

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, 2021

TOWNSHIP OF BRIDGEWATER

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TOWNSHIP OF BRIDGEWATER

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2021 AND 2020



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 Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Bridgewater (the "Township"), as of and for the year ended December 31, 2021 and 2020, the related statements 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, 2021, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" 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 as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2021.

Unmodified 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 balances sheets of the various individual funds and account group as of December 31, 2021 and 2020, 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, 2021 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

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Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed by the Division, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with, the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the regulatory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

SUPLEE, CLOONEY & COMPANY

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's regulatory financial statements. The supplementary information, schedule of expenditures of Federal Awards and data listed in the table of contents as required by the Division and the Uniform Guidance are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, Schedule of Expenditures of Federal Awards and data listed in the table of contents, as required by the Division and the Uniform Guidance are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

SUPLEE, CLOONEY & COMPANY

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2022 on our consideration of the Township'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 solely 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 the effectiveness of the Township's 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 Township's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 15, 2022

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CURRENT FUND

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u> |
|--|-------------|--|--|
| <u>ASSETS</u> | | | |
| Cash | A-4 | \$ 17,951,255.86 | \$ 14,192,973.99 |
| Change Fund | A-6 | 410.00 | 410.00 |
| Petty Cash | A-5 | 1,000.00 | |
| Due State of New Jersey - Senior Citizens and Veterans | A-7 | 6,000.00 | 4,750.00 |
| | | <u>\$ 17,958,665.86</u> | <u>\$ 14,198,133.99</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-8 | \$ 1,144,310.16 | \$ 1,241,984.51 |
| Tax Title Liens Receivable | A-9 | 155,501.43 | 151,389.85 |
| Property Acquired for Taxes - Assessed Valuation | A-10 | 422,300.00 | 422,300.00 |
| Revenue Accounts Receivable | A-13 | 12,893.23 | 11,637.26 |
| Interfunds Receivable | A-12 | 213,455.33 | 10,935.69 |
| | A | <u>\$ 1,948,460.15</u> | <u>\$ 1,838,247.31</u> |
| Deferred Charges | A-32 | \$ 530,000.00 | \$ 1,284,674.76 |
| | A | <u>\$ 20,437,126.01</u> | <u>\$ 17,321,056.06</u> |
| Grant Fund: | | | |
| Cash | A-4 | \$ 1,149,688.47 | \$ 843,307.13 |
| Grants Receivable | A-25 | 1,279,549.27 | 700,220.09 |
| | A | <u>\$ 2,429,237.74</u> | <u>\$ 1,543,527.22</u> |
| | A | <u>\$ 22,866,363.75</u> | <u>\$ 18,864,583.28</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 DECEMBER 31, 2021</u> | <u>BALANCE DECEMBER 31, 2020</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Appropriations Reserves | A-3:A-14 | \$ 3,793,059.86 | \$ 3,001,968.83 |
| Prepaid Taxes | A-18 | 2,115,721.73 | 1,597,951.56 |
| Encumbrances Payable | A-11 | 1,650,915.13 | 1,135,785.08 |
| Accounts Payable | A-11 | 299,869.92 | 173,428.55 |
| Tax Overpayments | A-17 | 262,379.46 | 260,201.78 |
| Interfunds Payable | A-12 | 867,185.34 | 80,589.13 |
| Reserve For: | | | |
| Sale of Municipal Assets | A-19 | 48,394.24 | 200,596.24 |
| Marriage Licenses - Due State of NJ | A-28 | 925.00 | 825.00 |
| Construction Code DCA - Due State of New Jersey | A-16 | 24,218.00 | 19,589.00 |
| Insurance Damage | A-29 | 6,846.54 | 7,147.71 |
| County Taxes Payable | A-20 | 298,955.70 | 114,185.09 |
| Emergency Note Payable | A-30 | 400,000.00 | 500,000.00 |
| Tax Appeals | A-15 | 483,939.86 | 494,632.06 |
| State Library | A-31 | 8,934.00 | 8,934.00 |
| | | \$ 10,261,344.78 | \$ 7,595,834.03 |
| Reserve for Receivables and Other Assets | A | 1,948,460.15 | 1,838,247.31 |
| Fund Balance | A-1 | 8,227,321.08 | 7,886,974.72 |
| | A | \$ 20,437,126.01 | \$ 17,321,056.06 |
| Grant Fund: | | | |
| Reserve for Grants - Unappropriated | A-24 | \$ 123,892.40 | \$ 92,500.00 |
| Reserve for Grants - Appropriated | A-23 | 1,879,973.25 | 1,412,432.60 |
| Due Current Fund | A-26 | 185,432.04 | |
| Accounts Payable | A-27 | 239,940.05 | 38,594.62 |
| | A | \$ 2,429,237.74 | \$ 1,543,527.22 |
| | A | \$ 22,866,363.75 | \$ 18,864,583.28 |

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

"A-1"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | <u>YEAR ENDED DECEMBER 31, 2021</u> | <u>YEAR ENDED DECEMBER 31, 2020</u> |
|---|-------------|---|---|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Fund Balance Utilized | A-1:A-2 | \$ 6,300,000.00 | \$ 5,000,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 18,234,930.04 | 15,165,173.55 |
| Receipts From Delinquent Taxes | A-2 | 1,242,616.12 | 1,167,521.76 |
| Receipts From Current Taxes | A-2 | 198,083,097.70 | 193,629,842.28 |
| Non-Budget Revenue | A-2 | 896,647.66 | 463,998.54 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-14 | 1,799,635.61 | 863,362.25 |
| Accounts Payable Canceled | A-11 | 21,249.49 | 13,701.83 |
| Tax Overpayments Canceled | A-17 | 1.94 | |
| Interfunds Returned | | | 8,963.39 |
| Deficit in Revenues | | | 784,674.76 |
| <u>TOTAL REVENUE AND OTHER INCOME</u> | | <u>\$ 226,578,178.56</u> | <u>\$ 217,097,238.36</u> |
| <u>EXPENDITURES</u> | | | |
| Budget Appropriations | A-3 | \$ 44,206,385.59 | \$ 40,905,854.44 |
| Special Fire District Taxes | A-22 | 2,715,814.45 | 2,658,792.00 |
| County Taxes | A-20 | 38,151,536.18 | 37,268,850.62 |
| Regional School District Taxes | A-21 | 134,782,129.00 | 132,397,672.00 |
| Prior Year Senior Citizens Disallowed | A-8 | 7,250.00 | |
| Refund of Prior Year Revenue | A-4 | 2,197.34 | 2,000.00 |
| Interfunds Advanced | | 202,519.64 | |
| <u>TOTAL EXPENDITURES</u> | | <u>\$ 220,067,832.20</u> | <u>\$ 213,233,169.06</u> |
| Excess in Revenue | | \$ 6,510,346.36 | \$ 3,864,069.30 |
| Adjustments to Income Before Fund Balance; Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year | A-32 | \$ 130,000.00 | \$ 500,000.00 |
| Statutory Excess to Fund Balance | | \$ 6,640,346.36 | \$ 4,364,069.30 |
| Fund Balance, January 1 | A | 7,886,974.72 | 8,522,905.42 |
| | | \$ 14,527,321.08 | \$ 12,886,974.72 |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | A-1:A-2 | 6,300,000.00 | 5,000,000.00 |
| Fund Balance, December 31 | A | <u>\$ 8,227,321.08</u> | <u>\$ 7,886,974.72</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, 2021

| REF. | ANTICIPATED | | SPECIAL N.J.S. 40A:4-87 | REALIZED | EXCESS OR (DEFICIT) |
|---|-----------------------|------------------|----------------------------|------------------|---------------------------|
| | ANTICIPATED BUDGET | | | | |
| Fund Balance Anticipated | A-1 | \$ 6,300,000.00 | | \$ 6,300,000.00 | |
| Miscellaneous Revenues: | | | | | |
| Licenses: | | | | | |
| Alcoholic Beverages | A-13 | \$ 86,000.00 | \$ | \$ 91,002.00 | \$ 5,002.00 |
| Other | A-2 | 39,000.00 | | 43,848.90 | 4,848.90 |
| Fees and Permits: | | | | | |
| Construction Code Official | A-2 | 1,250,000.00 | | 1,252,568.00 | 2,568.00 |
| Other | A-2 | 350,000.00 | | 424,567.44 | 74,567.44 |
| Municipal Court: | | | | | |
| Fines and Costs | A-13 | 275,000.00 | | 192,013.26 | (82,986.74) |
| Interest and Costs on Taxes | A-13 | 250,000.00 | | 386,971.40 | 136,971.40 |
| Interest on Investments and Deposits | A-13 | 250,000.00 | | 164,493.37 | (85,506.63) |
| Recreation Fees | A-13 | 134,000.00 | | 140,406.60 | 6,406.60 |
| Energy Receipts Tax | A-13 | 5,900,179.00 | | 5,900,179.00 | |
| Garden State Trust Fund | A-13 | 4,082.00 | | 6,286.00 | 2,204.00 |
| Joint Services with County Library | A-13 | 115,166.37 | | 112,030.61 | (3,135.76) |
| Shared Municipal Court | A-13 | 210,009.35 | | 212,244.36 | 2,235.01 |
| Shared Resource Officer BOE | A-13 | 110,000.00 | | 116,548.55 | 6,548.55 |
| Shared Class III Officers | A-13 | 65,000.00 | | | (65,000.00) |
| Recycling Tonnage Grant | A-25 | 44,542.30 | | 44,542.30 | |
| Safe & Secure Communities | A-25 | 92,400.00 | | 92,400.00 | |
| Youth Services Program | A-25 | 2,500.00 | | 2,500.00 | |
| Federal Bulletproof Vest Partnership | A-25 | | 9,301.60 | 9,301.60 | |
| Emergency Management | A-25 | 10,000.00 | | 10,000.00 | |
| Municipal Aid Program | A-25 | 400,000.00 | | 400,000.00 | |
| Body Worn Cameras | A-25 | 187,496.00 | | 187,496.00 | |
| Radon Awareness | A-25 | 2,000.00 | | 2,000.00 | |
| Regional Center Partnership | A-25 | 20,000.00 | | 20,000.00 | |
| Life Hazard Use Fees | A-13 | 145,000.00 | | 190,827.06 | 45,827.06 |
| Suburban Cablevision Franchise Fee | A-13 | 570,000.00 | | 542,331.46 | (27,668.54) |
| Payment in Lieu of Taxes - Centerbridge I | A-13 | 108,750.00 | | 162,471.00 | 53,721.00 |
| Payment in Lieu of Taxes - Centerbridge II | A-13 | 106,000.00 | | 26,500.00 | (79,500.00) |
| Bridgewater Commons Rent and Royalty - In Lieu of Taxes | A-13 | 1,000,000.00 | | 1,659,533.01 | 659,533.01 |
| General Capital Fund Surplus | A-13 | 207,601.15 | | 207,601.15 | |
| Host Benefit Fees | A-13 | 240,000.00 | | 322,905.30 | 82,905.30 |
| Hotel Occupancy Tax | A-13 | 240,000.00 | | 451,121.26 | 211,121.26 |
| Debt Service Reimbursement - Open Space Trust Fund | A-13 | 56,759.21 | | 56,759.21 | |
| Sale of Municipal Assets | A-19 | 1,837,500.00 | | 1,837,500.00 | |
| Sale of Liquor License | A-13 | 657,999.99 | | 657,999.99 | |
| American Relief Plan- Revenue Loss | A-13 | 2,300,000.00 | | 2,301,033.50 | 1,033.50 |
| Insurance Proceed Reserve | A-29 | 7,147.71 | | 7,147.71 | |
| Total Miscellaneous Revenues | A-1 | \$ 17,274,133.08 | \$ 9,301.60 | \$ 18,234,930.04 | \$ 951,495.36 |
| Receipts From Delinquent Taxes | A-1 | \$ 1,000,000.00 | | \$ 1,242,616.12 | \$ 242,616.12 |
| Amount to be Raised by Taxes for Support of Municipal Budget: | | | | | |
| Local Tax for Municipal Purposes | A-2 | \$ 22,325,335.79 | | \$ 25,233,616.08 | \$ 2,908,282.29 |
| BUDGET TOTALS | | \$ 46,899,468.87 | \$ 9,301.60 | \$ 51,011,164.24 | \$ 4,102,393.77 |
| Non-Budget Revenues | A-2 | | | 896,647.66 | 896,647.66 |
| | | \$ 46,899,468.87 | \$ 9,301.60 | \$ 51,907,811.90 | \$ 4,999,041.43 |
| 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, 2021

REF.

ANALYSIS OF REALIZED REVENUE

| | | |
|--|----------|--------------------------|
| Allocation of Current Tax Collections: | | |
| Collections | A-1:A-8 | \$ 198,083,097.70 |
| Allocated To: | | |
| County Taxes | A-8 | 38,151,536.18 |
| Regional School District Taxes | A-8 | 134,782,129.00 |
| Special Fire District Taxes | A-8 | 2,715,814.45 |
| | | <u>\$ 175,649,479.63</u> |
| Balance for Support of Municipal Budget Appropriations | | \$ 22,433,618.07 |
| Add: Appropriation "Reserve for Uncollected Taxes" | A-3 | <u>2,800,000.00</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | <u>\$ 25,233,618.07</u> |
| Licenses - Other: | | |
| Clerk | | \$ 5,563.90 |
| Health Officer | | 37,700.00 |
| Registrar | | <u>585.00</u> |
| | A-2:A-13 | <u>\$ 43,848.90</u> |
| Other - Fees and Permits: | | |
| Board of Health | | \$ 5,225.00 |
| Police | | 21,564.00 |
| Police Towing | | 41,150.00 |
| Planning | | 24,214.00 |
| Registrar | | 15,189.00 |
| Engineering | | 7,800.80 |
| Tax Assessor | | 1,080.00 |
| Township Clerk | | 3.20 |
| Fire | | 284,038.00 |
| Zoning | | <u>27,997.00</u> |
| | A-13 | <u>\$ 428,261.00</u> |
| Less: Refunds | A-4 | <u>3,693.56</u> |
| | A-2 | <u>\$ 424,567.44</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, 2021
REF.

ANALYSIS OF NON-BUDGET REVENUE

| | | | |
|--|---------|------------------|--------------------------|
| Miscellaneous Revenue Not Anticipated: | | | |
| JIF Award | \$ | 64,881.00 | |
| Covid- Reimbursement of Costs | | 15,705.90 | |
| Cares Grant- Reimbursement of Costs | | 545,876.00 | |
| Refund of Prior Year Expenses | | 5,604.27 | |
| Recycling | | 477.86 | |
| Police Outside Overtime Administrative Fees | | 170,960.20 | |
| Senior Citizens & Veterans Administrative Fees | | 4,095.00 | |
| DMV Inspection Fines | | 150.00 | |
| Homestead Rebate Mailing | | 1,386.00 | |
| Election Reimbursement | | 16,379.66 | |
| Tax Collector | | 2,470.01 | |
| Miscellaneous | | <u>48,772.85</u> | |
| | A-4 | | 876,758.75 |
| Excess Reserve for Animal Expenditures | A-12 | | <u>19,888.91</u> |
| <u>Total Non-Budget Revenue</u> | A-1:A-2 | \$ | <u><u>896,647.66</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, 2021

| | APPROPRIATIONS | | EXPENDED | | UNEXPENDED CANCELED |
|---------------------------------|----------------|------------------------------|--------------------|--------------|------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| HUMAN RESOURCES: | | | | | |
| Salaries and Wages | \$ 156,747.22 | \$ 106,747.22 | \$ 94,921.32 | \$ 11,825.90 | \$ |
| Other Expenses | 50,000.00 | 50,000.00 | 49,913.91 | 86.09 | |
| MAYOR'S OFFICE: | | | | | |
| Salaries and Wages | 11,250.00 | 11,250.00 | 10,791.25 | 468.75 | |
| Other Expenses | 3,050.00 | 3,050.00 | 1,575.30 | 1,474.70 | |
| TOWNSHIP COUNCIL: | | | | | |
| Salaries and Wages | 27,000.00 | 27,001.00 | 25,875.23 | 1,125.77 | |
| Other Expenses | 8,750.00 | 8,750.00 | 8,747.00 | 3.00 | |
| TOWNSHIP ADMINISTRATOR: | | | | | |
| Salaries and Wages | 348,791.14 | 388,791.14 | 367,899.11 | 20,892.03 | |
| Other Expenses | 85,000.00 | 165,000.00 | 125,823.31 | 39,176.69 | |
| PURCHASING DEPARTMENT: | | | | | |
| Salaries and Wages | 76,384.42 | 80,884.42 | 75,989.13 | 4,915.29 | |
| Other Expenses | 33,160.00 | 33,160.00 | 32,209.83 | 950.17 | |
| CENTRAL OFFICE SUPPLIES: | | | | | |
| Other Expenses | 18,500.00 | 18,500.00 | 17,479.27 | 1,020.73 | |
| POSTAGE: | | | | | |
| Other Expenses | 20,000.00 | 20,000.00 | 13,308.08 | 6,691.92 | |
| TOWNSHIP CLERK: | | | | | |
| Salaries and Wages | 206,878.46 | 206,878.46 | 176,062.18 | 30,816.28 | |
| Other Expenses | 16,800.00 | 10,800.00 | 15,506.92 | 1,293.08 | |
| ELECTIONS: | | | | | |
| Other Expenses | 19,100.00 | 19,100.00 | 13,037.99 | 6,062.01 | |
| FINANCIAL ADMINISTRATION: | | | | | |
| Salaries and Wages | 199,901.92 | 129,901.92 | 114,299.38 | 15,602.54 | |
| Other Expenses | 38,975.00 | 78,975.00 | 66,440.93 | 12,534.07 | |
| DIRECTOR OF FINANCE: | | | | | |
| Salaries and Wages | 25,284.32 | 284.32 | | 284.32 | |
| Other Expenses | 97,692.00 | 106,692.00 | 97,952.85 | 8,739.15 | |
| Audit | 55,000.00 | 55,000.00 | 55,000.00 | | |
| TAX COLLECTION: | | | | | |
| Salaries and Wages | 74,659.80 | 77,659.80 | 74,823.03 | 2,836.77 | |
| Other Expenses | 33,145.00 | 43,145.00 | 43,008.58 | 136.42 | |
| TAX ASSESSMENT: | | | | | |
| Salaries and Wages | 179,889.80 | 179,889.80 | 158,822.41 | 21,067.39 | |
| Other Expenses | 73,900.00 | 73,900.00 | 47,509.16 | 26,390.84 | |
| LEGAL SERVICES: | | | | | |
| Salaries and Wages | 10,612.08 | 11,612.08 | 11,244.88 | 367.20 | |
| Other Expenses | 700,000.00 | 700,000.00 | 611,387.55 | 88,612.45 | |
| ENGINEERING SERVICES: | | | | | |
| Salaries and Wages | 212,568.89 | 212,568.89 | 177,217.10 | 35,351.79 | |
| Other Expenses | 146,785.00 | 146,785.00 | 131,631.46 | 14,953.54 | |
| DIRECTOR OF MUNICIPAL SERVICES: | | | | | |
| Salaries and Wages | 68,193.34 | 74,193.34 | 74,170.27 | 23.07 | |
| Other Expenses | 2,000.00 | 2,000.00 | 328.98 | 1,671.02 | |
| INFORMATION TECHNOLOGY: | | | | | |
| Salaries and Wages | 140,000.00 | 140,000.00 | 125,506.38 | 14,493.62 | |
| Other Expenses | 47,515.00 | 47,515.00 | 46,090.10 | 1,424.90 | |
| REASSESSMENT PROGRAM: | | | | | |
| Other Expenses | 60,000.00 | 72,961.00 | 72,961.00 | | |
| DIVISION OF PLANNING: | | | | | |
| Salaries and Wages | 48,758.69 | 48,758.69 | 44,404.11 | 4,354.58 | |
| Other Expenses | 130,000.00 | 130,000.00 | 82,579.02 | 47,420.98 | |
| PLANNING BOARD: | | | | | |
| Other Expenses | 28,775.00 | 28,775.00 | 22,595.00 | 6,180.00 | |
| BOARD OF ADJUSTMENT/ZONING: | | | | | |
| Salaries and Wages | 79,431.37 | 94,431.37 | 89,898.41 | 4,532.96 | |
| Other Expenses | 30,735.00 | 30,735.00 | 22,143.53 | 8,591.47 | |
| INSURANCE: | | | | | |
| Employee Group Insurance | 6,181,802.18 | 6,216,802.18 | 5,111,844.98 | 1,104,957.20 | |
| Other Insurance Premiums | 870,000.00 | 870,000.00 | | | |
| Health Benefits Waiver | 50,605.00 | 75,605.00 | 70,224.45 | 5,380.55 | |
| PUBLIC WORKS: | | | | | |
| STREETS AND ROADS: | | | | | |
| Salaries and Wages | 1,159,025.76 | 1,159,025.76 | 889,365.22 | 269,660.54 | |
| Other Expenses | 282,850.00 | 282,850.00 | 270,906.73 | 11,943.27 | |
| STORM TRASH PICK UP | | | | | |
| Other Expenses | | 130,000.00 | 130,000.00 | | |
| SNOW REMOVAL: | | | | | |
| Salaries and Wages | 25,000.00 | 25,000.00 | | 25,000.00 | |
| Other Expenses | 200,000.00 | 200,000.00 | 199,410.93 | 589.07 | |
| PUBLIC BUILDINGS AND GROUNDS: | | | | | |
| Salaries and Wages | 364,708.26 | 364,708.26 | 274,122.86 | 90,585.38 | |
| Other Expenses | 260,000.00 | 260,000.00 | 238,769.67 | 21,230.33 | |
| VEHICLE MAINTENANCE: | | | | | |
| Salaries and Wages | 261,723.28 | 271,723.28 | 271,422.99 | 300.29 | |
| Other Expenses | 173,950.00 | 173,950.00 | 173,050.01 | 899.99 | |
| PARK MAINTENANCE: | | | | | |
| Salaries and Wages | 621,555.90 | 621,555.90 | 483,194.17 | 138,361.73 | |
| Other Expenses | 103,600.00 | 103,600.00 | 89,535.93 | 14,064.07 | |

