

Report of Audit

on the

Financial Statements

of the

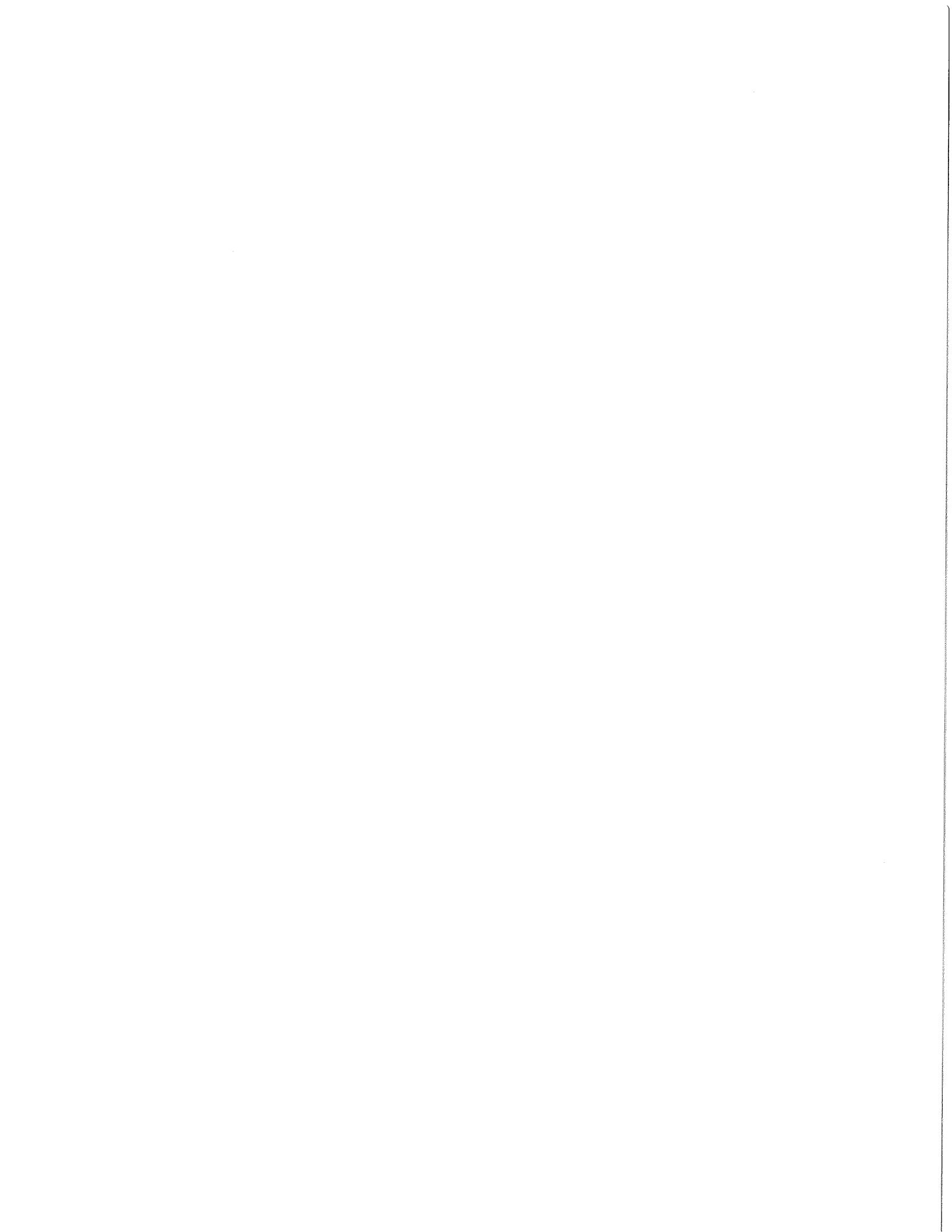
Township of Bridgewater

in the

County of Somerset
New Jersey

for the

Year Ended
December 31, 2015



TOWNSHIP OF BRIDGEWATER

INDEX

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-3
	<u>EXHIBITS</u>
	<u>Financial Statements - Regulatory Basis</u>
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Changes in Fund Balance - Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis Year Ended December 31, 2015	"A-2"
Statement of Expenditures - Regulatory Basis Year Ended December 31, 2015	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
Schedule of Assessment Fund Balance - Regulatory Basis	"B-1"
<u>General Capital Fund:</u>	
Balance Sheet - Regulatory Basis	"C"
Statement of Capital Fund Balance - Regulatory Basis	"C-1"
<u>Sewer Utility Fund:</u>	
Balance Sheets - Regulatory Basis	"D"
Statements of Operations and Changes in Fund Balance - Regulatory Basis	"D-1"
Statement of Assessment Trust Fund Balance - Regulatory Basis	"D-2"
Statement of Capital Fund Balance - Regulatory Basis	"D-3"
Statement of Revenues - Regulatory Basis Year Ended December 31, 2015	"D-4"
Statement of Expenditures - Regulatory Basis Year Ended December 31, 2015	"D-5"
<u>Public Assistance Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"E"
<u>General Fixed Assets Account Group:</u>	
Balance Sheets - Regulatory Basis	"F"
	<u>PAGES</u>
Notes to Financial Statements	4-41

TOWNSHIP OF BRIDGEWATER

INDEX (CONTINUED)

EXHIBITS

Supplementary Schedules – All Funds

Current Fund:

Schedule of Cash - Collector - Treasurer	"A-4"
Schedule of Petty Cash	"A-5"
Schedule of Change Funds	"A-6"
Schedule of Due State of New Jersey for Senior Citizens and Veterans Deductions	"A-7"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-8"
Schedule of Tax Title Liens	"A-9"
Schedule of Property Acquired for Taxes	"A-10"
Schedule of Reserve for Accounts Payable	"A-11"
Schedule of Interfunds	"A-12"
Schedule of Revenue Accounts Receivable	"A-13"
Schedule of 2014 Appropriation Reserves	"A-14"
Schedule of Reserve for Tax Appeals	"A-15"
Schedule of Reserve for Construction Code DCA – Due State of N.J.	"A-16"
Schedule of Tax Overpayments	"A-17"
Schedule of Prepaid Taxes	"A-18"
Schedule of Reserve for Sale of Municipal Assets	"A-19"
Schedule of County Taxes Payable	"A-20"
Schedule of Regional School District Taxes Payable	"A-21"
Schedule of Special Fire District Taxes Payable	"A-22"
Schedule of Grants - Appropriated	"A-23"
Schedule of Grants - Unappropriated	"A-24"
Schedule of Grants Receivable	"A-25"
Schedule of Reserve for Storm Damage – FEMA	"A-26"
Schedule of Reserve for Marriage & Civil Union Licenses-Due State of New Jersey	"A-27"
Schedule of Reserve for Accounts Payable	"A-28"
Schedule of Due Current Fund - Grant Fund	"A-29"
Schedule of Due General Capital Fund – Grant Fund	"A-30"
Schedule of Reserve for Due Library	"A-31"
Schedule of Reserve for Insurance Damage	"A-32"
Schedule of Deferred Charges – Special Emergency	"A-33"

TOWNSHIP OF BRIDGEWATER

INDEX (CONTINUED)

EXHIBITS

Trust Fund:

Schedule of Cash-Treasurer	"B-2"
Schedule of Assessments Receivable	"B-3"
Schedule of Prospective Assessments Funded	"B-4"
Analysis of Assessment Fund Cash	"B-5"
Schedule of Reserve for State Unemployment Insurance	"B-6"
Schedule of Assessment Overpayments	"B-7"
Schedule of Reserve for Accounts Payable - Other Trust Fund	"B-8"
Schedule of Reserve for Assessments	"B-9"
Schedule of Reserve for Municipal Open Space Trust Deposits	"B-10"
Schedule of Reserve for Various Trust Deposits	"B-11"
Schedule of Reserve for Animal Control Trust Fund Expenditures	"B-12"
Schedule of Due State Department of Health - Animal Control Trust Fund	"B-13"
Schedule of Accounts Payable - Animal Control Trust Fund	"B-14"
Schedule of Due Current Fund - Animal Control Trust Fund	"B-15"
Schedule of Due Current Fund - Other Trust Fund	"B-16"

General Capital Fund:

Schedule of Cash – Treasurer	"C-2"
Analysis of Capital Cash and Investments	"C-3"
Schedule of Reserve for Capital Projects	"C-4"
Schedule of Deferred Charges to Future Taxation – Funded	"C-5"
Schedule of Deferred Charges to Future Taxation – Unfunded	"C-6"
Schedule of Capital Improvement Fund	"C-7"
Schedule of Due Grant Fund	"C-8"
Schedule of Improvement Authorizations	"C-9"
Schedule of Serial Bonds Payable	"C-10"
Schedule of Bond Anticipation Notes	"C-11"
Schedule of Reserve for Infrastructure Loan Payable	"C-12"
Schedule of Reserve for Payment of Debt Service	"C-13"
Schedule of Green Acres Loan Payable	"C-14"
Schedule of Reserve for Contracts Payable	"C-15"
Schedule of Improvement Authority Loans Payable	"C-16"
Schedule of Reserve for Preliminary Expenses	"C-17"
Schedule of Bonds and Notes Authorized But Not Issued	"C-18"

TOWNSHIP OF BRIDGEWATER

INDEX (CONTINUED)

EXHIBITS

Sewer Utility Fund:

Schedule of Cash - Collector - Treasurer	"D-6"
Analysis of Assessment Fund Cash	"D-7"
Analysis of Sewer Utility Capital Cash	"D-8"
Schedule of Change Fund	"D-9"
Schedule of Amount Due Warren Township Municipal Utilities Authority	"D-10"
Schedule of Interfunds	"D-11"
Schedule of Accrued Interest on Bonds	"D-12"
Schedule of Connection Charges Receivable	"D-13"
Schedule of Sewer Use Charges Receivable	"D-14"
Schedule of Reserve for Assessments and Liens	"D-15"
Schedule of Fixed Capital Authorized and Uncompleted-Sewer Utility Capital Fund	"D-16"
Schedule of Fixed Capital-Sewer Utility Capital Fund	"D-17"
Schedule of Assessments Receivable	"D-18"
Schedule of Accounts Payable	"D-19"
Schedule of 2014 Appropriation Reserves	"D-20"
Schedule of Prospective Assessments Funded	"D-21"
Schedule of Sewer Use Charge Overpayments	"D-22"
Schedule of Deferred Reserve for Amortization-Sewer Utility Capital Fund	"D-23"
Schedule of Reserve for Amortization-Sewer Utility Capital Fund	"D-24"
Schedule of Contracts Payable-Sewer Utility Capital Fund	"D-25"
Schedule of Prepaid Sewer Charges – Sewer Utility Fund	"D-26"
Schedule of Improvement Authorizations-Sewer Utility Capital Fund	"D-27"
Schedule of Sewer Serial Bonds Payable-Sewer Utility Capital Fund	"D-28"
Schedule of Environmental Infrastructure Trust Loan Payable	"D-29"
Schedule of Accrued Interest on Loans - Sewer Utility Fund	"D-30"
Schedule of Bonds and Notes Authorized But Not Issued-Sewer Utility Capital Fund	"D-31"

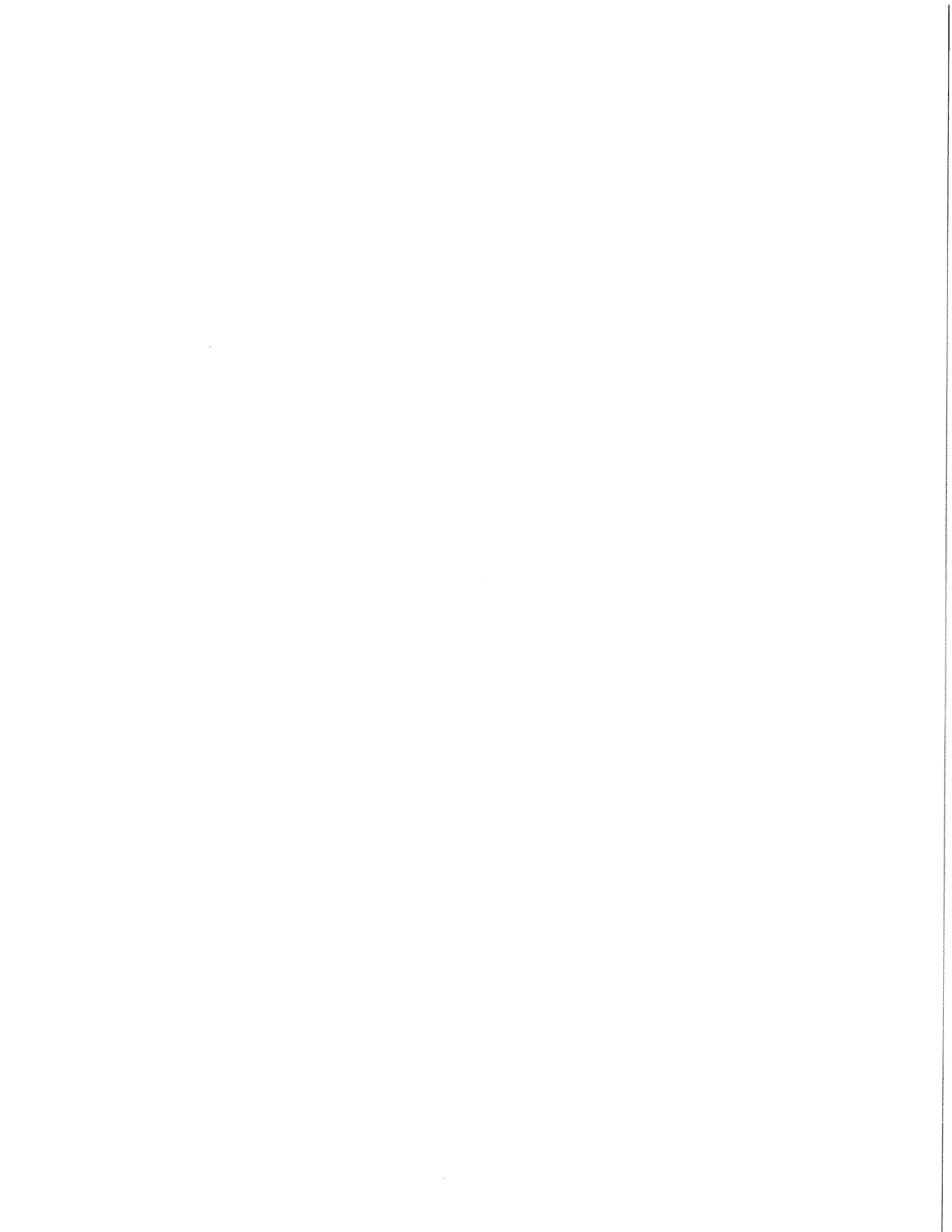
Public Assistance Trust Fund:

Schedule of Public Assistance Cash	"E-1"
Schedule of Public Assistance Cash and Reconciliation per N.J.S.A. 40A:5-5	"E-2"
Schedule of Public Assistance Cash and Reconciliation as of December 31, 2015	"E-3"
Schedule of Public Assistance Revenues Year Ended December 31, 2015	"E-4"
Schedule of Public Assistance Expenditures Year Ended December 31, 2015	"E-5"

TOWNSHIP OF BRIDGEWATER

INDEX (CONTINUED)

	<u>PAGES</u>
<u>PART II</u>	
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	42-43
Independent Auditor's Report on Compliance with Requirements Applicable to Major State Financial Assistance Programs and Internal Control Over Compliance in Accordance with New Jersey OMB Circular 15-08	44-45
Schedule of Expenditures of Federal Awards Year Ended December 31, 2015	46
Schedule of Expenditures of State Financial Assistance Year Ended December 31, 2015	47-48
Notes to the Schedules of Federal and State Financial Assistance Year Ended December 31, 2015	49-50
Schedule of Findings and Questioned Costs for the Year Ended December 31, 2015	51-52
<u>PART III</u>	
Statistical Data	53-57
Officials in Office and Surety Bonds	58-59
Comments and Recommendations	60-63



TOWNSHIP OF BRIDGEWATER

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2015 AND 2014



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Bridgewater, as of December 31, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

SUPLEE, CLOONEY & COMPANY

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township of Bridgewater as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2015.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets of the various individual funds and account group as of December 31, 2015 and 2014, 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, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Bridgewater's regulatory financial statements. The supplementary information and data and schedule of expenditures of federal awards listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the schedule of expenditures of state financial assistance as required by the NJ OMB 15-08 are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed and schedule of expenditures of federal awards and data listed in the table of contents, as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, schedule of expenditures of state financial assistance, as required by the NJ OMB 15-08 are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2016 on our consideration of the Township of Bridgewater's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Bridgewater's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

March 30, 2016

CURRENT FUND

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
<u>ASSETS</u>			
Cash	A-4	\$ 10,700,952.89	\$ 9,564,313.53
Change Fund	A-6	410.00	410.00
Due State of New Jersey - Senior Citizens and Veterans	A-7	215,037.68	205,226.72
		<u>\$ 10,916,400.57</u>	<u>\$ 9,769,950.25</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 1,235,117.03	\$ 1,059,141.00
Tax Title Liens Receivable	A-9	150,759.14	143,744.83
Property Acquired for Taxes - Assessed Valuation	A-10	422,300.00	422,300.00
Revenue Accounts Receivable	A-13	44,557.32	38,347.18
Interfunds Receivable	A-12	10,037.51	10,062.98
	A	<u>\$ 1,862,771.00</u>	<u>\$ 1,673,595.99</u>
Deferred Charges	A-33	\$ 26,400.00	\$ 52,800.00
	A	<u>\$ 12,805,571.57</u>	<u>\$ 11,496,346.24</u>
Grant Fund:			
Cash	A-4	\$ 121,161.67	\$ 349,633.80
Grants Receivable	A-25	291,064.25	847,428.69
	A	<u>\$ 412,225.92</u>	<u>\$ 1,197,062.49</u>
	A	<u>\$ 13,217,797.49</u>	<u>\$ 12,693,408.73</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, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriations Reserves	A-3:A-14	\$ 1,685,685.48	\$ 924,204.44
Prepaid Taxes	A-18	1,064,143.08	845,770.71
Accounts Payable	A-11	1,338,485.08	1,466,739.21
Tax Overpayments	A-17	272,891.29	293,398.56
Interfunds Payable	A-12	105,055.20	140,205.96
Reserve For:			
Sale of Municipal Assets	A-19	261.03	261.03
Marriage/Civil Union Licenses - Due State of NJ	A-27	925.00	625.00
Construction Code DCA - Due State of New Jersey	A-16	27,443.00	26,821.00
Insurance Damage	A-32	7,147.71	30,585.69
County Taxes Payable	A-20	94,113.08	35,829.09
Tax Appeals	A-15	647,543.08	659,486.02
Storm Damage - FEMA	A-26	275,800.28	459,114.96
State Library	A-31	3,117.00	1,617.00
		\$ 5,522,610.31	\$ 4,884,658.67
Reserve for Receivables and Other Assets	A	1,862,771.00	1,673,595.99
Fund Balance	A-1	5,420,190.26	4,938,091.58
	A	\$ 12,805,571.57	\$ 11,496,346.24
Grant Fund:			
Reserve for Grants - Unappropriated	A-24	\$ 15,000.00	\$ 13,688.13
Reserve for Grants - Appropriated	A-23	218,787.46	921,989.90
Due General Capital Fund	A-30	1,000.00	1,000.00
Accounts Payable	A-28	178,438.46	260,384.46
	A	\$ 412,225.92	\$ 1,197,062.49
	A	\$ 13,217,797.49	\$ 12,693,408.73

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

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2015</u>	<u>YEAR ENDED DECEMBER 31, 2014</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 3,039,376.57	\$ 3,016,405.53
Miscellaneous Revenue Anticipated	A-2	15,687,035.03	16,266,263.96
Receipts From Delinquent Taxes	A-2	1,083,534.57	1,150,087.34
Receipts From Current Taxes	A-2	174,944,329.29	171,290,528.69
Non-Budget Revenue	A-2	509,677.98	318,472.06
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	487,197.28	604,149.89
Accounts Payable Canceled	A-11	129,988.96	114,657.98
Reserves Canceled		541,247.73	32,425.25
Interfunds Returned		25.47	77,310.12
<u>TOTAL REVENUE AND OTHER INCOME</u>		\$ <u>196,422,412.88</u>	\$ <u>192,870,300.82</u>
 <u>EXPENDITURES</u>			
Budget Appropriations	A-3	\$ 38,158,726.39	\$ 39,189,515.11
Special Fire District Taxes	A-22	2,354,352.00	2,305,793.00
County Taxes	A-20	35,112,936.91	34,068,590.73
Regional School District Taxes	A-21	117,007,939.00	114,536,739.00
Cancelled Receivables	A-25	249,353.11	23,726.30
Refund of Prior Year Revenue	A-4	17,630.22	
<u>TOTAL EXPENDITURES</u>		\$ <u>192,900,937.63</u>	\$ <u>190,124,364.14</u>
Excess to Fund Balance		\$ 3,521,475.25	\$ 2,745,936.68
Fund Balance, January 1	A	<u>4,938,091.58</u>	<u>5,208,560.43</u>
		\$ 8,459,566.83	\$ 7,954,497.11
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>3,039,376.57</u>	<u>3,016,405.53</u>
Fund Balance, December 31	A	\$ <u><u>5,420,190.26</u></u>	\$ <u><u>4,938,091.58</u></u>

