

*TOWNSHIP OF CEDAR GROVE*

*COUNTY OF ESSEX*

*REPORT OF AUDIT*

*2021*

*NISIVOCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
REPORT OF AUDIT  
2021

TOWNSHIP OF CEDAR GROVE  
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TOWNSHIP OF CEDAR GROVE

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2021

## Independent Auditors' Report

The Honorable Mayor and Members  
of the Township Council  
Township of Cedar Grove  
Cedar Grove, New Jersey

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

#### ***Opinions***

We have audited the financial statements – *regulatory basis* – of the various funds and account group of the Township of Cedar Grove in the County of Essex (the "Township") as of, and for the years ended December 31, 2021 and 2020, and the related notes to financial statements, as listed in the foregoing table of contents.

#### ***Qualified Opinion on General Fixed Assets Account Group on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the Basis for Unmodified and Qualified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the general fixed assets account group of the Township as of December 31, 2021 and 2020 in accordance with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

#### ***Unmodified Opinions on the Various Funds on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund of the Township as of December 31, 2021 and 2020, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended in accordance with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

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

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

#### ***Basis for Unmodified Opinions on the Various Funds and Qualified Opinion on General Fixed Assets Account Group on Regulatory Basis of Accounting***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section



The Honorable Mayor and Members  
of the Township Council  
Township of Cedar Grove  
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of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Matter Giving Rise to Qualified Opinion on General Fixed Assets Account Group on Regulatory Basis of Accounting*

The financial statements – *regulatory basis* – of the Township do not include the general fixed assets account group, which should be included to conform with the accounting practices prescribed or permitted by the Division. As described in Note 1, the amount that should be recorded in the general fixed assets account group cannot be determined.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United State of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws 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 and pervasive.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***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 and *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

The Honorable Mayor and Members  
of the Township Council  
Township of Cedar Grove  
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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state 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 New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the 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 various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group 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 data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group financial statements as a whole.

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

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

Mount Arlington, New Jersey  
June 6, 2022

NISIVOCIA LLP

*Francis Jones of Nisivoccia LLP*  
Francis J. Jones  
Registered Municipal Accountant No. 442  
Certified Public Accountant

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
CURRENT FUND

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 15,701,674.91	\$ 12,956,748.59
Change Fund		<u>265.00</u>	<u>265.00</u>
		<u>15,701,939.91</u>	<u>12,957,013.59</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	365,636.33	363,844.97
Tax Title Liens Receivable	A-8	239,861.75	224,904.40
Property Acquired for Taxes at Assessed Valuation		165,000.00	165,000.00
Revenue Accounts Receivable	A-9	<u>292,385.31</u>	<u>176,860.10</u>
Total Receivables and Other Assets with Full Reserves		<u>1,062,883.39</u>	<u>930,609.47</u>
Deferred Charges:			
Emergency Appropriation		<u>32,080.00</u>	
		<u>32,080.00</u>	
Total Regular Fund		<u>16,796,903.30</u>	<u>13,887,623.06</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	1,072,599.37	495,260.61
Grants Receivable	A-13	<u>219,910.33</u>	<u>231,171.58</u>
Total Federal and State Grant Fund		<u>1,292,509.70</u>	<u>726,432.19</u>
TOTAL ASSETS		<u>\$ 18,089,413.00</u>	<u>\$ 14,614,055.25</u>