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

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

| | APPROPRIATIONS | | EXPENDED | | UNEXPENDED CANCELED |
|--|------------------|------------------------------|--------------------|-----------------|------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| MUNICIPAL SERVICES REIMBURSEMENT-CONDOMINIUMS: | | | | | |
| Other Expenses | \$ 90,000.00 | \$ 90,000.00 | \$ | \$ 90,000.00 | \$ |
| RECYCLING: | | | | | |
| Other Expenses | 400,000.00 | 400,000.00 | 387,449.24 | 12,550.76 | |
| MUNICIPAL COURT: | | | | | |
| Salaries and Wages | 90,601.13 | 118,601.13 | 118,286.96 | 314.17 | |
| Other Expenses | 37,460.00 | 37,460.00 | 27,885.80 | 9,774.20 | |
| PUBLIC DEFENDER: | | | | | |
| Other Expenses | 30,000.00 | 30,000.00 | 25,100.00 | 4,900.00 | |
| MAINTENANCE OF LIBRARY: | | | | | |
| Other Expenses | 125,000.00 | 125,000.00 | 112,728.95 | 12,271.05 | |
| VISITING NURSES SERVICES - CONTRIBUTION | | | | | |
| Other Expenses | 11,000.00 | 11,000.00 | | 11,000.00 | |
| CONTRIBUTION TO REGIONAL CENTER PARTNERSHIP | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 10,890.00 | 4,110.00 | |
| GREEN BROOK FLOOD CONTROL: | | | | | |
| Other Expenses | 1,250.00 | 1,250.00 | 1,249.28 | 0.72 | |
| PUBLIC SAFETY FUNCTION | | | | | |
| Hazardous Busing | 245,220.45 | 245,220.45 | 245,220.04 | 0.41 | |
| FIRE OFFICIAL: | | | | | |
| Salaries and Wages | 128,876.12 | 145,676.12 | 139,023.92 | 6,652.20 | |
| Other Expenses | 55,000.00 | 55,000.00 | 49,993.11 | 5,006.89 | |
| POLICE: | | | | | |
| Salaries and Wages | 8,980,218.60 | 9,040,218.60 | 8,875,451.07 | 164,767.53 | |
| Other Expenses | 455,198.00 | 455,198.00 | 443,079.80 | 12,118.20 | |
| OFFICE OF EMERGENCY MANAGEMENT: | | | | | |
| Salaries and Wages | 9,900.00 | 9,900.00 | 7,500.00 | 2,400.00 | |
| Other Expenses | 4,400.00 | 4,400.00 | 3,265.81 | 1,134.19 | |
| AID TO VOLUNTEER AMBULANCE COMPANY | 50,000.00 | 50,000.00 | 50,000.00 | | |
| HEALTH AND HUMAN SERVICES DIRECTOR: | | | | | |
| Salaries and Wages | 128,220.00 | 128,220.00 | 125,610.00 | 2,610.00 | |
| Other Expenses | 1,150.00 | 1,150.00 | 354.60 | 795.40 | |
| PUBLIC HEALTH SERVICES: | | | | | |
| Salaries and Wages | 315,383.84 | 185,383.84 | 171,670.91 | 13,712.93 | |
| Other Expenses | 164,505.00 | 164,505.00 | 130,303.41 | 34,201.59 | |
| ENVIRONMENTAL SERVICES: | | | | | |
| Other Expenses | 1,025.00 | 1,025.00 | 175.05 | 849.95 | |
| SENIOR CITIZEN SERVICES: | | | | | |
| Salaries and Wages | 64,872.00 | 64,872.00 | 59,150.45 | 5,721.55 | |
| Other Expenses | 54,400.00 | 54,400.00 | 14,060.61 | 40,339.39 | |
| DIVISION OF RECREATION: | | | | | |
| Salaries and Wages | 341,078.73 | 267,616.73 | 240,663.29 | 26,953.44 | |
| Other Expenses | 88,490.10 | 88,490.10 | 51,616.80 | 36,873.30 | |
| STATE UNIFORM CONSTRUCTION CODE CODE OFFICIAL: | | | | | |
| Salaries and Wages | 847,689.62 | 872,689.62 | 838,118.84 | 34,570.78 | |
| Other Expenses | 172,600.00 | 172,600.00 | 120,651.63 | 51,948.37 | |
| SALARY ADJUSTMENTS | 75,000.00 | | | | |
| STREET LIGHTING | 325,000.00 | 325,000.00 | 275,961.43 | 48,038.57 | |
| TELEPHONE SERVICE | 185,000.00 | 185,000.00 | 176,053.84 | 8,946.16 | |
| FIRE HYDRANT SERVICES | 650,000.00 | 650,000.00 | 725,295.44 | 124,704.56 | |
| UTILITIES | 650,000.00 | 650,000.00 | 495,592.69 | 154,407.01 | |
| TOTAL OPERATIONS WITHIN "CAPS" | \$ 29,111,392.42 | \$ 29,241,392.42 | \$ 26,174,375.19 | \$ 3,067,017.23 | \$ |
| TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS" | \$ 29,111,392.42 | \$ 29,241,392.42 | \$ 26,174,375.19 | \$ 3,067,017.23 | \$ |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS" | | | | | |
| STATUTORY EXPENDITURES | | | | | |
| CONTRIBUTION TO: | | | | | |
| Public Employees' Retirement System of NJ | \$ 1,148,927.00 | \$ 1,148,927.00 | \$ 1,148,924.78 | \$ 2.22 | \$ |
| Social Security System (O.A.S.I.) | 1,555,215.71 | 1,555,215.71 | 1,239,310.67 | 315,905.04 | |
| Police & Firemen's Retirement System of NJ | 2,451,394.00 | 2,451,394.00 | 2,451,394.00 | | |
| Unemployment Compensation Insurance | 50,000.00 | 50,000.00 | | 50,000.00 | |
| DCRP | 40,000.00 | 40,000.00 | 17,762.37 | 22,237.63 | |
| TOTAL DEFERRED CHARGES & STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS" | \$ 5,245,536.71 | \$ 5,245,536.71 | \$ 4,857,391.82 | \$ 388,144.89 | \$ |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS" | \$ 34,356,929.13 | \$ 34,486,929.13 | \$ 31,031,767.01 | \$ 3,455,162.12 | \$ |

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

| | APPROPRIATIONS | | EXPENDED | | UNEXPENDED CANCELED |
|---|-----------------|------------------------------|--------------------|---------------|------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| <u>OPERATIONS EXCLUDED FROM "CAPS"</u> | | | | | |
| STORMWATER REGULATIONS: | | | | | |
| Other Expenses | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 | | \$ |
| COVID 19 RELATED EXPENSES | 10,000.00 | 10,000.00 | 6,448.83 | 3,551.17 | |
| LOSAP | 74,000.00 | 74,000.00 | 49,586.04 | 24,403.96 | |
| SHARED SERVICES: | | | | | |
| MUNICIPAL LIBRARY: | | | | | |
| Other Expenses | 115,166.37 | 115,166.37 | 69,276.64 | 45,889.73 | |
| MUNICIPAL COURT: | | | | | |
| Salaries and Wages | 210,009.35 | 210,009.35 | 195,956.47 | 14,052.88 | |
| POLICE DEPARTMENT-SHARED RESOURCE OFFICER-BOE | | | | | |
| Salaries and Wages | 110,000.00 | 110,000.00 | | 110,000.00 | |
| ANIMAL CONTROL: | | | | | |
| Other Expenses | 155,000.00 | 155,000.00 | 155,000.00 | | |
| BOE CLASS III OFFICERS: | | | | | |
| Salaries and Wages | 65,000.00 | 65,000.00 | | 65,000.00 | |
| TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS" | \$ 748,175.72 | \$ 748,175.72 | \$ 485,277.98 | \$ 262,897.74 | \$ |
| <u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</u> | | | | | |
| Supplemental Fire Services Program Fire District | \$ 11,859.00 | \$ 11,859.00 | \$ 11,859.00 | | \$ |
| Safe and Secure Communities Program 2021 | | | | | |
| State Aid | 32,400.00 | 32,400.00 | 32,400.00 | | |
| Matching Funds for Grants | 215,814.96 | 215,814.96 | 215,814.96 | | |
| Safe and Secure Communities Program 2020 | | | | | |
| State Aid | 60,000.00 | 60,000.00 | 60,000.00 | | |
| Local Recreation Improvement for Upgrade to Kids Street | 100,000.00 | 100,000.00 | 100,000.00 | | |
| NJ DOT Municipal Aid Program | 400,000.00 | 400,000.00 | 400,000.00 | | |
| Regional Center Partnership | 20,000.00 | 20,000.00 | 20,000.00 | | |
| Recycling Tonnage Program | 44,542.30 | 44,542.30 | 44,542.30 | | |
| Emergency Management Grant | 10,000.00 | 10,000.00 | 10,000.00 | | |
| Body Camera Grant | 187,498.00 | 187,498.00 | 187,498.00 | | |
| Youth Services | 2,500.00 | 2,500.00 | 2,500.00 | | |
| Federal Bulletproof Vest (N.J.S.A. 40A: 4-87* \$9,301.60) | | 9,301.60 | 9,301.60 | | |
| Health Department Radon Awareness | 2,000.00 | 2,000.00 | 2,000.00 | | |
| TOTAL FOR STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES | \$ 1,086,612.26 | \$ 1,095,913.88 | \$ 1,095,913.88 | | \$ |
| TOTAL OPERATIONS EXCLUDED FROM "CAPS" | \$ 1,834,787.98 | \$ 1,844,089.58 | \$ 1,581,191.84 | \$ 262,897.74 | \$ |

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, 2021

| | APPROPRIATIONS | | EXPENDED | | UNEXPENDED CANCELED |
|---|------------------|------------------------------|--------------------|-----------------|------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS" | | | | | |
| Capital Improvement Fund | \$ 500,000.00 | \$ 500,000.00 | \$ 500,000.00 | \$ | |
| Purchase of Vehicles | 75,000.00 | 75,000.00 | | 75,000.00 | |
| Computer Equipment | 20,000.00 | 20,000.00 | 20,000.00 | | |
| TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS" | \$ 595,000.00 | \$ 595,000.00 | \$ 520,000.00 | \$ 75,000.00 | \$ |
| MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | | | | | |
| Payment of Bond Principal | \$ 3,852,000.00 | \$ 3,852,000.00 | \$ 3,852,000.00 | \$ | |
| Payment of Note Principal | 95,705.00 | 95,705.00 | 95,705.00 | | |
| Interest on Bonds | 1,634,000.00 | 1,634,000.00 | 1,633,433.81 | | 566.19 |
| Interest on Notes | 351,200.00 | 351,200.00 | 351,200.00 | | |
| Green Acres Loan Principal | 83,320.00 | 83,320.00 | 83,315.84 | | 4.36 |
| Green Acres Loan Interest | 1,200.00 | 1,200.00 | 1,187.17 | | 12.83 |
| Payment of NJEIT Principal | 87,202.00 | 87,202.00 | 53,312.84 | | 13,889.36 |
| Payment of NJEIT Interest | 3,450.00 | 3,450.00 | 1,371.60 | | 2,078.40 |
| Improvement Authority | 340,000.00 | 340,000.00 | 324,166.26 | | 15,833.74 |
| TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | \$ 6,428,077.00 | \$ 6,428,077.00 | \$ 6,395,692.12 | \$ | \$ 32,384.88 |
| DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS" | | | | | |
| Emergency Authorization | 784,674.76 | 784,674.76 | 784,674.76 | | |
| Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55) | 100,000.00 | 100,000.00 | 100,000.00 | | \$ |
| TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS" | \$ 884,674.76 | \$ 884,674.76 | \$ 884,674.76 | \$ | \$ |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | \$ 9,742,539.74 | \$ 9,751,841.34 | \$ 9,381,558.72 | \$ 337,897.74 | \$ 32,384.88 |
| SUBTOTAL GENERAL APPROPRIATIONS | \$ 44,099,468.87 | \$ 44,238,770.47 | \$ 40,413,325.73 | \$ 3,793,059.86 | \$ 32,384.88 |
| RESERVE FOR UNCOLLECTED TAXES | \$ 2,800,000.00 | \$ 2,800,000.00 | \$ 2,800,000.00 | \$ | \$ |
| TOTAL GENERAL APPROPRIATIONS | \$ 46,899,468.87 | \$ 47,038,770.47 | \$ 43,213,325.73 | \$ 3,793,059.86 | \$ 32,384.88 |
| | REF. | A-2 A-3 | A-3 | A-1 A-3 | A-A-1 |
| Budget | A-3 | | \$ 46,899,468.87 | | |
| Emergency - N.J.S.A. 40A:4-53 | A-33 | | 130,000.00 | | |
| Appropriation by 40A:4-67 | A-2 | | 9,301.60 | | |
| | A-3 | | \$ 47,038,770.47 | | |
| Reserve for Encumbrances Payable | A-11 | | | \$ 1,380,598.48 | |
| Reserve for Grants Appropriated | A-23 | | | 868,239.90 | |
| Deferred Charges | A-3 | | | 884,674.76 | |
| Reserve for Uncollected Taxes | A-2 | | | 2,800,000.00 | |
| Disbursements (net of refunds) | A-4 | | | 37,299,812.59 | |
| | A-3 | | \$ 43,213,325.73 | | |

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, 2021</u> | <u>BALANCE DECEMBER 31, 2020</u> |
|---|-------------|--|--|
| Animal Control Fund: | | | |
| Cash | B-2 | \$ 75,669.49 | \$ 58,248.69 |
| | | <u>\$ 75,669.49</u> | <u>\$ 58,248.69</u> |
| Other Funds: | | | |
| Cash | B-2 | \$ 13,877,293.70 | \$ 16,428,205.10 |
| Due Current Fund | B-13 | 801,846.04 | 79,958.27 |
| Due Sewer Utility Operating Fund | B-15 | 54,220.99 | |
| Due Grant Fund | B-14 | 1,200,000.00 | |
| | | <u>\$ 15,933,360.73</u> | <u>\$ 16,508,163.37</u> |
| | | <u>\$ 16,009,030.22</u> | <u>\$ 16,566,412.06</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Animal Control Fund: | | | |
| Due Current Fund | B-12 | \$ 28,023.29 | \$ 8,134.38 |
| Reserve For Expenditures | B-9 | 47,646.20 | 49,346.80 |
| Accounts Payable | B-11 | | 767.51 |
| | | <u>\$ 75,669.49</u> | <u>\$ 58,248.69</u> |
| Other Funds: | | | |
| Reserve for State Unemployment Insurance | B-6 | \$ 25,251.40 | \$ 5,318.21 |
| Reserve for Law Enforcement Trust Fund | B-7 | 12,417.27 | 16,204.59 |
| Reserve for Municipal Open Space Trust Deposits | B-8 | 3,324,769.24 | 3,487,533.70 |
| Reserve for Tax Sale Premiums | B-4 | 2,048,200.00 | 1,731,300.00 |
| Reserve for Redemption of Outside Liens | B-5 | 26,102.78 | 45,757.80 |
| Reserve for Various Trust Deposits | B-3 | 10,496,620.04 | 11,222,049.07 |
| | | <u>\$ 15,933,360.73</u> | <u>\$ 16,508,163.37</u> |
| | | <u>\$ 16,009,030.22</u> | <u>\$ 16,566,412.06</u> |

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

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u> |
|---|-------------|--|--|
| <u>ASSETS</u> | | | |
| Cash | C-2:C-3 | \$ 10,272,357.85 | \$ 4,606,360.49 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | 51,252,230.69 | 49,996,597.99 |
| Unfunded | C-6 | 24,771,194.78 | 21,301,899.78 |
| Due Current Fund | C-17 | <u>22,944.76</u> | <u>630.86</u> |
| | | <u>\$ 86,318,728.08</u> | <u>\$ 75,905,489.12</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Serial Bonds Payable | C-10 | 50,430,000.00 | \$ 48,732,000.00 |
| Bond Anticipation Notes | C-11 | 22,454,000.00 | 17,560,000.00 |
| Green Acres Loans Payable | C-16 | | 83,315.49 |
| Infrastructure Loan Payable | C-13 | | 52,104.75 |
| Improvement Authority Loans Payable | C-15 | 822,230.69 | 1,129,177.75 |
| Due Trust Other Fund | C-18 | 1,200,000.00 | |
| Capital Improvement Fund | C-7 | 161,173.30 | 161,173.30 |
| Improvement Authorizations: | | | |
| Funded | C-9 | 232,174.48 | 151,765.49 |
| Unfunded | C-6:C-9 | 3,032,688.52 | 2,426,773.93 |
| Reserve for: | | | |
| Capital Projects | C-8 | 150,000.00 | 150,000.00 |
| Debt Service | C-14 | 7,601.15 | 7,601.15 |
| Preliminary Expenses | C-5 | 5,000.00 | 5,000.00 |
| Contracts Payable | C-12 | 7,220,946.33 | 4,842,195.26 |
| Fund Balance | C-1 | <u>602,913.61</u> | <u>604,382.00</u> |
| | | <u>\$ 86,318,728.08</u> | <u>\$ 75,905,489.12</u> |

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

"C-1"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | | |
|--|-------------|-------------------|----------------------|
| Balance, December 31, 2020 | C | | \$ 604,382.00 |
| Increased by: | | | |
| Premium of Bond Sale | C-2 | \$ 2,025.90 | |
| Premium of Note Sale | C-2 | <u>204,106.86</u> | |
| | | | <u>206,132.76</u> |
| | | | \$ 810,514.76 |
| Decreased by- | | | |
| Utilized as Anticipated Revenue Current Fund | C-2 | | <u>207,601.15</u> |
| Balance, December 31, 2021 | C | | <u>\$ 602,913.61</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, 2021</u> | <u>BALANCE DECEMBER 31, 2020</u> |
|--|-------------|--|--|
| <u>OPERATING FUND:</u> | | | |
| Cash | D-6 | \$ 1,448,786.49 | \$ 2,139,284.90 |
| Change Fund | D-5 | 100.00 | 100.00 |
| Due Sewer Utility Capital Fund | D-26 | 541,150.00 | |
| Due Current Fund | D-10 | <u>42,394.54</u> | |
| | | \$ <u>2,032,431.03</u> | \$ <u>2,139,384.90</u> |
| Receivables with Full Reserves: | | | |
| Sewer Charges Receivable | D-8 | \$ <u>382,710.79</u> | \$ <u>289,547.94</u> |
| | D | \$ <u>382,710.79</u> | \$ <u>289,547.94</u> |
| <u>TOTAL OPERATING FUND</u> | D | \$ <u>2,415,141.82</u> | \$ <u>2,428,932.84</u> |
| <u>CAPITAL FUND - REGULAR:</u> | | | |
| Cash | D-6:D-7 | \$ 4,611,615.73 | \$ 5,765,338.94 |
| Fixed Capital | D-16 | 20,972,049.58 | 20,972,049.58 |
| Fixed Capital Authorized and Uncompleted | D-15 | <u>14,150,200.00</u> | <u>12,250,200.00</u> |
| <u>TOTAL CAPITAL FUND</u> | D | \$ <u>39,733,865.31</u> | \$ <u>38,987,588.52</u> |
| | D | \$ <u><u>42,149,007.13</u></u> | \$ <u><u>41,416,521.36</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, 2021</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| <u>OPERATING FUND:</u> | | | |
| Liabilities: | | | |
| Due Current Fund | D-10 | \$ | \$ 2,801.31 |
| Due Trust Other Fund | D-20 | 54,220.99 | |
| Appropriation Reserves | D-4;D-18 | 610,499.65 | 346,890.13 |
| Encumbrances Payable | D-14 | 252,010.97 | 132,650.54 |
| Accounts Payable | D-14 | 24,028.06 | 24,028.06 |
| Sewer Overpayments | D-9 | 39,435.43 | 2,938.76 |
| Sewer Connection Overpayment | D-12 | 550.00 | 550.00 |
| Prepaid Sewer Charges | D-19 | 25,942.70 | 24,281.64 |
| Accrued Interest on Bonds | D-29 | 9,458.99 | 9,119.21 |
| Accrued Interest on Loans | D-28 | 1,395.83 | 2,311.31 |
| | | \$ 1,017,542.62 | \$ 545,570.96 |
| Reserve for Receivables | D | 382,710.79 | 289,547.94 |
| Fund Balance | D-1 | 1,014,888.41 | 1,593,813.94 |
| <u>TOTAL OPERATING FUND</u> | D | \$ 2,415,141.82 | \$ 2,428,932.84 |

