

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Borough of Bound Brook*

*in the*

*County of Somerset  
New Jersey*

*for the*

*Year Ended  
December 31, 2021*



BOROUGH OF BOUND BROOK

INDEX

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-4
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	5-6
	<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, 2021	"A-2"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2021	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
Schedule of Assessment Trust 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 Capital Fund Balance - Regulatory Basis	"D-2"
Statement of Revenues - Regulatory Basis - Year Ended December 31, 2021	"D-3"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2021	"D-4"
<u>General Fixed Assets Account Group:</u>	
Balance Sheets - Regulatory Basis	"F"
	<u>PAGES</u>
Notes to Financial Statements	7-44

BOROUGH OF BOUND BROOK

INDEX (CONTINUED)

EXHIBITS

Supplementary Schedules – All Funds

Current Fund:

Schedule of Cash - Collector - Treasurer	"A-4"
Schedule of Change Funds	"A-5"
Schedule of Petty Cash	"A-6"
Schedule of Interfunds	"A-7"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-8"
Schedule of Due State of New Jersey for Senior Citizens and Veterans Deductions	"A-9"
Schedule of Refuse Disposal Fees Receivable	"A-10"
Schedule of Tax Title Liens	"A-11"
Schedule of Revenue Accounts Receivable	"A-12"
Schedule of 2020 Appropriation Reserves	"A-13"
Schedule of Tax Overpayments	"A-14"
Schedule of Prepaid Taxes	"A-15"
Schedule of County Taxes Payable	"A-16"
Schedule of Local School District Taxes Payable	"A-17"
Schedule of Reserve for Encumbrances/Accounts Payable	"A-18"
Schedule of Reserve for Special Improvement District Taxes Payable	"A-19"
Schedule of Reserve for Prepaid Refuse Disposal Fees	"A-20"
Schedule of Reserve for Sale of Municipal Assets	"A-21"
Schedule of Reserve for Various Reserves	"A-22"
Schedule of Reserve for Due County- 5% PILOT	"A-23"
Schedule of Grants Receivable	"A-24"
Schedule of Grants - Appropriated	"A-25"
Schedule of Grants - Unappropriated	"A-26"
Schedule of Reserve for Encumbrances Payable - Grant Fund	"A-27"
Schedule of Reserve for Interfunds- Grant Fund	"A-28"
Schedule of Reserve for Emergency Note Payable	"A-29"
Schedule of Reserve for Emergency Services- Deferred Revenue	"A-30"
Schedule of Sewer Rent Fees Receivable	"A-31"
Schedule of Prepaid Sewer Rent Fees	"A-32"
Schedule of Grants Receivable- Coronavirus Relief Funds	"A-33"
Schedule of Deferred Charges	"A-34"

BOROUGH OF BOUND BROOK

INDEX (CONTINUED)

EXHIBITS

Trust Fund:

Schedule of Cash - Treasurer	"B-2"
Schedule of Assessments Receivable	"B-3"
Schedule of Reserve for Assessments and Liens	"B-4"
Schedule of Assessment Overpayments	"B-5"
Schedule of Due Current Fund	"B-6"
Schedule of Reserve for Various Trust Deposits	"B-7"
Schedule of Due State of New Jersey- Marriage Licenses	"B-8"
Schedule of Due State of New Jersey- Construction DCA Training Fees	"B-9"
Schedule of Due State Department of Health - Animal Control Trust Fund	"B-10"
Schedule of Reserve for Animal Control Trust Fund Expenditures	"B-11"
Schedule of Reserve for Prepaid Dog Licenses	"B-12"
Schedule of Due Trust Other Fund- Animal Control Trust Fund	"B-13"
Schedule of Due Animal Control Trust Fund- Other Trust Fund	"B-14"
Schedule of Due Grant Fund – Other Trust Fund	"B-15"
Schedule of Due Sewer Operating Fund - Other Trust Fund	"B-16"
Schedule of Accounts Payable- Other Trust Fund	"B-17"
Schedule of Grants Receivable- Coronavirus Relief Fund	"B-18"

General Capital Fund:

Schedule of Cash - Treasurer	"C-2"
Analysis of Capital Cash and Investments	"C-3"
Schedule of Deferred Charges to Future Taxation - Funded	"C-4"
Schedule of Capital Improvement Fund	"C-5"
Schedule of Deferred Charges to Future Taxation - Unfunded	"C-6"
Schedule of Grants Receivable	"C-7"
Schedule of Developer Contributions Receivable	"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 Encumbrances Payable	"C-12"
Schedule of Due Current Fund	"C-13"
Schedule of Reserve for Infrastructure Loan Payable	"C-14"
Schedule of Improvement Authority Loans Payable	"C-15"
Schedule of Various Capital Reserves	"C-16"
Schedule of Bonds and Notes Authorized But Not Issued	"C-17"

BOROUGH OF BOUND BROOK

INDEX (CONTINUED)

EXHIBITS

Sewer Utility Fund:

Schedule of Cash - Collector - Treasurer	"D-5"
Analysis of Sewer Utility Capital Cash	"D-6"
Schedule of Sewer Use Charges Receivable	"D-7"
Schedule of Prepaid Server Charges	"D-8"
Schedule of Due Current Fund	"D-9"
Schedule of Due Trust Other Fund	"D-10"
Schedule of Reserve for Encumbrances Payable	"D-11"
Schedule of Capital Improvement Fund- Sewer Utility Capital Fund	"D-12"

PART III

PAGES

Statistical Data	45-48
Officials in Office and Surety Bonds	49
Comments and Recommendations	50-54

BOROUGH OF BOUND BROOK

PART I

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

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

FINANCIAL STATEMENTS – REGULATORY BASIS – ALL FUNDS

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2021 AND 2020



**SUPLEE, CLOONEY & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Bound Brook  
County of Somerset  
Bound Brook, New Jersey 08805

**Report on the Audit of the Financial Statements**

***Adverse and Unmodified Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Bound Brook (the "Borough"), as of and for the year ended December 31, 2021, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough as of December 31, 2021, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2021.

**Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2021, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2021 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.



***Basis for Adverse and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

***Matter Giving Rise to Adverse Opinion***

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Responsibilities of Management for the Financial Statements***

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

## SUPLEE, CLOONEY & COMPANY

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

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

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

### ***Supplementary Information***

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

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

### ***Prior Period Financial Statements***

The financial statements of the Borough as of December 31, 2020, were audited by other auditors whose report dated September 14, 2021, expressed an adverse opinion on the financial statements as to the conformity of the financial statements with accounting principles generally accepted in the United States of America and an unmodified opinion on those financial statements in accordance with the basis of financial reporting prescribed by the Division.

# SUPLEE, CLOONEY & COMPANY

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2022 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough's internal control over financial reporting and compliance.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

April 27, 2022



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of Bound Brook  
County of Somerset  
Bound Brook, New Jersey 08805

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 Borough of Bound Brook, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated April 27, 2022. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Bound Brook 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 Borough's control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough's internal control.

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

# SUPLEE, CLOONEY & COMPANY

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

## ***Compliance and Other Matters***

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

## ***Purpose of This Report***

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

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

April 27, 2022

**THIS PAGE INTENTIONALLY LEFT BLANK**

CURRENT FUND

BOROUGH OF BOUND BROOK

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
<u>ASSETS</u>			
Current Fund:			
Cash	A-4	\$ 5,617,665.39	\$ 4,772,456.25
Cash - Change Funds	A-5	570.00	400.00
Grants Receivable- Coronavirus Relief Fund	A-33		101,330.42
Due From State of New Jersey			
Senior Citizens Deductions	A-9	2,318.40	1,746.48
		<u>\$ 5,620,553.79</u>	<u>\$ 4,875,933.15</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 358,682.16	\$ 555,661.85
Tax Title Liens	A-11	43,060.71	45,118.11
Refuse Disposal Fees Receivable	A-10	49,472.84	60,774.22
Sewer Rent Fees Receivable	A-31		172,191.24
Revenue Accounts Receivable	A-12	20,990.49	8,737.90
Interfunds Receivable	A-7	178,635.11	7,202.69
	A	<u>\$ 650,841.31</u>	<u>\$ 849,686.01</u>
Deferred Charges:			
Emergency Appropriations	A-34	\$ 557,914.85	\$ 362,914.85
		<u>\$ 557,914.85</u>	<u>\$ 362,914.85</u>
		<u>\$ 6,829,309.95</u>	<u>\$ 6,088,534.01</u>
Grants:			
Cash	A-4	\$ 589,172.92	\$ 166,414.99
Grants Receivable	A-24	3,232,729.44	964,154.13
Due Current Fund	A-28	3,938.02	
		<u>\$ 3,825,840.38</u>	<u>\$ 1,130,569.12</u>
		<u>\$ 10,655,150.33</u>	<u>\$ 7,219,103.13</u>

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



BOROUGH OF BOUND BROOK

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 762,523.76	\$ 922,761.66
Interfunds	A-7	217,380.68	
Tax Overpayments	A-14		3,700.57
Prepaid Taxes	A-15	160,764.79	143,877.91
Encumbrances/ Accounts Payable	A-18	513,383.53	408,064.41
Reserve Due County- 5% PILOT	A-23	235,007.42	
County Taxes Payable- Added Taxes	A-16	1,981.00	3,101.87
Special District Taxes Payable	A-19		9,858.67
Prepaid Refuse Disposal Fees	A-20	41,405.28	36,173.42
Prepaid Sewer Rent Fees	A-32		5,453.86
Reserve For:			
Sale of Municipal Assets	A-21	35.50	15,035.50
Various Reserves	A-22	53,638.48	33,436.48
Emergency Services- Deferred Revenue	A-30		200,000.00
Emergency Note Payable	A-29		350,000.00
		<u>\$ 1,986,120.44</u>	<u>\$ 2,131,464.35</u>
Reserve for Receivables	A	650,841.31	849,686.01
Fund Balance	A-1	<u>4,192,348.20</u>	<u>3,107,383.65</u>
		<u>\$ 6,829,309.95</u>	<u>\$ 6,088,534.01</u>
Grant Fund:			
Reserve for Grants Appropriated	A-25	\$ 3,218,372.95	\$ 1,045,084.44
Grants - Unappropriated	A-26	532,762.94	15,740.00
Encumbrances Payable	A-27	60,766.56	69,516.24
Interfunds	A-28	13,937.93	228.44
		<u>\$ 3,825,840.38</u>	<u>\$ 1,130,569.12</u>
		<u>\$ 10,655,150.33</u>	<u>\$ 7,219,103.13</u>

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

## BOROUGH OF BOUND BROOK

## CURRENT FUND

STATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER <u>31, 2021</u>	YEAR ENDED DECEMBER <u>31, 2020</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 800,000.00	\$ 865,943.20
Miscellaneous Revenue Anticipated	A-2	7,789,084.71	6,787,419.25
Receipts from Delinquent Taxes	A-2	554,159.98	401,572.00
Receipts from Current Taxes	A-2	26,035,312.25	25,280,716.76
Non-Budget Revenue	A-2	340,471.27	273,683.75
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	832,333.74	300,745.55
Canceled Reserves	A-19	9,858.67	7,788.63
Grant Reserve Canceled	A-25	110,022.85	
Interfunds Returned			7.88
<u>Total Income</u>		<u>\$ 36,471,243.47</u>	<u>\$ 33,917,877.02</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Within "CAPS":			
Operations	A-3	\$ 10,614,942.43	\$ 10,203,318.93
Deferred Charges and Statutory Expenditures	A-3	1,480,903.00	1,413,441.25
Excluded from "CAPS":			
Other Operations	A-3	2,656,118.16	1,404,130.80
Capital Improvements	A-3	100,000.00	100,000.00
Municipal Debt Service	A-3	1,973,588.29	2,348,397.03
Deferred Charges	A-3	77,521.56	344,541.25
Transferred to Board of Education for Use of Schools	A-3	136,115.00	140,185.00
County Taxes	A-16	3,645,148.80	3,340,748.11
Local District School Tax	A-17	13,661,897.00	13,657,924.00
Special Improvement District	A-19	143,243.84	127,937.70
Interfunds Advanced		171,432.42	
Refund of Prior Year Revenue	A-4	16,407.55	
Grants Receivable Canceled	A-24	108,960.87	
<u>Total Expenditures</u>		<u>\$ 34,786,278.92</u>	<u>\$ 33,080,624.07</u>
Excess in Revenue		\$ 1,684,964.55	\$ 837,252.95
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-34	200,000.00	357,914.85
Statutory Excess to Fund Balance		\$ 1,884,964.55	\$ 1,195,167.80
Fund Balance, January 1	A	3,107,383.65	2,778,159.05
		<u>\$ 4,992,348.20</u>	<u>\$ 3,973,326.85</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	800,000.00	865,943.20
Balance, December 31	A	<u>\$ 4,192,348.20</u>	<u>\$ 3,107,383.65</u>

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

BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

REF.	ANTICIPATED		SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
	BUDGET				
Fund Balance Anticipated	A-1	\$ 800,000.00		\$ 800,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-12	\$ 40,000.00		\$ 40,188.00	\$ 188.00
Other	A-2	32,000.00		34,829.00	2,829.00
Fees and Permits:					
Other	A-2	43,000.00		26,278.52	(16,721.48)
Fines and Costs:					
Municipal Court	A-12	150,000.00		199,397.34	49,397.34
Interest and Cost on Taxes	A-12	140,000.00		146,461.26	6,461.26
Parking Meter - Municipal	A-12	60,000.00		71,709.80	11,709.80
Interest on Investments and Deposits	A-12	90,000.00		114,833.02	24,833.02
Utility Fees (Sewer and Refuse)	A-2	621,000.00		841,215.71	220,215.71
Fire Protection- Life Hazard Fees	A-12	15,000.00		15,752.93	752.93
Housing Inspection Fees	A-12	295,000.00		325,278.14	30,278.14
Rental Income	A-12	24,000.00		29,100.00	5,100.00
Vacant Property Fees	A-12	145,000.00		104,500.00	(40,500.00)
Fire Fees	A-12	47,000.00		5,888.00	(41,112.00)
Consolidated Municipal Property Tax Relief Act	A-12	50,091.00		50,091.00	
Energy Receipts Tax	A-12	1,068,619.00		1,068,619.00	
Uniform Construction Code Fees	A-2	290,000.00		568,283.00	278,283.00
Firefighter Crusader Foundation	A-24		300.00	300.00	
First Responders	A-24		1,165.00	1,165.00	
Assistance to Firefighters	A-24		30,552.38	30,552.38	
Body Armor Replacement Fund	A-24		2,034.57	2,034.57	
Body Worn Cameras	A-24		75,150.00	75,150.00	
Clean Communities Program	A-24		16,939.34	16,939.34	
Municipal Alliance on Alcoholism and Drug Abuse	A-24		5,017.98	5,017.98	
Somerset County Youth Services Program	A-24		14,575.00	14,575.00	
Target Youth	A-24		1,000.00	1,000.00	
NJ DOT Transportation Alternatives	A-24		1,839,000.00	1,839,000.00	
Alcohol Education Rehabilitation Fund	A-24		916.89	916.89	
Local Arts Program	A-24		2,750.00	2,750.00	
NJ Cares	A-24		176,617.00	176,617.00	
Pool Improvements	A-24		455,000.00	455,000.00	
Payment in Lieu of Taxes (PILOT)	A-12	820,000.00		414,674.24	(405,325.76)
Administrative Fees - Police Outside Overtime	A-12	130,000.00		192,913.60	62,913.60
Capital Surplus	A-12	200,000.00		200,000.00	
Reserve to Pay Debt	A-12	113,500.00		113,500.00	
Reserve for Emergency Services	A-30	200,000.00		200,000.00	
Reserve for NJAVV	A-12	237,228.95		237,228.95	
Cable T.V. Franchise Fee	A-12	118,000.00		107,325.04	(10,674.96)
Housing Inspection Additional Fees	A-12	45,000.00		45,000.00	
Sale of Municipal Assets	A-21	15,000.00		15,000.00	
	A-1	\$ 4,989,438.95	\$ 2,621,018.16	\$ 7,789,084.71	\$ 178,627.60
Receipts from Delinquent Taxes	A-1:A-8	\$ 400,000.00		\$ 554,159.98	\$ 154,159.98
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-8	\$ 8,928,888.04		\$ 9,485,022.61	\$ 556,134.57
<b>Budget Totals</b>		\$ 15,118,326.99	\$ 2,621,018.16	\$ 18,628,267.30	\$ 888,922.15
Non-Budget Revenues	A-2			340,471.27	340,471.27
		\$ 15,118,326.99	\$ 2,621,018.16	\$ 18,968,738.57	\$ 1,229,393.42