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

		December 31,	
	Ref.	2021	2020
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 299,326.46	\$ 279,540.59
Unencumbered	A-3;A-11	729,216.84	920,415.77
		<u>1,028,543.30</u>	<u>1,199,956.36</u>
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		13,396.81	14,576.95
Accounts Payable - Vendors		4,891.72	
Local School District Taxes Payable		265,045.00	
County Added and Omitted Taxes Payable		20,623.64	17,003.28
County Taxes Payable - Payment in Lieu of Taxes		244,265.33	141,889.43
Prepaid Taxes		332,039.83	379,488.55
Tax Overpayments		37,662.83	42,981.51
Prepaid Payment in Lieu of Taxes		29,162.32	
Payment in Lieu of Taxes Overpayments		17,970.40	11,985.62
Due Other Trust Funds	B	792,444.94	788,819.58
Due Special Garbage District Fund	H	1,727,942.53	1,761,000.17
Reserve for:			
Township Revaluation		416.30	416.30
Pending Tax Appeals			17,781.03
		<u>4,514,404.95</u>	<u>4,375,898.78</u>
Reserve for Receivables and Other Assets	A	1,062,883.39	930,609.47
Fund Balance	A-1	<u>11,219,614.96</u>	<u>8,581,114.81</u>
Total Regular Fund		<u>16,796,903.30</u>	<u>13,887,623.06</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-15	607,882.81	694,273.61
Unappropriated Reserves	A-14	655,944.27	3,018.11
Reserve for Maintenance of Free Public Library		<u>28,682.62</u>	<u>29,140.47</u>
Total Federal and State Grant Fund		<u>1,292,509.70</u>	<u>726,432.19</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 18,089,413.00	\$ 14,614,055.25

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2021</u>	<u>2020</u>
Fund Balance Utilized		\$ 3,831,168.00	\$ 1,793,813.00
Miscellaneous Revenue Anticipated		2,563,394.98	3,360,441.88
Receipts from:			
Delinquent Taxes		364,414.83	289,518.47
Current Taxes		55,998,033.38	55,084,434.17
Nonbudget Revenue		5,026,021.83	2,948,765.01
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		813,486.78	636,783.25
Increase in Local School District Tax Deferred			409,015.00
Tax Overpayments Cancelled		16,054.22	18,586.99
Federal and State Grant Fund - Appropriated Reserves Cancelled		16,717.50	12,359.97
Payment in Lieu of Taxes Receivable			81,332.75
Interfunds Returned			579.44
Total Income		<u>68,629,291.52</u>	<u>64,635,629.93</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		17,555,164.82	15,793,206.29
County Taxes		11,669,910.95	11,541,307.93
Local School District Taxes		31,319,723.00	30,789,633.00
Special District Taxes		1,622,470.00	1,619,090.00
Prior Year Senior Citizens Deductions' Disallowed		569.86	1,000.00
Reserve for Pending Tax Appeals			17,781.03
Refund of Prior Year Revenue:			
Other		3,200.00	1,796.00
Federal and State Grant Fund - Grants Receivable Cancelled		16,717.50	12,359.97
Overpayment of Payment in Lieu of Taxes			13,248.67
Payment in Lieu of Taxes - County			141,889.43
Prior Periods' State of New Jersey Tax Court Judgements		3,947.24	99,835.85
Total Expenditures		<u>62,191,703.37</u>	<u>60,031,148.17</u>
Excess in Revenue		6,437,588.15	4,604,481.76
Adjustments Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Emergency Appropriation		32,080.00	
Statutory Excess to Fund Balance		6,469,668.15	4,604,481.76
<u>Fund Balance</u>			
Balance January 1		<u>8,581,114.81</u>	<u>5,770,446.05</u>
		15,050,782.96	10,374,927.81
Decreased by:			
Utilized as Anticipated Revenue		<u>3,831,168.00</u>	<u>1,793,813.00</u>
Balance December 31	A	<u>\$ 11,219,614.96</u>	<u>\$ 8,581,114.81</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 3,831,168.00		\$ 3,831,168.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	20,516.00		18,514.00	\$ 2,002.00 *
Other	12,411.00		11,855.00	556.00 *
Fees and Permits	99,680.00		203,110.25	103,430.25
Fines and Costs:				
Municipal Court	88,839.00		94,653.38	5,814.38
Interest and Costs on Taxes	90,145.00		89,819.36	325.64 *
Interest on Investments and Deposits	35,651.00		5,010.13	30,640.87 *
Cedar Grove Senior Citizen Housing Association Service Charge	139,816.00		166,352.00	26,536.00
Energy Receipts Tax	1,042,942.00		1,042,942.00	
Watershed Moratorium Offset Aid	5,687.00		5,687.00	
Uniform Construction Code Fees	234,971.00		372,605.00	137,634.00
Body Armor Replacement Grant	3,018.11		3,018.11	
Clean Communities Program		\$ 23,294.17	23,294.17	
Municipal Alliance on Alcoholism and Drug Abuse	7,125.00		7,125.00	
Recycling Tonnage Grant	25,877.75		25,877.75	
Drunk Driving Enforcement Fund	4,268.15		4,268.15	
Cablevision	198,562.10		198,562.10	
Lease of Municipal Property - 350 Little Falls Road	35,307.32		37,072.76	1,765.44
Due from General Capital Fund:				
Surplus Anticipated	253,628.82		253,628.82	
Total Miscellaneous Revenue	2,298,445.25	23,294.17	2,563,394.98	241,655.56
Receipts from Delinquent Taxes	300,000.00		364,414.83	64,414.83
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	10,885,019.37		11,140,273.95	255,254.58
Minimum Library Tax	805,655.48		805,655.48	
Total Amount to be Raised by Taxes for Support of Municipal Budget	11,690,674.85		11,945,929.43	255,254.58
Budget Totals	18,120,288.10	23,294.17	18,704,907.24	\$ 561,324.97
Nonbudget Revenue	\$ 18,120,288.10	\$ 23,294.17	5,026,021.83	
			\$ 23,730,929.07	