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, 2021</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)</u> | | | |
| <u>CAPITAL FUND - REGULAR:</u> | | | |
| Liabilities: | | | |
| Serial Bonds Payable | D-25 | \$ 5,578,000.00 | \$ 5,875,000.00 |
| EIT Loan Payable | D-21 | 304,186.40 | 341,584.68 |
| Due Sewer Utility Operating Fund | D-27 | 541,150.00 | |
| Capital Improvement Fund | D-17 | 843.56 | 843.56 |
| Improvement Authorizations: | | | |
| Funded | D-24 | 3,330,860.30 | 4,619,995.53 |
| Unfunded | D-24 | 1,647,954.72 | 1,702,666.61 |
| Contracts Payable | D-13 | 949,446.26 | 358,997.35 |
| Reserve for Preliminary Expenditures | D-11 | | 325.00 |
| Reserve for Amortization | D-23 | 17,017,066.70 | 16,682,668.42 |
| Deferred Reserve for Amortization | D-22 | 9,244,500.00 | 7,744,500.00 |
| | | <u>\$ 38,614,007.94</u> | <u>\$ 37,326,581.15</u> |
| Fund Balance | D-2 | <u>1,119,857.37</u> | <u>1,661,007.37</u> |
| <u>TOTAL CAPITAL FUND</u> | D | <u>\$ 39,733,865.31</u> | <u>\$ 38,987,588.52</u> |
| | D | <u>\$ 42,149,007.13</u> | <u>\$ 41,416,521.36</u> |

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

"D-1"

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, 2021</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u> |
|--|-------------|--|--|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Fund Balance | D-1:D-3 | \$ 1,051,563.90 | \$ 1,490,524.83 |
| Sewer Use Charges | D-3 | 9,470,111.78 | 9,643,621.14 |
| Township of Warren - Debt Service | D-3:D-6 | 48,900.22 | 73,350.36 |
| Sewer Capital Fund Balance | D-3:D-6 | 541,150.00 | 564,300.00 |
| Miscellaneous Revenue Not Anticipated | D-3:D-6 | 214,448.36 | 259,880.51 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | D-18 | 280,134.66 | 391,982.70 |
| Accounts Payable Canceled | | | 80,799.06 |
| <u>TOTAL INCOME</u> | | <u>\$ 11,606,308.92</u> | <u>\$ 12,504,458.60</u> |
| <u>EXPENDITURES</u> | | | |
| Operating | D-4 | \$ 10,454,878.90 | \$ 10,843,524.83 |
| Debt Service | D-4 | 539,106.65 | 564,298.28 |
| Deferred Charges and Statutory Expenditures | D-4 | 139,685.00 | 140,000.00 |
| <u>TOTAL EXPENDITURES</u> | | <u>\$ 11,133,670.55</u> | <u>\$ 11,547,823.11</u> |
| Excess in Revenue | | \$ 472,638.37 | \$ 956,635.49 |
| Balance, January 1 | D | 1,593,813.94 | 2,127,703.28 |
| | | <u>\$ 2,066,452.31</u> | <u>\$ 3,084,338.77</u> |
| Decreased by: | | | |
| Utilization by Sewer Operating Budget | D-1 | 1,051,563.90 | 1,490,524.83 |
| Fund Balance, December 31 | D | <u>\$ 1,014,888.41</u> | <u>\$ 1,593,813.94</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, 2020 | D | \$ 1,661,007.37 |
| Decreased by: | | |
| Disbursement - Sewer Operating Anticipated Revenue | D-6 | <u>541,150.00</u> |
| Balance, December 31, 2021 | D | <u>\$ 1,119,857.37</u> |

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

"D-3"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

| | <u>REF.</u> | <u>ANTICIPATED</u> | <u>REALIZED</u> | <u>EXCESS OR (DEFICIT)</u> |
|--|-------------|-------------------------|-------------------------|------------------------------------|
| Fund Balance | D-1 | \$ 1,051,563.90 | \$ 1,051,563.90 | \$ |
| Sewer Use Charges | D-1 | 9,450,000.00 | 9,470,111.78 | 20,111.78 |
| Sewer Capital Fund Balance | D-1:D-6 | 541,150.00 | 541,150.00 | |
| 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 | 73,000.00 | 48,900.22 | (24,099.78) |
| <u>BUDGET TOTALS</u> | D-4 | \$ 11,135,713.90 | \$ 11,111,725.90 | \$ (23,988.00) |
| Non - Budget Revenue | D-1:D-3:D-6 | | 214,448.36 | 214,448.36 |
| | | <u>\$ 11,135,713.90</u> | <u>\$ 11,326,174.26</u> | <u>\$ 190,460.36</u> |

ANALYSIS OF NON-BUDGET REVENUE:

| | | |
|--------------------------------------|----|-------------------|
| Miscellaneous: | | |
| Interest on Sewer Charges | \$ | 163,190.92 |
| Sewer Connection Fees | | 6,050.00 |
| Interest on Investments and Deposits | | 44,247.44 |
| Miscellaneous | | 960.00 |
| | | <u>214,448.36</u> |
| D-1:D-3:D-6 | \$ | <u>214,448.36</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, 2021

| | <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 | \$ 1,888,419.00 | \$ 1,738,419.00 | \$ 1,711,326.16 | \$ 27,092.84 | \$ |
| Other Expenses | 3,199,241.50 | 3,349,241.50 | 3,073,364.05 | 275,877.45 | |
| Somerset Raritan Valley Sewerage Authority | 5,367,218.40 | 5,367,218.40 | 5,199,374.04 | 167,844.36 | |
| <u>TOTAL OPERATING</u> | <u>\$ 10,454,878.90</u> | <u>\$ 10,454,878.90</u> | <u>\$ 9,984,064.25</u> | <u>\$ 470,814.65</u> | <u>\$</u> |
| DEBT SERVICE: | | | | | |
| Payment of Bond Principal | \$ 297,000.00 | \$ 297,000.00 | \$ 297,000.00 | \$ | \$ |
| Interest on Bonds | 202,500.00 | 202,500.00 | 202,500.00 | | |
| NJEITF Principal | 37,400.00 | 37,400.00 | 37,398.28 | | 1.72 |
| NJEITF Interest | 4,250.00 | 4,250.00 | 2,208.37 | | 2,041.63 |
| <u>TOTAL DEBT SERVICE</u> | <u>\$ 541,150.00</u> | <u>\$ 541,150.00</u> | <u>\$ 539,106.65</u> | <u>\$</u> | <u>\$ 2,043.35</u> |
| STATUTORY EXPENDITURES: | | | | | |
| Statutory Expenditures: | | | | | |
| Social Security | \$ 139,685.00 | \$ 139,685.00 | \$ | \$ 139,685.00 | \$ |
| <u>TOTAL STATUTORY EXPENDITURES</u> | <u>\$ 139,685.00</u> | <u>\$ 139,685.00</u> | <u>\$</u> | <u>\$ 139,685.00</u> | <u>\$</u> |
| | <u>\$ 11,135,713.90</u> | <u>\$ 11,135,713.90</u> | <u>\$ 10,523,170.90</u> | <u>\$ 610,499.65</u> | <u>\$ 2,043.35</u> |
| REF. | | D-3 | D-1 | D:D-1 | |
| Disbursements | D-6 | | \$ 10,103,993.61 | | |
| Accrued Interest on Bonds | D-29 | | 202,500.00 | | |
| Accrued Interest on Loans | D-28 | | 2,208.37 | | |
| Encumbrances Payable | D-14 | | 214,468.92 | | |
| | | | <u>\$ 10,523,170.90</u> | | |

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

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

| | BALANCE DECEMBER <u>31, 2021</u> | BALANCE DECEMBER <u>31, 2020</u> |
|-------------------------------------|--|--|
| FIXED ASSETS | | |
| Land | \$ 122,863,410.00 | \$ 122,863,410.00 |
| Buildings | 46,134,599.00 | 46,134,599.00 |
| Machinery and Equipment | <u>13,738,852.00</u> | <u>14,126,486.00</u> |
| <u>TOTAL FIXED ASSETS</u> | <u>\$ 182,736,861.00</u> | <u>\$ 183,124,495.00</u> |
| RESERVE | | |
| Investments in General Fixed Assets | <u>\$ 182,736,861.00</u> | <u>\$ 183,124,495.00</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, 2021 AND 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Bridgewater is governed by the Mayor-Council Plan A form of government under the Optional Municipal Charter Law of 1960., known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the mayor, who is assisted by the Business Administrator. Department Heads are appointed by the Mayor, with consent of Council. The five (5) member Township Council exercises legislative responsibilities.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Except as noted below, the financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the local school district, first aid organization, volunteer fire organization or library, inasmuch as their activities are administered by a separate board.

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:

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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

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)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (an amendment of GASB Statement No. 68), local government employers (or non-employer contributing entity in a special funding situation) are required to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

Under GAAP, municipalities are required to recognize their proportionate share of net pension liability, deferred outflows of resources, deferred inflows of resources on the Statement of Net Position and the proportionate share of the pension related expense on the Statement of Activities.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

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.

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.

The Township of Bridgewater had the following cash and cash equivalents at December 31, 2021:

| | <u>Change Fund and Petty Cash</u> | <u>Cash in Bank</u> | <u>Additions</u> | <u>Deletions</u> | <u>Reconciled Balance</u> |
|----------------------|---|-------------------------|---------------------|-----------------------|-------------------------------|
| Current Fund | \$1,410.00 | \$18,551,602.86 | \$369,016.68 | \$969,363.68 | \$17,952,665.86 |
| Grant Fund | | 1,150,566.56 | | 878.09 | 1,149,688.47 |
| Animal Control Fund | | 75,719.07 | | 49.58 | 75,669.49 |
| Trust Other Fund | | 13,978,665.82 | 75,257.56 | 176,629.68 | 13,877,293.70 |
| General Capital Fund | | 10,100,714.24 | 261,319.93 | 89,676.32 | 10,272,357.85 |
| Sewer Operating Fund | 100.00 | 2,023,139.23 | 8,894.97 | 583,247.71 | 1,448,886.49 |
| Sewer Capital Fund | | 5,137,485.32 | | 525,869.59 | 4,611,615.73 |
| | <u>\$1,510.00</u> | <u>\$51,017,893.10</u> | <u>\$714,489.14</u> | <u>\$2,345,714.65</u> | <u>\$49,388,177.59</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, 2021, 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 \$1,250,00.00 was covered by Federal Depository Insurance and \$49,767,893.10 was covered by NJ GUDPA. The Township has no foreign currency risk exposure.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

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.
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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

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 0.683%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|-------------------------------|-------------------------|-------------------------|-------------------------|
| Regional School District Debt | \$ 7,737,449.05 | \$ 7,737,449.05 | \$ |
| Sewer Utility Debt | 8,469,682.88 | 8,469,682.88 | |
| General Debt | <u>65,921,425.47</u> | <u>7,601.15</u> | <u>65,913,824.32</u> |
| | <u>\$ 82,128,557.40</u> | <u>\$ 16,214,733.08</u> | <u>\$ 65,913,824.32</u> |

Net debt of \$65,913,824.32 divided by equalized valuation basis per N.J.S. 40A:2-2, as amended, of \$9,643,762,689.67 equals 0.683%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

| | <u>YEAR 2021</u> | <u>YEAR 2020</u> | <u>YEAR 2019</u> |
|---|-------------------------|-------------------------|-------------------------|
| Issued: | | | |
| General: | | | |
| Bonds, Notes and Loans | \$ 73,706,230.69 | \$ 67,556,597.99 | \$ 65,696,449.25 |
| Sewer Utility: | | | |
| Bonds, Notes and Loans | <u>5,882,186.40</u> | <u>6,216,584.68</u> | <u>6,561,982.96</u> |
| Total Issued | <u>\$ 79,588,417.09</u> | <u>\$ 73,773,182.67</u> | <u>\$ 72,258,432.21</u> |
| Less: | | | |
| Reserve for Debt Service | \$ 7,601.15 | \$ 7,601.15 | \$ |
| Funds Temporarily Held to Pay | | | |
| Notes: Cash on Hand | | | <u>139,370.14</u> |
| Total Deductions | <u>\$ 7,601.15</u> | <u>\$ 7,601.15</u> | <u>\$ 139,370.14</u> |
| Net Debt Issued | <u>\$ 79,580,815.94</u> | <u>\$ 73,765,581.52</u> | <u>\$ 72,119,062.07</u> |
| Authorized But Not Issued: | | | |
| General: | | | |
| Bonds and Notes | \$ 2,317,194.78 | \$ 3,741,899.78 | \$ 5,926,900.78 |
| Sewer Utility: | | | |
| Bonds and Notes | <u>2,678,496.48</u> | <u>2,578,496.48</u> | <u>3,006,662.87</u> |
| Total Authorized But Not Issued | <u>\$ 4,995,691.26</u> | <u>\$ 6,320,396.26</u> | <u>\$ 8,933,563.65</u> |
| Net Bonds and Notes Issued and Authorized But Not Issued | <u>\$ 84,576,507.20</u> | <u>\$ 80,085,977.78</u> | <u>\$ 81,052,625.72</u> |

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

| | |
|--|----------------------------|
| Equalized Valuation Basis* - December 31, 2021 | <u>\$ 9,643,762,689.67</u> |
| 3-1/2 of Equalized Valuation Basis (Municipal) | \$ 337,531,694.14 |
| Net Debt | <u>65,913,824.32</u> |
| Remaining Borrowing Power | <u>\$ 271,617,869.82</u> |

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad 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 \$ 11,606,309.22

Deductions:

| | | |
|---|-------------------|----------------------|
| Operating and Maintenance Cost | \$ 10,454,878.90 | |
| Debt Service | 539,106.65 | |
| Deferred Charges and Statutory Expenses | <u>139,685.00</u> | |
| Total Deductions | | <u>11,133,670.55</u> |

Excess in Revenue - Self Liquidating \$ 472,638.67

SCHEDULE OF DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR
BONDED DEBT ISSUED AND OUTSTANDING AT DECEMBER 31, 2021

| <u>YEAR</u> | <u>GENERAL</u> | | <u>SEWER UTILITY</u> | |
|-------------|------------------------|------------------------|-----------------------|-----------------------|
| | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> |
| 2022 | \$4,219,000.00 | \$1,649,962.02 | \$307,000.00 | \$188,813.90 |
| 2023 | 3,265,000.00 | 1,504,245.00 | 290,000.00 | 174,935.00 |
| 2024 | 3,300,000.00 | 1,383,495.00 | 310,000.00 | 161,060.00 |
| 2025 | 3,400,000.00 | 1,258,945.00 | 320,000.00 | 146,360.00 |
| 2026 | 3,460,000.00 | 1,117,345.00 | 330,000.00 | 131,160.00 |
| 2027 | 3,505,000.00 | 998,188.75 | 335,000.00 | 122,685.00 |
| 2028 | 3,560,000.00 | 872,895.00 | 345,000.00 | 112,560.00 |
| 2029 | 3,590,000.00 | 745,270.00 | 355,000.00 | 102,110.00 |
| 2030 | 3,625,000.00 | 619,613.75 | 365,000.00 | 91,335.00 |
| 2031 | 3,650,000.00 | 504,570.00 | 375,000.00 | 80,210.00 |
| 2032 | 3,662,000.00 | 398,110.00 | 381,000.00 | 68,830.00 |
| 2033 | 2,670,000.00 | 308,400.00 | 355,000.00 | 57,850.00 |
| 2034 | 2,685,000.00 | 235,800.00 | 370,000.00 | 47,200.00 |
| 2035 | 2,795,000.00 | 162,750.00 | 380,000.00 | 36,100.00 |
| 2036 | 1,769,000.00 | 84,693.76 | 380,000.00 | 24,225.00 |
| 2037 | <u>1,275,000.00</u> | <u>36,750.00</u> | <u>380,000.00</u> | <u>12,350.00</u> |
| | <u>\$50,430,000.00</u> | <u>\$11,881,033.28</u> | <u>\$5,578,000.00</u> | <u>\$1,557,783.90</u> |

NOTE 3: LONG-TERM DEBT (CONTINUED)

General Serial Bonds:

| | |
|--|------------------------|
| \$2,108,000.00 General Obligation Refunding Bonds of 2019 due in annual installments of \$684,000.00 to \$717,000.00 through 2022 at a variable interest rate | \$ 684,000.00 |
| \$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 | 11,112,000.00 |
| \$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 | 600,000.00 |
| \$8,349,000.00 General Obligation Bonds of 2016 due in annual installments of \$250,000.00 to \$500,000.00 through 2036 at a variable interest rate | 7,099,000.00 |
| \$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 | 11,750,000.00 |
| \$14,605,000.00 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 | 13,635,000.00 |
| \$5,550,000.00 General Obligation Bonds of 2021 due in Annual installments of \$190,000.00 to \$375,000.00 through 2037 at a variable interest rate. | <u>5,550,000.00</u> |
| | <u>\$50,430,000.00</u> |

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 | \$416,000.00 |
| \$112,000.00 General Obligation Refunding Bonds of 2019 due in annual installments of \$20,000.00 to \$37,000.00 through 2022 at a variable interest rate | 37,000.00 |
| \$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>5,125,000.00</u> |
| | <u>\$5,578,000.00</u> |

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF SOMERSET COUNTY IMPROVEMENT AUTHORITY LOANS
ISSUED AND OUTSTANDING AT DECEMBER 31, 2021:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|---------------------|--------------------|---------------------|
| 2022 | \$270,388.98 | \$17,502.74 | \$287,891.72 |
| 2023 | 241,592.87 | 10,580.49 | 252,173.36 |
| 2024 | 196,389.40 | 5,067.56 | 201,456.96 |
| 2025 | <u>113,859.44</u> | <u>1,342.48</u> | <u>115,201.92</u> |
| | <u>\$822,230.69</u> | <u>\$34,493.27</u> | <u>\$856,723.96</u> |

\$400,845.12 Improvement Authority Loan of 2019 due in monthly installments through 2024 at an interest rate of 2.7571% \$248,003.81

\$538,547.62 Improvement Authority Loan of 2020 due in monthly installments through 2025 at an interest rate of 2.1725% 440,997.22

\$120,559.22 Improvement Authority Loan of 2017 due in monthly installments through 2022 at an interest rate of 2.10% 25,287.04

\$290,929.93 Improvement Authority Loan of 2018 due in monthly installments through 2022 at an interest rate of 3.477% 107,942.62

\$822,230.69

Bonds and Notes Authorized But Not Issued:

There is \$2,317,194.78 General Capital and \$2,678,496.48 Sewer Capital Bonds and Notes Authorized but not Issued at December 31, 2021.

NOTE 4: SHORT-TERM DEBT

The Township had the following short-term debt:

Bond Anticipation Notes:

| | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Amount</u> |
|----------------------|--------------------------|--------------------------|------------------------|
| General Capital Fund | 1.00% | 8/2/2022 | <u>\$22,454,000.00</u> |

NOTE 4: SHORT-TERM DEBT (CONTINUED)

Emergency Note:

| | <u>Rate</u> | <u>Date</u> | <u>Amount</u> |
|--------------|-------------|-------------|---------------------|
| Current Fund | 0.032% | 8/2/2022 | <u>\$400,000.00</u> |

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2021, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2022, as introduced were as follows:

| | |
|--------------------|----------------|
| Current Fund | \$7,435,404.00 |
| Sewer Utility Fund | \$ 500,000.00 |

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, 2021</u> | <u>BALANCE DECEMBER 31, 2020</u> |
|---------------|--|--|
| Prepaid Taxes | <u>\$2,115,721.73</u> | <u>\$1,597,951.56</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 \$9,767,372.34. 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, 2021.

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/annrprts.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 2021, 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 2021, 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 2021, the State contributed an amount less than the actuarially determined amount. During 2021, 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 \$3,618,081.15 for 2021, \$3,274,660.09 for 2020 and \$3,367,177.99 for 2019.

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, 2020. 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, 2020.

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$17,126,912.00 for the Township of Bridgewater's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the Township's proportion was 0.1050255002 percent, which was an increase of 0.0017555931 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$55,631.00 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, 2020 billing was \$1,004,512.00.

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ 311,853.00 | \$ 60,568.00 |
| Changes of assumptions | 555,616.00 | 7,171,200.00 |
| Net difference between projected and actual earnings on pension plan investments | 585,412.00 | |
| Changes in proportion and differences between Township contributions and proportionate Share of contributions | <u>573,697.00</u> | <u>1,558,709.00</u> |
| | \$ <u>2,026,578.00</u> | \$ <u>8,790,477.00</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:

| Year Ended <u>June 30,</u> | <u>Amount</u> |
|-------------------------------|-------------------------|
| 2021 | (\$2,326,116.40) |
| 2022 | (2,156,341.40) |
| 2023 | (1,316,714.40) |
| 2024 | (649,795.40) |
| 2025 | <u>(294,931.40)</u> |
| | <u>(\$6,763,899.00)</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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

| | <u>June 30, 2020</u> |
|---------------------------|----------------------|
| Inflation | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | |
| Through 2026 | 2.00-6.00% |
| Thereafter | 3.00-7.00% |
| | Based on |
| | Years of Service |
| Investment Rate of Return | 7.00% |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) 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, 2020 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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 Township's proportionate share of 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, 2020 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, 2020 | | |
|--|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Township's proportionate share of the pension liability | \$21,559,926.00 | \$17,126,912.00 | \$13,365,380.00 |

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, 2020, the State reported a net pension liability of \$28,353,088.00 for the Township of Bridgewater's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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.

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, 2020, the Township's proportion was 0.2194287464 percent, which was a decrease of 0.0030889669 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$1,200,534.00. The pension expense recognized in the Township's financial statement based on the April 1, 2020 billing was \$2,247,675.00.