REF. A-3 A-3

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

BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>REF.</u>	
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-8	\$ 26,035,312.25
Allocated to:		
School and County and Special District		<u>17,450,289.64</u>
Support of Municipal Budget Appropriations		\$ 8,585,022.61
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>900,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>9,485,022.61</u></u>
Other Licenses:		
Clerk	A-12	\$ 7,760.00
Registrar	A-12	309.00
Board of Health	A-12	<u>26,760.00</u>
	A-2	\$ <u><u>34,829.00</u></u>
Fees and Permits - Other:		
Clerk	A-12	\$ 8,380.00
Police	A-12	723.52
Zoning	A-12	5,625.00
Planning	A-12	5,150.00
Street Openings	A-12	1,650.00
Registrar	A-12	<u>5,200.00</u>
		\$ 26,728.52
Less: Refunds	A-4	<u>450.00</u>
	A-2	\$ <u><u>26,278.52</u></u>
Utility Fees (Sewer and Refuse):		
Collections:		
Refuse Disposal Charges (Stickers)	A-12	\$ 20,418.00
Refuse Disposal Fees	A-10	648,606.47
Sewer Utility Fees	A-31	<u>172,191.24</u>
	A-2	\$ <u><u>841,215.71</u></u>

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

BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	
Uniform Construction Code Fees	A-12	\$ 568,358.00
Less: Refund	A-4	<u>75.00</u>
	A-2	<u>\$ 568,283.00</u>

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Senior Citizens and Veterans Administration Fee		\$ 798.56
Miscellaneous		61,129.34
Refund of Prior Year COVID Expenses		31,993.00
Refund of Prior Year Expenses		3,141.61
Homestead Rebate Mailing		292.80
Tax Premiums Forfeited		61,700.00
Trust Reserves Canceled		6,244.60
Developers Fees		125,000.00
Ridge PILOT		38,729.50
Interest on Assessments		4,756.69
Miscellaneous Taxes		4,383.80
	A-4	<u>\$ 338,169.90</u>
Add: Excess Animal Control Expenditures	A-7	<u>2,301.37</u>
	A-1:A-2	<u>\$ 340,471.27</u>

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

BOROUGH OF BOUND BROOK

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 160,952.36	\$ 160,952.36	\$ 160,951.70	\$ 0.66	
Other Expenses	114,700.00	115,200.00	113,134.58	2,065.42	
Borough Clerk:					
Salaries and Wages	168,605.00	138,605.00	130,659.18	7,945.82	
Other Expenses	17,500.00	19,500.00	18,964.90	535.10	
Other Expenses- records inventory					
Elections:					
Other Expenses	4,100.00	3,600.00	1,727.55	1,872.45	
Codification:					
Other Expenses	8,000.00	8,000.00	6,871.06	1,128.94	
Financial Administration:					
Salaries and Wages	149,000.00	184,000.00	184,000.00		
Other Expenses	40,800.00	40,800.00	35,823.18	4,976.82	
Audit Services	55,000.00	35,000.00	34,834.88	165.12	
Collection of Taxes:					
Salaries and Wages	59,000.00	11,700.00	7,970.21	3,729.79	
Other Expenses	30,750.00	30,750.00	21,931.38	8,818.62	
Assessment of Taxes:					
Salaries and Wages	42,449.00	42,449.00	42,390.15	58.85	
Other Expenses	44,800.00	14,800.00	7,240.00	7,560.00	
Legal Services and Costs:					
Other Expenses	300,000.00	300,000.00	271,405.22	28,594.78	
IT Services:					
Other Expenses	36,200.00	66,200.00	64,390.00	1,810.00	
Engineering Services and Costs:					
Other Expenses	25,000.00	25,500.00	25,174.57	325.43	
Economic Development:					
Other Expenses	15,000.00	2,000.00		2,000.00	
Planning Board:					
Salaries and Wages	7,139.00	8,139.00	7,852.80	286.20	
Other Expenses	41,350.00	41,350.00	38,729.70	2,620.30	
Housing Inspections:					
Salaries and Wages	181,395.00	181,395.00	181,390.00	5.00	
Other Expenses	8,000.00	8,000.00	402.53	7,597.47	
Insurance:					
Other Insurance	510,000.00	514,000.00	503,692.33	10,307.67	
Group Insurance for Employees	1,161,955.44	1,221,955.44	1,211,569.61	10,385.83	
Health Benefit Waiver	35,000.00	35,000.00	35,000.00		
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	3,414,473.63	3,414,473.63	3,267,888.96	146,584.67	
Other Expenses	445,839.00	445,839.00	374,059.46	71,779.54	
Fire Hydrant Service:					
Other Expenses	120,000.00	120,000.00	100,000.00	20,000.00	
Parking:					
Salaries and Wages	12,625.00	17,625.00	17,624.40	0.60	
Other Expenses	10,000.00	6,000.00	3,023.00	2,977.00	
Emergency Management Services:					
Salaries and Wages	10,200.00	10,200.00	10,000.12	199.88	
Other Expenses	6,000.00	6,000.00	1,147.14	4,852.86	
Aid to Fire Companies:					
Other Expenses	115,300.00	115,300.00	101,999.02	13,300.98	
Aid to Volunteer Ambulance Companies:					
Other Expenses	32,000.00	38,000.00	38,000.00		
Fire Prevention Bureau:					
Salaries and Wages	64,399.00	64,399.00	64,399.00		
Other Expenses	3,000.00	3,000.00		3,000.00	
<u>PUBLIC WORKS</u>					
Street and Roads:					
Salaries and Wages	698,714.00	698,714.00	648,278.65	50,435.35	
Other Expenses	124,500.00	324,500.00	295,795.97	28,704.03	
Buildings and Grounds					
Salaries and Wages	24,431.00	24,431.00	18,944.41	5,486.59	
Other Expenses	134,500.00	124,500.00	107,095.87	17,404.13	
Tree Commission:					
Other Expenses	27,800.00	30,000.00	29,719.99	280.01	

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

BOROUGH OF BOUND BROOK

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>					
<u>SANITATION</u>					
Recycling:					
Other Expenses	\$ 85,000.00	\$ 85,000.00	\$ 85,000.00	\$	
Solid Waste Collection:					
Other Expenses	550,000.00	550,000.00	507,345.42	42,654.58	
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Other Expenses	95,000.00	95,000.00	85,839.00	9,161.00	
Dog Regulation:					
Other Expenses	32,000.00	32,000.00	30,161.00	1,839.00	
PEOSHA:					
Other Expenses	500.00				
Senior Programs:					
Other Expenses	3,500.00	3,500.00	3,500.00		
<u>RECREATION AND EDUCATION</u>					
Recreation Programs:					
Salaries and Wages	120,000.00	120,000.00	108,598.68	11,401.32	
Other Expenses	44,100.00	44,100.00	22,671.30	21,428.70	
Parks and Playgrounds:					
Other Expenses	73,700.00	58,200.00	17,265.67	40,934.33	
Municipal Court:					
Salaries and Wages	190,000.00	190,000.00	162,535.34	27,464.66	
Other Expenses	23,900.00	23,900.00	15,932.74	7,967.26	
Municipal Public Defender:					
Other Expenses	15,000.00	15,000.00	15,000.00		
State Uniform Construction Code:					
Construction Official:					
Salaries and Wages	211,365.00	211,365.00	159,311.79	52,053.21	
Other Expenses	3,000.00	4,000.00	3,979.68	20.32	
Celebration of Public Events					
Salary Adjustment	2,000.00	2,000.00	610.44	1,389.56	
Salary Adjustment	10,000.00	10,000.00		10,000.00	
Unclassified:					
Electricity/ Heating	155,000.00	155,000.00	145,700.00	9,300.00	
Street Lighting	160,000.00	175,000.00	175,000.00		
Telephone	71,000.00	76,000.00	74,024.20	1,975.80	
Water	35,000.00	35,000.00	32,349.31	2,650.69	
Gasoline	60,000.00	60,000.00	59,089.35	910.65	
Postage	18,000.00	18,000.00	18,000.00		

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

BOROUGH OF BOUND BROOK

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	\$ 10,418,542.43	\$ 10,614,942.43	\$ 9,905,995.44	\$ 708,946.99	
Detail:					
Salaries and Wages	\$ 5,524,747.99	\$ 5,360,447.99	\$ 5,064,807.15	\$ 295,640.84	
Other Expenses	4,893,794.44	5,254,494.44	4,841,188.29	413,306.15	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution To:					
Public Employment Retirement System of New Jersey	\$ 232,173.00	\$ 235,773.00	\$ 235,712.41	\$ 60.59	
Social Security System (O.A.S.I.)	250,000.00	250,000.00	217,200.91	32,799.09	
Police & Firemen's Retirement System of New Jersey	948,130.00	948,130.00	948,130.00		
Unemployment Compensation Insurance	35,000.00	35,000.00	28,960.16	6,039.84	
Defined Contribution Retirement Plan (DCRP)	12,000.00	12,000.00	2,772.75	9,227.25	
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	\$ 1,477,303.00	\$ 1,480,903.00	\$ 1,432,776.23	\$ 48,126.77	
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	\$ 11,895,845.43	\$ 12,095,845.43	\$ 11,338,771.67	\$ 757,073.76	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
COVID-19:					
Other Expenses	\$ 100.00	\$ 100.00	\$	\$ 100.00	
Length of Service Award (LOSAP)	30,000.00	30,000.00	24,650.00	5,350.00	
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	\$ 30,100.00	\$ 30,100.00	\$ 24,650.00	\$ 5,450.00	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Clean Communities Program (40A:4-87 +\$16,939.34)	\$	\$ 16,939.34	\$ 16,939.34	\$	
Firefighter/EMS Grant (40A:4-87 + \$30,552.38)		30,552.38	30,552.38		
Firefighter Crusader Foundation (40A:4-87 + \$300.00)		300.00	300.00		
Body Armor Replacement Fund (40A:4-87 + \$2,034.57)		2,034.57	2,034.57		
Municipal Alliance to Prevent Alcoholism and Drug Abuse (4A:4-87 +\$5,017.98)		5,017.98	5,017.98		
Youth Services (40A:4-87 +\$14,575.00)		14,575.00	14,575.00		
First Responders (40A:4-87 +\$1,165.00)		1,165.00	1,165.00		
Body Camea (40:4-87 + \$75,150.00)		75,150.00	75,150.00		
Transportation Alternative (40A:4-87 + \$1,839,000.00)		1,839,000.00	1,839,000.00		
NJ CARES (40A:4-87 + \$176,617.00)		176,617.00	176,617.00		
Target Soccer (40A:4-87 +\$1,000.00)		1,000.00	1,000.00		
Local Art (40A:4-87 + \$2,750.00)		2,750.00	2,750.00		
Recreation Improvements (40A:4-87 + \$455,000.00)		455,000.00	455,000.00		
Alcohol Education Rehabilitation Fund (40A:4-87 + \$916.89)		916.89	916.89		
Municipal Alliance- Local Match	5,000.00	5,000.00	5,000.00		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>	\$ 5,000.00	\$ 2,626,018.16	\$ 2,626,018.16	\$	
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	\$ 35,100.00	\$ 2,656,118.16	\$ 2,650,668.16	\$ 5,450.00	

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



BOROUGH OF BOUND BROOK

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$	\$
<u>TOTAL CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"</u>	\$ 100,000.00	\$ 100,000.00	100,000.00	\$	\$
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 1,322,000.00	\$ 1,322,000.00	\$ 1,322,000.00	\$	\$
Payment of Bond Anticipation Notes and Capital Notes					
Interest on Bonds	481,845.00	481,845.00	481,844.87		0.13
Interest on Notes	21,900.00	21,900.00	21,811.74		88.26
Somerset County Improvement Authority- Capital Lease Program	137,000.00	137,000.00	136,941.29		58.71
NJ Environmental Infrastructure Trust	11,000.00	11,000.00	10,990.39		9.61
<u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>	\$ 1,973,745.00	\$ 1,973,745.00	\$ 1,973,588.29	\$	\$ 156.71
<u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</u>					
Special Emergency Authorization- 5 Years (N.J.S.A. 40A:4-55)	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$	\$
Unfunded Capital Ordinances:					
Ordinance 07-13	36,576.51	36,576.51	36,576.51		
Ordinance 08-18	0.96	0.96	0.96		
Ordinance 09-02	0.34	0.34	0.34		
Ordinance 09-05	25,941.14	25,941.14	25,941.14		
Ordinance 10-12	10,000.00	10,000.00	10,000.00		
Ordinance 11-03	0.84	0.84	0.84		
Ordinance 10-3 and 11-16	1.77	1.77	1.77		
<u>TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</u>	\$ 77,521.56	\$ 77,521.56	\$ 77,521.56	\$	\$
Transfer to Board of Education for Use of Local Schools	\$ 136,115.00	\$ 136,115.00	136,115.00	\$	\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	\$ 2,322,481.56	\$ 4,943,499.72	\$ 4,937,893.01	\$ 5,450.00	\$ 156.71
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	\$ 14,218,326.99	\$ 17,039,345.15	\$ 16,276,664.68	\$ 762,523.76	\$ 156.71
<u>RESERVE FOR UNCOLLECTED TAXES</u>	900,000.00	900,000.00	900,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 15,118,326.99	\$ 17,939,345.15	\$ 17,176,664.68	\$ 762,523.76	\$ 156.71
	REF	A-2	A-1	A:A-1	
Amendment by (NJSA 40A:4-87)	A-2	\$ 2,621,018.16			
Emergency	A-34	200,000.00			
Budget	A-3	15,118,326.99			
		\$ 17,939,345.15			
Reserve for Uncollected Taxes	A-2		\$ 900,000.00		
Deferred Charges	A-34		5,000.00		
Reserve for Grants Appropriated	A-25		2,621,018.16		
Disbursements	A-4		13,353,292.80		
Encumbrances Payable	A-18		297,353.72		
			\$ 17,176,664.68		

