

**TOWNSHIP OF SADDLE BROOK**

**Financial Statements with  
Supplementary Information  
December 31, 2021**

**(With Independent Auditor's Reports Thereon)**

**TOWNSHIP OF SADDLE BROOK**  
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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the Township Council  
Township of Saddle Brook  
County of Bergen, New Jersey

### **Report on the Financial Statements**

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

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Township of Saddle Brook in the County of Bergen, as of December 31, 2021 and 2020, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues -regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Township of Saddle Brook as of December 31, 2021 and 2020, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and 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 Township of Saddle Brook, 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 audit opinion.



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

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

***Basis for Qualified Opinion on Regulatory Basis Accounting Principles***

As described in Note 15 of the financial statement, the Township participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$3,502,170 and \$2,967,999 for 2021 and 2020, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2021, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures 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 as described in Note 1.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Saddle Brook’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 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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



### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Saddle Brook's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2022 on our consideration of the Township of Saddle Brook's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control



Honorable Mayor and  
Members of the Township Council  
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over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Saddle Brook's internal control over financial reporting and compliance.

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. CR00413

*Wielkotz + Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

September 6, 2022



**TOWNSHIP OF SADDLE BROOK**  
**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31, 2021 and 2020**

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 8,635,598	8,362,845
Change Fund	A-5	475	475
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-6	38,269	41,282
		<u>8,674,342</u>	<u>8,404,602</u>
Receivables and Other Assets with Full Reserves:			
Municipal Liens Receivable	A-7	107,223	104,405
Delinquent Taxes Receivable	A-8	338,676	357,872
Property Acquired for Taxes -			
Assessed Valuation	A-9	742,249	742,249
Revenue Accounts Receivable	A-10	9,184	9,086
Interfund Accounts Receivable	A-11	596,740	97,876
		<u>1,794,072</u>	<u>1,311,488</u>
Deferred Charges:			
Special Emergency	A-12	201,505	466,505
		<u>10,669,919</u>	<u>10,182,595</u>
Federal and State Grant Fund:			
Cash	A-4	288,058	288,058
Due from Current Fund	A-11	15,791	1,500
Over-expenditure of Appropriated Grants	A-25	4,749	
		<u>308,598</u>	<u>289,558</u>
		<u>\$ 10,978,517</u>	<u>10,472,153</u>

**TOWNSHIP OF SADDLE BROOK**  
**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31, 2021 and 2020**

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-13	\$ 1,852,548	1,729,961
Encumbrances Payable	A-3/A-14	380,471	334,745
Interfund Accounts Payable	A-11	21,133	2,741
Due to Free Public Library	A-15	37,425	37,425
Due to State of New Jersey:			
Construction Training Fees	A-16	6,116	2,076
Marriage License Fees	A-16	425	523
Burial Permit Fees	A-16	495	320
Tax Overpayments	A-17	4,166	9,633
County Taxes Payable	A-19		9,528
Prepaid Taxes	A-20	475,003	380,596
Reserve for Tax Appeals	A-21	335,928	350,000
Due to Bergen County	A-22		60,070
Reserve for Police Salaries & Wages	A-23	57,023	
		<u>3,170,733</u>	<u>2,917,618</u>
Reserve for Receivables	Contra	1,794,072	1,311,488
Fund Balance	A-1	<u>5,705,114</u>	<u>5,953,489</u>
		<u>10,669,919</u>	<u>10,182,595</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-25	282,555	253,245
Encumbrances Payable	A-25		7,790
Unappropriated Reserve for Grants	A-26	26,043	28,523
		<u>308,598</u>	<u>289,558</u>
		<u>\$ 10,978,517</u>	<u>10,472,153</u>

See accompanying notes to financial statements.

## TOWNSHIP OF SADDLE BROOK

Comparative Statement of Operations and Changes in  
Fund Balance - Regulatory Basis

## Current Fund

## Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues and Other Income:		
Fund Balance Utilized	\$ 2,000,000	1,550,000
Miscellaneous Revenue Anticipated	3,709,536	2,876,683
Receipts from Delinquent Taxes	356,597	475,935
Receipts from Current Taxes	61,976,015	60,285,063
Non-Budget Revenue	142,554	659,394
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,549,769	1,017,847
Interfunds Returned	23,876	249,281
Special Emergency - COVID Revenue Losses		466,505
Total Revenues and Other Income	<u>69,758,347</u>	<u>67,580,708</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	8,744,555	8,619,665
Other Expenses	10,434,729	9,728,554
Capital Improvement Fund	150,000	100,000
Municipal Debt Service	3,810,776	3,028,666
Deferred Charges and Statutory Expenditures -		
Municipal	2,601,694	2,245,661
Local District School Tax	35,373,440	34,759,148
County Taxes Including Added Taxes	6,435,459	6,047,046
Refunds	2,658	164,597
Interfunds Advanced	453,411	76,250
Total Expenditures	<u>68,006,722</u>	<u>64,769,587</u>
Statutory Excess to Surplus	1,751,625	2,811,121
Fund Balance, January 1,	<u>5,953,489</u>	<u>4,692,368</u>
	7,705,114	7,503,489
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>2,000,000</u>	<u>1,550,000</u>
Fund Balance, December 31,	<u>\$ 5,705,114</u>	<u>5,953,489</u>

See accompanying notes to the financial statements.

## TOWNSHIP OF SADDLE BROOK

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 2,000,000	2,000,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	20,000	22,400	2,400
Other	25,000	42,317	17,317
Fees and Permits	250,000	259,750	9,750
Fines and Costs:			
Municipal Court	175,000	107,636	(67,364)
Interest and Costs on Taxes	100,000	93,676	(6,324)
Interest on Investments and Deposits	50,000	29,104	(20,896)
Energy Receipts Tax	1,440,167	1,440,167	
Uniform Construction Code Fees	160,000	140,623	(19,377)
Body Armor Replacement Program	3,270	3,270	
Clean Communities Program	23,753	23,753	
Clean Communities Program	25,286	25,286	
Uniform Fire Safety Act	40,000	39,334	(666)
Cable TV Franchise Fee - Cablevision	129,000	121,229	(7,771)
Cable TV Franchise Fee - Verizon	78,000	75,850	(2,150)
Hotel Fees	300,000	184,184	(115,816)
Pension Reimbursement - Water Utility	75,000	85,000	10,000
Health Insurance Reimbursement - Water Utility	95,000	95,000	
Capital Surplus	137,200	137,200	
Due from General Capital Fund	74,000	74,000	
American Rescue Plan - Revenue Loss	709,757	709,757	
Total Miscellaneous Revenues	3,910,433	3,709,536	(200,897)
Receipts from Delinquent Taxes	357,000	356,597	(403)
Subtotal General Revenues	6,267,433	6,066,133	(201,300)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	20,552,065	21,167,116	615,051
Budget Totals	26,819,498	27,233,249	413,751
Non-Budget Revenue		142,554	142,554
	\$ 26,819,498	27,375,803	556,305

**TOWNSHIP OF SADDLE BROOK**  
**Statement of Revenues - Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2021**

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 61,976,015
Allocated to County and Local and Regional School Taxes	<u>41,808,899</u>
Balance for Support of Municipal Budget Appropriations	20,167,116
Add : Appropriation - Reserve for Uncollected Taxes	<u>1,000,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 21,167,116</u>
Receipts from Delinquent Taxes:	
Delinquent Taxes - Cash Receipts	<u>356,597</u>
Delinquent Taxes	<u>\$ 356,597</u>

Analysis of Non-budget Revenues

Police	\$ 2,510
Refund	6,900
Misc	10,706
FEMA Reimbursement	5,051
Scrap Metal	718
Payments in lieu	16,402
Fuel Reimbursement	31,413
Insurance Reimbursements	13,631
Lincoln Financial	9,200
County of Bergen Snowplowing	11,839
DMV	1,900
Refund	8,700
Kessler-Parking	14,400
Offsets not applied	8,964
Polling Place	<u>220</u>
	<u>\$ 142,554</u>

See accompanying notes to the financial statements.



## TOWNSHIP OF SADDLE BROOK

## Statement of Expenditures-Regulatory Basis

## Current Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operations-within "CAPS"					
Administrative and Executive:					
Salaries and Wages	\$ 115,000	115,000	114,923	77	
Other expenses	15,000	15,000	14,142	858	
Other expenses - Postage	30,000	30,000	24,908	5,092	
Other expenses - Contractual Services	20,000	20,000	13,882	6,118	
Other expenses - Computer Service Contract	85,000	85,000	82,255	2,745	
Other expenses - SBCTV	35,000	35,000	19,992	15,008	
Other expenses - Grants	38,000	38,000	38,000		
Other expenses - Flood Plan Manager	10,000	10,000	5,332	4,668	
Office of the Mayor:					
Salaries and Wages	4,750	4,750	4,750		
Other Expenses	6,000	6,000	4,822	1,178	
Council:					
Salaries and Wages	23,750	23,750	23,750		
Other Expenses	3,000	3,000	2,183	817	
Municipal Clerk:					
Salaries and Wages	190,000	190,000	188,344	1,656	
Other Expenses	8,500	8,500	5,449	3,051	
Other Expenses - Land Use	1,000	1,000		1,000	
Other Expenses - Codification of Ord.	12,000	12,000		12,000	
Other Expenses - Elections	27,500	27,500	13,764	13,736	

## TOWNSHIP OF SADDLE BROOK

## Statement of Expenditures-Regulatory Basis

## Current Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Financial Administration:					
Salaries and Wages	155,000	155,000	154,752	248	
Other Expenses	35,000	35,000	28,451	6,549	
Other Expenses - Statements	21,250	21,250	20,975	275	
Other Expenses - Supplemental Disclosure	3,000	3,000		3,000	
Audit Services:					
Other Expenses	31,500	31,500	31,500		
Revenue Administration:					
Salaries and Wages	82,000	82,000	81,180	820	
Other Expenses	20,000	20,000	10,237	9,763	
Assessment of Taxes:					
Salaries and Wages	60,000	60,000	59,659	341	
Other Expenses	5,000	5,000	2,038	2,962	
Other Expenses - Tax Appeal Attorney	35,000	35,000	34,690	310	
Assessments	120,000	120,000	88,150	31,850	
Legal Services and Costs:					
Other Expenses	130,000	130,000	78,916	51,084	
Engineering:					
Other Expenses	80,000	80,000	76,200	3,800	

## TOWNSHIP OF SADDLE BROOK

## Statement of Expenditures-Regulatory Basis

## Current Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	5,200	5,200	5,200		
Other Expenses	1,500	1,500	641	859	
Zoning Board of Adjustment:					
Salaries and Wages	4,800	4,800	4,800		
Other Expenses	3,000	3,000	402	2,598	
Self Insurance Program:					
Liability	325,000	325,000	238,132	86,868	
Workers Compensation	275,000	275,000	200,875	74,125	
Employee Group Insurance	4,000,000	3,900,000	3,244,393	655,607	
Unemployment Compensation	70,000	70,000		70,000	
PUBLIC SAFETY:					
Police:					
Salaries and Wages	4,555,000	4,425,000	4,347,122	77,878	
Salaries and Wages - Retirements	39,655	39,655	39,655		
Salaries and Wages - Overtime	90,000	190,000	189,990	10	
Salaries and Wages - Clothing Allowance	42,000	42,000	42,000		
Other Expenses	120,000	150,000	147,539	2,461	
Other Expenses - Purchase of Vehicles	90,000	145,000	130,032	14,968	

## TOWNSHIP OF SADDLE BROOK

## Statement of Expenditures-Regulatory Basis

## Current Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Civilian Dispatch:					
Salaries and Wages	170,000	170,000	170,000		
School Marshalls:					
Salaries and Wages	617,400	617,400	526,990	90,410	
Other Expenses	5,000	5,000	1,927	3,073	
Police Clerical:					
Salaries and Wages	37,000	37,000	12,761	24,239	
Emergency Management:					
Salaries and Wages	5,000	5,000	5,000		
Other Expenses	6,000	6,000	3,577	2,423	
Fire:					
Other Expenses	140,000	155,000	154,525	475	
Other Expenses - Clothing Allowance	80,000	80,000	77,250	2,750	
Uniform Fire Safety:					
Salaries and Wages	174,000	174,000	130,069	43,931	
Other Expenses	9,000	9,000	8,757	243	
Aid to Volunteer Ambulance Companies:					
Other Expenses	75,000	75,000	75,000		
Municipal Prosecutor:					
Salaries and Wages	9,000	9,000	9,000		

## TOWNSHIP OF SADDLE BROOK

## Statement of Expenditures-Regulatory Basis

## Current Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Budget</u>	Budget after Modifications	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Division of Sewers:					
Salaries and Wages	100,000	28,000	23,248	4,752	
Salaries and Wages - Overtime	10,000				
Other Expenses	10,000	10,000	9,218	782	
Other Expenses - Repairs	100,000	100,000	87,466	12,534	
Sanitation:					
Solid Waste Collection					
Other Expenses - Type 10 Contractual	710,000	749,000	748,721	279	
Other Expenses - Recycling Contract	190,000	190,000	184,850	5,150	
Recycling:					
Other Expenses	5,000	5,000	1,590	3,410	
Buildings and Property:					
Salaries and Wages	41,000	41,000	40,283	717	
Other Expenses	115,000	115,000	113,122	1,878	
Purchase of Equipment	115,000	115,000	113,704	1,296	
Streets and Road Maintenance:					
Salaries and Wages	1,050,000	1,050,000	1,029,488	20,512	
Salaries and Wages - Overtime	40,000	81,000	80,968	32	
Other Expenses	170,000	196,000	191,236	4,764	

## TOWNSHIP OF SADDLE BROOK

## Statement of Expenditures-Regulatory Basis

## Current Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Snow Removal:					
Salaries and Wages	30,000	30,000	30,000		
Other Expenses	15,000	15,000	14,121	879	
Health and Welfare:					
Public Health Services:					
Salaries and Wages	5,000	5,000	5,000		
Other Expenses	25,000	25,000	2,460	22,540	
Other Expenses - Wallington	2,000	2,000		2,000	
Other Expenses - Contract	47,535	47,535	47,535		
Animal Control:					
Salaries and Wages	5,000	5,000	680	4,320	
Other Expenses - Contract	19,535	19,535	19,535		
Recreation:					
Salaries and Wages	128,000	128,000	82,963	45,037	
Other Expenses	115,000	115,000	82,429	32,571	
Other Expenses - Other Events	5,000	5,000	5,000		
Other Expenses - Memorial Day	1,500	1,500	1,500		
Other Expenses - Project Graduation	6,000	6,000	4,987	1,013	
Other Expenses - Senior Citizens Center	7,000	7,000	7,000		
Other Expenses - Senior Annual Dinner	7,500	7,500		7,500	
Other Expenses - Summer Program	20,000	20,000	19,935	65	
Other Expenses - Community Projects	10,000	10,000	2,677	7,323	
Other Expenses - Special Events					
Veterans Field Expenses	5,000	5,000		5,000	

## TOWNSHIP OF SADDLE BROOK

## Statement of Expenditures-Regulatory Basis

## Current Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Other Common Unclassified:					
Municipal Court:					
Salaries and Wages	182,000	182,000	169,030	12,970	
Salaries and Wages - Overtime	10,000	10,000	9,982	18	
Other Expenses	20,000	20,000	13,087	6,913	
Uniform Construction Code-Appropriations Offset by					
Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Code Enforcement and Administration:					
Salaries and Wages	298,000	298,000	297,011	989	
Other Expenses	5,000	5,000	4,416	584	
UNCLASSIFIED:					
Utilities:					
Electricity	300,000	300,000	262,843	37,157	
Street lighting	245,000	245,000	229,280	15,720	
Telephone	110,000	110,000	98,468	11,532	
Gasoline	120,000	120,000	74,976	45,024	
Landfill/Solid Waste Disposal Cost:					
Dump Fees	80,000	86,000	85,725	275	
Sick Time Payments	50,000	50,000	50,000		
Salary and Wage Adjustment	37,000	37,000	7,000	30,000	
Total Operations within "CAPS"	16,917,875	16,917,875	15,240,415	1,677,460	

## TOWNSHIP OF SADDLE BROOK

## Statement of Expenditures-Regulatory Basis

## Current Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Detail:					
Salaries & Wages	8,365,555	8,294,555	7,935,598	358,957	
Other Expenses (Including Contingent)	8,552,320	8,623,320	7,304,817	1,318,503	
	16,917,875	16,917,875	15,240,415	1,677,460	
Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	445,000	445,000	346,691	98,309	
Local Firemen's Pension Fund	5,000	5,000	5,000		
Public Employees Retirement System	444,684	444,684	444,684		
Police and Firemans Retirement System of N.J.	1,442,010	1,442,010	1,442,010		
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	2,336,694	2,336,694	2,238,385	98,309	
Total General Appropriations for Municipal Purposes within "CAPS"	19,254,569	19,254,569	17,478,800	1,775,769	



## TOWNSHIP OF SADDLE BROOK

## Statement of Expenditures-Regulatory Basis

## Current Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operations-Excluded from "CAPS":					
Sewer Processing and Disposal:					
Other Expenses - PVSC	961,958	961,958	961,958		
Other Expenses - Lodi Boro	20,000	20,000	11,550	8,450	
Maintenance of Free Public Library:					
Salaries and Wages	450,000	450,000	431,671	18,329	
Other Expenses	447,142	447,142	447,142		
Garbage & Trash Removal Tonnage Tax	15,000	15,000		15,000	
Reserve for Tax Appeals	150,000	150,000	150,000		
LOSAP - Ambulance	90,000	90,000	90,000		
LOSAP - Fire	40,000	40,000	40,000		
Total Other Operations - Excluded from "CAPS"	2,174,100	2,174,100	2,132,321	41,779	
Public and Private Programs Offset by Revenues:					
Matching Funds	35,000	35,000		35,000	
Clean Communities	49,039	49,039	49,039		
Body Armor Replacement Grant	3,270	3,270	3,270		
Total Public and Private Programs Offset by Revenues	87,309	87,309	52,309	35,000	