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | Deferred Outflow of <u>Resources</u> | Deferred Inflow of <u>Resources</u> |
|--|--|---|
| Differences between expected and actual experience | \$ 285,847.00 | \$ 101,756.00 |
| Changes of assumptions | 71,350.00 | 7,601,293.00 |
| Net difference between projected and actual earnings on pension plan investments | 1,662,474.00 | |
| Changes in proportion and differences between Township contributions and proportionate share of contributions | | 1,032,728.00 |
| | \$ <u>2,019,671.00</u> | \$ <u>8,735,777.00</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> |
| 2021 | \$ (2,858,781.60) |
| 2022 | (1,996,483.60) |
| 2023 | (935,241.60) |
| 2024 | (481,820.60) |
| 2025 | (443,778.60) |
| | \$ <u>(6,716,106.00)</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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

June 30, 2020

Inflation:

| | |
|-------|-------|
| Price | 2.75% |
| Wage | 3.25% |

Salary Increases

| | |
|--------------------------|---------------------------|
| Through all future years | 3.25-15.25% |
| | Based on years of Service |

| | |
|---------------------------|-------|
| Investment Rate of Return | 7.00% |
|---------------------------|-------|

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

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

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, 2020 and June 30, 2019) 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, 2020 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 8: PENSION PLANS (CONTINUED)

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

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

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the 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, 2020 | | |
|---|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Township's proportionate share of the PFRS pension liability | \$37,703,771.00 | \$28,353,088.00 | \$20,586,631.00 |

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, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$4,400,270.00 and \$4,299,876.00 respectively.

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

At June 30, 2020, 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 | \$28,353,088.00 |
| State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township | <u>4,400,270.00</u> |
| | <u>\$32,753,358.00</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, 2021, 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 2021 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 \$483,939.86 at December 31, 2021.

NOTE 12: RISK MANAGEMENT

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

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

| <u>Year</u> | <u>Employee Contributions</u> | <u>Township and Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|-------------------------------|-----------------------------------|--------------------------|-----------------------|
| 2021 | \$ 20,600.96 | \$ | \$ 667.77 | \$ 25,251.40 |
| 2020 | 22,337.35 | 50,000.00 | 164,664.95 | 5,318.21 |
| 2019 | 22,710.63 | 10,000.00 | 27,377.77 | 97,645.81 |

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 \$1,265.25 deposited into a tax deferred account. The Township budgeted \$74,000.00 for the program in 2021.

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, 2021:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|------------------------------|---------------------------------|------------------------------|
| Current Fund | \$ 213,455.33 | \$ 867,185.34 |
| Grant Fund | | 185,432.04 |
| Animal Control Fund | | 28,023.29 |
| Trust Other Fund | 2,056,067.03 | |
| General Capital Fund | 22,944.76 | 1,200,000.00 |
| Sewer Utility Operating Fund | 583,544.54 | 54,220.99 |
| Sewer Capital Fund | | 541,150.00 |
| | <u>\$ 2,876,011.66</u> | <u>\$ 2,876,011.66</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.

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 | 266 |
| Inactive employees entitled to but not currently receiving benefits payments | -0- |
| Active employees | <u>177</u> |
| | <u>443</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 Borough's plan document, ranging from 3.5% to 35%.

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

Net OPEB Liability

The Township's total OPEB liability of \$89,777,281 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 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 6.0 percent decreasing to an ultimate rate of 3.5 percent in 2026.

PUP 2012 Tables projected to 2025 with scale MP 20.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2020–December 31, 2020.

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, 2020 and December 31, 2019, based on the "The Muni 20 year Aa" as published by Fidelity Investments, are 2.75% and 2.00%, respectively.

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

Changes in the Total OPEB Liability:

| | Total OPEB Liability |
|---|-------------------------|
| Balance at 12/31/20 | \$89,777,281 |
| Changes for the year: | |
| Service Cost | 743,847 |
| Interest Cost | 2,428,634 |
| Changes in assumptions or other inputs | 13,036,387 |
| Benefit payments | (2,735,172) |
| Net change in OPEB liability | 13,473,696 |
| Balance at 12/31/21 | \$103,250,977 |

Changes of assumptions and other inputs reflect a change in the discount rate from 2.00 percent in 2021 to 2.75 percent in 2020.

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, 2021 | | |
|--------------------|----------------------------------|-----------------------------|----------------------------------|
| | 1.00% <u>Decrease (2.00%)</u> | At Discount Rate (2.75%) | 1.00% <u>Increase (3.75%)</u> |
| Net OPEB Liability | \$126,198,218 | \$103,250,977 | \$86,135,699 |

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, 2021 | | |
|--------------------|--|---|--|
| | 1.00% <u>Decrease</u> (5.0% decreasing to 2.5%) | Healthcare Cost <u>Trend Rate</u> (6.0%decreasing to 3.5%) | 1.00% <u>Increase</u> (7.0% decreasing to 4.5%) |
| Net OPEB Liability | \$87,185,235 | \$103,250,977 | \$123,722,892 |

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

For the year ended December 31, 2020 the actuarially determined OPEB expense reflected in the Plan report was \$9,424,659. The OPEB expense recognized in the Township's financial statement based on actual billing was \$3,093,638.35.

At December 31, 2020, 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 | \$ 1,128,701.00 | \$ 11,813,269.00 |
| Net difference between expected and actual experience | | 5,990,544.00 |
| | <u>\$ 1,128,701.00</u> | <u>\$ 17,803,813.00</u> |

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, 2021 | | |
|--------------------|--|---|--|
| | 1.00% <u>Decrease</u> (5.0% decreasing to 2.5%) | Healthcare Cost <u>Trend Rate</u> (6.0%decreasing to 3.5%) | 1.00% <u>Increase</u> (7.0% decreasing to 4.5%) |
| Net OPEB Liability | \$87,185,235 | \$103,250,977 | \$123,722,892 |

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

For the year ended December 31, 2020 the actuarially determined OPEB expense reflected in the Plan report was \$9,424,659. The OPEB expense recognized in the Township's financial statement based on actual billing was \$3,093,638.35.

At December 31, 2020, 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 | \$ 1,128,701.00 | \$ 11,813,269.00 |
| Net difference between expected and actual experience | | 5,990,544.00 |
| | <u>\$ 1,128,701.00</u> | <u>\$ 17,803,813.00</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> |
|-------------------------------|---------------------|
| 2021 | \$4,898,385 |
| 2022 | 5,462,735 |
| 2023 | 5,562,735 |
| 2024 | 5,462,733 |
| 2025 | <u>2,172,732</u> |
| | <u>\$23,459,320</u> |

NOTE 17: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2021:

| | Balance December 31, <u>2020</u> | <u>Additions</u> | <u>Deletions</u> | Balance December 31, <u>2021</u> |
|-------------------------|--|------------------|---------------------|--|
| Land | \$122,863,410.00 | | | \$122,863,410.00 |
| Buildings | 46,134,599.00 | | | 46,134,599.00 |
| Machinery and Equipment | <u>14,126,486.00</u> | | <u>\$387,634.00</u> | <u>13,738,852.00</u> |
| | <u>\$183,124,495.00</u> | <u>\$-0-</u> | <u>\$387,684.00</u> | <u>\$182,736,861.00</u> |

NOTE 18: DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021 the following deferred charges are shown on the balance sheets of the various funds.

| | BALANCE DECEMBER 31, 2021 | RAISED IN 2022 BUDGET | BALANCE DEFERRED TO BUDGETS OF SUCCEEDING YEARS |
|--------------------|---------------------------------|-----------------------------|---|
| Current Fund: | | | |
| N.J.S.A. 40A:4-53: | | | |
| Severance Pay | \$400,000.00 | \$100,000.00 | \$300,000.00 |
| N.J.S.A. 40A:4-46 | | | |
| Hurricane IDA | <u>\$130,000.00</u> | <u>\$130,000.00</u> | <u> </u> |
| | <u>\$530,000.00</u> | <u>\$230,000.00</u> | <u>\$300,000.00</u> |

NOTE 19: SUBSEQUENT EVENTS

The Township of Bridgewater has evaluated subsequent events occurring after the financial statement date through August 15, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that there are no subsequent events needed to be disclosed.

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TOWNSHIP OF BRIDGEWATER
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

| | <u>REF.</u> | <u>CURRENT FUND</u> | <u>GRANT FUND</u> |
|--|-------------|-------------------------|------------------------|
| Balance, December 31, 2020 | A | \$ 14,192,973.99 | \$ 843,307.13 |
| Increased by Receipts: | | | |
| Taxes Receivable | A-8 | \$ 197,260,475.93 | \$ |
| State of New Jersey-Senior Citizens and Veterans Deductions | A-7 | 204,750.00 | |
| Interfunds | A-12 | 6,710,316.16 | |
| Revenue Accounts Receivable | A-13 | 15,625,735.99 | |
| Miscellaneous Revenue Not Anticipated | A-2 | 876,758.75 | |
| Tax Overpayments | A-17 | 370,594.85 | |
| Prepaid Taxes | A-18 | 2,115,721.73 | |
| Tax Title Liens | A-9 | 2,389.37 | |
| Sale of Municipal Assets | A-19 | 1,685,298.00 | |
| Grants-Appropriated - Match | A-23 | | 215,814.96 |
| Grants - Unappropriated | A-24 | | 123,892.40 |
| Grants Receivable | A-25 | | 96,410.72 |
| Due Current Fund | A-26 | | 561,581.90 |
| Construction Code DCA - Due State of NJ | A-16 | 92,456.00 | |
| Marriage Licenses Due State of NJ | A-28 | 4,875.00 | |
| Reserve for Insurance Damage | A-29 | 6,846.54 | |
| Reserve for Emergency Note Payable | A-30 | 400,000.00 | |
| | | <u>225,356,218.32</u> | <u>997,699.98</u> |
| | | \$ 239,549,192.31 | \$ 1,841,007.11 |
| Decreased by Disbursements: | | | |
| 2021 Appropriations (net) | A-3 | \$ 37,299,812.59 | \$ |
| Appropriation Reserves | A-14 | 1,872,899.52 | |
| Accounts Payable | A-11 | 27,211.27 | |
| Interfunds | A-12 | 6,206,350.68 | |
| Petty Cash | A-5 | 1,000.00 | |
| Tax Overpayments | A-17 | 116,768.27 | |
| Regional School Taxes | A-21 | 134,782,129.00 | |
| County Taxes | A-20 | 37,966,765.57 | |
| Special Fire District Taxes | A-22 | 2,715,814.45 | |
| Refund of: | | | |
| Fees and Permits | A-2 | 3,693.56 | |
| Reserve for Emergency Note Payable | A-30 | 500,000.00 | |
| Prior Year Revenue | A-1 | 2,197.34 | |
| Construction Code DCA - Due State of NJ | A-16 | 87,827.00 | |
| Marriage Licenses Due State of NJ | A-28 | 4,775.00 | |
| Reserve for Tax Appeals | A-15 | 10,692.20 | |
| Due Current Fund | A-26 | | 276,149.86 |
| Grants-Appropriated | A-23 | | 415,168.78 |
| | | <u>221,597,936.45</u> | <u>691,318.64</u> |
| Balance, December 31, 2021 | A | \$ <u>17,951,255.86</u> | \$ <u>1,149,688.47</u> |

"A-5"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF PETTY CASH

OFFICE

Police Department
Finance Department

RECEIVED
FROM
TREASURER

BALANCE
DECEMBER 31
2021

| | | | |
|----|-----------------|----|-----------------|
| \$ | 500.00 | \$ | 500.00 |
| | 500.00 | | 500.00 |
| \$ | <u>1,000.00</u> | \$ | <u>1,000.00</u> |

REF.

A-4

A

"A-6"

SCHEDULE OF CHANGE FUNDS

Balance, December 31, 2020
and December 31, 2021

A

\$ 410.00

DETAIL

Tax Collector
Police
Township Clerk
Municipal Court

| | |
|----|---------------|
| \$ | 200.00 |
| | 50.00 |
| | 50.00 |
| | <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, 2020 (Due From) | A | \$ | 4,750.00 |
| Increased by: | | | |
| Senior Citizens Deductions Per Tax Billing | A-7 | \$ | 29,750.00 |
| Veterans Deductions Per Tax Billing | A-7 | | 177,750.00 |
| Senior Citizens and Veterans Deductions Allowed by Tax Collector | A-7 | | <u>5,750.00</u> |
| | | | <u>213,250.00</u> |
| | | \$ | 218,000.00 |
| Decreased by: | | | |
| Senior Citizens Deductions Disallowed by Collector- prior year | A-8 | | 7,250.00 |
| Received From State | A-4 | | <u>204,750.00</u> |
| | | | <u>212,000.00</u> |
| Balance, December 31, 2021 (Due From) | A | \$ | <u><u>6,000.00</u></u> |

ANALYSIS OF STATE SHARE OF 2021 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

| | | | | |
|--|-----|----|-----------------|--------------------------|
| Senior Citizens Deductions Per Tax Billing | A-7 | \$ | 29,750.00 | |
| Veterans Deductions Per Tax Billing | A-7 | | 177,750.00 | |
| Senior Citizens and Veterans Deductions Allowed by | | | | |
| Tax Collector-2020 Taxes | A-7 | | <u>5,750.00</u> | |
| | | \$ | | <u><u>213,250.00</u></u> |

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| YEAR | BALANCE DECEMBER 31, 2020 | 2021 LEVY | ADDED TAXES | COLLECTIONS BY CASH 2020 | 2021 | CANCELED | OVERPAYMENTS APPLIED | TRANSFERRED TO TAX TITLE LIENS | BALANCE DECEMBER 31, 2021 |
|-------|---------------------------------|-------------------|----------------|-----------------------------|-------------------|--------------|-------------------------|--------------------------------------|---------------------------------|
| Prior | \$ 1,241,984.51 | \$ | \$ 7,250.00 | \$ | \$ 1,240,226.75 | \$ 8,768.46 | \$ | \$ 27.23 | \$ 212.07 |
| | \$ 1,241,984.51 | \$ | \$ 7,250.00 | \$ | \$ 1,240,226.75 | \$ 8,768.46 | \$ | \$ 27.23 | \$ 212.07 |
| 2021 | | 199,279,970.40 | | 1,597,951.56 | 196,233,499.18 | 47,397.47 | 251,646.96 | 5,377.14 | 1,144,098.09 |
| | \$ 1,241,984.51 | \$ 199,279,970.40 | \$ 7,250.00 | \$ 1,597,951.56 | \$ 197,473,725.93 | \$ 56,165.93 | \$ 251,646.96 | \$ 5,404.37 | \$ 1,144,310.16 |
| REF. | A | A-8 | A-7 | A-2A-18 | A-2A-8 | | A-2A-17 | A-9 | A |

ANALYSIS OF 2021 PROPERTY TAX LEVY

| TAX YIELD | |
|---------------------------------|-------------------|
| General Property Tax | \$ 195,026,904.88 |
| Added Taxes (54:4-63.1 et seq.) | 1,537,251.07 |
| Special Fire District Tax | 2,715,814.45 |
| | \$ 199,279,970.40 |

TAX LEVY

| | | |
|--|--|-------------------|
| Regional School District Tax (Abstract) | | \$ 134,782,129.00 |
| County Tax (Abstract) | | |
| County Library Tax (Abstract) | | |
| County Open Space (Abstract) | | |
| Due County for Added Taxes (54:4-63.1 et seq.) | | |
| Total County Taxes | | 38,151,536.18 |
| Special Fire District Tax | | |
| Local Tax for Municipal Purposes (Abstract) | | 2,715,814.45 |
| Add: Additional Tax Levied | | |
| Local Tax for Municipal Purposes Levied | | 23,630,490.77 |
| | | \$ 199,279,970.40 |

"A-9"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

| | <u>REF.</u> | | |
|------------------------------|-------------|----|--------------------------|
| Balance, December 31, 2020 | A | \$ | 151,389.85 |
| Increased by: | | | |
| Taxes Accrued | A-8 | \$ | 5,404.37 |
| Interest & Costs on Tax Sale | | | <u>1,096.58</u> |
| | | | 6,500.95 |
| | | \$ | <u>157,890.80</u> |
| Decreased by: | | | |
| Receipts | A-4 | | <u>2,389.37</u> |
| Balance, December 31, 2021 | A | \$ | <u><u>155,501.43</u></u> |

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

| | | | |
|---|---|----|--------------------------|
| Balance, December 31, 2020 and December 31, 2021 | A | \$ | <u><u>422,300.00</u></u> |
|---|---|----|--------------------------|

"A-11"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES/ACCOUNTS PAYABLE

| | <u>REF.</u> | | |
|---------------------------------------|-------------|-------------------|-------------------------------|
| Balance, December 31, 2020 | A | | \$ 1,309,213.63 |
| Increased by: | | | |
| 2021 Budget Appropriations | A-3 | \$ 1,360,598.48 | |
| Appropriation Reserves | A-14 | <u>290,316.65</u> | |
| | | | <u>1,650,915.13</u> |
| | | | \$ 2,960,128.76 |
| Decreased by: | | | |
| Disbursements | A-4 | \$ 27,211.27 | |
| Transferred to Appropriation Reserves | A-14 | 960,882.95 | |
| Canceled- Accounts Payable | A-1 | <u>21,249.49</u> | |
| | | | <u>1,009,343.71</u> |
| Balance, December 31, 2021 | | | \$ <u><u>1,950,785.05</u></u> |
| Reserve for Encumbrances | A | | \$ 1,650,915.13 |
| Reserve for Accounts Payable | A | | <u>299,869.92</u> |
| | | | \$ <u><u>1,950,785.05</u></u> |

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF INTERFUNDS

| | REF. | TOTAL | GRANT FUND | ANIMAL CONTROL TRUST FUND | OTHER TRUST FUND | GENERAL CAPITAL FUND | SEWER UTILITY OPERATING FUND |
|------------------------------------|------|-----------------|---------------|------------------------------------|------------------------|----------------------------|---------------------------------------|
| Balance, December 31, 2020 | | | | | | | |
| Due To | A | \$ 80,289.13 | | | | | |
| Due From | A | \$ 10,935.69 | \$ | \$ 8,134.38 | \$ 79,658.27 | \$ 630.86 | \$ 2,801.31 |
| Receipts | A-4 | \$ 6,710,316.16 | \$ 276,149.86 | \$ | \$ 5,129,642.51 | \$ 1,200,000.00 | \$ 104,523.79 |
| Transfer | A-26 | 100,000.00 | 100,000.00 | | | | |
| Excess Animal Control Expenditures | | 19,888.91 | | 19,888.91 | | | |
| Disbursements | A-4 | 6,206,350.68 | 561,581.90 | | 4,407,754.74 | 1,177,686.10 | 59,327.94 |
| Balance, December 31, 2021 | | | | | | | |
| Due To | A | \$ 866,885.34 | \$ | | \$ 801,546.04 | \$ 22,944.76 | \$ 42,394.54 |
| Due From | A | 213,455.33 | 185,432.04 | 28,023.29 | | | |

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| <u>ACCOUNTS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2020</u> | <u>ACCRUED IN 2021</u> | <u>COLLECTED</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|--|-------------|--|----------------------------|------------------|--|
| Licenses: | | | | | |
| Alcoholic Beverages | A-2 | \$ | \$ 91,002.00 | \$ 91,002.00 | \$ |
| Other | A-2 | | 43,848.90 | 43,848.90 | |
| Fees and Permits | A-2 | | 428,261.00 | 428,261.00 | |
| Municipal Court: | | | | | |
| Fines and Costs | A-2 | 11,637.26 | 193,269.23 | 192,013.26 | 12,893.23 |
| Interest and Costs on Taxes | A-2 | | 386,971.40 | 386,971.40 | |
| Interest on Investments and Deposits | A-2 | | 164,493.37 | 164,493.37 | |
| Recreation Fees | A-2 | | 140,406.60 | 140,406.60 | |
| Energy Receipts Tax | A-2 | | 5,900,179.00 | 5,900,179.00 | |
| Garden State Trust Fund | A-2 | | 6,286.00 | 6,286.00 | |
| Uniform Construction Code Fees | A-2 | | 1,252,568.00 | 1,252,568.00 | |
| Joint Services with County Library | A-2 | | 112,030.61 | 112,030.61 | |
| Shared Municipal Court | A-2 | | 212,244.36 | 212,244.36 | |
| Shared Resource Officer BOE | A-2 | | 116,548.55 | 116,548.55 | |
| Life Hazard Use Fees | A-2 | | 190,627.06 | 190,627.06 | |
| Suburban Cablevision - Franchise Fee | A-2 | | 542,331.46 | 542,331.46 | |
| Payment in Lieu of Taxes-Centerbridge I | A-2 | | 162,471.00 | 162,471.00 | |
| Payment in Lieu of Taxes-Centerbridge II | A-2 | | 26,500.00 | 26,500.00 | |
| Bridgewater Commons - Rent / Royalty / In Lieu Of | A-2 | | 1,659,533.01 | 1,659,533.01 | |
| Host Benefit Fees | A-2 | | 322,905.30 | 322,905.30 | |
| General Capital Fund Surplus | A-2 | | 207,601.15 | 207,601.15 | |
| Hotel Occupancy Tax | A-2 | | 451,121.26 | 451,121.26 | |
| Sale of Liquor License | A-2 | | 657,999.99 | 657,999.99 | |
| American Relief Plan- Revenue Loss | A-2 | | 2,301,033.50 | 2,301,033.50 | |
| Debt Service Reimbursement - Open Space Trust Fund | A-2 | | 56,759.21 | 56,759.21 | |
| | | \$ 11,637.26 | \$ 15,626,991.96 | \$ 15,625,735.99 | \$ 12,893.23 |
| <u>REF.</u> | | A | | A-4 | A |