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

TRUST FUND

"B"

BOROUGH OF BOUND BROOK

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
Assessment Fund:			
Cash	B-2	\$ 15,633.90	\$ 15,633.90
Assessment Receivable	B-3	3,641.64	3,641.64
		<u>\$ 19,275.54</u>	<u>\$ 19,275.54</u>
Animal Control Fund:			
Cash	B-2	\$ 18,633.58	\$ 13,578.36
		<u>\$ 18,633.58</u>	<u>\$ 13,578.36</u>
Other Funds:			
Cash	B-2	\$ 2,322,400.00	\$ 2,215,733.84
Grant Receivable- Coronavirus Relief Fund	B-18		43,286.58
Due Current Fund	B-6	213,442.66	
Due Animal Control Trust Fund	B-14	1.50	
Due Sewer Utility Operating Fund	B-16	90.00	
Due Grant Fund	B-15	13,937.93	
		<u>\$ 2,549,872.09</u>	<u>\$ 2,259,020.42</u>
		<u>\$ 2,587,781.21</u>	<u>\$ 2,291,874.32</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Trust Fund:			
Due Current Fund	B-6	\$ 22.44	\$ 22.44
Assessment Overpayments	B-5	2,254.06	2,254.06
Reserve for Assessments	B-4	445.74	445.74
Fund Balance	B-1	16,553.30	16,553.30
		<u>\$ 19,275.54</u>	<u>\$ 19,275.54</u>
Animal Control Fund:			
Due Current Fund	B-6	\$ 2,301.37	\$ 16.75
Due State Department of Health	B-10	2.40	1.20
Due Trust Other Fund	B-13	1.50	
Prepaid Dog Licenses	B-12	1,911.00	
Reserve For Expenditures	B-11	14,417.31	13,560.41
		<u>\$ 18,633.58</u>	<u>\$ 13,578.36</u>
Other Funds:			
Due Current Fund	B-6	\$	\$ 4,152.33
Reserve for Due State of New Jersey- Marriage Licenses	B-8	675.00	700.00
Reserve for Due State of New Jersey- DCA Training Fees	B-9	16,677.00	18,552.60
Reserve for Accounts Payable	B-17		879.65
Reserve for Various Trust Deposits	B-7	2,532,520.09	2,234,735.84
		<u>\$ 2,549,872.09</u>	<u>\$ 2,259,020.42</u>
		<u>\$ 2,587,781.21</u>	<u>\$ 2,291,874.32</u>

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

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF ASSESSMENT TRUST FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2021 and 2020	B	\$ <u>16,553.30</u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

GENERAL CAPITAL FUND

BOROUGH OF BOUND BROOKGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 3,799,824.70	\$ 1,934,236.37
Deferred Charges to Future Taxation:			
Funded	C-4	15,583,634.79	16,891,136.76
Unfunded	C-6	7,576,524.87	4,774,546.43
Grants Receivable	C-7	376,406.75	213,423.75
Developer Contribution Receivable	C-8	200,000.00	200,000.00
		<u>\$ 27,536,391.11</u>	<u>\$ 24,013,343.31</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-10	\$ 15,260,000.00	\$ 16,582,000.00
Bond Anticipation Notes	C-11	5,492,565.00	2,655,000.00
Infrastructure Loan Payable	C-14	31,932.03	42,371.08
Improvement Authority Loans Payable	C-15	291,702.76	266,765.68
Due Current Fund	C-13		2,782.73
Capital Improvement Fund	C-5	25,279.74	90,779.74
Improvement Authorizations:			
Funded	C-9	531,976.44	559,922.19
Unfunded	C-6:C-9	3,295,501.68	2,151,461.56
Reserve for:			
Various Capital Reserves	C-16	401,295.25	534,402.70
Encumbrances Payable	C-12	1,935,160.47	559,367.30
Fund Balance	C-1	270,977.74	568,490.33
		<u>\$ 27,536,391.11</u>	<u>\$ 24,013,343.31</u>

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



BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2020	C		\$ 568,490.33
Increased by:			
Grants Receivable Collected	C-16	\$ 11,190.00	
Premium of Note Sale	C-2	<u>41,297.41</u>	
			\$ <u>52,487.41</u>
Decreased by-			
Improvement Authorization- Funded	C-9	\$ 150,000.00	
Utilized as Anticipated Revenue Current Fund	C-2	<u>200,000.00</u>	
			<u>350,000.00</u>
Balance, December 31, 2021	C		\$ <u><u>270,977.74</u></u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

SEWER UTILITY FUND

BOROUGH OF BOUND BROOK

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>OPERATING FUND:</u>		
Cash	D-5	\$ <u>822,311.34</u>
		\$ <u>822,311.34</u>
Receivables with Full Reserves:		
Sewer Charges Receivable	D-7	\$ <u>145,489.96</u>
	D	\$ <u>145,489.96</u>
<u>TOTAL OPERATING FUND</u>	D	\$ <u>967,801.30</u>
<u>CAPITAL FUND - REGULAR:</u>		
Cash	D-5:D-6	\$ <u>50,000.00</u>
<u>TOTAL CAPITAL FUND</u>	D	\$ <u>50,000.00</u>
	D	\$ <u>1,017,801.30</u>

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

BOROUGH OF BOUND BROOK

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
<u>OPERATING FUND:</u>		
Liabilities:		
Due Current Fund	D-9	\$ 176,311.30
Due General Trust Fund	D-10	90.00
Appropriation Reserves	D-4	365,570.35
Encumbrances Payable	D-11	12,116.83
Prepaid Sewer Charges	D-8	301.46
		<u>\$ 554,389.94</u>
Reserve for Receivables	D	145,489.96
Fund Balance	D-1	<u>267,921.40</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 967,801.30</u>
 <u>CAPITAL FUND - REGULAR:</u>		
Liabilities:		
Capital Improvement Fund	D-12	\$ <u>50,000.00</u>
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 50,000.00</u>
	D	<u>\$ 1,017,801.30</u>

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

BOROUGH OF BOUND BROOK

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Sewer Use Charges	D-3	\$ 1,687,071.36
Shared Service- Township of Bridgewater	D-3:D-5	182,742.00
Miscellaneous Revenue Not Anticipated	D-3:D-5	<u>107,577.04</u>
<u>TOTAL INCOME</u>		<u>\$ 1,977,390.40</u>
<u>EXPENDITURES</u>		
Operating	D-4	\$ 1,620,000.00
Capital Improvements	D-4	50,000.00
Deferred Charges and Statutory Expenditures	D-4	<u>39,469.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 1,709,469.00</u>
Excess in Revenue		<u>\$ 267,921.40</u>
Fund Balance, December 31	D	<u><u>\$ 267,921.40</u></u>

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

BOROUGH OF BOUND BROOK

SEWER UTILITY CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE-REGULATORY BASIS

**NOT APPLICABLE IN 2021**

BOROUGH OF BOUND BROOK

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Sewer Use Charges	D-1:D-7	\$ 1,588,173.00	\$ 1,687,071.36	\$ 98,898.36
Shared Service- Township of Bridgewater	D-1:D-5	<u>121,296.00</u>	<u>182,742.00</u>	<u>61,446.00</u>
<u>BUDGET TOTALS</u>	D-4	\$ 1,709,469.00	\$ 1,869,813.36	\$ 160,344.36
Non - Budget Revenue	D-1:D-3:D-5		<u>107,577.04</u>	<u>107,577.04</u>
		<u>\$ 1,709,469.00</u>	<u>\$ 1,977,390.40</u>	<u>\$ 267,921.40</u>

ANALYSIS OF NON-BUDGET REVENUE:

Miscellaneous:

Interest on Sewer Charges		\$ 22,543.18
Sewer Connection Fees		78,400.00
Interest on Investments and Deposits		6,613.86
Miscellaneous		<u>20.00</u>
	D-1:D-3:D-5	<u>\$ 107,577.04</u>

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



BOROUGH OF BOUND BROOK

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
OPERATING:				
Salaries and Wages	\$ 200,000.00	\$ 200,000.00	\$ 168,985.09	\$ 31,014.91
Other Expenses	170,000.00	170,000.00	57,132.43	112,867.57
Municipal Utility Sewerage Authority Charges	<u>1,250,000.00</u>	<u>1,250,000.00</u>	<u>1,030,708.64</u>	<u>219,291.36</u>
<u>TOTAL OPERATING</u>	<u>\$ 1,620,000.00</u>	<u>\$ 1,620,000.00</u>	<u>\$ 1,256,826.16</u>	<u>\$ 363,173.84</u>
CAPITAL IMPROVEMENTS:				
Capital Improvement Fund	\$ <u>50,000.00</u>	\$ <u>50,000.00</u>	\$ <u>50,000.00</u>	\$ _____
<u>TOTAL CAPITAL IMPROVEMENTS</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	\$ _____
STATUTORY EXPENDITURES:				
Statutory Expenditures:				
Public Employee's Retirement System	\$ 24,469.00	\$ 24,469.00	\$ 24,469.00	\$ _____
Social Security System	<u>15,000.00</u>	<u>15,000.00</u>	<u>12,603.49</u>	<u>2,396.51</u>
<u>TOTAL STATUTORY EXPENDITURES</u>	<u>\$ 39,469.00</u>	<u>\$ 39,469.00</u>	<u>\$ 37,072.49</u>	<u>\$ 2,396.51</u>
	<u>\$ 1,709,469.00</u>	<u>\$ 1,709,469.00</u>	<u>\$ 1,343,898.65</u>	<u>\$ 365,570.35</u>
	<u>REF.</u>	<u>D-4</u>	<u>D-1</u>	<u>D:D-1</u>
Disbursements	D-5		\$ 1,331,781.82	
Encumbrances Payable	D-11		<u>12,116.83</u>	
			<u>\$ 1,343,898.65</u>	

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF BOUND BROOK  
STATEMENT OF GENERAL FIXED ASSETS  
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2021</u>	BALANCE DECEMBER <u>31, 2020</u>
FIXED ASSETS		
Land	\$ 10,765,500.00	\$ 10,765,500.00
Buildings	2,383,400.00	2,383,400.00
Machinery and Equipment	<u>7,413,312.00</u>	<u>6,879,212.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 20,562,212.00</u>	<u>\$ 20,028,112.00</u>
RESERVE		
Investments in General Fixed Assets	<u>\$ 20,562,212.00</u>	<u>\$ 20,028,112.00</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF BOUND BROOK

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough (Borough) of Bound Brook is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

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

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Bound Brook 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Under this method of accounting, the financial transactions and accounts of the Borough of Bound Brook 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 government activity.

As required by the Division of Local Government Services the Borough accounts for its financial transactions through the following individual funds and account groups:

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

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created

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

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

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that has 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 government 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. Grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough 's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amount that are due the Borough , which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances 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 Borough 's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

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

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

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



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, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as non-expendable 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 system are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by the Borough. 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 Borough's most recent property revaluation.

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

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as non-expendable 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 system are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by the Borough. 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 Borough's most recent property revaluation.

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

Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers 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.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (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 Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

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

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

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions.

It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

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

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

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Borough 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 financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

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

The Borough of Bound Brook had the following cash and cash equivalents at December 31, 2021:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Current Fund	\$570.00	\$5,878,030.39	\$4,405.72	\$64,770.72	\$5,817,665.39
Grant Fund		673,024.95		83,852.03	589,172.92
Assessment Trust Fund		15,857.31		223.41	15,633.90
Animal Control Fund		19,099.34	1,776.24	2,242.00	18,633.58
Trust Other Fund		2,350,300.51		27,900.51	2,322,400.00
General Capital Fund		3,896,500.12		96,675.42	3,799,824.70
Sewer Operating Fund		821,786.68	1,304.66	780.00	822,311.34
Sewer Capital Fund		50,010.62		10.62	50,000.00
	<u>\$570.00</u>	<u>\$13,704,609.92</u>	<u>\$7,486.62</u>	<u>\$276,454.71</u>	<u>\$13,435,641.83</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2021, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$500,000.00 was covered by Federal Depository Insurance and \$13,704,609.92 was covered by NJ GUDPA. The Borough has no foreign currency risk exposure.

B. Investments

The purchase of investments by the Borough are 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.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 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 Borough of Bound Brook's investment activities during the year were in accordance with the above New Jersey Statute.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

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 regulatory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2021</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
Issued:			
General:			
Bonds	\$ 15,260,000.00	\$ 16,582,000.00	\$ 12,932,000.00
Notes	5,492,565.00	2,655,000.00	6,024,577.00
Infrastructure Loans	31,932.05	42,371.08	52,720.12
SCIA Loans- Capital Leases	<u>291,702.76</u>	<u>266,765.68</u>	<u>389,255.58</u>
Debt Issued	\$ 21,076,199.81	\$ 19,546,136.76	\$ 19,398,552.70
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ <u>2,083,959.87</u>	\$ <u>2,119,546.43</u>	\$ <u>3,250,356.43</u>
 TOTAL BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	\$ <u><u>23,160,159.68</u></u>	\$ <u><u>21,665,683.19</u></u>	\$ <u><u>22,648,909.13</u></u>

SUMMARY OF REGULATORY 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 regulatory net debt of .2642%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional High School District Debt	\$ 22,430,000.00	\$ 22,430,000.00	\$
General Debt	<u>23,160,159.66</u>		<u>23,160,159.66</u>
	\$ <u><u>45,590,159.66</u></u>	\$ <u><u>22,430,000.00</u></u>	\$ <u><u>23,160,159.66</u></u>

NET DEBT \$23,160,159.66 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, \$876,526,494.33 EQUALS 2.642%.



NOTE 3: LONG-TERM DEBT(CONTINUED)

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

Equalized Valuation Basis* - December 31, 2021	\$	<u>876,526,494.33</u>
3-1/2% of Equalized Valuation Basis	\$	30,678,427.30
Net Debt		<u>23,160,159.66</u>
Remaining Borrowing Power	\$	<u>7,518,267.64</u>

\*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements and the assessed valuation of Class II railroad property of the Borough of Bound Brook for the last three (3) preceding years.

