31, 2018

A

\$ 7,757.00

"A-28"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

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

	<u>REF.</u>	
Balance, December 31, 2017	A	\$ 1,025.00
Increased by:		
Receipts	A-4	4,850.00
		\$ <u>5,875.00</u>
Decreased by:		
Paid to State	A-4	4,975.00
		<u>900.00</u>
Balance, December 31, 2018	A	\$ <u>900.00</u>

"A-29"

GRANT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2017	A	\$ 87,010.74
Increased by:		
Grants Appropriated	A-23	77,968.81
		\$ <u>164,979.55</u>
Decreased by:		
Transferred to Grants Appropriated	A-23	87,010.74
		<u>87,010.74</u>
Balance, December 31, 2018	A	\$ <u>77,968.81</u>

"A-30"

TOWNSHIP OF BRIDGEWATER
GRANT FUND
SCHEDULE OF DUE CURRENT FUND

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

"A-31"

CURRENT FUND
SCHEDULE OF RESERVE FOR INSURANCE DAMAGE

	<u>REF.</u>	
Balance, December 31, 2017 and December 31, 2018	A	\$ <u>7,147.71</u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2017	B	\$ 35,396.26	\$ 17,696,832.89
Increased by Receipts:			
Reserve for Animal Control Expenditures	B-9	\$ 25,248.60	\$
Due State of New Jersey	B-10	2,420.40	
Reserve for Various Trust Deposits	B-3		13,798,487.58
Reserve for Municipal Open Space Trust Deposits	B-8		103,150.37
Reserve for Tax Sale Premiums	B-4		352,400.00
Reserve for Redemption of Outside Liens	B-5		524,860.13
Reserve for State Unemployment Insurance	B-6		42,077.84
Reserve for Law Enforcement Trust Fund	B-7		1,541.70
Due Current Fund	B-13		112,516.89
		<u>27,669.00</u>	<u>14,935,034.51</u>
		\$ 63,065.26	\$ 32,631,867.40
Decreased by Disbursements:			
Due Current Fund	B-12:B-13	\$ 8,556.26	\$ 53,212.63
New Jersey State Board of Health	B-10	2,420.40	
Expenditures Under R.S.4:19-15.11	B-9	5,976.17	
Reserve for Various Trust Deposits	B-3		13,618,397.16
Reserve for Tax Sale Premiums	B-4		616,100.00
Reserve for Redemption of Outside Liens	B-5		553,884.10
Reserve for Municipal Open Space Trust Deposits	B-8		144,573.05
Reserve for State Unemployment Insurance	B-6		46,574.92
Reserve for Law Enforcement Trust Fund	B-7		5,067.60
		<u>16,952.83</u>	<u>15,037,809.46</u>
Balance, December 31, 2018	B	\$ 46,112.43	\$ 17,594,057.94

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS TRUST DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>INCREASED BY</u>	<u>DECREASED BY</u>	<u>BALANCE DECEMBER 31, 2018</u>
Escrow/Other Accounts	\$ 1,446,365.37	\$ 397,089.36	\$ 622,889.12	\$ 1,220,565.61
Public Defender	13,897.87	7,657.00	13,400.00	8,154.87
Police Offense Adjudication Act	4,987.00	98.00		5,085.00
Fire Fines and Penalties	66,990.73	49,175.00	55,819.40	60,346.33
Fire Penalties Due Departments	10,250.00	13,275.00	12,625.00	10,900.00
Salary Settlements	50,010.16	323,907.87	372,486.73	1,431.30
COAH	3,690,918.70	2,195,985.27	649,107.59	5,237,796.38
Site Inspections	875,482.96	386,980.53	355,805.66	906,657.83
Performance Bonds	3,563,706.69	146,446.58	1,207,842.01	2,502,311.26
Professional Fees Escrow	804,955.05	685,500.01	713,633.38	776,821.68
Police Outside Overtime	136,011.27	1,144,878.99	1,105,298.13	175,592.13
Maintenance Escrow	220,189.47	7,271.44	47,283.79	180,177.12
Payroll Deductions Payable	259,247.57	8,440,222.53	8,462,206.35	237,263.75
Third Party Inspections	110,748.20			110,748.20
	<u>\$ 11,253,761.04</u>	<u>\$ 13,798,487.58</u>	<u>\$ 13,618,397.16</u>	<u>\$ 11,433,851.46</u>
<u>REF.</u>	B	B-2	B-2	B

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

"B-4"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 1,087,000.00
Increased by:		
Receipts	B-2	<u>352,400.00</u>
		\$ <u>1,439,400.00</u>
Decreased by:		
Disbursements	B-2	<u>616,100.00</u>
Balance, December 31, 2018	B	\$ <u><u>823,300.00</u></u>

"B-5"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

Balance, December 31, 2017	B	\$ 44,874.56
Increased by:		
Receipts	B-2	<u>524,860.13</u>
		\$ <u>569,734.69</u>
Decreased by:		
Disbursements	B-2	<u>553,884.10</u>
Balance, December 31, 2018	B	\$ <u><u>15,850.59</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 96,810.03
Increased by:		
Receipts	B-2	<u>42,077.84</u>
		\$ 138,887.87
Decreased by:		
Disbursements	B-2	<u>46,574.92</u>
Balance, December 31, 2018	B	<u><u>\$ 92,312.95</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 15,260.82
Increased by:		
Receipts	B-2	1,541.70
		<u>\$ 16,802.52</u>
Decreased by:		
Disbursements	B-2	5,067.60
Balance, December 31, 2018	B	<u><u>\$ 11,734.92</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TRUST DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 5,222,962.96
Increased by:		
Receipts	B-2	103,150.37
		\$ <u>5,326,113.33</u>
Decreased by:		
Disbursements	B-2	<u>144,573.05</u>
Balance, December 31, 2018	B	\$ <u><u>5,181,540.28</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2017	B		\$ 26,447.00
Increased by:			
Cat License Fees Collected		\$ 853.00	
Dog License Fees Collected		24,116.60	
Late Fees		204.00	
Kennel/Pet Shop Licenses		75.00	
	B-2		<u>25,248.60</u>
			\$ <u>51,695.60</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-2	\$ 5,976.17	
Accounts Payable	B-11	12,877.80	
Excess Reserve for Expenditures Due Current Fund	B-12	6,393.83	
			<u>25,247.80</u>
Balance, December 31, 2018	B		\$ <u><u>26,447.80</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2017	\$ 14,152.00
2016	<u>12,295.80</u>
	\$ <u><u>26,447.80</u></u>

"B-10"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

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

REF.