## TOWNSHIP OF SADDLE BROOK

## Statement of Expenditures-Regulatory Basis

## Current Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total Operations - Excluded from "CAPS"	2,261,409	2,261,409	2,184,630	76,779	
Detail:					
Salaries and Wages	450,000	450,000	431,671	18,329	
Other Expenses	1,811,409	1,811,409	1,752,959	58,450	
	2,261,409	2,261,409	2,184,630	76,779	
Capital Improvements - Excluded from CAPS					
Capital Improvement Fund	150,000	150,000	150,000		
Total Capital Improvements - Excluded from CAPS	150,000	150,000	150,000		
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	1,511,400	1,511,400	1,511,400		
Payment of Bond Anticipation Notes	350,000	350,000	350,000		73,102
Interest on Bonds	1,883,000	1,883,000	1,809,898		
Interest on Notes	15,120	15,120	15,120		
NJEIT Trust Loan Principal	105,000	105,000	103,461		1,539
NJEIT Trust Loan Interest	24,000	24,000	20,897		3,103
Total Municipal Debt Service-Excluded from "CAPS"	3,888,520	3,888,520	3,810,776		77,744
Deferred Charges- Municipal Excluded from "CAPS"					
Special Emergency Authorizations - 5 years (N.J.S. 40A:4-55)	265,000	265,000	265,000		
Total Deferred Charges-Municipal-Excluded from "CAPS"	265,000	265,000	265,000		

## TOWNSHIP OF SADDLE BROOK

## Statement of Expenditures-Regulatory Basis

## Current Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	6,564,929	6,564,929	6,410,406	76,779	77,744
Subtotal General Appropriations	25,819,498	25,819,498	23,889,206	1,852,548	77,744
Reserve for Uncollected Taxes	1,000,000	1,000,000	1,000,000		
Total General Appropriations	\$ 26,819,498	26,819,498	24,889,206	1,852,548	77,744

Analysis of Paid or Charged

Reserve for Uncollected Taxes	1,000,000
Federal and State Grant Fund	52,309
Deferred Charges	265,000
Reserve for Tax Appeals	150,000
Reserve for Police Salaries & Wages	57,023
Reserve for Encumbrances	380,471
Cash	22,984,403

\$ 24,889,206

**TOWNSHIP OF SADDLE BROOK**  
**Comparative Balance Sheet - Regulatory Basis**

**Trust Funds**

**December 31, 2021 and 2020**

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal License Fund:			
Cash	B-1	\$ 13,156	12,414
Other Trust Funds:			
Cash	B-1	2,499,758	2,560,419
Interfunds	B-3	5,342	1,241
		<u>2,505,100</u>	<u>2,561,660</u>
Length of Service Award Program: (Unaudited)			
Investments	B-1	3,304,270	2,873,649
Contributions Receivable	B-6	197,900	94,350
		<u>3,502,170</u>	<u>2,967,999</u>
		\$ <u><u>6,020,426</u></u>	<u><u>5,542,073</u></u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Due to Current Fund	B-3	\$ 4,522	3,244
Due to State of New Jersey	B-4	157	140
Reserve for Animal License Fund expenditures	B-5	8,477	9,030
		<u>13,156</u>	<u>12,414</u>
Other Trust Funds:			
Due to Current Fund	B-3	136,990	7,229
Reserve for Other Trust Fund Deposits	B-2	2,368,110	2,554,431
		<u>2,505,100</u>	<u>2,561,660</u>
Length of Service Award Program: (Unaudited)			
Net Assets Available for Benefits	B-7	3,502,170	2,967,999
		\$ <u><u>6,020,426</u></u>	<u><u>5,542,073</u></u>

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**  
**Comparative Balance Sheet-Regulatory Basis**  
**General Capital Fund**  
**December 31, 2021 and 2020**

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash:			
Checking	C-2,C-3	\$ 15,491,411	17,141,915
Grants Receivable	C-7	1,003,677	642,677
NJ Environmental Infrastructure Loan Receivable	C-8	56,846	56,846
Deferred charges to future taxation:			
Funded	C-4	49,777,976	51,392,837
Unfunded	C-5	7,168,628	3,815,628
Deferred Charges	C-9	4,201	
Interfund Receivable	C-6		19
		<u>\$ 73,502,739</u>	<u>73,049,922</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-10	49,092,850	50,604,250
NJ Environmental Infrastructure Trust Loan	C-11	685,126	788,587
Bond Anticipation Notes	C-12	4,715,000	1,050,000
Capital Improvement Fund	C-13	41,000	23,000
Reserve for:			
Payment of Debt	C-14	52,848	87,526
Various Reserves	C-15	105,962	105,962
Contracts Payable	C-16	1,874,122	
Unappropriated State Grant	C-17	81,426	81,426
Grants Receivable	C-18	691,653	390,653
Interfund Payable	C-6	101,816	74,000
Improvement authorizations:			
Funded	C-16	13,096,567	17,346,900
Unfunded	C-16	2,907,404	2,360,410
Fund Balance	C-1	<u>56,965</u>	<u>137,208</u>
		<u>\$ 73,502,739</u>	<u>73,049,922</u>

There were bonds and notes authorized but not issued at December 31, 2021 and 2020 of \$2,453,628 and \$2,765,628 respectively. See Exhibit C-19.

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Fund Balance**

**General Capital Fund**

**Years Ended December 31,**

	<u>2021</u>	<u>2020</u>
Balance - December 31,	\$ 137,208	74,426
Increased by:		
Premium Received from Note Sale	56,957	
Cancelled Improvement Authorizations		136,780
Cancelled Liabilities		2
	<u>56,957</u>	<u>136,782</u>
	194,165	211,208
Decreased by:		
Budgeted Revenue	<u>137,200</u>	<u>74,000</u>
Balance - December 31,	\$ <u><u>56,965</u></u>	<u><u>137,208</u></u>

See Accompanying Notes to Financial Statements

## TOWNSHIP OF SADDLE BROOK

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Operating Fund

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Water Utility Operating Fund:			
Cash - Treasurer	D-5	\$ 1,476,444	1,531,547
Change Fund	D-6		20
		<u>1,476,444</u>	<u>1,531,567</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-8	<u>251,645</u>	<u>229,470</u>
Total Water Utility Operating Fund		<u>1,728,089</u>	<u>1,761,037</u>
Capital Fund:			
Cash - Treasurer	D-5, D-7	612,864	943,363
Accounts Receivable	D-10	116,040	135,974
Fixed Capital	D-11	4,333,801	4,333,801
Fixed Capital Authorized and Uncompleted	D-12	4,667,992	3,887,992
Interfunds Receivable	D-20	<u>100,000</u>	
Total Capital Fund		<u>9,830,697</u>	<u>9,301,130</u>
		<u>\$ 11,558,786</u>	<u>11,062,167</u>

## TOWNSHIP OF SADDLE BROOK

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Operating Fund

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Water Utility Operating Fund:			
Appropriation Reserves	D-4, D-13	175,780	258,779
Reserve for Encumbrances	D-4, D-14	31,154	35,763
Due to Current Fund	D-9	421,281	1,786
Overpayments	D-15	9,798	10,223
Accrued Interest on Bonds	D-16	43,929	13,280
Accrued Interest on Loans	D-17	4,570	5,195
		<u>686,512</u>	<u>325,026</u>
Reserve for Receivables	Contra	251,645	229,470
Fund Balance	D-1	<u>789,932</u>	<u>1,206,541</u>
Total Water Utility Operating Fund		<u>1,728,089</u>	<u>1,761,037</u>
Capital Fund:			
Improvement Authorization:			
Funded	D-18	800,210	1,050,132
Unfunded	D-18	815,095	15,653
Capital Improvement Fund	D-19	17,748	17,748
Interfunds Payable	D-20		19
Reserve for:			
Amortization	D-21	2,180,112	1,827,062
Deferred Amortization	D-22	127,676	127,676
Serial Bonds Payable	D-23	4,812,150	5,105,750
NJ Environmental Infrastructure Trust Loans	D-24	1,066,269	1,145,653
Fund Balance	D-2	<u>11,437</u>	<u>11,437</u>
Total Capital Fund		<u>9,830,697</u>	<u>9,301,130</u>
		<u>\$ 11,558,786</u>	<u>11,062,167</u>

There were bonds and notes authorized but not issued at December 31, 2021 and December 31, 2020 of \$815,587 and \$15,653 (Exhibit D-25).

See accompanying notes to financial statements.



## TOWNSHIP OF SADDLE BROOK

## Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Water Utility Operating Fund

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue and other income:		
Fund Balance Anticipated	\$ 551,400	228,150
Rents	2,855,189	2,872,090
Interest on Delinquencies	17,838	22,476
Interest on Investments	5,115	7,357
Miscellaneous Revenues not Anticipated	19,208	20,984
Liabilities cancelled	14,294	1,455
Unexpended Balance of Appropriation Reserves	<u>137,866</u>	<u>257,416</u>
Total Revenue and Other Income	<u>3,600,910</u>	<u>3,409,928</u>
Expenditures:		
Operating	2,725,000	2,681,000
Capital Improvements	65,000	65,000
Debt Service	541,100	196,150
Deferred Charges and Statutory Expenditures	135,000	125,000
Return of Change Fund	<u>19</u>	<u></u>
Total Expenditures	<u>3,466,119</u>	<u>3,067,150</u>
Excess (Deficit) in Revenues	134,791	342,778
Fund Balance, January 1	<u>1,206,541</u>	<u>1,091,913</u>
	1,341,332	1,434,691
Decreased by Utilization by Water Operating Budget	<u>551,400</u>	<u>228,150</u>
Balance, December 31	<u>\$ 789,932</u>	<u>1,206,541</u>

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Fund Balance**

**Water Utility Capital Fund**

**Year ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
Balance, December 31, 2020	\$ <u>11,437</u>	<u>11,437</u>
Balance, December 31, 2021	\$ <u><u>11,437</u></u>	<u><u>11,437</u></u>

See accompanying notes to financial statements.

## TOWNSHIP OF SADDLE BROOK

## Statement of Revenues - Regulatory Basis

## Water Utility Operating Fund

Year ended December 31, 2021

	<u>Anticipated</u>	<u>Realized</u>	Excess ( <u>deficit</u> )
Surplus	\$ 551,400	551,400	
Rents	2,850,000	2,855,189	5,189
Interest on Investments	23,000	5,115	(17,885)
Interest on Delinquent Billings	5,000	17,838	12,838
Miscellaneous		19,208	19,208
	<u>\$ 3,429,400</u>	<u>3,448,750</u>	<u>19,350</u>

Analysis of Realized Revenue

Rents	\$ 2,844,966
Overpayments Applied	<u>10,223</u>
	<u>\$ 2,855,189</u>
<u>Miscellaneous</u>	
Meter Sales	5,300
Vendor Refunds	13,906
Miscellaneous	<u>2</u>
	<u>\$ 19,208</u>

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**  
**Statement of Expenditures - Regulatory Basis**  
**Water Utility Operating Fund**  
**Year ended December 31, 2021**

	Appropriations		Expended	
	Budget	Budget after Modifi- cation	Paid or Charged	Reserved
Operating:				
Salaries and Wages	\$ 435,000	435,000	395,622	39,378
Other Expenses	2,290,000	2,290,000	2,240,476	49,524
Total Operating	2,725,000	2,725,000	2,636,098	88,902
Capital Improvements				
Capital Outlay	65,000	65,000		65,000
	65,000	65,000		65,000
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures - Contribution to:				
Social Security System (O.A.S.I.)	50,000	50,000	28,122	21,878
Public Employees' Retirement System	85,000	85,000	85,000	
Total Deferred Charges and Statutory Expenditures	135,000	135,000	113,122	21,878
Debt Service:				
Payment of Bond Principal	293,600	293,600	293,600	
Interest on Bonds	172,000	172,000	172,000	
EIT Debt Service	75,500	75,500	75,500	
	541,100	541,100	541,100	
	<u>\$ 3,466,100</u>	<u>3,466,100</u>	<u>3,290,320</u>	<u>175,780</u>

Cash Disbursed	\$ 2,777,516
Reserve for Encumbrances	31,154
Due to Current	293,600
Accrued Interest on Bonds	172,000
Accrued Interest on Loans	16,050
	<u>\$ 3,290,320</u>

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**

**Comparative Statement of General Fixed Assets - Regulatory Basis**

**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<u>General Fixed Assets:</u>		
Land and Land Improvements	\$ 15,921,387	15,921,387
Buildings	17,869,600	17,847,425
Machinery and Equipment	<u>12,007,586</u>	<u>11,689,255</u>
	<u>\$ 45,798,573</u>	<u>45,458,067</u>
 Investment in Fixed Assets	 <u>\$ 45,798,573</u>	 <u>45,458,067</u>

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**

**Comparative Balance Sheets-Regulatory Basis**

**Payroll Account**

**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash	\$ <u>360,022</u>	<u>12,302</u>
	\$ <u><u>360,022</u></u>	<u><u>12,302</u></u>
<u>Liabilities</u>		
Interfund - Current Fund	\$ 32,131	11,617
Withholdings Payable	<u>327,891</u>	<u>685</u>
	\$ <u><u>360,022</u></u>	<u><u>12,302</u></u>

See accompanying notes to the financial statements.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Township of Saddle Brook have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The Township of Saddle Brook (the "Township") operates under a Mayor/Council form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Township has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal License Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Water Utility Operating Fund – This fund is used to account for all revenues and expenditures applicable to the operations of the water and sewer department.

Water Capital Fund – This fund is used to account for financial resources to be used for the acquisition or improvement of water and sewer capital facilities. The major resources are derived from the issuance of debt.

Payroll Account – This account is used for all net payroll checks distributed to employees.



**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

General Fixed Assets Account Group – This fund is used to account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Township of Saddle Brook. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. Additionally, a 6% penalty is assessed for balances over \$10,000 if not paid by the end of the calendar year. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month of the current year that taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Water Utility Revenues - Water usage revenues are determined locally, based upon quarterly usage by property. The bills are mailed quarterly and are payable 30 days after billing. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum on the first \$1,500, or 18% on any delinquency amount in excess of \$1,500. When unpaid bills or any municipal lien, or part thereof, on real property, remains in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the water and sewer collection on a lien sale. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent water and sewer billings are realized as revenue when collected. Since delinquent bills and liens are fully reserved, no provision has been made to estimate that portion of the receivable and liens that are uncollectible. GAAP requires water and sewer revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund and Water Utility Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund and Water Utility Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Township is not required to adopt budgets for the following funds:

General Capital Fund  
Trust Fund  
Water Utility Capital Fund

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

During the years ended December 31, 2021 and 2020, the Governing Body approved additional revenues and appropriations of \$-0- and \$-0-, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2021 and 2020.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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.

Inventories - 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.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value which approximates cost and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

General Fixed Assets - The Township of Saddle Brook has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Fixed assets acquired by the Water Utility Fund are capitalized as Fixed Capital and not depreciated.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

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.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The Township did not adopt any new accounting pronouncements during 2021.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

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**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2021 and 2020, \$-0- of the Township's bank balance of \$31,556,328 and \$15,737,549, respectively, were exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The Township places no limit on the amount the Township may invest in any one issuer.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Unaudited Investments**

As more fully described in Note 11, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2021 and 2020 amounted to \$3,304,270 and \$2,873,649, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
American Funds Growth Fund	\$495,033	\$416,489
Fidelity VIP Growth	218,144	186,434
Fixed	310,477	309,504
LVIP SSGA S&P 500 Index Fund	1,000,243	833,388
LVIP T. Rowe Price Structured Mid-Cap Growth Fund		158,361
All Others	<u>1,280,373</u>	<u>969,473</u>
Total	<u>\$3,304,270</u>	<u>\$2,873,649</u>



**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2021 and 2020 consisted of the following:

	<u>Balance Dec. 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2021</u>	<u>Amounts Due Within One Year</u>
Bonds Payable:					
General Obligation Debt	\$50,604,250	\$	\$1,511,400	\$49,092,850	\$1,922,550
Water Utility Obligation Debt	<u>5,105,750</u>	<u>                    </u>	<u>293,600</u>	<u>4,812,150</u>	<u>307,450</u>
Total Bonds Payable	<u>55,710,000</u>	<u>0</u>	<u>1,805,000</u>	<u>53,905,000</u>	<u>2,230,000</u>
Other Liabilities:					
Pension Deferral	218,127		55,700	162,427	60,900
General Capital:					
NJEIT Loans Payable	788,587		103,461	685,126	109,715
Water Capital:					
NJEIT Loans Payable	1,145,653		79,384	1,066,269	64,450
Compensated Absences Payable	<u>4,001,129</u>	<u>                    </u>	<u>456,847</u>	<u>3,544,282</u>	<u>                    </u>
Total Other Liabilities	<u>6,153,496</u>	<u>0</u>	<u>695,392</u>	<u>5,458,104</u>	<u>235,065</u>
	<u>\$61,863,496</u>	<u>\$0</u>	<u>\$2,500,392</u>	<u>\$59,363,104</u>	<u>\$2,465,065</u>
	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2020</u>	<u>Amounts Due Within One Year</u>
Bonds Payable:					
General Obligation Debt	\$12,753,100	\$39,235,000	\$1,383,850	\$50,604,250	\$1,511,400
Water Utility Obligation Debt	<u>921,900</u>	<u>4,250,000</u>	<u>66,150</u>	<u>5,105,750</u>	<u>293,600</u>
Total Bonds Payable	<u>13,675,000</u>	<u>43,485,000</u>	<u>1,450,000</u>	<u>55,710,000</u>	<u>1,805,000</u>
Other Liabilities:					
Pension Deferral	269,296		51,169	218,127	55,700
General Capital:					
NJEIT Loans Payable	893,552		104,965	788,587	103,461
Water Capital:					
NJEIT Loans Payable	1,205,103		59,450	1,145,653	59,450
Compensated Absences Payable	<u>4,374,788</u>	<u>450,284</u>	<u>823,943</u>	<u>4,001,129</u>	<u>                    </u>
Total Other Liabilities	<u>6,742,739</u>	<u>450,284</u>	<u>1,039,527</u>	<u>6,153,496</u>	<u>218,611</u>
	<u>\$20,417,739</u>	<u>\$43,935,284</u>	<u>\$2,489,527</u>	<u>\$61,863,496</u>	<u>\$2,023,611</u>

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Township's debt is summarized as follows:

**Summary of Municipal Debt (Excluding Current Operating Debt)**

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$54,492,976	\$52,442,837	\$26,633,479
Water Utility - Bonds, Notes and Loans	<u>5,878,419</u>	<u>6,251,403</u>	<u>4,140,176</u>
	<u>60,371,395</u>	<u>58,694,240</u>	<u>30,773,655</u>
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	2,453,628	2,765,628	33,728,705
Water Utility - Bonds and Notes	<u>815,587</u>	<u>15,653</u>	<u>2,252,480</u>
	<u>3,269,215</u>	<u>2,781,281</u>	<u>35,981,185</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	63,640,610	61,475,521	66,754,840
Less: Deductions	<u>6,746,854</u>	<u>6,354,582</u>	<u>35,129,796</u>
Net Debt	<u><u>\$56,893,756</u></u>	<u><u>\$55,120,939</u></u>	<u><u>\$31,625,044</u></u>

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.095% for 2021.