	<u>Amount Outstanding December 31, 2021</u>
General Serial Bonds:	
\$9,747,000.00 General Improvement Bonds of 2016 due in annual installments of \$447,000.00 to \$650,000.00 through 2034 at an interest rate of 3.00% to 4.00%	\$7,825,000.00
\$4,830,000.00 Refunding Bonds of 2016 due in annual installments of \$600,000.00 to \$615,000.00 through 2026 at an interest rate of 4.00%	3,035,000.00
\$4,660,000.00 General Improvement Bonds of 2020 due in annual installments of \$260,000.00 to \$500,000.00 through 2032 at an interest rate of 2.00% to 4.00%	<u>4,400,000.00</u>
	<u>\$15,260,000.00</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
LOANS ISSUED AND OUTSTANDING AT DECEMBER 31, 2021

<u>Payment Date</u>	<u>Fund Loan</u>	<u>Trust Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>	
2022	\$7,501.42	\$3,034.26	\$340.28	\$3,374.54
2023	7,501.42	3,139.85	234.70	3,374.55
2024	7,501.59	3,253.51	121.04	3,374.55
	<u>\$22,504.43</u>	<u>\$9,427.62</u>	<u>\$696.02</u>	<u>\$10,123.64</u>

Environmental Infrastructure Trust Loan 2% interest, final maturity 2024	\$9,427.62
Environmental Infrastructure Fund Loan 0% interest, final maturity 2024	<u>22,504.43</u>
	<u>\$31,932.05</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

<u>Year</u>	<u>2017 Capital Lease</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$54,402.29	\$3,849.02	\$58,251.31
2023	56,293.92	1,957.39	58,251.31
	<u>\$110,696.21</u>	<u>\$5,806.41</u>	<u>\$116,502.62</u>

<u>Year</u>	<u>2019 Capital Lease</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$29,506.55	\$819.76	\$30,326.31
	<u>\$29,506.55</u>	<u>\$819.76</u>	<u>\$30,326.31</u>

<u>Year</u>	<u>2021 Capital Lease</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$29,712.28	\$1,904.18	\$31,616.46
2023	29,682.44	1,934.02	31,616.46
2024	30,186.37	1,430.09	31,616.46
2025	30,698.86	917.60	31,616.46
2026	31,220.05	396.41	31,616.46
	<u>\$151,500.00</u>	<u>\$6,582.30</u>	<u>\$158,082.30</u>

Somerset County Improvement Authority Loan  
3.477% interest, final maturity 2023 \$110,096.21

Somerset County Improvement Authority Loan  
3.498% interest, final maturity 2022 29,506.55

Somerset County Improvement Authority Loan  
1.69% interest, final maturity 2026 151,500.00

\$291,702.76

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2020

2022	\$ 1,345,000.00	\$ 432,775.00	\$ 1,777,775.00
2023	1,370,000.00	383,675.00	1,753,675.00
2024	1,420,000.00	330,975.00	1,750,975.00
2025	1,445,000.00	282,125.00	1,727,125.00
2026	1,480,000.00	238,075.00	1,718,075.00
2027	1,150,000.00	201,218.75	1,351,218.75
2028	1,150,000.00	167,000.00	1,317,000.00
2029	1,150,000.00	141,968.75	1,291,968.75
2030	1,150,000.00	116,125.00	1,266,125.00
2031	1,150,000.00	88,250.00	1,238,250.00
2032	1,150,000.00	58,750.00	1,208,750.00
2033	650,000.00	29,250.00	679,250.00
2034	650,000.00	9,750.00	659,750.00
	<u>\$ 15,260,000.00</u>	<u>\$ 2,479,937.50</u>	<u>\$ 17,739,937.50</u>

At December 31, 2021, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund \$ 2,083,959.87

NOTE 4: SHORT-TERM DEBT

The Borough 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	1.00%	08/18/22	<u>\$5,492,565.00</u>

NOTE 5: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2021, which was appropriated and included as anticipated revenue in the introduced budget in its own respective fund for the year ending December 31, 2022, were as follows:

Current Fund	<u>\$983,673.08</u>
--------------	---------------------

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 payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough 's Current Fund.

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

	BALANCE DECEMBER <u>31, 2021</u>	BALANCE DECEMBER <u>31, 2020</u>
Prepaid Taxes	<u>\$160,764.79</u>	<u>\$143,877.91</u>

NOTE 7: PENSION PLANS

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

NOTE 7: PENSION PLANS (CONTINUED)

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

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

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

Vesting and Benefit Provisions

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

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

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested.

NOTE 7: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions

However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2021, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2021, the State contributed an amount less than the actuarially determined amount. During 2020, PFRS provides for employee contributions of 10.00% of employees' base salary.

Certain portions of the costs are contributed by the employees. The Borough 's share of PERS and Police and Firemen's pension, which is based upon the annual billings received from the state, amounted to \$1,204,772.00 for 2021, \$1,041,178.00 for 2020 and \$978,333.00 for 2019.

The Borough 's share for DCRP amounted to \$2,772.75 for 2021, \$7,371.51 for 2020 and \$5,200.00 for 2019.

Certain Borough employees are also covered by the Federal Insurance Contribution Act.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2020. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2020.

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$3,348,430.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Borough's proportion was 0.0205332136 percent, which was an increase of 0.0004385382 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$223,608.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$195,462.00.



NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 60,969.00	\$ 11,841.00
Changes of assumptions	108,627.00	1,402,019.00
Net difference between projected and actual earnings on pension plan investments	114,452.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>402,606.00</u>	
	<u>\$ 686,654.00</u>	<u>\$ 1,413,860.00</u>

Other local amounts reported by the State as the Borough'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>
2021	(\$339,645.80)
2022	(302,542.80)
2023	(138,389.80)
2024	(8,002.80)
2025	<u>61,375.20</u>
	<u>(\$727,206.00)</u>

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

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

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

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

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$4,215,115.00	\$3,348,430.00	\$2,613,024.00

Pension plan fiduciary net position

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$10,153,852.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 7: PENSION PLANS (CONTINUED)

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

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

At June 30, 2020, the Borough's proportion was 0.0048824095 percent, which was an increase of 0.0048824095 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$601,760.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$744,449.00.

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 102,368.00	\$ 36,441.00
Changes of assumptions	25,552.00	2,722,187.00
Net difference between projected and actual earnings on pension plan investments	595,368.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,141,506.00</u>	<u>518,855.00</u>
	<u>\$ 1,864,794.00</u>	<u>\$ 3,277,483.00</u>

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

Year Ended	Amount
<u>June 30</u>	
2021	\$ (825,292.80)
2022	(516,484.80)
2023	(136,431.80)
2024	25,948.20
2025	<u>39,572.20</u>
	<u>\$ (1,412,689.00)</u>

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

	<u>June 30, 2020</u>
Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	
Through all future years	3.25-15.25%
	Based on years of Service
Investment Rate of Return	7.00%

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

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

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

NOTE 7: 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 7.00% and 6.85% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$13,502,533.00	\$10,153,852.00	\$7,372,516.00



NOTE 7: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

At June 30, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,525,832.00 and \$1,424,155.00, respectively.

At June 30, 2020, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$10,153,852.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,575,832.00</u>
	<u>\$11,729,684.00</u>

Pension plan fiduciary net position

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

NOTE 8: COMPENSATED ABSENCES

Under existing collective bargaining agreements and personnel policies of the Borough, employees are allowed to accumulate unused compensatory, vacation and sick pay over the life of their working careers, which may be taken as time off, additional annual pay, or as termination payments upon retirement, at agreed upon rates. At December 31 2021 and 2020, the estimated value of accumulated and unused compensated absences, was \$298,938.10 and \$1,484,034.80, respectively.

Under accounting principles and practices prescribed by the Division of local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be recorded as expenditures in the year of projected disbursement and accordingly, no liability has been accrued as of December 31, 2021.

NOTE 9: LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

The Borough of Bound Brook adopted an ordinance establishing a Length of Service Awards Program for the members of the Bound Brook Fire Department pursuant to N.J.S.A. 40A:14-183 et seq.

Under this program, each volunteer of the Bound Brook Fire Department that performs the minimum amount of service will have an annual amount of \$400.00 deposited into a tax deferred income account that will earn interest for the volunteer. The Borough budgeted \$30,000.00 for the program in 2021.

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

NOTE 10: LITIGATION

The Borough Attorney's letters did not indicate any litigation, claims or contingent liabilities which would materially affect the financial statements of the Borough .

NOTE 11: TAX APPEAL

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2021 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from current tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51.

NOTE 12: CONTINGENT LIABILITIES

The Borough participated in several 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 expenditure of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2021, the Borough does not believe that any material liabilities will result from such audits.

NOTE 13: RISK MANAGEMENT

The Borough 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 Borough maintains commercial insurance coverage through a Joint Insurance Fund covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

<u>Year</u>	<u>Borough Share</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 35,000.00	\$ 5,314.59	\$ 29,409.49	\$ 20,692.48
2020	42,263.25	7,736.43	37,949.05	9,787.38
2019	10,000.00	3,900.00	15,997.72	(2,263.25)

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following Interfund balances remained on the balance sheet at December 31, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 178,635.11	\$ 217,380.68
Grant Fund	3,938.02	13,937.93
Assessment Fund		22.44
Animal Control Fund		2,302.87
Trust Other Fund	227,472.09	
Sewer Operating Fund		176,401.30
	<u>\$ 410,045.22</u>	<u>\$ 410,045.22</u>

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

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. 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 to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the Borough is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52: 14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Contributions

The Borough's contributions to the Plan for the years ended December 31, 2021, 2020, and 2019, were \$492,840.67, \$445,595.26 and \$445,835.15 respectively, which equaled the required contributions for each year.

Total Net OPEB Liability

At June 30, 2020, the Plan reported a liability of \$14,639,770.00 for the Borough's proportionate share of the collective net OPEB liability. The total Net OPEB Liability measured as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The Borough's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020.

At June 30, 2020, the Borough's proportion was 0.081574 percent, which was an increase of 0.006461 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State reported OPEB expense of \$107,744.00. This OPEB benefit was based on the OPEB plans June 30, 2020 measurement date.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$385,600	\$2,726,198
Changes of assumptions	2,189,649	3,255,659
Net difference between projected and actual earnings on OPEB plan investments	9,297	-
Changes in proportion	1,811,447	1,384,121
	<u>\$4,395,993</u>	<u>\$7,365,978</u>

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated pension (benefit)/expense as follows:

Year Ended	Amount
<u>June 30,</u>	
2021	(\$701,496)
2022	(702,209)
2023	(703,363)
2024	(704,416)
2025	(453,134)
Total Thereafter	<u>294,632</u>
	<u>(\$2,969,985)</u>

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	<u>2020</u> 2.50%	<u>2019</u> 2.50%
Salary Increases:		
Public Employees Retirement System (PERS):		
Initial fiscal Year Applied		
Rate through 2026	2.00% to 6.00%	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS):		
Rate for all future years	3.25% to 15.25%	3.25% to 15.25%

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2020
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2020

\* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.



NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the Borough's as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	<u>1.00% Decrease (1.21%)</u>	<u>At Discount Rate (2.21%)</u>	<u>1.00% Increase (3.21%)</u>
Borough's proportionate share of the Net OPEB Liability	\$17,307,301	\$14,639,770	\$12,528,177

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Borough's as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Borough's proportionate share of the Net OPEB Liability	\$12,114,425	\$14,639,770	\$17,946,744

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 16: FIXED ASSETS

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

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2021</u>
Land	\$10,765,500.00			\$10,765,500.00
Buildings	2,383,400.00			2,383,400.00
Machinery and Equipment	<u>6,879,212.00</u>	<u>636,073.00</u>	<u>101,973.00</u>	<u>7,413,312.00</u>
	<u>\$20,028,112.00</u>	<u>\$636,073.00</u>	<u>\$101,973.00</u>	<u>\$20,562,212.00</u>

NOTE 17: DEFERRED CHARGES TO BE RAISED IN FUTURE BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021 and 2020, the following deferred charges are shown on the current fund balance sheet:

	Balance December 31, <u>2021</u>	Raised in <u>2022 Budget</u>	Raised in Succeeding <u>Years</u>
Current Fund:			
Special Emergency- COVID	\$357,914.85	\$71,583.00	\$286,331.85
Special Emergency- Hurricane IDA	<u>200,000.00</u>	<u>40,000.00</u>	<u>160,000.00</u>
	<u>\$557,914.85</u>	<u>\$111,583.00</u>	<u>\$446,331.85</u>

NOTE 18: SUBSEQUENT EVENTS

The Borough of Bound Brook has evaluated subsequent events occurring after the financial statement date through April 27, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that no subsequent events needed to be disclosed.

**THIS PAGE INTENTIONALLY LEFT BLANK**

BOROUGH OF BOUND BROOK  
SUPPLEMENTARY SCHEDULES  
YEAR ENDED DECEMBER 31, 2021

## BOROUGH OF BOUND BROOK

## CURRENT FUND

## SCHEDULE OF CASH - COLLECTOR-TREASURER

	REF.	CURRENT FUND	GRANT FUND
Balance, December 31, 2020	A	\$ 4,772,456.25	\$ 166,414.99
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 338,169.90	\$
Revenue Accounts Receivable	A-12	4,132,793.84	
Property Taxes Receivable	A-8	26,405,094.32	
Petty Cash	A-6	400.00	
Tax Overpayments	A-14	50,187.15	
Due State of New Jersey-Sr. Citizens & Veterans Exemptions	A-9	39,928.08	
Prepaid Taxes	A-15	160,764.79	
Refuse Disposal Fees Receivable	A-10	613,528.07	
Prepaid Refuse Disposal Fees	A-20	40,310.26	
Grants Receivable	A-24		227,741.98
Interfunds	A-7:A-28	1,030,345.37	13,937.93
Reserve for Due County - 5% PILOT	A-23	235,007.42	
Reserve for Grants Unappropriated	A-26		532,762.94
Reserve for Grants Appropriated- Match	A-25		5,000.00
Sewer Rent Fees Receivable	A-31	172,191.24	
Grants Receivable- Coronavirus Relief Fund	A-33	101,330.42	
Reserve for Various Reserves	A-22	21,625.00	
		<u>33,341,675.86</u>	<u>779,442.85</u>
		\$ 38,114,132.11	\$ 945,857.84
Decreased by Disbursements:			
2021 Appropriations	A-3	\$ 13,353,292.80	\$
Appropriation Reserves	A-13	274,150.28	
Tax Overpayments	A-14	53,887.72	
County Taxes	A-16	3,646,269.67	
Local District School Tax	A-17	13,661,897.00	
Special District Taxes Payable	A-19	143,243.84	
Interfunds	A-7:A-28	986,487.62	5,228.44
Reserve for Grants Appropriated	A-25		351,456.48
Refund of Prior Year Revenue	A-1	16,407.55	
Petty Cash	A-6	400.00	
Change Fund	A-5	170.00	
Reserve for Various Reserves	A-22	1,423.00	
Reserve for Encumbrances/ Accounts Payable	A-18	8,312.24	
Refund of Miscellaneous Revenue Anticipated:			
Fees and Permits	A-2	450.00	
Uniform Construction Code Fees	A-2	75.00	
Reserve for Emergency Notes Payable	A-29	350,000.00	
		<u>32,496,466.72</u>	<u>356,684.92</u>
Balance, December 31, 2021	A	\$ <u>5,617,665.39</u>	\$ <u>589,172.92</u>

"A-5"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

	<u>REF.</u>	
Balance, December 31, 2020	A	\$ 400.00
Increased by:		
Disbursement	A-4	<u>170.00</u>
Balance, December 31, 2021	A	<u>\$ 570.00</u>

ANALYSIS OF BALANCE

OFFICE

Collector		\$ 200.00
Refuse		20.00
Clerk		50.00
Recreation		100.00
Municipal Court		<u>200.00</u>
		<u>\$ 570.00</u>