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 55,998,033.38
Allocated to County, Local School District and Special District Taxes	44,612,103.95
Balance for Support of Municipal Budget	<u>11,385,929.43</u>
 Add: Appropriation "Reserve for Uncollected Taxes"	 <u>560,000.00</u>

Realized for Support of Municipal Budget	<u><u>\$ 11,945,929.43</u></u>
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Analysis of Licenses - Other:

Clerk	\$ 3,840.00
Health Officer	8,015.00
	<u>\$ 11,855.00</u>

Analysis of Fees and Permits:

Recreation	\$ 140,502.70
Planning and Zoning Board	30,564.05
Health Officer	28,453.00
Engineering	2,780.00
Clerk	3,035.15
Tax Assessor	510.00
Tax Collector	890.35
Treasurer	55.00
	<u>206,790.25</u>
Less: Revenue Overpayments	<u>3,680.00</u>
	<u><u>\$ 203,110.25</u></u>



TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 3,356.19
Due from:	
Federal and State Grant Fund	486.65
Other Trust Funds	74.25
General Capital Fund	1,093.04
	<hr/>
	\$ 5,010.13
	<hr/> <hr/>

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Coronavirus Aid, Relief, and Economic Security Act (CARES) Grant	\$ 36,807.09	
Payment in Lieu of Taxes	4,770,048.61	
Postage Reimbursement	8.35	
Police Reports	2,348.16	
Police Auction	5,787.00	
Prior Year Refunds/Rebates	6,551.27	
State of New Jersey Motor Vehicle Inspections	2,832.00	
Board of Education Gasoline Reimbursement	1,019.25	
Election Reimbursement	4,750.00	
Scrap Metal	1,675.35	
State of New Jersey - Senior Citizens' and Veterans'		
Deductions Administrative Reimbursement	1,245.29	
Other Miscellaneous	192,949.46	
	<hr/>	
		\$ 5,026,021.83
		<hr/> <hr/>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
Administrative and Executive:					
Salaries and Wages:					
Township Manager's Office	\$ 187,738.00	\$ 187,738.00	\$ 171,594.44	\$ 16,143.56	
Township Clerk's Office	136,475.00	142,570.00	142,570.00		
Other Expenses:					
Township Council	11,532.00	11,532.00	11,185.11	346.89	
Township Manager's Office	6,910.00	6,910.00	1,492.53	5,417.47	
Township Clerk's Office	20,268.00	20,268.00	10,615.95	9,652.05	
Elections:					
Other Expenses	31,814.00	31,814.00	17,874.28	13,939.72	
Treasurer - Controller's Office:					
Salaries and Wages	167,467.00	170,779.00	170,779.00		
Other Expenses	29,219.00	29,219.00	23,905.35	5,313.65	
Annual Audit	12,504.00	12,504.00	12,504.00		
Assessment of Taxes:					
Salaries and Wages	104,932.00	112,751.00	112,751.00		
Other Expenses	25,155.00	25,155.00	18,500.68	6,654.32	
Collection of Taxes:					
Salaries and Wages	71,861.00	72,361.00	70,819.75	1,541.25	
Other Expenses	8,885.00	8,885.00	7,261.73	1,623.27	
Legal Services and Costs:					
Other Expenses	196,275.00	196,275.00	161,817.96	34,457.04	