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2020 | TRANSFERRED FROM ENCUMBRANCES PAYABLE | BALANCE AFTER MODIFICATION | PAID OR CHARGED | BALANCE LAPSED |
|-------------------------------------|---------------------------------|--|----------------------------------|--------------------|-------------------|
| <u>SALARIES AND WAGES</u> | \$ | \$ | \$ | | \$ |
| Mayor's Office | 71.16 | | 71.16 | | 71.16 |
| Human Resources | 4,187.10 | | 4,187.10 | | 4,187.10 |
| Economic Development | 607.50 | | 607.50 | | 607.50 |
| Township Council | 99.94 | | 99.94 | | 99.94 |
| Township Administrator | 9,527.05 | | 9,527.05 | | 9,527.05 |
| Purchasing Department | 1,525.77 | | 1,525.77 | | 1,525.77 |
| IT Department | 1,218.26 | | 1,218.26 | | 1,218.26 |
| Township Clerk | 4,521.20 | | 4,521.20 | | 4,521.20 |
| Director of Finance | 14,122.35 | | 7,122.35 | | 7,122.35 |
| Division of Treasury | 5,082.30 | | 6,082.30 | | 5,345.36 |
| Tax Collection | 1,717.00 | | 5,217.00 | 736.94 | 5,217.00 |
| Tax Assessment | 37,730.75 | | 37,730.75 | | 37,730.75 |
| Legal Office | 528.86 | | 1,528.86 | | 1,528.86 |
| Engineering Director's Office | 143.86 | | 143.86 | | 143.86 |
| Engineering | 12,113.58 | | 12,113.58 | | 12,113.58 |
| Board of Adjustment/Zoning | 3,422.60 | | 3,422.60 | | 3,422.60 |
| Division of Planning | 6,702.63 | | 6,702.63 | | 6,702.63 |
| Police | 829,284.17 | | 279,284.17 | | 279,284.17 |
| Office of Emergency Management | 109.77 | | 109.77 | | 109.77 |
| Fire Safety | 124.49 | | 124.49 | | 124.49 |
| Municipal Court | 1,655.15 | | 6,655.15 | 1,138.33 | 5,516.82 |
| Road Repairs and Maintenance | 1,417.33 | | 23,417.33 | 20,527.38 | 2,889.95 |
| Vehicle Maintenance | 7,539.19 | | 11,039.19 | 8,720.38 | 2,318.81 |
| Snow Removal | 78,750.00 | | 78,750.00 | | 78,750.00 |
| Park Maintenance | 57,668.66 | | 57,668.66 | 16,026.99 | 41,641.67 |
| Public Buildings and Grounds | 113.54 | | 12,613.54 | 7,818.89 | 4,794.65 |
| Director's Office | 1,209.62 | | 1,209.62 | | 1,209.62 |
| Division of Health | 51,657.96 | | 51,657.96 | | 51,657.96 |
| Administration of Public Assistance | 1,034.42 | | 1,034.42 | | 1,034.42 |
| Senior Citizen Services | 7,254.91 | | 7,254.91 | | 7,254.91 |
| Division of Recreation and Parks | 15,825.53 | | 15,825.53 | | 15,825.53 |
| Construction Code Official | 22,525.57 | | 22,525.57 | | 22,525.57 |
| Municipal Court - Interlocal | 2,640.29 | | 2,640.29 | | 2,640.29 |
| BOE Class III Officers | 22,080.00 | | 22,080.00 | | 22,080.00 |

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2020 | TRANSFERRED FROM ENCUMBRANCES PAYABLE | BALANCE AFTER MODIFICATION | PAID OR CHARGED | BALANCE LAPSED |
|--------------------------------|---------------------------------|--|----------------------------------|--------------------|-------------------|
| <u>OTHER EXPENSES</u> | | | | | |
| Mayor's Office | 2,988.02 | | 2,988.02 | | 2,988.02 |
| Human Resources | 313.08 | 367.00 | 1,380.08 | 1,358.00 | 22.08 |
| Township Council | 2,421.61 | | 2,421.61 | | 2,421.61 |
| Township Administrator | 24,471.43 | 12,179.61 | 35,951.04 | 14,059.69 | 21,891.35 |
| Purchasing Department | 2,296.58 | 1,383.50 | 3,680.08 | 442.28 | 3,237.80 |
| IT Department | 13,419.76 | 639.28 | 14,059.04 | 14,019.53 | 39.51 |
| Township Clerk | 3,108.45 | 3,533.79 | 6,642.24 | 2,879.60 | 3,762.64 |
| Elections | 8,835.70 | | 8,835.70 | | 8,835.70 |
| Director of Finance | 56.22 | 725.00 | 781.22 | 777.30 | 3.92 |
| Division of Treasury | 1,640.03 | 5,000.00 | 13,640.03 | 12,781.83 | 858.20 |
| Tax Collection | 5,274.40 | 289.30 | 5,563.70 | 565.75 | 4,997.95 |
| Assessment of Taxes | 3,816.76 | 33,694.65 | 37,511.41 | 33,694.65 | 3,816.76 |
| Reassessment Program | 480.00 | 11,020.00 | 11,500.00 | 11,020.00 | 480.00 |
| Legal Office | 15,892.17 | 70,725.62 | 86,617.79 | 86,617.79 | |
| Employee Group Insurance | 7,757.46 | 5,364.40 | 13,121.86 | 5,788.40 | 7,333.46 |
| Other Insurance Premiums | 100.00 | | 100.00 | | 100.00 |
| Health Benefits Waiver | 6,996.00 | | 6,996.00 | | 6,996.00 |
| Engineering Director's Office | 2,445.00 | | 2,445.00 | | 2,445.00 |
| Engineering | 151,779.69 | 47,123.13 | 198,902.82 | 100,174.13 | 98,728.69 |
| Board of Adjustments | 14,277.42 | 2,047.63 | 16,325.05 | 5,265.61 | 11,059.44 |
| Division of Planning | 3,541.38 | 18,930.64 | 22,472.02 | 16,620.08 | 5,851.94 |
| Planning Board | 7,681.48 | 1,836.01 | 44,517.49 | 34,347.78 | 10,169.71 |
| Police | 23,341.83 | 202,347.89 | 225,689.72 | 199,309.11 | 26,380.61 |
| Office of Emergency Management | 1,367.78 | 3,062.00 | 4,429.78 | 3,690.00 | 739.78 |
| Fire Safety | 920.80 | 2,494.79 | 3,415.59 | 2,507.33 | 908.26 |
| Fire Hydrant Service | 186,001.80 | | 149,001.80 | 65,107.54 | 83,894.26 |
| Municipal Court | 3,790.48 | 9,522.68 | 13,313.16 | 10,240.80 | 3,072.36 |
| Public Defender | 600.00 | 19,200.00 | 19,800.00 | | 19,800.00 |
| Road Repair and Maintenance | 67,298.28 | 101,150.13 | 168,448.41 | 136,612.05 | 31,836.36 |
| Vehicle Maintenance | 3,411.64 | 31,304.13 | 34,715.77 | 34,276.84 | 438.93 |
| Recycling | 12,138.49 | | 12,138.49 | | 12,138.49 |
| Snow Removal | 15,403.80 | 154,822.00 | 370,225.80 | 145,916.34 | 224,309.46 |
| Park Maintenance | 19,853.81 | 29,238.34 | 49,092.15 | 28,976.93 | 20,115.22 |

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2020 | TRANSFERRED FROM ENCUMBRANCES PAYABLE | BALANCE AFTER MODIFICATION | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|--|----------------------------------|------------------------|------------------------|
| <u>OTHER EXPENSES (CONTINUED)</u> | | | | | |
| Municipal Services Reimbursements: Condominiums | \$ 90,000.00 | \$ | \$ 176,000.00 | \$ 30,395.69 | \$ 145,604.31 |
| Public Buildings and Grounds | 15,703.48 | 95,431.55 | 111,135.03 | 90,244.48 | 20,890.55 |
| Director's Office | 495.42 | | 495.42 | | 495.42 |
| Division of Health | 2,744.47 | 12,114.47 | 14,858.94 | 12,481.09 | 2,377.85 |
| Administration of Public Assistance | 10,353.00 | | 10,353.00 | 8,588.25 | 1,764.75 |
| Visiting Nurse Contribution | 110.00 | | 110.00 | | 110.00 |
| Environmental Commission | 950.00 | | 950.00 | | 950.00 |
| Senior Citizen Services | 45,542.71 | 4,486.37 | 50,029.08 | 3,849.85 | 46,179.23 |
| Division of Recreation and Parks | 18,550.53 | 11,426.29 | 29,976.82 | 11,476.99 | 18,499.83 |
| Branch Library | 15,349.33 | 23,615.45 | 46,964.78 | 45,668.93 | 1,295.85 |
| Green Brook Flood Control | 0.72 | | 0.72 | | 0.72 |
| Construction Code Official | 23,579.80 | 25,682.21 | 49,262.01 | 24,824.35 | 24,437.66 |
| Street Lighting | 26,851.78 | | 54,851.78 | 52,827.73 | 2,024.05 |
| Telephone Service | 19,271.68 | 325.00 | 19,596.68 | 19,417.77 | 178.91 |
| Central Office Supply | 30.30 | 1,464.62 | 1,494.92 | 1,400.77 | 94.15 |
| Utilities | 270,745.08 | | 270,745.08 | 89,634.54 | 181,110.54 |
| Postage | 1,410.60 | | 1,410.60 | | 1,410.60 |
| Salary Adjustments | 192,099.00 | | | | |
| Social Security System (O.A.S.I.) | 330,809.76 | | 695,408.76 | 690,910.31 | 4,498.45 |
| Defined Contribution Retirement Plan (DCRP) | 42,057.91 | | 42,057.91 | | 42,057.91 |
| Length of Service Awards Program | 3,540.70 | 16,291.86 | 19,832.56 | 19,832.56 | |
| Branch Library | 301.23 | 337.89 | 9,639.12 | 9,639.12 | |
| COVID 19 Related Expenses | 44,801.47 | 1,705.72 | 46,507.19 | 1,269.47 | 45,237.72 |
| Computer Equipment | 28,736.00 | | 28,736.00 | 28,736.00 | |
| | <u>\$ 3,001,968.83</u> | <u>\$ 960,882.95</u> | <u>\$ 3,962,851.78</u> | <u>\$ 2,163,216.17</u> | <u>\$ 1,799,635.61</u> |
| | A | A-11 | | | A-1 |
| REF. | | | | | |
| Disbursements | | | | \$ 1,872,899.52 | |
| Reserve for Encumbrances Payable | | | | 290,316.65 | |
| | | | | <u>\$ 2,163,216.17</u> | |

"A-15"

TOWNSHIP OF BRIDGEWATER
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX APPEALS

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2020 | A | \$ 494,632.06 |
| Decreased by: | | |
| Disbursements | A-4 | <u>10,692.20</u> |
| Balance, December 31, 2021 | A | <u>\$ 483,939.86</u> |

"A-16"

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

| | | |
|----------------------------|-----|----------------------|
| Balance, December 31, 2020 | A | \$ 19,589.00 |
| Increased by: | | |
| Receipts | A-4 | <u>92,456.00</u> |
| | | \$ <u>112,045.00</u> |
| Decreased by: | | |
| Disbursements | A-4 | <u>87,827.00</u> |
| Balance, December 31, 2021 | A | <u>\$ 24,218.00</u> |

"A-17"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

| | <u>REF.</u> | | |
|----------------------------|-------------|----|--------------------------|
| Balance, December 31, 2020 | A | \$ | 260,201.78 |
| Increased by: | | | |
| Overpayments in 2021 | A-4 | | <u>370,594.85</u> |
| | | \$ | 630,796.63 |
| Decreased by: | | | |
| Refunded | A-4 | \$ | 116,768.27 |
| Canceled | A-1 | | 1.94 |
| Applied to Taxes | A-8 | | <u>251,646.96</u> |
| | | | <u>368,417.17</u> |
| Balance, December 31, 2021 | A | \$ | <u><u>262,379.46</u></u> |

"A-18"

SCHEDULE OF PREPAID TAXES

| | | | |
|----------------------------|-----|----|----------------------------|
| Balance, December 31, 2020 | A | \$ | 1,597,951.56 |
| Increased by: | | | |
| Collection of 2022 Taxes | A-4 | | <u>2,115,721.73</u> |
| | | \$ | 3,713,673.29 |
| Decreased by: | | | |
| Applied to 2021 Taxes | A-8 | | <u>1,597,951.56</u> |
| Balance, December 31, 2021 | A | \$ | <u><u>2,115,721.73</u></u> |

"A-19"

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

| | <u>REF.</u> | |
|----------------------------|-------------|------------------------|
| Balance, December 31, 2020 | A | \$ 200,596.24 |
| Increased by: | | |
| Receipts | A-4 | 1,685,298.00 |
| | | <u>\$ 1,885,894.24</u> |
| Decreased by: | | |
| Applied to Revenue | A-2 | <u>1,837,500.00</u> |
| Balance, December 31, 2021 | A | <u>\$ 48,394.24</u> |

"A-20"

SCHEDULE OF COUNTY TAXES PAYABLE

| | | |
|----------------------------|---------|-------------------------|
| Balance, December 31, 2020 | A | \$ 114,185.09 |
| Increased by: | | |
| 2021 Levy | | \$ 37,852,580.48 |
| Added Taxes | | <u>298,955.70</u> |
| | A-1:A-8 | <u>38,151,536.18</u> |
| | | <u>\$ 38,265,721.27</u> |
| Decreased by: | | |
| Payments | A-4 | <u>37,966,765.57</u> |
| Balance, December 31, 2021 | A | <u>\$ 298,955.70</u> |

"A-21"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE

REF.

| | | |
|---------------|---------|-----------------------|
| Increased by: | | |
| School Levy | A-1:A-8 | \$ 134,782,129.00 |
| Decreased by: | | |
| Payments | A-4 | <u>134,782,129.00</u> |

"A-22"

SCHEDULE OF SPECIAL FIRE DISTRICT TAXES PAYABLE

| | | |
|--------------------------------|---------|---------------------|
| Increased by: | | |
| 2021 Special District Tax Levy | A-1:A-8 | \$ 2,715,814.45 |
| Decreased by: | | |
| Payments | A-4 | <u>2,715,814.45</u> |

TOWNSHIP OF BRIDGEWATER
GRANT FUND
SCHEDULE OF GRANTS APPROPRIATED

| | BALANCE DECEMBER 31, 2020 | 2021 BUDGET APPROPRIATION | EXPENDED | BALANCE DECEMBER 31, 2021 |
|--|---------------------------------|---------------------------------|----------------------|---------------------------------|
| Drunk Driving Enforcement Fund | \$ 32,051.12 | \$ | \$ 2,800.75 | \$ 29,250.37 |
| Clean Communities Program | 125,874.84 | | 16,686.40 | 109,188.44 |
| Municipal Alliance Program | 16,415.81 | | 4,210.00 | 12,205.81 |
| Municipal Alliance Program Match | 18,035.78 | | | 18,035.78 |
| Safe & Secure Communities | 120,000.00 | 92,400.00 | | 212,400.00 |
| Safe & Secure Communities & Match | 226,864.50 | 215,814.96 | | 442,679.46 |
| Alcohol Education Rehabilitation | 5,739.48 | | 2,000.00 | 3,739.48 |
| Body Armor Replacement Fund | 7,214.76 | | 7,214.76 | |
| Federal Bulletproof Vest Program | 13,531.30 | 9,301.60 | 20,463.81 | 2,369.09 |
| ROID - Match | 2,000.00 | | | 2,000.00 |
| Recycling Tonnage Program | 16,301.46 | 44,542.30 | 60,843.76 | |
| Somerset County Youth Services Commission | 1,159.45 | 2,500.00 | 3,111.37 | 548.08 |
| Office of Emergency Management | 55,396.00 | 10,000.00 | | 65,396.00 |
| Regional Center Partnership | 20,000.00 | 20,000.00 | 1,680.00 | 38,320.00 |
| Body Worn Cameras | | 187,496.00 | 187,496.00 | |
| NJ DOT - Highway Safety Fund - Safe Corridor | 45.85 | | | 45.85 |
| NJ DOT- Municipal Aid - Country Club Road - Section I | 44,542.23 | | (12,873.41) | 57,415.64 |
| NJ DOT -Municipal Aid- Country Club Road - Phase VIII | 42,204.89 | | | 42,204.89 |
| NJ DOT -Municipal Aid- Steeple Chase Lane | 380,000.00 | | 301,742.07 | 78,257.93 |
| NJ DOT -Municipal Aid- Stony Brook Dr Improvements Section 1 | | 400,000.00 | | 400,000.00 |
| Recreation Improvements for Upgrade to Kids Street | | 100,000.00 | | 100,000.00 |
| Sustainable New Jersey | 2,212.50 | | | 2,212.50 |
| Strengthening Local Public Health Capacity Training | 4,817.63 | | | 4,817.63 |
| Historic Preservation | 277,670.00 | | 21,138.70 | 256,531.30 |
| Radon Awareness | 5.00 | 2,000.00 | | 2,005.00 |
| Workplace Yoga | 350.00 | | | 350.00 |
| | <u>\$ 1,412,432.60</u> | <u>\$ 1,084,054.86</u> | <u>\$ 616,514.21</u> | <u>\$ 1,879,973.25</u> |
| REF. A | | | | A |
| Grants Appropriated | A-3 | \$ 868,239.90 | | |
| Matching Funds for Grants | A-4 | <u>215,814.96</u> | | |
| | | <u>\$ 1,084,054.86</u> | | |
| Disbursements | A-4 | | \$ 415,168.78 | |
| Accounts Payable | A-27 | | <u>239,940.05</u> | |
| | | | \$ 655,108.83 | |
| Less: Transferred from Accounts Payable | A-27 | | <u>38,594.02</u> | |
| | | | <u>\$ 616,514.21</u> | |

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

| | BALANCE DECEMBER 31, 2020 | RECEIPTS | APPLIED TO RECEIVABLE | BALANCE DECEMBER 31, 2021 |
|--------------------------------|---------------------------------|----------------------|--------------------------|---------------------------------|
| Drunk Driving Enforcement Fund | \$ | \$ 8,995.60 | \$ | 8,995.60 |
| Body Armor Replacement Fund | | 5,165.09 | | 5,165.09 |
| Emergency Management | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 |
| Clean Communities | | 99,731.71 | | 99,731.71 |
| Safe and Secure Communities | 60,000.00 | | 60,000.00 | |
| Youth Services Commission | 2,500.00 | | 2,500.00 | |
| Regional Center Partnership | 20,000.00 | | 20,000.00 | |
| | <u>\$ 92,500.00</u> | <u>\$ 123,892.40</u> | <u>\$ 92,500.00</u> | <u>\$ 123,892.40</u> |
| REF. | A | A-4 | A-25 | A |

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

| | BALANCE DECEMBER 31, 2020 | BUDGET APPROPRIATION | RECEIPTS | UNAPPROPRIATED APPLIED | BALANCE DECEMBER 31, 2021 |
|--|---------------------------------|-------------------------|---------------------|---------------------------|---------------------------------|
| Municipal Alliance Program | \$ 4,238.18 | \$ | \$ 2,110.00 | \$ | \$ 2,128.18 |
| Federal Bulletproof Vest Partnership | 14,000.92 | 9,301.60 | 15,369.42 | | 7,933.10 |
| Emergency Management | | 10,000.00 | | 10,000.00 | |
| Alcohol Education Rehabilitation Fund | | | | | |
| Open Space Stewardship | 20.00 | | | | 20.00 |
| Youth Services Commission | | 2,500.00 | | 2,500.00 | |
| Historic Preservation | 178,585.00 | | | | 178,585.00 |
| Sustainable New Jersey | 5,000.00 | | | | 5,000.00 |
| Recycling Tonnage Program | | 44,542.30 | 44,542.30 | | |
| NJ DOT - Highway Safety - Safe Corridors | 45.85 | | | | 45.85 |
| NJ DOT - Municipal Aid Program - Country Club Road Section I | 77,156.67 | | | | 77,156.67 |
| NJ DOT - Municipal Aid Program - Country Club Road Phase VIII | 41,168.47 | | | | 41,168.47 |
| NJ DOT - Municipal Aid Program - Steeple Chase Lane | 380,000.00 | | | | 380,000.00 |
| NJ DOT - Municipal Aid Program - Stony Brook Dr Imp. Section 1 | | 400,000.00 | | | 400,000.00 |
| Regional Center Partnership | | 20,000.00 | | 20,000.00 | |
| Body Worn Cameras | | 187,496.00 | | | 187,496.00 |
| Safe & Secure Communities | | 92,400.00 | 32,400.00 | 60,000.00 | |
| Radon Awareness | 5.00 | 2,000.00 | 1,989.00 | | 16.00 |
| | <u>\$ 700,220.09</u> | <u>\$ 768,239.90</u> | <u>\$ 96,410.72</u> | <u>\$ 92,500.00</u> | <u>\$ 1,279,549.27</u> |

REF.