"A-6"

SCHEDULE OF PETTY CASH

Increased by:		
Disbursements	A-4	\$ 400.00
Decreased by:		
Receipts	A-4	<u>400.00</u>

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	GRANT FUND	ASSESSMENT TRUST FUND	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUND	GENERAL CAPITAL FUND	SEWER OPERATING FUND
Balance, December 31, 2020:								
Receivable	A	\$ 7,202.69	\$ 228.44	\$ 22.44	\$ 16.75	\$ 4,152.33	\$ 2,782.73	\$
Receipts	A-4	1,030,345.37	5,228.44		16.75	287,141.03	15,421.73	722,537.42
Prepaid Sewer Rents	A-32	5,453.86						5,453.86
Canceled Receivables	A-28	108,960.87	108,960.87					
Canceled Reserves	A-28	110,022.88	110,022.88					
Disbursements	A-4	986,487.62				69,546.04	12,639.00	904,302.58
Excess Animal Control Expenditures	A-2.2	2,301.37			2,301.37			
Balance, December 31, 2021:								
Receivable	A	\$ 178,635.11	\$	\$ 22.44	\$ 2,301.37	\$	\$	\$ 176,311.30
Payable	A	217,380.65	3,937.99			213,442.66		



BOROUGH OF BOUND BROOK  
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>ADDED TAXES</u>	<u>2021 LEVY</u>	<u>COLLECTION BY CASH 2020</u>	<u>2021</u>	<u>CANCELED</u>	<u>TRANSFER TO TAX TITLE LIENS</u>	<u>BALANCE DECEMBER 31, 2021</u>
Prior	\$ 555,661.85	\$ 55.41		\$ 554,159.98	\$	1,557.28	\$	\$
2021			\$ 26,407,663.90	\$ 143,877.91	25,891,434.34	9,785.45	3,884.04	\$ 358,682.16
	\$ 555,661.85	\$ 55.41	\$ 26,407,663.90	\$ 143,877.91	\$ 26,445,594.32	\$ 11,342.73	\$ 3,884.04	\$ 358,682.16
	<u>REF.</u>	<u>A</u>	<u>A-2, A-15</u>	<u>A-2</u>	<u>A-2</u>	<u>A-11</u>	<u>A</u>	

Collector-Treasurer  
Due from State of New Jersey Per Chapter 20 P.L. 1971

REF.

A-4	\$ 26,405,094.32
A-9	40,500.00
	<u>\$ 26,445,594.32</u>

ANALYSIS OF 2021 PROPERTY TAX LEVY

REF.

TAX YIELD		
General Purpose Tax:		
General Purpose Tax	\$ 26,384,898.91	
Added Taxes (54,4-63.1 et.seq.)	22,763.99	
	<u>\$ 26,407,663.90</u>	
<u>TOTAL</u>		

TAX LEVY

Local District School Tax (Abstract)	A-17	\$ 13,661,897.00
Special Improvement District	A-19	143,243.84
County Taxes:		
County Tax (Abstract)	A-16	3,645,148.80
County Tax Added	A-2	8,928,888.04
Local Tax for Municipal Purposes (Abstract)		28,486.22
Add: Additional Tax Levied		8,957,374.26
Local Tax for Municipal Purposes Levied		<u>\$ 26,407,663.90</u>

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY  
PER CHAPTER 20, P.L. 1971 -  
SENIOR CITIZENS AND VETERANS EXEMPTIONS

REF.

Balance, December 31, 2020 (Due From)	A	\$	1,746.48
Increased by:			
Senior Citizens Deductions Per Tax Billings		\$	7,250.00
Veterans Deductions Per Tax Billings			33,000.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>250.00</u>
		\$	<u>40,500.00</u>
		\$	<u>42,246.48</u>
Decreased by:			
Received From State of New Jersey	A-4		<u>39,928.08</u>
Balance, December 31, 2021 (Due From)	A	\$	<u><u>2,318.40</u></u>

CALCULATION OF STATE'S SHARE OF  
2021 SENIOR CITIZENS AND VETERANS DEDUCTION

Senior Citizens and Veterans Deductions: Per Tax Duplicate		\$	40,250.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector-2021 Taxes			<u>250.00</u>
	A-8	\$	<u><u>40,500.00</u></u>

"A-10"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF REFUSE DISPOSAL FEES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2020	A		\$ 60,774.22
Increased by:			
2021 Levy			<u>638,770.00</u>
			\$ 699,544.22
Decreased by:			
Collected	A-4	\$ 613,528.07	
Transferred From Prepaid Refuse Disposal Fees	A-20	<u>35,078.40</u>	
	A-2	648,606.47	
Canceled		<u>1,464.91</u>	
			<u>650,071.38</u>
Balance, December 31, 2021	A		\$ <u><u>49,472.84</u></u>

"A-11"

SCHEDULE OF TAX TITLE LIENS

Balance, December 31, 2020	A		\$ 45,118.11
Increased by:			
Transfer From Taxes Receivable	A-8		<u>3,884.04</u>
			\$ 49,002.15
Decreased by:			
Canceled			<u>5,941.44</u>
Balance, December 31, 2021	A		\$ <u><u>43,060.71</u></u>

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2020	ACCRUED IN 2021	COLLECTED	BALANCE DECEMBER 31, 2021
	\$	\$	\$	\$
Clerk:				
Alcoholic Beverage Licenses		40,188.00	40,188.00	
Other Licenses		7,760.00	7,760.00	
Fees and Permits		8,380.00	8,380.00	
Health Officer:				
Other Licenses		26,760.00	26,760.00	
Registrar:				
Other Licenses		309.00	309.00	
Fees and Permits		5,200.00	5,200.00	
Planning Board/Other - Fees and Permits		5,150.00	5,150.00	
Zoning - Fees and Permits		5,625.00	5,625.00	
Street Opening - Fees and Permits		1,650.00	1,650.00	
Police Department:				
Fees and Permits		723.52	723.52	
Municipal Court:				
Fines and Costs	8,737.90	211,649.93	199,397.34	20,990.49
Construction Code Official:				
Fees and Permits		568,358.00	568,358.00	
Interest and Costs on Taxes		146,461.26	146,461.26	
Interest on Investments and Deposits		114,833.02	114,833.02	
Parking Meters		71,709.80	71,709.80	
Utility Fees (Sewer and Refuse)		20,418.00	20,418.00	
Fire Protection- Life Hazard Fees		15,752.93	15,752.93	
Housing Inspection Fees		325,278.14	325,278.14	
Rental Income		29,100.00	29,100.00	
Fire Fees		104,500.00	104,500.00	
Vacant Property		5,888.00	5,888.00	
Consolidated Municipal Property Tax Relief Act		50,091.00	50,091.00	
Energy Receipts Tax		1,068,619.00	1,068,619.00	
Cable TV Franchise Tax		107,325.04	107,325.04	
Payment in Lieu of Taxes (PILOT)		414,674.24	414,674.24	
Administrative Fees - Police Outside Services		192,913.60	192,913.60	
General Capital Fund Balance		200,000.00	200,000.00	
Reserve to Pay Debt		113,500.00	113,500.00	
Reserve for NJLAW		237,228.95	237,228.95	
Housing Inspections- Additional Fees		45,000.00	45,000.00	
	\$ 8,737.90	\$ 4,145,046.43	\$ 4,132,793.84	\$ 20,990.49

REF.

A

A-4

A

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>12/31/2020</u>	<u>ADJUSTED</u> <u>BUDGET</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
<u>OPERATIONS WITHIN "CAPS"</u>				
Salaries and Wages:				
Administrative and Executive	\$ 18,742.50	\$ 2,642.50	\$	\$ 2,642.50
Municipal Clerk	17,757.25	49.00		49.00
Financial Administration	24.66	24.66		24.66
Assessment of Taxes	384.00	384.00		384.00
Collection of Taxes	8,773.21	4,773.21		4,773.21
Public Buildings and Grounds	251.78	251.78		251.78
Planning Board	1,294.97	1,294.97		1,294.97
Fire Safety Bureau	5,894.03	5,894.03		5,894.03
Police	95,566.33	95,566.33		95,566.33
Municipal Court	19,543.65	19,543.65		19,543.65
Parking Meter Maintenance	721.42	721.42		721.42
Emergency Management Services	200.03	200.03		200.03
Road Repair and Maintenance	45,713.76	45,713.76		45,713.76
Board of Recreation Commissioners	4,574.74	4,574.74		4,574.74
Construction Official	4,539.86	4,539.86		4,539.86
COVID 19 Related Programs	10,000.00	10,000.00		10,000.00
Other Expenses:				
Administrative and Executive	19,191.22	73,030.44	53,884.93	19,145.51
Codification	6,075.00	3,476.85	401.85	3,075.00
Municipal Clerk	3,246.83	4,966.05	2,518.53	2,447.52
Elections	2,319.40	2,319.40		2,319.40
Financial Administration	2,358.16	21,366.32	17,677.94	3,688.38
Assessment of Taxes	16,597.90	17,116.95	4,769.60	12,347.35
Collection of Taxes	3,919.64	5,444.37	2,399.99	3,044.38
Audit Services	12,464.00	12,631.33	167.33	12,464.00
Legal Services & Costs	42.61	35,346.16	35,303.55	42.61
Engineering Services and Costs	6,881.43	9,528.38	2,783.67	6,744.71
Public Buildings and Grounds	6,345.15	22,661.96	17,630.66	5,031.30
Inspection Department	4,968.93	5,663.78	694.85	4,968.93
Planning Board	11,893.45	24,804.21	14,168.67	10,635.54
Shade Tree Commission	342.00	12,152.00	11,982.00	170.00
Economic Development Program	6,008.52	8,000.00	1,991.48	6,008.52
Fire	8,556.74	31,149.32	21,937.28	9,212.04
Fire Safety Bureau	2,657.66	2,657.66		2,657.66
Police	118,858.84	184,450.47	67,303.86	117,146.61
Municipal Court	9,603.15	11,994.54	3,616.39	8,378.15
Health Benefit Waiver	6,843.23	6,843.23		6,843.23
Other Insurance	125.26	166.43	41.17	125.26
Health Benefits	564.32	79,683.78	60,956.75	18,727.03
Parking Meter Maintenance	614.06	1,908.71	1,639.65	269.06
Emergency Management Services	4,320.57	4,951.17	746.58	4,204.59
Road Repair and Maintenance	17,629.03	20,460.73	19,612.56	848.17
Garbage and Trash	39.92	5,039.96	4,825.04	214.92
Recycling Contingency Fund	2,533.18	2,533.19	0.01	2,533.18
Board of Health	28,969.59	35,982.59	7,013.00	28,969.59
Dog Regulation	46.70	199.18	152.48	46.70
Senior Citizens	3,500.00	3,500.00		3,500.00
Poesha Act- Board of Health	500.00	500.00		500.00

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>12/31/2020</u>	<u>ADJUSTED</u> <u>BUDGET</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Parks and Playgrounds	\$ 27,123.24	\$ 57,468.41	\$ 38,700.35	\$ 18,768.06
Board of Recreation Commissioners	15,047.05	23,560.63	9,174.33	14,386.30
Celebration of Public Events	14,192.24	14,192.24	7,490.53	6,701.71
Construction Code Official		675.18	675.18	
Gasoline	34,131.73	34,131.73	4,330.92	29,800.81
Telephone	438.43	7,860.36	7,257.24	603.12
Street Lighting	14,778.56	17,564.08	14,829.70	2,734.38
Fire Hydrant Services	5,140.72	14,547.00	9,406.28	5,140.72
Heating/ Electricity	55,345.03	59,172.88	7,795.38	51,377.50
Water	8,492.66	11,703.01	3,215.87	8,487.14
Postage	7,878.74	7,878.74		7,878.74
Social Security System (O.A.S.I)	103,402.78	103,442.78	40.00	103,402.78
Defined Contribution Plan	2,628.49	2,628.49		2,628.49
Length of Service Award Program (LOSAP)	100.00	100.00		100.00
Sewerage Authority Share of Costs	83,442.39	85,058.74	3,544.95	81,513.79
COVID 19 Related Programs	7,776.86	8,832.66	3,349.80	5,482.86
Municipal Alliance- Local Match	844.06	844.06		844.06
<b>TOTAL</b>	<b>\$ 922,761.66</b>	<b>\$ 1,296,364.09</b>	<b>\$ 464,030.35</b>	<b>\$ 832,333.74</b>

REF. A:A-13

A-1

Balance, December 31, 2020  
Accounts Payable

A:A-13  
A-18

\$ 922,761.66  
373,602.43  
\$ 1,296,364.09

Disbursements  
Accounts Payable

A-4  
A-18

\$ 274,150.28  
189,880.07  
\$ 464,030.35

"A-14"

BOROUGH OF BOUND BROOK  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2020	A	\$	3,700.57
Increased by:			
Overpayments in 2021	A-4		50,187.15
		\$	<u>53,887.72</u>
Decreased by:			
Refunded	A-4	\$	<u>53,887.72</u>

"A-15"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2020	A	\$	143,877.91
Increased by:			
Collection - 2022 Taxes	A-4		160,764.79
		\$	<u>304,642.70</u>
Decreased by:			
Applied to Taxes Receivable	A-8		<u>143,877.91</u>
Balance, December 31, 2021	A	\$	<u><u>160,764.79</u></u>

"A-16"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2020	A		\$ 3,101.87
Increased by:			
2021 Tax Levy		\$ 3,643,167.78	
Added Taxes		<u>1,981.02</u>	
	A-1:A-8		<u>3,645,148.80</u>
			\$ <u>3,648,250.67</u>
Decreased by:			
Disbursements	A-4		<u>3,646,269.67</u>
Balance, December 31, 2021	A		\$ <u><u>1,981.00</u></u>

"A-17"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:			
2021 Levy	A-1:A-8		\$ 13,661,897.00
Decreased by:			
Disbursements	A-4		\$ <u>13,661,897.00</u>



"A-18"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF ENCUMBRANCES/ACCOUNTS PAYABLE

Balance, December 31, 2020	A		\$	408,064.41
Increased by:				
Transferred from 2021 Appropriations	A-3	\$	297,353.72	
Transferred from Appropriation Reserves	A-13		<u>189,880.07</u>	
				<u>487,233.79</u>
			\$	<u>895,298.20</u>
Decreased by:				
Transferred to Appropriation Reserves	A-13	\$	373,602.43	
Disbursements	A-4		<u>8,312.24</u>	
				<u>381,914.67</u>
Balance, December 31, 2021	A:A-18		\$	<u><u>513,383.53</u></u>

ANALYSIS OF BALANCE

Encumbrances Payable- 2021 Appropriations			\$	297,353.72
Accounts Payable- Appropriation Reserves				189,880.07
Accounts Payable- Prior				<u>26,149.74</u>
	A-18			<u><u>513,383.53</u></u>

"A-19"

RESERVE FOR SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE

Balance, December 31, 2020	A		\$	9,858.67
Increased by:				
2021 Levy	A-1:A-8			<u>143,243.84</u>
			\$	<u>153,102.51</u>
Decreases by:				
Disbursements	A-4	\$	143,243.84	
Canceled	A-1		<u>9,858.67</u>	
				<u>153,102.51</u>