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

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2015

REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	ANTICIPATED BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 3,039,376.57	\$ 3,039,376.57	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-13	\$ 86,000.00	\$ 87,252.00	\$ 1,252.00
Other	A-2	34,000.00	33,550.53	(449.47)
Fees and Permits:				
Construction Code Official	A-2	1,850,000.00	1,647,497.80	(202,502.20)
Other	A-2	320,600.00	333,474.61	12,874.61
Municipal Court:				
Fines and Costs	A-2	520,000.00	585,039.25	65,039.25
Interest and Costs on Taxes	A-13	300,000.00	280,223.38	(19,776.62)
Interest on Investments and Deposits	A-13	35,000.00	48,782.69	13,782.69
Recreation Fees	A-2	169,400.00	176,511.64	7,111.64
Consolidated Municipal Property Tax Relief Aid	A-13	70,290.00	70,290.00	
Energy Receipts Tax	A-13	5,829,889.00	5,829,889.00	
Garden State Trust Fund	A-13	4,082.00	4,082.00	
Joint Services with County Library	A-13	319,926.15	314,971.51	(4,954.64)
Public Assistance Services with County	A-13	45,840.00	45,840.00	
Shared Municipal Court	A-13	186,482.30	186,482.32	0.02
Shared Resource Officer BOE	A-13	88,208.71	139,986.52	51,777.81
Historic Preservation	A-25	67,210.00	67,210.00	
Drunk Driving Enforcement Fund	A-25		25,225.37	25,225.37
Clean Communities Program	A-25		100,034.35	100,034.35
Municipal Alliance on Alcoholism and Drug Use	A-25		35,761.00	35,761.00
Safe & Secure Communities Program	A-25	60,000.00	60,000.00	
Distracted Driving Crackdown	A-25		5,000.00	5,000.00
Youth Services Program	A-25		7,500.00	7,500.00
Body Armor Replacement Fund	A-25		6,730.37	6,730.37
Drive Sober or Get Pulled Over	A-25		5,000.00	5,000.00
Alcohol Education Rehabilitation Program	A-25		3,064.52	3,064.52
Emergency Management	A-25		5,000.00	5,000.00
Click it or Ticket	A-25		3,300.00	3,300.00
NJ DOT - Country Club Road	A-25		162,000.00	162,000.00
Highway Traffic Safety	A-25		73,154.30	73,154.30
Federal Bulletproof Vest	A-25		13,749.83	13,749.83
Life Hazard Use Fees	A-13	121,000.00	126,937.26	5,937.26
Suburban Cablevision Franchise Fee	A-13	530,000.00	580,332.94	50,332.94
Payment in Lieu of Taxes - Centerbridge I	A-13	95,000.00	97,012.28	2,012.28
Payment in Lieu of Taxes - Centerbridge II	A-13	100,000.00	85,706.38	(14,293.62)
Bridgewater Commons Rent and Royalty - In Lieu of Taxes	A-13	1,900,000.00	2,170,994.00	270,994.00
Host Benefit Fees	A-13	210,000.00	226,705.87	16,705.87
Additional Fees and Permits - Towing	A-13	40,000.00	47,400.00	7,400.00
Reserve for Insurance Reimbursements	A-32	23,437.98	23,437.98	
Capital Surplus	A-13	500,000.00	500,000.00	
Hotel and Motel Tax	A-13	830,000.00	906,805.33	76,805.33
Storm Reimbursement	A-26	450,000.00	450,000.00	
Reliable Recycling	A-13	50,000.00	50,100.00	100.00
Debt Service Reimbursement - Open Space Trust Fund	A-13	65,000.00	65,000.00	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 14,901,366.14	\$ 445,519.74	\$ 15,687,035.03
Receipts From Delinquent Taxes	A-1	\$ 1,000,000.00	\$ 1,083,534.57	\$ 83,534.57
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2	\$ 21,330,747.34	\$ 23,019,101.38	\$ 1,688,354.04
<u>BUDGET TOTALS</u>		\$ 40,271,490.05	\$ 445,519.74	\$ 42,829,047.55
Non-Budget Revenues	A-2		509,677.98	509,677.98
		\$ 40,271,490.05	\$ 445,519.74	\$ 43,338,725.53
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, 2015

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Collections	A-1:A-8	\$ 174,944,329.29
Allocated To:		
County Taxes	A-8	35,112,936.91
Regional School District Taxes	A-8	117,007,939.00
Special Fire District Taxes	A-8	2,354,352.00
		<u>\$ 154,475,227.91</u>
Balance for Support of Municipal Budget Appropriations		\$ 20,469,101.38
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,550,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 23,019,101.38</u>
Licenses - Other:		
Clerk		\$ 4,237.53
Health Officer		28,710.00
Registrar		<u>603.00</u>
	A-2:A-13	<u>\$ 33,550.53</u>
Other - Fees and Permits:		
Board of Health		\$ 4,680.00
Police		34,046.76
Clerk		38.60
Planning		54,209.40
Registrar		15,579.00
Engineering		514.60
Tax Assessor		1,240.00
Board of Adjustment		16,602.00
In House Escrow Fees		34,678.75
Fire		168,284.00
Zoning		<u>3,601.50</u>
	A-2:A-13	<u>\$ 333,474.61</u>
Recreation Fees	A-13	\$ 180,896.64
Less: Refunds	A-4	<u>4,385.00</u>
	A-2	<u>\$ 176,511.64</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, 2015

	<u>REF.</u>	
Uniform Construction Code Fees	A-13	\$ 1,660,115.00
Less: Refunds	A-4	<u>12,617.20</u>
	A-2	<u>\$ 1,647,497.80</u>
 Municipal Court Fees	 A-13	 \$ 585,481.25
Less: Refunds	A-4	<u>442.00</u>
	A-2	<u>\$ 585,039.25</u>

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:			
Engineering- Road Openings/Bid Specs		\$ 4,098.00	
COAH Rent		480.00	
JIF Award		425.00	
Refund of Prior Year Expenses		28,229.59	
Bad Check Fees		660.00	
Police Outside Overtime Administrative Fees		178,154.08	
Police Outside Overtime Car Usage		92,685.00	
Senior Citizens & Veterans Administrative Fees		6,053.99	
Refuse Revenue		528.57	
DMV Inspection Fines		850.00	
Homestead Rebate Mailing Reimbursement		2,430.40	
Tax Collector		5,504.35	
Miscellaneous		<u>180,090.46</u>	
	A-4		500,189.44
Excess Reserve for Animal Expenditures	A-12		<u>9,488.54</u>
<u>Total Non-Budget Revenue</u>	A-1:A-2		<u>\$ 509,677.98</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, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
MAYOR'S OFFICE:					
Salaries and Wages	\$ 38,025.00	\$ 38,125.00	\$ 38,025.04	\$ 99.96	\$
Other Expenses	3,050.00	3,550.00	3,063.53	486.47	
ADMINISTRATION:					
Salaries and Wages	158,311.08	158,411.06	158,311.25	99.81	
Other Expenses	18,835.00	18,835.00	13,282.79	5,552.21	
ECONOMIC DEVELOPMENT:					
Salaries and Wages	81,954.34	81,954.34	81,954.30	0.04	
Other Expenses	300.00	300.00	203.65	96.35	
TOWNSHIP COUNCIL:					
Salaries and Wages	27,000.00	27,100.00	27,000.06	99.94	
Other Expenses	7,500.00	7,500.00	7,025.41	474.59	
PERSONNEL OFFICE:					
Salaries and Wages	98,545.59	102,545.59	102,370.84	174.95	
Other Expenses	19,225.00	19,225.00	13,047.21	6,177.79	
PURCHASING DEPARTMENT:					
Salaries and Wages	67,148.62	67,148.62	66,459.87	688.75	
Other Expenses	29,875.00	29,875.00	29,701.35	173.65	
IT DEPARTMENT					
Salaries and Wages	104,543.44	104,543.44	103,282.37	1,281.07	
Other Expenses	30,397.00	30,397.00	27,249.27	3,147.73	
TOWNSHIP CLERK:					
Salaries and Wages	149,727.57	149,727.57	149,600.30	127.27	
Other Expenses	20,410.00	20,410.00	18,913.10	1,496.90	
ELECTIONS:					
Other Expenses	13,100.00	13,100.00	12,920.48	179.52	
FINANCE DIRECTOR'S OFFICE					
Salaries and Wages	89,113.32	89,213.32	89,113.68	99.64	
Other Expenses	3,635.00	3,635.00	3,106.92	528.08	
DIVISION OF TREASURY:					
Salaries and Wages	155,123.68	155,123.68	139,810.67	15,313.01	
Other Expenses	58,500.00	58,500.00	55,299.50	3,200.50	
Audit	56,000.00	56,000.00	46,475.00	9,525.00	
TAX COLLECTION:					
Salaries and Wages	88,735.11	88,735.11	86,710.85	2,024.26	
Other Expenses	24,902.00	28,902.00	28,752.55	149.45	
TAX ASSESSMENT:					
Salaries and Wages	167,405.03	152,405.03	133,270.82	19,134.21	
Other Expenses	74,200.00	74,200.00	73,171.66	1,028.34	
Reassessment Program	100,000.00	100,000.00	74,260.00	25,740.00	
LEGAL OFFICE:					
Salaries and Wages	10,151.56	10,151.56	10,007.56	144.00	
Other Expenses	710,000.00	710,000.00	503,752.45	206,247.55	
INSURANCE:					
Employee Group Insurance	4,000,000.00	4,100,000.00	4,098,084.02	1,915.98	
Other Insurance Premiums	770,000.00	770,000.00	769,967.00	33.00	
ENGINEERING DIRECTOR'S OFFICE:					
Salaries and Wages	65,746.14	65,746.14	65,746.03	0.11	
Other Expenses	3,640.00	3,640.00	2,258.26	1,381.74	
ENGINEERING					
Salaries and Wages	237,738.41	237,738.41	234,495.70	3,242.71	
Other Expenses	10,935.00	10,935.00	9,705.87	1,229.13	
BOARD OF ADJUSTMENT/ZONING:					
Salaries and Wages	58,591.17	60,591.17	59,750.26	840.91	
Other Expenses	25,650.00	25,650.00	3,380.24	22,289.76	
DIVISION OF PLANNING:					
Salaries and Wages	40,700.00	40,700.00	36,144.95	4,555.05	
Other Expenses	64,350.00	64,350.00	62,113.58	2,236.44	
PLANNING BOARD					
Other Expenses	26,595.00	26,595.00	13,518.12	13,076.88	
POLICE:					
Salaries and Wages	9,069,050.43	8,902,550.43	8,250,263.34	652,287.09	
Other Expenses	371,968.50	371,968.50	368,884.42	3,084.08	
OFFICE OF EMERGENCY MANAGEMENT:					
Salaries and Wages	7,400.00	7,400.00	6,200.00	1,200.00	
Other Expenses	2,310.00	2,310.00	665.22	1,644.78	
FIRE SAFETY:					
Salaries and Wages	175,304.59	175,304.59	171,547.78	3,756.81	
Other Expenses	3,000.00	3,000.00	799.90	2,200.10	
FIRE HYDRANT SERVICES:					
Other Expenses	900,000.00	900,000.00	900,000.00		
FIRST AID ORGANIZATION CONTRIBUTION:					
Other Expenses	50,000.00	50,000.00	50,000.00		
MUNICIPAL COURT:					
Salaries and Wages	224,571.33	224,571.33	214,583.59	9,987.74	
Other Expenses	50,450.00	50,450.00	46,791.00	3,659.00	
PUBLIC DEFENDER:					
Other Expenses	20,000.00	20,000.00	10,000.00	10,000.00	
ROAD REPAIRS AND MAINTENANCE:					
Salaries and Wages	1,348,891.40	1,348,691.40	1,300,517.70	48,173.70	
Other Expenses	384,800.00	384,800.00	381,996.69	2,803.31	

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, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
VEHICLE MAINTENANCE:					
Salaries and Wages	\$ 348,344.44	\$ 348,344.44	\$ 324,896.86	\$ 23,447.58	\$
Other Expenses	158,600.00	158,600.00	150,367.12	8,232.88	
RECYCLING:					
Other Expenses	295,000.00	295,000.00	292,051.87	2,948.13	
SNOW REMOVAL:					
Salaries and Wages	200,000.00	250,000.00	200,000.00	50,000.00	
Other Expenses	450,000.00	500,000.00	499,202.43	797.57	
CONTRACT WITH REGIONAL BOARD OF EDUCATION FOR TRANSPORTATION OF LOCAL PUPILS (N.J.S. 18a:39-1.2)	242,699.00	242,699.00	242,699.00		
PARK MAINTENANCE:					
Salaries and Wages	764,400.43	764,400.43	692,572.19	71,828.24	
Other Expenses	92,500.00	92,500.00	65,452.09	27,047.91	
MUNICIPAL SERVICES REIMBURSEMENT-CONDOMINIUMS					
Other Expenses	75,000.00	75,000.00	20,620.58	54,379.42	
PUBLIC BUILDINGS AND GROUNDS:					
Salaries and Wages	353,113.27	393,113.27	373,102.25	20,011.02	
Other Expenses	264,278.53	264,278.53	228,072.83	36,205.70	
DIRECTOR'S OFFICE:					
Salaries and Wages	102,336.60	102,436.60	102,337.00	99.60	
Other Expenses	545.00	545.00	535.00	10.00	
DIVISION OF HEALTH:					
Salaries and Wages	187,123.14	187,123.14	184,944.66	2,178.48	
Other Expenses	9,625.00	9,625.00	9,578.27	46.73	
ADMINISTRATION OF PUBLIC ASSISTANCE:					
Salaries and Wages	21,315.33	21,315.33	19,911.27	1,404.06	
Other Expenses	500.00	500.00	15.00	485.00	
VISITING NURSES SERVICES - CONTRIBUTION	17,000.00	17,000.00	16,048.75	951.25	
CONTRIBUTION TO SOMERSET REGIONAL CENTER PARTNERSHIP	20,000.00	20,000.00	10,890.00	9,110.00	
ENVIRONMENTAL COMMISSION (N.J.S. 40:56a-1 et seq):					
Other Expenses	910.00	910.00	846.32	63.68	
SENIOR CITIZEN SERVICES:					
Salaries and Wages	117,639.82	117,639.82	89,327.02	28,312.80	
Other Expenses	22,885.00	22,885.00	22,885.00		
DIVISION OF RECREATION:					
Salaries and Wages	431,772.80	431,772.80	422,551.99	9,220.81	
Other Expenses	93,481.00	93,481.00	81,649.40	11,831.60	
BRANCH LIBRARY:					
Salaries and Wages	81,369.96	81,369.96	15,242.00	66,127.96	
Other Expenses	212,609.32	212,609.32	172,000.74	40,608.58	
GREEN BROOK FLOOD CONTROL:					
Other Expenses	2,000.00	2,000.00		2,000.00	
STATE UNIFORM CONSTRUCTION CODE CODE OFFICIAL:					
Salaries and Wages	848,676.93	828,676.93	809,308.72	19,368.21	
Other Expenses	119,650.00	119,650.00	113,853.71	5,796.29	
STREET LIGHTING	370,000.00	370,000.00	365,018.14	4,981.86	
TELEPHONE SERVICE	150,000.00	150,000.00	149,999.61	0.39	
CENTRAL OFFICE SUPPLY	18,500.00	18,500.00	16,013.44	2,486.56	
UTILITIES	850,000.00	850,000.00	837,112.54	12,887.46	
POSTAGE	43,000.00	43,000.00	39,364.09	3,635.91	
SALARY SETTLEMENTS	250,000.00	300,000.00	300,000.00		
SALARY ADJUSTMENTS	100,000.00				
TOTAL OPERATIONS WITHIN "CAPS"	\$ 27,632,080.86	\$ 27,631,580.86	\$ 26,021,985.82	\$ 1,609,595.04	\$
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	\$ 27,632,080.86	\$ 27,631,580.86	\$ 26,021,985.82	\$ 1,609,595.04	\$
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"					
CONTRIBUTION TO:					
Public Employees' Retirement System of NJ	\$ 927,802.00	\$ 927,802.00	\$ 927,802.00	\$	\$
Social Security System (O.A.S.I.)	1,278,726.00	1,278,726.00	1,278,726.00		
Pension Firemen's Widows	6,000.00	6,000.00	5,000.00	1,000.00	
DCRP	7,000.00	7,000.00	1,466.52	5,533.48	
Police & Firemen's Retirement System of NJ	1,757,625.00	1,757,625.00	1,757,625.00		
Unemployment Compensation Insurance	10,000.00	10,000.00	10,000.00		
TOTAL DEFERRED CHARGES & STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	\$ 3,987,153.00	\$ 3,987,153.00	\$ 3,980,619.52	\$ 6,533.48	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 31,619,233.86	\$ 31,618,733.86	\$ 30,002,605.34	\$ 1,616,128.52	\$

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, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Length of Service Award Program	\$ 110,000.00	\$ 110,000.00	\$ 84,638.22	\$ 25,361.78	\$
Dog Regulation	155,000.00	155,000.00	155,000.00		
Administration of Public Assistance					
Salaries and Wages	45,840.00	45,840.00	44,522.46	1,317.54	
Engineering Services					
Salaries and Wages	9,000.00	9,000.00	9,000.00		
Municipal Court					
Salaries and Wages	186,482.30	186,482.30	183,074.30	3,408.00	
Police					
Salaries and Wages	88,208.71	88,208.71	88,208.71		
BRANCH LIBRARY:					
Salaries and Wages	100,000.00	100,000.00	99,498.17	501.83	
Other Expenses	79,890.68	79,890.68	79,822.45	68.23	
Insurance - Employee Group Insurance	131,567.07	131,567.07	98,667.49	32,899.58	
Social Security	20,389.85	20,389.85	20,389.85		
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"	\$ 926,378.61	\$ 926,378.61	\$ 862,821.65	\$ 63,556.96	\$
<u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</u>					
Municipal Alliance Program					
State Aid (N.J.S.A. 40A: 4-87 +\$35,761.00)	\$	\$ 35,761.00	\$ 35,761.00	\$	\$
Matching Funds for Grants	10,000.00	10,000.00	10,000.00		
Distracted Driving (N.J.S.A. 40A: 4-87 +\$5,000.00)		5,000.00	5,000.00		
Safe and Secure Communities Program					
State Aid	60,000.00	60,000.00	60,000.00		
Matching Funds for Grants	110,871.00	110,871.00	110,871.00		
Supplemental Fire Services Program Fire District	11,859.00	11,859.00	11,859.00		
Clean Communities Program (N.J.S.A. 40A: 4-87 +\$100,034.35)		100,034.35	100,034.35		
ROID- Local Match	2,000.00	2,000.00	2,000.00		
Drunk Driving Enforcement Fund (N.J.S.A. 40A: 4-87 +\$25,225.37)		25,225.37	25,225.37		
Bullet Proof Vest Partnership (N.J.S.A. 40A: 4-87 +\$13,749.83)		13,749.83	13,749.83		
Click it or Ticket (N.J.S.A. 40A: 4-87 +\$3,300.00)		3,300.00	3,300.00		
Drive Sober Grant (N.J.S.A. 40A: 4-87+\$5,000.00)		5,000.00	5,000.00		
Historic Preservation	67,210.00	67,210.00	67,210.00		
Emergency Management (N.J.S.A. 40A: 4-87 +\$5,000.00)		5,000.00	5,000.00		
Youth Services Grant (N.J.S.A. 40A: 4-87+\$7,500.00)		7,500.00	7,500.00		
NJDOT Municipal Aid Program (N.J.S.A. 40A:4-87 +\$162,000.00)		162,000.00	162,000.00		
Body Armor Grant (N.J.S.A. 40A: 4-87+\$6,730.37)		6,730.37	6,730.37		
Highway Safety Grant (N.J.S.A. 40A:4-87+\$73,154.30)		73,154.30	73,154.30		
Alcohol Education Rehabilitation Program (N.J.S.A. 40A:4-87 +\$3,064.52)		3,064.52	3,064.52		
TOTAL FOR STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES	\$ 281,940.00	\$ 707,459.74	\$ 707,459.74	\$	\$
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	\$ 1,188,318.61	\$ 1,633,838.35	\$ 1,570,281.39	\$ 63,556.96	\$

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, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$	\$
Police Radios	29,000.00	29,000.00	23,000.00	6,000.00	
Computer Equipment	40,000.00	40,000.00	40,000.00		
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	\$ 319,000.00	\$ 319,000.00	\$ 313,000.00	\$ 6,000.00	\$
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 2,435,000.00	\$ 2,435,000.00	\$ 2,435,000.00	\$	\$
Interest on Bonds	1,583,662.00	1,584,162.00	1,584,015.52		146.48
Interest on Notes	87,669.00	87,669.00	87,668.52		0.48
Green Acres Loan Principal	86,592.00	86,592.00	85,243.08		1,348.92
Green Acres Loan Interest	12,254.00	12,254.00	12,251.58		2.42
Payment of NJEIT Principal	57,297.23	57,297.23	57,297.23		
Payment of NJEIT Interest	12,050.00	12,050.00	11,458.50		591.50
Improvement Authority	160,000.00	160,000.00	153,806.40		6,193.60
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	\$ 4,434,524.23	\$ 4,435,024.23	\$ 4,426,740.83	\$	\$ 8,283.40
DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM CAPS					
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55)	\$ 26,400.00	\$ 26,400.00	\$ 26,400.00	\$	\$
Deferred Charges to Future Taxation Undhundred					
ORD 02-07-03-22	61,200.00	61,200.00	61,200.00		
ORD 02-20-03-03	72,812.45	72,812.45	72,812.45		
ORD 02-21	0.90	0.90	0.90		
TOTAL DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM CAPS	\$ 160,413.35	\$ 160,413.35	\$ 160,413.35	\$	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"					
	\$ 6,102,256.19	\$ 6,548,275.93	\$ 6,470,435.57	\$ 69,556.96	\$ 8,283.40
SUBTOTAL GENERAL APPROPRIATIONS					
	\$ 37,721,490.05	\$ 38,167,009.79	\$ 36,473,040.91	\$ 1,685,685.48	\$ 8,283.40
RESERVE FOR UNCOLLECTED TAXES					
	\$ 2,550,000.00	\$ 2,550,000.00	\$ 2,550,000.00	\$	\$
TOTAL GENERAL APPROPRIATIONS	\$ 40,271,490.05	\$ 40,717,009.79	\$ 39,023,040.91	\$ 1,685,685.48	\$ 8,283.40
	REF.	A-2:A-3	A-3	A-1:A-3	A:A-1
Budget	A-3		\$ 40,271,490.05		
Appropriation by 40A.4-87	A-2		445,519.74		
	A-3		\$ 40,717,009.79		
Reserve for Accounts Payable	A-11			\$ 1,256,359.38	
Reserve for Grants Appropriated	A-23			572,729.74	
Deferred Charges	A-33			26,400.00	
Reserve for Uncollected Taxes	A-2			2,550,000.00	
Disbursements (net of refunds)	A-4			34,617,551.79	
	A-3			\$ 39,023,040.91	