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (Continued):					
Municipal Prosecutor:					
Other Expenses	\$ 21,982.00	\$ 21,982.00	\$ 21,982.00		
Engineering Services and Costs:					
Salaries and Wages	6,288.00	11,494.00	11,494.00		
Other Expenses	6,960.00	6,960.00	5,661.26	\$ 1,298.74	
Public Buildings and Grounds:					
Salaries and Wages	59,995.00	71,485.00	71,485.00		
Other Expenses	54,735.00	59,735.00	59,735.00		
Municipal Court:					
Salaries and Wages	181,832.00	182,809.00	182,809.00		
Other Expenses	109,240.00	109,240.00	98,289.57	10,950.43	
Public Defender:					
Other Expenses	5,962.00	5,962.00	3,628.00	2,334.00	
Downtown Advisory Committee:					
Other Expenses	15,000.00	15,000.00	3,218.51	11,781.49	
Land Use Administration:					
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	29,858.00	29,858.00	23,058.95	6,799.05	
Other Expenses	7,238.00	7,238.00	960.00	6,278.00	
Zoning Board of Adjustment:					
Salaries and Wages	29,858.00	29,858.00	23,239.00	6,619.00	
Other Expenses	4,406.00	4,406.00	3,453.50	952.50	
Shade Tree:					
Other Expenses	32,500.00	33,525.00	33,521.89	3.11	

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (Continued):					
Environmental Commission (R.S. 40:56A-1 et seq):					
Other Expenses	\$ 700.00	\$ 700.00		\$ 700.00	
PUBLIC SAFETY:					
Emergency Management Services:					
Salaries and Wages	7,700.00	7,700.00	\$ 7,700.00		
Other Expenses	2,070.00	2,070.00	1,656.00	414.00	
Fire:					
Other Expenses	205,630.00	205,630.00	169,921.44	35,708.56	
Police:					
Salaries and Wages	4,735,570.00	4,735,570.00	4,676,017.38	59,552.62	
Other Expenses	268,566.00	268,566.00	245,113.23	23,452.77	
First Aid Organization - Contribution	10,000.00	10,000.00		10,000.00	
Municipal Drug Alliance:					
Salaries and Wages	10,500.00	10,500.00	10,500.00		
STREETS AND ROADS:					
Road Repair and Maintenance:					
Salaries and Wages	325,666.00	325,666.00	325,666.00		
Other Expenses	26,680.00	26,680.00	23,308.22	3,371.78	
Equipment Maintenance:					
Salaries and Wages	86,087.00	94,994.00	94,994.00		
Other Expenses	11,345.00	11,345.00	7,730.06	3,614.94	