"A-20"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF PREPAID REFUSE DISPOSAL FEES

	<u>REF.</u>	
Balance, December 31, 2020	A	\$ 36,173.42
Increased by:		
Receipts	A-4	<u>40,310.26</u>
		\$ 76,483.68
Decreased by:		
Applied to Receivable	A-10	<u>35,078.40</u>
Balance, December 31, 2021	A	<u>\$ 41,405.28</u>

"A-21"

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

Balance, December 31, 2020	A	\$ 15,035.50
Decreased by:		
Miscellaneous Revenue Applied	A-2	<u>15,000.00</u>
Balance, December 31, 2021	A	<u>\$ 35.50</u>

"A-22"

BOROUGH OF BOUND BROOK  
CURRENT FUND  
SCHEDULE OF VARIOUS RESERVES

<u>RESERVE</u>	BALANCE DECEMBER 31, 2020	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	BALANCE DECEMBER 31, 2021
Tax Map Preparation	\$ 1,806.00	\$	\$	\$ 1,806.00
Master Plan	7,886.48			7,886.48
Library	22,321.00	19,823.00		42,144.00
State Library Aid	1,423.00	1,802.00	1,423.00	1,802.00
	<u>\$ 33,436.48</u>	<u>\$ 21,625.00</u>	<u>\$ 1,423.00</u>	<u>\$ 53,638.48</u>
<u>REF.</u>	A	A-4	A-4	A

"A-23"

SCHEDULE OF RESERVE FOR DUE COUNTY- 5% PILOT

	<u>REF.</u>	
Increased by:		
Receipts	A-4	\$ <u>235,007.42</u>
Balance, December 31, 2021	A	\$ <u>235,007.42</u>

BOROUGH OF BOUND BROOK

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

PURPOSE	BALANCE DECEMBER 31, 2020	2021 ACCRUED	RECEIPTS	UNAPPROPRIATED APPLIED	CANCELED	BALANCE DECEMBER 31, 2021
Business Stimulus Fund	\$ 6,489.48	\$	\$	\$	\$ 6,489.48	\$
Transportation Enhancement Grant-Main Street	27,290.00					27,290.00
Transportation Enhancement Grant-West Maple Street	50,000.00					50,000.00
Transportation Enhancement Grant-Train Station	250,000.00					250,000.00
Transportation Enhancement-Train Station	250,000.00					250,000.00
E.D.I.P. West Main Street	4,030.14				4,030.14	
NJ DOT- Rehabilitation of West Second Street	93,750.00	1,839,000.00				93,750.00
NJ DOT-Transportation Enhancement	29,046.00				29,046.00	
Downtown Improvements - Somerset County EDIP	2,500.00				2,500.00	
Community Garden	16,525.50				16,525.50	
NJ Forest Service Community Forestry Program	977.00	30,552.38			977.00	30,552.38
Firefighters/EMS Grant	17,049.30		300.00	1,165.00		17,049.30
Leary Firefighter Foundation Grant		300.00				
Firefighter Crusader Foundation		1,165.00				
First Responders Grant						
Safe Passage Grant	1,824.90				1,824.90	
SAFER Grant	80,000.00					80,000.00
Somerset County Youth Services	5,000.00	14,575.00		14,575.00		
Target Youth Grant		1,000.00	1,000.00			
Sustainable New Jersey	2,000.00					2,000.00
Local Arts Grant	440.50	2,750.00				3,190.50
Municipal Alliance Program	11,224.07	5,017.98	3,694.79			12,547.26
NJ DEP- It Pays to Plug in- NJ Electric Vehicle Program	30,000.00		21,000.00			9,000.00
Clean Communities Program		16,939.34	16,939.34			
Community Facility Disaster	38,200.00					38,200.00
Recycling Tonnage Grant	7,819.49		6,156.28		1,663.21	
Alcohol Education & Rehabilitation Fund	5,307.87				6,224.76	
Body Armor Replacement Fund		916.89				
Body Worn Cameras (State)		2,034.57	2,034.57			
Body Worn Cameras (Federal)		50,950.00				50,950.00
Federal Bulletproof Vest Partnership	7,999.93	24,200.00			7,999.93	24,200.00
Drunk Driving Enforcement Fund	26,679.95				26,679.95	
Somerset County Open Space- Pool Improvements		455,000.00				455,000.00
NJ CARES		176,617.00	176,617.00			
	\$ 964,154.13	\$ 2,621,018.16	\$ 227,741.98	\$ 15,740.00	\$ 108,960.87	\$ 3,232,729.44

REF.

A

A-2

A-4

A-26

A-1-A-28

A

BOROUGH OF BOUND BROOK

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2020	TRANSFERRED FROM 2021 BUDGET APPROPRIATIONS	EXPENDED	ENCUMBRANCES PAYABLE	PRIOR ENCUMBRANCES PAYABLE	CANCELED	BALANCE DECEMBER 31, 2021
	\$	\$	\$	\$	\$	\$	\$
Business Stimulus Fund	6,528.00					6,528.00	
CERT Trailer Uplift	700.00					700.00	
Transportation Enhancement-Train Station	500,000.00						500,000.00
E.D.I.P. West Main Street	13,225.69					4,030.14	9,195.55
NJ DOT- Rehabilitation of West Second Street	93,750.00						93,750.00
NJ DOT-Transportation Enhancement		1,839,000.00					1,839,000.00
Downtown Improvements - Somerset County EDIP	61,792.85					29,046.00	32,746.85
NJ Forest Service Community Forestry Program	29,990.11					16,525.50	13,464.61
Firefighters/EMS Grant	989.85					989.85	
Firefighter Crusader Foundation		30,552.38		30,552.38			
First Responders Grant		300.00					
Safe Passage Grant		1,165.00					
SAFER Grant	840.00					840.00	
Somerset County Youth Services	80,000.00						80,000.00
Recreation Target Youth Grant	5,000.00		22,420.00				57,580.00
Somerset County Youth Athletic Services	1,000.00		3,416.44				11,158.56
Local Arts Grant	15,245.90						2,000.00
Municipal Alliance Program- Match	1,762.00						15,245.90
NJ DEP- It Pays to Plug In- NJ Electric Vehicle Program	11,224.07		3,694.79				4,512.00
Clean Communities Program	3,921.02		1,254.49				12,547.26
Community Facility Disaster		16,939.34		8,712.00			3,921.02
Recycling Tonnage Grant	14,719.37		15,911.44				16,939.34
Alcohol Education & Rehabilitation Fund	17,976.72		38,200.00				5,829.12
Body Armor Replacement Fund	6,630.47		7,227.04				10,868.85
Body Worn Cameras (State)		916.89	1,550.00			1,663.21	1,237.06
Body Worn Cameras (Federal)		2,034.57	2,464.00			6,224.76	99.87
Federal Bulletproof Vest Partnership		50,950.00	45,822.80			4,963.98	5.33
DrunK Driving Enforcement Fund		24,200.00	22,883.00				49,924.50
Distracted Driving	5,499.95		2,464.00			3,035.95	5,500.00
Drive Sober or Get Pulled Over	77,812.31		1,170.48			26,679.95	1,700.00
Detective Terentino Grant	5,500.00						3,517.08
Domestic Violence	1,700.00						4,422.64
Office of Emergency Management	3,517.08						3,194.62
US Department of Justice- COPS Technology	4,422.64						455,000.00
Somerset County Open Space- Pool Improvements	3,194.62					50.00	
NJ CARES	50.00						
Public Works Grant- Match	65,966.48		176,617.00				51,722.48
Safe Corridors Program	12,125.31		6,061.00				12,125.31
	\$ 1,045,084.44	\$ 2,626,018.16	\$ 351,456.48	\$ 60,766.56	\$ 69,516.24	\$ 110,022.85	\$ 3,218,972.95

REF.

A

A-4

A-27

A-27

A-1-A-28

A

Receipts- Municipal Alliance Match  
Appropriations

\$ 5,000.00

2,621,018.16

\$ 2,626,018.16

BOROUGH OF BOUND BROOK

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	BALANCE DECEMBER 31, 2020	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2021
Somerset County Youth Services Program	\$ 14,575.00	\$	\$ 14,575.00	
First Responders	1,165.00		1,165.00	
ARPA (American Rescue Plan Act) Funding		<u>532,762.94</u>		<u>532,762.94</u>
	<u>\$ 15,740.00</u>	<u>\$ 532,762.94</u>	<u>\$ 15,740.00</u>	<u>\$ 532,762.94</u>

REF.

A

A-4

A-24

A

"A-27"

BOROUGH OF BOUND BROOK

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2020	A	\$	69,516.24
Increased by:			
Grants Appropriated	A-25		60,766.56
		\$	<u>130,282.80</u>
Decreased by:			
Grants Appropriated	A-25		<u>69,516.24</u>
Balance, December 31, 2021	A	\$	<u><u>60,766.56</u></u>

"A-28"

SCHEDULE OF INTERFUNDS

		<u>DUE</u>	<u>DUE OTHER</u>
		<u>CURRENT FUND</u>	<u>TRUST FUND</u>
Balance, December 31, 2020 (Due To)	A	\$ 228.44	\$
Increased by:			
Receipts	A-4		13,937.93
Canceled Reserves	A-7:A-25	110,022.85	
		\$ <u>110,251.29</u>	\$ <u>13,937.93</u>
Decreased by:			
Disbursements	A-4	5,228.44	
Canceled Receivables	A-7:A-24	<u>108,960.87</u>	
Balance, December 31, 2021			
Due From	A	3,938.02	
Due to	A	\$ <u><u>3,938.02</u></u>	\$ <u><u>13,937.93</u></u>

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF RESERVE FOR EMERGENCY NOTE PAYABLE

	<u>REF.</u>	
Balance, December 31, 2020	A	\$ 350,000.00
Decreased by:		
Disbursements	A-4	\$ <u>350,000.00</u>

SCHEDULE OF RESERVE FOR EMERGENCY SERVICES- DEFERRED REVENUE

Balance, December 31, 2020	A	\$ 200,000.00
Decreased by:		
Miscellaneous Revenue Applied	A-2	\$ <u>200,000.00</u>



"A-31"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF SEWER RENT FEES RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2020	A	\$ 172,191.24
Decreased by:		
Collected	A-4:A-31	\$ <u>172,191.24</u>

"A-32"

SCHEDULE OF PREPAID SEWER RENT FEES

Balance, December 31, 2020	A	\$ 5,453.86
Decreased by:		
Transfer to Sewer Operating Fund	A-7	\$ <u>5,453.86</u>

"A-33"

SCHEDULE OF GRANTS RECEIVABLE- CORONAVIRUS RELIEF FUND

Balance, December 31, 2020	A	\$ 101,330.42
Decreased by:		
Receipts	A-4	\$ <u>101,330.42</u>

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2020	AMOUNT RESULTING FROM OPERATIONS	2021 BUDGET	BALANCE DECEMBER 31, 2021
	\$ 5,000.00	\$	\$ 5,000.00	\$
	357,914.85	200,000.00		357,914.85
	<u>\$ 362,914.85</u>	<u>\$ 200,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ 557,914.85</u>

Master Plan- Re-examination Report  
 Covid-19 Deficit in Revenues  
 N.J.S.A. 40A: 4-55 Hurricane IDA

REF.

A

A-1:A-3

A-3

A

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF CASH - TREASURER

<u>REF.</u>	<u>ASSESSMENT</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
B	\$ 15,633.90	\$ 13,578.36	\$ 2,215,733.84
Balance, December 31, 2020			
Increased by Receipts:			
B-11	\$ 4,454.00	\$	\$ 8,410,020.23
B-10	351.00		43,286.58
B-7			2,575.00
B-17			17,576.00
B-8			
B-9			
B-12	1,911.00		
B-13	14.20		12.70
B-14			
B-6			63,301.44
	\$ 15,633.90	\$ 6,730.20	\$ 8,536,771.95
		\$ 20,308.56	\$ 10,752,505.79
Decreased by Disbursements:			
B-6	\$	16.75	\$ 287,141.03
B-13		12.70	
B-15			13,937.93
B-16			90.00
B-14			14.20
B-10		430.20	
B-11		1,215.33	
B-8			2,550.00
B-9			13,257.00
B-7			8,113,115.63
		1,674.98	8,430,105.79
B	\$ 15,633.90	\$ 18,633.58	\$ 2,322,400.00
Balance, December 31, 2021			

BOROUGH OF BOUND BROOK  
ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE</u>	<u>IMPROVEMENT</u>	<u>CONFIRMATION DATE</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2019 AND 2020</u>	<u>BALANCE PLEDGED TO GENERAL CAPITAL FUND</u>	<u>BALANCE PLEDGED TO RESERVE</u>
98-21	Curbs, Sidewalks & Driveways-Fairview Ave.	09/12/00	11/13/00 - 11/13/09	\$ 445.74	\$	\$ 445.74
99-19	Reconstruction of Winsor Street	02/13/01	04/13/01 - 04/13/10	2,551.02	2,551.02	
01-21	Reconstruction of Cherry Streer	04/08/03	06/01/03 - 06/01/12	644.88	644.88	
				<u>\$ 3,641.64</u>	<u>\$ 3,195.90</u>	<u>\$ 445.74</u>

REF.

B

"B-4"

BOROUGH OF BOUND BROOK

ASSESSMENT TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

<u>ORDINANCE</u>	<u>IMPROVEMENT</u>	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
98-21	Curbs, Sidewalks & Driveways- Fairview Ave.	\$ <u>445.74</u>	\$ <u>445.74</u>
	<u>REF.</u>	B	B

"B-5"

SCHEDULE OF ASSESSMENT OVERPAYMENTS

Balance, December 31, 2020  
and December 31, 2021

\$ 2,254.06

REF.