A

A-2

A-4

A-24

A

"A-26"

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

| | <u>REF.</u> | | |
|-------------------------------------|-------------|----|--------------------------|
| Increased by: | | | |
| Receipts | A-4 | \$ | 561,581.90 |
| Decreased by: | | | |
| Disbursements | A-4 | \$ | 276,149.86 |
| Transfer | A-12 | | <u>100,000.00</u> |
| | | | <u>376,149.86</u> |
| Balance, December 31, 2021 (Due To) | A | \$ | <u><u>185,432.04</u></u> |

"A-27"

SCHEDULE OF ACCOUNTS PAYABLE

| | | | |
|------------------------------------|------|----|--------------------------|
| Balance, December 31, 2020 | A | \$ | 38,594.62 |
| Increased by: | | | |
| Grants Appropriated | A-23 | | <u>239,940.05</u> |
| | | \$ | <u>278,534.67</u> |
| Decreased by: | | | |
| Transferred to Grants Appropriated | A-23 | | <u>38,594.62</u> |
| Balance, December 31, 2021 | A | \$ | <u><u>239,940.05</u></u> |

"A-28"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

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

| | <u>REF.</u> | |
|----------------------------|-------------|-------------------------|
| Balance, December 31, 2020 | A | \$ 825.00 |
| Increased by: | | |
| Receipts | A-4 | 4,875.00 |
| | | \$ <u>5,700.00</u> |
| Decreased by: | | |
| Paid to State | A-4 | 4,775.00 |
| | | <u>4,775.00</u> |
| Balance, December 31, 2021 | A | \$ <u><u>925.00</u></u> |

"A-29"

SCHEDULE OF RESERVE FOR INSURANCE DAMAGE

| | | |
|----------------------------|-----|---------------------------|
| Balance, December 31, 2020 | A | \$ 7,147.71 |
| Increased by: | | |
| Receipts | A-4 | 6,846.54 |
| | | \$ <u>13,994.25</u> |
| Decreased: | | |
| Anticipated Revenue | A-2 | 7,147.71 |
| | | <u>7,147.71</u> |
| Balance, December 31, 2021 | A | \$ <u><u>6,846.54</u></u> |

"A-30"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF EMERGENCY NOTE PAYABLE

| | <u>REF.</u> | |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2020 | A | \$ 500,000.00 |
| Increased by | | |
| Receipts | A-4 | <u>400,000.00</u> |
| | | 900,000.00 |
| Decreased by: | | |
| Disbursements | A-4 | <u>500,000.00</u> |
| Balance, December 31, 2021 | A | \$ <u><u>400,000.00</u></u> |

"A-31"

SCHEDULE OF RESERVE FOR LIBRARY EXPENDITURES

| | | |
|---|---|---------------------------|
| Balance, December 31, 2020 and December 31, 2021 | A | \$ <u><u>8,934.00</u></u> |
|---|---|---------------------------|

"A-32"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

| | | |
|----------------------------|---------|-----------------------------|
| Balance, December 31, 2020 | A | \$ 1,284,674.76 |
| Increased by: | | |
| Hurricane IDA | A-1:A-3 | <u>130,000.00</u> |
| | | \$ <u>1,414,674.76</u> |
| Decreased by: | | |
| 2021 Appropriations | A-3 | <u>884,674.76</u> |
| Balance, December 31, 2021 | A | \$ <u><u>530,000.00</u></u> |

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | <u>ANIMAL CONTROL</u> | <u>OTHER</u> |
|---|-------------|-----------------------|----------------------|
| Balance, December 31, 2020 | B | \$ 58,248.69 | \$ 16,428,205.10 |
| Increased by Receipts: | | | |
| Reserve for Animal Control Expenditures | B-9 | \$ 22,723.60 | \$ |
| Due State of New Jersey | B-10 | 2,204.40 | |
| Reserve for Various Trust Deposits | B-3 | | 9,405,218.88 |
| Reserve for Municipal Open Space Trust Deposits | B-8 | | 77,333.76 |
| Reserve for Tax Sale Premiums | B-4 | | 1,402,700.00 |
| Reserve for Redemption of Outside Liens | B-5 | | 868,978.17 |
| Reserve for State Unemployment Insurance | B-6 | | 20,600.96 |
| Reserve for Law Enforcement Trust Fund | B-7 | | 3,212.68 |
| Due Current Fund | B-13 | | 4,407,754.74 |
| Due Sewer Operating Fund | B-15 | | 563.56 |
| | | <u>24,928.00</u> | <u>16,186,362.75</u> |
| | | \$ 83,176.69 | \$ 32,614,567.85 |
| Decreased by Disbursements: | | | |
| Due Current Fund | B-13 | \$ | \$ 5,129,642.51 |
| New Jersey State Board of Health | B-10 | 2,204.40 | |
| Expenditures Under R.S.4:19-15.11 | B-9 | 5,302.80 | |
| Reserve for Various Trust Deposits | B-3 | | 10,130,647.91 |
| Reserve for Tax Sale Premiums | B-4 | | 1,085,800.00 |
| Reserve for Law Enforcement Trust Fund | B-7 | | 7,000.00 |
| Reserve for Redemption of Outside Liens | B-5 | | 888,633.19 |
| Reserve for Municipal Open Space Trust Deposits | B-8 | | 240,098.22 |
| Reserve for State Unemployment Insurance | B-6 | | 667.77 |
| Due General Capital Fund | B-14 | | 1,200,000.00 |
| Due Sewer Operating Fund | B-15 | | 54,784.55 |
| | | <u>7,507.20</u> | <u>18,737,274.15</u> |
| Balance, December 31, 2021 | B | \$ 75,669.49 | \$ 13,877,293.70 |

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS TRUST DEPOSITS

| <u>ACCOUNT</u> | <u>BALANCE DECEMBER 31, 2020</u> | <u>INCREASED BY</u> | <u>DECREASED BY</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|---------------------------------|--|---------------------|---------------------|--|
| | \$ | \$ | \$ | \$ |
| Escrow/Other Accounts | 799,173.69 | 426,737.98 | 204,807.33 | 1,021,104.34 |
| Public Defender | 7,345.37 | 3,235.00 | | 10,580.37 |
| Police Offense Adjudication Act | 5,173.00 | 8.00 | | 5,181.00 |
| Fire Fines and Penalties | 64,100.99 | 30,620.00 | 14,473.13 | 80,247.86 |
| Fire Penalties Due Departments | 11,125.00 | 19,970.00 | 3,625.00 | 27,470.00 |
| Storm Recovery | 545,012.48 | 61.72 | 330,542.33 | 214,531.87 |
| Salary Settlements | 309,109.89 | | 146,883.58 | 162,226.31 |
| Police Outside Overtime | 26,650.85 | | 303.77 | 26,347.08 |
| Recreation | 27,340.68 | 190,921.76 | 194,674.85 | 23,587.59 |
| COAH | 4,498,406.09 | 788,344.46 | 978,483.55 | 4,308,267.00 |
| Site Inspections | 780,583.94 | 232,889.57 | 189,137.46 | 824,336.05 |
| Professional Fees Escrow | 839,815.81 | 552,962.64 | 512,692.80 | 880,085.65 |
| Performance Bonds | 2,982,274.60 | 91,604.15 | 272,298.29 | 2,801,580.46 |
| Maintenance Escrow | 21,247.23 | 5,274.39 | | 26,521.62 |
| Payroll Deductions Payable | 304,689.45 | 7,062,589.21 | 7,282,725.82 | 84,552.84 |
| | \$ | \$ | \$ | \$ |
| | 11,222,049.07 | 9,405,218.88 | 10,130,647.91 | 10,496,620.04 |
| <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, 2020 | B | \$ 1,731,300.00 |
| Increased by: | | |
| Receipts | B-2 | <u>1,402,700.00</u> |
| | | \$ <u>3,134,000.00</u> |
| Decreased by: | | |
| Disbursements | B-2 | <u>1,085,800.00</u> |
| Balance, December 31, 2021 | B | \$ <u><u>2,048,200.00</u></u> |

"B-5"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

| | | |
|----------------------------|-----|----------------------------|
| Balance, December 31, 2020 | B | \$ 45,757.80 |
| Increased by: | | |
| Receipts | B-2 | <u>868,978.17</u> |
| | | \$ <u>914,735.97</u> |
| Decreased by: | | |
| Disbursements | B-2 | <u>888,633.19</u> |
| Balance, December 31, 2021 | B | \$ <u><u>26,102.78</u></u> |

"B-6"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2020 | B | \$ | 5,318.21 |
| Increased by: | | | |
| Receipts | | \$ | 20,404.51 |
| Interest Earned on Deposit | | | <u>196.45</u> |
| | B-2 | | <u>20,600.96</u> |
| | | \$ | <u>25,919.17</u> |
| Decreased by: | | | |
| Disbursements | B-2 | | <u>667.77</u> |
| Balance, December 31, 2021 | B | \$ | <u><u>25,251.40</u></u> |

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2020 | B | \$ | 16,204.59 |
| Increased by: | | | |
| Interest Earned on Deposit | | \$ | 115.18 |
| Receipts | | | <u>3,097.50</u> |
| | B-2 | | <u>3,212.68</u> |
| | | \$ | <u>19,417.27</u> |
| Decreased by: | | | |
| Disbursements | B-2 | | <u>7,000.00</u> |
| Balance, December 31, 2021 | B | \$ | <u><u>12,417.27</u></u> |

"B-8"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TRUST DEPOSITS

| | <u>REF.</u> | | |
|----------------------------|-------------|----|----------------------------|
| Balance, December 31, 2020 | B | \$ | 3,487,533.70 |
| Increased by: | | | |
| Interest Earned on Deposit | | \$ | 8,853.59 |
| Receipts | | | <u>68,480.17</u> |
| | B-2 | | 77,333.76 |
| | | \$ | <u>3,564,867.46</u> |
| Decreased by: | | | |
| Disbursements | B-2 | | <u>240,098.22</u> |
| Balance, December 31, 2021 | B | \$ | <u><u>3,324,769.24</u></u> |

"B-9"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

| | <u>REF.</u> | | |
|--|-------------|----|------------------|
| Balance, December 31, 2020 | B | \$ | 49,346.80 |
| Increased by: | | | |
| Cat License Fees Collected | | \$ | 525.00 |
| Dog License Fees Collected | | | 21,417.60 |
| Late Fees | | | 756.00 |
| Kennel/Pet Shop Licenses | | | 25.00 |
| | B-2 | \$ | 22,723.60 |
| Transfer Accounts Payable | B-11 | | 767.51 |
| | | | <u>23,491.11</u> |
| | | \$ | 72,837.91 |
| Decreased by: | | | |
| Expenditures Under R.S.4:19-15.11 | B-2 | \$ | 5,302.80 |
| Excess Reserve for Expenditures Due Current Fund | B-12 | | 19,888.91 |
| | | | <u>25,191.71</u> |
| Balance, December 31, 2021 | B | \$ | <u>47,646.20</u> |

LICENSE FEES COLLECTED

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------------|
| 2020 | \$ 23,269.00 |
| 2019 | <u>24,377.20</u> |
| | <u>\$ 47,646.20</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 | \$ | 2,204.40 |
| Decreased by: | | | |
| Paid to State Department of Health | B-2 | | <u>2,204.40</u> |

"B-11"

SCHEDULE OF ACCOUNTS PAYABLE - ANIMAL CONTROL FUND

| | | | |
|--------------------------------------|-----|----|---------------|
| Balance, December 31, 2020 | B | \$ | 767.51 |
| Decreased by: | | | |
| Transfer to Reserve for Expenditures | B-9 | | <u>767.51</u> |

"B-12"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST FUND

| | <u>REF.</u> | |
|--|-------------|---------------------|
| Balance, December 31, 2020 (Due To) | B | \$ 8,134.38 |
| Increased by: | | |
| Excess Reserve for Animal Control Expenditures | B-9 | <u>19,888.91</u> |
| Balance, December 31, 2021 (Due To) | B | \$ <u>28,023.29</u> |

"B-13"

SCHEDULE OF DUE CURRENT FUND - OTHER TRUST FUND

| | | |
|---------------------------------------|-----|------------------------|
| Balance, December 31, 2020 (Due From) | B | \$ 79,958.27 |
| Increased by: | | |
| Disbursements | B-2 | <u>5,129,642.51</u> |
| | | \$ <u>5,209,600.78</u> |
| Decreased by: | | |
| Receipts | B-2 | <u>4,407,754.74</u> |
| Balance, December 31, 2021 (Due From) | B | \$ <u>801,846.04</u> |

"B-14"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND - OTHER TRUST FUND

REF.

| | | |
|---------------------------------------|-----|------------------------|
| Increased by: | | |
| Disbursements | B-2 | \$ <u>1,200,000.00</u> |
| Balance, December 31, 2021 (Due From) | B | \$ <u>1,200,000.00</u> |

"B-15"

SCHEDULE OF DUE SEWER OPERATING FUND - OTHER TRUST FUND

| | | |
|---------------------------------------|-----|---------------------|
| Increased by: | | |
| Disbursements | B-2 | \$ 54,784.55 |
| Decreased by: | | |
| Receipts | B-2 | <u>563.56</u> |
| Balance, December 31, 2021 (Due From) | B | \$ <u>54,220.99</u> |

"C-2"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | | |
|-----------------------------|-------------|-----------------|-------------------------|
| Balance, December 31, 2020 | C | | \$ 4,606,360.49 |
| Increased by Receipts: | | | |
| Budget Appropriations: | | | |
| Capital Improvement Fund | C-7 | \$ 500,000.00 | |
| Deferred Unfunded | C-6 | 385,000.00 | |
| Fund Balance | C-1 | 206,132.76 | |
| Bond Anticipation Notes | C-11 | 22,454,000.00 | |
| Due Current Fund | C-17 | 1,177,686.10 | |
| Due Trust Other | C-18 | 1,200,000.00 | |
| Sale of Bonds | C-6 | 5,550,000.00 | |
| | | | <u>31,472,818.86</u> |
| | | | \$ 36,079,179.35 |
| Decreased by Disbursements: | | | |
| Contracts Payable | C-12 | \$ 6,934,925.35 | |
| Due Current Fund | C-17 | 1,200,000.00 | |
| Fund Balance | C-1 | 207,601.15 | |
| Bond Anticipation Notes | C-11 | 17,464,295.00 | |
| | | | <u>25,806,821.50</u> |
| Balance, December 31, 2021 | C | | \$ <u>10,272,357.85</u> |

"C-3"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

| | BALANCE DECEMBER <u>31, 2021</u> |
|--|--|
| Capital Improvement Fund | \$ 161,173.30 |
| Fund Balance | 602,913.61 |
| Reserve for Capital Projects | 150,000.00 |
| Reserve for Preliminary Expenses | 5,000.00 |
| Reserve for Debt Service | 7,601.15 |
| Due Current Fund | (22,944.76) |
| Due Trust Other Fund | 1,200,000.00 |
| Contracts Payable | 7,220,946.33 |
| Unexpended Proceeds of Bond Anticipation Notes (Listed on C-6) | 2,920,787.51 |
| Funded Improvement Authorizations | 232,174.48 |
| Unfunded Improvements Expended (Listed on C-6) | <u>(2,205,293.77)</u> |
| | \$ <u>10,272,357.85</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, 2020 | C | | \$ 49,996,597.99 |
| Increased by: | | | |
| Bond Sale | C-6 | | 5,550,000.00 |
| | | | <u>\$ 55,546,597.99</u> |
| Decreased by: | | | |
| Improvement Authority Loans Paid by Budget | C-15 | \$ 306,947.06 | |
| Green Acres Loans Paid by Budget | C-16 | 83,315.49 | |
| Infrastructure Loans Paid by Budget | C-13 | 52,104.75 | |
| Bonds Paid by Budget | C-10 | <u>3,852,000.00</u> | |
| | | | <u>4,294,367.30</u> |
| Balance, December 31, 2021 | C | | <u>\$ 51,252,230.69</u> |

"C-5"

SCHEDULE OF RESERVE FOR PRELIMINARY EXPENSES

| | | |
|----------------------------|---|--------------------|
| Balance, December 31, 2020 | | |
| and December 31, 2021 | C | \$ <u>5,000.00</u> |

"C-7"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>REF.</u> | |
|--------------------------------------|-------------|-----------------------------|
| Balance, December 31, 2020 | C | \$ 161,173.30 |
| Increased by: | | |
| 2021 Budget Appropriation | C-2 | 500,000.00 |
| | | \$ <u>661,173.30</u> |
| Decreased by: | | |
| Appropriated to Finance Improvements | C-9 | 500,000.00 |
| Balance, December 31, 2021 | C | \$ <u><u>161,173.30</u></u> |

"C-8"

SCHEDULE OF RESERVE FOR CAPITAL PROJECTS

| | | |
|---|---|-----------------------------|
| Balance, December 31, 2020 and December 31, 2021 | C | \$ <u><u>150,000.00</u></u> |
|---|---|-----------------------------|

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| Ordinance | BALANCE - DECEMBER 31, 2020 | | 2021 AUTHORIZATIONS | EXPENDED | CONTRACTS PAYABLE CANCELED | BALANCE - DECEMBER 31, 2021 | |
|---|-----------------------------|-----------------|------------------------|-----------------|----------------------------------|-----------------------------|-----------------|
| | FUNDED | UNFUNDED | | | | FUNDED | UNFUNDED |
| 07-02 Construction of Municipal Complex | \$ 94,617.82 | \$ | \$ | | \$ | \$ 94,617.82 | \$ |
| 08-03 Various Road and Drainage Improvements | 1,775.67 | | | | | 1,775.67 | |
| 08-04 Various Improvements | 816.36 | | | | | 816.36 | |
| 10-03 Various Improvements | | | | | 4,337.50 | 4,337.50 | |
| 11-06 Various Improvements | 13,715.70 | | | | | 13,715.70 | |
| 11-07 Various Improvements | 1,205.00 | | | | | 1,205.00 | |
| 13-06 Various Road Improvements | | | | | 71,722.35 | 71,722.35 | |
| 16-13 Various Road Improvements | | | | | 4,322.50 | 4,322.50 | |
| 16-14 Acquisition of Various Public Equipment | 39,634.94 | | | | | 39,634.94 | |
| 17-14 Various Road Improvements | | 132,914.20 | | 135,148.26 | 2,260.40 | 26.34 | |
| 17-15 Acquisition of Various Public Works Equipment | | 0.30 | | | | 0.30 | |
| 18-07 Various Road Improvements | | 41,587.70 | | 24,915.45 | | | 16,672.25 |
| 18-10 Various Acquisitions and Improvements | | 107,687.47 | | 5,167.00 | | | 102,520.47 |
| 19-11 Various Public Works Equipment | | 42,149.42 | | 418.78 | | | 41,730.64 |
| 19-13 Various Road Improvements | | 168,445.31 | | 36,985.31 | | | 131,460.00 |
| 20-15 Various Road Improvements | | 1,900,272.53 | | 1,439,663.57 | | | 460,608.96 |
| 20-20 Demolition of Existing Bldg on Mountain Top Road | | 33,717.00 | | 2,750.00 | | | 30,967.00 |
| 21-07 Various Road Improvements | | | 8,000,000.00 | 5,832,204.81 | | | 2,167,795.19 |
| 21-25 Improvements to Various Streets, Roads & Infrastructure | | | 2,000,000.00 | 1,919,065.99 | | | 80,934.01 |
| | \$ 151,765.49 | \$ 2,426,773.93 | \$ 10,000,000.00 | \$ 9,396,319.17 | \$ 82,842.75 | \$ 232,174.48 | \$ 3,032,688.52 |
| | C | C | | C-12 | C-12 | C | C-C-8 |
| Deferred Charges To Future Taxation - Unfunded | | | \$ 9,500,000.00 | | | | |
| Capital Improvement Fund | | | 500,000.00 | | | | |
| | | | \$ 10,000,000.00 | | | | |

REF.