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
STREETS AND ROADS (Continued):					
Snow Removal:					
Salaries and Wages	\$ 90,067.00	\$ 90,067.00	\$ 76,320.36	\$ 13,746.64	
Other Expenses	163,902.00	163,902.00	124,126.22	39,775.78	
Vehicle Maintenance:					
Other Expenses	102,200.00	102,200.00	81,404.71	20,795.29	
HEALTH AND WELFARE:					
Board of Health:					
Salaries and Wages	50,852.00	52,452.00	52,452.00		
Other Expenses	81,824.00	81,824.00	80,247.00	1,577.00	
Animal Control:					
Salaries and Wages	1,500.00	1,500.00		1,500.00	
Other Expenses	35,026.00	35,026.00	29,632.83	5,393.17	
Historical Society (R.S. 40:23-6.22):					
Other Expenses	2,500.00	2,500.00	2,500.00		
RECREATION AND EDUCATION:					
Parks and Playgrounds:					
Salaries and Wages	206,339.00	206,339.00	199,026.90	7,312.10	
Other Expenses	27,405.00	27,405.00	24,751.56	2,653.44	
Recreation:					
Salaries and Wages	138,035.00	138,035.00	135,626.40	2,408.60	
Other Expenses	98,155.00	98,155.00	79,789.11	18,365.89	

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
RECREATION AND EDUCATION (Continued):					
Celebration of Public Events, Anniversaries or Holidays:					
Other Expenses	\$ 21,527.00	\$ 21,527.00	\$ 19,577.00	\$ 1,950.00	
Senior Citizens' Transportation:					
Salaries and Wages	15,244.00	15,244.00	10,986.08	4,257.92	
Other Expenses	20,570.00	20,570.00	19,585.00	985.00	
Salary and Wage Personnel Adjustment Program	83,478.00				
UNIFORM CONSTRUCTION CODE:					
Sub-Code Officials:					
Building Inspector:					
Salaries and Wages	144,814.00	147,534.00	147,534.00		
Other Expenses	110,273.00	110,273.00	48,465.95	61,807.05	
Plumbing Inspector:					
Salaries and Wages	22,880.00	33,441.00	33,441.00		
Other Expenses	3,525.00	3,525.00	3,515.00	10.00	
Electrical Inspector:					
Salaries and Wages	22,880.00	43,696.00	43,696.00		
Other Expenses	3,525.00	3,525.00	3,465.00	60.00	
Fire Inspector:					
Salaries and Wages	12,000.00	12,000.00		12,000.00	
Other Expenses	1,466.00	1,466.00	500.00	966.00	
UTILITY EXPENSES AND BULK PURCHASES:					
Utilities	655,477.00	665,477.00	665,477.00		
Collection of Taxes (C.72, P.L. 1994):					
Other Expenses	5,325.00	5,325.00	5,325.00		

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
INSURANCE:					
Other Insurance Premiums	\$ 144,979.00	\$ 144,979.00	\$ 143,306.34	\$ 1,672.66	
Group Insurance for Employees	1,577,377.00	1,577,377.00	1,501,451.06	75,925.94	
Health Benefits Waiver	16,000.00	16,000.00	9,112.99	6,887.01	
Worker's Compensation Insurance	138,170.00	138,170.00	136,430.00	1,740.00	
Surety Bond Premiums	2,577.00	2,577.00	2,077.00	500.00	
Reserve for Self- Insurance Program	100.00	100.00		100.00	
Total Operations Within "CAPS"	11,267,395.00	11,279,945.00	10,718,635.30	561,309.70	
Operations Within "CAPS" (Continued):					
Contingent	10,000.00	10,000.00	8,220.51	1,779.49	
Total Operations Including Contingent Within "CAPS"	11,277,395.00	11,289,945.00	10,726,855.81	563,089.19	
Detail:					
Salaries and Wages	6,917,916.00	6,914,441.00	6,794,560.26	119,880.74	
Other Expenses	4,359,479.00	4,375,504.00	3,932,295.55	443,208.45	

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Deferred Charges:					
Anticipated Deficit in Swimming Pool Operating Budget	\$ 248,874.84	\$ 248,874.84	\$ 189,382.00		\$ 59,492.84
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System of NJ	216,271.00	216,271.00	216,271.00		
Police and Fireman's Retirement System of NJ	1,248,376.00	1,248,376.00	1,248,376.00		
Unemployment Compensation Insurance	25,000.00	12,450.00		\$ 12,450.00	
Social Security System (O.A.S.I.)	216,633.00	216,633.00	189,066.71	27,566.29	
Defined Contribution Retirement Program	1.00	1.00		1.00	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,955,155.84	1,942,605.84	1,843,095.71	40,017.29	59,492.84
Total General Appropriations for Municipal Purposes Within "CAPS"	13,232,550.84	13,232,550.84	12,569,951.52	603,106.48	59,492.84
Operations Excluded from "CAPS":					
Maintenance of Free Public Library (C.82, P.L. 1985)	869,649.00	869,649.00	828,370.99	41,278.01	
LOSAP Contribution:					
Fire Department	56,000.00	56,000.00		56,000.00	
Ambulance & Rescue Squad	24,000.00	24,000.00		24,000.00	



TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
State and Federal Programs Offset by Revenue:					
Drunk Driving Enforcement Fund	\$ 4,268.15	\$ 4,268.15	\$ 4,268.15		
Clean Communities Act (NJSA 40A:4-87 +\$23,294.17)		23,294.17	23,294.17		
Municipal Alliance Grant:					
State Share	7,125.00	7,125.00	7,125.00		
Local Share	1,781.25	1,781.25	1,781.25		
Body Armor Replacement Fund	3,018.11	3,018.11	3,018.11		
Recycling Tonnage Grant	25,877.75	25,877.75	25,877.75		
Total Operations Excluded from "CAPS"	991,719.26	1,015,013.43	893,735.42	\$ 121,278.01	
Detail:					
Other Expenses	991,719.26	1,015,013.43	893,735.42	121,278.01	
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	85,000.00	85,000.00	85,000.00		
Down Payments on Improvements					
(Emergency - N.J.S.A. 40A:4-55 +\$32,080.00)		32,080.00	32,080.00		
Local Access CATV Equipment	9,950.00	9,950.00	5,117.65	4,832.35	
Total Capital Improvements Excluded from "CAPS"	94,950.00	127,030.00	122,197.65	4,832.35	

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	\$ 1,120,000.00	\$ 1,120,000.00	\$ 1,120,000.00		
Payment of Bond Anticipation Notes	1,700,000.00	1,700,000.00	1,700,000.00		
Interest on Bonds	59,588.00	59,588.00	59,587.50		\$ 0.50
Interest on Notes	361,480.00	361,480.00	360,475.89		1,004.11
Total Municipal Debt Service Excluded from "CAPS"	3,241,068.00	3,241,068.00	3,240,063.39		1,004.61
Total General Appropriations Excluded from "CAPS"	4,327,737.26	4,383,111.43	4,255,996.46	\$ 126,110.36	1,004.61
Subtotal General Appropriations	17,560,288.10	17,615,662.27	16,825,947.98	729,216.84	60,497.45
Reserve for Uncollected Taxes	560,000.00	560,000.00	560,000.00		
Total General Appropriations	\$ 18,120,288.10	\$ 18,175,662.27	\$ 17,385,947.98	\$ 729,216.84	\$ 60,497.45

Ref.

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TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	<u>Ref.</u>	Analysis of	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 18,120,288.10	
Appropriation by NJSA 40A:4-87		23,294.17	
Emergency Appropriation (N.J.S.A 40A:4-55)		32,080.00	
		<u>\$ 18,175,662.27</u>	
Reserve for Uncollected Taxes			\$ 560,000.00
Reserve for Encumbrances	A		299,326.46
Due Federal and State Grant Fund			65,364.43
Cash Disbursed			16,538,134.77
			<u>17,462,825.66</u>
Less: Appropriation Refunds			<u>76,877.68</u>
			<u>\$ 17,385,947.98</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
TRUST FUNDS