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, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
Assessment Fund:			
Cash	B-2:B-5	\$ 47,933.54	\$ 47,933.54
Assessments Receivable	B-3	82,989.48	82,989.48
Prospective Assessments Funded	B-4	408,863.19	408,863.19
		<u>\$ 539,786.21</u>	<u>\$ 539,786.21</u>
Animal Control Fund:			
Cash	B-2	\$ 34,312.74	\$ 40,421.04
		<u>\$ 34,312.74</u>	<u>\$ 40,421.04</u>
Other Funds:			
Cash	B-2	\$ 15,304,742.48	\$ 16,117,161.38
Due Current Fund	B-16	105,055.20	137,753.11
		<u>\$ 15,409,797.68</u>	<u>\$ 16,254,914.49</u>
		<u>\$ 15,983,896.63</u>	<u>\$ 16,835,121.74</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Assessment Overpayments	B-7	\$ 1,000.00	\$ 1,000.00
Reserve for Assessments and Liens	B-9	491,655.40	491,655.40
Fund Balance	B-1	47,130.81	47,130.81
		<u>\$ 539,786.21</u>	<u>\$ 539,786.21</u>
Animal Control Fund:			
Due Current Fund	B-15	\$ 9,488.54	\$ 10,062.98
Reserve For Expenditures	B-12	24,824.20	26,042.80
Accounts Payable	B-14		4,315.26
		<u>\$ 34,312.74</u>	<u>\$ 40,421.04</u>
Other Funds:			
Due Sewer Operating Fund	B-8	\$ 16.96	\$
Reserve for State Unemployment Insurance	B-6	108,944.97	86,863.34
Reserve for Various Trust Deposits	B-11	7,812,664.61	7,248,103.97
Reserve for Municipal Open Space Trust Deposits	B-10	7,488,171.14	8,919,947.18
		<u>\$ 15,409,797.68</u>	<u>\$ 16,254,914.49</u>
		<u>\$ 15,983,896.63</u>	<u>\$ 16,835,121.74</u>

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

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF ASSESSMENT TRUST FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2014 and December 31, 2015	B	\$ <u>47,130.81</u>

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

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GENERAL CAPITAL FUND

TOWNSHIP OF BRIDGE WATERGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 6,849,905.38	\$ 2,532,142.10
Due Grant Fund	C-8		1,000.00
Deferred Charges to Future Taxation:			
Funded	C-5	44,689,459.80	47,146,159.21
Unfunded	C-6	<u>21,800,935.91</u>	<u>16,249,199.26</u>
		<u>\$ 73,340,301.09</u>	<u>\$ 65,928,500.57</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-10	\$ 43,314,000.00	\$ 45,749,000.00
Bond Anticipation Notes	C-11	19,484,701.00	7,033,019.00
Green Acres Loans Payable	C-14	537,125.38	622,593.41
Infrastructure Loan Payable	C-12	366,135.36	423,432.59
Improvement Authority Loans Payable	C-16	472,199.06	351,133.21
Capital Improvement Fund	C-7	46,467.30	95,717.30
Improvement Authorizations:			
Funded	C-9	762,570.64	1,258,522.84
Unfunded	C-6:C-9	3,891,173.06	4,443,579.22
Reserve for:			
Capital Projects	C-4	1,756,354.75	1,756,354.75
Debt Service	C-13	314,870.37	11,975.98
Preliminary Expenses	C-17	5,000.00	5,000.00
Contracts Payable	C-15	2,221,464.19	3,509,932.29
Fund Balance	C-1	<u>168,239.98</u>	<u>668,239.98</u>
		<u>\$ 73,340,301.09</u>	<u>\$ 65,928,500.57</u>

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

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2014	C	\$ 668,239.98
Decreased by-		
Utilized as Anticipated Revenue Current Fund	C-2	<u>500,000.00</u>
Balance, December 31, 2015	C	\$ <u>168,239.98</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, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
OPERATING FUND:			
Cash	D-6	\$ 9,433,071.17	\$ 8,092,079.27
Change Fund	D-9	100.00	100.00
Interfund Accounts Receivable	D-11	<u>16.96</u>	<u>2,452.85</u>
		<u>\$ 9,433,188.13</u>	<u>\$ 8,094,632.12</u>
Receivables with Full Reserves:			
Sewer Charges Receivable	D-14	<u>\$ 345,800.25</u>	<u>\$ 359,798.10</u>
	D	<u>\$ 345,800.25</u>	<u>\$ 359,798.10</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 9,778,988.38</u>	<u>\$ 8,454,430.22</u>
ASSESSMENT TRUST FUND:			
Cash	D-6:D-7	\$ 11,392.66	\$ 11,392.66
Assessments Receivable	D-18	53,975.86	53,975.86
Prospective Assessments Funded	D-21	<u>941,462.58</u>	<u>941,462.58</u>
<u>TOTAL ASSESSMENT TRUST FUND</u>	D	<u>\$ 1,006,831.10</u>	<u>\$ 1,006,831.10</u>
CAPITAL FUND - REGULAR:			
Cash	D-6:D-8	\$ 979,376.34	\$ 1,517,757.90
Fixed Capital	D-17	14,461,212.00	14,461,212.00
Fixed Capital Authorized and Uncompleted	D-16	<u>10,709,500.00</u>	<u>9,149,500.00</u>
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 26,150,088.34</u>	<u>\$ 25,128,469.90</u>
	D	<u>\$ 36,935,907.82</u>	<u>\$ 34,589,731.22</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 DECEMBER 31, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
OPERATING FUND:			
Liabilities:			
Interfund Accounts Payable	D-11	\$ 548.97	\$
Appropriation Reserves	D-5:D-20	2,762,994.27	1,894,861.32
Accounts Payable	D-19	210,473.74	163,089.67
Sewer Overpayments	D-22	97,216.20	95,564.23
Due Warren Township MUA	D-10		24,188.06
Sewer Connection Overpayment	D-13	550.00	550.00
Prepaid Sewer Charges	D-26	1,606.72	10,475.41
Accrued Interest on Bonds	D-12	42,811.46	42,811.46
Accrued Interest on Loans	D-30	3,302.84	3,302.84
		<u>\$ 3,119,504.20</u>	<u>\$ 2,234,842.99</u>
Reserve for Receivables	D	345,800.25	359,798.10
Fund Balance	D-1	<u>6,313,683.93</u>	<u>5,859,789.13</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 9,778,988.38</u>	<u>\$ 8,454,430.22</u>
ASSESSMENT TRUST FUND:			
Reserve for Assessments and Liens	D-15	<u>\$ 995,438.44</u>	<u>\$ 995,438.44</u>
		<u>\$ 995,438.44</u>	<u>\$ 995,438.44</u>
Fund Balance	D-2	<u>11,392.66</u>	<u>11,392.66</u>
<u>TOTAL ASSESSMENT TRUST FUND</u>	D	<u>\$ 1,006,831.10</u>	<u>\$ 1,006,831.10</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 DECEMBER 31, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)</u>			
CAPITAL FUND - REGULAR:			
Liabilities:			
Serial Bonds Payable	D-28	\$ 1,109,000.00	\$ 1,229,000.00
EIT Loan Payable	D-29	528,576.08	565,974.36
Improvement Authorizations:			
Funded	D-27	1,547,684.13	1,508,069.13
Unfunded	D-27	4,217,302.00	3,493,817.00
Contracts Payable	D-25	939,851.74	681,333.30
Reserve for Amortization	D-24	14,199,863.05	14,042,464.77
Deferred Reserve for Amortization	D-23	3,531,450.00	3,531,450.00
		<u>\$ 26,073,727.00</u>	<u>\$ 25,052,108.56</u>
Fund Balance	D-3	<u>76,361.34</u>	<u>76,361.34</u>
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 26,150,088.34</u>	<u>\$ 25,128,469.90</u>
	D	<u>\$ 36,935,907.82</u>	<u>\$ 34,589,731.22</u>

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

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2015</u>	BALANCE DECEMBER <u>31, 2014</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	D-1:D-4	\$ 1,546,183.07	\$ 844,656.72
Sewer Use Charges	D-4	9,735,870.91	9,732,167.36
Connection Fees	D-4:D-6	44,904.22	61,244.00
Township of Branchburg - Operating Costs	D-4:D-6	20,000.00	20,000.00
Township of Warren - Debt Service	D-4:D-6	73,350.34	73,350.34
Miscellaneous Revenue Not Anticipated	D-4:D-6	130,488.46	778,284.41
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-20	1,267,660.63	644,522.90
Sewer Overpayments Canceled	D-22	334.53	
Amount Due Warren Township Municipal Utilities Authority	D-10	24,188.06	
Accounts Payable Canceled	D-19	<u>13,280.00</u>	<u>10,209.50</u>
<u>TOTAL INCOME</u>		<u>\$ 12,856,260.22</u>	<u>\$ 12,164,435.23</u>
<u>EXPENDITURES</u>			
Operating	D-5	\$ 10,497,904.07	\$ 10,183,756.72
Debt Service	D-5	205,438.28	206,798.28
Deferred Charges and Statutory Expenditures	D-5	<u>152,840.00</u>	<u>150,000.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 10,856,182.35</u>	<u>\$ 10,540,555.00</u>
Excess to Revenue		\$ 2,000,077.87	\$ 1,623,880.23
Balance, January 1	D	<u>5,859,789.13</u>	<u>5,080,565.62</u>
		\$ <u>7,859,867.00</u>	\$ <u>6,704,445.85</u>
Decreased by:			
Utilization by Sewer Operating Budget	D-1	<u>1,546,183.07</u>	<u>844,656.72</u>
Fund Balance, December 31	D	<u>\$ 6,313,683.93</u>	<u>\$ 5,859,789.13</u>

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

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

STATEMENT OF ASSESSMENT TRUST FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2014 and December 31, 2015	D	\$ <u>11,392.66</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, 2014 and December 31, 2015	D	\$ <u>76,361.34</u>

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

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2015

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	D-1	\$ 1,546,183.07	\$ 1,546,183.07	\$
Sewer Use Charges	D-1	9,200,000.00	9,735,870.91	535,870.91
Connection Fees	D-1:D-6	20,000.00	44,904.22	24,904.22
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	70,000.00	73,350.34	3,350.34
		<u> </u>	<u> </u>	<u> </u>
<u>BUDGET TOTALS</u>	D-5	\$ 10,856,183.07	\$ 11,420,308.54	\$ 564,125.47
Non - Budget Revenue	D-1:D-4:D-6		130,488.46	130,488.46
		<u> </u>	<u> </u>	<u> </u>
		\$ <u>10,856,183.07</u>	\$ <u>11,550,797.00</u>	\$ <u>694,613.93</u>

ANALYSIS OF NON-BUDGET REVENUE:

Miscellaneous:				
Interest on Sewer Charges			\$ 126,451.03	
Interest on Investments and Deposits			3,350.95	
Miscellaneous			<u>686.48</u>	
	D-1:D-4:D-6		\$ <u>130,488.46</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, 2015

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATING:					
Salaries and Wages	\$ 1,797,404.07	\$ 1,797,404.07	\$ 1,647,222.07	\$ 150,182.00	\$
Other Expenses	3,075,500.00	3,075,500.00	2,267,359.04	808,140.96	
Somerset Raritan Valley Sewerage Authority	5,600,000.00	5,600,000.00	3,931,345.55	1,668,654.45	
Salary Adjustments	25,000.00	25,000.00	25,000.00		
TOTAL OPERATING	\$ 10,497,904.07	\$ 10,497,904.07	\$ 7,870,926.66	\$ 2,626,977.41	\$
DEBT SERVICE:					
Payment of Bond Principal	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00		\$
Interest on Bonds	40,965.00	40,965.00	40,965.00		
NJEITF Principal	37,399.00	37,399.00	37,398.28		0.72
NJEITF Interest	7,075.00	7,075.00	7,075.00		
TOTAL DEBT SERVICE	\$ 205,439.00	\$ 205,439.00	\$ 205,438.28	\$	\$ 0.72
STATUTORY EXPENDITURES:					
Statutory Expenditures:					
Social Security	\$ 137,840.00	\$ 137,840.00	\$ 1,823.14	\$ 136,016.86	\$
Unemployment Compensation Insurance	15,000.00	15,000.00	15,000.00		
TOTAL STATUTORY EXPENDITURES	\$ 152,840.00	\$ 152,840.00	\$ 16,823.14	\$ 136,016.86	\$
	\$ 10,856,183.07	\$ 10,856,183.07	\$ 8,093,188.08	\$ 2,762,994.27	\$ 0.72
	REF.	D-4	D-1	D:D-1	
Disbursements	D-6		\$ 7,882,674.04		
Accrued Interest on Bonds	D-12		40,965.00		
Accrued Interest on Loans	D-30		7,075.00		
Accounts Payable	D-19		162,474.04		
			\$ 8,093,188.08		

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

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PUBLIC ASSISTANCE TRUST FUND

"E"

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

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>
<u>ASSETS</u>			
Cash - Public Assistance Trust Fund I	E-1	\$ 1,631.56	\$ 2,229.56
Cash - Public Assistance Trust Fund II	E-1	<u>99,103.36</u>	<u>207,308.57</u>
		<u>\$ 100,734.92</u>	<u>\$ 209,538.13</u>
<u>LIABILITIES</u>			
Reserve for Public Assistance Trust Fund I		\$ 1,551.56	\$ 2,149.56
Reserve for Public Assistance Trust Fund II		<u>99,183.36</u>	<u>207,388.57</u>
		<u>\$ 100,734.92</u>	<u>\$ 209,538.13</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, 2015</u>	BALANCE DECEMBER <u>31, 2014</u>
FIXED ASSETS		
Land	\$ 114,824,510.00	\$ 113,385,510.00
Buildings	43,397,098.82	43,367,400.00
Machinery and Equipment	<u>11,434,464.17</u>	<u>10,881,391.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 169,656,072.99</u>	<u>\$ 167,634,301.00</u>
RESERVE		
Investments in General Fixed Assets	<u>\$ 169,656,072.99</u>	<u>\$ 167,634,301.00</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, 2015 AND 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

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

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

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

C. Basis of Accounting

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

Foreclosed Property - 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

Accounting and Financial Reporting for Pensions - In June 2012 the Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In November of 2013 GASB approved Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) 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 nonemployer 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 nonemployer contributing entity that arise from other types of events.

Accounting and Financial Reporting for Pensions (Continued) - At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Assets area of the balance sheet.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Township of Bridgewater had the following cash and cash equivalents at December 31, 2015:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Cuurent Fund	\$410.00	\$10,845,421.87	\$40,121.86	\$184,590.84	\$10,700,952.89
Grant Fund		223,717.02		102,555.35	121,161.67
Assessment Fund		47,933.54			47,933.54
Animal Contol Fund		34,317.54		4.80	34,312.74
Trust Other Fund		15,476,376.23	2,166.00	173,799.75	15,304,742.48
General Capital Fund		6,869,812.35		19,906.97	6,849,905.38
Sewer Operating Fund	100.00	9,463,289.73	3,678.22	33,896.78	9,433,071.17
Sewer Assessment Fund		11,392.66			11,392.66
Sewer Capital Fund		982,047.84		2,671.50	979,376.34
Public Assistance Fund		111,490.42	1,357.00	12,112.50	100,734.92
	<u>\$510.00</u>	<u>\$44,065,799.20</u>	<u>\$47,323.08</u>	<u>\$529,538.49</u>	<u>\$43,583,583.79</u>

Custodial Credit Rick – 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, 2015, 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 \$1,361,239.65 was covered by Federal Depository Insurance and \$42,704,559.55 was covered by NJ GUDPA.

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 Investment of the Department of Treasury 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)

B. Investments

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 0.734%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 32,103,504.75	\$ 32,103,504.75	\$
Sewer Utility Debt	7,439,398.95	7,439,398.95	
General Debt	<u>66,490,395.71</u>	<u>314,870.37</u>	<u>66,175,525.34</u>
	<u>\$ 106,033,299.41</u>	<u>\$ 39,857,774.07</u>	<u>\$ 66,175,525.34</u>

Net debt of \$66,175,525.34 divided by equalized valuation basis per N.J.S.40A:2-2, as amended, of \$9,011,742,788.67 equals 0.734%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2015</u>	<u>YEAR 2014</u>	<u>YEAR 2013</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 64,174,160.80	\$ 54,179,178.21	\$ 53,921,463.03
Sewer Utility:			
Bonds, Notes and Loans	<u>1,637,576.08</u>	<u>1,794,974.36</u>	<u>1,947,372.64</u>
Total Issued	<u>\$ 65,811,736.88</u>	<u>\$ 55,974,152.57</u>	<u>\$ 55,868,835.67</u>
Less:			
Reserve for Debt Service	<u>\$ 314,870.37</u>	<u>\$ 11,975.98</u>	<u>\$ 5,090.42</u>
Total Deductions	<u>\$ 314,870.37</u>	<u>\$ 11,975.98</u>	<u>\$ 5,090.42</u>
Net Debt Issued	<u>\$ 65,496,866.51</u>	<u>\$ 55,962,176.59</u>	<u>\$ 55,863,745.25</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ 2,316,234.91	\$ 9,216,180.26	\$ 6,342,817.60
Sewer Utility:			
Bonds and Notes	<u>5,801,822.87</u>	<u>4,241,822.87</u>	<u>1,801,822.87</u>
Total Authorized But Not Issued	<u>\$ 8,118,057.78</u>	<u>\$ 13,458,003.13</u>	<u>\$ 8,144,640.47</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 73,614,924.29</u>	<u>\$ 69,420,179.72</u>	<u>\$ 64,008,385.72</u>

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

Equalized Valuation Basis* - December 31, 2015	<u>\$ 9,011,742,788.67</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 315,410,997.60
Net Debt	<u>66,175,525.34</u>
Remaining Borrowing Power	<u>\$ 249,235,472.26</u>

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

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance		\$ 11,550,797.00
Deductions:		
Operating and Maintenance Cost	\$ 10,650,744.07	
Debt Service	<u>205,438.28</u>	
Total Deductions		<u>10,856,182.35</u>
Excess in Revenue		<u>\$ 694,614.65</u>

Long-Term Debt Obligations:

General Serial Bonds:

\$7,992,000.00 General Obligation Bonds of 2007 due in annual installments of \$375,000.00 to \$700,000.00 through 2022 at a variable interest rate	\$4,492,000.00
\$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	15,092,000.00
\$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 variable interest rate	4,305,000.00
\$22,500,000.00 County Guaranteed Governmental Loan Revenue Bonds of 2010 due in annual installments of \$100,000.00 to \$1,100,000.00 through 2035 at a variable interest rate	<u>19,425,000.00</u>
	<u>\$43,314,000.00</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

Long-Term Debt Obligations (Continued):

Sewer Utility Serial Bonds:

\$636,000.00 General Obligation Bonds of 2012 due in annual installments of \$20,000.00 to \$40,000.00 through 2032 at a variable interest rate	\$566,000.00
\$415,000.00 General Obligation Refunding Bonds of 2012 due in annual installments of \$55,000.00 to \$60,000.00 through 2022 at a variable interest rate	290,000.00
\$508,000.00 General Obligation Bonds of 2007 due in annual installments of \$20,000.00 to \$37,000.00 through 2022 at a variable interest rate	<u>253,000.00</u>
	<u>\$1,109,000.00</u>

Improvement Authority Loan:

\$93,890.61 Improvement Authority Loan of 2011 due in monthly installments through 2016 at an interest rate of 2.75%	\$15,380.78
\$202,853.45 Improvement Authority Loan of 2013 due in monthly installments through 2016 at an interest rate of 1.85%	5,779.08
\$122,922.22 Improvement Authority Loan of 2014 due in monthly installments through 2019 at an interest rate of 2.10%	108,149.21
\$123,440.48 Improvement Authority Loan of 2014 due in monthly installments through 2017 at an interest rate of 1.85%	83,633.94
\$106,238.47 Improvement Authority Loan of 2015 due in monthly installments through 2020 at an interest rate of 2.10%	106,238.47
\$161,017.58 Improvement Authority Loan of 2015 due in monthly installments through 2018 at an interest rate of 1.85%	<u>161,017.58</u>
	<u>\$472,199.06</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

Long-Term Debt Obligations (Continued):

New Jersey Environmental Infrastructure Loans:

\$528,286.00 2001A Fund Loan Agreement of 2001 due in semi-annual installments of \$616.70 to \$27,199.86 through 2021	\$151,135.36
\$515,000.00 2001A Trust Loan Agreement of 2001 due in annual installments of \$20,000.00 to \$40,000.00 through 2021 at a variable interest rate	<u>215,000.00</u>
	<u>\$366,135.36</u>

Green Trust Loans:

\$500,000.00 Prince Rodgers Park Loan of 2002 due in semi-annual installments of \$11,306.52 to \$15,391.88 through 2021 at an interest rate of 2.00%	\$174,969.16
\$363,642.00 Prince Rodgers Park Loan of 2005 due in semi-annual installments of \$9,543.62 to \$12,863.36 through 2021 at an interest rate of 2.00%	134,696.20
\$400,000.00 Alfred S. Brown Park Loan of 2002 due in semi-annual installments of \$9,045.22 to \$12,313.50 through 2021 at an interest rate of 2.00%	139,975.31
\$250,000.00 YMCA Land Acquisition Loan of 2002 due in semi-annual installment of \$5,653.26 to \$7,695.94 through 2021 at an interest rate of 2.00%	<u>87,484.71</u>
	<u>\$537,125.38</u>

Bonds and Notes Authorized but not Issued:

There is \$2,316,234.91 General Capital and \$8,801,822.87 Sewer Capital Bonds and Notes Authorized but not Issued at December 31, 2015.