B

BOROUGH OF BOUND BROOK  
TRUST FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	<u>ASSESSMENT</u> <u>FUND</u>	<u>ANIMAL CONTROL</u> <u>FUND</u>	<u>TRUST OTHER</u> <u>FUND</u>
Balance, December 31, 2020 (Due To)	B	\$ 22.44	\$ 16.75	\$ 4,152.33
Increased by:				
Receipts	B-2			63,301.44
Reserves Canceled	B-8:B-9			6,244.60
Excess Reserve in Animal Expenditures	B-11		2,301.37	
		\$ <u>22.44</u>	\$ <u>2,318.12</u>	\$ <u>73,698.37</u>
Decreased by:				
Disbursements	B-2		16.75	287,141.03
Balance, December 31, 2021				
Due From	B	\$		\$ 213,442.66
Due To	B	<u>22.44</u>	\$ <u>2,301.37</u>	<u></u>

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2020	B	\$	13,560.41
Increased by:			
Cat License Fees Collected		\$	225.00
Dog License Fees Collected			4,094.00
Late Fees			135.00
			<u>4,454.00</u>
Canceled	B-2	\$	
Prepaid	B-10		1.20
	B-12		<u>1,032.40</u>
			<u>5,487.60</u>
		\$	<u>19,048.01</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-2	\$	1,215.33
Transfer to Prepaid	B-12		1,114.00
Excess Reserve for Expenditures Due Current Fund	B-6		<u>2,301.37</u>
			<u>4,630.70</u>
Balance, December 31, 2021	B	\$	<u><u>14,417.31</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2020	\$ 7,532.27
2019	<u>6,885.04</u>
	<u><u>\$ 14,417.31</u></u>

BOROUGH OF BOUND BROOK

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR PREPAID DOG LICENSES

	<u>REF.</u>			
Increased by:				
Receipts- Dog Licenses	B-2	\$	1,911.00	
Reserve for Animal Control Expenditures	B-11		<u>1,114.00</u>	
				<u>3,025.00</u>
				\$ <u>3,025.00</u>
Decreased by:				
Transfer to Reserve for Animal Control Expenditures	B-11	\$	1,032.40	
Transfer to State Department of Health	B-10		<u>81.60</u>	
				<u>1,114.00</u>
Balance, December 31, 2021	B			\$ <u><u>1,911.00</u></u>



"B-13"

BOROUGH OF BOUND BROOK  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF DUE TRUST OTHER FUND

	<u>REF.</u>		
Increased by:			
Receipts	B-2	\$	14.20
Decreased by:			
Disbursements	B-2		<u>12.70</u>
Balance, December 31, 2021 (Due To)	B	\$	<u><u>1.50</u></u>

"B-14"

TRUST FUND  
SCHEDULE OF DUE ANIMAL CONTROL TRUST FUND

Increased by:			
Disbursements	B-2	\$	14.20
Decreased by:			
Receipts	B-2		<u>12.70</u>
Balance, December 31, 2021 (Due From)	B	\$	<u><u>1.50</u></u>

"B-15"

BOROUGH OF BOUND BROOK  
TRUST FUND  
SCHEDULE OF DUE GRANT FUND

REF.

Increased by:			
General Trust		\$ 541.00	
SUI		9,303.43	
Recreation Trust		4,093.50	
Disbursements	B-2	<u>          </u>	\$ <u>13,937.93</u>
Balance, December 31, 2021 (Due From)	B		\$ <u><u>13,937.93</u></u>

"B-16"

SCHEDULE OF DUE SEWER OPERATING FUND

Increased by:			
Disbursements	B-2		\$ <u>90.00</u>
Balance, December 31, 2021 (Due From)	B		\$ <u><u>90.00</u></u>

"B-17"

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2020	B	\$ 879.65
Decreased by:		
Reserve of Various Trust Deposits	B-7	\$ <u>879.65</u>

"B-18"

SCHEDULE OF GRANTS RECEIVABLE- CORONAVIRUS RELIEF FUND

Balance, December 31, 2020	B	\$ 43,286.58
Decreased by:		
Receipts	B-2	\$ <u>43,286.58</u>

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2020	C		\$ 1,934,236.37
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-5	\$ 100,000.00	
Fund Balance	C-1	41,297.41	
Bond Anticipation Notes	C-11	5,492,565.00	
Deferred Charges to Future Taxation Unfunded	C-6	72,521.56	
Grants Receivable	C-2	11,190.00	
Due Current Fund	C-13	12,639.00	
Various Capital Reserves	C-16	119,739.95	
			<u>5,849,952.92</u>
			\$ <u>7,784,189.29</u>
Decreased by Disbursements:			
Encumbrances Payable	C-12	\$ 679,056.12	
Due Current Fund	C-13	15,421.73	
Fund Balance	C-1	200,000.00	
Bond Anticipation Notes	C-11	2,655,000.00	
Various Capital Reserves	C-16	434,886.74	
			<u>3,984,364.59</u>
Balance, December 31, 2021	C		\$ <u><u>3,799,824.70</u></u>

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

BALANCE  
DECEMBER  
31, 2021

Capital Improvement Fund	\$	25,279.74
Fund Balance		270,977.74
Grants Receivable		(376,406.75)
Developers Contribution Receivable		(200,000.00)
Reserve for Preliminary Expenses		2,250.00
Various Capital Reserves		399,045.25
Encumbrances Payable		1,935,160.47
Unexpended Proceeds of Bond Anticipation Notes (Listed on C-6)		1,910,223.80
Funded Improvement Authorizations		531,976.44
Unfunded Improvements Expended (Listed on C-6)		<u>(698,681.99)</u>
	\$	<u>3,799,824.70</u>

REF.

C

"C-4"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES  
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2020	C		\$ 16,891,136.76
Increased by:			
Improvement Authority Loans	C-13		<u>151,500.00</u>
			\$ 17,042,636.76
Decreased by:			
Improvement Authority Loans Paid by Budget	C-13	\$ 126,562.92	
Infrastructure Loans Paid by Budget	C-14	10,439.05	
Bonds Paid by Budget	C-10	<u>1,322,000.00</u>	
			<u>1,459,001.97</u>
Balance, December 31, 2021	C		\$ <u><u>15,583,634.79</u></u>

"C-5"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2020	C		\$ 90,779.74
Increased by:			
2021 Budget Appropriation	C-2		<u>100,000.00</u>
			\$ 190,779.74
Decreased by:			
Appropriated to Finance Improvements	C-9	\$ 145,500.00	
Reserve for Preliminary Expenses	C-16	<u>20,000.00</u>	
			<u>165,500.00</u>
Balance, December 31, 2021	C		\$ <u><u>25,279.74</u></u>

BOROUGH OF BOUND BROOK  
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE, DECEMBER 31, 2021						UNEXPENDED IMPROVEMENT AUTHORIZATIONS
		BALANCE DECEMBER 31, 2020	2021 AUTHORIZATION	CURRENT FUND BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2021	BOND ANTICIPATION NOTES	EXPENDITURES	
07-13	Improvements to Highland Place	\$ 36,576.51	\$	\$ 36,576.51	\$	\$	\$	
08-18	Various Public Improvements	0.96		0.96				
09-02	Various Public Improvements	0.34		0.34				
09-05	Improvements to Livingston Avenue	25,941.14		25,941.14				
10-12	Improvements to Church Street	10,000.00		10,000.00				
10-23	Rehabilitation of Sanitary Sewer	0.98		0.98				
11-03	Road Improvements 2010 Program	0.84		0.84				
11-16	2011 Road Improvements	0.79		0.79				
12-14	Various Improvements- Hurricane Irene	73,332.00			73,332.00		73,332.00	
12-19	Various Road Improvements	77,379.87			77,379.87		27,175.42	50,204.45
13-09	Repair of Church Street Culvert	78,277.00			78,277.00		1,745.24	76,531.76
14-11	Various Public Improvements	375,100.00			375,100.00		39,851.65	335,248.35
15-08	Various Improvements to Train Station	450,000.00			450,000.00			450,000.00
16-02	Road Construction- Thompson Street	37,670.86			37,670.86		37,670.86	
16-03	Sewer Repair and Rehabilitation	15,300.00			15,300.00		15,300.00	
17-16	Renovations of Ball Field at Machine Rock Park	6,400.14			6,400.14		6,400.14	
18-27	Various Capital Improvements	740,565.00			740,565.00			
19-46	Purchase of Fire Truck	1,235,000.00			1,235,000.00			
20-17	Various Capital Improvements	1,420,000.00			1,420,000.00			
20-26	Truck Radio System for Police Dept.	193,000.00			193,000.00			
21-10	Various Capital Acquisitions		1,904,000.00		1,904,000.00			
21-23	Purchase of Solid Waste Truck & Related Equipment		428,500.00		428,500.00		261,250.86	167,249.14
21-28	Acquisition of Protective Equipment for Fire Dept.		247,000.00		247,000.00		235,955.82	11,044.18
21-33	Acquisition of Real Property		295,000.00		295,000.00			295,000.00
		<u>\$ 4,774,546.43</u>	<u>\$ 2,874,500.00</u>	<u>\$ 72,521.56</u>	<u>\$ 7,576,524.87</u>	<u>\$ 5,492,565.00</u>	<u>\$ 698,661.99</u>	<u>\$ 1,385,277.88</u>

REF.

C

C-9

C-2

C

C-11

C-3

Improvement Authorizations Unfunded  
Less: Unexpended Proceeds of Bond Anticipation Notes

C-9  
C-3

\$ 3,295,501.68  
1,910,223.80

\$ 1,385,277.88

"C-7"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>ORDINANCE</u>	<u>CAPITAL PROJECT/PROGRAM</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2020</u>	<u>INCREASED BY</u>	<u>DECREASED BY</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2021</u>
18-07	Community Development Block Grant	\$ 12,483.75	\$	\$	\$ 12,483.75
18-09	Community Development Block Grant	75,000.00			75,000.00
18-27	Community Development Block Grant	11,190.00		11,190.00	
18-27	NJ Department of Transportation	82,750.00			82,750.00
20-17	Coronavirus Relief Fund	32,000.00			32,000.00
21-10	Community Development Block Grant		96,731.00		96,731.00
21-10	Community Development Block Grant		77,442.00		77,442.00
		<u>\$ 213,423.75</u>	<u>\$ 174,173.00</u>	<u>\$ 11,190.00</u>	<u>\$ 376,406.75</u>
<u>REF.</u>		C	C-16	C-2	C

"C-8"

SCHEDULE OF DEVELOPER CONTRIBUTIONS RECEIVABLE

<u>ORDINANCE</u>	<u>CAPITAL PROJECT/PROGRAM</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2020</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2021</u>
15-08	Various Improvements to Train Station	<u>\$ 200,000.00</u>	<u>\$ 200,000.00</u>
		<u>\$ 200,000.00</u>	<u>\$ 200,000.00</u>
<u>REF.</u>		C	C



BOROUGH OF BOUND BROOK  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>Ordinance</u>	<u>BALANCE - DECEMBER 31, 2020</u>		<u>2021</u>		<u>BALANCE - DECEMBER 31, 2021</u>	
	<u>FUNDED</u>	<u>UNFUNDED</u>	<u>AUTHORIZATIONS</u>	<u>EXPENDED</u>	<u>FUNDED</u>	<u>UNFUNDED</u>
12-13 Various Public Improvements	\$ 82.64	\$	\$	\$	\$ 82.64	\$
12-19 Various Road Improvements		50,204.45				50,204.45
13-09 Repair of Church Street Culvert		76,531.76				76,531.76
14-10 Repair of Recreation Bldg & Acquisition of Equip	2,968.65				2,968.65	
14-11 Various Public Improvements		335,248.35				335,248.35
15-08 Various Improvements to Train Station		450,000.00				450,000.00
17-09 Various Equipment	34,484.43				34,484.43	
17-17 Various Capital Improvements	590.80				590.80	
18-09 Reconstruction of East Second Street	34,576.34				34,576.34	
18-27 Various Capital Improvements	124,600.78			437.66	124,600.78	162,923.09
19-06 Purchase of Fire Gear		163,360.75				
19-12 Emergency Costs	8.45				8.45	
19-16 Various Capital Improvements	841.90				841.90	
19-32 Acquisition of Equipment	273,072.95			33,627.93	239,445.02	
19-33 Various Capital Improvements	9,730.54				9,730.54	
19-35 Purchase of Two Hybrid Explorers	41,614.59			6,831.82	34,782.77	
19-43 Complete 2019 Road Improvements (19-16)	2,226.57				2,226.57	
19-46 Acquisition of Fire Truck	19,364.55				19,364.55	
20-17 Various Capital Improvements		50,776.33		729.86		50,046.47
20-26 Truck Radio System for Police Department		1,018,316.39		797,091.90		221,224.49
20-28 Generator for Municipal Building		7,023.53		3,246.39		3,777.14
21-06 Hamilton Street Plaza Design	15,759.00			2,466.00	13,293.00	
21-10 Various Capital Acquisitions		150,000.00		149,620.00		380.00
21-23 Purchase of Solid Waste Truck %& Related Equip		2,000,000.00		527,747.39		1,472,252.61
21-28 Acquisition of Protective Equipment for Fire Dept		450,000.00		282,750.86		167,249.14
21-33 Acquisition of Real Property		260,000.00		248,555.82		11,444.18
		310,000.00		400.00		295,000.00
	\$ 559,922.19	\$ 2,151,461.56	\$ 3,170,000.00	\$ 2,053,505.63	\$ 531,976.44	\$ 3,295,901.68

REF.

C-6 Deferred Charges To Future Taxation - Unfunded  
C-5 Capital Improvement Fund  
C-1 Fund Balance

C-12

C

C-6

C

C

C

C-6  
C-5  
C-1

\$ 2,874,500.00  
145,500.00  
150,000.00  
\$ 3,170,000.00

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2020	DECREASED	BALANCE DECEMBER 31, 2021
			DATE	AMOUNT				
General Improvement Bonds	04/21/2016	\$ 9,747,000.00	02/01/2022	\$ 475,000.00	4.000%			
			02/01/2023	500,000.00	4.000%			
			02/01/2024	525,000.00	4.000%			
			02/01/2025	550,000.00	2.000%			
			02/01/2026	575,000.00	2.000%			
			02/01/2027	650,000.00	2.125%			
			02/01/2028	650,000.00	2.250%			
			02/01/2029	650,000.00	2.375%			
			02/01/2030	650,000.00	2.500%			
			02/01/2031-2034	650,000.00	3.000%			
General Improvement Refunding Bonds	09/15/2016	4,830,000.00	02/15/2022-2024	610,000.00	4.000%	8,272,000.00	447,000.00	7,825,000.00
			02/15/2025	605,000.00	4.000%			
General Improvement Bonds	08/06/2020	4,660,000.00	08/01/2022	260,000.00	2.000%			
			08/01/2023	260,000.00	3.000%			
			08/01/2024	285,000.00	3.000%			
			08/01/2025	290,000.00	3.000%			
			08/01/2026	305,000.00	4.000%			
			08/01/2027	500,000.00	4.000%			
			08/01/2028	500,000.00	2.000%			
			08/01/2029	500,000.00	2.000%			
			08/01/2030	500,000.00	2.000%			
			08/01/2031	500,000.00	2.000%			
			08/01/2032	500,000.00	2.000%			
						4,660,000.00	260,000.00	4,400,000.00
						\$ 16,582,000.00	\$ 1,322,000.00	\$ 15,260,000.00
						C	C-4	C

REF.