Increased by:			
State Registration Fees Collected	B-2	\$	2,420.40
Decreased by:			
Paid to State Department of Health	B-2	\$	<u>2,420.40</u>

"B-11"

SCHEDULE OF ACCOUNTS PAYABLE - ANIMAL CONTROL FUND

Balance, December 31, 2017	B	\$	393.00
Increased by:			
Accounts Payable	B-9		<u>12,877.80</u>
Balance, December 31, 2018	B	\$	<u><u>13,270.80</u></u>

"B-12"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2017 (Due To)	B	\$ 8,556.26
Increased by:		
Excess Reserve for Animal Control Expenditures	B-9	6,393.83
		\$ <u>14,950.09</u>
Decreased by:		
Disbursements	B-2	<u>8,556.26</u>
Balance, December 31, 2018 (Due To)	B	\$ <u><u>6,393.83</u></u>

"B-13"

SCHEDULE OF DUE CURRENT FUND - OTHER TRUST FUND

Balance, December 31, 2017 (Due From)	B	\$ 23,836.52
Increased by:		
Disbursements	B-2	53,212.63
		\$ <u>77,049.15</u>
Decreased by:		
Receipts	B-2	<u>112,516.89</u>
Balance, December 31, 2018 (Due To)	B	\$ <u><u>35,467.74</u></u>

TOWNSHIP OF BRIDGEWATER
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2017	C		\$ 4,535,842.01
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-7	\$ 330,000.00	
Deferred Unfunded	C-6	227,452.08	
Bonds Payable	C-10	13,170,000.00	
Bond Anticipation Notes	C-11	7,996,000.00	
Reserve for Debt Service	C-14	338,353.85	
			<u>22,061,805.93</u>
			\$ <u>26,597,647.94</u>
Decreased by Disbursements:			
Contracts Payable	C-12	\$ 6,151,647.78	
Fund Balance	C-1	30,927.06	
Reserve for Debt Service	C-14	912,072.94	
Bond Anticipation Notes - Anticipated Current Revenue	C-11	14,896,000.00	
			<u>21,990,647.78</u>
Balance, December 31, 2018	C		\$ <u><u>4,607,000.16</u></u>

"C-3"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER <u>31, 2018</u>
Capital Improvement Fund	\$ 46,172.30
Fund Balance	1,720,245.20
Reserve for Capital Projects	150,000.00
Reserve for Debt Service	404,573.53
Reserve for Preliminary Expenses	5,000.00
Contracts Payable	2,929,838.72
Unexpended Proceeds of Bond Anticipation Notes (Listed on C-6)	1,779,144.94
Funded Improvement Authorizations	3,070,130.03
Cash on Hand to Pay Notes(Listed on C-6)	478,066.64
Unfunded Improvements Expended (Listed on C-6)	<u>(5,976,171.20)</u>
	\$ <u>4,607,000.16</u>

REF.

C

"C-4"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2017	C		\$ 47,132,717.87
Increased by:			
Bond Sale	C-6	\$ 13,170,000.00	
Improvement Authority Loans	C-15	<u>290,929.93</u>	
			<u>13,460,929.93</u>
			\$ <u>60,593,647.80</u>
Decreased by:			
Improvement Authority Loans Paid by Budget	C-15	\$ 248,735.01	
Green Acres Loans Paid by Budget	C-16	90,726.02	
Infrastructure Loans Paid by Budget	C-13	62,459.52	
Bonds Paid by Budget	C-10	<u>2,980,000.00</u>	
			<u>3,381,920.55</u>
Balance, December 31, 2018	C		\$ <u><u>57,211,727.25</u></u>

"C-5"

SCHEDULE OF RESERVE FOR PRELIMINARY EXPENSES

Balance, December 31, 2017 and December 31, 2018	C	\$ <u><u>5,000.00</u></u>
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"C-7"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2017	C	\$ 46,172.30
Increased by:		
2018 Budget Appropriation	C-2	330,000.00
		<u>\$ 376,172.30</u>
Decreased by:		
Appropriated to Finance Improvements	C-9	330,000.00
		<u>330,000.00</u>
Balance, December 31, 2018	C	<u>\$ 46,172.30</u>

"C-8"

SCHEDULE OF RESERVE FOR CAPITAL PROJECTS

Balance, December 31, 2017 and December 31, 2018	C	<u>\$ 150,000.00</u>
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TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance	BALANCE - DECEMBER 31, 2017		2018		AUTHORIZATIONS		EXPENDED	CONTRACTS PAYABLE CANCELED	BALANCE - DECEMBER 31, 2018	
	FUNDED	UNFUNDED	FUNDED	UNFUNDED	CANCELED	CANCELED			FUNDED	UNFUNDED
06-14 Various Road Improvements	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
06-15 Various Drainage Projects								510.00	510.00	
07-02 Construction of Municipal Complex	109,357.43								80,393.37	
08-03 Various Road and Drainage Improvements	374,787.29				372,387.29		28,964.06			
09-07 Various Improvements					3,500.00		2,400.00			
10-03 Various Improvements	331,754.35				331,754.35			3,500.00		
10-23 Various Improvements	8,959.07						6,872.96		2,086.11	
11-06 Various Improvements	62,200.70						48,485.00		13,715.70	
11-07 Various Improvements	350.00									
12-05 Various Public Works Equipment	12,185.30				350.00					
12-07 Various Road Improvements	806,489.68				10,901.45		1,283.85			
13-04 Various Public Works Equipment	22,247.58				745,689.68		60,800.00			
13-06 Various Road Improvements					22,247.58					
14-07 Various Road Improvements	881,000.09							864.49	881,864.58	
15-05 Various Road Improvements		307,222.25					147,180.62		160,041.63	
15-07 Various Public Works Equipment		37,113.94						26,089.91	63,203.85	
16-13 Various Road Improvements		8,942.38			8,521.83		420.55			
16-14 Acquisition of Various Public Equipment		1,791,774.66						36,905.19	1,828,679.85	
17-14 Various Road Improvements		70,798.95			30,192.16		971.85		39,634.94	
17-15 Acquisition of Various Public Works Equipment		2,711,216.45					1,072,010.68			1,639,205.77
18-07 Various Road Improvements		140,774.73					835.56			139,939.17
18-10 Various Acquisitions and Improvements				5,682,925.00			5,467,701.94			215,223.06
				477,000.00			334,996.10			142,003.90
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	2,609,331.49	5,074,923.36	6,159,925.00	1,532,624.34	7,172,923.17	67,869.59	3,070,130.03	2,136,371.90		
	C	C				C-12	C	C-C-6		
Deferred Charges To Future Taxation - Unfunded Capital Improvement Fund			\$	5,829,925.00						
				330,000.00						
			\$	6,159,925.00						
Deferred Charges To Future Taxation - Unfunded Fund Balance			\$	7,080.00						
				1,525,544.34						
			\$	1,532,624.34						