TOWNSHIP OF CEDAR GROVE  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	\$ 13,945.31	\$ 14,429.19
Other Trust Funds:			
Cash and Cash Equivalents		1,441,028.54	1,470,689.61
Investments		507,609.30	498,482.41
	B-1	1,948,637.84	1,969,172.02
Community Development Block Grants Receivable		51,862.00	6,860.00
Due Current Fund	A	792,444.94	788,819.58
		2,792,944.78	2,764,851.60
TOTAL ASSETS		<u>\$ 2,806,890.09</u>	<u>\$ 2,779,280.79</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due State Board of Health		\$ 1.20	\$ 214.80
Reserve for Animal Control Expenditures	B-3	13,944.11	14,214.39
		13,945.31	14,429.19
Other Trust Funds:			
Due General Capital Fund	C		46,060.00
Special Deposits		536,263.58	572,038.83
Other Deposits		996,290.31	901,463.13
Reserve for:			
Depositors' Funds Assigned as Security		1,123,740.98	1,165,106.39
Community Development Block Grant Programs		51,862.00	6,860.00
Municipal Open Space Trust		36,731.90	36,696.85
State Unemployment Insurance		48,056.01	36,626.40
		2,792,944.78	2,764,851.60
TOTAL LIABILITIES AND RESERVES		<u>\$ 2,806,890.09</u>	<u>\$ 2,779,280.79</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
GENERAL CAPITAL FUND

TOWNSHIP OF CEDAR GROVE  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2021	2020
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 1,294,392.71	\$ 1,138,659.48
Grants Receivable:			
New Jersey Department of Transportation		466,642.95	605,000.00
Community Development Block Grant			6,860.00
Due from Other Trust Fund	B		46,060.00
Deferred Charges to Future Taxation:			
Funded		2,335,000.00	3,465,000.00
Unfunded	C-4	20,688,000.00	20,041,000.00
TOTAL ASSETS		\$ 24,784,035.66	\$ 25,302,579.48
<u>LIABILITIES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 18,341,000.00	\$ 18,074,000.00
General Serial Bonds Payable	C-8	2,335,000.00	3,465,000.00
Improvement Authorizations:			
Funded	C-5	103,679.43	307,525.00
Unfunded	C-5	2,764,592.90	2,301,505.66
Capital Improvement Fund	C-6		920.00
Reserve for Grants Receivable:			
New Jersey Department of Transportation		350,000.00	350,000.00
Reserve for Fire Apparatus		700,000.00	550,000.00
Fund Balance	C-1	189,763.33	253,628.82
TOTAL LIABILITIES AND FUND BALANCE		\$ 24,784,035.66	\$ 25,302,579.48

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2020	C	\$ 253,628.82
Increased by:		
Premium on Sale of Notes		189,763.33
		<u>443,392.15</u>
Decreased by:		
Fund Balance Anticipated in Current Fund		<u>253,628.82</u>
Balance December 31, 2021	C	<u><u>\$ 189,763.33</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT



TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
WATER UTILITY FUND

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 698,121.86	\$ 1,876,568.84
		<u>698,121.86</u>	<u>1,876,568.84</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	283,153.77	213,168.46
Inventory - Materials and Supplies	D-6A	<u>18,500.00</u>	<u>17,600.00</u>
Total Receivables and Inventory with Full Reserves		<u>301,653.77</u>	<u>230,768.46</u>
Total Operating Fund		<u>999,775.63</u>	<u>2,107,337.30</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	332,061.69	589,072.89
Fixed Capital	D-7	11,634,879.42	10,863,879.42
Fixed Capital Authorized and Uncompleted	D-8	<u>1,208,000.00</u>	<u>1,874,000.00</u>
Total Capital Fund		<u>13,174,941.11</u>	<u>13,326,952.31</u>
TOTAL ASSETS		<u>\$ 14,174,716.74</u>	<u>\$ 15,434,289.61</u>