BOROUGH OF BOUND BROOK  
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2021</u>
18-27	Various Capital Improvements	08/19/21	08/19/21	08/18/22	0.75%	\$ 740,565.00	\$ 740,565.00	\$	\$ 740,565.00
19-46	Purchase of Fire Truck	08/21/20	08/19/21	08/18/22	0.75%	1,235,000.00	1,235,000.00	1,235,000.00	1,235,000.00
20-17	Various Capital Improvements	08/21/20	08/19/21	08/18/22	0.75%	1,420,000.00	1,420,000.00	1,420,000.00	1,420,000.00
20-26	Trunk Radio System for Police Department	08/19/21	08/19/21	08/18/22	0.75%	193,000.00	193,000.00		193,000.00
21-10	Various Capital Acquisitions	08/19/21	08/19/21	08/18/22	0.75%	1,904,000.00	1,904,000.00		1,904,000.00
						<u>\$ 2,655,000.00</u>	<u>\$ 5,492,565.00</u>	<u>\$ 2,655,000.00</u>	<u>\$ 5,492,565.00</u>
					<u>REF.</u>	C	C-2	C-2	C:C-6

"C-12"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2020	C		\$ 559,367.30
Increased by:			
Reserve for Preliminary Expenses- Van Horne Plaza	C-16	\$ 943.66	
Charges to Improvement Authorizations	C-9	<u>2,053,905.63</u>	
			<u>2,054,849.29</u>
			\$ <u>2,614,216.59</u>
Decreased by:			
Disbursements	C-2		<u>679,056.12</u>
Balance, December 31, 2021	C		\$ <u><u>1,935,160.47</u></u>

"C-13"

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2020 (Due To)	C		\$ 2,782.73
Increased by:			
Receipts	C-2		<u>12,639.00</u>
			\$ <u>15,421.73</u>
Decreased by:			
Disbursements	C-2		<u>15,421.73</u>

"C-14"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR INFRASTRUCTURE LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2020	C	\$ 42,371.08
Decreased by:		
Payment on Loan	C-4	<u>10,439.03</u>
Balance, December 31, 2021	C	<u><u>\$ 31,932.05</u></u>

"C-15"

SCHEDULE OF IMPROVEMENT AUTHORITY LOANS PAYABLE

Balance, December 31, 2020	C	\$ 266,765.68
Increased by:		
Improvement Authority Loans	C-4	<u>151,500.00</u>
		\$ <u>418,265.68</u>
Decreased by:		
Payment on Loans	C-4	<u>126,562.92</u>
Balance, December 31, 2021	C	<u><u>\$ 291,702.76</u></u>

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS CAPITAL RESERVES

<u>RESERVE</u>	BALANCE DECEMBER 31 2020	INCREASED BY	DECREASED BY	BALANCE DECEMBER 31 2021
New Jersey American Water	\$ 172,127.50	\$ 119,739.95	\$ 237,228.95	\$ 54,638.50
Payment of Debt Service	113,500.00		113,500.00	
Grove Street- NJ American Water	2,659.95		2,659.95	
Codrington Place	62,441.50		62,441.50	
Preliminary Expenses- Library	2,250.00			2,250.00
Preliminary Expenses- Van Horne Plaza		20,000.00	20,000.00	
Grants Receivable	<u>181,423.75</u>	<u>174,173.00</u>	<u>11,190.00</u>	<u>344,406.75</u>
	<u>\$ 534,402.70</u>	<u>\$ 313,912.95</u>	<u>\$ 447,020.40</u>	<u>\$ 401,295.25</u>
	<u>REF.</u>	C		C
Capital Improvement Fund	C-5	20,000.00		
Receipts	C-2	119,739.95		
Grants Receivable	C-7	<u>174,173.00</u>		
		<u>313,912.95</u>		
Encumbrances Payable	C-12		\$ 943.66	
Fund Balance	C-1		11,190.00	
Disbursements	C-2		<u>434,886.74</u>	
			<u>\$ 447,020.40</u>	

BOROUGH OF BOUND BROOK

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, 2021</u>
12-14	Various Improvements- Hurricane Irene	\$ 73,332.00
12-19	Various Road Improvements	77,379.87
13-09	Repair to Church Street Culvert	78,277.00
14-11	Various Public Improvements	375,100.00
15-08	Various Improvements to Train Station	450,000.00
16-02	Road Reconstruction- Thompson Street	37,670.86
16-03	Sewer Repair and Rehabilitation	15,300.00
17-16	Renovations of Ball Field at Machine Rock Park	6,400.14
21-23	Purchase of Solid Waste Truck & Related Equipment	428,500.00
21-28	Acquisition of Protective Equipment for Fire Department	247,000.00
21-33	Acquisition of Real Property	295,000.00
		<hr/>
		\$ 2,083,959.87

TOWNSHIP OF BRIDGEWATER  
SEWER UTILITY FUND  
SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Increased by Receipts:			
Sewer Charges Receivable	D-7	\$ 1,681,617.50	\$
Shared Service- Township of Bridgewater	D-1:D-3	182,742.00	
Miscellaneous Revenue Not Anticipated	D-1:D-3	107,577.04	
Due Current Fund	D-9	904,302.58	
Due General Trust Fund	D-10	90.00	
2021 Budget Appropriation- Capital Improvement Fund	D-4		50,000.00
Prepaid Sewer Charges	D-8	5,755.32	
		\$ <u>2,882,084.44</u>	\$ <u>50,000.00</u>
		\$ <u>2,882,084.44</u>	\$ <u>50,000.00</u>
Decreased by Disbursements:			
2021 Budget Appropriations	D-4	\$ 1,331,781.82	\$
Due Current Fund	D-9	727,991.28	
		\$ <u>2,059,773.10</u>	\$ <u>                    </u>
Balance, December 31, 2021	D:D-6	\$ <u>822,311.34</u>	\$ <u>50,000.00</u>



"D-6"

BOROUGH OF BOUND BROOK

SEWER UTILITY CAPITAL FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

BALANCE  
DECEMBER  
31, 2021

SEWER:  
Capital Improvement Fund

\$ 50,000.00

\$ 50,000.00

REF.

D:D-5

BOROUGH OF BOUND BROOK  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Increased by:			
Sewer Charges Levied (Net)			\$ 1,834,048.86
Decreased By:			
Collections	D-5	\$ 1,681,617.50	
Prepaid Applied	D-8	5,453.86	
Canceled		<u>1,487.54</u>	
			<u>1,688,558.90</u>
Balance, December 31, 2021	D		<u>\$ 145,489.96</u>

BOROUGH OF BOUND BROOK  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF PREPAID SEWER CHARGES

	<u>REF.</u>			
Increased by:				
Transfer from Current Fund	D-9	\$	5,453.86	
Rceipts	D-5		<u>301.46</u>	
				\$ 5,755.32
Decreased by:				
Applied	D-7			<u>5,453.86</u>
Balance, December 31, 2021	D	\$		<u><u>301.46</u></u>

BOROUGH OF BOUND BROOK  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Increased by:			
Receipts	D-5	\$	909,756.44
Decreased by:			
Disbursements	D-5	\$	727,991.28
Transfer to Prepaid Sewer Rent	D-8		<u>5,453.86</u>
			<u>733,445.14</u>
Balance, December 31, 2021 (Due To)	D	\$	<u><u>176,311.30</u></u>

"D-10"

BOROUGH OF BOUND BROOK

SEWER UTILITY OPERATING FUND

SCHEDULE OF DUE TRUST OTHER FUND

	<u>REF.</u>	
Increased by:		
Receipts	D-5	\$ <u>90.00</u>
Balance, December 31, 2021 (Due To)	D	\$ <u><u>90.00</u></u>

"D-11"

BOROUGH OF BOUND BROOK  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Increased by:		
2021 Appropriations	D-4	\$ <u>12,116.83</u>
Balance, December 31, 2021	D	\$ <u><u>12,116.83</u></u>

BOROUGH OF BOUND BROOK  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Increased by:		
Receipts	D-5	\$ <u>50,000.00</u>
Balance, December 31, 2021	D	\$ <u><u>50,000.00</u></u>

**THIS PAGE INTENTIONALLY LEFT BLANK**



PART II

BOROUGH OF BOUND BROOK

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

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

	YEAR 2021		YEAR 2020	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 800,000.00	2.19%	\$ 865,943.20	2.55%
Miscellaneous - From Other Than Local Property Tax Levies	9,081,771.24	24.90%	7,369,645.06	21.73%
Collection of Delinquent Taxes and Tax Title Liens	554,159.98	1.52%	401,572.00	1.18%
Collections of Current Tax Levy	<u>26,035,312.25</u>	<u>71.39%</u>	<u>25,280,716.76</u>	<u>74.54%</u>
<u>Total Revenue</u>	<u>\$ 36,471,243.47</u>	<u>100.00%</u>	<u>\$ 33,917,877.02</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 17,039,168.44	48.98%	\$ 15,954,014.26	48.23%
County Taxes	3,645,148.80	10.48%	3,338,997.50	10.09%
Local School Taxes	13,661,897.00	39.27%	13,657,924.00	41.29%
Special Improvement District Taxes	143,243.84	0.41%	127,937.70	0.39%
Other Expenditures	<u>296,800.84</u>	<u>0.86%</u>	<u>1,750.31</u>	
<u>Total Expenditures</u>	<u>\$ 34,786,258.92</u>	<u>100.00%</u>	<u>\$ 33,080,623.77</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,684,984.55		\$ 837,253.25	
Adjustments to Income Before Fund Balance; Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>\$ 200,000.00</u>		<u>357,914.85</u>	
Excess in Revenue	\$ 1,884,984.55		\$ 1,195,168.10	
Fund Balance - January 1	<u>3,107,383.65</u>		<u>2,778,159.05</u>	
	\$ 4,992,368.20		\$ 3,973,327.15	
Less: Utilization as Anticipated Revenue	<u>800,000.00</u>		<u>865,943.20</u>	
Fund Balance, December 31	<u>\$ 4,192,368.20</u>		<u>\$ 3,107,383.95</u>	

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

	<u>YEAR 2021</u>	
	<u>AMOUNT</u>	<u>%</u>
 <u>REVENUE AND OTHER INCOME REALIZED</u>		
Collection of Sewer Use Charges	\$ 1,687,071.36	85.32%
Miscellaneous	<u>290,319.04</u>	<u>14.68%</u>
<u>Total Revenue</u>	<u>\$ 1,977,390.40</u>	<u>100.00%</u>
 <u>EXPENDITURES</u>		
Budget Expenditures:		
Operating	\$ 1,620,000.00	94.77%
Capital Improvements	50,000.00	2.92%
Deferred Charges and Statutory Expenditures	<u>39,469.00</u>	<u>2.31%</u>
<u>Total Expenditures</u>	<u>\$ 1,709,469.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 267,921.40	
Fund Balance, January 1	<u>                    </u>	
Fund Balance, December 31	<u>\$ 267,921.40</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	\$ <u>2.814</u>	\$ <u>3.087</u>	\$ <u>3.237</u>
Municipal	\$ 0.957	\$ 1.048	\$ 1.048
County	0.391	0.401	0.420
Local School	1.466	1.638	1.769

Assessed Valuations:

2021	<u>\$932,539,306.00</u>		
2020		<u>\$833,724,621.00</u>	
2019			<u>\$783,642,544.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of the tabulation will 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>
2021	\$26,407,663.90	\$26,035,312.50	98.58%
2020	\$25,552,510.28	\$25,119,583.48	98.31%
2019	\$25,233,249.93	\$24,669,476.32	97.77%

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>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$43,060.71	\$358,682.16	\$401,742.87	1.52%
2020	\$45,118.11	\$555,661.85	\$600,779.96	2.32%
2019	\$40,667.23	\$403,130.18	\$443,797.41	1.74%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired, reported or recorded as of December 31, 2021 by foreclosure or deed.

COMPARISON OF SEWER BILLINGS AND COLLECTIONS

<u>Year</u>	<u>BILLINGS</u>	<u>COLLECTIONS</u>
2021	\$1,834,048.86	\$1,689,584.85
2020	1,718,782.60	1,693,693.70
2019	1,477,851.64	1,466,836.27

**THIS PAGE INTENTIONALLY LEFT BLANK**

GENERAL COMMENTS AND RECOMMENDATIONS

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>
Robert Fazen	Mayor		
Abel Gomez	Council Member - President		
Brad Galeta	Council Member		
Jake Hardin	Council Member		
Richard Januzzi	Council Member		
Vinnie Petti	Council Member		
Anthony Pranzatelli	Council Member		
Hector Herrera	Administrator/ Qualified Puchasing Agent	*	
Jasmine Mathis	Municipal Clerk, Assistant Administrator	*	
Natasha Turchan	Chief Financial Officer Tax Collector from 9/1/2021	*	
Cindy Griffith	Tax Collector to 8/31/2021	*	
Michael Imbriaco	Tax Assessor	*	
Vito Bet	Chief of Police	*	
Michael Fedun, Esq	Magistrate		
Valarie Vasquez	Court Administrator	*	
Decotis, Fitzpatrick, Cole & Giblin, LLP	Borough Attorney		
Joe Costa	Director/ Code Enforcement Officer	*	
Dale Leubner	Superintendent of Public Works	*	

\*All officials and employees handling and collecting Borough funds are covered by a blanket position bond for faithful performance for \$1,000,000.00 through Middlesex County Municipal Joint Insurance Fund.

All of the bonds were examined and were properly executed.



COMPARISON OF REFUSE BILLINGS AND COLLECTIONS (COMPONENT OF CURRENT FUND)

<u>Year</u>	<u>BILLINGS</u>	<u>COLLECTIONS</u>
2021	\$638,770.00	\$590,590.96
2020	638,500.00	635,049.05
2019	576,708.58	573,554.60

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2021	\$4,192,348.20	\$983,673.08
	2020	3,107,383.65	800,000.00
	2019	2,778,159.05	865,943.20
	2018	1,895,849.42	764,516.00
	2017	889,682.40	838,476.43
Sewer Utility Operating Fund	2021	\$267,921.40	\$0.00

## 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 of 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, if the Borough has a qualified purchasing agent. On July 12, 2016 the Borough appointed a qualified purchasing agent. Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 was increased to \$44,000.00, however the Borough has not yet increased the bid threshold.

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 Borough 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:

Road Improvement Program  
Crossing Guard Services

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring or any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$44,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

## COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 5, 2021 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

WHEREAS, R.S. 54:4-67 as amended by Chapter 435, P.L. 1979 (approved February 14, 1980) allows the governing body to modify the rate of interest on delinquent taxes.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Bound Brook, County of Somerset, that the interest rate for delinquent taxes shall be 0% if payment is made within ten (10) days after due date, 8% per annum on first \$1,500.00 of delinquency and 18% per annum on any amount in excess on \$1,500.00, said interest to be calculated from the date the tax was payable until the date of actual payment.

WHEREAS, Chapter 75 of P.L. 1991, effective March 29, 1991, also known as N.J.S.A. 54:5-67 provides that the governing body may provide a penalty to a taxpayer with a delinquency in excess of \$10,000.00, who fails to pay that delinquency prior to the end of the calendar year, said penalty not to exceed 6% of the amount of the delinquency; and

WHEREAS, said penalty shall be applied to all taxes owned by an individual taxpayer regardless of the number of parcels involved; and

WHEREAS, the Borough Council has reviewed this statute.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Bound Brook, in the County of Somerset, New Jersey that the Tax Collector is hereby authorized and directed to charge a penalty of 6% of the amount of the delinquency in excess of \$10,000.00 due at the end of the calendar year.

BE IT FURTHER RESOLVED that this resolution shall be renewed by the Borough Council on an annual basis at the reorganization meeting.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on November 19, 2021 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

	<u>NUMBER OF LIENS</u>
2021	1
2020	2
2019	2

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 tax paying 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, including the mailing of verification notices as follows:

<u>TYPE</u>	
Payment of 2022 Taxes/Sewer Charges	50
Payment of 2021 Taxes/Sewer Charges	50
Delinquent Taxes and Sewer Charges	25

OTHER COMMENTS

Interfund Balances

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. Reference 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 Borough's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

NONE