	Gross Debt	Deductions	Net Debt
School District Debt	\$6,614,000	\$6,614,000	\$0
Water Utility	6,694,006	6,694,006	0
General Debt	56,946,604	<u>52,848</u>	<u>56,893,756</u>
	<u><u>\$70,254,610</u></u>	<u><u>\$13,360,854</u></u>	<u><u>\$56,893,756</u></u>

Net debt of \$56,893,756 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,715,208,175 equals 2.095%.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.165% for 2020.

	Gross Debt	Deductions	Net Debt
School District Debt	\$8,344,000	\$8,344,000	\$0
Water Utility	6,267,056	6,267,056	0
General Debt	55,208,465	<u>87,526</u>	<u>55,120,939</u>
	<u>\$69,819,521</u>	<u>\$14,698,582</u>	<u>\$55,120,939</u>

Net debt of \$55,120,939 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,546,487,858 equals 2.165%.

**Borrowing Power Available under N.J.S.A. 40A:2-6 as Amended**

	<u>2021</u>	<u>2020</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$95,032,286	\$89,127,075
Net Debt	<u>56,893,756</u>	<u>55,120,939</u>
Remaining Borrowing Power	<u>\$38,138,530</u>	<u>\$34,006,136</u>

**Calculation of “Self-Liquidating Purpose”, Water Utility Per N.J.S.A. 40A:2-45**

	<u>2021</u>	<u>2020</u>
Cash receipts from fees, rents or other charges for year	\$3,448,750	\$3,151,057
Deductions:		
Operating and Maintenance Cost	2,860,000	2,806,000
Debt Service per Water Account	<u>541,100</u>	<u>196,150</u>
Total Deductions	<u>3,401,100</u>	<u>3,002,150</u>
Excess in Revenue - Self-Liquidating	<u>\$47,650</u>	<u>\$148,907</u>

Footnote: If there is an “excess in revenue”, all such utility debt is deductible.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Township's long-term debt consisted of the following at December 31, 2021:

**Paid by Current Fund:**

<u>General Serial Bonds:</u>	<u>2021</u>	<u>2020</u>
\$14,907,900 Refunding Bonds - with an interest rate of 2.00% to 5.00% issued December 23, 2014, due through September 1, 2030	\$10,457,850	\$11,369,250
\$14,600,000 General Improvement Bonds - with an interest rate of 2.00% to 2.375% issued May 15, 2020, due through February 15, 2035	14,000,000	14,600,000
\$24,635,000 County Guaranteed Lease Revenue Bonds - with an interest rate of 5.00% to 4.00% issued May 13, 2020, due through August 1, 2048	<u>24,635,000</u>	<u>24,635,000</u>
Total General Serial Bonds	<u>\$49,092,850</u>	<u>\$50,604,250</u>

**Intergovernmental Loans Payable**

The Township has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing related to the Township's combined storm water and sanitary sewer separation project:

	<u>2021</u>	<u>2020</u>
\$1,040,000 Trust Bonds Series 2007 - Trust Share - due in annual installments of \$50,000 to \$80,000 through August 1, 2027, interest at 3.40% to 5.00%	\$376,000	\$428,000
\$983,154 Trust Bond Series 2007 - Fund Share - due in annual installments of \$50,105 to \$52,934 through August 1, 2027 at a zero rate of interest	<u>309,126</u>	<u>360,587</u>
Total Infrastructure Loans	<u>\$685,126</u>	<u>\$788,587</u>

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Paid by Water Utility Fund:	<u>2021</u>	<u>2020</u>
<u>Water Utility Serial Bonds:</u>		
\$1,122,100 Refunding Water Utility Bonds - with an interest rate of 2.00% to 5.00% issued March 1, 2015, due through September 1, 2030	\$787,150	\$855,750
\$4,250,000 Water Utility Bonds - with an interest rate of 2.00% to 2.375% issued March 15, 2020, due through February 15, 2036	<u>4,025,000</u>	<u>4,250,000</u>
Total Water Utility Serial Bonds	<u><u>\$4,812,150</u></u>	<u><u>\$5,105,750</u></u>

**Intergovernmental Loans Payable**

The Township has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing related to the Township's replacement of water mains.

	<u>2021</u>	<u>2020</u>
\$325,000 Trust Bond Series 2018 - Trust Share - due in annual installments of \$10,000 to \$25,000 through August 1, 2037 with interest at 3.00% to 5.00%	\$295,000	\$305,000
\$972,520 Trust Bond Series 2018 - Fund Share - due in annual installments of \$32,967 to \$49,450 through August 1, 2038 at a zero rate of interest	<u>771,269</u>	<u>840,653</u>
Total Infrastructure Loans	<u><u>\$1,066,269</u></u>	<u><u>\$1,145,653</u></u>

Aggregate debt service requirements during the next five years and thereafter are as follows:

Year	General Capital					Water Utility				
	Bonds		Loans		Total	Bonds		Loans		Total
	Principal	Interest	Principal	Interest		Principal	Interest	Principal	Interest	
2022	\$1,922,550	\$1,821,912	\$109,715	\$18,800	\$3,872,977	\$307,450	\$118,526	\$64,450	\$10,969	\$425,976
2023	1,974,050	1,821,912	107,677	15,950	3,919,589	320,950	109,950	64,450	10,219	430,900
2024	2,315,550	1,743,810	114,080	13,100	4,186,540	334,450	100,840	64,450	9,469	435,290
2025	2,291,350	1,659,435	112,105	10,000	4,072,890	348,650	91,342	64,450	8,719	439,992
2026	2,192,150	1,479,450	118,265	6,900	3,796,765	362,850	81,422	64,450	7,969	444,272
2027-2031	12,412,200	6,086,594	123,284	3,550	18,625,628	1,912,800	259,043	342,251	29,494	2,171,843
2032-2036	10,470,000	4,152,984			14,622,984	1,225,000	43,797	347,250	14,019	1,268,797
2037-2041	5,565,000	2,737,300			8,302,300			54,517	844	
2042-2046	6,820,000	1,479,300			8,299,300					
2047-2048	3,130,000	189,000								
	<u>\$49,092,850</u>	<u>\$23,171,697</u>	<u>\$685,126</u>	<u>\$68,300</u>	<u>\$69,698,973</u>	<u>\$4,812,150</u>	<u>\$804,920</u>	<u>\$1,066,268</u>	<u>\$91,702</u>	<u>\$5,617,070</u>

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

General capital, water capital and assessment serial bonds are direct obligations of the Township for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Township and/or water utilities revenues and special assessments.

At December 31, 2021 and 2020, the Township had authorized but not issued debt as follows:

	<u>2021</u>	<u>2020</u>
General Capital Fund	\$2,453,628	\$2,765,628
Water Utility Capital Fund	815,587	15,653

**NOTE 4. BOND ANTICIPATION NOTES**

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2021 and 2020, the Township had \$4,715,000 and \$1,050,000, respectively, in outstanding General Capital Bond Anticipation Notes. The Township also had \$-0- and \$-0-, respectively, in outstanding Water Utility Capital Bond Anticipation Notes for the years ended December 31, 2021 and 2020.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2021 and 2020:

<u>2021</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable</u>				
Piper Sandler & Co.	\$	\$4,715,000	\$	\$4,715,000
Columbia Bank	<u>1,050,000</u>		<u>1,050,000</u>	<u>0</u>
	<u>1,050,000</u>	<u>4,715,000</u>	<u>1,050,000</u>	<u>4,715,000</u>
<u>Water Utility Capital Notes Payable</u>				
TD Securities (USA) LLC	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>0</u>
	<u>\$1,050,000</u>	<u>\$4,715,000</u>	<u>\$1,050,000</u>	<u>\$4,715,000</u>

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 4. BOND ANTICIPATION NOTES, (continued)**

<u>2020</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable</u>				
Columbia Bank	\$0	\$1,050,000	\$	1,050,000
TD Securities (USA) LLC	12,986,827		12,986,827	0
	<u>12,986,827</u>	<u>1,050,000</u>	<u>12,986,827</u>	<u>1,050,000</u>
<u>Water Utility Capital Notes Payable</u>				
TD Securities (USA) LLC	2,013,173		2,013,173	-0-
	<u>\$15,000,000</u>	<u>\$1,050,000</u>	<u>\$15,000,000</u>	<u>\$1,050,000</u>

**NOTE 5. LOCAL DISTRICT SCHOOL TAXES AND REGIONAL HIGH SCHOOL TAXES**

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Township of Saddle Brook has elected not to defer school taxes.

**NOTE 6. PENSION PLANS**

Description of Plans:

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

*Public Employees' Retirement System (PERS)*

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Public Employees' Retirement System (PERS), (continued)*

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.



**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Police and Firemens' Retirement System (PFRS)*

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19 (S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Township of Saddle Brook opted for this deferral in the amount of \$544,476. The amount outstanding at December 31, 2021 was \$162,427.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Township's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2021	\$426,723	\$1,374,965	\$12,411
2020	401,416	1,180,156	14,832
2019	389,809	1,094,579	10,077

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

The following pension information is as of June 30, 2020 which is the latest information available. This information is eighteen months prior to December 31, 2021. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the independent auditor's report is being made since The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

At December 31, 2020, the Township had a liability of \$6,361,098 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Township's proportion was .0390074656 percent, which was a decrease of .0022603206 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Township recognized pension expense of \$401,416. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$115,825	\$22,496
Changes of assumptions	206,361	2,663,452
Net difference between projected and actual earnings on pension plan investments	217,427	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>459,518</u>	<u>585,116</u>
Total	<u>\$999,131</u>	<u>\$3,271,064</u>

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Public Employees Retirement System (PERS), (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$(798,201)
2022	(727,717)
2023	(415,872)
2024	(168,172)
2025	(36,373)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	1,818,482,972
Township's Proportion	.0390074656%	.0412677862%

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Actuarial Assumptions**

The collective 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, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

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 based on Scale MP-2020.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (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 June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real 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>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. 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. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 Collective Net Pension Liability to Changes in the Discount Rate**

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

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$8,020,507	\$6,361,098	\$4,953,043

**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 financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).



**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

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

At December 31, 2020, the Township had a liability of \$15,902,994 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Township's proportion was .123075624 percent, which was an increase of .006241289 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Township recognized pension expense of \$1,180,156. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$160,329	\$57,074
Changes of assumptions	40,020	4,263,498
Net difference between projected and actual earnings on pension plan investments	932,467	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>1,758,859</u>	<u>270,332</u>
Total	<u>\$2,891,675</u>	<u>\$4,590,904</u>

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System (PFRS), (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$(1,487,616)
2022	(1,003,960)
2023	(408,719)
2024	(154,400)
2025	(133,061)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$1,601,195,680	\$1,198,936,924
Collective deferred inflows of resources	4,191,274,402	4,874,748,912
Collective net pension liability	14,926,648,722	12,237,818,793
Township's Proportion	.123075624%	.1168343352%

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System (PFRS), (continued)**

**Actuarial Assumptions**

The collective 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 actuarial assumptions:

Inflation Rate:	
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%

**Mortality Rates**

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. 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 (contingent annuitants), 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 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 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, 2019.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (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% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real 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>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. 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. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System (PFRS), (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 Collective Net Pension Liability to Changes in the Discount Rate**

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

	June 30, 2020		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Township's proportionate share of the pension liability	\$21,961,665	\$15,902,994	\$10,870,805

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System (PFRS), (continued)**

**Special Funding Situation - PFRS**

Under N.J.S.A. 43:16A-15, the Township is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Township by the State 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. Accordingly, the Township's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2020 and 2019, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$2,468,072 and \$2,257,677, respectively. For the years ended December 31, 2020 and 2019, the pension system has determined the State's proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$279,707 and \$262,324, respectively, which is more than the actual contributions the State made on behalf of the Township of \$189,917 and \$152,121, respectively. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

**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 financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 7. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2021 which has been appropriated as revenue in the 2022 budget is as follows:

Current Fund	\$2,300,000
Water Utility Operating Fund	611,450

**NOTE 8. ACCRUED SICK AND VACATION BENEFITS**

The Township has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$3,544,282 as of December 31, 2021 and \$4,001,129 as of December 31, 2020. The amount is not reported either as an expenditure or liability.

**NOTE 9. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2021 consist of the following:

\$15,791	Due to the Federal and State Grant Fund from the Current Fund for grant receipts less expenditures made.
4,522	Due to the Current Fund from the Animal License Trust Fund for accumulated statutory excess.
64	Due to the Current Fund from the Escrow Trust Fund for the Township's share of interest earned.
136,926	Due to the Current Fund from the Redemption Trust Fund for interest earnings and forfeited premiums.
4,339	Due to the Other Trust Fund from the Current Fund to reimburse expenses paid less interest earnings.
32,131	Due to the Current Fund from the Net Payroll Account for advances not returned.
1,816	Due to the Current Fund from the General Capital Fund for interest earnings.
1,003	Due to the Unemployment Trust Fund from the Current Fund for employee payroll deductions.
421,281	Due to the Current Fund from the Water Utility Operating fund to reimburse expenses paid.
<u>100,000</u>	Due to the Water Utility Capital Fund from the Capital Fund for deposits received in error.
<u>\$717,873</u>	

It is anticipated that all interfunds will be liquidated during the year.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 10. DEFERRED CHARGES**

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 balance sheet of the various funds:

	Balance December 31, <u>2021</u>	Subsequent Budget <u>Appropriation</u>	Balance to Succeeding Year's <u>Budget</u>
Current Fund:			
Special Emergency - NJSA 40A:4-53			
COVID Revenue Losses	\$201,505	\$40,301	\$161,204
Federal and State Grant Fund:			
Over-expenditure of Appropriated			
Grant Reserves	4,749		4,749
General Capital Fund:			
Over-expenditure of			
Improvement Authorization	<u>4,201</u>	<u>4,201</u>	<u>-</u>
Total Deferred Charges	<u>\$210,455</u>	<u>\$44,502</u>	<u>\$165,953</u>

	Balance December 31, <u>2020</u>	Subsequent Budget <u>Appropriation</u>	Balance to Succeeding Year's <u>Budget</u>
Current Fund:			
Special Emergency - NJSA 40A:4-53			
COVID Revenue Losses	<u>\$466,505</u>	<u>\$265,000</u>	<u>\$201,505</u>
Total Deferred Charges	<u>\$466,505</u>	<u>\$265,000</u>	<u>\$201,505</u>



**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 11. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

In 1999, the Division of Local Government Services approved the Township's LOSAP plan, provided by the Lincoln Financial Group. The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln Financial Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for an annual contribution of \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Township's contribution shall be included in the current years budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2021 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 12. RISK MANAGEMENT**

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2021 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township of Saddle Brook is a member of the South Bergen Municipal Joint Insurance Fund (the "Fund"). The Fund provides its members with Liability, Property, Worker's Compensation, Public Official and Employer Liability and Environmental Insurance coverage. The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicle and equipment liability and worker's compensation. The coverage amounts are on file with the Township.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 12. RISK MANAGEMENT, (continued)**

The relationship between the Township and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Township is contractually obligated to make all annual and supplementary contributions to insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they are a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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

<u>Interest Earnings</u>	<u>Year Ended December 31</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
\$329	2021	\$10,889	\$ -0-	\$150,814
744	2020	10,458	-0-	139,596
1,135	2019	10,901	-0-	128,394

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 13. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>Dec 31, 2021</u>	<u>Balance</u> <u>Dec 31, 2020</u>
Prepaid Taxes	<u>\$475,003</u>	<u>\$380,596</u>
Cash Liability for Taxes Collected in Advance	<u>\$475,003</u>	<u>\$380,596</u>

**NOTE 14. LITIGATION**

The Township is a defendant in various legal proceedings. These cases, if decided against the Township, would be raised by future taxation. The Township's legal counsel estimate such amounts to be immaterial.

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2021. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated.

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

In addition to the pension benefits described in Note 6, the Township provides post-employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost.

**General Information about the OPEB Plan**

Employees who retire from the Township may be eligible for postemployment medical, prescription drug, dental and life insurance benefits. Medical and prescription drug coverage is offered to retirees on a fully insured basis through Horizon Blue Cross Blue Shield of New Jersey. Two medical plans and one prescription drug plan is available to retirees, including the Direct Access 15 and Omnia 11 plans with the majority of enrollment in the DA 15 plan. Dental coverage is also fully insured and provided through Delta Dental of New Jersey.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**General Information about the OPEB Plan, (continued)**

Life insurance is provided to retirees on a fully insured basis with differing life benefits for police retirees and all other retirees. The predominant life benefit for police retirees is \$25,000 and all other retirees is \$12,500.