C-6

C-7

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

| PURPOSE | DATE OF ISSUE | AMOUNT OF ORIGINAL ISSUE | OUTSTANDING | | INTEREST RATE | BALANCE DECEMBER 31, 2020 | INCREASED | DECREASED | BALANCE DECEMBER 31, 2021 |
|---|---------------------|----------------------------------|-----------------|--------------|---------------|-------------------------------|-----------------|--------------------------|-----------------------------|
| | | | DATE | AMOUNT | | | | | |
| General Improvement Refunding Bonds General Improvements | 5/19/19 4/1/12 | \$ 2,108,000.00 16,642,000.00 | 07/15/2022 | 684,000.00 | 1.970% | \$ 1,391,000.00 | \$ | \$ 707,000.00 | \$ 684,000.00 |
| | | | 4/1/2022-2026 | 1,010,000.00 | 3.000% | | | | |
| | | | 04/01/2027 | 1,010,000.00 | 3.125% | | | | |
| | | | 4/1/2028-2029 | 1,010,000.00 | 3.250% | | | | |
| | | | 04/01/2030 | 1,010,000.00 | 3.375% | | | | |
| | 10/1/12 8/1/2016 | 5,655,000.00 8,349,000.00 | 04/01/2031 | 1,010,000.00 | 3.500% | 12,007,000.00 1,210,000.00 | | 895,000.00 610,000.00 | 11,112,000.00 600,000.00 |
| | | | 04/01/2032 | 1,012,000.00 | 3.500% | | | | |
| | | | 10/01/2022 | 600,000.00 | 4.000% | | | | |
| | | | 08/01/2022 | 250,000.00 | 4.000% | | | | |
| | | | 08/01/2023 | 455,000.00 | 4.000% | | | | |
| General Improvement Refunding Bonds | 8/24/2017 | 14,605,000.00 | 08/01/2024 | 460,000.00 | 4.000% | 7,349,000.00 | | 250,000.00 | 7,099,000.00 |
| | | | 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% | | | | |
| | | | 09/01/2022 | 930,000.00 | 4.000% | | | | |
| General Improvement Bonds | 8/9/2018 | 13,170,000.00 | 9/1/2023-2024 | 935,000.00 | 4.000% | 14,575,000.00 | | 940,000.00 | 13,635,000.00 |
| | | | 09/01/2025 | 930,000.00 | 5.000% | | | | |
| | | | 09/01/2026 | 965,000.00 | 5.000% | | | | |
| | | | 09/01/2027 | 975,000.00 | 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% | | | | |
| | | | 09/01/2032 | 990,000.00 | 3.000% | | | | |
| | | | 09/01/2033 | 980,000.00 | 3.000% | | | | |
| General Improvement Bonds | 8/1/2021 | 5,550,000.00 | 09/01/2034 | 970,000.00 | 3.000% | 12,200,000.00 | | 450,000.00 | 11,750,000.00 |
| | | | 09/01/2035 | 1,055,000.00 | 3.000% | | | | |
| | | | 08/01/2022 | 555,000.00 | 5.000% | | | | |
| | | | 09/01/2023 | 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 | 700,000.00 | 3.000% | | | | |
| | | | 08/01/2029 | 720,000.00 | 3.000% | | | | |
| General Improvement Bonds | 8/1/2021 | 5,550,000.00 | 08/01/2030 | 740,000.00 | 3.000% | 12,200,000.00 | | 450,000.00 | 11,750,000.00 |
| | | | 08/01/2031 | 765,000.00 | 3.000% | | | | |
| | | | 08/01/2032 | 785,000.00 | 3.000% | | | | |
| | | | 08/01/2033 | 815,000.00 | 3.000% | | | | |
| | | | 08/01/2034 | 840,000.00 | 3.000% | | | | |
| | | | 08/01/2035 | 865,000.00 | 3.395% | | | | |
| | | | 08/01/2036 | 885,000.00 | 3.125% | | | | |
| | | | 08/01/2037 | 900,000.00 | 3.250% | | | | |
| | | | 08/01/2022 | 190,000.00 | 2.000% | | | | |
| | | | 08/01/2023 | 280,000.00 | 2.000% | | | | |
| General Improvement Bonds | 8/1/2025-2028 | | 08/01/2024 | 280,000.00 | 2.750% | | | | |
| | | | 8/1/2025-2028 | 350,000.00 | 4.000% | | | | |
| | | | 08/01/2027 | 360,000.00 | 4.000% | | | | |
| | | | 08/01/2028 | 370,000.00 | 4.000% | | | | |
| | | | 08/01/2029 | 370,000.00 | 3.000% | | | | |
| | | | | | | \$ 5,550,000.00 | | | \$ 5,550,000.00 |
| | | | | | | \$ 48,732,000.00 | \$ 5,550,000.00 | \$ 3,852,000.00 | \$ 50,430,000.00 |

REF.

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ORIGINAL ISSUE</u> | <u>DATE OF ISSUE</u> | <u>DATE OF MATURITY</u> | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2020</u> | <u>INCREASED</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|-----------------------------|---------------------------------------|---------------------------------------|--------------------------|-----------------------------|--------------------------|--|-------------------------|-------------------------|--|
| 17-14 | Various Road Improvements | 08/09/18 | 08/05/20 | 08/04/21 | 2.00% | \$ 5,809,075.00 | \$ | 5,809,075.00 | \$ |
| 17-15 | Acquisition of Public Works Equipment | 08/09/18 | 08/05/21 | 08/04/21 | 2.00% | 221,629.86 | | 221,629.86 | |
| 18-07 | Various Road Improvements | 08/07/19 | 08/03/21 | 08/02/22 | 1.00% | 5,398,779.00 | 5,398,779.00 | 5,398,779.00 | 5,398,779.00 |
| 18-10 | Various Acquisitions and Improvements | 08/07/19 | 08/03/21 | 08/02/22 | 1.00% | 431,146.00 | 431,146.00 | 431,146.00 | 431,146.00 |
| 19-11 | Various Public Works Equipment | 08/05/20 | 08/03/21 | 08/02/22 | 1.00% | 318,609.14 | 318,609.00 | 318,609.14 | 318,609.00 |
| 19-13 | Various Road Improvements | 08/05/20 | 08/03/21 | 08/02/22 | 1.00% | 5,380,761.00 | 5,380,761.00 | 5,380,761.00 | 5,380,761.00 |
| 20-15 | Various Road Improvements | 08/03/21 | 08/03/21 | 08/02/22 | 1.00% | 3,325,000.00 | 3,325,000.00 | | 3,325,000.00 |
| 21-07 | Various Road Improvements | 08/03/21 | 08/03/21 | 08/02/22 | 1.00% | 7,599,705.00 | 7,599,705.00 | | 7,599,705.00 |
| | | | | | | <u>\$ 17,560,000.00</u> | <u>\$ 22,454,000.00</u> | <u>\$ 17,560,000.00</u> | <u>\$ 22,454,000.00</u> |
| | | | | | | C | C-2 | | C-C-6 |
| | | | | | <u>REF.</u> | | | | |
| | | | | | C-2 | | | \$ 17,464,295.00 | |
| | | | | | C-6 | | | <u>95,705.00</u> | |
| | | | | | | | | <u>\$ 17,560,000.00</u> | |

Disbursements
Bond Anticipation Notes Paid by Budget

"C-12"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

| | <u>REF.</u> | | |
|---------------------------------------|-------------|------------------|-------------------------------|
| Balance, December 31, 2020 | C | | \$ 4,842,195.26 |
| Increased by: | | | |
| Charges to Improvement Authorizations | C-9 | | 9,396,319.17 |
| | | | <u>\$ 14,238,514.43</u> |
| Decreased by: | | | |
| Disbursements | C-2 | \$ 6,934,925.35 | |
| Canceled | C-9 | <u>82,642.75</u> | |
| | | | <u>7,017,568.10</u> |
| Balance, December 31, 2021 | C | | <u><u>\$ 7,220,946.33</u></u> |

"C-13"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR INFRASTRUCTURE LOAN PAYABLE

| | <u>REF.</u> | | |
|----------------------------|-------------|----|------------------|
| Balance, December 31, 2020 | C | \$ | 52,104.75 |
| Decreased by: | | | |
| Payment on Loan | C-4 | | <u>52,104.75</u> |

"C-14"

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

| | | | |
|---|---|----|-----------------|
| Balance, December 31, 2020 and December 31, 2021 | C | \$ | <u>7,601.15</u> |
|---|---|----|-----------------|

"C-15"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORITY LOANS PAYABLE

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2020 | C | \$ 1,129,177.75 |
| Decreased by: | | |
| Payment on Loans | C-4 | <u>306,947.06</u> |
| Balance, December 31, 2021 | C | <u>\$ 822,230.69</u> |

"C-16"

SCHEDULE OF GREEN ACRES LOAN PAYABLE

| | | |
|----------------------------|-----|------------------|
| Balance, December 31, 2020 | C | \$ 83,315.49 |
| Decreased by: | | |
| Payment on Loans | C-4 | <u>83,315.49</u> |

"C-17"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF DUE CURRENT FUND

| | <u>REF.</u> | |
|--|-------------|--|
| Balance, December 31, 2020 (Due From) | C | \$ 630.86 |
| Increased by: Receipts | C-2 | <u>1,200,000.00</u> \$ 1,200,630.86 |
| Decreased by: Disbursements | C-2 | <u>1,177,686.10</u> |
| Balance, December 31, 2021 (Due From) | C | \$ <u>22,944.76</u> |

"C-18"

SCHEDULE OF DUE TRUST OTHER FUND

| | | |
|--|-----|------------------------|
| Increased by: Disbursements | C-2 | \$ <u>1,200,000.00</u> |
| Balance, December 31, 2021 (Due From) | C | \$ <u>1,200,000.00</u> |

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|-----------------------------|--|--------------------------------------|
| 06-14 | Various Road Improvements | \$ 226,899.78 |
| 20-20 | Demolition of Existing Bldg on Mountain Top Road | 190,000.00 |
| 21-07 | Various Road Improvements | 295.00 |
| 21-25 | Improvements to Various Streets, Roads & Infrastructures | <u>1,900,000.00</u> |
| | | <u>\$ 2,317,194.78</u> |

"D-5"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF CHANGE FUND

REF.

Balance, December 31, 2020
and December 31, 2021

D

\$ 100.00

"D-6"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

| | <u>REF.</u> | <u>OPERATING</u> | <u>CAPITAL</u> |
|---------------------------------------|-------------|------------------|-----------------|
| Balance, December 31, 2020 | D | \$ 2,139,284.90 | \$ 5,765,338.94 |
| Increased by Receipts: | | | |
| Sewer Charges Receivable | D-8 | \$ 9,442,894.15 | \$ |
| Miscellaneous Revenue Not Anticipated | D-1:D-3 | 214,448.36 | |
| Due Current Fund | D-10 | 59,327.94 | |
| Due Sewer Utility Operating Fund | D-27 | | 541,150.00 |
| Sewer Overpayments | D-9 | 40,986.89 | |
| Due Trust Other Fund | D-20 | 54,784.55 | |
| Township of Warren - Debt Service | D-1:D-3 | 48,900.22 | |
| Sewer Capital Fund Balance | D-1:D-3 | 541,150.00 | |
| Prepaid Sewer Charges | D-19 | 25,942.70 | |
| | | \$ 10,428,434.81 | \$ 541,150.00 |
| | | \$ 12,567,719.71 | \$ 6,306,488.94 |
| Decreased by Disbursements: | | | |
| 2021 Budget Appropriations | D-4 | \$ 10,103,993.61 | \$ |
| 2020 Appropriation Reserves | D-18 | 161,863.96 | |
| Fund Balance | D-2 | | 541,150.00 |
| Due Current Fund | D-10 | 104,523.79 | |
| Sewer Overpayments | D-9 | 1,554.23 | |
| Reserve for Preliminary Costs | D-11 | | 325.00 |
| Due Trust Other Fund | D-20 | 563.56 | |
| Due Sewer Capital Fund | D-26 | 541,150.00 | |
| Contracts Payable | D-13 | | 1,153,398.21 |
| Accrued Interest on Bonds | D-29 | 202,160.22 | |
| Accrued Interest on Loans | D-28 | 3,123.85 | |
| | | \$ 11,118,933.22 | \$ 1,694,873.21 |
| Balance, December 31, 2021 | D:D-7 | \$ 1,448,786.49 | \$ 4,611,615.73 |

"D-7"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

BALANCE
DECEMBER
31, 2021

SEWER:

| | |
|---|------------------------|
| Fund Balance | \$ 1,119,857.37 |
| Contracts Payable | 949,446.26 |
| Due Sewer Operating | 541,150.00 |
| Capital Improvement Fund | 843.56 |
| Improvement Authorizations - Funded: | |
| Ord. # 16-12 Various Sewer Utility Improvements | 533,693.95 |
| Ord. # 18-09 Various Sewer Utility Improvements | 1,717,529.77 |
| Ord. # 19-12 Various Sewer Utility Improvements | 225,927.55 |
| Ord. # 21-13 Imp to Gilbridge & Middlebrook Pump Stations | 853,709.03 |
| Authorized but not Issued | (2,978,496.48) |
| Unfunded Improvements Expended | <u>1,647,954.72</u> |
| | <u>\$ 4,611,615.73</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, 2020 | D | \$ | 289,547.94 |
| Increased by: | | | |
| Sewer Charges Levied (Net) | | | <u>9,573,683.64</u> |
| | | \$ | <u>9,863,231.58</u> |
| Decreased By: | | | |
| Collections | D-6 | \$ | 9,442,894.15 |
| Prepaid Applied | D-19 | | 24,281.64 |
| Sewer Overpayments Applied | D-9 | | 2,935.99 |
| Canceled | | | <u>10,409.01</u> |
| | | | <u>9,480,520.79</u> |
| Balance, December 31, 2021 | D | \$ | <u><u>382,710.79</u></u> |

"D-9"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGE OVERPAYMENTS

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2020 | D | \$ | 2,938.76 |
| Increased by: | | | |
| Receipts | D-6 | | <u>40,986.89</u> |
| | | \$ | <u>43,925.65</u> |
| Decreased by: | | | |
| Applied | D-8 | \$ | 2,935.99 |
| Refunded | D-6 | | <u>1,554.23</u> |
| | | | <u>4,490.22</u> |
| Balance, December 31, 2021 | D | \$ | <u><u>39,435.43</u></u> |

"D-10"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF DUE CURRENT FUND

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2020 | | |
| Due To | D | \$ 2,801.31 |
| Increased by: | | |
| Receipts | D-6 | <u>59,327.94</u> |
| | | \$ <u>62,129.25</u> |
| Decreased by: | | |
| Disbursements | D-6 | <u>104,523.79</u> |
| Balance, December 31, 2021 | | |
| Due From | D | \$ <u><u>42,394.54</u></u> |

"D-11"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR PRELIMINARY COSTS

| | <u>REF.</u> | |
|----------------------------|-------------|---------------|
| Balance, December 31, 2020 | D | \$ 325.00 |
| Decreased by: | | |
| Disbursements | D-6 | <u>325.00</u> |

"D-12"

SEWER UTILITY FUND

SCHEDULE OF CONNECTION CHARGES RECEIVABLE

| | | |
|---|---|------------------|
| Balance, December 31, 2020 and December 31, 2021 (Overpayment) | D | \$ <u>550.00</u> |
|---|---|------------------|

"D-13"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

| | <u>REF.</u> | |
|---------------------------------------|-------------|-----------------------------|
| Balance, December 31, 2020 | D | \$ 358,997.35 |
| Increased by: | | |
| Charges to Improvement Authorizations | D-24 | 1,743,847.12 |
| | | \$ <u>2,102,844.47</u> |
| Decreased by: | | |
| Disbursements | D-6 | <u>1,153,398.21</u> |
| Balance, December 31, 2021 | D | \$ <u><u>949,446.26</u></u> |

"D-14"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ENCUMBRANCES AND ACCOUNTS PAYABLE

| | <u>REF.</u> | | |
|----------------------------------|-------------|------------------|-----------------------------|
| Balance, December 31, 2020 | D | | \$ 156,678.60 |
| Increased by: | | | |
| 2021 Appropriations | D-4 | \$ 214,468.92 | |
| 2020 Appropriation Reserves | D-18 | <u>37,542.05</u> | |
| | | | <u>252,010.97</u> |
| | | | \$ <u>408,689.57</u> |
| Decreased by: | | | |
| 2020 Appropriation Reserves | D-18 | | <u>132,650.54</u> |
| Balance, December 31, 2021 | | | \$ <u><u>276,039.03</u></u> |
| Reserve for Encumbrances Payable | D | | \$ 252,010.97 |
| Reserve for Accounts Payable | D | | <u>24,028.06</u> |
| | | | \$ <u><u>276,039.03</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, 2020</u> | <u>INCREASED BY</u> | <u>BALANCE DECEMBER 31, 2021</u> |
|-----------------------------|--|---------------------------|--|-------------------------|--|
| 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 |
| 19-12 | Various Sewer Utility Improvements | 07/01/19 | 2,000,000.00 | | 2,000,000.00 |
| 21-13 | Imp to Gilbridge & Middlebrook Pump Stations | 06/21/21 | | 1,500,000.00 | 1,500,000.00 |
| 21-24 | Middlebrook Trunk Sewer Renovations | 12/20/21 | | 400,000.00 | 400,000.00 |
| | | | <u>\$ 12,250,200.00</u> | <u>\$ 1,900,000.00</u> | <u>\$ 14,150,200.00</u> |
| | <u>REF.</u> | | D | D-24 | D |

"D-16"

SCHEDULE OF FIXED CAPITAL

| <u>ACCOUNT</u> | <u>BALANCE DECEMBER 31, 2020 & 2021</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 |
| Gilbridge Pump Station | 1,224,610.00 |
| Bradley Gardens Sewer System | 655,733.15 |
| Finderne Section Sewer System | 488,035.94 |
| North trunk Line Manhole Rehabilitation | 819,191.78 |
| Various Sewer Improvements | 1,730,027.61 |
| Relining Sewer Mains- Bradley Gardens, Finderne and Somerville Roads | 1,423,239.10 |
| | <u>\$ 20,972,049.58</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, 2020 | D | <u>843.56</u> |
| Increased by: | | |
| Canceled Appropriation | D-24 | <u>1,500,000.00</u> |
| | | \$ <u>1,500,843.56</u> |
| Decreased by: | | |
| Appropriated to Finance Improvements | D-22 | <u>1,500,000.00</u> |
| Balance, December 31, 2021 | D | \$ <u><u>843.56</u></u> |

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2020 | BALANCE AFTER MODIFICATION | PAID OR CHARGED | BALANCE LAPSED |
|--|---------------------------------|----------------------------------|----------------------|----------------------|
| Operating: | | | | |
| Salaries and Wages | \$ 77,234.38 | \$ 77,234.38 | \$ 741.60 | \$ 76,492.78 |
| Other Expenses | 129,655.75 | 262,306.29 | 198,664.41 | 63,641.88 |
| Somerset Raritan Valley Sewerage Authority | | | | |
| Statutory Expenditures: | | | | |
| Contribution to Social Security System | 140,000.00 | 140,000.00 | | 140,000.00 |
| | <u>\$ 346,890.13</u> | <u>\$ 479,540.67</u> | <u>\$ 199,406.01</u> | <u>\$ 280,134.66</u> |
| REF. | D | | | D-1 |
| Balance, December 31, 2020 | \$ 346,890.13 | \$ 346,890.13 | | |
| Transfer of Encumbrances Payable | | 132,650.54 | | |
| | <u>\$ 479,540.67</u> | <u>\$ 479,540.67</u> | | |
| Disbursements | | \$ 161,863.96 | | |
| Encumbrances Payable | | 37,542.05 | | |
| | | <u>\$ 199,406.01</u> | | |

"D-19"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF PREPAID SEWER CHARGES

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2020 | D | \$ 24,281.64 |
| Increased by: | | |
| Receipts | D-6 | 25,942.70 |
| | | \$ <u>50,224.34</u> |
| Decreased by: | | |
| Prepaid Applied | D-8 | <u>24,281.64</u> |
| Balance, December 31, 2021 | D | \$ <u><u>25,942.70</u></u> |

"D-20"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF DUE TRUST OTHER FUND

| | <u>REF.</u> | |
|-------------------------------------|-------------|----------------------------|
| Increased by: | | |
| Receipts | D-6 | \$ 54,784.55 |
| Decreased by: | | |
| Disbursements | D-6 | <u>563.56</u> |
| Balance, December 31, 2021 (Due To) | D | \$ <u><u>54,220.99</u></u> |

"D-21"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2020 | D | \$ 341,584.68 |
| Decreased by: | | |
| Loans Paid by Budget | D-4 | <u>37,398.28</u> |
| Balance, December 31, 2021 | D | <u>\$ 304,186.40</u> |

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE</u> | BALANCE DECEMBER 31, 2020 | INCREASED | BALANCE DECEMBER 31, 2021 |
|-----------------------------|--|-------------|---------------------------------|------------------------|---------------------------------|
| 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 |
| 19-12 | Various Sewer Utility Improvements | 07/01/19 | 2,000,000.00 | | 2,000,000.00 |
| 21-13 | Imp to Gilbridge & Middlebrook Pump Stations | 06/21/21 | | 1,500,000.00 | 1,500,000.00 |
| | | | <u>\$ 7,744,500.00</u> | <u>\$ 1,500,000.00</u> | <u>\$ 9,244,500.00</u> |
| | <u>REF.</u> | | D | D-17 | D |

"D-23"

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

| | <u>REF.</u> | |
|---------------------------------------|-------------|-------------------------|
| Balance, December 31, 2020 | D | \$ 16,682,668.42 |
| Increased by: | | |
| Serial Bonds Paid by Operating Budget | D-25 | <u>334,398.28</u> |
| Balance, December 31, 2021 | D | \$ <u>17,017,066.70</u> |

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE | IMPROVEMENT DESCRIPTION | ORDINANCE AMOUNT | BALANCE, DECEMBER 31, 2020 | | 2021 AUTHORIZATIONS | IMPROVEMENT AUTHORIZATION CANCELED | CONTRACTS PAYABLE | BALANCE, DECEMBER 31, 2021 | |
|-----------|--|---------------------|----------------------------|-----------------|------------------------|--|----------------------|----------------------------|-----------------|
| | | | FUNDED | UNFUNDED | | | | FUNDED | UNFUNDED |
| 09-10 | improvements to the Sanitary Sewer System | \$ 1,300,000.00 | \$ | \$ 167.00 | \$ | \$ | \$ | \$ | \$ 167.00 |
| 15-07 | Various Sewer Utility Improvements | 1,580,000.00 | | 281,799.61 | | | | | 281,799.61 |
| 16-12 | Various Sewer Utility Improvements | 3,225,000.00 | 533,693.95 | | | | 533,693.95 | | |
| 17-20 | Various Sewer Utility Improvements | 3,719,700.00 | 642,844.26 | 1,420,700.00 | | 1,097,556.15 | | | 965,988.11 |
| 18-09 | Various Sewer Utility Improvements | 1,745,500.00 | 1,717,529.77 | | | | 1,717,529.77 | | |
| 19-12 | Various Sewer Utility Improvements | 2,000,000.00 | 1,725,927.55 | | | | 225,927.55 | | |
| 21-13 | Imp to Gidbridge & Middlebrook Pump Stations | 1,500,000.00 | | | 1,500,000.00 | | 646,290.97 | 853,709.03 | |
| 21-24 | Middlebrook Trunk Sewer Renovations | 400,000.00 | | | 400,000.00 | | | | 400,000.00 |
| | | \$ | \$ 4,619,995.53 | \$ 1,702,666.61 | \$ 1,900,000.00 | \$ 1,500,000.00 | \$ 1,743,847.12 | \$ 3,330,860.30 | \$ 1,647,954.72 |
| REF. | | | D | D | D-15 | D-17 | D-13 | D | D |

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF SEWER SERIAL BONDS PAYABLE

| | DATE OF ISSUE | ORIGINAL ISSUE | MATURITIES OF BONDS OUTSTANDING | | INTEREST RATE | BALANCE DECEMBER 31, 2020 | DECREASED | BALANCE DECEMBER 31, 2021 |
|--|------------------|-------------------|---------------------------------|--------------|------------------|---------------------------------|---------------|---------------------------------|
| | | | DATE | AMOUNT | | | | |
| Sewer Utility Refunding Bonds Sewer Utility Bonds | 5/19/19 | \$ | 07/15/2022 | \$ 37,000.00 | 1.970% | \$ 74,000.00 | \$ 37,000.00 | \$ 37,000.00 |
| | 4/1/12 | 636,000.00 | 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% | 441,000.00 | 25,000.00 | 416,000.00 |
| | 8/9/18 | 5,740,000.00 | 08/01/2022 | 245,000.00 | 5.000% | | | |
| Sewer Utility Bonds | | | 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% | | | |
| | | | 08/01/2030 | 325,000.00 | 3.000% | | | |
| | | | 08/01/2031 | 335,000.00 | 3.000% | | | |
| | | | 08/01/2032 | 345,000.00 | 3.000% | | | |
| | | | 08/01/2033 | 355,000.00 | 3.000% | | | |
| | | | 08/01/2034 | 370,000.00 | 3.000% | | | |
| | | | 8/1/2035-2036 | 380,000.00 | 3.125% | | | |
| | | | 08/01/2037 | 380,000.00 | 3.250% | | | |
| | | | | | | 5,360,000.00 | 235,000.00 | 5,125,000.00 |
| | | | | | | \$ 5,875,000.00 | \$ 297,000.00 | \$ 5,578,000.00 |

REF.