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	OUTSTANDING DECEMBER 31, 2018		INTEREST RATE	BALANCE DECEMBER 31, 2017	INCREASED	DECREASED	BALANCE DECEMBER 31, 2018
			DATE	AMOUNT					
General Improvements	7/15/07	\$ 7,992,000.00	07/15/2019	\$ 675,000.00	4.125%				
			07/15/2020	708,000.00	4.125%				
			07/15/2021	708,000.00	4.125%				
General Improvements	9/1/10	22,500,000.00	07/15/2022	692,000.00	4.125%	\$ 3,367,000.00	\$	\$ 600,000.00	\$ 2,767,000.00
			09/01/2019	825,000.00	3.250%				
			09/01/2020	825,000.00	3.250%				
General Improvements	4/1/12	16,642,000.00	04/01/2019	750,000.00	2.000%	2,800,000.00		\$ 900,000.00	1,900,000.00
			04/01/2020	750,000.00	2.500%				
			04/01/2021	695,000.00	3.000%				
General Improvement Refunding Bonds	10/1/12	5,655,000.00	4/1/2022-2026	1,010,000.00	3.000%				
			04/01/2027	1,010,000.00	3.125%				
			4/1/2028-2029	1,015,000.00	3.250%				
			04/01/2030	1,015,000.00	3.375%				
			04/01/2031	1,015,000.00	3.500%				
			04/01/2032	1,012,000.00	3.500%				
			10/01/2019	615,000.00	4.000%				
			10/1/2020-2021	610,000.00	4.000%				
			10/01/2022	600,000.00	4.000%				
			08/01/2015-2022	250,000.00	4.000%				
General Improvements	8/1/2016	8,349,000.00	08/01/2023	455,000.00	4.000%				
			08/01/2024	460,000.00	4.000%				
			08/01/2025	470,000.00	4.000%				
			08/01/2026	480,000.00	2.000%				
			08/01/2027	485,000.00	2.000%				
			08/01/2028-2029	500,000.00	2.000%				
			08/01/2030-2031	500,000.00	2.125%				
			08/01/2032-2034	500,000.00	2.250%				
			08/01/2035	500,000.00	2.375%				
			08/01/2036	499,000.00	2.500%				
General Improvement Refunding Bonds	8/24/2017	14,605,000.00	09/01/2021	940,000.00	3.000%	8,099,000.00		250,000.00	7,849,000.00
			09/01/2022	930,000.00	4.000%				
			9/1/2023-2024	935,000.00	4.000%				
			09/01/2025	930,000.00	5.000%				
			09/01/2026	965,000.00	5.000%				
			09/01/2027	875,000.00	5.000%				
			09/01/2028	980,000.00	5.000%				
			09/01/2029	990,000.00	5.000%				
			09/01/2030	1,000,000.00	4.000%				
			09/01/2031	1,000,000.00	3.000%				
General Improvement Bonds	8/9/2018	13,170,000.00	09/01/2032	990,000.00	3.000%				
			09/01/2033	980,000.00	3.000%				
			09/01/2034	970,600.00	3.000%				
			09/01/2035	1,055,000.00	3.000%	14,605,000.00		30,000.00	14,575,000.00
			08/01/2019	450,000.00	2.000%				
			08/01/2020	520,000.00	4.000%				
			08/01/2021	450,000.00	5.000%				
			08/01/2022	555,000.00	5.000%				
			08/01/2023	585,000.00	5.000%				
			08/01/2024	615,000.00	5.000%				
			08/01/2025	640,000.00	5.000%				
			08/01/2026	655,000.00	2.500%				
			08/01/2027	675,000.00	3.000%				
			08/01/2028	705,000.00	3.000%				
			08/01/2029	725,000.00	3.000%				
			08/01/2030	745,000.00	3.000%				
			08/01/2031	785,000.00	3.000%				
			08/01/2032	815,000.00	3.000%				
			08/01/2033	840,000.00	3.000%				
			08/01/2034	865,000.00	3.000%				
			08/01/2035	895,000.00	3.125%				
			08/01/2036	900,000.00	3.250%				
			08/01/2037	900,000.00	3.250%				
			08/01/2038	900,000.00	3.250%				
			08/01/2039	900,000.00	3.250%				
			08/01/2040	900,000.00	3.250%				
			08/01/2041	900,000.00	3.250%				
			08/01/2042	900,000.00	3.250%				
			08/01/2043	900,000.00	3.250%				
			08/01/2044	900,000.00	3.250%				
			08/01/2045	900,000.00	3.250%				
			08/01/2046	900,000.00	3.250%				
			08/01/2047	900,000.00	3.250%				
			08/01/2048	900,000.00	3.250%				
			08/01/2049	900,000.00	3.250%				
			08/01/2050	900,000.00	3.250%				
			08/01/2051	900,000.00	3.250%				
			08/01/2052	900,000.00	3.250%				
			08/01/2053	900,000.00	3.250%				
			08/01/2054	900,000.00	3.250%				
			08/01/2055	900,000.00	3.250%				
			08/01/2056	900,000.00	3.250%				
			08/01/2057	900,000.00	3.250%				
			08/01/2058	900,000.00	3.250%				
			08/01/2059	900,000.00	3.250%				
			08/01/2060	900,000.00	3.250%				