**Employees Covered by Benefit Terms:** At January 1, 2019, the following employees were covered by the benefit terms:

Actives	77
Retirees	<u>55</u>
Total	<u>132</u>

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**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Total OPEB Liability**

At December 31, 2019, the Township had a liability of \$63,915,547 for its OPEB Liability. The OPEB liability was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and Other Inputs**

The Total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

1. Valuation Date	January 1, 2019
2. Initial Implementation Year for GASB 75	January 1, 2019 to December 31, 2019
3. Assets	Not valued since benefit is unfunded. Assets are zero.
4. Expected Return on Assets	Not applicable. Assets are zero.
5. Discount Rate	2.92% - End of Year Measurement Date The selected discount rate is based on the prescribed discount interest rate methodology under GASB No. 74/75 using an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO - 2.74%, S&P Municipal Bond 20 Year High Grade Rate Index - 3.26%, and Fidelity GA AA 20 Years - 2.75%) as of December 31, 2019.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

6. Information for Valuation	All information was provided by the Township.																			
7. Retirement Benefits	Coverage for pre-65 and post-65 retirement benefits. This valuation is provided to a single employer plan.																			
8. Covered Benefits	<p>Medical and prescription drug coverage is offered to retirees on a fully insured basis through Horizon Blue Cross Blue Shield of New Jersey. Two medical plans and one prescription drug plan is available to retirees, including the Direct Access 15 and Omnia 11 plans with the majority of enrollment in the DA 15 plan. Dental coverage is also fully insured and provided through Delta Dental of New Jersey.</p> <p>Life insurance is provided to retirees on a fully insured basis with differing life benefits for police retirees and all other retirees. The predominant life benefit for police retirees is \$25,000 and all other retirees is \$12,500.</p>																			
9. Actuarial Cost Method	Entry Age Normal as a Level of Percentage of Payroll																			
10. Health Care Cost Trend Assumption	<p>The following assumptions are used for annual healthcare cost inflation (trend):</p> <table><tr><td></td><td><u>Year</u></td><td><u>Pre-65</u></td><td><u>Post-65</u></td></tr><tr><td>Year 1 Trend</td><td>January 1, 2021</td><td>7.00%</td><td>7.00%</td></tr><tr><td>Ultimate Trend</td><td>January 1, 2031 &amp; Later</td><td>4.50%</td><td>4.50%</td></tr><tr><td>Grading Per Year</td><td></td><td>0.25%</td><td>0.25%</td></tr></table>					<u>Year</u>	<u>Pre-65</u>	<u>Post-65</u>	Year 1 Trend	January 1, 2021	7.00%	7.00%	Ultimate Trend	January 1, 2031 & Later	4.50%	4.50%	Grading Per Year		0.25%	0.25%
	<u>Year</u>	<u>Pre-65</u>	<u>Post-65</u>																	
Year 1 Trend	January 1, 2021	7.00%	7.00%																	
Ultimate Trend	January 1, 2031 & Later	4.50%	4.50%																	
Grading Per Year		0.25%	0.25%																	
11. Starting Claim Cost	<p>Base plan costs are based on premium rates for plan year January 1, 2019 to December 31, 2019 and plan year January 1, 2020 to December 31, 2020. Fully insured monthly premiums for pre-65 and post-65 retirees for the medical, prescription drug, dental, and life insurance plans along with Medicare Part B premiums are illustrated, by coverage tier, in section VI, page 12 of this report.</p> <p>The medical and prescription drug costs provided in Section VI reflect a combined active and retiree population (pre-65 &amp; post-65), therefore adjustments were necessary to convert the base plan costs into specific pre-65 and post-65 retiree costs to appropriately reflect Medicare integration and plan morbidity.</p> <p>Plan costs effective January 1, 2021 and beyond are trended forward using the trend rates illustrated under the “Health Care Cost Trend Assumptions” section above.</p>																			

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

12. Projected Benefit Costs	While the Township plan costs are fully insured, Actuarial Standards of Practice No. 6 requires age adjusted costs be measured by estimating the expected costs by age whether or not a pooling or community rating applies. The current valuation contemplates an assumption for aging.
13. Medicare Part B Reimbursements	Valuation reflects the reimbursement of Medicare Part B premium to retirees, spouses, and surviving spouses over age 65 that are eligible for the benefit. Employee will pay Medicare Part B premium and be reimbursed by the Township. The Township also reimburses the Income Related Monthly Adjustment Amount (IRMAA) surcharge to high income earners required to pay this.
14. Medicare Part D Reimbursements	The Township does not reimburse Medicare Part D premiums to retirees, spouses or survivors.
15. Implicit Subsidy	This reflects the difference between the premium rate or cost charged to a retiree for a particular benefit as compared to the estimated rate of cost to the retiree, if those benefits were calculated reflecting retirees as a separate group (rather than their costs bundled with the active population). The results in this valuation reflect an implicit subsidy in the cost projections.
16. Healthcare Reform Impact	<p>The Patient Protection and Affordable Care Act (PPACA) enacted in March 2010 (Healthcare Reform) includes several fees and/or taxes levied on employer groups either directly or indirectly. The fees included in this valuation are 1) Comparative Effectiveness Research fee, 2) Health Insurance Industry fee, and 3) High Cost Excise Tax ("Cadillac tax"). The Reinsurance Assessment, also initiated with the passing of the PPACA, was a short-term fee levied on fully insured and self-funded employer groups between 2014 and 2016.</p> <p>The Comparative Effectiveness Research fee runs through 2029 and is tax deductible. The initial fee was \$1 per participant per year increasing to \$2 in the next year. Subsequent years are increased based on medical inflation. The fee applies to post-65 retirees where Medicare is the primary payer.</p> <p>The Health Insurance Industry fee is based on targeted fixed fees to be paid by the health insurance industry and is not tax deductible. The total fee amount to be paid by health insurers starts at \$8 billion in 2014 and increases to \$14.3 billion in 2018. After 2018, the fee increases annually based on premium growth. The fee was suspended for the 2017 plan year and will resume in 2018 with the estimated fee to be approximately 3.0% to 4.0% of premium. The fee applies to fully insured plans including Medicare Advantage plans and excludes self-funded employer sponsored group health plans. Effective with legislation passed on January 22, 2018,</p>

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 15.     OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

this fee was suspended again for the 2019 plan year and will resume in 2020, however has been repealed beginning 2021 and beyond based on 12/20/19 HR 1865 "Further Consolidated Appropriations Act, 2020".

The High Cost Plans Excise tax included a 40% tax (Cadillac Tax") on high cost plans to be levied on insurers and third party administrators (TPA) beginning in 2022 and was to be tax deductible. The calculation was to be done separately for single and family coverage and was equal to 40% of the excess of per employee plan costs, net of patient cost sharing, over the 2022 stated costs limits of:

- o - \$10,200 single/\$27,500 family
- o - \$11,850 single/\$30,950 family for retirees age 55-64

This valuation excludes the Cadillac tax in its entirety based on recent legislation signed into law by President Trump on 12/20/19, HR 1865 "Further Consolidated Appropriations Act, 2020" repealing the "Cadillac Tax".

**17. COVID-19 Pandemic**

No special adjustments or considerations were made to valuation results due to the COVID-19 pandemic. Since the Township is not funding this benefit in a separate OPEB trust, no special considerations were made for the impact on assets. Similarly, no special adjustments were made to the OPEB liability calculations. The impact of COVID-19 will be reviewed in future years including the potential impact on selected assumptions (e.g., mortality, morbidity, etc.).

**18. Plan Design Changes**

Valuation assumes no changes in future plan design from current benefits offered for the current plan year. It is assumed that the current level of benefits will remain, with no modifications to avoid the potential excise tax imposed by the Patient Protection and Affordable Care Act.

**19. % Future Retirees Opting Out**

It is assumed that 100% of future retirees (active employees) eligible for coverage will elect benefits in retirement. All eligible active and retiree employee records provided by the Township were valued.

**20. Census Information**

Participant information was provided by the Township in August 2020. We relied on information as being accurate and have not conducted any data audits.

**21. New Hires**

This valuation is based on a closed group and does not reflect the impact of future new entrants into the plan.



**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

22. Payroll Information	Payroll information was supplied by the Township and reflected in the valuation for use in determining retiree contribution rates as well as the actuarial cost method. Contribution rates for future retirees with less than (20) years of service prior to implementation of Chapter 78 on June 28, 2011 will have their contribution for healthcare benefits based on base salary at retirement with a minimum of 1.5% of base salary. Average salary increase used in the valuation for the Entry Age Normal (EAN) actuarial cost method is assumed to be 3.0%.
23. Retirement System	Valuation is based on the New Jersey Public Employees' Retirement System (PERS), and the New Jersey Police and Firemen's Retirement System (PFRS). Decrement tables used in this valuation are from July 1, 2018 Annual Report of the Actuary for both PERS and PFRS.
24. Retirement Eligibility Assumptions	Eligibility for retirement is based on a minimum of age and/or years of service (YOS). Subsidized benefits are available for employees in PERS and PFRS that attain a minimum of twenty five (25) years of service.
25. Retiree Contribution Rates	<p>Contribution rates for future retirees will be based on the State of New Jersey's new contribution formula per implementation of Chapter 78. Contributions are calculated using a varying formula based on the retirees' base salary at retirement with a minimum contribution of 1.5% of base salary. Active employees hired prior to implementation of Chapter 78 (June 28, 2011) with less than twenty years of service at implementation had their contribution phased in over a four-year period. Employees hired on or after June 28, 2011 will have their contribution set at the highest year four contribution level. As the four-year phase in period has expired, all active employees' contribution level is set at the highest level.</p> <p>Contributions for current retirees and future retirees with twenty or more years of service at June 28, 2011 are 0% (non-contributory). The Township pays 100% of the benefit cost.</p>
26. Mortality	Society of Actuaries Pub-2010 Public Retirement Plans Health Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2019.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

27. Turnover Assumptions	This reflects rate of separation from the active plan and excludes retirement and disability. Turnover table varies by age and years of service with rates of turnover based on the NJ PERS and NJ PFRS.
28. Disability Assumptions	This reflects disability assumptions from the active plan for ordinary and accidental disability and is based on age.
29. Retirement Assumptions	This reflects the rate of retirement from the active plan and is based on age and years of service.
30. Surviving Spouses & Surviving Dependents	Surviving spouses may elect to continue medical coverage and receive the same subsidy as retirees, including their Medicare Part B premiums and IRMAA surcharge.
31. Valuation of Spouses & Marital Status	Spouses are valued for benefits similar to retired employees. Employees with spouses are assumed to be married to those spouses at and throughout retirement. Employees that are without spouses (or not covering a spouse) are assumed to be single at and throughout retirement. Based on the contribution rates for future retirees, it is assumed that active employees with dependent coverage will elect dependent coverage in retirement 100% of the time.
32. Spouse Age Assumptions	It is assumed that female spouses are three years younger than male employees and male spouses are three years older than female employees unless actual spouse date of birth information was provided.
33. Waivers (Opt Outs)	Eight (8) active employees currently waive medical coverage. For this valuation, it is assumed that 100% of these employees will elect coverage in retirement with 30% electing single coverage based on current retiree distribution.
34. Vested & Leave of Absence	No individuals were as vested or on leave of absence.
35. COBRA & Terminated Participants	No individuals were listed on Cobra or terminated from the plan.
36. Eligible Population	Population reflects all benefit eligible employees provided. Any new hires after date of data collection are not reflected herein.
37. Rounding of Results	Results are illustrated to the nearest dollar.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

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

For the year ended December 31, 2021, the Township recognized OPEB expense of \$3,182,513 based on actuarial estimates at December 31, 2021.

**Changes in Net OPEB Liability FYE 2021**

**Discount Rate (Proj.)**                      **2.92% FYE 12/31/2021**  
**Investment Return Rate (Proj.)**   **N/A; Index will apply**

**Changes in Total OPEB Liability During the Year**

Total OPEB Liability at beginning of year	\$66,183,937
Service Cost	1,387,897
Interest Cost	1,794,616
Benefit Payments	<u>(992,939)</u>
Total OPEB Liability at end of year	<u><u>\$68,373,511</u></u>

\*Note: Annual OPEB cost based on latest actuarial results.

**TOTAL GASB #75 Expense for FYE 2021**

1. Service Cost with Interest - Period January 1, 2021 to December 31, 2021	\$1,387,897
2. Interest Cost - Period January 1, 2021 to December 31, 2021	
(a) Discount Rate	2.92%
(b) Total OPEB Liability as of January 1, 2021	66,183,937
(c) Actual Benefit Payments - Illustrated as Project for Period January 1, 2021 to December 31, 2021	992,939
(d) Interest Cost: (2a)x[(2b)-(2c)/2]	1,794,616
3. Investment Return - Period January 1, 2021 to December 31, 2021	-
4. Employee Contributions - Period January 1, 2021 to December 31, 2021 (Amount is illustrated as zero since employer contributions are illustrated net of employee contributions)	-
5. Administrative expenses	-

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

6. Plan Changes	-
7. Amortization of Unrecognized Amounts	
(a) Liability (Gain)/Loss: Page 4, Section B, Line 4	\$-0-
(b) Asset (Gain)/Loss: Page 4, Section B, Line 4	<u>-0-</u>
© Net (Gain)/Loss: (7a)-(7b)	<u>-0-</u>
8. Total Expense - Period January 1, 2021 to December 31, 2021	
(1)+(2)(c)-(3)+(4)+(5)+(6)+(7)	\$3,182,513

**Sensitivity of Total OPEB Liability to Changes in the Discount Rate**

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

	1% Decrease	At Current Discount Rate	1% Increase
	<u>1.92%</u>	<u>2.92%</u>	<u>3.92%</u>
Township's Total OPEB Liability	\$79,512,825	\$68,373,511	\$55,881,638

**Sensitivity of Total OPEB Liability to Changes in Healthcare Trend Rate**

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

	1% Decrease	At Current Discount Rate	1% Increase
	<u>\$55,273,704</u>	<u>\$68,373,511</u>	<u>\$80,497,875</u>
Township's Total OPEB Liability	\$55,273,704	\$68,373,511	\$80,497,875

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 16. FIXED ASSETS**

The following is a summary of General Fixed Assets Account Group as of December 31, 2021 and 2020:

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Land	\$15,921,387	\$	\$	\$15,921,387
Buildings	17,847,425	22,175		17,869,600
Machinery and Equipment	<u>11,689,255</u>	<u>318,331</u>	<u>          </u>	<u>12,007,586</u>
	<u>\$45,458,067</u>	<u>\$340,506</u>	<u>\$0</u>	<u>\$45,798,573</u>

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Land	\$15,921,387	\$	\$	\$15,921,387
Buildings	8,447,425	9,400,000		17,847,425
Machinery and Equipment	<u>11,044,530</u>	<u>644,725</u>	<u>          </u>	<u>11,689,255</u>
	<u>\$35,413,342</u>	<u>\$10,044,725</u>	<u>\$0</u>	<u>\$45,458,067</u>

**NOTE 17. OTHER MATTERS**

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the State of Emergency and Public Health Emergency remains in effect. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Township of Saddle Brook. The Township has identified several risks as a result of this pandemic, including possible delays in the collection of real estate taxes, revenue shortfalls, water utility billings and cash flow shortages as a result of these delayed collections and increased health emergency costs.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(continued)**

**NOTE 17. OTHER MATTERS, (continued)**

As allowed by New Jersey Statutes, the Township adopted a Special Emergency appropriation in 2020 in the amount of \$466,505 for projected loss of revenues to help mitigate the financial effects on the Township. In addition, the Township will continue to monitor the situation closely.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses and cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The estimated amount of federal aid available to the Township of Saddle Brook is \$1,419,515 which will be available for use until December 31, 2024. This amount will be distributed to the Township in two installments. The first installment of \$709,757 was received in July of 2021 and was utilized in the 2021 budget for loss of revenues as permitted by the act. The second installment of \$709,757 was received in July of 2022.

**NOTE 18. SUBSEQUENT EVENTS**

The Township has evaluated subsequent events through September 6, 2022, the date which the financial statements were available to be issued and the following item was noted for disclosure.

## **SUPPLEMENTARY DATA**

# TOWNSHIP OF SADDLE BROOK

## Supplementary data

### Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax rate	<u>2.604</u>	<u>2.575</u>	<u>2.592</u>
Apportionment of tax rate:			
Municipal	0.820	0.847	0.843
Library	0.037		
School	1.478	1.472	1.500
County	<u>0.269</u>	<u>0.256</u>	<u>0.249</u>

### Assessed Value

2021	\$ 2,394,914,000
2020	2,360,922,500
2019	2,302,263,300

### Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Currently</u> Percentage of Collection
2021	\$ 62,370,700	61,976,015	99.37%
2020	60,889,619	60,285,063	99.01%
2019	59,770,179	59,176,811	99.01%

### Delinquent Taxes and Tax Title Liens

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

<u>Dec. 31</u>		<u>Amount of delinquent taxes</u>	<u>Tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2021	\$	338,676	107,223	445,899	0.71%
2020		357,872	104,405	462,277	0.76%
2019		467,253	101,619	568,872	0.95%



**TOWNSHIP OF SADDLE BROOK**

**Supplementary data**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2021 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2021	\$ 742,249
2020	742,249
2019	742,249

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund	2021	\$ 5,705,114	2,300,000
	2020	5,953,489	2,000,000
	2019	4,692,368	1,550,000
	2018	3,390,489	800,000
	2017	3,273,016	800,000
Water Utility Operating Fund	2021	789,931	611,450
	2020	1,206,541	551,400
	2019	1,091,913	228,150
	2018	1,129,759	457,725
	2017	1,466,587	542,582

## TOWNSHIP OF SADDLE BROOK

### Supplementary Data

#### 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>
Robert D. White	Mayor	
Karen D'Arminio	Council President	
Florence Mazzer	Councilmember	
David Giersek	Councilmember	
Todd J. Accomado	Councilmember	
Andrew Cimiluca	Councilmember	
Peter Lo Dico	Township Administrator	(A)
Peter Lo Dico	Township Clerk	(A)
Timothy Conte	Treasurer, Chief Financial Officer	(A)
Linda Pellicier	Tax Collector	(A)
Donna Kovalovsky	Water and Sewer Collector	(A)
Arthur Carlson Jr.	Tax Assessor	(A)
Anthony Suarez	Township Attorney	(A)
Martin P. Geisler	Magistrate	1,000,000
Christine Oravetz	Court Administrator	1,000,000
Robert Kugler	Chief of Police - to September 2021	(A)
James Galbo	Officer in Charge - from September 2021	(A)
Anthony Ambrogio	Construction Official	(A)
Tracy Nafash	Register of Vital Statistics	(A)

(A) - All Township employees are covered by a \$1,000,000 Employee Dishonesty Insurance policy issued by Public Entity Joint Insurance Fund.