NOTE 3: LONG TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING AT DECEMBER 31, 2015.

YEAR	GENERAL		SEWER UTILITY	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2016	\$2,530,000.00	\$1,485,645.00	\$120,000.00	\$35,695.00
2017	2,625,000.00	1,437,352.50	120,000.00	33,477.50
2018	2,700,000.00	1,357,783.75	120,000.00	29,733.75
2019	2,840,000.00	1,269,333.75	117,000.00	25,390.00
2020	3,035,000.00	1,171,202.50	117,000.00	21,101.25
2021	3,180,000.00	1,063,440.00	62,000.00	13,635.00
2022	3,277,000.00	947,465.00	62,000.00	12,885.00
2023	1,985,000.00	830,495.00	35,000.00	11,985.00
2024	1,985,000.00	761,195.00	40,000.00	10,860.00
2025	1,985,000.00	691,895.00	40,000.00	9,660.00
2026	2,010,000.00	622,595.00	40,000.00	8,460.00
2027	2,010,000.00	551,663.75	40,000.00	7,235.00
2028	2,010,000.00	479,470.00	40,000.00	5,960.00
2029	2,010,000.00	406,645.00	40,000.00	4,660.00
2030	2,010,000.00	333,188.75	40,000.00	3,335.00
2031	2,010,000.00	258,470.00	40,000.00	1,960.00
2032	2,012,000.00	183,085.00	36,000.00	630.00
2033	1,000,000.00	125,375.00		
2034	1,000,000.00	85,375.00		
2035	1,100,000.00	45,375.00		
	<u>\$43,314,000.00</u>	<u>\$14,107,050.00</u>	<u>\$1,109,000.00</u>	<u>\$236,662.50</u>

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS ISSUED AND OUTSTANDING AT DECEMBER 31, 2015.

Payment Date	Fund Loan	Trust Loan		Total
	Principal	Principal	Interest	
2/1/16	\$3,424.32		\$5,275.00	\$5,275.00
8/1/16	22,899.17	\$30,000.00	5,275.00	35,275.00
2/1/17	2,937.45		4,525.00	4,525.00
8/1/17	25,658.10	35,000.00	4,525.00	39,525.00
2/1/18	2,369.43		3,650.00	3,650.00
8/1/18	25,090.09	35,000.00	3,650.00	38,650.00
2/1/19	1,801.42		2,775.00	2,775.00
8/1/19	24,522.07	35,000.00	2,775.00	37,775.00
2/1/20	1,233.40		1,900.00	1,900.00
8/1/20	27,199.86	40,000.00	1,900.00	41,900.00
2/1/21	616.70		950.00	950.00
8/1/21	13,383.35	40,000.00	950.00	40,950.00
	<u>\$151,135.36</u>	<u>\$215,000.00</u>	<u>\$38,150.00</u>	<u>\$253,150.00</u>

NOTE 3: LONG TERM DEBT (CONTINUED)

SCHEDULE OF GREEN TRUST LOANS ISSUED AND OUTSTANDING AT DECEMBER 31, 2015.

Prince Rodgers Park Loans:

Year	2002 Loan		2005 Loan		Total
	Principal	Interest	Principal	Interest	
2016	\$27,730.18	\$3,361.42	\$23,406.52	\$2,577.47	\$57,075.59
2017	28,287.55	2,804.05	23,876.99	2,107.01	57,075.60
2018	28,856.13	2,235.46	24,356.92	1,627.08	57,075.59
2019	29,436.13	1,655.45	24,846.49	1,137.50	57,075.57
2020	30,027.81	1,063.79	25,345.90	638.08	57,075.58
2021	30,631.36	460.23	12,863.38	128.62	44,083.59
	<u>\$174,969.16</u>	<u>\$11,580.40</u>	<u>\$134,696.20</u>	<u>\$8,215.76</u>	<u>\$329,461.52</u>

Alfred S. Brown Park Loan:

Year	Principal	Interest	Total
2016	\$22,184.13	\$2,689.15	\$24,873.28
2017	22,630.04	2,243.23	24,873.27
2018	23,084.91	1,788.37	24,873.28
2019	23,548.91	1,324.36	24,873.27
2020	24,022.24	851.03	24,873.27
2021	24,505.08	368.20	24,873.28
	<u>\$139,975.31</u>	<u>\$9,264.34</u>	<u>\$149,239.65</u>

YMCA Land Acquisition Loan:

Payment Date	Principal	Interest	Total
4/16/16	\$6,898.05	\$874.85	\$7,772.90
10/16/16	6,967.03	805.87	7,772.90
4/16/17	7,036.71	736.19	7,772.90
10/16/17	7,107.07	665.83	7,772.90
4/16/18	7,178.14	594.76	7,772.90
10/16/18	7,249.92	522.98	7,772.90
4/16/19	7,322.42	450.48	7,772.90
10/16/19	7,395.65	377.25	7,772.90
4/16/20	7,469.60	303.30	7,772.90
10/16/20	7,544.30	228.60	7,772.90
4/16/21	7,619.74	153.16	7,772.90
10/16/21	7,696.08	76.82	7,772.90
	<u>\$87,484.71</u>	<u>\$5,790.09</u>	<u>\$93,274.80</u>

NOTE 3: LONG TERM DEBT (CONTINUED)

SCHEDULE OF IMPROVEMENT AUTHORITY LOANS ISSUED AND OUTSTANDING AT DECEMBER 31, 2015.

Year	2011 Loan - 60 Months		Total
	Principal	Interest	
2016	\$15,380.78	\$215.98	\$15,596.76
	<u>\$15,380.78</u>	<u>\$215.98</u>	<u>\$15,596.76</u>

Year	2013 Loan - 36 Months		Total
	Principal	Interest	
2016	\$5,779.08	\$8.97	\$5,788.05
	<u>\$5,779.08</u>	<u>\$8.97</u>	<u>\$5,788.05</u>

Year	2014 Loan - 36 Months		2014 Loan - 60 Months		Total
	Principal	Interest	Principal	Interest	
2016	\$41,430.48	\$1,197.12	\$24,254.88	\$1,870.56	\$68,753.04
2017	42,203.46	424.14	24,769.15	1,356.29	68,753.04
2018			25,294.33	831.11	26,125.44
2019			25,830.85	294.59	26,125.44
	<u>\$83,633.94</u>	<u>\$1,621.26</u>	<u>\$100,149.21</u>	<u>\$4,352.55</u>	<u>\$189,756.96</u>

Year	2015 Loan - 36 Months		2015 Loan - 60 Months		Total
	Principal	Interest	Principal	Interest	
2016	\$52,449.56	\$2,886.76	\$20,155.07	\$2,301.13	\$77,792.52
2017	53,782.32	1,554.00	20,848.34	1,607.86	77,792.52
2018	54,785.70	550.62	21,290.40	1,165.80	77,792.52
2019			21,741.82	714.38	22,456.20
2020			22,202.84	253.36	22,456.20
	<u>\$161,017.58</u>	<u>\$4,991.38</u>	<u>\$106,238.47</u>	<u>\$6,042.53</u>	<u>\$278,289.96</u>

NOTE 4: SHORT-TERM DEBT

The Township had the following short-term debt:

Bond Anticipation Notes:

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital Fund	2.00%	08/17/16	<u>\$19,484,701.00</u>

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2015, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2016, as introduced were as follows:

Current Fund	\$3,441,276.97
Sewer Utility Fund	\$2,634,141.34

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, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
Prepaid Taxes	<u>\$1,064,143.08</u>	<u>\$845,770.71</u>

NOTE 7: COMPENSATED ABSENCES

The Township of Bridgewater permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid upon retirement or separation at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$2,093,122.97. 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, 2015.

NOTE 8: PENSIONS

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

Plan Descriptions

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

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

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

NOTE 8: PENSIONS (CONTINUED)

Vesting and Benefit Provisions

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

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

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

Funding Policy

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

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

NOTE 8: PENSIONS (CONTINUED)

Funding Policy (Continued)

Certain portions of the costs are contributed by the employees. The Township's share of PERS and PFRS pension costs, which is based upon the annual billings received from the State, amounted to \$2,685,427.00 for 2015, \$2,760,131.64 for 2014 and \$2,757,101.60 for 2013.

The Township's share for DCRP amounted to \$1,466.52 for 2015, \$1,488.44 for 2014 and \$1,440.12 for 2013.

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

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

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" and is effective for fiscal years beginning after June 15, 2014. This statement requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2015. 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, 2015.

Public Employees Retirement System (PERS)

At June 30, 2015, the State reported a net pension liability of \$25,250,307.00 for the Township of Bridgewater's proportionate share of the total net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. 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, 2015, the Township's proportion was 0.1124835670 percent, which was an decrease of 0.0000610997 percent from its proportion measured as of June 30, 2014.

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2015, the State recognized an actuarially determined pension expense of \$1,604,948.00 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, 2015 billing was \$927,802.00.

At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$602,384.00
Changes of assumptions		2,711,681.00
Net difference between projected and actual earnings on pension plan investments	\$405,976.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>229,103.00</u>	<u> </u>
	<u>\$635,079.00</u>	<u>\$3,314,065.00</u>

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

<u>Year Ended June 30</u>	<u>Amount</u>
2016	\$477,972.00
2017	\$477,972.00
2018	\$477,972.00
2019	\$791,908.00
2020	\$453,162.00

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$5,086,138,484	\$1,032,618,058
Collective deferred inflows of resources	478,031,236	1,726,631,532
Collective net pension liability - local	22,447,996,119	18,722,735,003
Township's Proportion	0.1124835670%	0.1125446667%

Actuarial Assumptions

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

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Inflation	3.01 Percent	3.04 Percent
Salary Increases (based on age)		
2012-2021	2.15-4.40 Percent	2.15-4.40 Percent
Thereafter	3.15-5.40 Percent	3.15-5.40 Percent
Investment Rate of Return	7.90 Percent	7.90 percent

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 and June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>		<u>June 30, 2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bond			1.00%	2.49%
Intermediate Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad U.S. Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Markets	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Returns	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
U.S. Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
Global Debt ex US	3.50%	-0.40%		
REIT	4.25%	5.12%		
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.30% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015 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, 2015		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>3.90%</u>	<u>4.90%</u>	<u>5.90%</u>
Township's proportionate share of the pension liability	31,383,042.00	25,250,307.00	20,108,666.00

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).

NOTE 8: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2015, the State reported a net pension liability of \$38,653,872.00 for the Township of Bridgewater's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. 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, 2015, the Township's proportion was 0.2320645927 percent, which was an increase of 0.0032277503 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the State recognized an actuarially determined pension expense of \$2,982,242.00. The pension expense recognized in the Township's financial statement based on the April 1, 2015 billing was \$1,757,625.00.

At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Inflow of <u>Resources</u>	Deferred Outflow of <u>Resources</u>
Differences between expected and actual experience	\$333,402.00	
Changes of assumptions		\$7,136,465.00
Net difference between projected and actual earnings on pension plan investments	672,737.00	
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>1,798,417.00</u>	<u>354,053.00</u>
	<u>\$2,804,556.00</u>	<u>\$7,490,518.00</u>

NOTE 8: PENSION PLANS (CONTINUED)

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

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

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

Year Ended	
<u>June 30</u>	<u>Amount</u>
2016	\$810,784.00
2017	\$810,784.00
2018	\$810,784.00
2019	\$1,545,151.00
2020	\$708,459.00

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$3,527,123,787	\$456,706,121
Collective deferred inflows of resources	466,113,435	1,283,652,103
Collective net pension liability - local	16,656,514,197	12,579,072,492
Township's Proportion	0.2320645927%	0.2288368424%

NOTE 8: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

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

Inflation	3.04 Percent	3.01 Percent
Salary Increases (based on age)		
2012-2021	2.60-9.48 Percent	3.95-8.62 Percent
Thereafter	3.60-10.48 Percent	4.95-9.62 Percent
Investment Rate of Return	7.90 Percent	7.90 Percent

Mortality rates used for the July 1, 2014 valuation were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

Mortality rates used for the July 1, 2013 valuation were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2011 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

NOTE 8: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30,2015</u>		<u>June 30,2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bonds			1.00%	2.49%
Intermediate- Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
Global Debt ex US	3.50%	-0.40%		
REIT	4.25%	5.12%		
US Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 8: PENSION PLANS (CONTINUED)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015 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, 2015		
	1% Decrease <u>4.79%</u>	At Current Discount Rate <u>5.79%</u>	1% Increase <u>6.79%</u>
Township's proportionate share of the PFRS pension liability	\$50,958,075.00	\$38,653,872.00	\$28,620,894.00

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 Police and Firemen's Retirement System (PFRS).

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, 2015, 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 2015 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 \$647,543.08 at December 31, 2015.

NOTE 12: RISK MANAGEMENT

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

NOTE 12: RISK MANAGEMENT (CONTINUED)

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>
2015	\$ 21,822.54	\$ 25,000.00	\$ 24,740.91	\$ 108,944.97
2014	37,010.55	10,000.00	27,975.07	86,863.34
2013	21,289.83	15,000.00	17,327.39	67,827.86

NOTE 13: LENGTH OF SERVICE AWARDS PROGRAM

The Township of Bridgewater adopted an ordinance establishing a Length of Service Awards Program effective for 2003 for the members of the Bridgewater First Aid/Rescue Squad pursuant to N.J.S.A. 40A:14-183 et seq. Under this program, each volunteer of the Bridgewater First Aid/Rescue Squad that performs the minimum amount of service will have an annual amount up to \$1,150.00 deposited into a tax deferred account. The Township budgeted \$110,000.00 for the program in 2015.

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, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 10,037.51	\$ 105,055.20
Animal Control Fund		9,488.54
Trust Other Fund	105,055.20	16.96
Sewer Utility Operating Fund	<u>16.96</u>	<u>548.97</u>
	<u>\$ 115,109.67</u>	<u>\$ 115,109.67</u>

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

NOTE 15: DEFERRED COMPENSATION PLAN

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

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

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

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

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

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

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

PLAN DESCRIPTION – OTHER POST-EMPLOYMENT BENEFITS

In General

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

Eligibility

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

Year of service are calculated based upon elapsed time.

Medical Benefits

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

Prescription Drugs

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

Dental

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

Vision

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

Life Insurance

Life insurance is not provided to retired employees or spouses.

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

ACTUARIAL METHODS

Calculation Of Actuarial Accrued Liability

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

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

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

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

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

Assumptions For Valuation

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

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

4. Disability. It is assumed no terminations of employment due to disability. Retirees resulting from a disability were factored into our determination of age at retirement.
5. Age at Retirement. It is assumed that the active participants, on average, will receive their benefits when eligible but no earlier than age 55.
6. Final Average Salary. It is assumed that the final average salary for retirees age 55 and over is \$56,117. Future retirees are assumed to contribute toward retiree health premiums pursuant to Chapter 78, P.L. 2011.
7. Spousal Coverage. It is assumed that married employees will remain married.

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

ACTUARIAL METHODS (CONTINUED)

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

Change In Assumptions

Effective December 31, 2013, the assumptions for medical trend costs, turnover, and retirement age.

Current Per Capita Claim Costs

We have reviewed the premiums paid data during the twelve months of 2013 for health, prescription drugs, and dental for retirees less than age 65 and over age 65. As a result we have utilized an annual average claims cost of approximately \$19,920 per covered retiree for family coverage and \$9,660 for single coverage prior to age 65. For retirees age 65 and over we have utilized an annual average claims cost of approximately \$6,000 per covered retiree for family coverage and \$3,000 for single coverage.

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

Annual Required Contribution (Arc)

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

Actuarial Funding Method

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

Demographic Data Statistics

- 132 retirees with an average age of 69
- 50 retirees receiving single benefit coverage
- 202 active employees with an average age of 47 and average accrued service of 15 years

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

VALUATION RESULTS

Benefit Obligations

At 12/31/2013, it is estimated that the actuarial accrued liability of benefit obligations of the Township of Bridgewater for other post-employment benefits to be:

	<u>12/31/2013</u>
1. For covered retired employees	\$15,343,778.
2. For active or terminated vested participants who have satisfied the requirements (except for actually retiring) for retiree coverage	4,105,283.
3. For other active participants	<u>19,279,864.</u>
4. Total	38,728,925.
5. Assets	<u>0.</u>
6. Unfunded Actuarial Accrued Liability (5.) - (4.)	\$38,728,925.

Annual Required Contribution (Arc)

At 12/31/2013, it is estimated that the ARC of the plan for post-employment benefits to be:

	<u>12/31/2013</u>
1. Annual Amount Toward Unfunded Actuarial Accrued Liability	\$ 2,399,402.
2. Normal Cost for OPEB	<u>1,389,672.</u>
3. Total (1.) + (2.)	\$3,789,074.

Benefit Payment Comparison

At 12/31/2013, the OPEB was funded on a pay-as-you-go basis:

1. Pay-As-You-Go Retiree Medical Costs	\$1,205,400. *
2. Annual Required Contribution (ARC)	<u>3,789,074.</u>
3. Net Increase (Decrease) (2.) - (1.)	2,583,674.

* Estimated costs.

NOTE 17: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEAR'S BUDGET

	Balance December 31, <u>2015</u>	Raised in 2016 <u>Budget</u>
Current Fund:		
Emergency Appropriation		
- Police Cars - Flood	<u>\$26,400.00</u>	<u>\$26,400.00</u>
	<u><u>\$26,400.00</u></u>	<u><u>\$26,400.00</u></u>

NOTE 18: SUBSEQUENT EVENTS

The Township of Bridgewater has evaluated subsequent events occurring after the financial statement date through March 30, 2016 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

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TOWNSHIP OF BRIDGEWATER
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	REF.	CURRENT FUND	GRANT FUND
Balance, December 31, 2014	A	\$ 9,564,313.53	\$ 349,633.80
Increased by Receipts:			
Taxes Receivable	A-8	\$ 174,837,804.36	\$
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	302,699.31	
Interfunds	A-12	12,663,660.04	
Petty Cash	A-5	1,000.00	
Revenue Accounts Receivable	A-13	14,658,311.51	
Miscellaneous Revenue Not Anticipated	A-2	500,189.44	
Tax Overpayments	A-17	183,182.10	
Prepaid Taxes	A-18	1,070,235.83	
Tax Title Liens	A-9	9,342.54	
Grants-Appropriated - Match	A-23		122,871.00
Grants - Unappropriated	A-24		15,000.00
Grants Receivable	A-25		866,052.94
Construction Code DCA - Due State of NJ	A-16	108,153.00	
Marriage/Civil Union Licenses Due State of NJ	A-27	5,025.00	
Reserve for State Library	A-31	1,500.00	
Reserve for Storm Damage - FEMA	A-26	266,685.32	
		<u>204,607,788.45</u>	<u>1,003,923.94</u>
		\$ 214,172,101.98	\$ 1,353,557.74
Decreased by Disbursements:			
2015 Appropriations	A-3	\$ 34,617,551.79	\$
Appropriation Reserves	A-14	1,643,014.21	
Accounts Payable	A-11	48,617.50	
Interfunds	A-12	12,508,956.29	
Due Current Fund	A-29		173,138.50
Due General Capital Fund	A-30		1,000.00
Petty Cash	A-5	1,000.00	
Tax Overpayments	A-17	75,845.49	
Regional School District Taxes	A-21	117,007,939.00	
County Taxes	A-20	35,054,652.92	
Special Fire District Taxes	A-22	2,354,352.00	
Refund of:			
Uniform Construction Code Fees	A-2	12,617.20	
Prepaid Taxes	A-18	6,092.75	
Municipal Court	A-2	442.00	
Recreation Fees	A-2	4,385.00	
Construction Code DCA - Due State of NJ	A-16	107,531.00	
Marriage/Civil Union Licenses Due State of NJ	A-27	4,725.00	
Reserve of Prior Year Revenue	A-1	17,630.22	
Reserve for Tax Appeals	A-15	5,796.72	
Grants-Appropriated	A-23		1,058,257.57
		<u>203,471,149.09</u>	<u>1,232,396.07</u>
Balance, December 31, 2015	A	\$ <u>10,700,952.89</u>	\$ <u>121,161.67</u>

"A-5"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF PETTY CASH

OFFICE

Police Department
Finance Department

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

REF.