			08/01/2061	900,000.00	3.250%				
			08/01/2062	900,000.00	3.250%				
			08/01/2063	900,000.00	3.250%				
			08/01/2064	900,000.00	3.250%				
			08/01/2065	900,000.00	3.250%				
			08/01/2066	900,000.00	3.250%				
			08/01/2067	900,000.00	3.250%				
			08/01/2068	900,000.00	3.250%				
			08/01/2069	900,000.00	3.250%				
			08/01/2070	900,000.00	3.250%				
			08/01/2071	900,000.00	3.250%				
			08/01/2072	900,000.00	3.250%				
			08/01/2073	900,000.00	3.250%				
			08/01/2074	900,000.00	3.250%				
			08/01/2075	900,000.00	3.250%				
			08/01/2076	900,000.00	3.250%				
			08/01/2077	900,000.00	3.250%				
			08/01/2078	900,000.00	3.250%				
			08/01/2079	900,000.00	3.250%				
			08/01/2080	900,000.00	3.250%				
			08/01/2081	900,000.00	3.250%				
			08/01/2082	900,000.00	3.250%				
			08/01/2083	900,000.00	3.250%				
			08/01/2084	900,000.00	3.250%				
			08/01/2085	900,000.00	3.250%				
			08/01/2086	900,000.00	3.250%				
			08/01/2087	900,000.00	3.250%				
			08/01/2088	900,000.00	3.250%				
			08/01/2089	900,000.00	3.250%				
			08/01/2090	900,000.00	3.250%				
			08/01/2091	900,000.00	3.250%				
			08/01/2092	900,000.00	3.250%				
			08/01/2093	900,000.00	3.250%				
			08/01/2094	900,000.00	3.250%				
			08/01/2095	900,000.00	3.250%				
			08/01/2096	900,000.00	3.250%				
			08/01/2097	900,000.00	3.250%				
			08/01/2098	900,000.00	3.250%				
			08/01/2099	900,000.00	3.250%				
			08/01/2100	900,000.00	3.250%				
			08/01/2101	900,000.00	3.250%				
			08/01/2102	900,000.00	3.250%				
			08/01/2103	900,000.00	3.250%				
			08/01/2104	900,000.00	3.250%				
			08/01/2105	900,000.00	3.250%				
			08/01/2106	900,000.00	3.250%				
			08/01/2107	900,000.00	3.250%				
			08/01/2108	900,000.00	3.250%				
			08/01/2109	900,000.00	3.250%				
			08/01/2110	900,000.00	3.250%				
			08/01/2111	900,000.00	3.250%				
			08/01/2112	900,000.00	3.250%				
			08/01/2113	900,000.00	3.250%				
			08/01/2114	900,000.00	3.250%				
			08/01/2115	900,000.00	3.250%				
			08/01/2116	900,000.00	3.250%				
			08/01/2117	900,000.00	3.250%				
			08/01/2118	900,000.00	3.250%				
			08/01/2119	900,000.00	3.250%				
			08/01/2120	900,000.00	3.250%				
			08/01/2121	900,000.00	3.250%				
			08/01/2122	900,000.00	3.250%				
			08/01/2123	900,000.00	3.250%				
			08/01/2124	900,000.00	3.250%				
			08/01/2125	900,000.00	3.250%				
			08/01/2126	900,000.00	3.250%				
			08/01/2127	900,000.00	3.250%				
			08/01/2128	900,000.00	3.250%				
			08/01/2129	900,000.00	3.250%				
			08/01/2130	900,000.00	3.250%				
			08/01/2131	900,000.00	3.250%				
			08/01/2132	900,000.00	3.250%				
			08/01/2133	900,000.00	3.250%				
			08/01/2134	900,000.00	3.250%				
			08/01/2135	900,000.00	3.250%				
			08/01/2136	900,000.00	3.250%				
			08/01/2137	900,000.00	3.250%				
			08/01/2138	900,000.00	3.250%				
			08/01/2139	900,000.00	3.250%				
			08/01/2140	900,000.00	3.250%				
			08/01/2141	900,000.00	3.250%				
			08/01/2142	900,000.00	3.250%				
			08/01/2143	900,000.00	3.250%				
			08/01/2144	900,000.00	3.250%				
			08/01/2145	900,000.00	3.250%				
			08/01/2146	900,000.00	3.250%				
			08/01/2147	900,000.00	3.250%				
			08/01/2148	900,000.00	3.250%				
			08/01/2149	900,000.00	3.250%				
			08/01/2150	900,000.00	3.250%				
			08/01/2151	900,000.00	3.250%				
			08/01/2152	900,000.00	3.250%				
			08/01/2153	900,000.00	3.250%				
			08/01/2154	900,000.00	3.250%				
			08/01/2155	900,000.00	3.250%				
			08/01/2156	900,000.00	3.250%				
			08/01/2157	900,000.00	3.250%				
			08/01/2158	900,000.00	3.250%				
			08/01/2159	900,000.00	3.250%				
			08/01/2160	900,000.00	3.250%				
			08/01/2161	900,000.00	3.250%				
			08/01/2162	900,000.00	3.250%				
			08/01/2163	900,000.00	3.250%				
			08/01/2164	900,000.00	3.250%				