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Cash - Collector-Treasurer**

**Current Fund**

**Year Ended December 31, 2021**

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance - December 31, 2020	\$ 8,362,845	288,058
Increased by Receipts:		
Taxes Receivable	61,847,766	
Miscellaneous Revenue Not Anticipated	142,554	
Tax Overpayments	47,090	
Prepaid Taxes	475,003	
Due from State - Senior Citizen and Veteran Deductions	107,263	
Revenue Accounts Receivable	3,657,226	
Due to State of New Jersey	22,794	
Interfunds	1,455,491	
Grants Receivable	25,286	
Unappropriated Reserves for Grants	24,543	
	<u>67,805,016</u>	
	76,167,861	288,058
Decreased by Disbursements:		
Current Year Budget Appropriations	22,984,403	
Interfunds	1,880,925	
Due to State of New Jersey	18,677	
Appropriation Reserves	514,936	
Tax Overpayment Refunds	52,557	
Local District School Taxes	35,373,440	
County Taxes Payable	6,444,987	
Refunds	2,658	
Tax Appeal Refunds	164,072	
Due to Bergen County	60,070	
Prior Year Encumbrances Paid	7,790	
Appropriated Reserves for Grants	27,748	
	<u>67,532,263</u>	
Balance - December 31, 2021	<u>\$ 8,635,598</u>	<u>288,058</u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ <u>475</u>
Balance - December 31, 2021	\$ <u><u>475</u></u>

## TOWNSHIP OF SADDLE BROOK

**Schedule of Amount Due (to)/from State of New Jersey  
for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976**

## Current Fund

## Year Ended December 31, 2021

Balance - December 31, 2020		\$	41,282
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	16,500	
Veterans' Deductions Per Tax Billing		85,750	
Senior Citizen's and Veteran's Allowed - 2021		<u>2,250</u>	
			<u>104,500</u>
			145,782
Decreased by:			
State Share of Senior Citizens and Veteran			
Deductions Received in Cash		107,263	
Senior Citizen's and Veteran's Disallowed - 2021		<u>250</u>	
			<u>107,513</u>
Balance - December 31, 2021		\$	<u><u>38,269</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Municipal Liens**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 104,405
Increased by:	
Transferred from Delinquent Taxes	<u>2,818</u>
Balance - December 31, 2021	<u><u>\$ 107,223</u></u>

## TOWNSHIP OF SADDLE BROOK

## Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund									
Year Ended December 31, 2021									
Year	Balance, Dec. 31, 2020	Levy	2020	Collected 2021	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2021	
2020	357,872	7,050		356,597				8,325	
	357,872	7,050		356,597				8,325	
2021		62,370,700	380,596	61,491,169	104,250	2,818	61,516	330,351	
	357,872	62,377,750	380,596	61,847,766	104,250	2,818	61,516	338,676	
			Cash Receipts	61,847,766					
			\$	61,847,766					
Analysis of Tax Levy									
Tax yield:									
General Purpose Tax			\$	62,363,561					
Added Tax (R.S. 54-4-63.1 et seq.)				7,139					
			\$	62,370,700					
Tax Levy:									
Local District School Tax			\$	35,373,440					
County Open Space Taxes		\$	256,104						
County Tax			6,178,618						
County Added and Omitted Taxes			737						
				6,435,459					
Local Tax for Municipal Purposes									
Local Tax for Municipal Purposes	\$		20,552,065						
Add: Additional Taxes Levied			9,736						
Local Tax for Municipal Purposes				20,561,801					
	\$			62,370,700					

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Property Acquired for Taxes -  
Assessed Valuation**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ <u>742,249</u>
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Balance - December 31, 2021	\$ <u><u>742,249</u></u>
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## TOWNSHIP OF SADDLE BROOK

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	<u>Accrued</u>	<u>Collected</u>	Balance <u>Dec. 31, 2021</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$	22,400	22,400	
Other		42,316	42,316	
Fees and Permits		259,750	259,750	
Fines and Costs:				
Municipal Court	9,086	107,734	107,636	9,184
Interest and Costs on Taxes		93,676	93,676	
Interest on Investments and Deposits		29,104	29,104	
Energy Receipts Tax		1,440,167	1,440,167	
Uniform Construction Code Fees		140,623	140,623	
Uniform Fire Safety Act		39,334	39,334	
Cable TV Franchise Fee - Cablevision		121,229	121,229	
Cable TV Franchise Fee - Verizon		75,850	75,850	
Hotel Fees		184,184	184,184	
Pension Reimbursement - Water Utility		85,000	85,000	
Health Insurance Reimbursement - Water Utility		95,000	95,000	
General Capital Surplus		137,200	137,200	
Due from General Capital Fund		74,000	74,000	
American Rescue Plan		709,757	709,757	
	<u>\$ 9,086</u>	<u>3,657,324</u>	<u>3,657,226</u>	<u>9,184</u>
		Cash	<u>3,657,226</u>	
		\$	<u>3,657,226</u>	

## TOWNSHIP OF SADDLE BROOK

## Schedule of Interfunds

## Current Fund

## Year Ended December 31, 2021

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Water Utility				
Water Operating Fund	\$ 1,786	421,281	1,786	421,281
Federal and State Grant Fund	(1,500)	35,538	49,829	(15,791)
Trust				
Escrow Trust	38	660	634	64
Redemption Trust Fund	2,283	136,926	2,283	136,926
Unemployment Trust Fund	(1,146)	1,146	1,003	(1,003)
Public Defender	(95)	216	121	
Other Trust Fund	4,908	318	9,565	(4,339)
Animal Trust	3,244	4,522	3,244	4,522
General Capital Fund	74,000	1,428,088	1,500,272	1,816
Net Payroll		32,131		32,131
Payroll Agency	11,617		11,617	
	<u>\$ 95,135</u>	<u>2,060,826</u>	<u>1,580,354</u>	<u>575,607</u>
Due from Current Fund	(2,741)	37,219	55,611	(21,133)
Due to Current Fund	<u>97,876</u>	<u>2,023,607</u>	<u>1,524,743</u>	<u>596,740</u>
	<u>\$ 95,135</u>	<u>2,060,826</u>	<u>1,580,354</u>	<u>575,607</u>

Cash Receipts	\$ 1,431,615
Cash Receipts - Interfunds Returned	23,876
Cash Disbursements	1,427,514
Budget Revenue	74,000
Statutory Excess	4,522
Grants Receivable	25,286
Unappropriated Grant Receipts	24,543
Interest on Investments	3,841
Appropriated Grant Reserve	27,748
Prior Year Grant Encumbrances Paid	7,790
Interfunds Advanced - Cash Disbursements	453,411
Reimbursement for Expenses Paid	317
Forfeited Premiums	136,000
	<u>\$ 2,060,826</u>
	<u>1,580,354</u>

## TOWNSHIP OF SADDLE BROOK

## Schedule of Deferred Charges - N.J.S.A. 40A:4-53 Special Emergency

Current Fund					
Year Ended December 31, 2021					
<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>1/5 of Net</u>	<u>Balance,</u>	<u>Balance,</u>
<u>Authorized</u>		<u>Authorized</u>	<u>Amount</u>	<u>Dec. 31,</u>	<u>Dec. 31,</u>
			<u>Authorized</u>	<u>2020</u>	<u>2021</u>
Dec. 3, 2020	COVID-19 Revenue Losses	\$ 466,505	93,301	466,505	201,505
				265,000	

## TOWNSHIP OF SADDLE BROOK

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 90	90		90
Council	2	2		2
Municipal Clerk	5,466	5,466		5,466
Financial Administration	484	484		484
Revenue Administration	23	23		23
Tax Assessment Administration	2	2		2
Police	30,035	30,035	3,746	26,289
Police - Overtime	592	592		592
Civilian Dispatch	20,389	26,196		26,196
School Marshals	135,044	135,044		135,044
Police Clerical	5,807			
Emergency Management	1	1		
Uniform Fire Safety Act	29,954	29,954		29,954
Prosecutor	1,000	1,000		1,000
Building & Property	1,363	1,363		1,363
Streets & Road Maintenance	59,995	59,995		59,995
Streets & Road Maintenance - Overtime	6,011	6,011	(30,000)	36,011
Recreational Services & Programs	3,092	3,092		3,092
Snow Removal	25,000	25,000	10,294	14,706
Sewer System	13,990	6,500		6,500
Sewer System - Overtime	10,000	17,490		17,490
Public Health	5,000	5,000		5,000
Municipal Court Administration	66,835	66,835		66,835
Municipal Court - Overtime	8,785	8,785		8,785
Code Enforcement & Administration	923	923	192	731
Salary and Wage Adjustment	30,287	30,287		30,287
Total Salaries and Wages Within "CAPS"	460,170	460,170	(15,768)	475,937

## TOWNSHIP OF SADDLE BROOK

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Within "CAPS":				
Administrative and Executive				
Other Expenses	273	626	378	248
Postage	2,985	2,985	39	2,946
Contractual Services	3,662	6,678	4,924	1,754
Computer Svc. Contract	3,136	5,508	5,239	269
Grants Consultant		3,167		3,167
SBCTV	10,008	10,008		10,008
Flood Plan Manager	8,222	8,222		8,222
Office of the Mayor	3,422	3,422	243	3,179
Council	1,888	1,888		1,888
Municipal Clerk				
Other Expenses	479	479	208	271
Land Use	1,000	1,000		1,000
Codification Code		12,000		12,000
Elections	12,256	12,256		12,256
Financial Administration				
Other Expenses	1,472	1,472	1,314	158
Statements	7,770	8,270	500	7,770
Supplemental Disclosure	3,000	3,000		3,000
Revenue Administration	2,078	2,078		2,078
Tax Assessment Administration	124	124		124
Tax Appeal Attorney	4,837	4,837	2,420	2,417
Appraisals	40,000	40,000		40,000
Legal Services	13,081	22,248	10,192	12,056
Engineering Services	31,654	33,950	10,872	23,078
Planning Board	167	183	16	167
Zoning Board of Adjustment	2,299	2,314	915	1,399
Insurance:				
Liability	94,013	94,013	61,552	32,461
Workers Compensation	53,724	53,724		53,724
Employee Group Health	443,033	483,068	114,781	368,287
Unemployment Compensation	34,860	69,224	38,495	30,729
Police	1,221	57,443	47,115	10,328
Police - Purchase of Vehicles	10,808	58,915	2,865	56,050
School Marshalls	3,115	4,871	1,756	3,115
Office of Emergency Mangement	441	4,728	4,063	665

## TOWNSHIP OF SADDLE BROOK

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Fire Department	476	36,604	27,773	8,831
Fire Department - Clothing Allowance	5,600	5,600		5,600
Uniform Fire Safety Act	5,494	5,694	689	5,005
Division of Sewers	167	714	407	307
Division of Sewers - Repairs	24,414	24,414	9,800	14,614
Solid Waste Collection - Type 10 (Contract)	38,806	38,806	38,700	106
Solid Waste Collection - Recycling (Contract)	400	400		400
Recycling	2,909	2,909		2,909
Streets & Road Maintenance	1,457	21,815	19,503	2,312
Building & Property	5,126	14,749	10,580	4,169
Purchase of Equipment	27,221	53,221	4,771	48,450
Snow Removal	4,536	7,256	2,720	4,536
Animal Control	3,369	3,369		3,369
Animal Control - Contract	427	427		427
Health & Welfare	18,609	19,408	949	18,459
Health & Welfare - Contract	12	12		12
Recreational Services & Programs				
Other Expenses	19,701	32,734	30,120	2,614
Project Graduation	1,500	1,500		1,500
Senior Citizens Center	1,844	2,204		2,204
Annual Dinner	6,000	6,000		6,000
Summer Program	7,500	7,500		7,500
Community Projects	2,940	3,715	562	3,153
Special Events	10,000	10,000		10,000
Veteran's Field	2,600	2,600		2,600
Municipal Court Administration	9,351	10,614	5,056	5,558
Code Enforcement & Administration	348	1,235	921	314
Utility Expenses				
Electricity	17,213	17,838	16,600	1,238
Street Lighting	20,754	20,754	20,700	54
Telephone	12,757	13,774	10,198	3,576
Gasoline	23,950	25,585	10,116	15,469
Dump Fees	1,989	3,091	1,102	1,989
Social Security (O.A.S.I)	115,842	115,842		115,842
Total Other expenses Within "CAPS"	1,188,340	1,523,085	519,154	1,003,931

## TOWNSHIP OF SADDLE BROOK

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library				
Sewer				
PVSC	1	1		1
Lodi Boro	20,000	20,000	11,550	8,450
Matching Funds	35,000	35,000		35,000
LOSAP				
Fire				
Ambulance	26,450	26,450		26,450
Total Other Expenses Excluded from "CAPS"	81,451	81,451	11,550	69,901
Total Reserves	\$ 1,729,961	2,064,706	514,936	1,549,769
Appropriation Reserves		1,729,961		
Encumbrances		334,745		
		\$ 2,064,706		
		Cash Disbursements	514,936	
			\$ 514,936	

**Exhibit A-14**

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$	334,745
Increased by:		
Transferred from Current Year Budget		<u>380,471</u>
		715,216
Decreased by:		
Transferred to Appropriation Reserves		<u>334,745</u>
Balance - December 31, 2021	\$	<u><u>380,471</u></u>

**Exhibit A-15**

**Schedule of Reserve for Due to Free Public Library**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$	<u>37,425</u>
Balance - December 31, 2021	\$	<u><u>37,425</u></u>



## TOWNSHIP OF SADDLE BROOK

Schedule of Amount Due to the  
State of New Jersey

## Current Fund

## Year Ended December 31, 2021

	<u>Marriage License Fee</u>	<u>Burial Permit Fee</u>	<u>Construction Training Fee</u>	<u>Total</u>
Balance - December 31, 2020	\$ 523	320	2,076	2,919
Increased by:				
Cash Receipts	<u>2,075</u>	<u>1,565</u>	<u>19,154</u>	<u>22,794</u>
	2,598	1,885	21,230	25,713
Decreased by:				
Cash Disbursements	<u>2,173</u>	<u>1,390</u>	<u>15,114</u>	<u>18,677</u>
Balance - December 31, 2021	<u>\$ 425</u>	<u>495</u>	<u>6,116</u>	<u>7,036</u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$	9,633
Increased by:		
Cash Receipts		<u>47,090</u>
		56,723
Decreased by:		
Cash Disbursements		<u>52,557</u>
Balance - December 31, 2021	\$	<u><u>4,166</u></u>

**Schedule of Local School District Tax Payable**

**Current Fund**

**Year Ended December 31, 2021**

Increased by:		
2021 Levy	\$	<u>35,373,440</u>
Decreased by:		
Payments	\$	<u><u>35,373,440</u></u>

**Exhibit A-19****TOWNSHIP OF SADDLE BROOK****Schedule of County Taxes Payable****Current Fund****Year Ended December 31, 2021**

Balance - December 31, 2020		\$	9,528
Increased by:			
2021 Levy	\$	6,178,618	
2021 Open Space		256,104	
2021 Added Assessments		<u>737</u>	
			<u>6,435,459</u>
Decreased by:			
Payments	\$	<u>6,444,987</u>	

**Exhibit A-20****Schedule of Prepaid Taxes****Current Fund****Year Ended December 31, 2021**

Balance - December 31, 2020		\$	380,596
Increased by:			
Collections		<u>475,003</u>	
			855,599
Decreased by:			
Applied to 2021 Taxes Receivable		<u>380,596</u>	
Balance - December 31, 2021		\$	<u>475,003</u>

**Exhibit A-21**

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Reserve for Tax Appeals**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$	350,000
Increased by:		
Transferred from Budget		<u>150,000</u>
		500,000
Decreased by:		
Refunds		<u>164,072</u>
Balance - December 31, 2021	\$	<u><u>335,928</u></u>

**Exhibit A-22**

**Schedule of Amount Due to Bergen County**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$	<u>60,070</u>
Decreased by:		
Cash Disbursements	\$	<u><u>60,070</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Reserve for Police Salaries and Wages**

**Current Fund**

**Year Ended December 31, 2021**

Increased by:

Transferred from 2021 Budget

\$ 57,023

Balance - December 31, 2021

\$ 57,023

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Grants Receivable**

**Federal and State Grant Fund**

**Year Ended December 31, 2021**

<u>Grant</u>	<u>Revenue</u>	<u>Received</u>
Body Armor Replacement Program	\$ 3,270	3,270
Clean Communities	23,753	23,753
Clean Communities	<u>25,286</u>	<u>25,286</u>
	\$ <u>52,309</u>	<u>52,309</u>
	Cash Receipts	25,286
	Unappropriated Grants	<u>27,023</u>
		\$ <u>52,309</u>

## TOWNSHIP OF SADDLE BROOK

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

## Year Ended December 31, 2021

<u>Grant</u>	Balance, Dec. 31, 2020	Transfer From 2021 Budget	<u>Expended</u>	Over- <u>Expenditure</u>	Balance, Dec. 31, 2021
Alcohol Education Rehabilitation - 2009	\$ 677				677
Alcohol Education Rehabilitation - 2017	965				965
Body Armor Replacement Program - 2018			4,749	(4,749)	
Body Armor Replacement Program - 2020		3,270	3,270		
Clean Communities Program - 2013	23,442				23,442
Clean Communities Program - 2014	3,271				3,271
Clean Communities Program - 2015	1,819				1,819
Clean Communities Program - 2016	9,108				9,108
Clean Communities Program - 2018	578				578
Clean Communities Program - 2019	8,193				8,193
Clean Communities Program - 2020		49,039	19,729		29,310
Drunk Driving Enforcement Fund - 2009	6,574				6,574
Drunk Driving Enforcement Fund - 2010	27,787				27,787
Recycling Tonnage Grant - 2013	31,764				31,764
Recycling Tonnage Grant - 2014	53,515				53,515
Recycling Tonnage Grant - 2015	34,510				34,510
Recycling Tonnage Grant - 2016	21,442				21,442
Recycling Tonnage Grant - 2017	10,492				10,492
Recycling Tonnage Grant - 2018	16,817				16,817
Firehouse Subs Grant	2,291				2,291
	<u>\$ 253,245</u>	<u>52,309</u>	<u>27,748</u>	<u>(4,749)</u>	<u>282,555</u>
Unappropriated Grants		<u>52,309</u>			
		<u>\$ 52,309</u>			
Cash Disbursements			<u>27,748</u>		

## TOWNSHIP OF SADDLE BROOK

## Schedule of Unappropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	Balance, Dec. 31, <u>2020</u>	Transfer To 2021 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2021</u>
Census Grant	\$ 1,500			1,500
Body Armor Replacement Grant	3,270	3,270	2,464	2,464
Clean Communities Program	23,753	23,753		
Recycling Tonnage Grant			22,079	22,079
	<u>\$ 28,523</u>	<u>27,023</u>	<u>24,543</u>	<u>26,043</u>
		Cash Receipts	<u>24,543</u>	



## TOWNSHIP OF SADDLE BROOK

## Schedule of Cash - Treasurer

## Trust Funds

Year Ended December 31, 2021

	Animal License <u>Fund</u>	Other Trust <u>Funds</u>	Length of Service Award <u>Program</u>
Balance, December 31, 2020	\$ 12,414	2,560,419	2,873,649
Increased by:			
Animal License Fees	3,969		
Due to State of New Jersey - Dog License Fees	588		
Miscellaneous Reserves		1,153,109	
Interfunds		3,267	
Gain on Investments			570,519
Township Contribution			
	<u>4,557</u>	<u>1,156,376</u>	<u>570,519</u>
	16,971	3,716,795	3,444,168
Decreased by:			
Due to State of New Jersey	571		
Interfunds	3,244	12,604	
Miscellaneous Reserves		1,204,433	
Account Charges/Tax			3,425
Benefit Distributions			136,473
	<u>3,815</u>	<u>1,217,037</u>	<u>139,898</u>
Balance, December 31, 2021	\$ <u>13,156</u>	<u>2,499,758</u>	<u>3,304,270</u>