A-4

A-4

"A-6"

SCHEDULE OF CHANGE FUNDS

Balance, December 31, 2014
and December 31, 2015

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>

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

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

	<u>REF.</u>		
Balance, December 31, 2014 (Due From)	A		\$ 205,226.72
Increased by:			
Senior Citizens Deductions Per Tax Billing	A-7	\$ 50,750.00	
Veterans Deductions Per Tax Billing	A-7	259,750.00	
Senior Citizens and Veterans Deductions Allowed by Tax Collector	A-7	<u>2,500.00</u>	
			\$ <u>313,000.00</u>
Decreased by:			
Senior Citizens Deductions Disallowed by Collector	A-7	\$ 489.73	
Received From State	A-4	<u>302,699.31</u>	
			\$ <u>303,189.04</u>
Balance, December 31, 2015 (Due From)	A		\$ <u><u>215,037.68</u></u>

ANALYSIS OF STATE SHARE OF 2015 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing	A-7	\$ 50,750.00	
Veterans Deductions Per Tax Billing	A-7	259,750.00	
Senior Citizens and Veterans Deductions Allowed by Tax Collector-2015 Taxes	A-7	<u>2,500.00</u>	
			\$ 313,000.00
Less:			
Deductions Disallowed by Collector	A-7		<u>489.73</u>
	A-8		\$ <u><u>312,510.27</u></u>

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2014	2015 LEVY	ADDED TAXES	COLLECTIONS BY CASH	CANCELED	OVERPAYMENTS APPLIED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2015
				2014	2015			
2013	\$ 11,846.76	\$	\$ 939.36	\$	\$ 12,786.12	\$	\$	\$
2014	\$ 1,047,294.24	\$	\$ 21,046.22	\$	\$ 1,046,899.52	\$ 15,304.39	\$ 1,387.43	\$
2015	\$ 1,059,141.00	\$ 176,275,325.40	\$ 21,985.58	\$ 737,618.75	\$ 1,059,685.64	\$ 15,304.39	\$ 1,387.43	\$
					\$ 174,090,628.99	\$ 116,081.55	\$ 13,283.18	\$ 1,235,117.03
REF.	A	A-8	\$ 21,985.58	\$ 737,618.75	\$ 175,150,314.63	\$ 87,345.02	\$ 14,670.61	\$ 1,235,117.03
				A-2-A-18	A-2-A-8	A-2-A-17	A-9	A

REF.

Collector	A-4	\$ 174,837,804.36
Senior Citizens and Veterans Deductions	A-7	312,510.27
	A-8	\$ 175,150,314.63

ANALYSIS OF 2015 PROPERTY TAX LEVY

TAX YIELD		
General Property Tax		\$ 173,451,241.57
Added Taxes (54:4-63.1 et.seq.)		469,731.83
Special Fire District Tax		2,354,352.00
		\$ 176,275,325.40

TAX LEVY

Regional School District Tax (Abstract)		\$	
County Tax (Abstract)		\$	117,007,939.00
County Library Tax (Abstract)			
County Open Space (Abstract)			
Due County for Added Taxes (54:4-63.1 et.seq.)		\$	35,018,823.83
Total County Taxes			94,113.08

Special Fire District Tax			
Local Tax for Municipal Purposes (Abstract)		\$	21,330,747.34
Add: Additional Tax Levied			469,350.15
Local Tax for Municipal Purposes Levied			21,800,097.49
		\$	176,275,325.40

"A-9"

TOWNSHIP OF BRIDGEWATER
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2014	A		\$ 143,744.83
Increased by:			
Taxes Accrued	A-8	\$ 14,670.61	
Sewer Accrued	A-12	798.00	
Interest & Costs on Tax Sale		<u>3,422.05</u>	
			<u>18,890.66</u>
			\$ <u>162,635.49</u>
Decreased by:			
Receipts	A-4	9,342.54	
Canceled		<u>2,533.81</u>	
			<u>11,876.35</u>
Balance, December 31, 2015	A		\$ <u><u>150,759.14</u></u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2014 and December 31, 2015	A		\$ <u><u>422,300.00</u></u>
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TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2014	A		\$ 1,466,739.21
Increased by:			
2015 Budget Appropriations	A-3	\$ 1,256,359.38	
Appropriation Reserves	A-14	<u>53,455.39</u>	
			<u>1,309,814.77</u>
			\$ <u>2,776,553.98</u>
Decreased by:			
Disbursements	A-4	\$ 48,617.50	
Transferred to Appropriation Reserves	A-14	1,259,462.44	
Canceled	A-1	<u>129,988.96</u>	
			<u>1,438,068.90</u>
Balance, December 31, 2015	A		\$ <u><u>1,338,485.08</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, 2014						
Due To	\$ 140,205.96	\$	\$	\$ 137,753.11	\$	\$ 2,452.85
Due From	10,062.98		10,062.98			
Receipts	\$ 12,663,660.04	\$ 173,138.50	\$ 10,135.98	\$ 8,479,909.39	\$	\$ 4,000,476.17
Applied to Tax Title Liens	798.00					798.00
Transfer	9,488.54		9,488.54			
Canceled	181,138.50	173,138.50		8,000.00		
Disbursements	12,508,956.29		73.00	8,504,607.30		4,004,275.99
Balance, December 31, 2015						
Due To	\$ 105,055.20	\$	\$	\$ 105,055.20	\$	\$
Due From	10,037.51		9,488.54			548.97

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

ACCOUNTS	REF.	BALANCE DECEMBER 31, 2014	ACCRUED IN 2015	COLLECTED	BALANCE DECEMBER 31, 2015
Licenses:					
Alcoholic Beverages	A-2	\$	87,252.00	87,252.00	\$
Other	A-2		33,550.53	33,550.53	
Fees and Permits	A-2		333,474.61	333,474.61	
Municipal Court:					
Fines and Costs	A-2	38,347.18	591,691.39	585,481.25	44,557.32
Interest and Costs on Taxes	A-2		280,223.38	280,223.38	
Interest on Investments and Deposits	A-2		48,782.69	48,782.69	
Recreation Fees	A-2		180,896.64	180,896.64	
Consolidated Municipal Property Tax Relief Aid	A-2		70,290.00	70,290.00	
Energy Receipts Tax	A-2		5,829,889.00	5,829,889.00	
Uniform Construction Code Fees	A-2		1,660,115.00	1,660,115.00	
Garden State Trust Fund	A-2		4,082.00	4,082.00	
Joint Services with County Library	A-2		314,971.51	314,971.51	
Public Assistance Services with County	A-2		45,840.00	45,840.00	
Shared Municipal Court	A-2		186,482.32	186,482.32	
Shared Resource Officer BOE	A-2		139,986.52	139,986.52	
Life Hazard Use Fees	A-2		126,937.26	126,937.26	
Suburban Cablevision - Franchise Fee	A-2		580,332.94	580,332.94	
Payment in Lieu of Taxes-Centerbridge II	A-2		85,706.38	85,706.38	
Bridgewater Commons - Rent / Royalty / In Lieu Of	A-2		2,170,994.00	2,170,994.00	
Additional Fees and Permits - Towing	A-2		47,400.00	47,400.00	
Host Benefit Fees	A-2		226,705.87	226,705.87	
Hotel/Motel Tax	A-2		906,805.33	906,805.33	
Capital Fund Surplus	A-2		500,000.00	500,000.00	
Debt Service Reimbursement - Open Space Trust Fund	A-2		65,000.00	65,000.00	
Reliable Recycling	A-2		50,100.00	50,100.00	
		\$ 38,347.18	\$ 14,517,409.37	\$ 14,561,299.23	\$ 44,557.32

REF.

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A-4

A

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF 2014 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2014	TRANSFERRED FROM ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>					
Mayor's Office	\$ 5,424.35	\$	\$	\$	\$
Administration	374.82		374.82		374.82
Economic Development	99.98		99.98		99.98
Township Council	99.95		99.95		99.95
Personnel Office	4,854.75				
Purchasing Department	464.05		464.05		464.05
IT Department	227.64		227.64		227.64
Township Clerk	1,475.19				
Director of Finance	99.91		99.91		99.91
Division of Treasury	15,209.01				
Division of Tax Collection	144.56		144.56		144.56
Tax Assessment	4,474.99		610.22	610.22	
Legal Office	4,828.76				
Engineering Director's Office	99.86		99.86		99.86
Engineering	5,598.16				
Board of Adjustments	196.14		196.14		196.14
Division of Planning	2,791.23				
Police	149,806.82		173,431.42	173,431.42	
Emergency Management	1,200.00				
Fire Safety	5,678.33		5,678.33		5,678.33
Municipal Court	25,084.04		2,084.04	1,805.02	279.02
Road Repairs and Maintenance	57,599.41		906.64	906.64	
Vehicle Maintenance	2,574.35		813.84	813.84	
Snow Removal	3,554.00		3,554.00	3,554.00	
Park Maintenance	27,965.92		20,143.95	1,548.80	18,595.15
Public Buildings and Grounds	38,500.18		2,541.60	2,541.60	
Director's Office	0.26		0.26		0.26
Division of Health	8,983.34		83.34		83.34
Administration of Public Assistance	99.96		99.96		99.96
Senior Citizen Services	566.27		566.27		566.27
Division of Recreation and Parks	13,984.94		984.94		984.94
Construction Code Official	12,005.71		794.28	794.28	
Branch Library	20,919.01				
<u>OTHER EXPENSES</u>					
Mayor's Office	0.04	399.00	399.04	346.00	53.04
Administration	7,550.14	750.00	4,077.25	122.55	3,954.70
Economic Development	125.00		125.00		125.00
Township Council	589.55	144.95	734.50	150.00	584.50
Personnel Office	3,637.57	4,386.94	8,024.51	2,102.74	5,921.77
Purchasing Department	5,674.18	4,703.74	6,377.92	4,028.50	2,349.42
IT Department	825.25	2,436.07	3,261.32	1,051.11	2,210.21
Township Clerk	133.11	3,869.25	4,002.36	2,419.59	1,582.77
Director of Finance	1,115.57	1,300.00	2,415.57	1,135.82	1,279.75
Division of Treasury	2,752.86	7,998.19	10,751.05	9,929.14	821.91
Audit	11,296.00				
Division of Collector of Taxes	1,315.65	565.07	1,880.72	565.70	1,315.02
Assessment of Taxes	8,427.15	19,989.55	28,416.70	9,890.20	18,526.50
Reassessment Program	740.00	5,640.00	6,380.00	5,640.00	740.00
Legal Office	7,613.92	208,460.11	216,074.03	161,243.91	54,830.12
Employee Group Insurance	49,818.83	3,777.40	381,654.51	381,654.51	
Other Insurance Premiums	10,053.50				
Engineering	168.89	2,161.99	2,330.88	2,161.99	168.89
Board of Adjustments	1,130.86	706.38	1,837.24	734.05	1,103.19
Division of Planning	6,312.60	10,372.66	16,685.26	2,434.34	14,250.92
Planning Board	2,322.66	8,583.73	10,906.39	5,924.48	4,981.91
Police	999.42	14,925.68	15,925.10	2,905.86	13,019.24
Vehicle Purchase	1,995.09	150,629.99	152,625.08	99,912.48	52,712.60
Office of Emergency Management	1,584.94	500.00	2,084.94	398.00	1,686.94
Fire Safety	50.00		50.00		50.00
Fire Hydrant Service	37.60	74,300.00	74,337.60	71,902.60	2,435.00
Municipal Court	5,810.98	2,127.71	7,938.69	2,393.55	5,545.14
Public Defender	6,250.00		250.00		250.00
Road Repair and Maintenance	19,357.55	63,078.91	82,436.46	57,288.54	25,147.92
Vehicle Maintenance	3,530.81	11,194.41	14,725.22	7,208.75	7,516.47
Recycling	320.14	29,581.28	29,901.42	29,581.28	320.14
Snow Removal	35,247.38	35,306.92	70,554.30	64,645.28	5,909.02

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF 2014 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2014	TRANSFERRED FROM ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>					
Park Maintenance	\$ 8,163.22	\$ 15,084.82	\$ 23,248.04	\$ 10,681.01	\$ 12,567.03
Municipal Services Reimbursements: Condominiums		70,000.00	70,000.00	69,946.74	53.26
Public Buildings and Grounds	10,264.32	50,345.05	60,609.37	60,436.44	172.93
Director's Office	10.00	325.00	335.00	325.00	10.00
Division of Health	1,710.91	2,873.00	4,583.91	2,647.28	1,936.63
Administration of Public Assistance	500.00		500.00		500.00
Contribution to Somerset Regional Center Partnership	1,610.00		10.00		10.00
Environmental Commission	20.01	525.00	545.01	541.59	3.42
Visiting Nurses	540.25	16,459.75	17,000.00	16,459.75	540.25
Senior Citizen Services	3,663.14	2,783.74	6,446.88	1,891.07	4,555.81
Division of Recreation and Parks	7,879.67	20,132.38	28,012.05	19,186.33	8,825.72
Branch Library	54,591.61	5,544.93	60,136.54	16,062.59	44,073.95
Greenbrook Flood Control	50.72		50.72		50.72
Construction Code Official	5,549.03	11,098.27	16,647.30	10,928.35	5,718.95
Street Lighting		56,512.69	36,512.69	34,817.48	1,695.21
Telephone Service		41,426.25	21,426.25	12,631.07	8,795.18
Central Office Supply	0.52	2,248.52	2,249.04	981.15	1,267.89
Utilities	120.96	242,012.00	192,132.96	170,176.42	21,956.54
Postage	553.83	681.00	1,234.83	681.00	553.83
Social Security System	12,602.29		12,602.29	12,602.29	
Public Employees' Retirement System	1.39		1.39		1.39
Pension Firemen's Widow	1,000.00		1,000.00		1,000.00
Defined Contribution Retirement Plan (DCRP)	4,511.56		4,511.56	63.07	4,448.49
Length of Service Awards Program	9,530.16	6,052.40	15,582.56	6,052.40	9,530.16
Branch Library	45,502.86	3,275.00	48,777.86	3,224.36	45,553.50
Supplemental Fire Services Program Fire District		10,079.00	10,079.00	10,079.00	
Police GPS	25,339.45	4,383.08	29,722.53	4,383.08	25,339.45
Police Department - General Equipment	88,208.71		88,208.71	88,208.71	
<u>CAPITAL IMPROVEMENTS</u>					
Building Improvements	30,506.70	19,493.30	50,000.00	19,493.30	30,506.70
Finance - Computer Equipment		10,237.33	10,237.33	10,193.33	44.00
	\$ 924,204.44	\$ 1,259,462.44	\$ 2,183,666.88	\$ 1,696,469.60	\$ 487,197.28
<u>REF.</u>	A	A-11			A-1
Disbursements	A-4			\$ 1,643,014.21	
Reserve for Accounts Payable	A-11			53,455.39	
				\$ 1,696,469.60	

"A-15"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>REF.</u>		
Balance, December 31, 2014	A		\$ 659,486.02
Decreased by:			
Disbursements	A-4	\$ 5,796.72	
Applied to Overpayments	A-17	6,146.22	
			<u>11,942.94</u>
Balance, December 31, 2015	A		<u>\$ 647,543.08</u>

"A-16"

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

Balance, December 31, 2014	A		\$ 26,821.00
Increased by:			
Receipts	A-4		<u>108,153.00</u>
			\$ 134,974.00
Decreased by:			
Disbursements	A-4		<u>107,531.00</u>
Balance, December 31, 2015	A		<u>\$ 27,443.00</u>

"A-17"

TOWNSHIP OF BRIDGEWATER
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2014	A		\$ 293,398.56
Increased by:			
Overpayments in 2015	A-4	\$ 183,182.10	
Overpayments from Appeals	A-15	<u>6,146.22</u>	
			189,328.32
			<u>\$ 482,726.88</u>
Decreased by:			
Refunded	A-4	\$ 75,845.49	
Canceled		2,604.16	
Applied to Taxes	A-8	<u>131,385.94</u>	
			<u>209,835.59</u>
Balance, December 31, 2015	A		<u>\$ 272,891.29</u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2014	A		\$ 845,770.71
Increased by:			
Collection of 2016 Taxes	A-4		<u>1,070,235.83</u>
			<u>\$ 1,916,006.54</u>
Decreased by:			
Refunded	A-4	\$ 6,092.75	
Canceled		108,151.96	
Applied to 2015 Taxes	A-8	<u>737,618.75</u>	
			<u>851,863.46</u>
Balance, December 31, 2015	A		<u>\$ 1,064,143.08</u>

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2014 and December 31, 2015	A	\$ <u>261.03</u>

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2014	A	\$ 35,829.09
Increased by:		
2015 Levy		\$ 35,018,823.83
Added Taxes		<u>94,113.08</u>
	A-1:A-8	\$ <u>35,112,936.91</u>
		\$ <u>35,148,766.00</u>
Decreased by:		
Payments	A-4	<u>35,054,652.92</u>
Balance, December 31, 2015	A	\$ <u>94,113.08</u>

"A-21"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE

	<u>REF.</u>	
Increased by: School Levy	A-1:A-8	\$ 117,007,939.00
Decreased by: Payments	A-4	\$ <u>117,007,939.00</u>

"A-22"

SCHEDULE OF SPECIAL FIRE DISTRICT TAXES PAYABLE

Increased by: 2015 Special District Tax Levy	A-1:A-8	\$ 2,354,352.00
Decreased by: Payments	A-4	\$ <u>2,354,352.00</u>

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2014	2015 BUDGET APPROPRIATION	EXPENDED	CANCELED	BALANCE DECEMBER 31, 2015
Drunk Driving Enforcement Fund	\$ 12,322.85	\$ 25,225.37	\$ 9,065.28	5,718.67	\$ 22,764.27
Over the Limit Under Arrest	7,950.00	5,000.00	7,575.00	375.00	5,000.00
Distracted Driving Crackdown	200.00	5,000.00	5,000.00	200.00	
Click it or Ticket		3,300.00	3,100.00	200.00	
Clean Communities Program	64,723.93	100,034.35	92,020.38		72,737.90
Municipal Alliance Program	26,108.87	35,761.00	36,161.01	167.86	25,541.00
Municipal Alliance Program Match	9,476.01	10,000.00	8,111.04	2,084.97	9,280.00
Alcohol Education Rehabilitation	2,668.78	3,064.52	1,500.00		4,233.30
Body Armor Replacement Fund	7,069.22	6,730.37	5,237.25		8,562.34
Hazard Mitigation Grant	125,440.00		(0.01)	125,440.01	
Safe & Secure Communities		60,000.00	60,000.00		
Safe & Secure Communities & Match		110,871.00	110,871.00		
ROID	240.04		(38.73)	278.77	
ROID - Match		2,000.00			2,000.00
Recycling Tonnage Program	108,246.52		108,246.52		
Somerset County Youth Services Commission	5,531.85	7,500.00	7,452.49		5,579.36
SC Youth Athletic & Recreational Facility	14,976.92			14,976.92	
CDBG - Youth Development Program	315.00			315.00	
CDBG - Southside Avenue Drainage Improvements	41,918.00		41,918.00		
Office of Emergency Management	29,937.48	5,000.00	2,500.00		32,437.48
Federal Bulletproof Vest Program	12,097.90	13,749.83	5,237.25		20,610.48
Challenge Grant - Finderne	21,700.00			21,700.00	
Regional Center Partnership - Pearl Street and Jamestown Road	12,250.00			12,250.00	
Regional Center Partnership - Peters Brook	5,845.00			5,845.00	
Regional Center Partnership	46,000.00			36,000.00	10,000.00
Energy Efficiency & Conservation Strategy			(5.90)	5.90	
Historic Preservation		67,210.00	67,210.00		
SC Youth Services Commission	33.75			33.75	
2013 Open Space Stewardship - Middlebrook Trail	529.60			529.60	
NJ DOT - Highway Safety Fund - Safe Corridor	83.09	73,154.30	73,150.99	45.07	41.33
NJ DOT - Crim Road	45,339.68			45,339.68	
NJ DOT - Country Club Road - Phase II	10,977.42			10,977.42	
NJ DOT - Repaving US Route 22	110,615.29			110,615.29	
NJ DOT - Country Club Road - Phase III	29,392.70			29,392.70	
NJ DOT - Country Club Road - Phase V	170,000.00		170,000.00		
NJ DOT - Country Club Road - Phase VI		162,000.00	162,000.00		
	<u>\$ 921,989.90</u>	<u>\$ 695,600.74</u>	<u>\$ 976,311.57</u>	<u>\$ 422,491.61</u>	<u>\$ 218,787.46</u>

REF.

A

A-1:A-29

A

Grants Appropriated

A-3

\$ 572,729.74

Matching Funds for Grants

A-4

122,871.00

\$ 695,600.74

Disbursements

A-4

\$ 1,058,257.57

Accounts Payable

A-28

178,438.46

\$ 1,236,696.03

Less: Transferred from Accounts Payable

A-28

260,384.46

\$ 976,311.57

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

	<u>BALANCE DECEMBER 31, 2014</u>	<u>RECEIPTS</u>	<u>APPLIED TO RECEIVABLE</u>	<u>BALANCE DECEMBER 31, 2015</u>
Drunk Driving Enforcement Fund	\$ 13,688.13	\$	\$ 13,688.13	\$
Emergency Management		5,000.00		5,000.00
Regional Center Partnership		10,000.00		10,000.00
	<u>\$ 13,688.13</u>	<u>\$ 15,000.00</u>	<u>\$ 13,688.13</u>	<u>\$ 15,000.00</u>
<u>REF.</u>	A	A-4	A-25	A

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2014	BUDGET APPROPRIATION	RECEIPTS	CANCELED	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2015
Drunk Driving Enforcement Fund	\$	\$ 25,225.37	\$ 11,537.24		\$ 13,688.13	
Alcohol Education Rehabilitation Fund		3,064.52	3,064.52			
Distracted Driving Crackdown		5,000.00	5,000.00			
Drive Sober or Get Pulled Over	8,000.00	5,000.00	9,025.00	2,825.00		1,150.00
Click it or Ticket		3,300.00	3,300.00			
Clean Communities Program		100,034.35	100,034.35			
Municipal Alliance Program	23,451.87	35,761.00	35,761.00			23,451.87
Body Armor Replacement Fund		6,730.37	6,730.37			
Federal Bulletproof Vest Partnership	20,060.82	13,749.83	15,105.50			18,705.15
Office of Emergency Management		5,000.00	5,000.00			
Hazard Mitigation Grant	13,881.73			13,881.73		
Safe and Secure Communities	30,000.00	60,000.00	60,000.00	30,000.00		
Historic Preservation		67,210.00	33,605.00			
Open Space Stewardship	20.00					
Youth Services Newcomer's Club	7,000.00	7,500.00	7,500.00			33,605.00
SC Youth Athletic & Recreation Facilities	4,756.31			4,756.31		20.00
ROID (Recreational Opportunities for Individuals w/ Disabilities)	278.77			278.77		7,000.00
CDBG - Southside Avenue Drainage Improvements	41,918.00		40,440.07			
NJ DOT - Repaving U.S. Route 22	111,052.69					1,477.93
NJ DOT - Crim Road	45,339.68			111,052.69		
NJ DOT - Highway Safety - Safe Corridors	167,842.59			45,339.68		
NJ DOT - Municipal Aid Program - Country Club Road Phase VI		73,154.30	167,842.59			73,154.30
NJ DOT - Municipal Aid Program - Country Club Road Phase V	170,000.00	162,000.00	121,500.00			40,500.00
NJ DOT - Municipal Aid Program - Country Club Road Phase IV	50,000.00		127,500.00			42,500.00
NJ DOT - Municipal Aid Program - Country Club Road Phase III	140,000.00		113,107.30	500.00		49,500.00
NJ DOT - Municipal Aid Program - Country Club Road Phase II	13,826.23			26,892.70		
			13,826.23			
	\$ 847,428.69	\$ 572,729.74	\$ 866,052.94	\$ 249,353.11	\$ 13,688.13	\$ 291,064.25

REF.