"C-12"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

Balance, December 31, 2017	C		\$	1,976,432.92
Increased by:				
Charges to Improvement Authorizations	C-9			7,172,923.17
			\$	<u>9,149,356.09</u>
Decreased by:				
Disbursements	C-2	\$	6,151,647.78	
Canceled - Improvement Authorizations	C-9		<u>67,869.59</u>	
				<u>6,219,517.37</u>
Balance, December 31, 2018	C		\$	<u><u>2,929,838.72</u></u>

"C-13"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR INFRASTRUCTURE LOAN PAYABLE

	<u>REF.</u>		
Balance, December 31, 2017	C	\$	246,216.32
Decreased by:			
Payment on Loan	C-4		<u>62,459.52</u>
Balance, December 31, 2018	C	\$	<u><u>183,756.80</u></u>

"C-14"

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

Balance, December 31, 2017	C		\$	912,072.94
Increased by:				
Receipts	C-2	\$	338,353.85	
Deferred Charges Unfunded	C-6		<u>66,219.68</u>	
				<u>404,573.53</u>
			\$	<u><u>1,316,646.47</u></u>
Decreased by:				
Disbursements - Anticipated Current Revenue	C-2			<u>912,072.94</u>
Balance, December 31, 2018	C		\$	<u><u>404,573.53</u></u>

"C-15"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORITY LOANS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2017	C	\$ 637,500.59
Increased by:		
Improvement Authority Loans	C-4	<u>290,929.93</u>
		\$ <u>928,430.52</u>
Decreased by:		
Payment on Loans	C-4	<u>248,735.01</u>
Balance, December 31, 2018	C	\$ <u><u>679,695.51</u></u>

"C-16"

SCHEDULE OF GREEN ACRES LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2017	C	\$ 361,000.96
Decreased by:		
Payment on Loans	C-4	<u>90,726.02</u>
Balance, December 31, 2018	C	\$ <u><u>270,274.94</u></u>

"C-17"

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, 2018</u>
06-14	Various Road Improvements	\$ 503,473.16
18-07	Various Road Improvements	5,398,779.00
18-10	Various Acquisitions and Improvements	<u>431,146.00</u>
		<u>\$ 6,333,398.16</u>

"D-5"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF CHANGE FUND

REF.

Balance, December 31, 2017
and December 31, 2018

D

\$ 100.00

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2017	D	\$ <u>10,432,697.97</u>	\$ <u>7,683,539.39</u>
Increased by Receipts:			
Sewer Charges Receivable	D-8	\$ 9,653,064.26	\$
Miscellaneous Revenue Not Anticipated	D-1:D-3	429,440.60	
Due Current Fund	D-10	1,606,747.55	
Debt Service	D-11		112,443.20
Sewer Overpayments	D-9	26,404.54	
Serial Bonds Payable	D-25		5,740,000.00
Capital Improvement Fund	D-17		1,700,000.00
Branchburg Share of Operating Costs	D-1:D-3	20,000.00	
Township of Warren - Debt Service	D-1:D-3	73,350.34	
Sewer Liens Receivable	D-20	7,182.00	
Prepaid Sewer Charges	D-19	51,579.17	
		\$ <u>11,867,768.46</u>	\$ <u>7,552,443.20</u>
		\$ <u>22,300,466.43</u>	\$ <u>15,235,982.59</u>
Decreased by Disbursements:			
2018 Budget Appropriations	D-4	\$ 10,771,084.92	\$
2017 Appropriation Reserves	D-18	188,169.00	
Due Current Fund	D-10	2,216,854.05	
Sewer Overpayments	D-9	1,273.92	
Bond Anticipation Notes	D-26		5,740,000.00
Accrued Interest on Bonds	D-29	860.00	
Accounts Payable	D-14	39,900.00	
Contracts Payable	D-13		3,229,124.65
		\$ <u>13,218,141.89</u>	\$ <u>8,969,124.65</u>
Balance, December 31, 2018	D:D-7	\$ <u><u>9,082,324.54</u></u>	\$ <u><u>6,266,857.94</u></u>

"D-7"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

BALANCE
DECEMBER
31, 2018

SEWER:

Fund Balance	\$ 30,861.34
Contracts Payable	1,026,275.00
Reserve for Debt Service	177,677.70
Capital Improvement Fund	843.56
Improvement Authorizations - Funded:	
Ord. # 01-19 and 04-01 Design and Upgrade to Gillbride 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. # 14-06 Various Sewer Utility Improvements	699,998.20
Ord. # 16-12 Various Sewer Utility Improvements	428,505.99
Ord. # 17-20 Various Sewer Utility Improvements	1,499,400.88
Ord. # 18-09 Various Sewer Utility Improvements	1,744,879.26
Authorized but not Issued	(3,006,662.87)
Unfunded Improvements Expended	<u>2,113,424.75</u>
	<u>\$ 6,266,857.94</u>

REF.

D:D-6

"D-8"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2017	D	\$	323,664.22
Increased by:			
Sewer Charges Levied (Net)			<u>9,841,731.85</u>
		\$	<u>10,165,396.07</u>
Decreased By:			
Collections	D-6	\$	9,653,064.26
Prepaid Applied	D-19		34,564.03
Sewer Overpayments Applied	D-9		4,541.61
Canceled			<u>12,988.30</u>
			<u>9,705,158.20</u>
Balance, December 31, 2018	D	\$	<u><u>460,237.87</u></u>

"D-9"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGE OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2017	D	\$	4,545.58
Increased by:			
Receipts	D-6		26,404.54
		\$	<u>30,950.12</u>
Decreased by:			
Applied	D-8	\$	4,541.61
Refunded	D-6		<u>1,273.92</u>
			<u>5,815.53</u>
Balance, December 31, 2018	D	\$	<u><u>25,134.59</u></u>

"D-10"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2017		
Due To	D	\$ 2,208,412.89
Increased by:		
Receipts	D-6	<u>1,606,747.55</u>
		\$ <u>3,815,160.44</u>
Decreased by:		
Disbursements	D-6	<u>2,216,854.05</u>
Balance, December 31, 2018		
Due To	D	\$ <u><u>1,598,306.39</u></u>

"D-11"

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE

	REF.	
Balance, December 31, 2017	D	\$ 65,234.50
Increased by:		
Receipts	D-6	<u>112,443.20</u>
Balance, December 31, 2018	D	\$ <u><u>177,677.70</u></u>

"D-12"

SEWER UTILITY FUND
SCHEDULE OF CONNECTION CHARGES RECEIVABLE

Balance, December 31, 2017 and December 31, 2018 (Overpayment)	D	\$ <u><u>550.00</u></u>
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"D-13"

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2017	D		\$	3,393,538.16
Increased by:				
Charges to Improvement Authorizations	D-24			946,646.08
			\$	<u>4,340,184.24</u>
Decreased by:				
Disbursements	D-6	\$	3,229,124.65	
Contracts Payable Canceled	D-24		<u>84,784.59</u>	
				<u>3,313,909.24</u>
Balance, December 31, 2018	D		\$	<u><u>1,026,275.00</u></u>