## TOWNSHIP OF SADDLE BROOK

## Schedule of Miscellaneous Reserves

## Trust Funds

Year Ended December 31, 2021

	Balance, December 31, <u>2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2021</u>
Reserve for:				
Tax Title Liens	\$ 44,359	218,685	218,685	44,359
Tax Title Lien Premiums	377,200	134,000	270,400	240,800
Recreation Trust	5,012	4,024	4,224	4,812
Community Activities Fund	77,644	26,126	15,658	88,112
Senior Center Donations	1,990	4	856	1,138
Police Dept. Trust	63,712	2,893	7,518	59,087
Police Outside Duty	14,988	231,154	222,407	23,735
Treasurer's Trust	88,194	70,000	20,000	138,194
Escrow	1,099,937	240,942	262,037	1,078,842
Public Defender	29,266	26,964	3,000	53,230
Due to State - VCCB	23,259		23,259	
Unemployment	139,596	11,218		150,814
POAA	7,971	161	2,000	6,132
Mount Laurel Trust	445,958	978	60,780	386,156
Health Benefits Claims Trust	135,345	210,222	252,868	92,699
	<u>\$ 2,554,431</u>	<u>1,177,371</u>	<u>1,363,692</u>	<u>2,368,110</u>
Cash	\$	1,153,109	1,204,433	
Reclassification of Reserve		23,259	23,259	
Interfunds		<u>1,003</u>	<u>136,000</u>	
	\$	<u>1,177,371</u>	<u>1,363,692</u>	

## TOWNSHIP OF SADDLE BROOK

Schedule of Amount Due from/(to) Various Funds  
Trust Funds

Year Ended December 31, 2021

<u>Fund</u>	Balance December 31, <u>2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2021</u>
Current Fund:				
Escrow	\$ (38)	634	660	(64)
Unemployment	1,146	1,003	1,146	1,003
Redemption Trust	(2,283)	2,283	136,926	(136,926)
Public Defender	95	121	216	
Other Trust	(4,908)	9,566	319	4,339
Animal Trust	<u>(3,244)</u>	<u>3,244</u>	<u>4,522</u>	<u>(4,522)</u>
	<u>(9,232)</u>	<u>16,851</u>	<u>143,789</u>	<u>(136,170)</u>
Due to Trust Funds	1,241	5,464	1,363	5,342
Due from Trust Funds	<u>(10,473)</u>	<u>11,387</u>	<u>142,426</u>	<u>(141,512)</u>
	<u>\$ (9,232)</u>	<u>16,851</u>	<u>143,789</u>	<u>(136,170)</u>
Receipts	\$		3,267	
Disbursements		15,848		
ADS Refunds - Deposit Error		1,003		
Tax Title Lien Premium - Forfeited to Town			136,000	
Statutory Excess			<u>4,522</u>	
		<u>\$ 16,851</u>	<u>143,789</u>	

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Due to State of New Jersey-  
Animal License Fees**

**Trust Funds**

**Year Ended December 31, 2021**

Balance, December 31, 2020	\$	140
Increased by:		
2021 Fees Collected		<u>588</u>
		728
Decreased by:		
Cash Disbursements		<u>571</u>
Balance, December 31, 2021	\$	<u><u>157</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Reserve for Expenditures -  
Animal License Fund**

**Trust Funds**

**Year Ended December 31, 2021**

Balance, December 31, 2020	\$	9,030
Increased by:		
Dog License Fees	\$	3,479
Cat License Fees		220
Late Fees		235
Miscellaneous		3
Interest on Investments		<u>32</u>
		<u>3,969</u>
		12,999
Decreased by:		
Statutory Excess		<u>4,522</u>
Balance, December 31, 2021	\$	<u><u>8,477</u></u>

<u>License Fees Collected</u>		
2019		4,708
2020		<u>3,769</u>
	\$	<u><u>8,477</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Service Award Contributions Receivable**

**Emergency Services Volunteer - Length of Service Award Program**

**Year Ended December 31 2021**

Balance, December 31, 2020	\$	94,350
Increased by:		
2021 Service Award Contributions		<u>103,550</u>
Balance, December 31, 2021	\$	<u><u>197,900</u></u>

**TOWNSHIP OF SADDLE BROOK****Schedule of Net Assets Available for Benefits****Emergency Services Volunteer - Length of Service Award Program****Year Ended December 31 2021**

Balance, December 31, 2020		\$	2,967,999
Increased by:			
Net Unrealized Appreciation	\$	570,519	
2021 Township Contributions		<u>103,550</u>	
			<u>674,069</u>
			3,642,068
Decreased by:			
Account Charges/Tax		3,425	
Contributions Cancelled			
Distributions		<u>136,473</u>	
			<u>139,898</u>
Balance, December 31, 2021		\$	<u><u>3,502,170</u></u>

## TOWNSHIP OF SADDLE BROOK

## Schedule of Cash - Treasurer

## General Capital Fund

## Year Ended December 31, 2021

Balance - December 31, 2020		\$ 17,141,915
Increased by receipts:		
Interfunds	\$ 1,528,107	
Bond Anticipation Note	4,715,000	
Premium Received on Bond Sale	56,957	
Principal on Notes	350,000	
Capital Improvement Fund	<u>150,000</u>	
		<u>6,800,064</u>
		23,941,979
Decreased by Disbursements:		
Interfunds	1,500,272	
Improvement Authorizations	5,728,418	
Capital Surplus - Budget Revenue	137,200	
Reserve for Payment of Debt	34,678	
Bond Anticipation Note	<u>1,050,000</u>	
		<u>8,450,568</u>
Balance - December 31, 2021		\$ <u><u>15,491,411</u></u>



**TOWNSHIP OF SADDLE BROOK**  
**Schedule of General Capital Fund Cash**  
**General Capital Fund**  
**Year Ended December 31, 2021**

Capital Improvement Fund	\$ 41,000
Grant Receivable	(1,003,677)
NJ Environmental Infrastructure Trust Loan	(56,846)
Over-expenditure of Improvement Authorization	(4,201)
Interfunds Payable	100,000
Interfunds Payable	1,816
Reserve for Payment of Debt	52,848
Various Reserves	105,962
Contracts Payable	1,874,122
Reserve for Unappropriated State Grant	81,426
Reserve for Grants Receivable	691,653
Fund Balance	56,965

Improvement description

1519-11	Replace Water Mains	1,341
1605-15	Flood Mitigation Improvements	91,409
1606-15	Various Public Improvements	(118,754)
1623-17	Various Sanitary Sewer Force Main Repairs	99,298
1627-17	Road Resurfacing, Curb Replacement & Repair/ Replacement of Sanitary Sewer Lines	49,478
1631-17	Various Public Improvements	(200,000)
1632-17	Tax Appeal Refunding Ordinance	20,953
1639-18	Acquisition of Ambulance and Pagers	27,929
1641-18	Construction of Tri-Centennial Park	46,939
1642-18	Acquisition of Fire Truck and Other Related Equipment for Fire Department	701
1643-18	2018 Road Improvement Program	(114,863)
1647-18	Improvement to Fair Lawn Parkway, Phase I	50,185
1651-19	2019 Road Improvement Program	(100,912)
1659-19	Sanitary Sewer System Improvements	6,116
1664-19	Various Public Improvements	38,750
1668-19	Improvement of Fair Lawn Parkway, Phase II and Hubert Terrace	(6,869)
1672-19	Acquisition of Property and Construction of New Municipal Building - Lease/Purchase	12,395,652
1673-19	2020 Road Improvement Program	187,187
1676-20	Acquisition of Fire Truck and related Equipment	98,591
1677-20	Various Sanitary Sewer Improvements	498
1681-20	Improvements to Mayhill Street, Phase I	94,125
1697-21	2021 Road Improvement Program	796,132
1698-21	Improvement of Mayhill Street, Phase II	(15,125)
1700-21	Improvements to Mayhill Park	60,000
1712-21	Various Sanitary Sewer Improvements	13,582
1713-21	Acquisition of New Communications System	28,000
		<u>\$ 15,491,411</u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Deferred Charges to Future  
Taxation - Funded**

**General Capital Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$	51,392,837
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Decreased by:

Budget appropriations:

Bond Principal	\$	1,511,400
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NJ Environmental Infrastructure		
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Trust Loan		<u>103,461</u>
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		<u>1,614,861</u>
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Balance - December 31, 2021	\$	<u><u>49,777,976</u></u>
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## TOWNSHIP OF SADDLE BROOK

## Schedule of Deferred Charges to Future Taxation - Unfunded

## General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Description	Balance, Dec. 31, 2020	2021 Authorizations	Decreased by:	Balance, Dec. 31, 2021	Analysis of Balance - December 31, 2021		
						Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
1606-15	Various Public Improvements		400,000		400,000		118,754	281,246
1627-17	Road Resurfacing, Curb Replacement & Repair/Replacement of Sanitary Sewer Lines	1,628			1,628			1,628
1631-17	Various Public Improvements		200,000		200,000		200,000	
1632-17	Tax Appeal Refunding Ordinance	1,050,000		350,000	700,000	700,000		
1643-18	2018 Road Improvement Program	155,000			155,000		114,863	40,137
1647-18	Improvement of Fair Lawn Parkway, Phase I	50,000			50,000			50,000
1651-19	2019 Road Improvement Program	110,000			110,000		100,912	9,088
1668-19	Improvement of Fair Lawn Parkway, Phase II and Hubert Terrace	48,000			48,000		6,869	41,131
1673-19	2020 Road Improvement Program	3,000			3,000			3,000
1676-20	Acquisition of Fire Truck and Other Related	1,571,000			1,571,000	1,571,000		
1677-20	Various Sanitary Sewer Improvements	452,000			452,000	452,000		
1681-20	Imps. To Mayhill Street, Phase I	375,000			375,000	373,000		2,000
1697-21	2021 Road Improvement Program		1,619,000		1,619,000	1,619,000	15,125	464,875
1698-21	Improvement of Mayhill Street, Phase II		480,000		480,000			452,000
1712-21	Various Sanitary Sewer Improvements		452,000		452,000			552,000
1713-21	Acquisition of New Police Communications System		552,000		552,000			
		\$ 3,815,628	3,703,000	350,000	7,168,628	4,715,000	556,523	1,897,105
Re-establish Authorized not Issued Improvement Authorizations			600,000					2,907,404
		\$ 3,103,000	3,703,000					
Budget Appropriation \$			350,000					
								1,010,299
								\$ 1,897,105

## TOWNSHIP OF SADDLE BROOK

## Schedule of Interfunds

## General Capital Fund

Year Ended December 31, 2021

	Balance due from/(to) Dec. 31, <u>2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance, from/(to) Dec. 31, <u>2021</u>
Water Utility Capital Fund	\$ 19		100,019	(100,000)
Current Fund	<u>(74,000)</u>	<u>1,500,272</u>	<u>1,428,088</u>	<u>(1,816)</u>
	<u>\$ (73,981)</u>	<u>1,500,272</u>	<u>1,528,107</u>	<u>(101,816)</u>
Due from General Capital Fund	\$ (74,000)	1,500,272	1,528,088	(101,816)
Due to General Capital Fund	<u>19</u>	<u></u>	<u>19</u>	<u></u>
	<u>\$ (73,981)</u>	<u>1,500,272</u>	<u>1,528,107</u>	<u>(101,816)</u>
Cash Receipts	\$		1,528,107	
Cash Disbursements		<u>1,500,272</u>	<u></u>	
	\$	<u>1,500,272</u>	<u>1,528,107</u>	

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Grants and Contributions Receivable**  
**General Capital Fund**

**Year Ended December 31, 2021**

	<u>Grant Amount</u>	<u>Year</u>	<u>Ordinance</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Grants Authorized</u>	<u>Balance Dec. 31, 2021</u>
<u>New Jersey Department of Transportation</u>						
Improv. of Fair Lawn Parkway, Phase I	200,000	2018	1647-18	\$ 50,000		50,000
Improvement of Fair Lawn Parkway, Phase II and Hubert Terrace	192,000	2019	1668-19	48,000		48,000
Mayhill Street, Phase I	182,653	2020	1681-20	182,653		182,653
Mayhill Street, Phase II	20,000	2021	1698-21		200,000	200,000
<u>Community Development Block Grant</u>						
Senior Citizen ADA Improvements	316,814	2009	1471-09	202,924		202,924
2018 - Road Imps. - Leswig Road	192,000	2019	1668-19	110,000		110,000
Imps. to Albany Street, from Congress to the end	101,000	2021	1697-21		101,000	101,000
<u>Bergen County Open Space Preservation</u>						
<u>Trust Fund:</u>						
Construction of the Tri-Centennial Park	49,100	2018	1641-18	49,100		49,100
Imps. to Mayhill Park	30,000	2021	1700-21		30,000	30,000
<u>Contributions - Columbia Bank</u>						
Imps. to Mayhill Park	30,000	2021	1700-21		30,000	30,000
				<u>\$ 642,677</u>	<u>361,000</u>	<u>1,003,677</u>

**Exhibit C-8**

**TOWNSHIP OF SADDLE BROOK**

**Schedule of New Jersey Infrastructure Loans Receivable**

**General Capital Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ <u>56,846</u>
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Balance - December 31, 2021	\$ <u><u>56,846</u></u>
-----------------------------	-------------------------

**Exhibit C-9**

**Schedule of Deferred Charges**

**General Capital Fund**

**Year Ended December 31, 2021**

Increased by:	
Overexpenditure of Ordinance	\$ <u>4,201</u>

Balance - December 31, 2021	\$ <u><u>4,201</u></u>
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## TOWNSHIP OF SADDLE BROOK

## Schedule of Serial Bonds

## General Capital Fund

Year Ended December 31, 2021

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2020</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
BCJA Refunding Bond 2015	March 1, 2015	14,907,900	Sept. 1, 2022	962,550	5.000% \$	11,369,250	911,400	10,457,850
			Sept. 1, 2023	1,009,050	5.000%			
			Sept. 1, 2024	1,055,550	5.000%			
			Sept. 1, 2025	1,111,350	5.000%			
			Sept. 1, 2026	1,167,150	4.000%			
			Sept. 1, 2027	1,213,650	4.000%			
			Sept. 1, 2028	1,260,150	4.000%			
			Sept. 1, 2029	1,315,950	4.000%			
			Sept. 1, 2030	1,362,450	3.00%			
General Improvement Bonds	May 15, 2020	14,600,000	Feb. 15, 2022	610,000	2.00%	14,600,000	600,000	14,000,000
			Feb. 15, 2023	600,000	2.125%			
			Feb. 15, 2024	875,000	2.125%			
			Feb. 15, 2025	775,000	2.125%			
			Feb. 15, 2026	600,000	2.125%			
			Feb. 15, 2027	625,000	2.125%			
			Feb. 15, 2028	750,000	2.125%			
			Feb. 15, 2029	990,000	2.125%			
			Feb. 15, 2030	1,025,000	2.125%			
			Feb. 15, 2031	1,175,000	2.125%			
			Feb. 15, 2032	1,175,000	2.125%			
			Feb. 15, 2033	1,200,000	2.125%			
			Feb. 15, 2034	1,200,000	2.25%			
			Feb. 15, 2035	1,200,000	2.25%			
			Feb. 15, 2036	1,200,000	2.375%			

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Serial Bonds**

**General Capital Fund**

**Year Ended December 31, 2021**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2020	Decreased	Balance, Dec. 31, 2021		
			Date	Amount						
Bergen County Improvement Authority County Guaranteed Lease Revenue Bonds	May 13, 2020	24,635,000	Aug. 1, 2022	350,000	5.000%	24,635,000		24,635,000		
			Aug. 1, 2023	365,000	5.000%					
			Aug. 1, 2024	385,000	5.000%					
			Aug. 1, 2025	405,000	5.000%					
			Aug. 1, 2026	425,000	5.000%					
			Aug. 1, 2027	445,000	5.000%					
			Aug. 1, 2028	470,000	5.000%					
			Aug. 1, 2029	490,000	5.000%					
			Aug. 1, 2030	515,000	5.000%					
			Aug. 1, 2031	775,000	5.000%					
			Aug. 1, 2032	815,000	5.000%					
			Aug. 1, 2033	855,000	5.000%					
			Aug. 1, 2034	895,000	5.000%					
			Aug. 1, 2035	940,000	5.000%					
			Aug. 1, 2036	990,000	4.000%					
			Aug. 1, 2037	1,030,000	4.000%					
			Aug. 1, 2038	1,070,000	4.000%					
			Aug. 1, 2039	1,110,000	4.000%					
			Aug. 1, 2040	1,155,000	4.000%					
			Aug. 1, 2041	1,200,000	4.000%					
Aug. 1, 2042	1,250,000	5.000%								
Aug. 1, 2043	1,310,000	4.000%								
Aug. 1, 2044	1,365,000	4.000%								
Aug. 1, 2045	1,420,000	4.000%								
Aug. 1, 2046	1,475,000	4.000%								
Aug. 1, 2047	1,535,000	4.000%								
Aug. 1, 2048	1,595,000	4.000%								
						\$ 50,604,250	1,511,400	49,092,850		
						Budget Appropriations \$ 1,511,400				



**TOWNSHIP OF SADDLE BROOK**  
**Schedule of New Jersey Infrastructure Loans**  
**General Capital Fund**  
**Year Ended December 31, 2021**

Purpose	Date of Issue	Original Issue	Maturities of Loans		Interest Rate	Balance, Dec. 31, 2020	Decreased	Balance, Dec. 31, 2021
			Date	Amount				
NJ Environmental Infrastructure Trust Loan	November 8, 2007	952,000	August 1, 2022	57,000	5.000%	\$ 428,000	52,000	376,000
			August 1, 2023	57,000	4.250%			
			August 1, 2024	62,000	4.500%			
			August 1, 2025	62,000	4.500%			
			August 1, 2026	67,000	4.500%			
			August 1, 2027	71,000	4.250%			
NJ Environmental Infrastructure Fund Loan	November 8, 2007	983,154	August 1, 2022	52,715		360,587	51,461	309,126
			August 1, 2023	50,677				
			August 1, 2024	52,080				
			August 1, 2025	50,105				
			August 1, 2026	51,265				
			August 1, 2027	52,284				
						\$ 788,587	103,461	685,126
						Budget Appropriations		
						103,461		