A

A-2

A-4

A-1:A-29

A-24

A

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR STORM DAMAGE - FEMA

	<u>REF.</u>	
Balance, December 31, 2014	A	\$ 459,114.96
Increased by:		
Receipts	A-4	<u>266,685.32</u>
		\$ <u>725,800.28</u>
Decreased by:		
Applied to Revenue	A-2	<u>450,000.00</u>
Balance, December 31, 2015	A	\$ <u><u>275,800.28</u></u>

"A-27"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR MARRIAGE & CIVIL UNION LICENSES - DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2014	A	\$ 625.00
Increased by:		
Receipts	A-4	5,025.00
		<u>\$ 5,650.00</u>
Decreased by:		
Paid to State	A-4	4,725.00
		<u>4,725.00</u>
Balance, December 31, 2015	A	<u>\$ 925.00</u>

"A-28"

GRANT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2014	A	\$ 260,384.46
Increased by:		
Grants Appropriated	A-23	178,438.46
		<u>\$ 438,822.92</u>
Decreased by:		
Transferred to Grants Appropriated	A-23	260,384.46
		<u>260,384.46</u>
Balance, December 31, 2015	A	<u>\$ 178,438.46</u>

"A-29"

TOWNSHIP OF BRIDGEWATER

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Increased by:			
Grants Receivable Canceled	A-25	\$ 249,353.11	
Disbursements	A-4	<u>173,138.50</u>	
			\$ <u>422,491.61</u>
			\$ 422,491.61
Decreased by:			
Grants Appropriated Canceled	A-23		\$ <u>422,491.61</u>

"A-30"

SCHEDULE OF DUE GENERAL CAPITAL FUND

Balance, December 31, 2014 (Due To)	A	\$ 1,000.00
Decreased by:		
Disbursements	A-4	\$ <u>1,000.00</u>

"A-31"

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF RESERVE FOR DUE LIBRARY

	<u>REF.</u>	
Balance, December 31, 2014 (Due To)	A	\$ 1,617.00
Increased by:		
Receipts	A-4	\$ <u>1,500.00</u>
Balance, December 31, 2015 (Due To)	A	\$ <u><u>3,117.00</u></u>

"A-32"

SCHEDULE OF RESERVE FOR INSURANCE DAMAGE

Balance, December 31, 2014	A	\$ 30,585.69
Decreased by:		
Applied to Revenue	A-2	<u>23,437.98</u>
Balance, December 31, 2015	A	\$ <u><u>7,147.71</u></u>

TOWNSHIP OF BRIDGEWATER

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY

	<u>REF.</u>	
Balance, December 31, 2014	A	\$ 52,800.00
Decreased by:		
Paid by Budget		
N.J.S.A. 40A:4-55 Police Cars - Flood	A-3	<u>26,400.00</u>
Balance, December 31, 2015	A	<u><u>\$ 26,400.00</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF CASH - TREASURER

<u>REF.</u>	<u>ASSESSMENT</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
B	\$ 47,933.54	\$ 40,421.04	\$ 16,117,161.38
B-12	\$	\$ 12,668.60	
B-13	\$	2,603.40	
B-11			14,153,280.06
B-10			48,415.82
B-6			46,822.54
B-8			16.96
B-15:B-16		73.00	8,775,446.38
	\$ 47,933.54	\$ 15,345.00	23,023,981.76
B-15:B-16		\$ 55,766.04	\$ 39,141,143.14
B-13	\$	\$ 10,135.98	\$ 8,750,748.47
B-12		2,603.40	
B-11		8,713.92	
B-10			13,580,719.42
B-6			1,480,191.86
			24,740.91
B	\$ 47,933.54	\$ 21,453.30	23,836,400.66
		\$ 34,312.74	\$ 15,304,742.48

Balance, December 31, 2014

Increased by Receipts:

- Reserve for Animal Control Expenditures
- Due State of New Jersey
- Reserve for Various Trust Deposits
- Reserve for Municipal Open Space Trust Deposits
- State Unemployment Insurance
- Due Sewer Utility Operating Fund
- Due Current Fund

Decreased by Disbursements:

- Due Current Fund
- New Jersey State Board of Health Expenditures Under R.S.4:19-15.11
- Reserve for Various Trust Deposits
- Reserve for Municipal Open Space Trust Deposits
- State Unemployment Insurance

Balance, December 31, 2015

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF CONFIRMATION</u>	<u>INSTALLMENT</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2014 AND 2015</u>	<u>BALANCE PLEGGED TO RESERVE</u>
79-19A	Middlebrook Sewers Contract 144AVB	8/15/94	10	9/15/94 - 2003	\$ 65,585.92	\$ 65,585.92
87-20A	Ethicon Lawns	2/02/98	10	4/03/98 - 2007	17,403.56	17,403.56
					<u>\$ 82,989.48</u>	<u>\$ 82,989.48</u>

REF. B

"B-4"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2014 AND 2015</u>
79-19	Construction of Sanitary Sewer - Middlebrook	\$ <u>408,863.19</u>
		\$ <u><u>408,863.19</u></u>
		<u>REF.</u> B:B-4

Analysis of Balance

Pledged to Assessment Bonds	\$ 150,863.19
Pledged to Reserve for Assessments	<u>258,000.00</u>
	\$ <u><u>408,863.19</u></u>
	<u>REF.</u> B-4

TOWNSHIP OF BRIDGEWATER

TRUST FUND

ANALYSIS OF ASSESSMENT FUND CASH

BALANCE
DECEMBER 31,
2014 AND 2015

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

REF.

B

"B-6"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

Balance, December 31, 2014	B	\$	86,863.34
Increased by:			
Receipts	B-2		<u>46,822.54</u>
		\$	<u>133,685.88</u>
Decreased by:			
Disbursements	B-2		<u>24,740.91</u>
Balance, December 31, 2015	B	\$	<u><u>108,944.97</u></u>

"B-7"

SCHEDULE OF ASSESSMENT OVERPAYMENTS

Balance, December 31, 2014 and December 31, 2015	B	\$	<u><u>1,000.00</u></u>
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TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF DUE UTILITY SEWER OPERATING FUND - OTHER TRUST FUND

	<u>REF.</u>	
Increased by:		
Receipts	B-2	\$ <u>16.96</u>
Balance, December 31, 2015 (Due To)	B	\$ <u><u>16.96</u></u>

"B-9"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS

	<u>REF.</u>	
Balance, December 31, 2014 and December 31, 2015	B	\$ <u>491,655.40</u>

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2015</u>
79-19	Middle Brook Sewers Contract 144A/B	\$ 41,967.87
87-20A	Ethicon Lawns	21,687.53
87-20	Ethicon Lawns	<u>428,000.00</u>
		\$ <u>491,655.40</u>

REF.

B:B-9

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TRUST DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2014	B	\$ 8,919,947.18
Increased by:		
Receipts	B-2	<u>48,415.82</u>
		\$ 8,968,363.00
Decreased by:		
Disbursements	B-2	<u>1,480,191.86</u>
Balance, December 31, 2015	B	<u><u>\$ 7,488,171.14</u></u>

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS TRUST DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>INCREASED BY</u>	<u>DECREASED BY</u>	<u>BALANCE DECEMBER 31, 2015</u>
Escrow/Other Accounts	\$ 698,092.13	\$ 349,682.29	\$ 394,568.53	\$ 653,205.89
Public Defender	46,323.43	16,667.50	23,600.00	39,390.93
Police Offense Adjudication Act	4,777.00	66.00		4,843.00
Fire Fines and Penalties	17,941.51	6,435.00	8,935.38	15,441.13
Fire Penalties Due Departments	9,150.00	5,700.00	1,200.00	13,650.00
Salary Settlements	89,245.74	325,000.00	398,695.41	15,550.33
COAH	944,323.21	522,453.32	40,577.31	1,426,199.22
Law Enforcement Trust	21,099.46	16.86		21,116.32
Site Inspections	496,746.10	140,557.20	91,395.24	545,908.06
Performance Bonds	1,957,783.03	428,303.25	243,881.02	2,142,205.26
Professional Fees Escrow	826,581.37	658,449.90	638,166.74	846,864.53
Police Outside Overtime	178,799.44	991,860.10	963,858.24	206,801.30
Maintenance Escrow	119,929.97	63,982.31	5,038.73	178,873.55
Payroll Deductions Payable	299,070.79	8,720,383.54	8,764,142.09	255,312.24
Tax Premiums	1,287,600.00	734,400.00	798,100.00	1,223,900.00
Outside Lien Redemptions	139,712.59	1,189,322.79	1,216,380.73	112,654.65
Third Party Inspections	110,928.20		180.00	110,748.20
	<u>\$ 7,248,103.97</u>	<u>\$ 14,153,280.06</u>	<u>\$ 13,588,719.42</u>	<u>\$ 7,812,664.61</u>

REF.

B-2
B-16

B-2

B

\$ 13,580,719.42
8,000.00
\$ 13,588,719.42

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

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2014	B	\$	26,042.80
Increased by:			
Cat License Fees Collected		\$	610.00
Dog License Fees Collected			10,780.60
Late Fees			1,203.00
Kennel/Pet Shop Licenses			75.00
	B-2	\$	<u>12,668.60</u>
Transfer Accounts Payable	B-14		<u>4,315.26</u>
			16,983.86
		\$	<u>43,026.66</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-2	\$	8,713.92
Excess Reserve for Expenditures Due Current Fund	B-15		<u>9,488.54</u>
			18,202.46
Balance, December 31, 2015	B	\$	<u><u>24,824.20</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2014	\$ 12,593.60
2013	<u>12,230.60</u>
	<u><u>\$ 24,824.20</u></u>

"B-13"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

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

	<u>REF.</u>		
Increased by:			
State Registration Fees Collected	B-2	\$	2,603.40
Decreased by:			
Paid to State Department of Health	B-2	\$	<u>2,603.40</u>

"B-14"

SCHEDULE OF ACCOUNTS PAYABLE - ANIMAL CONTROL TRUST FUND

Balance, December 31, 2014	B	\$	4,315.26
Decreased by:			
Transfer to Animal Control Expenditures	B-12	\$	<u>4,315.26</u>

"B-15"

TOWNSHIP OF BRIDGEWATER

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2014 (Due To)	B		\$ 10,062.98
Increased by:			
Excess Reserve for Animal Control Expenditures	B-12	\$ 9,488.54	
Receipts	B-2	<u>73.00</u>	
			\$ 9,561.54
			<u>\$ 19,624.52</u>
Decreased by:			
Disbursements	B-2		<u>10,135.98</u>
Balance, December 31, 2015 (Due To)	B		<u>\$ 9,488.54</u>

"B-16"

SCHEDULE OF DUE CURRENT FUND - OTHER TRUST FUND

Balance, December 31, 2014 (Due From)	B		\$ 137,753.11
Increased by:			
Disbursements	B-2		<u>8,750,748.47</u>
			\$ 8,888,501.58
Decreased by:			
Receipts	B-2	\$ 8,775,446.38	
Canceled	B-11	<u>8,000.00</u>	
			<u>8,783,446.38</u>
Balance, December 31, 2015 (Due From)	B		<u>\$ 105,055.20</u>

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2014	C		\$ 2,532,142.10
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-7	\$ 250,000.00	
Deferred Unfunded	C-6	134,013.35	
Due Grant Fund	C-8	1,000.00	
Bond Anticipation Notes	C-11	19,484,701.00	
Reserve for Debt Service	C-13	<u>302,894.39</u>	
			<u>20,172,608.74</u>
			\$ <u>22,704,750.84</u>
Decreased by Disbursements:			
Contracts Payable	C-15	\$ 8,321,826.46	
Fund Balance-Utilized as Current Fund Revenue	C-1	500,000.00	
Bond Anticipation Notes	C-11	<u>7,033,019.00</u>	
			<u>15,854,845.46</u>
Balance, December 31, 2015	C		\$ <u><u>6,849,905.38</u></u>

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2015
Capital Improvement Fund	\$ 46,467.30
Fund Balance	168,239.98
Reserve for Capital Projects	1,756,354.75
Reserve for Debt Service	314,870.37
Reserve for Preliminary Expenses	5,000.00
Contracts Payable	2,221,464.19
Unexpended Proceeds of Bond Anticipation Notes (Listed on C-6)	3,713,782.63
Funded Improvement Authorizations	762,570.64
Unfunded Improvements Expended (Listed on C-6)	<u>(2,138,844.48)</u>
	<u>\$ 6,849,905.38</u>

REF.

C

"C-4"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL PROJECTS

	<u>REF.</u>	
Balance, December 31, 2014 and December 31, 2015	C	\$ <u>1,756,354.75</u>

"C-5"

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

Balance, December 31, 2014	C	\$ 47,146,159.21
Increased by:		
Improvement Authority Loans	C-16	<u>267,256.05</u>
		\$ 47,413,415.26
Decreased by:		
Improvement Authority Loans Paid by Budget	C-16	\$ 146,190.20
Green Acres Loans Paid by Budget	C-14	85,468.03
Infrastructure Loans Paid by Budget	C-12	57,297.23
Bonds Paid by Budget	C-10	<u>2,435,000.00</u>
		<u>2,723,955.46</u>
Balance, December 31, 2015	C	\$ <u>44,689,459.80</u>

TOWNSHIP OF BRIDGEWATER
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATION	DECREASED	BALANCE DECEMBER 31, 2015	ANALYSIS OF BALANCE, DECEMBER 31, 2015		
						BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
02-07/03-22	Resurfacing and Reconstruction of Certain Roadways	\$ 61,200.00	\$	\$ 61,200.00	\$	\$	\$	\$
02-20/03-03	Various Improvements	72,812.45		72,812.45				
02-21	Amounts Owed to Others for Taxes Levied	0.90		0.90				
03-05	Revision of Township Codebook	19,047.60			19,047.60		19,047.60	
05-34	Road Improvements - Milltown Road	227,452.08			227,452.08		227,452.08	
05-35	Various Drainage Improvements	51.76			51.76		51.76	
05-48	Parks Improvements	59,850.69			59,850.69		59,850.69	
05-50	Preparation of Master Drainage Plan	51,329.63			51,329.63		51,329.63	
05-51	Drainage and Resurfacing - Carteret Road	47,949.99			47,949.99		47,949.99	
06-14	Various Road Improvements	510,553.16			510,553.16		503,473.16	7,080.00
07-02	Construction of Municipal Complex	1,400,000.00			1,400,000.00		1,229,689.57	170,310.43
11-06	Various Improvements	154,615.00			154,615.00	154,615.00		
11-07	Various Improvements	1,976,000.00			1,976,000.00	1,976,000.00		
12-05	Various Public Works Equipment	228,000.00			228,000.00	228,000.00		
12-07	Various Road Improvements	2,664,750.00			2,664,750.00	2,664,750.00		
13-04	Various Public Works Equipment	174,404.00			174,404.00	174,404.00		
13-06	Various Road Improvements	3,151,650.00			3,151,650.00	3,151,650.00		
14-02	Acquisition of 9-1-1 Communications Equipment	1,900,000.00			1,900,000.00	1,900,000.00		
14-05	Various Public Works Equipment	491,150.00			491,150.00	491,150.00		
14-07	Various Road Improvements	3,058,382.00			3,058,382.00	3,058,382.00		
15-02	Acquisition of Land		1,885,750.00		1,885,750.00	1,885,750.00		
15-05	Various Road Improvements		3,700,250.00		3,700,250.00	3,700,250.00		
15-06	Various Public Works Equipment		99,750.00		99,750.00	99,750.00		
		<u>\$ 16,249,199.26</u>	<u>\$ 5,685,750.00</u>	<u>\$ 134,013.35</u>	<u>\$ 21,800,935.91</u>	<u>\$ 19,484,701.00</u>	<u>\$ 2,138,844.48</u>	<u>\$ 177,390.43</u>
		C	C-9	C-2	C	C-11	C-3	
		REF.						
	Improvement Authorizations Unfunded							\$ 3,891,173.06
	Less: Unexpended Proceeds of Bond Anticipation Notes							<u>3,713,782.63</u>
								<u>\$ 177,390.43</u>

"C-7"

TOWNSHIP OF BRIDGEWATER
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2014	C	\$ 95,717.30
Increased by:		
2015 Budget Appropriation	C-2	250,000.00
		\$ <u>345,717.30</u>
Decreased by:		
Appropriated to Finance Improvements	C-9	<u>299,250.00</u>
Balance, December 31, 2015	C	\$ <u><u>46,467.30</u></u>

"C-8"

SCHEDULE OF DUE GRANT FUND

Balance, December 31, 2014 (Due From)	C	\$ 1,000.00
Decreased by:		
Receipts	C-2	\$ <u>1,000.00</u>

TOWNSHIP OF BRIDGEWATER
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance	BALANCE - DECEMBER 31, 2014		2015 AUTHORIZATIONS		EXPENDED	CONTRACTS PAYABLE CANCELED	BALANCE - DECEMBER 31, 2015	
	FUNDED	UNFUNDED					FUNDED	UNFUNDED
06-13 Various Improvements	\$ 385.59	\$	\$	\$	\$	643.28	\$ 1,028.87	\$ 7,080.00
06-14 Various Road Improvements	21,811.57				21,168.77	7,080.00	642.80	
06-15 Various Drainage Projects						1,528.75	1,528.75	
06-29 Various Park and Municipal Building Improvements		103,524.92				66,785.51		170,310.43
07-02 Construction of Municipal Complex						13,439.00		
07-03 Road and Drainage Improvements					361,618.76		366,198.87	
08-03 Various Road and Drainage Improvements	727,817.63					7,844.90	8,534.90	
09-07 Various Improvements	690.00						1,046.53	
09-08 Public Works Equipment	1,046.53						361,191.85	
10-03 Various Improvements	485,000.57				123,808.72		8,959.07	
10-23 Various Improvements	21,770.95				12,811.88			
11-06 Various Improvements		67,822.01			1,639.55			66,182.46
11-07 Various Improvements		111,368.78			41,965.31			69,403.47
12-05 Various Public Works Equipment		46,593.05			7,651.27			38,941.78
12-07 Various Road Improvements		1,067,621.22			7,343.09			1,060,278.13
13-04 Various Public Works Equipment		35,632.70			96.40			35,536.30
13-06 Various Road Improvements		1,132,780.91						1,155,029.17
14-02 Acquisition of 9-1-1 Communications Equipment		602,084.84			116,796.13			485,288.71
14-05 Various Public Works Equipment		2,240.76			271.75			1,969.01
14-07 Various Road Improvements		1,273,910.03			1,046,239.02			227,671.01
15-02 Acquisition of Land			1,985,000.00		1,936,043.37			48,956.63
15-05 Various Road Improvements			3,895,000.00		3,414,569.84			480,430.16
15-07 Various Public Works Equipment			105,000.00		60,904.20			44,095.80
	\$ 1,258,522.84	\$ 4,443,579.22	\$ 5,985,000.00	\$ 7,152,928.06	\$ 762,570.64	\$ 119,569.70	\$ 3,891,173.06	
	C	C	C	C-15	C	C-15	C	C-C-6

REF.

Deferred Charges To Future Taxation - Unfunded	C-6	\$ 5,685,750.00
Capital Improvement Fund	C-7	299,250.00
		\$ 5,985,000.00

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, 2014	DECREASED	BALANCE DECEMBER 31, 2015
			DATE	AMOUNT				
General Improvements	7/15/07	7,992,000.00	07/15/2016	\$ 550,000.00	4.125%	\$	\$	
			07/15/2017	575,000.00	4.125%			
			07/15/2018	600,000.00	4.125%			
			07/15/2019	675,000.00	4.125%			
			07/15/2020	700,000.00	4.125%			
			07/15/2021	700,000.00	4.125%			
			07/15/2022	692,000.00	4.125%			
			09/01/2016	800,000.00	3.000%			
			09/01/2017	850,000.00	3.000%			
			09/01/2018	900,000.00	3.000%			
General Improvements	9/1/10	22,500,000.00	09/01/2019	925,000.00	3.250%			
			09/01/2020	975,000.00	3.250%			
			9/1/21-2022	975,000.00	3.500%			
			9/1/23-2025	975,000.00	4.000%			
			9/1/26-2034	1,000,000.00	4.000%			
			09/01/2035	1,100,000.00	4.125%			
			04/01/2016	550,000.00	2.000%			
			04/01/2017	575,000.00	2.000%			
			04/01/2018	585,000.00	2.000%			
			04/01/2019	625,000.00	2.000%			
General Improvements	4/1/12	16,642,000.00	04/01/2020	750,000.00	2.500%			
			04/01/2021	895,000.00	3.000%			
			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%			
			04/01/2031	1,010,000.00	3.500%			
			04/01/2032	1,012,000.00	3.500%			
			10/01/2016	630,000.00	3.000%			
			10/01/2017	625,000.00	3.000%			
General Improvement Refunding Bonds	10/1/12	5,655,000.00	10/1/2018-2019	615,000.00	4.000%			
			10/1/2020-2021	610,000.00	4.000%			
			10/01/2022	600,000.00	4.000%			
						\$	\$	\$
						4,940,000.00	635,000.00	4,305,000.00
						\$ 45,749,000.00	\$ 2,435,000.00	\$ 43,314,000.00

REF.