D

D-4

D

"D-26"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF DUE SEWER UTILITY CAPITAL FUND

| | <u>REF.</u> | |
|---------------------------------------|-------------|-----------------------------|
| Increased by: | | |
| Disbursements | D-6 | \$ <u>541,150.00</u> |
| Balance, December 31, 2021 (Due From) | D | \$ <u><u>541,150.00</u></u> |

"D-27"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE SEWER UTILITY OPERATING FUND

| | | |
|-------------------------------------|-----|-----------------------------|
| Increased by: | | |
| Receipts | D-6 | \$ <u>541,150.00</u> |
| Balance, December 31, 2021 (Due To) | D | \$ <u><u>541,150.00</u></u> |

"D-28"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ACCRUED INTEREST ON LOANS

| | <u>REF.</u> | |
|------------------------------|-------------|---------------------------|
| Balance, December 31, 2020 | D | \$ 2,311.31 |
| Increased by: | | |
| Budget Appropriation Charges | D-4 | 2,208.37 |
| | | \$ <u>4,519.68</u> |
| Decreased by: | | |
| Interest Paid | D-6 | <u>3,123.85</u> |
| Balance, December 31, 2021 | D | \$ <u><u>1,395.83</u></u> |

"D-29"

SCHEDULE OF ACCRUED INTEREST ON BONDS

| | | |
|------------------------------|-----|---------------------------|
| Balance, December 31, 2020 | D | \$ 9,119.21 |
| Increased by: | | |
| Budget Appropriation Charges | D-4 | 202,500.00 |
| | | \$ <u>211,619.21</u> |
| Decreased by: | | |
| Interest Paid | D-6 | <u>202,160.22</u> |
| Balance, December 31, 2021 | D | \$ <u><u>9,458.99</u></u> |

"D-30"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u> |
|------------------|---|--|
| | Sewer Utility Capital Fund: | |
| 98-11 | Purchase of Equipment | \$ 380.87 |
| 09-10 | Improvements to the Sanitary Sewer System | 167.00 |
| 13-05 | Various Sewer Utility Improvements | 319,458.61 |
| 15-07 | Various Sewer Utility Improvements | 837,790.00 |
| 17-20 | Various Sewer Utility Improvements | 1,420,700.00 |
| 21-24 | Middlebrook Trunk Sewer Renovations | <u>400,000.00</u> |
| | | <u>\$ 2,978,496.48</u> |

TOWNSHIP OF BRIDGEWATER

PART II

SINGLE AUDIT SECTION

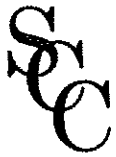
REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL FINANCIAL
ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

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E-mail info@scnco.com

**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, 2021, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated August 15, 2022. 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) as a basis for designing 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 financial statements. 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

August 15, 2022



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the Township of Bridgewater's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Township of Bridgewater's major federal programs for the year ended December 31, 2021. The Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Bridgewater's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township of Bridgewater's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Township of Bridgewater's compliance.

SUPLEE, CLOONEY & COMPANY

Opinion on Each Major Federal Program

In our opinion, the Township of Bridgewater complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Report on Internal Control Over Compliance

Management of the Township of Bridgewater is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Bridgewater's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Bridgewater's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of State of New Jersey the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 15, 2022

TOWNSHIP OF BRIDGEWATER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

| FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE | ASSISTANCE LISTING NUMBER | GRANTOR'S NUMBER | GRANT AWARD AMOUNT | GRANT PERIOD | | 2021 RECEIPTS | 2021 EXPENDITURES | SUBRECIPIENT | CUMULATIVE EXPENDITURES DECEMBER 31, 2021 |
|---|---------------------------------|---------------------------------|--------------------------|--------------|----------|------------------|----------------------|--------------|--|
| | | | | FROM | TO | | | | |
| U.S. Department of Justice | | | | | | | | | |
| Federal Bulletproof Partnership Program - prior | 16.607 | | \$ 13,749.83 | Continuous | | \$ | \$ 5,589.23 | \$ | \$ 13,749.83 |
| Federal Bulletproof Partnership Program - FY 2018 | 16.607 | BVP-18094942 | 17,690.00 | Continuous | | 6,058.85 | | | 17,690.00 |
| Federal Bulletproof Partnership Program - FY 2019 | 16.607 | BVP-19099412 | 7,942.07 | Continuous | | 7,942.07 | | | 7,942.07 |
| Federal Bulletproof Partnership Program - FY 2021 | 16.607 | | 9,301.60 | Continuous | | 1,388.50 | 6,932.51 | | 6,932.51 |
| | | | | | | \$ 15,389.42 | \$ 20,463.81 | | \$ 46,314.41 |
| U.S.Department of Treasury | | | | | | | | | |
| Coronavirus Relief Fund | 21.019 | 20-100-022-8030-686 | \$ 545,876.00 | 3/1/20 | 12/31/21 | \$ 545,876.00 | \$ | | \$ 545,876.00 |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 21-100-022-8030-087 | 2,301,033.50 | 6/16/21 | 12/31/26 | 2,301,033.50 | 2,301,033.50 | | 2,301,033.50 |
| | | | | | | \$ 2,846,909.50 | \$ 2,301,033.50 | | \$ 2,846,909.50 |
| Pass Through From State of New Jersey | | | | | | | | | |
| Sustainable New Jersey - Radon Protection | 66.605 | 4820-100-047 | \$ 2,000.00 | Continuous | | \$ 5.00 | \$ | | \$ 1,995.00 |
| Sustainable New Jersey - Radon Protection | 66.605 | | 2,000.00 | Continuous | | 1,984.00 | | | 1,995.00 |
| | | | | | | \$ 1,989.00 | \$ | | |
| Emergency Management Assistance | 97.042 | 1200-100-066-1200-264-YEMR-6120 | 5,000.00 | Continuous | | | | | 4,762.50 |
| Emergency Management Assistance | 97.042 | 1200-100-066-1200-264-YEMR-6120 | 10,000.00 | Continuous | | | | | 3,712.52 |
| Emergency Management Assistance | 97.042 | 1200-100-066-1200-264-YEMR-6120 | 5,000.00 | Continuous | | | | | 2,500.00 |
| Emergency Management Assistance | 97.042 | 1200-100-066-1200-264-YEMR-6120 | 5,000.00 | Continuous | | | | | |
| Emergency Management Assistance | 97.042 | 1200-100-066-1200-264-YEMR-6120 | 5,000.00 | Continuous | | | | | |
| Emergency Management Assistance | 97.042 | 1200-100-066-1200-264-YEMR-6120 | 7,000.00 | Continuous | | | | | 28.98 |
| Emergency Management Assistance | 97.042 | 1200-100-066-1200-264-YEMR-6120 | 9,400.00 | Continuous | | | | | |
| Emergency Management Assistance | 97.042 | 1200-100-066-1200-264-YEMR-6120 | 20,000.00 | Continuous | | | | | |
| Emergency Management Assistance | 97.042 | 1200-100-066-1200-264-YEMR-6120 | 10,000.00 | Continuous | | 10,000.00 | | | |
| Emergency Management Assistance | 97.042 | 1200-100-066-1200-264-YEMR-6120 | 10,000.00 | Continuous | | 10,000.00 | | | 11,004.00 |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | | | | | | | |
| | | | \$ 2,874,267.92 | | | \$ 2,321,497.31 | \$ -0- | \$ | 2,906,222.91 |

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

TOWNSHIP OF BRIDGEWATER
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Township of Bridgewater, County of Somerset, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other governmental agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's financial statements - regulatory basis. The Township has elected not to use the 10 percent de minimus indirect cost rate as allowed under the uniform Guidance.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial report.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's regulatory basis financial statements. These amounts are reported in either the Current Fund or Grant Fund.

Receipts:

| | <u>Federal</u> |
|--------------|------------------------|
| Current Fund | \$ 2,846,909.50 |
| Grant Fund | <u>27,358.42</u> |
| | <u>\$ 2,874,267.92</u> |

Expenditures:

| | <u>Federal</u> |
|--------------|------------------------|
| Current Fund | \$ 2,301,033.50 |
| Grant Fund | <u>20,463.81</u> |
| | <u>\$ 2,321,497.31</u> |

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules.

TOWNSHIP OF BRIDGEWATER
SOMERSET COUNTY, NEW JERSEY

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

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| (1) Type of Auditor Report Issued: | Unmodified |
| (2) Internal Control over Financial Reporting: | |
| (a) Material weaknesses identified? | No |
| (b) Significant deficiencies that are not considered to be material weaknesses? | No |
| (3) Noncompliance material to the financial statements to be noted during the audit? | No |

Federal Programs(s)

- | | |
|---|------------|
| (1) Internal Control Over Major Federal Programs: | |
| (a) Material weaknesses identified? | No |
| (b) Significant deficiencies that are not considered to be material weaknesses? | No |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)? | Unmodified |
| (3) Any audit findings disclosed that are required to be reported in accordance with Circular OMB 15-08 and listed in Section III of this schedule? | No |
| (4) Identification of Major Federal Program(s): | |

| <u>Program</u> | <u>Assistance Listing Number</u> |
|---|----------------------------------|
| U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds | 21.027 |

TOWNSHIP OF BRIDGEWATER
SOMERSET COUNTY, NEW JERSEY

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

Section I - Summary of Auditor's Results (Continued)

Federal Program(s) (Continued)

(5) Program Threshold Determination:

 Type A State Program Threshold > \$750,000.00

 Type B State Program Threshold <= \$750,000.00

(6) Auditee qualified as a low-risk auditee under the Uniform Guidance? No

State Programs(s)- not applicable

Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported.

Compliance Findings

None Reported

Section III - Findings and Questioned Costs Relative to Major Federal Programs

Federal Programs - None Reported

TOWNSHIP OF BRIDGEWATER
SOMERSET COUNTY, NEW JERSEY

SCHEDULE OF PRIOR YEAR FINDINGS

Not Applicable

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PART III

TOWNSHIP OF BRIDGEWATER

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

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

| | YEAR 2021 | | YEAR 2020 | |
|--|--------------------------|----------------|--------------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 6,300,000.00 | 2.78% | \$ 5,000,000.00 | 2.30% |
| Miscellaneous - From Other Than | | | | |
| Local Property Tax Levies | 20,952,464.74 | 9.25% | 17,299,874.32 | 7.97% |
| Collection of Delinquent Taxes | | | | |
| and Tax Title Liens | 1,242,616.12 | 0.55% | 1,167,521.76 | 0.54% |
| Collections of Current Tax Levy | 198,083,097.70 | 87.42% | 193,629,842.28 | 89.19% |
| <u>Total Revenue</u> | <u>\$ 226,578,178.56</u> | <u>100.00%</u> | <u>\$ 217,097,238.36</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | \$ 44,206,385.59 | 20.09% | \$ 40,905,854.44 | 19.18% |
| County Taxes | 38,151,536.18 | 17.34% | 37,268,850.62 | 17.48% |
| Regional School Taxes | 134,782,129.00 | 61.25% | 132,397,672.00 | 62.09% |
| Special Fire District Taxes | 2,715,814.45 | 1.23% | 2,658,792.00 | 1.25% |
| Other Expenditures | 211,966.98 | 0.09% | 2,000.00 | 0.00% |
| <u>Total Expenditures</u> | <u>\$ 220,067,832.20</u> | <u>100.00%</u> | <u>\$ 213,233,169.06</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 6,510,346.36 | | \$ 3,864,069.30 | |
| Adjustments to Income Before Fund Balance; | | | | |
| Expenditures Included Above Which are by Statute | | | | |
| Deferred Charges to Budget of Succeeding Year | \$ 130,000.00 | | 500,000.00 | |
| Excess in Revenue | \$ 6,640,346.36 | | \$ 4,364,069.30 | |
| Fund Balance - January 1 | 7,886,974.72 | | 8,522,905.42 | |
| | \$ 14,527,321.08 | | \$ 12,886,974.72 | |
| Less: Utilization as Anticipated Revenue | 6,300,000.00 | | 5,000,000.00 | |
| Fund Balance, December 31 | <u>\$ 8,227,321.08</u> | | <u>\$ 7,886,974.72</u> | |

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

| | YEAR 2021 | | YEAR 2020 | |
|---|-------------------------|----------------|-------------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 1,051,563.90 | 9.06% | \$ 1,490,524.83 | 11.92% |
| Collection of Sewer Use Charges | 9,470,111.78 | 81.59% | 9,643,621.14 | 77.12% |
| Miscellaneous | 1,084,633.24 | 9.35% | 1,370,312.63 | 10.96% |
| <u>Total Revenue</u> | <u>\$ 11,606,308.92</u> | <u>100.00%</u> | <u>\$ 12,504,458.60</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Operating | \$ 10,454,878.90 | 93.90% | \$ 10,643,524.83 | 93.90% |
| Deferred Charges and Statutory Expenditures | 139,685.00 | 1.25% | 140,000.00 | 1.21% |
| Debt Service | 539,106.65 | 4.85% | 564,298.28 | 4.88% |
| <u>Total Expenditures</u> | <u>\$ 11,133,670.55</u> | <u>100.00%</u> | <u>\$ 11,547,823.11</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 472,638.37 | | \$ 956,635.49 | |
| Fund Balance, January 1 | 1,593,813.94 | | 2,127,703.28 | |
| | \$ 2,066,452.31 | | \$ 3,084,338.77 | |
| Less: Utilization as Anticipated Revenue | 1,051,563.90 | | 1,490,524.83 | |
| Fund Balance, December 31 | <u>\$ 1,014,888.41</u> | | <u>\$ 1,593,813.94</u> | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--------------------------|----------------|----------------|----------------|
| Tax Rate | <u>\$2.079</u> | <u>\$2.075</u> | <u>\$2.096</u> |
| Appointment of Tax Rate: | | | |
| Municipal | \$0.238 | \$0.238 | \$0.240 |
| County | 0.404 | 0.404 | 0.413 |
| Local School | <u>1.437</u> | <u>1.433</u> | <u>1.443</u> |

Assessed Valuation:

| | | | |
|-----------|----------------------------|----------------------------|----------------------------|
| Year 2021 | <u>\$ 9,378,421,822.00</u> | | |
| Year 2020 | | <u>\$ 9,234,102,163.00</u> | |
| Year 2019 | | | <u>\$ 8,977,385,647.00</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>CASH</u> <u>COLLECTIONS</u> | <u>CURRENTLY</u> <u>PERCENTAGE</u> <u>OF</u> <u>COLLECTION</u> |
|-------------|------------------|-----------------------------------|---|
| 2021 | \$199,279,970.40 | \$198,083,097.70 | 99.39% |
| 2020 | 194,920,057.65 | 193,629,842.28 | 99.33% |
| 2019 | 192,080,232.03 | 190,821,864.60 | 99.33% |

DELINQUENT TAXES AND TAX TITLE LIENS

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

| <u>DECEMBER 31, YEAR</u> | <u>AMOUNT OF TAX TITLE LIENS</u> | <u>AMOUNT OF DELINQUENT TAXES</u> | <u>TOTAL DELINQUENT</u> | <u>PERCENTAGE OF TAX LEVY</u> |
|------------------------------|--|---|-----------------------------|---------------------------------------|
| 2021 | \$155,501.43 | \$1,144,310.16 | \$1,299,811.59 | 0.65% |
| 2020 | 151,389.85 | 1,241,984.51 | 1,393,374.36 | 0.71% |
| 2019 | 149,456.45 | 1,195,714.79 | 1,345,171.24 | 0.70% |

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> |
|-------------|---------------|
| 2021 | \$422,300.00 |
| 2020 | 422,300.00 |
| 2019 | 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 | 2021 | \$ 8,227,321.08 | \$ 7,435,404.00 |
| | 2020 | 7,886,975.28 | 6,300,000.00 |
| | 2019 | 8,522,905.42 | 5,000,000.00 |
| | 2018 | 7,297,940.65 | 5,053,779.00 |
| | 2017 | 6,197,912.41 | 4,012,082.07 |
| Sewer Utility Operating Fund | 2021 | \$ 1,014,888.41 | \$ 500,000.00 |
| | 2020 | 1,593,813.94 | 1,051,563.90 |
| | 2019 | 2,127,703.28 | 1,490,524.83 |
| | 2018 | 5,650,570.25 | 4,678,888.00 |
| | 2017 | 6,723,614.52 | 3,062,793.00 |

EQUALIZED VALUATIONS – REAL PROPERTY

| <u>Year</u> | |
|-------------|--------------------|
| 2021 | \$9,643,762,689.67 |
| 2020 | 9,378,535,807.33 |
| 2019 | 9,308,455,045.00 |

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> |
|---------------------------|--|---------------------------|-------------------------|
| Matthew Moench | Mayor | | |
| Filipe Pedroso | Council Member - President | | |
| Allen Kurdyla | Council Member - Vice President | | |
| Michael Kirsh | Council Member | | |
| Howard Norgalis | Council Member | | |
| Timothy Ring | Council Member | | |
| Michael Pappas | Director of Administration & Finance Acting Chief Financial Officer to August 6/2021 | * * | |
| Holman, Frenia, Allison | Acting Chief Finance Officer from August 17, 2021 | | |
| Jessica Falce | Deputy Chief Financial Officer to September 7, 2021 | * | |
| Linda Doyle | Municipal Clerk, Assessment Search Officer | \$25,000.00 | Penn National Insurance |
| Grace Karanja | Deputy Municipal Clerk | * | |
| Rose Witt | Qualified Purchasing Agent | * | |
| Lisa Caravela | Human Resources Officer | * | |
| Darrow Murdock | Tax Collector, Tax Search Officer, Sewer Collector | \$650,000.00 | Penn National Insurance |
| Anthony DiRado | Tax Assessor | * | |
| Christopher Corsini, Esq. | Township Attorney | * | |
| Scarlett Doyle | Township Planner | * | |
| Steve Rodzinak | Construction Code Official | * | |

OFFICIALS IN OFFICE AND SURETY BONDS (CONTINUED)

| <u>NAME</u> | <u>TITLE</u> | <u>AMOUNT OF BOND</u> | <u>NAME OF SURETY</u> |
|------------------|--------------------------------|---------------------------|-------------------------|
| Thomas Genova | Director of Municipal Services | * | |
| William Burr | Township Engineer | * | |
| Richard Shimp | Superintendent of Public Works | * | |
| William Kelleher | Municipal Court Judge | * | |
| Audrey Lipinski | Court Administrator | \$75,000.00 | Penn National Insurance |
| Paul Payne | Police Chief | * | |
| Thomas Scalera | Fire Official | * | |
| Christine Madrid | Director of Human Services | * | |
| Michael Pappas | Registrar | * | |
| Rachel Barrett | 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, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the Municipality has a Qualified Purchasing Agent. On July 6, 2020 the Township has elected to increase it's bid threshold to \$44,000.00 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 \$44,000.00 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:

- Sanitary Sewer Extension and Roadway
- Steeple Chase Lane Improvements
- Garfield Avenue Roadway Improvements
- Custodial Services
- 2021 Roadway Improvement Projects
- Snow Removal

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 \$44,000.00 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 1, 2021 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 22, 2021 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> |
|-------------|------------------------|
| 2021 | 26 |
| 2020 | 27 |
| 2019 | 28 |
| 2018 | 28 |
| 2017 | 26 |

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 2022 Taxes | 50 |
| Payments of 2021 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