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**Exhibit C-13**

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 23,000
Increased by:	
Budget Appropriation	<u>150,000</u>
	173,000
Decreased by:	
Appropriated to Finance	
Improvement Authorizations	<u>132,000</u>
Balance - December 31, 2021	<u><u>\$ 41,000</u></u>

**Exhibit C-14**

**Schedule of Reserve for Payment of Debt**  
**General Capital Fund**  
**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 87,526
Decreased by:	
Utilized as Paydown	
Interest on BCIA Guaranteed Revenue Bonds	<u>34,678</u>
Balance - December 31, 2021	<u><u>\$ 52,848</u></u>
 <u>Analysis of Balance</u>	
Payment of Debt	51,228
Ord. 1672-19	<u>1,620</u>
	<u><u>\$ 52,848</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Reserves**

**General Capital Fund**

**Year Ended December 31, 2021**

	Balance Dec. 31, <u>2020</u>	Balance Dec. 31, <u>2021</u>
Reserve for:		
Mount Laurel Development	\$ 100,000	100,000
Non Residential Development	<u>5,962</u>	<u>5,962</u>
	<u>\$ 105,962</u>	<u>105,962</u>

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Improvement Authorizations**

**General Capital Fund**

**Year Ended December 31, 2021**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2020		Authorized	Expended	Prior Year Cancellation Reversed	Over-Expenditures	Balance, Dec. 31, 2021	
				Funded	Unfunded					Funded	Unfunded
1519-11	Replace Water Mains	8/11/2011	985,000	\$ 1,341						1,341	
1605-15	Flood Mitigation Improvements	Nov. 5, 2015	850,000	91,409						91,409	
1606-15	Various Public Improvements	Nov. 5, 2015	760,000				118,754	(400,000)			281,246
1623-17	Various Sanitary Sewer Force Main Repairs	Mar. 2, 2017	325,000	99,298						99,298	
1627-17	Road Resurfacing, Curb Replacement & Repair/Replacement of Sanitary Sewer Lines	Jun. 1, 2017	995,000	49,478	1,628					49,478	1,628
1631-17	Various Public Improvements	Oct. 5, 2017	310,000	12,654							
1632-17	Tax Appeal Refunding Ordinance	Nov. 2, 2017	2,100,000		21,474		521	(200,000)	4,201		20,953
1639-18	Acquisition of Ambulance and Pagers	Mar. 1, 2018	325,000	27,929						27,929	
1641-18	Construction of Tri-Centennial Park	Apr. 5, 2018	76,200	56,498			9,559			46,939	
1642-18	Acquisition of Fire Truck and Other Related Equipment for Fire Department	Apr. 5, 2018	1,625,000	701						701	
1643-18	2018 Road Improvement Program	Apr. 5, 2018	1,550,000		40,465		328				40,137
1647-18	Improvement to Fair Lawn Parkway, Phase I	Sept. 6, 2018	410,000	305,621	50,000		255,436			50,185	50,000
1651-19	2019 Road Improvement Program	Mar. 14, 2019	1,200,000	46,643	110,000		147,555				9,088
1659-19	Sanitary Sewer System Improvements	July 11, 2019	400,000	6,116						6,116	
1664-19	Various Public Improvements	Aug. 1, 2019	710,000	151,546			112,796			38,750	
1668-19	Improvement of Fair Lawn Parkway, Phase II and Hubert Terrace	Oct. 3, 2019	650,000		41,771		640				41,131
1672-19	Acquisition of Property and Construction of New Municipal Building - Lease/Purchase	Dec. 26, 2019	28,000,000	15,653,218			3,257,566			12,395,652	3,000
1673-20	2020 Road Improvement Program	Dec. 26, 2019	1,400,000	774,894	3,000		587,707			187,187	98,591
1676-20	Acquisition of Fire Truck and related Equipment	Mar. 5, 2020	1,650,000	69,554	1,571,001		1,541,964				498
1677-20	Various Sanitary Sewer Improvements	Mar. 5, 2020	475,000		387,903		387,405				96,125
1681-20	Improvements to Mayhill Street, Phase I	Apr. 9, 2020	375,000		133,168		37,043				796,132
1697-21	2021 Road Improvement Program	Apr. 1, 2021	1,700,000			1,700,000	903,868				464,875
1698-21	Improvement of Mayhill Street, Phase II	Apr. 1, 2021	480,000			480,000	15,125				
1700-21	Improvements to Mayhill Street Park	Jun. 3, 2021	60,000			60,000				60,000	
1712-21	Various Sanitary Sewer Improvements	Dec. 2, 2021	475,000			475,000	9,418			13,582	452,000
1713-21	Acquisition of new Police Communications System	Dec. 2, 2021	580,000			580,000				28,000	552,000
				\$ 17,346,900	2,360,410	3,295,000	7,602,540	(600,000)	4,201	13,096,567	2,907,404
				Capital Improvement Fund		132,000					
				Grants Receivable		60,000					
				Deferred Charges Unfunded		3,103,000					
				\$ 3,295,000							
				Contracts Payable		1,874,122					
				Cash Disbursements		5,728,418					
				\$ 7,602,540							
				Re-establish Authorized not Issued \$		(600,000)					

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Reserve for Unappropriated State Grant**  
**General Capital Fund**  
**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ <u>81,426</u>
Balance - December 31, 2021	\$ <u><u>81,426</u></u>

**Schedule of Reserve for Grants Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 390,653
Increased by:	
Grants Awarded	
Community Development Block Grant	\$ 101,000
NJ Department of Transportation	<u>200,000</u>
	<u>301,000</u>
Balance - December 31, 2021	\$ <u><u>691,653</u></u>

	<u>Analysis of Balance</u>	
Dept. of Transportation - Ord. 1698		200,000
Community Development Block Grant - Ord. 1697		101,000
Dept. of Transportation - Ord. 1681		182,653
Dept. of Transportation - Ord. 1647		50,000
Dept. of Transportation - Ord. 1668		48,000
Community Development Block Grant - Ord. 1651		<u>110,000</u>
		\$ <u><u>691,653</u></u>

## TOWNSHIP OF SADDLE BROOK

## Schedule of Bonds and Notes Authorized but not Issued

## General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance, Dec. 31, 2020	Authorized	Decreased	Balance, Dec. 31, 2021
1606-15	Various Capital Improvements		400,000		400,000
1631-17	Various Public Improvements		200,000		200,000
1627-17	Road Resurfacing, Curb Replacement & Repair/Replacement of Sanitary Sewer Lines	1,628			1,628
1643-18	2018 Road Program	155,000			155,000
1647-18	Improvement of Fair Lawn Parkway, Phase I	50,000			50,000
1651-19	2019 Road Improvement Program	110,000			110,000
1668-19	Improvement of Fair Lawn Parkway, Phase II and Hubert Terrace	48,000			48,000
1673-19	2020 Road Improvement Program	3,000			3,000
1676-20	Acquisition of Fire Truck and Related Equipment	1,571,000		1,571,000	
1677-20	Various Sanitary Sewer Improvements	452,000		452,000	
1681-20	Imps. To Mayhill Street, Phase I	375,000		373,000	2,000
1697-21	2021 Road Improvement Program		1,619,000	1,619,000	
1698-21	Improvement of Mayhill Street, Phase 2		480,000		480,000
1712-21	Various Sanitary Sewer Improvements		452,000		452,000
1713-21	Acquisition of a new Police Communications System		552,000		552,000
		\$ 2,765,628	3,703,000	4,015,000	2,453,628
	Re-establish Authorized not Issued		600,000		
	Current Year Improvement Authorizations		3,103,000		
		\$ 3,703,000			
	Bond Anticipation Notes Issued			4,015,000	
				\$ 4,015,000	

## TOWNSHIP OF SADDLE BROOK

## Schedule of Cash - Treasurer

## Water Utility Fund

Year ended December 31, 2021

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2020	\$ <u>1,531,547</u>	<u>943,363</u>
Increased by receipts:		
Water Collector	2,844,966	
Interest on Investments	5,115	
Interest on Delinquents	17,838	
Miscellaneous	19,208	
Overpayments	<u>9,798</u>	<u>          </u>
	<u>2,896,925</u>	<u>          </u>
	4,428,472	943,363
Decreased by disbursements:		
2021 Appropriations	2,777,516	
2020 Appropriation Reserves	156,676	
Accrued Interest on Loans	16,050	
Improvement Authorizations		230,480
Interfunds	<u>1,786</u>	<u>100,019</u>
	<u>2,952,028</u>	<u>330,499</u>
Balance, December 31, 2021	\$ <u><u>1,476,444</u></u>	<u><u>612,864</u></u>



**TOWNSHIP OF SADDLE BROOK**

**Schedule of Change Funds**

**Water Utility Operating Fund**

**Year ended December 31, 2021**

Balance, December 31, 2020 \$ 20

Decreased by:  
Change fund returned \$ 20

## TOWNSHIP OF SADDLE BROOK

## Analysis of Cash

## Water Utility Capital Fund

December 31, 2021

	Balance, Dec. 31, <u>2021</u>
Accounts Receivable	\$ (116,040)
Capital Improvement Fund	17,748
Interfund Receivable	(100,000)
Fund Balance	11,437

## Improvement Authorizations:

## Ordinance

<u>Number</u>	<u>General Improvements</u>	
1200/1411	Extension of Water Mains/Purchase of Meters	3,890
1205	Automatic Meter Reading Equipment	342
1514-11	Water Utility Improvements	6,471
1557-13	Replacement of Water Mains	88,614
1645-18	Replacement of Water Mains	320,138
1652-19	Replacement of Water Mains-Sheelee Place	261,618
1674-19	Replacement of Water Mains-Bell Avenue	119,138
1711-21	Various Public Improvements & Acquisition of new, additional or replacement equipment/machinery	(492)
		<u>\$ 612,864</u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Consumers' Accounts Receivable**

**Water Utility Operating Fund**

**Year ended December 31, 2021**

Balance, December 31, 2020		\$	229,470	
Increased by:				
Water Utility Billings			<u>2,877,364</u>	
				3,106,834
Decreased by:				
Cash Receipts	\$	2,844,966		
Overpayments Applied		<u>10,223</u>		
			<u>2,855,189</u>	
Balance, December 31, 2021		\$	<u><u>251,645</u></u>	

## TOWNSHIP OF SADDLE BROOK

## Schedule of Interfunds

## Water Utility Operating Fund

Year ended December 31, 2021

	Due from/(to) Dec. 31, <u>2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Dec. 31, <u>2021</u>
Current Fund	\$ <u>(1,786)</u>	<u>1,786</u>	<u>421,281</u>	<u>(421,281)</u>
	\$ <u>(1,786)</u>	<u>1,786</u>	<u>421,281</u>	<u>(421,281)</u>
Reimbursement of Bond Principal Paid \$			293,600	
Reimbursement of Bond Interest Paid			127,681	
Cash Disbursements		<u>1,786</u>	<u>          </u>	
		\$ <u>1,786</u>	<u>421,281</u>	

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Accounts Receivable - I-Bank**

**Water Utility Capital Fund**

**Year ended December 31, 2021**

Balance, December 31, 2020	\$	135,974
Decreased by:		
Deobligated		<u>19,934</u>
Balance, December 31, 2021	\$	<u><u>116,040</u></u>

## TOWNSHIP OF SADDLE BROOK

## Schedule of Fixed Capital

## Water Utility Capital Fund

Year ended December 31, 2021

<u>Account</u>	Balance, Dec. 31, <u>2020</u>	Balance, Dec. 31, <u>2021</u>
Additional Water Mains	\$ 516,996	516,996
Fire Hydrants	5,000	5,000
General Equipment	650,833	650,833
Water Mains	337,650	337,650
Water Meters	813,897	813,897
Water Utility Improvements	<u>2,009,425</u>	<u>2,009,425</u>
	<u>\$ 4,333,801</u>	<u>4,333,801</u>

## TOWNSHIP OF SADDLE BROOK

## Schedule of Fixed Capital Authorized and Uncompleted

## Water Utility Capital Fund

Year ended December 31, 2021

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2020	2021 Authorizations	Balance, Dec. 31, 2021
		Date	Amount			
1200/1411	Extension of Water Mains/Meter Purchase	March 29, 2007	215,000	\$ 12,650		12,650
1205-00	Automatic Meter Reading Equipment	March 9, 2000	295,000	342		342
1514-11	Water Utility Improvements	June 9, 2011	225,000	225,000		225,000
1557-13	Replacement of Water Mains	Oct. 10, 2013	2,000,000	2,000,000		2,000,000
1645-18	Replacement of Water Mains	May 3, 2018	825,000	825,000		825,000
1652-19	Replacement of Water Mains-Sheele Place	March 7, 2019	425,000	425,000		425,000
1674-19	Replacement of Water Mains-Bell Avenue	Dec. 26, 2019	400,000	400,000		400,000
1711-21	Various Public Improvements & Acquisition of new, additional or replacement equipment/machine	Dec. 2, 2021	780,000		780,000	780,000
				\$ 3,887,992	780,000	4,667,992

## TOWNSHIP OF SADDLE BROOK

## Schedule of 2020 Appropriation Reserves

## Water Utility Operating Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 47,729	47,729	3,697	44,032
Other Expenses	124,919	160,682	152,979	7,703
Capital Improvements:				
Capital Outlay	65,000	65,000		65,000
Statutory Expenditures - Contribution to:				
Social Security System (O.A.S.I.)	<u>21,131</u>	<u>21,131</u>		<u>21,131</u>
	<u>\$ 258,779</u>	<u>294,542</u>	<u>156,676</u>	<u>137,866</u>
Appropriation Reserves		258,779		
Encumbrances		<u>35,763</u>		
		<u>\$ 294,542</u>		



**TOWNSHIP OF SADDLE BROOK**

**Schedule of Encumbrances Payable**

**Water Utility Operating Fund**

**Year ended December 31, 2021**

Balance, December 31, 2020	\$	35,763
Increased by:		
Transferred from Current Year Budget		<u>31,154</u>
		66,917
Decreased by:		
Transferred to Appropriation Reserves		<u>35,763</u>
Balance, December 31, 2021	\$	<u><u>31,154</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Overpayments**

**Water Utility Fund**

**Year ended December 31, 2021**

Balance, December 31, 2020	\$	10,223
Increased by:		
Receipts		<u>9,798</u>
		20,021
Decreased by:		
Applied		<u>10,223</u>
Balance, December 31, 2021	\$	<u><u>9,798</u></u>

## TOWNSHIP OF SADDLE BROOK

## Schedule of Accrued Interest on Bonds

## Water Utility Operating Fund

Year ended December 31, 2021

Balance, December 31, 2020	\$	13,279
Increased by:		
Budget Appropriation		<u>172,000</u>
		185,279
Decreased by:		
Liabilities Cancelled	\$	13,669
Due to Current Fund		<u>127,681</u>
		<u>141,350</u>
Balance, December 31, 2021	\$	<u><u>43,929</u></u>

Principal Outstanding <u>Dec. 31, 2021</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	Required <u>Amount</u>
4,025,000	2.00 - 2.375%	8/16/21	12/31/21	\$ 32,737
855,750	2.00 - 5.00%	9/1/21	12/3/21	<u>11,192</u>
				<u>\$ 43,929</u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Accrued Interest on Loans**

**Water Utility Operating Fund**

**Year ended December 31, 2021**

Balance, December 31, 2020	\$	5,195
Increased by:		
Budget Appropriation		<u>16,050</u>
		21,245
Decreased by:		
Liabilities cancelled	\$	625
Cash Disbursements		<u>16,050</u>
		<u>16,675</u>
Balance, December 31, 2021	\$	<u><u>4,570</u></u>

<u>Principal Outstanding Dec. 31, 2021</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Required Amount</u>
295,000	3.00% - 5.00%	8/1/21	12/31/21	\$ <u>4,570</u>
				\$ <u><u>4,570</u></u>

## TOWNSHIP OF SADDLE BROOK

## Schedule of Improvement Authorizations

## Water Utility Capital Fund

Year ended December 31, 2021

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2020		Balance, Dec. 31, 2021	
		Date	Amount	Funded	Unfunded	Funded	Unfunded
General Improvements:							
1200/1411	Extension of Water Mains/Purchase of Meters	March 29, 2007	215,000 \$	3,889		3,889	
1205	Automatic Meter Reading Equipment	March 9, 2000	295,000	342		342	
1514-11	Water Utility Improvements	June 9, 2011	225,000	6,471		6,471	
1557-13	Replacement of Water Mains	Oct. 10, 2013	2,000,000	108,548	15,653	88,614	35,587
1645-18	Replacement of Water Mains	May 3, 2018	825,000	320,138		320,138	
1652-19	Replacement of Water Mains-Sheele Place	March 7, 2019	425,000	261,618		261,618	
1674-19	Replacement of Water Mains-Bell Avenue	Dec. 26, 2019	400,000	349,126		119,138	
1711-21	Various Public Improvments & Acquisition of new, additional or replacement equipment/mael	Dec. 2, 2021	780,000				779,508
				780,000			
			\$	1,050,132	15,653	800,210	815,095

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Capital Improvement Fund**  
**Water Utility Capital Fund**  
**Year ended December 31, 2021**

Balance, December 31, 2020	\$ <u>17,748</u>
Balance, December 31, 2021	\$ <u><u>17,748</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Interfunds**

**Water Utility Capital Fund**

**Year ended December 31, 2021**

	Due from/(to) Dec. 31, <u>2020</u>	<u>Increased</u>	Due from/(to) Dec. 31, <u>2021</u>
General Capital Fund	<u>(19)</u>	<u>100,019</u>	<u>100,000</u>
	\$ <u>(19)</u>	<u>100,019</u>	<u>100,000</u>
Cash Disbursements		<u>100,019</u>	

**Exhibit D-21****TOWNSHIP OF SADDLE BROOK****Schedule of Reserve for Amortization****Water Utility Capital Fund****Year ended December 31, 2021**

Balance, December 31, 2020		\$	1,827,062
Increased by:			
Serial Bond Principal	\$	293,600	
NJ Environmental Infrastructure Trust			
Loan Principal		<u>59,450</u>	
			<u>353,050</u>
Balance, December 31, 2021		\$	<u><u>2,180,112</u></u>

**Exhibit D-22****Schedule of Reserve for Deferred Amortization****Water Utility Capital Fund****Year ended December 31, 2021**

Balance, December 31, 2020		\$	<u>127,676</u>
Balance, December 31, 2021		\$	<u><u>127,676</u></u>