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ENCUMBRANCES AND ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2017	D		\$ 347,781.19
Increased by:			
2018 Appropriations	D-4	\$ 461,775.73	
2017 Appropriation Reserves	D-18	<u>26,638.06</u>	
			488,413.79
			<u>\$ 836,194.98</u>
Decreased by:			
Disbursements	D-6	\$ 39,900.00	
Accounts Payable Canceled	D-1	13,429.95	
2017 Appropriation Reserves	D-18	<u>258,170.86</u>	
			311,500.81
Balance, December 31, 2018			<u><u>\$ 524,694.17</u></u>
Reserve for Encumbrances Payable	D		\$ 461,775.73
Reserve for Accounts Payable	D		<u>62,918.44</u>
			<u><u>\$ 524,694.17</u></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, 2017</u>	<u>INCREASED BY</u>	<u>BALANCE DECEMBER 31, 2018</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
18-09	Various Sewer Utility Improvements	05/21/18		1,745,500.00	1,745,500.00
			<u>\$ 17,484,200.00</u>	<u>\$ 1,745,500.00</u>	<u>\$ 19,229,700.00</u>
		<u>REF.</u>	D	D-24	D

"D-16"

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2017 & 2018</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>	
Balance, December 31, 2017	D	\$ 843.56
Increased by:		
2018 Budget Appropriation	D-6	1,700,000.00
		\$ <u>1,700,843.56</u>
Decreased by:		
Appropriated to Finance Improvements	D-22	<u>1,700,000.00</u>
Balance, December 31, 2018	D	\$ <u><u>843.56</u></u>

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2017	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$ 342,923.95	\$ 342,923.95	\$ 62,836.96	\$ 280,086.99
Other Expenses	478,382.14	736,553.00	139,949.26	596,603.74
Somerset Raritan Valley Sewerage Authority	171,384.28	171,384.28	12,020.84	159,363.44
Statutory Expenditures:				
Contribution to Social Security System	65,825.92	65,825.92		65,825.92
	<u>\$ 1,058,516.29</u>	<u>\$ 1,316,687.15</u>	<u>\$ 214,807.06</u>	<u>\$ 1,101,880.09</u>
REF.	D			D-1
Balance, December 31, 2016	\$ 1,058,516.29	\$ 1,058,516.29		
Transfer of Accounts Payable		<u>258,170.86</u>		
		<u>\$ 1,316,687.15</u>		
Disbursements		\$ 188,169.00		
Accounts Payable		<u>26,638.06</u>		
		\$ 214,807.06		

"D-19"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF PREPAID SEWER CHARGES

	<u>REF.</u>	
Balance, December 31, 2017	D	\$ 34,564.03
Increased by:		
Receipts	D-6	51,579.17
		\$ <u>86,143.20</u>
Decreased by:		
Prepaid Applied	D-8	<u>34,564.03</u>
Balance, December 31, 2018	D	\$ <u><u>51,579.17</u></u>

"D-20"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF SEWER UTILITY LIENS RECEIVABLE

Balance, December 31, 2017	D	\$	7,182.00
Decreased by:			
Collected	D-6	\$	<u>7,182.00</u>

"D-21"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2017	D	\$ 453,779.52
Decreased by:		
Loans Paid by Budget	D-23	<u>37,398.28</u>
Balance, December 31, 2018	D	\$ <u><u>416,381.24</u></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>	<u>BALANCE DECEMBER 31, 2017</u>	<u>INCREASED</u>	<u>BALANCE DECEMBER 31, 2018</u>
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 Finderne 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
18-09	Various Sewer Utility Improvements	05/21/18		1,745,500.00	1,745,500.00
			<u>\$ 8,737,058.00</u>	<u>\$ 1,745,500.00</u>	<u>\$ 10,482,558.00</u>
		<u>REF.</u>	<u>D</u>		<u>D</u>
	Fund Balance	D-2		45,500.00	
	Capital Improvement Fund	D-17		<u>1,700,000.00</u>	
				<u>1,745,500.00</u>	

"D-23"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2017	D		\$ 13,308,051.61
Increased by:			
EIT Loan Payable Paid by Operating Budget	D-21	\$ 37,398.28	
Serial Bonds Paid by Operating Budget	D-25	120,000.00	
Bond Anticipation Notes Paid by Operating Budget	D-26	<u>860.00</u>	
			<u>158,258.28</u>
Balance, December 31, 2018	D		\$ <u>13,466,309.89</u>

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT	BALANCE, DECEMBER 31, 2017		2018 AUTHORIZATIONS	CONTRACTS PAYABLE CANCELED	DECREASED	BALANCE, DECEMBER 31, 2018	
			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	777,946.06					777,946.06	
13-05	Various Sewer Utility Improvements	1,800,000.00		330,553.32		277,989.18			52,564.14
14-06	Various Sewer Utility Improvements	2,440,000.00		1,065,879.25		8,962.05		699,998.20	356,919.00
15-07	Various Sewer Utility Improvements	1,560,000.00		197,015.02	84,784.59				281,799.61
16-12	Various Sewer Utility Improvements	3,225,000.00		563,550.98		135,044.99		428,505.99	
17-20	Various Sewer Utility Improvements	3,719,700.00	2,023,430.00	1,420,700.00		524,029.12		1,499,400.88	1,420,700.00
18-09	Various Sewer Utility Improvements	1,745,500.00			1,745,500.00	620.74		1,744,879.26	
		\$	\$ 3,575,084.13	\$ 3,579,140.57	\$ 1,745,500.00	\$ 946,646.08	\$ 5,924,438.46	\$ 2,113,424.75	
REF			D	D	D-15	D-13	D	D	D