C-5

C

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2014	INCREASED	DECREASED	BALANCE DECEMBER 31, 2015
11-06	Various Improvements	09/12/13	09/11/14	09/10/15	1.25%	\$ 154,615.00	\$	\$ 154,615.00	\$
11-07	Various Improvements	09/12/13	09/11/14	09/10/15	1.25%	1,976,000.00		1,976,000.00	
12-05	Various Road Improvements	09/12/13	09/11/14	09/10/15	1.25%	228,000.00		228,000.00	
12-07	Various Public Works Improvements	09/12/13	09/11/14	09/10/15	1.25%	2,000,000.00		2,000,000.00	
13-04	Various Public Works Improvements	09/12/13	09/11/14	09/10/15	1.25%	174,404.00		174,404.00	
13-06	Various Road Improvements	09/11/14	09/11/14	09/10/15	1.25%	2,500,000.00		2,500,000.00	
11-06	Various Improvements	09/12/13	08/18/15	08/17/16	2.00%		154,615.00		154,615.00
11-07	Various Improvements	09/12/13	08/18/15	08/17/16	2.00%		1,976,000.00		1,976,000.00
12-05	Various Road Improvements	09/12/13	08/18/15	08/17/16	2.00%		228,000.00		228,000.00
12-07	Various Public Works Improvements	09/12/13	08/18/15	08/17/16	2.00%		2,664,750.00		2,664,750.00
13-04	Various Public Works Improvements	09/12/13	08/18/15	08/17/16	2.00%		174,404.00		174,404.00
13-06	Various Road Improvements	09/11/14	08/18/15	08/17/16	2.00%		3,151,650.00		3,151,650.00
14-02	Acquisition of 9-1-1 Communications Equipm	08/18/15	08/18/15	08/17/16	2.00%		1,900,000.00		1,900,000.00
14-05	Various Public Works Equipment	08/18/15	08/18/15	08/17/16	2.00%		491,150.00		491,150.00
14-07	Various Road Improvements	08/18/15	08/18/15	08/17/16	2.00%		3,058,382.00		3,058,382.00
15-02	Acquisition of Land	08/18/15	08/18/15	08/17/16	2.00%		1,885,750.00		1,885,750.00
15-05	Various Road Improvements	08/18/15	08/18/15	08/17/16	2.00%		3,700,250.00		3,700,250.00
15-07	Various Public Works Equipment	08/18/15	08/18/15	08/17/16	2.00%		99,750.00		99,750.00
						\$ 7,033,019.00	\$ 19,484,701.00	\$ 7,033,019.00	\$ 19,484,701.00

REF.

C

C-2

C-2

C-C-6

"C-12"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR INFRASTRUCTURE LOAN PAYABLE

	<u>REF.</u>		
Balance, December 31, 2014	C	\$	423,432.59
Decreased by:			
Payment on Loan	C-5		<u>57,297.23</u>
Balance, December 31, 2015	C	\$	<u><u>366,135.36</u></u>

"C-13"

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

Balance, December 31, 2014	C	\$	11,975.98
Increased by:			
Receipts	C-2		<u>302,894.39</u>
Balance, December 31, 2015	C	\$	<u><u>314,870.37</u></u>

"C-14"

TOWNSHIP OF BRIDGEWATER
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE

	<u>REF.</u>		
Balance, December 31, 2014	C	\$	622,593.41
Decreased by:			
Payment on Loans	C-5		<u>85,468.03</u>
Balance, December 31, 2015	C	\$	<u><u>537,125.38</u></u>

"C-15"

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

Balance, December 31, 2014	C	\$	3,509,932.29
Increased by:			
Charges to Improvement Authorizations	C-9		<u>7,152,928.06</u>
		\$	<u>10,662,860.35</u>
Decreased by:			
Disbursements	C-2	\$	8,321,826.46
Canceled - Improvement Authorizations	C-9		<u>119,569.70</u>
			<u>8,441,396.16</u>
Balance, December 31, 2015	C	\$	<u><u>2,221,464.19</u></u>

"C-16"

TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORITY LOANS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2014	C	\$ 351,133.21
Increased by:		
Improvement Authority Loans	C-5	267,256.05
		<u>\$ 618,389.26</u>
Decreased by:		
Payment on Loans	C-5	146,190.20
		<u>146,190.20</u>
Balance, December 31, 2015	C	<u>\$ 472,199.06</u>

"C-17"

SCHEDULE OF RESERVE FOR PRELIMINARY EXPENSES

Balance, December 31, 2014 and December 31, 2015	C	<u>\$ 5,000.00</u>
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TOWNSHIP OF BRIDGEWATER

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31, 2015</u>
03-05	Revision of Township Codebook	\$ 19,047.60
05-34	Road Improvements Milltown Road	227,452.08
05-35	Various Drainage Improvements	51.76
05-48	Parks Improvements	59,850.69
05-50	Preparation of Master Drainage Plan	51,329.63
05-51	Drainage and Resurfacing - Carteret Road	47,949.99
06-14	Various Road Improvements	510,553.16
07-02	Construction of Municipal Complex	<u>1,400,000.00</u>
		\$ <u><u>2,316,234.91</u></u>

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>ASSESSMENT TRUST</u>	<u>CAPITAL</u>
Balance, December 31, 2014	D	\$ 8,092,079.27	\$ 11,392.66	\$ 1,517,757.90
Increased by Receipts:				
Sewer Charges Receivable	D-14	\$ 9,724,597.50	\$	\$
Miscellaneous Revenue Not Anticipated	D-1:D-4	130,488.46		
Interfunds	D-11	4,003,799.82		
Sewer Overpayments	D-22	4,452.79		
Sewer Connection Fees	D-1:D-4	44,904.22		
Branchburg Share of Operating Costs	D-1:D-4	20,000.00		
Township of Warren - Debt Service	D-1:D-4	73,350.34		
Prepaid Sewer Charges	D-26	1,606.72		
		\$ 14,003,199.85	\$	\$
		\$ 22,095,279.12	\$ 11,392.66	\$ 1,517,757.90
Decreased by Disbursements:				
2015 Budget Appropriations	D-5	\$ 7,882,674.04	\$	\$
2014 Appropriation Reserves	D-20	711,349.66		
Interfunds	D-11	4,000,016.96		
Sewer Overpayments	D-22	2,466.29		
Accrued Interest on Bonds	D-12	40,965.00		
Accrued Interest on Loans	D-30	7,075.00		
Accounts Payable	D-19	17,661.00		
Contracts Payable	D-25			538,381.56
		\$ 12,662,207.95	\$	\$ 538,381.56
Balance, December 31, 2015	D:D-7:D-8	\$ 9,433,071.17	\$ 11,392.66	\$ 979,376.34

"D-7"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

ANALYSIS OF ASSESSMENT FUND CASH

BALANCE
DECEMBER
31, 2015

Fund Balance

\$ 11,392.66

REF.

D:D-6

"D-8"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

	<u>BALANCE DECEMBER 31, 2015</u>
SEWER:	
Fund Balance	\$ 76,361.34
Contract Payable	939,851.74
Improvement Authorizations - Funded:	
Ord. # 01-19 & 04-01 Design & Upgrade to Gillbride Pump Station	39,615.00
Ord. # 01-34 Infiltration and Inflow Program in Finderne Section	89,825.93
Ord. # 09-10 Improvements to Sanitary Sewer System	644,267.14
Ord. # 12-06 Various Sewer Utility Improvements	773,976.06
Authorized but not Issued	(5,801,822.87)
Unfunded Improvements Expended	<u>4,217,302.00</u>
	<u>\$ 979,376.34</u>

REF.

D:D-6

"D-9"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF CHANGE FUND

REF.

Balance, December 31, 2014
and December 31, 2015

D

\$ 100.00

"D-10"

SCHEDULE OF AMOUNT DUE WARREN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Balance, December 31, 2014

D

\$ 24,188.06

Decreased by:
Canceled

D-1

\$ 24,188.06

"D-11"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>TRUST FUND</u>	<u>CURRENT FUND</u>
Balance, December 31, 2014				
Due To	D	\$	\$	
Due From	D	2,452.85		2,452.85
Receipts	D-6	\$ 4,003,799.82	\$	4,003,799.82
Disbursements	D-6	4,000,016.96	16.96	4,000,000.00
Transfer to Tax Title Liens	D-14	798.00		798.00
Balance, December 31, 2015				
Due To	D	\$ 548.97	\$	548.97
Due From	D	16.96	16.96	

"D-12"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>REF.</u>	
Balance, December 31, 2014	D	\$ 42,811.46
Increased by:		
Budget Appropriation Charges	D-5	40,965.00
		\$ <u>83,776.46</u>
Decreased by:		
Interest Paid	D-6	<u>40,965.00</u>
Balance, December 31, 2015	D	\$ <u><u>42,811.46</u></u>

"D-13"

SCHEDULE OF CONNECTION CHARGES RECEIVABLE

Balance, December 31, 2014 and December 31, 2015 (Overpayment)	D	\$ <u><u>550.00</u></u>
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"D-14"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2014	D		\$ 359,798.10
Increased by:			
Sewer Charges Levied (Net)			9,734,492.88
			<u>\$ 10,094,290.98</u>
Decreased By:			
Collections	D-6	\$ 9,724,597.50	
Prepaid Applied	D-26	10,475.41	
Transfer to Tax Title Liens	D-11	798.00	
Canceled		<u>12,619.82</u>	
			<u>9,748,490.73</u>
Balance, December 31, 2015	D		<u><u>\$ 345,800.25</u></u>

"D-15"

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

Balance, December 31, 2014 and December 31, 2015	D		<u><u>\$ 995,438.44</u></u>
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"D-16"

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, 2014</u>	<u>INCREASED BY</u>	<u>BALANCE DECEMBER 31, 2015</u>
01-19:04-01	Design and Upgrade to Gilbride Pump Station	06/18/01	\$ 1,264,500.00	\$	\$ 1,264,500.00
01-34	Infiltration and Inflow Program in Finderne Section	11/19/01	100,000.00		100,000.00
01-35	Purchase of Portable Color TV Inspection System	11/19/01	120,000.00		120,000.00
06-12	Pick-Up Truck w / Snow Plow	04/03/06	50,000.00		50,000.00
09-10	Improvements to the Sanitary Sewer System	06/15/09	1,300,000.00		1,300,000.00
12-06	Various Sewer Utility Improvements	06/18/12	2,075,000.00		2,075,000.00
13-05	Various Sewer Utility Improvements	05/20/13	1,800,000.00		1,800,000.00
14-06	Various Sewer Utility Improvements	05/30/14	2,440,000.00		2,440,000.00
15-07	Various Sewer Utility Improvements	05/14/15		1,560,000.00	1,560,000.00
			<u>\$ 9,149,500.00</u>	<u>\$ 1,560,000.00</u>	<u>\$ 10,709,500.00</u>
		<u>REF.</u>	D	D-27	D

"D-17"

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2014 AND 2015</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	290,930.87
Middlebrook Trunk Sewer Connection	8,588,727.14
	<u>\$ 14,461,212.00</u>
	<u>REF.</u>
	D

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF CONFIRMATION</u>	<u>INSTALLMENTS</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2014 AND 2015</u>	<u>BALANCE PLEGDED TO RESERVE</u>
76-13	Sunset Lake Section II Sewer	02/24/83	10	3/24/83-92	\$ 845.99	\$ 845.99
76-3	Milltown Road Sewer	05/21/84	10	6/21/84-93	7,948.00	7,948.00
80-17	Crossing #4 Sewer	08/11/86	10	9/11/86-95	29,386.11	29,386.11
79-19	Middle Brook Collector	02/22/90	10	3/22/90-99	15,795.76	15,795.76
					<u>\$ 53,975.86</u>	<u>\$ 53,975.86</u>

REF.

D

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2014	D		\$ 163,089.67
Increased by:			
2015 Appropriations	D-5	\$ 162,474.04	
2014 Appropriation Reserves	D-20	<u>45,041.42</u>	
			\$ <u>207,515.46</u>
			\$ 370,605.13
Decreased by:			
Disbursements	D-6	\$ 17,661.00	
Accounts Payable Canceled	D-1	13,280.00	
2014 Appropriation Reserves	D-20	<u>129,190.39</u>	
			<u>160,131.39</u>
Balance, December 31, 2015	D		\$ <u><u>210,473.74</u></u>

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF 2014 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2014	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$ 69,922.37	\$ 69,922.37	\$ 29,343.29	\$ 40,579.08
Other Expenses	188,620.92	317,811.31	142,554.82	175,256.49
Somerset Raritan Valley Sewerage Authority	1,534,355.56	1,534,355.56	576,813.57	957,541.99
Statutory Expenditures:				
Contribution to Social Security System	101,962.47	101,962.47	7,679.40	94,283.07
	<u>\$ 1,894,861.32</u>	<u>\$ 2,024,051.71</u>	<u>\$ 756,391.08</u>	<u>\$ 1,267,660.63</u>
REF.	D			D-1
Balance, December 31, 2014	\$ 1,894,861.32	\$ 1,894,861.32		
Transfer of Accounts Payable		129,190.39		
		<u>\$ 2,024,051.71</u>		
Disbursements			\$ 711,349.66	
Accounts Payable			45,041.42	
			<u>\$ 756,391.08</u>	

"D-21"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2014 AND 2015</u>	<u>BALANCE PLEGDED TO RESERVE</u>
68-25/80-17	Crossing #4 Section I Area Sewers	\$ 37,376.22	\$ 37,376.22
76-6/79-20	Sunset Lake Sewers	524,086.36	524,086.36
78-16	Bluestone Lane Sewers	190,000.00	190,000.00
79-29	North Branch Drive Sewers	190,000.00	190,000.00
		<u>\$ 941,462.58</u>	<u>\$ 941,462.58</u>

REF. D

"D-22"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGE OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2014	D		\$ 95,564.23
Increased by:			
Receipts	D-6		4,452.79
			<u>\$ 100,017.02</u>
Decreased by:			
Overpayments Canceled	D-1	\$ 334.53	
Refunded	D-6	<u>2,466.29</u>	
			<u>2,800.82</u>
Balance, December 31, 2015	D		<u>\$ 97,216.20</u>

"D-23"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE DECEMBER 31, 2014 AND 2015</u>
01-19:04-01	Design and Upgrade to Gilbride Pump Station	06/18/01	\$ 1,236,450.00
01-34	Infiltration and Inflow Program in Finderne Section	11/19/01	100,000.00
01-35	Purchase of Portable Color TV Inspection System	11/19/01	120,000.00
12-06	Various Sewer Utility Improvements	06/18/12	<u>2,075,000.00</u>
			<u>\$ 3,531,450.00</u>
		<u>REF.</u>	D

"D-24"

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

	<u>REF.</u>		
Balance, December 31, 2014	D		\$ 14,042,464.77
Increased by:			
EIT Loan Payable Paid by Operating Budget	D-29	\$ 37,398.28	
Serial Bonds Paid by Operating Budget	D-28	<u>120,000.00</u>	
			<u>157,398.28</u>
Balance, December 31, 2015	D		<u>\$ 14,199,863.05</u>

"D-25"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2014	D		\$ 681,333.30
Increased by:			
Charges to Improvement Authorizations	D-28		<u>837,790.00</u>
			\$ <u>1,519,123.30</u>
Decreased by:			
Disbursements	D-6	\$ 538,381.56	
Contracts Payable Canceled	D-28	<u>40,890.00</u>	
			<u>579,271.56</u>
Balance, December 31, 2015	D		<u>\$ 939,851.74</u>

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF PREPAID SEWER CHARGES

	<u>REF.</u>	
Balance, December 31, 2014	D	\$ 10,475.41
Increased by:		
Receipts	D-6	1,606.72
		\$ <u>12,082.13</u>
Decreased by:		
Prepaid Applied	D-14	<u>10,475.41</u>
Balance, December 31, 2015	D	\$ <u><u>1,606.72</u></u>

TOWNSHIP OF BRIDGEWATER
SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT	BALANCE, DECEMBER 31, 2014		2015 AUTHORIZATIONS	CONTRACTS PAYABLE CANCELED	DECREASED	BALANCE, DECEMBER 31, 2015	
			FUNDED	UNFUNDED				FUNDED	UNFUNDED
\$		729,000.00	\$	\$	\$	\$	\$	\$	\$
01-19 & 04-01	Design and Upgrade to Gillbride Pump Station	100,000.00	89,825.93			40,890.00		39,615.00	1,275.00
01-34	Infiltration/Inflow Program in Finderne Section	1,300,000.00	644,267.14	167.00				89,825.93	
09-10	Improvements to the Sanitary Sewer System	2,075,000.00	773,976.06					644,267.14	167.00
12-06	Various Sewer Utility Improvements	1,800,000.00						773,976.06	
13-05	Various Sewer Utility Improvements	2,440,000.00		1,410,569.00					1,410,569.00
14-06	Various Sewer Utility Improvements	1,560,000.00		2,083,081.00					2,083,081.00
15-07	Various Sewer Utility Improvements				1,560,000.00		837,790.00		722,210.00
			\$	\$	\$	\$	\$	\$	\$
			1,508,069.13	3,493,817.00	1,560,000.00	40,890.00	837,790.00	1,547,684.13	4,217,302.00
REF.			D	D	D-16	D-25	D-25	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, 2014	DECREASED	BALANCE DECEMBER 31, 2015
			DATE	AMOUNT				
Sewer Utility Bonds	7/15/07	\$ 508,000.00	7/15/2016-2018	\$ 35,000.00	4.125%	\$ 288,000.00	\$ 35,000.00	253,000.00
			7/15/2019-2022	37,000.00	4.125%			
Sewer Utility Bonds	4/1/12	636,000.00	4/1/2016-2019	25,000.00	2.000%			
			04/01/2020	25,000.00	2.500%			
			04/01/2021	25,000.00	3.000%			
			04/01/2022	25,000.00	3.000%			
			04/01/2023	35,000.00	3.000%			
			4/1/2024-2026	40,000.00	3.000%			
			04/01/2027	40,000.00	3.125%			
			4/1/2028-2029	40,000.00	3.250%			
			04/01/2030	40,000.00	3.375%			
			04/01/2031	40,000.00	3.500%			
			04/01/2032	36,000.00	3.500%	591,000.00	25,000.00	566,000.00
Sewer Utility Refunding Bonds	10/1/12	415,000.00	10/1/2016-2017	60,000.00	3.000%			
			10/01/2018	60,000.00	4.000%			
			10/1/2019-2020	55,000.00	4.000%			
						350,000.00	60,000.00	290,000.00
						\$ 1,229,000.00	\$ 120,000.00	\$ 1,109,000.00

REF.