## TOWNSHIP OF SADDLE BROOK

## Schedule of Water Utility Serial Bonds

## Water Utility Capital Fund

Year ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance, Dec. 31, 2020	Decreased	Balance, Dec. 31, 2021
			Date	Amount				
BCIA Refunding Bond	March 1, 2015	1,122,100	Sept. 1, 2022	72,450	5.000%	\$ 855,750	68,600	787,150
			Sept. 1, 2023	75,950	5.000%			
			Sept. 1, 2024	79,450	5.000%			
			Sept. 1, 2025	83,650	5.000%			
			Sept. 1, 2026	87,850	4.000%			
			Sept. 1, 2027	91,350	4.000%			
			Sept. 1, 2028	94,850	4.000%			
			Sept. 1, 2029	99,050	4.000%			
			Sept. 1, 2030	102,550	3.000%			
General Improvement Bonds	May 15, 2020	4,250,000	Feb. 15, 2022	235,000	2.000%	4,250,000	225,000	4,025,000
			Feb. 15, 2023	245,000	2.125%			
			Feb. 15, 2024	255,000	2.125%			
			Feb. 15, 2025	265,000	2.125%			
			Feb. 15, 2026	275,000	2.125%			
			Feb. 15, 2027	285,000	2.125%			
			Feb. 15, 2028	295,000	2.125%			
			Feb. 15, 2029	305,000	2.125%			
			Feb. 15, 2030	315,000	2.125%			
			Feb. 15, 2031	325,000	2.125%			
			Feb. 15, 2032	375,000	2.125%			
			Feb. 15, 2033	425,000	2.125%			
			Feb. 15, 2034	425,000	2.250%			
						\$ 5,105,750	293,600	4,812,150

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of New Jersey Infrastructure Trust Loans Payable**  
**Water Utility Capital Fund**  
**Year ended December 31, 2021**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2020</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
NJ Environmental Infrastructure Trust Loan Ord. 1557-13	May 22, 2018	325,000	August 1, 2022	15,000	5.000%	\$ 305,000	10,000	295,000
			August 1, 2023	15,000	5.000%			
			August 1, 2024	15,000	5.000%			
			August 1, 2025	15,000	5.000%			
			August 1, 2026	15,000	5.000%			
			August 1, 2027	15,000	5.000%			
			August 1, 2028	20,000	5.000%			
			August 1, 2029	20,000	3.000%			
			August 1, 2030	20,000	3.000%			
			August 1, 2031	20,000	3.000%			
			August 1, 2032	20,000	3.125%			
			August 1, 2033	20,000	3.125%			
			August 1, 2034	20,000	3.250%			
			August 1, 2035	20,000	3.250%			
			August 1, 2036	20,000	3.375%			
			August 1, 2037	25,000	3.375%			

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of New Jersey Infrastructure Trust Loans Payable**  
**Water Utility Capital Fund**  
**Year ended December 31, 2021**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance, Dec. 31, 2020	Decreased	Balance, Dec. 31, 2021
			Date	Outstanding Amount				
NJ Environmental Infrastructure Fund Loan Ord. 1557-13	May 22, 2018	972,520	August 1, 2022	49,450	*	\$ 840,653	69,384	771,269
			August 1, 2023	49,450	*			
			August 1, 2024	49,450	*			
			August 1, 2025	49,450	*			
			August 1, 2026	49,450	*			
			August 1, 2027	49,450	*			
			August 1, 2028	49,450	*			
			August 1, 2029	49,450	*			
			August 1, 2030	49,450	*			
			August 1, 2031	49,450	*			
			August 1, 2032	49,450	*			
			August 1, 2033	49,450	*			
			August 1, 2034	49,450	*			
			August 1, 2035	49,451	*			
			August 1, 2036	49,451	*			
			August 1, 2037	29,517	*			
						\$ 1,145,653	79,384	1,066,269

## TOWNSHIP OF SADDLE BROOK

## Schedule of Bonds and Notes Authorized But Not Issued

## Water Utility Capital Fund

December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, Dec. 31, <u>2020</u>	<u>Increased</u>	Balance, Dec. 31, <u>2021</u>
1557-13	Replacement of Water Mains	\$ 15,653	19,934	35,587
1771-21	Various Public Improvements & Acquisition of new, additional or replacement equipment/machinery		780,000	780,000
		<u>\$ 15,653</u>	<u>799,934</u>	<u>815,587</u>
	NJ I Bank Loan Deobligated		19,934	
	Current Year Improvement Authorizations		780,000	
			<u>\$ 799,934</u>	

**TOWNSHIP OF SADDLE BROOK**

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**PART II**

**LETTER ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2021**



# WIELKOTZ & COMPANY <sup>LLC</sup>

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and  
Members of the Township Council  
Township of Saddle Brook  
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as 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 financial statements-regulatory basis of the Township of Saddle Brook in the County of Bergen as of and for the year ended December 31, 2021 and the related notes to the financial statements, and have issued our report thereon dated September 6, 2022, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

## **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements-regulatory basis, we considered the Township of Saddle Brook's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Township of Saddle Brook's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Saddle Brook'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Township of Saddle Brook in the accompany comments and recommendations section of this report.

### **Compliance and Other Matters**

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

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township of Saddle Brook in the accompanying comments and recommendations section of this report.

### **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 Township of Saddle Brook internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Saddle Brook internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. CR00413

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

September 6, 2022





# WIELKOTZ & COMPANY <sup>LLC</sup>

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and  
Members of the Township Council  
Township of Saddle Brook  
Saddle Brook, NJ 07663

### **Report on Compliance for Each Major Federal Program**

#### **Opinion on Each Major Federal Program**

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

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

#### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.





We are required to be independent of Township of Saddle Brook and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Township of Saddle Brook's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Township of Saddle Brook's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Township of Saddle Brook's compliance based on our audit. 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 generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Township of Saddle Brook's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Township of Saddle Brook's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



- Obtain an understanding of Township of Saddle Brook's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Township of Saddle Brook's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Government Auditing Standards requires the auditor to perform limited procedures on Township of Saddle Brook's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Township of Saddle Brook's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

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



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. CR00413

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

September 6, 2022



## TOWNSHIP OF SADDLE BROOK, N.J.

## Schedule of Expenditures of Federal Awards

Year ended December 31, 2021

Program Current Fund:	Assistance Listing number	Grant Number	Grant period	Award Amount	Cash Received	Expenditures	MEMO Cumulative Total Expenditures
(2) U.S. Department of the Treasury							
Coronavirus State and Local Fiscal Recovery Funds	21.027		2021-2024	\$ 1,419,515	709,757	709,757	* 709,757
							*
(2) U.S. Department of Homeland Security							*
Disaster Grants - Public Assistance (Presidentially Declared Disasters)							*
Severe Winter Storm Quinn - DR4368	97.036			5,051	5,051	5,051	* 5,051
							*
Total Current Fund				714,808	714,808	714,808	* 714,808
							*
General Capital Fund:							*
Department of Housing and Urban Development							*
Passed through the County of Bergen -							*
Community Development Block Grants							*
Senior Center ADA Improvements Ord. 1471-09			2009	316,814			* 261,514
Polling Place ADA Improvements Ord. 1574-14	14.218		2014	106,250			* 106,250
Leswing Avenue Road Imps. - Ord. 1643-18			2018	110,000			* 110,000
2018 Road Improvement Program Ord. 1643-18			2018	155,000			* 155,000
2019 Road Improvement Program - Leswing Avenue Road Imps. - Ord. 16		21-213-74-915-532-54	2019	110,000			* 192,000
Rochelle Parkway Road Resurfacing - Ord. 1651		21-213-75-015-532-92	2019	227,169			* 203,665
Albany Street to Congress - Ord. 1697-21		21-213-751-155-32-92	2021	101,000		101,000	* 101,000
							*
Total Federal Awards				\$ 714,808		815,808	* 1,844,237

Note: This schedule was subject to an audit in accordance with the Uniform Guidance.

**TOWNSHIP OF SADDLE BROOK, N.J.**  
**Schedule of Expenditures of State and Local Financial Assistance**

**Year ended December 31, 2021**

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance Dec. 31, 2020</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Adjustment</u>	<u>Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2021</u>	<u>MEMO Cumulative Total Expenditures</u>
Federal and State Grant Fund:									
Department of Law and Public Safety									
Body Armor Replacement Fund	98-718-066-1020-001	2020	3,270 \$	3,270		3,270		*	3,270
Body Armor Replacement Fund	98-718-066-1020-001	2021	2,464		2,464			2,464	*
Drunk Driving Enforcement Fund	6400-100-078-6400	2009	10,783	6,574				6,574	*
Drunk Driving Enforcement Fund	6400-100-078-6400	2010	28,332	27,787				27,787	*
Alcohol Education and Rehabilitation	9735-760-06000000-60	2009	1,310	677				677	*
Alcohol Education and Rehabilitation	9735-760-06000000-60	2017	965	965				965	*
				39,273	2,464	3,270		38,467	*
									9,290
Department of Environmental Protection									
Clean Communities Act	765-042-4900-004-6020	2013	41,224	23,442				23,442	*
Clean Communities Act	765-042-4900-004-6020	2014	20,876	3,271				3,271	*
Clean Communities Act	765-042-4900-004-6020	2015	25,397	1,819				1,819	*
Clean Communities Act	765-042-4900-004-6020	2016	29,033	9,108				9,108	*
Clean Communities Act	765-042-4900-004-6020	2018	23,605	578				578	*
Clean Communities Act	765-042-4900-004-6020	2019	26,343	8,193				8,193	*
Clean Communities Act	765-042-4900-004-6020	2020	23,753	23,753		19,729		4,024	*
Clean Communities Act	765-042-4900-004-6020	2021	25,286		25,286			25,286	*
Recycling Grant	765-042-4900-004-6020	2013	37,199	31,764				31,764	*
Recycling Grant	765-042-4900-001-6020	2014	62,945	53,515				53,515	*
Recycling Grant	765-042-4900-001-6020	2015	37,251	34,510				34,510	*
Recycling Grant	765-042-4900-001-6020	2016	21,442	21,442				21,442	*
Recycling Grant	765-042-4900-001-6020	2017	15,959	10,492				10,492	*
Recycling Grant	765-042-4900-001-6020	2018	15,959	16,817				16,817	*
Recycling Grant	765-042-4900-001-6020	2021	22,079		22,079			22,079	*
				238,704	47,365	19,729		266,340	*
									162,869
Department of State									
Census Grant		2020	1,500	1,500				1,500	*
Total Federal and State Grant Fund				279,477	49,829	22,999		306,307	*
									172,159



**TOWNSHIP OF SADDLE BROOK  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the Township of Saddle Brook, County of Bergen. The Township is defined in Note 1A to the Township's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Township's financial statements.

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules do not agree with amounts reported in the Township's financial statements because encumbrances are not reported in the accompanying schedules. Financial assistance awards are reported in the Township's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$714,808	\$	\$714,808
Federal and State Grant Fund		22,999	22,999
General Capital Fund	<u>101,000</u>	<u>          </u>	<u>101,000</u>
Total Current Fund	<u>\$815,808</u>	<u>\$22,999</u>	<u>\$838,807</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports. However, we noted certain differences which are reported in the accompanying schedule of findings of noncompliance and questioned costs.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(continued)**

**NOTE 5. INDIRECT COST RATE**

The Township of Saddle Brook has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**TOWNSHIP OF SADDLE BROOK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued:

adverse - USGAAP  
unmodified - regulatory

Internal control over financial reporting:

1. Significant deficiencies identified that are  
not considered to be material weaknesses? \_\_\_\_\_ yes        X   no

2. Material weakness(es) identified? \_\_\_\_\_ yes        X   no

Noncompliance material to financial statements noted? \_\_\_\_\_ yes        X   no

**Federal Awards Section**

Dollar threshold used to determine type A programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes        X   no

Type of auditors' report on compliance for major programs: \_\_\_\_\_

Internal Control over compliance:

1. Significant deficiencies identified that are  
not considered to be material weaknesses? \_\_\_\_\_ yes        X   none

2. Material weakness(es) identified? \_\_\_\_\_ yes        X   no

Any audit findings disclosed that are required to be reported  
in accordance with Uniform Guidance? \_\_\_\_\_ yes        X   no

Identification of major programs:

**CFDA Number(s)**

21.027

**Name of Federal Program**

Coronavirus State and Local  
Fiscal Recovery Funds

**TOWNSHIP OF SADDLE BROOK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021  
(continued)**

**State Awards**

Not Applicable

**TOWNSHIP OF SADDLE BROOK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(continued)**

***Section II – Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of General Auditing Standards.

**NONE**

**TOWNSHIP OF SADDLE BROOK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(continued)**

*Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs*

NONE

**STATUS OF PRIOR YEAR FINDINGS**

This section identifies the status of prior year findings related to the general purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 15-08, as amended.

NONE

**TOWNSHIP OF SADDLE BROOK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(continued)**

***Financial Statement Findings***

**NONE**

## **TOWNSHIP OF SADDLE BROOK**

### **GENERAL COMMENTS**

#### **Contracts and Agreements**

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (I) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it

**TOWNSHIP OF SADDLE BROOK**  
**GENERAL COMMENTS, CONTINUED**

Effective July 1, 2010, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$36,000. On July 1, 2015, the threshold with a qualified purchasing agent was increased to \$40,000. On July 1, 2020, the amount was increased to \$44,000.

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

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

2021 Road Improvement Program, Phase 2  
2020 Road Improvement Program, Phase 2  
Albany Street Road Improvement Program  
2021 Road Improvement Program, Phase 1

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 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 of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "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.

**TOWNSHIP OF SADDLE BROOK**  
**GENERAL COMMENTS, CONTINUED**

The governing body, on January 7, 2021, adopted the following amended resolution authorizing interest to be charged on delinquent taxes:

“NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Township of Saddle Brook, that taxes due to the Township shall be payable February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup> each year, after which dates, if unpaid, shall become delinquent and from and after the respective dates herein before provided for taxes to become delinquent, the tax payer or property assessed shall be subject to interest at 8% per annum on the first \$1,500 and 18% thereafter and a 6% additional penalty for a delinquency over \$10,000 if not paid by the end of the calendar year. Delinquent water bills over \$100 shall be subject to interest at 1% per month thirty days after the due date.

ALSO, BE IT RESOLVED, that in the event said taxes shall be paid within ten days from the due date the interest shall be waived except in the office of the Tax Collector is closed on the tenth day of February, May, August or November then the grace period shall be extended to include the first business day thereafter; and,

BE IT FURTHER RESOLVED that the interest rates so stated will revert back to the due date of any installment of taxes or assessments received after the expiration of the ten-day grace period or as otherwise provided in the Resolution.”

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

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on October 21, 2021, and was complete.

Inspection of the 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>Year</u>	<u>Number of liens</u>
2021	5
2020	5
2019	5

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.



**TOWNSHIP OF SADDLE BROOK  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2021**

**COMMENTS:**

**FINANCE**

1. \*The subsidiary ledger in the General Capital Fund does not agree to audited balances for the Schedule of Improvement Authorizations.
2. \*There are instances in which the Trust Fund general ledgers are not in agreement with the client prepared bank reconciliations.
3. Dedication by Riders for the following Trust Funds have not been submitted and/or approved:
  - a. Mount Laurel Trust Fund
  - b. Animal License Trust Fund
4. Contracts awarded via resolution are not being encumbered against the designated budget appropriation and/or approved improvement authorization; bills are processed ratably as received in violation of Technical Accounting Directive No. 1.
5. Goods and services are being ordered and/or paid for prior to encumbrance.
6. Approved transfer resolutions are not always in agreement with transfers actually processed in the subsidiary ledgers.
7. The Township's health insurance claims trust fund is an unauthorized trust fund.
8. There are various old outstanding grant receivables in the general capital fund.
9. There are numerous old and inactive escrow accounts.
10. Debt service payments are not being charged ratably to the applicable budget.
11. There were over-expenditures incurred in both the Federal and State Grant Fund and General Capital Fund.
12. Not all police overtime related to outside duty is being processed and paid in a timely manner.

**ADMINISTRATOR/CLERK**

1. Detailed 2021 health benefits rosters for all employees was not made available for review; employee health benefits deductions could not be verified.
2. Supporting documentation for the 2020 and 2021 LOSAP contributions was not made available for review.

**DEPARTMENTS –**

**BUILDING**

1. State DCA fees not being charged in accordance with NJAC 5:23-4.19.

**TOWNSHIP OF SADDLE BROOK  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2021**

**RECOMMENDATIONS:**

**FINANCE**

1. \*General Capital Fund subsidiary ledger be reviewed and adjusted accordingly to reflect the audited balances for Improvement Authorizations.
2. \*The Trust Fund General Ledgers be updated to reflect audited balances and postings be reviewed to ensure agreement with client prepared bank reconciliations.
3. \*Dedication by Rider applications be submitted to the Division for the following accounts:
  - a. Mount Laurel Trust Fund
  - b. Animal License Trust Fund
4. \*All contracts awarded via resolution be encumbered for the contract amount against the designated budget appropriation and/or approved improvement authorization in accordance with Technical Accounting Directive No. 1.
5. \*A purchase order is initiated and approved prior to the placement of an order for goods and services in accordance with Technical Accounting Directive 85-1.
6. \*All budgetary transfers be made in accordance with approved transfer resolutions.
7. The Health Insurance Claims Trust Fund be closed and all expenses be properly charged to the budget.
8. Outstanding grant receivables in the general capital fund need to be investigated and the appropriate paperwork be filed for reimbursement.
9. Old, inactive escrow accounts be investigated and balances be refunded or cancelled.
10. Debt service payments be charged to the correct budget appropriation and fund.
11. Audit adjustments be posted to the subsidiary ledgers to ensure client is utilizing correct balances for appropriated grant reserves and improvement authorizations.
12. Police overtime related to outside duty be paid in a timely manner.

**ADMINISTRATOR/CLERK**

1. Health benefit rosters that correspond with monthly premium payments be made available for auditor review.
2. Documentation to support the annual LOSAP contribution be made available for auditor review.

**DEPARTMENTS –**

**BUILDING**

1. State DCA fees be calculated and collected in accordance with NJAC 5:23-4.19.

## TOWNSHIP OF SADDLE BROOK

### STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all except for the Findings/Recommendations marked with an “\*”.

### ACKNOWLEDGMENT

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,

*Steven D. Wielkocz*

Steven D. Wielkocz  
Registered Municipal Accountant  
No. CR00413

*Wielkocz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

September 6, 2022