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER SERIAL BONDS PAYABLE

DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2018		INTEREST RATE	BALANCE DECEMBER 31, 2017		INCREASED		DECREASED		BALANCE DECEMBER 31, 2018		
		DATE	AMOUNT		\$		\$		\$		\$		
Sewer Utility Bonds Sewer Utility Bonds	7/15/07	\$	508,000.00	7/15/2019-2022	\$	37,000.00	4.125%	\$	183,000.00	\$	35,000.00	\$	148,000.00
	4/1/12	636,000.00		04/01/2019		25,000.00	2.000%						
				04/01/2020		25,000.00	2.500%						
				04/01/2021		25,000.00	3.000%						
				04/01/2022		25,000.00	3.000%						
				04/01/2023		35,000.00	3.000%						
				4/1/2024-2026		40,000.00	3.000%						
				04/01/2027		40,000.00	3.125%						
				4/1/2028-2029		40,000.00	3.250%						
				04/01/2030		40,000.00	3.375%						
				04/01/2031		40,000.00	3.500%						
				04/01/2032		36,000.00	3.500%						
		10/1/2019-2020		55,000.00	4.000%								
Sewer Utility Refunding Bonds Sewer Utility Bonds	10/1/12		415,000.00	08/01/2019		190,000.00	2.000%		516,000.00		25,000.00		491,000.00
	8/9/18	5,740,000.00		08/01/2020		190,000.00	4.000%		170,000.00		60,000.00		110,000.00
				08/01/2021		235,000.00	5.000%						
				08/01/2022		245,000.00	5.000%						
				08/01/2023		255,000.00	5.000%						
				08/01/2024		270,000.00	5.000%						
				08/01/2025		280,000.00	5.000%						
				08/01/2026		290,000.00	2.500%						
				08/01/2027		295,000.00	3.000%						
				08/01/2028		305,000.00	3.000%						
				08/01/2029		315,000.00	3.000%						
				08/01/1930		325,000.00	3.000%						
		08/01/1931		335,000.00	3.000%								
		08/01/1932		345,000.00	3.000%								
		08/01/1933		355,000.00	3.000%								
		08/01/1934		370,000.00	3.000%								
		8/1/2035-2036		380,000.00	3.125%								
		08/01/1937		380,000.00	3.250%								

REF

"D-27"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ACCRUED INTEREST ON LOANS

REF.

Balance, December 31, 2017
and December 31, 2018

D

\$ 2,104.17

"D-28"

SCHEDULE OF ACCRUED INTEREST ON NOTES

Balance, December 31, 2017

D

\$ 43,375.39

Decreased by:
Cancel

D-1

\$ 43,375.39

"D-29"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>REF.</u>	
Balance, December 31, 2017	D	\$ 9,333.91
Decreased by:		
Interest Paid	D-6	<u>860.00</u>
Balance, December 31, 2018	D	<u>\$ 8,473.91</u>

"D-30"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2018</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

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, 2017	E	\$ 453.30	\$ 68,256.34
Increased by Receipts:			
State Aid for Public Assistance and Other Receipts	E-4	160.00	326.22
		\$ 613.30	\$ 68,582.56
Decreased by Disbursements:			
Reserve For:			
Public Assistance	E-5	270.00	160.00
Balance, December 31, 2018	E	\$ 343.30	\$ 68,422.56

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, 2018	\$	68,765.86
Increased by:		
Receipts		570.00
	\$	<u>69,335.86</u>
Decreased by:		
Disbursements		<u>68,992.56</u>
Balance, January 31, 2019	\$	<u><u>343.30</u></u>

	<u>P.A.T.F. I</u> <u>ACCOUNT</u>	<u>TOTAL</u>
RECONCILIATION - JANUARY 31, 2019		
Balance on Deposit Per Statement of		
PNC Bank:		
Account #81-0395-2342	\$ <u>343.30</u>	\$ <u>343.30</u>
Balance, January 31, 2019	\$ <u><u>343.30</u></u>	\$ <u><u>343.30</u></u>

"E-3"

TOWNSHIP OF BRIDGEWATER

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION AS OF DECEMBER 31, 2018

Balance, December 31, 2017	\$	68,709.64
Increased by:		
Receipts		486.22
	\$	<u>69,195.86</u>
Decreased by:		
Disbursements		430.00
Balance, December 31, 2018	\$	<u><u>68,765.86</u></u>

	<u>P.A.T.F. I</u> <u>ACCOUNT</u>	<u>P.A.T.F. II</u> <u>ACCOUNT</u>	<u>TOTAL</u>
RECONCILIATION - DECEMBER 31, 2018			
Balance on Deposit Per Statement of			
TD Banknorth:			
Account #80-3235-8177	\$	\$ 68,992.56	\$ 68,992.56
Account #81-0395-2342	343.30		343.30
	<u>\$ 343.30</u>	<u>\$ 68,992.56</u>	<u>\$ 69,335.86</u>
Less: Outstanding Checks (Per List on File)		(570.00)	(570.00)
Balance, December 31, 2018	<u>\$ 343.30</u>	<u>\$ 68,422.56</u>	<u>\$ 68,765.86</u>

"E-4"

TOWNSHIP OF BRIDGEWATER
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE REVENUES
YEAR ENDED DECEMBER 31, 2018

	<u>P.A.T.F.</u> <u>ACCOUNT #1</u>	<u>P.A.T.F.</u> <u>ACCOUNT #2</u>	<u>FUND</u> <u>TOTAL</u>
Interest and Other	\$ <u>160.00</u>	\$ <u>326.22</u>	\$ <u>486.22</u>
<u>TOTAL REVENUES (P.A.T.F.)</u>	\$ <u>160.00</u>	\$ <u>326.22</u>	\$ <u>486.22</u>

"E-5"

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
YEAR ENDED DECEMBER 31, 2018

Ineligible Assistance/ Other	\$ <u>270.00</u>	\$ <u>160.00</u>	\$ <u>430.00</u>
<u>TOTAL DISBURSEMENTS (P.A.T.F.)</u>	\$ <u>270.00</u>	\$ <u>160.00</u>	\$ <u>430.00</u>