D

D-24

D

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2014	D	\$ 565,974.36
Decreased by:		
Loans Paid by Budget	D-24	<u>37,398.28</u>
Balance, December 31, 2015	D	<u>\$ 528,576.08</u>

"D-30"

TOWNSHIP OF BRIDGEWATER

SEWER UTILITY FUND

SCHEDULE OF ACCRUED INTEREST ON LOANS

	<u>REF.</u>		
Balance, December 31, 2014	D	\$	3,302.84
Increased by:			
Budget Appropriation Charges	D-5	\$	<u>7,075.00</u>
			10,377.84
Decreased by:			
Interest Paid	D-6		<u>7,075.00</u>
Balance, December 31, 2015	D	\$	<u><u>3,302.84</u></u>

"D-31"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE DECEMBER 31, 2015</u>
	Sewer Utility Capital Fund:		
98-11	Purchase of Equipment	\$	380.87
01-19:04-01	Design & Upgrade to Gilbride Pump Station		1,275.00
09-10	Improvements to the Sanitary Sewer System		167.00
13-05	Various Sewer Utility Improvements		1,800,000.00
14-06	Various Sewer Utility Improvements		2,440,000.00
15-07	Various Sewer Utility Improvements		<u>1,560,000.00</u>
		\$	<u><u>5,801,822.87</u></u>

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

	<u>REF.</u>	<u>PUBLIC ASSISTANCE TRUST FUND 1</u>	<u>PUBLIC ASSISTANCE TRUST FUND 2</u>
Balance, December 31, 2014	E	\$ 2,229.56	\$ 207,308.57
Increased by Receipts:			
State Aid for Public Assistance and Other Receipts		\$ <u>2,229.56</u>	\$ <u>124,973.82</u>
Decreased by Disbursements:			
Reserve For:			
Public Assistance		<u>598.00</u>	<u>233,179.03</u>
Balance, December 31, 2015	E	\$ <u><u>1,631.56</u></u>	\$ <u><u>99,103.36</u></u>

TOWNSHIP OF BRIDGEWATER

PUBLIC ASSISTANCE TRUST FUND

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

Balance, December 31, 2015	\$ 100,734.92
Increased by:	
Receipts	3.76
	\$ <u>100,738.68</u>
Decreased by:	
Disbursements	<u>26,965.55</u>
Balance, February 29, 2016	\$ <u><u>73,773.13</u></u>

RECONCILIATION - FEBRUARY 29, 2016	<u>P.A.T.F. I</u> <u>ACCOUNT</u>	<u>P.A.T.F. II</u> <u>ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit Per Statement of			
TD Banknorth:			
Account #398-3034572	\$ 658.79	\$	\$ 658.79
PNC Bank:			
Account #80-3235-8177		170,042.34	170,042.34
Account #81-0395-2342	1,570.77		1,570.77
	\$ <u>2,229.56</u>	\$ <u>170,042.34</u>	\$ <u>172,271.90</u>
Add: Deposits in Transit (including prepayments)		500.00	500.00
Less: Outstanding Checks		<u>(8,728.50)</u>	<u>(8,728.50)</u>
Balance, February 29, 2016	\$ <u><u>2,229.56</u></u>	\$ <u><u>161,813.84</u></u>	\$ <u><u>164,043.40</u></u>

TOWNSHIP OF BRIDGEWATER

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION AS OF DECEMBER 31, 2015

Balance, December 31, 2014	\$	209,538.13
Increased by:		
Receipts		124,973.82
	\$	<u>334,511.95</u>
Decreased by:		
Disbursements		<u>233,777.03</u>
Balance, December 31, 2015	\$	<u><u>100,734.92</u></u>

RECONCILIATION - DECEMBER 31, 2015	<u>P.A.T.F. I</u> <u>ACCOUNT</u>	<u>P.A.T.F. II</u> <u>ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit Per Statement of TD Banknorth:			
Account #398-3034572	\$ 250.79	\$	\$ 250.79
PNC Bank:			
Account #80-3235-8177		109,886.86	109,886.86
Account #81-0395-2342	<u>1,352.77</u>		<u>1,352.77</u>
	\$ <u>1,603.56</u>	\$ <u>109,886.86</u>	\$ <u>111,490.42</u>
Add- Bank Error	28.00		28.00
Add: Deposit in Transit (including prepayments)		1,329.00	1,329.00
Less: Outstanding Checks (Per List on File)		<u>(12,112.50)</u>	<u>(12,112.50)</u>
Balance, December 31, 2015	\$ <u><u>1,631.56</u></u>	\$ <u><u>99,103.36</u></u>	\$ <u><u>100,734.92</u></u>

"E-4"

TOWNSHIP OF BRIDGEWATER
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE REVENUES
YEAR ENDED DECEMBER 31, 2015

	<u>P.A.T.F.</u> <u>ACCOUNT #1</u>	<u>P.A.T.F.</u> <u>ACCOUNT #2</u>	<u>FUND</u> <u>TOTAL</u>
State Aid Payments	\$	\$ 63,800.00	\$ 63,800.00
Supplemental Security Income:			
State / Municipal Refund		60,306.87	60,306.87
Interest and Other		866.95	866.95
		<hr/>	<hr/>
<u>TOTAL REVENUES (P.A.T.F.)</u>	<u>\$ 0.00</u>	<u>\$ 124,973.82</u>	<u>\$ 124,973.82</u>

"E-5"

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
YEAR ENDED DECEMBER 31, 2015

Current Year Assistance (Reported):			
Maintenance Payments		\$ 112,585.03	\$ 112,585.03
Other:			
Temporary Rental Assistance		93,574.85	93,574.85
Emergency Assistance		26,816.15	26,816.15
Transportation		153.00	153.00
Other		50.00	50.00
		<hr/>	<hr/>
<u>Total Reported</u>		<u>\$ 233,179.03</u>	<u>\$ 233,179.03</u>
Ineligible Assistance	\$ 598.00		598.00
		<hr/>	<hr/>
<u>TOTAL DISBURSEMENTS (P.A.T.F.)</u>	<u>\$ 598.00</u>	<u>\$ 233,179.03</u>	<u>\$ 233,777.03</u>

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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 MAJOR STATE FINANCIAL ASSISTANCE
PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 15-08

SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Bridgewater, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated March 30, 2016. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Bridgewater prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

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. We did identify an immaterial deficiency in internal controls that is discussed in Part III, General Comments and Recommendations Section of the audit report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

March 30, 2016



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MAJOR
STATE FINANCIAL ASSISTANCE PROGRAMS AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH NEW JERSEY OMB CIRCULAR 15-08**

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 State Program

We have audited the Township of Bridgewater's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Township of Bridgewater's major state programs for the year ended December 31, 2015. The Township's major state 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 state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Bridgewater's major state 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 New Jersey OMB 15-08. Those standards and NJ OMB 15-08 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 state 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 state program. However, our audit does not provide a legal determination of the Township of Bridgewater's compliance.

Opinion on Each Major State 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 state programs for the year ended December 31, 2015.

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 state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with NJ OMB 15-08, 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 OMB 15-08. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

March 30, 2016

TOWNSHIP OF BRIDGEWATER
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

FEDERAL C.F.D.A. NUMBER	GRANTOR'S NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD FROM TO	2015 RECEIPTS	2015 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2015
		41,918.00	9/1/13 8/31/14	\$ 40,440.07	\$ 41,918.00	\$ 41,918.00
<u>U.S. Department of Housing and Urban Development</u> <u>Pass - Through From County of Somerset</u> Community Development Block Grants: Southside Avenue Drainage Improvements						
14.218	13-UO621-06					
<u>U.S. Department of Justice</u> Federal Bulletproof Partnership Program - FY 2010 Federal Bulletproof Partnership Program - FY 2011 Federal Bulletproof Partnership Program - FY 2012 Federal Bulletproof Partnership Program - FY 2014 Federal Bulletproof Partnership Program - FY 2015 <u>National Highway Traffic Safety Administration</u> Drive Sober or Get Pulled Over - 2014 Labor Day Holiday Crackdown Drive Sober or Get Pulled Over - 2014 Year End Holiday Crackdown Drive Sober or Get Pulled Over - 2015 Labor Day Holiday Crackdown						
16.607		10,143.00	Continuous	\$	\$ 829.08	\$ 10,143.00
16.607		2,700.00	Continuous		2,700.00	2,700.00
16.607		2,317.50	Continuous		1,708.17	1,708.17
16.607		7,444.31	Continuous	1,355.67		1,192.99
16.607		13,749.83	Continuous	13,749.83		
				\$ 15,105.50	\$ 5,237.25	\$ 15,744.16
<u>Pass - Through From County of Somerset</u> Click-It or Ticket <u>State and Community Highway Safety</u> 2014 - Distracted Driver Crackdown 2015 - Distracted Driver Crackdown						
20.616	066-1160-100-157	5,000.00	8/5/14 9/1/14	\$	\$ 450.00	\$ 5,000.00
20.616	066-1160-100-157	7,500.00	12/5/14 1/2/15	5,175.00	7,125.00	7,500.00
20.616	066-1160-100-157	3,850.00	8/5/15 9/1/15	3,850.00		
20.616	066-1160-100-157	3,300.00	5/18/15 5/31/15	3,300.00	3,100.00	3,300.00
				\$ 12,325.00	\$ 10,675.00	\$ 15,800.00
<u>U.S. Department of Homeland Security</u> <u>Pass Through From State of New Jersey</u> Emergency Management Assistance Emergency Management Assistance Emergency Management Assistance Emergency Management Assistance Emergency Management Assistance Emergency Management Assistance - unappropriated						
20.600	PT-14-03-02-DD-09	5,000.00	4/1/14 4/21/14	\$	\$	\$ 5,000.00
20.600	PT-14-03-02-DD-09	5,000.00	4/1/15 4/21/15	5,000.00	5,000.00	5,000.00
				\$ 5,000.00	\$ 5,000.00	\$ 10,000.00
<u>Emergency Management Assistance</u> 1200-100-066-1200-264-YEMR-6120 1200-100-066-1200-264-YEMR-6120 1200-100-066-1200-264-YEMR-6120 1200-100-066-1200-264-YEMR-6120 1200-100-066-1200-264-YEMR-6120 1200-100-066-1200-264-YEMR-6120 1200-100-066-1200-264-YEMR-6120						
97.042		5,000.00	Continuous	\$	\$ 2,500.00	\$ 2,562.52
97.042		5,000.00	Continuous			
97.042		10,000.00	Continuous			
97.042		5,000.00	Continuous			
97.042		5,000.00	Continuous			
97.042		5,000.00	Continuous	5,000.00		
97.042		5,000.00	Continuous	5,000.00		
				\$ 10,000.00	\$ 2,500.00	\$ 2,562.52
<u>TOTAL FEDERAL FINANCIAL ASSISTANCE</u> \$ 82,870.57 \$ 65,330.25 \$ 81,024.68						

TOWNSHIP OF BRIDGEWATER
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2015 RECEIPTS	2015 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2015
<u>Department of Environmental Protection</u>						
Clean Communities Program						
2012	4900-765-042-4900-004-VCMC-6020	01/01/12 12/31/12	\$ 74,559.24	\$	\$ 36.35	\$ 74,559.24
2013	4900-765-042-4900-004-VCMC-6020	01/01/13 12/31/13	87,538.56		3,029.42	87,538.56
2014	4900-765-042-4900-004-VCMC-6020	01/01/14 12/31/14	82,105.59		61,688.16	82,105.59
2015	4900-765-042-4900-004-VCMC-6020	01/01/15 12/31/15	100,034.35	100,034.35	27,296.45	27,296.45
Recycling Tonnage Program						
2013	4900-752-042-4900-001-V4ZY-6020	Continuous	84,630.70		9,942.41	84,630.70
2014	4900-752-042-4900-001-V4ZY-6020	Continuous	169,304.25		98,304.11	169,304.25
			\$	\$ 100,034.35	\$ 200,266.90	\$ 525,434.79
<u>Department of Law and Public Safety</u>						
Safe and Secure Communities Program						
2015	1020-100-066-232-YCJF-6120	01/01/15 12/31/15	60,000.00	60,000.00	60,000.00	60,000.00
Drunk Driving Enforcement Fund						
2013	6400-100-078-6400-YYYY	Continuous	19,141.77		8,274.64	19,141.77
2014	6400-100-078-6400-YYYY	Continuous	14,722.12		790.64	14,722.12
2015	6400-100-078-6400-YYYY	Continuous	13,688.13			2,461.10
2016	6400-100-078-6400-YYYY	Continuous	11,537.24	11,537.24		
Alcohol Education Rehabilitation Fund						
2012	9735-760-098-Y900-001-X100-6020	Continuous	4,532.90		1,500.00	4,136.52
2014	9735-760-098-Y900-001-X100-6020	Continuous	1,772.40			1,000.00
2015	9735-760-098-Y900-001-X100-6020	Continuous	3,064.52	3,064.52		
Body Armor Replacement Fund						
2010	1020-718-066-1020-001-YCJF-0120	Continuous	8,872.55			1,803.33
2015	1020-718-066-1020-001-YCJF-0120	Continuous	6,730.37	6,730.37	5,237.25	5,237.25
			\$	\$ 81,332.13	\$ 75,802.53	\$ 108,502.09
<u>Pass Through from County of Somerset</u>						
Municipal Alliance on Alcoholism and Drug Abuse						
2011	SC-ALL-10-03	07/01/11 06/30/12	39,673.00		117.87	39,673.00
2014	SC-ALL-14-03	07/01/14 06/30/15	54,742.00		25,991.00	54,742.00
2015	SC-ALL-14-03	07/01/15 06/30/16	35,761.00	35,761.00	10,052.14	10,220.00
			\$	\$ 35,761.00	\$ 36,161.01	\$ 104,635.00
<u>Department of Human Services</u>						
Public Assistance-State Share						
2014	7550-150-054-7550-121-LLL-6020	01/01/14 12/31/14	409,700.00		69,596.96	409,700.00
2015	7550-150-054-7550-121-LLL-6020	01/01/15 12/31/15	163,582.07	63,800.00	163,582.07	163,582.07
			\$	\$ 63,800.00	\$ 233,179.03	\$ 573,282.07

TOWNSHIP OF BRIDGEWATER
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2015 RECEIPTS	2015 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2015
		FROM	TO				
<u>Department of Transportation</u>							
Municipal Aid - Country Club Road - Phase II	MA-2012-Bridgewater Twp.-00452		Continuous	140,000.00	\$ 113,107.30	\$	110,607.30
Municipal Aid - Country Club Road - Phase IV	13-480-078-6320-ALL-6010		Continuous	200,000.00			200,000.00
Municipal Aid - Country Club Road - Phase V	14-480-078-6320-ALW-6010		Continuous	170,000.00	127,500.00	170,000.00	170,000.00
Municipal Aid - Country Club Road - Phase VI	15-480-078-6320-AL5-6010		Continuous	162,000.00	121,500.00	162,000.00	162,000.00
Highway Safety Fund (Safe Corridors)	HSF-2013-Bridgewater Twp.-00094	01/01/14	12/31/14	167,842.59	167,842.59	38.02	151,971.69
Highway Safety Fund (Safe Corridors)	HSF-2014-Bridgewater Twp.-00094	01/01/15	12/31/15	73,154.30		73,112.97	73,112.97
				\$ 529,949.89	\$ 405,150.99	\$	867,691.96
<u>TOTAL STATE AID AND STATE GRANT FINANCIAL ASSISTANCE</u>				\$	\$ 810,877.37	\$ 880,963.50	\$ 1,769,845.91

TOWNSHIP OF BRIDGEWATER

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2015

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.

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, Grant Fund or Public Assistance Trust Fund.

Receipts:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$ 82,870.57	\$ 747,077.37	\$ 36,105.00	\$ 866,052.94
Public Assistance Trust Fund		<u>63,800.00</u>		<u>63,800.00</u>
	<u>\$ 82,870.57</u>	<u>\$ 810,877.37</u>	<u>\$ 36,105.00</u>	<u>\$ 929,852.94</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$ 65,330.25	\$ 647,784.47	\$ 263,196.85	\$ 976,311.57
Public Assistance Trust Fund		<u>233,179.03</u>		<u>233,179.03</u>
	<u>\$ 65,330.25</u>	<u>\$ 880,963.50</u>	<u>\$ 263,196.85</u>	<u>\$ 1,209,490.60</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, 2015

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) – Not Applicable

State Program(s)

- | | |
|---|------------|
| (1) Internal Control Over Major State 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 state 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 State Program(s): | |

<u>Program</u>	<u>Grant Number</u>
Department of Transportation-	
Municipal Aid- Country Club Road Phase V	14-480-078-6320-ALW-6010
Municipal Aid- Country Club Road Phase VI	15-480-078-6320-AL5-6010

TOWNSHIP OF BRIDGEWATER
SOMERSET COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

State 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 OMB Circular 15-08? Yes

**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 State Programs

State Programs - None Reported

Status of Prior Year Audit Findings - Not Applicable

PART III

TOWNSHIP OF BRIDGEWATER

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

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

	YEAR 2015		YEAR 2014	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 3,039,376.57	1.55%	\$ 3,016,405.53	1.56%
Miscellaneous - From Other Than Local Property Tax Levies	17,355,172.45	8.84%	17,413,279.26	9.03%
Collection of Delinquent Taxes and Tax Title Liens	1,083,534.57	0.55%	1,150,087.34	0.60%
Collections of Current Tax Levy	<u>174,944,329.29</u>	<u>89.06%</u>	<u>171,290,528.69</u>	<u>88.81%</u>
<u>Total Revenue</u>	<u>\$ 196,422,412.88</u>	<u>100.00%</u>	<u>\$ 192,870,300.82</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 38,158,726.39	19.78%	\$ 39,189,515.11	20.61%
County Taxes	35,112,936.91	18.20%	34,068,590.73	17.92%
Regional School Taxes	117,007,939.00	60.66%	114,536,739.00	60.24%
Special Fire District Taxes	2,354,352.00	1.22%	2,305,793.00	1.21%
Other Expenditures	<u>266,983.33</u>	<u>0.14%</u>	<u>23,726.30</u>	<u>0.02%</u>
<u>Total Expenditures</u>	<u>\$ 192,900,937.63</u>	<u>100.00%</u>	<u>\$ 190,124,364.14</u>	<u>100.00%</u>
Excess in Revenue	\$ 3,521,475.25		\$ 2,745,936.68	
Fund Balance - January 1	<u>4,938,091.58</u>		<u>5,208,560.43</u>	
	\$ 8,459,566.83		\$ 7,954,497.11	
Less: Utilization as Anticipated Revenue	<u>3,039,376.57</u>		<u>3,016,405.53</u>	
Fund Balance, December 31	<u>\$ 5,420,190.26</u>		<u>\$ 4,938,091.58</u>	

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

	YEAR 2015		YEAR 2014	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,546,183.07	12.03%	\$ 844,656.72	6.94%
Collection of Sewer Use Charges	9,735,870.91	75.73%	9,732,167.36	80.01%
Miscellaneous	1,574,206.24	12.24%	1,587,611.15	13.05%
<u>Total Revenue</u>	<u>\$ 12,856,260.22</u>	<u>100.00%</u>	<u>\$ 12,164,435.23</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 10,497,904.07	96.70%	\$ 10,183,756.72	96.61%
Deferred Charges and Statutory Expenditures	152,840.00	1.41%	150,000.00	1.42%
Debt Service	205,438.28	1.89%	206,798.28	1.97%
<u>Total Expenditures</u>	<u>\$ 10,856,182.35</u>	<u>100.00%</u>	<u>\$ 10,540,555.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 2,000,077.87		\$ 1,623,880.23	
Fund Balance, January 1	5,859,789.13		5,080,565.62	
	\$ 7,859,867.00		\$ 6,704,445.85	
Less: Utilization as Anticipated Revenue	1,546,183.07		844,656.72	
Fund Balance, December 31	<u>\$ 6,313,683.93</u>		<u>\$ 5,859,789.13</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>\$2.061</u>	<u>\$2.093</u>	<u>\$2.051</u>
Appointment of Tax Rate:			
Municipal	\$0.253	\$0.262	\$0.258
County	0.418	0.421	0.407
Local School	<u>1.390</u>	<u>1.410</u>	<u>1.386</u>

Assessed Valuation:

Year 2015	\$ <u>8,413,284,948.00</u>		
Year 2014		\$ <u>8,119,354,294.00</u>	
Year 2013			\$ <u>8,100,156,601.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2015	\$176,275,325.40	\$174,944,329.29	99.24%
2014	172,456,868.35	171,290,528.69	99.31%
2013	168,664,982.37	167,410,366.14	99.25%

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>
2015	\$150,759.14	\$1,235,117.03	\$1,385,876.17	0.79%
2014	143,744.83	1,059,141.00	1,202,885.83	0.70%
2013	129,726.11	1,161,575.79	1,291,301.90	0.77%

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>
2015	\$422,300.00
2014	422,300.00
2013	422,300.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED IN BUDGET</u> <u>OF SUCCEEDING</u> <u>YEAR</u>
Current Fund	2015	\$ 5,420,190.26	\$ 3,441,276.97 *
	2014	4,938,091.58	3,039,376.57
	2013	5,208,560.43	3,016,405.53
	2012	4,507,581.23	3,000,000.00
	2011	4,231,373.30	2,800,000.00
Sewer Utility Operating Fund	2015	\$ 6,313,683.93	\$ 2,634,141.34 *
	2014	5,859,789.13	1,546,183.07
	2013	5,080,565.62	844,656.72
	2012	3,410,294.60	587,377.96
	2011	4,239,039.28	2,228,748.24

* Per Introduced Budget

EQUALIZED VALUATIONS – REAL PROPERTY

<u>Year</u>	
2015	\$9,010,301,244.00
2014	9,092,103,800.00
2013	8,932,823,322.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

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

OFFICIALS IN OFFICE AND SURETY BONDS (CONTINUED)

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
William Kelleher	Municipal Court Judge	*	
Audrey Lipinski	Court Administrator	\$75,000.00	Penn National Insurance
Manuel Caravela	Police Chief	*	
Phil Langon	Fire Official	*	
Chris Poulsen	Director of Human Services	*	
Peter Leung	Health Officer	*	
Nadine Carr	Registrar	*	
Patricia Padovani	Director of Welfare	*	
Christine Schneider	Superintendent of Recreation	*	

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

All of the bonds were examined and were properly executed.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

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

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

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

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

- Gilbride Road Improvement Project
- Papen Road Improvement Project
- Country Club Road Improvement Project Phase V
- Custodial Services
- Police Uniforms, Shoes and Gear
- Tullo Farm Road Improvement Project
- Maintenance and Repair of Roads
- Van Holten Road Improvement Project Phase III
- Country Club Road Improvement Project Phase VI
- Vosseller Avenue Improvement Project
- Talamini Road Improvement Project Phase 1
- John Christian Drive Improvements
- Loeser Avenue Improvement Project
- Shephard Avenue Improvement Project
- Tributary to Peter's Brook Drainage Improvement Project
- Coriell Drive Mill and Resurface Project
- Walnut Avenue Mill and Resurface Project
- 2015 Sidewalk Improvement Project
- Ascot Loan Improvement Project
- Allen Road Improvement Project
- Hillcrest Road Improvement Project
- Vernon Road Improvement Project
- Van Holten Road Improvement Project- Section IV
- Steele Gap Road Improvement Project – Section I
- Merriam Drive & Woodfield Road Resurfacing Project
- Somerville Road Reconstruction Project
- Snow Removal Service

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.

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

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.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$40,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

COLLECTION OF INTEREST ON DELINQUENT
TAXES AND ASSESSMENTS

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

The Governing Body on January 1, 2015 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 16, 2015 and was complete.

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

DELINQUENT TAXES AND TAX TITLE LIENS (CONTINUED)

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2015	28
2014	27
2013	24
2012	26
2011	22

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 2016 Taxes	50
Payments of 2015 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.

Other Departments

During the course of our audit, we noted that the internal controls in place for the fire official were not always followed during 2015. Subsequent review showed that the Township had corrected this issue in 2016.

RECOMMENDATION

That the internal controls that are in place for the fire official always be followed.