PART II

TOWNSHIP OF BRIDGEWATER

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2018

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

	YEAR 2018		YEAR 2017	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 4,012,082.07	1.91%	\$ 4,126,020.57	2.00%
Miscellaneous - From Other Than				
Local Property Tax Levies	18,962,846.65	9.02%	19,915,525.94	9.65%
Collection of Delinquent Taxes				
and Tax Title Liens	1,113,709.40	0.53%	922,105.67	0.45%
Collections of Current Tax Levy	186,082,916.85	88.54%	181,418,617.34	87.90%
<u>Total Revenue</u>	<u>\$ 210,171,554.97</u>	<u>100.00%</u>	<u>\$ 206,382,269.52</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 40,130,416.07	19.57%	\$ 40,909,551.14	20.25%
County Taxes	36,232,882.16	17.67%	36,414,694.93	18.02%
Regional School Taxes	125,914,655.00	61.40%	121,165,271.00	59.97%
Special Fire District Taxes	2,512,180.00	1.23%	2,456,295.00	1.22%
Other Expenditures	269,311.43	0.13%	1,097,009.26	0.54%
<u>Total Expenditures</u>	<u>\$ 205,059,444.66</u>	<u>100.00%</u>	<u>\$ 202,042,821.33</u>	<u>100.00%</u>
Excess in Revenue	\$ 5,112,110.31		\$ 4,339,448.19	
Fund Balance - January 1	6,197,912.41		5,984,484.79	
	\$ 11,310,022.72		\$ 10,323,932.98	
Less: Utilization as Anticipated Revenue	4,012,082.07		4,126,020.57	
Fund Balance, December 31	<u>\$ 7,297,940.65</u>		<u>\$ 6,197,912.41</u>	

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

	YEAR 2018		YEAR 2017	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 3,062,793.00	21.21%	\$ 3,479,191.16	21.97%
Collection of Sewer Use Charges	9,699,351.90	67.15%	10,024,127.62	63.29%
Miscellaneous	<u>1,681,476.37</u>	<u>11.64%</u>	<u>2,334,787.65</u>	<u>14.74%</u>
<u>Total Revenue</u>	<u>\$ 14,443,621.27</u>	<u>100.00%</u>	<u>\$ 15,838,106.43</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures.				
Operating	\$ 10,243,601.00	82.25%	\$ 9,995,047.60	78.20%
Capital Improvements	1,700,000.00	13.65%	2,299,843.56	17.99%
Deferred Charges and Statutory Expenditures	190,000.00	1.53%	170,000.00	1.33%
Debt Service	<u>320,271.54</u>	<u>2.57%</u>	<u>316,802.22</u>	<u>2.48%</u>
<u>Total Expenditures</u>	<u>\$ 12,453,872.54</u>	<u>100.00%</u>	<u>\$ 12,781,693.38</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,989,748.73		\$ 3,056,413.05	
Fund Balance, January 1	<u>6,723,614.52</u>		<u>7,146,392.63</u>	
	\$ 8,713,363.25		\$ 10,202,805.68	
Less: Utilization as Anticipated Revenue	<u>3,062,793.00</u>		<u>3,479,191.16</u>	
Fund Balance, December 31	<u>\$ 5,650,570.25</u>		<u>\$ 6,723,614.52</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$2.091</u>	<u>\$2.093</u>	<u>\$2.062</u>
Appointment of Tax Rate:			
Municipal	\$0.247	\$0.253	\$0.255
County	0.411	0.425	0.417
Local School	<u>1.433</u>	<u>1.415</u>	<u>1.390</u>

Assessed Valuation:

Year 2018	\$ <u>8,785,824,809.00</u>		
Year 2017		\$ <u>8,561,233,644.00</u>	
Year 2016			\$ <u>8,506,211,198.00</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</u> <u>COLLECTIONS</u>	<u>PERCENTAGE</u> <u>OF</u> <u>COLLECTION</u>
2018	\$187,417,474.49	\$186,082,916.85	99.28%
2017	182,490,630.70	181,418,617.34	99.41%
2016	178,059,177.02	177,026,988.88	99.42%

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</u> <u>31, YEAR</u>	<u>AMOUNT OF</u> <u>TAX TITLE</u> <u>LIENS</u>	<u>AMOUNT OF</u> <u>DELINQUENT</u> <u>TAXES</u>	<u>TOTAL</u> <u>DELINQUENT</u>	<u>PERCENTAGE</u> <u>OF TAX</u> <u>LEVY</u>
2018	\$147,551.92	\$1,104,301.99	\$1,251,853.91	0.67%
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%

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>
2018	\$422,300.00
2017	422,300.00
2016	422,300.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2018	\$ 7,297,940.65	\$ 4,012,082.00 *
	2017	6,197,912.41	4,012,082.07
	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
Sewer Utility Operating Fund	2018	\$ 5,650,570.25	\$ 3,062,793.00 *
	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

*per introduced budget

EQUALIZED VALUATIONS – REAL PROPERTY

<u>Year</u>	
2018	\$9,379,718,393.00
2017	9,164,237,758.00
2016	9,367,290,013.00

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		
Christine Henderson Rose	Council Member - President		
Allen Kurdyla	Council Member		
Matthew Moench	Council Member		
Howard Norgalis	Council Member		
Filipe Pedroso	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 to 2/28/18	*	
Lisa Caravela	Human Resources Officer from 9/10/18	*	
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	*	
Kristen Schiro	Director of Human Services from 4/4/18	*	
Peter Leung	Health Officer	*	
Nadine Carr	Registrar	*	
Patricia Padovani	Director of Affordable Housing	*	
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:

- Dry Cleaning Police Uniforms
- Maintenance and Repair Work- Chip Sealing and Microsurfacing
- Snow Removal Service
- Adamsville Road & Sunnyside Terrace Road Improvements
- Telamini Road Improvement Project Phase IV
- Curbside Brush Collection Program
- Custodial Services
- Somerville Road Pump Station
- Purchase of Police Uniforms
- Sidewalk Improvement Project
- Hunter Road Improvement Project
- Country Club Road Improvement Project- Section IX
- Ballistic Vest and Vest Carriers
- BWT-5 and BWT-4 Road Improvement Projects
- Elm Drive Road Improvement Project
- Garretson Road Improvement Project- Section VI
- Morgan Lane Improvement Project
- Mountainside Lane Improvement Project
- Dellwood 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 8, 2018 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 19, 2018 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>
2018	28
2017	26
2016	27
2015	28
2014	27

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 2019 Taxes	50
Payments of 2018 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