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 385,918.35	\$ 347,191.34
Encumbered	D-3;D-9	26,229.05	71,306.02
		<u>412,147.40</u>	<u>418,497.36</u>
Due to K. Hovanian			1,088,297.00
Water Rent Overpayments		18,531.31	1,920.78
Accrued Interest on Bonds		6,766.31	21,466.14
Accrued Interest on Notes		13,023.68	21,275.83
		<u>450,468.70</u>	<u>1,551,457.11</u>
Reserve for Receivables	D	301,653.77	230,768.46
Fund Balance	D-1	<u>247,653.16</u>	<u>325,111.73</u>
Total Operating Fund		<u>999,775.63</u>	<u>2,107,337.30</u>
Capital Fund:			
Bond Anticipation Notes Payable	D-13	2,246,000.00	2,321,000.00
Serial Bonds Payable	D-14	1,615,000.00	1,985,000.00
Improvement Authorizations:			
Unfunded	D-10	362,635.98	520,315.06
Capital Improvement Fund	D-11	51,187.70	36,187.70
Reserve for Amortization	D-12	8,727,879.42	8,357,879.42
Deferred Reserve for Amortization	D-12A	149,000.00	74,000.00
Fund Balance	D-1A	<u>23,238.01</u>	<u>32,570.13</u>
Total Capital Fund		<u>13,174,941.11</u>	<u>13,326,952.31</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 14,174,716.74</u>	<u>\$ 15,434,289.61</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2021	2020
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 319,670.87	\$ 439,408.38
Water Rents		1,870,480.86	2,018,560.23
Miscellaneous Revenue Anticipated		119,438.59	320,106.95
Water Capital Fund Surplus		32,570.13	19,330.62
Nonbudget Revenue		122,928.00	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		325,912.68	64,614.57
Total Income		2,791,001.13	2,862,020.75
<u>Expenditures</u>			
Budget Expenditures:			
Operating		2,105,541.00	2,015,760.00
Capital Improvements		33,000.00	33,000.00
Debt Service		278,557.83	365,102.65
Deferred Charges and Statutory Expenditures		131,690.00	121,251.00
Total Expenditures		2,548,788.83	2,535,113.65
Excess in Revenue		242,212.30	326,907.10
<u>Fund Balance</u>			
Balance January 1		325,111.73	437,613.01
		567,324.03	764,520.11
Decreased by:			
Utilization as Anticipated Revenue:			
Water Operating Budget		319,670.87	439,408.38
Balance December 31	D	\$ 247,653.16	\$ 325,111.73

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY CAPITAL FUND  
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 32,570.13
Increased by:		
Premium on Sale of Notes		23,238.01
		<u>55,808.14</u>
Decreased by:		
2021 Anticipated Revenue		32,570.13
		<u>32,570.13</u>
Balance December 31, 2021	D	\$ <u><u>23,238.01</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Anticipated	Realized	Excess or Deficit *
Operating Surplus Anticipated	\$ 319,670.87	\$ 319,670.87	
Water Rents	2,018,560.00	1,887,091.39	\$ 131,468.61 *
Miscellaneous Revenue	200,000.00	119,438.59	80,561.41 *
Water Capital Fund Surplus	32,570.13	32,570.13	
Budget Totals	\$ 2,570,801.00	\$ 2,358,770.98	\$ 212,030.02 *
Nonbudget Revenue		122,928.00	
	<u>\$ 2,570,801.00</u>	<u>\$ 2,481,698.98</u>	

Analysis of Miscellaneous Revenue

Treasurer:

Interest on Investments and Deposits:

Collected/Received by Treasurer:

Water Utility Operating Fund

\$ 1,819.43

Water Utility Capital Fund

634.53

\$ 2,453.96

Collector:

Penalties 1,635.03

Water Meter 10,298.00

Water Permits 42,000.00

Sprinkler Systems 42,950.00

Second Meter Installation 4,500.00

Final Reading Charges 15,151.60

Inspection Charges 450.00

116,984.63

\$ 119,438.59

Analysis of Nonbudget Revenue

Other

\$ 122,928.00

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 610,367.00	\$ 617,504.00	\$ 512,887.20	\$ 104,616.80	
Other Expenses	1,488,037.00	1,488,037.00	1,224,735.45	263,301.55	
Salary Adjustment Program	7,137.00				
Capital Improvements:					
Capital Improvement Fund	15,000.00	15,000.00	15,000.00		
Capital Outlay	18,000.00	18,000.00		18,000.00	
Debt Service:					
Payment of Bond Principal	130,000.00	130,000.00	130,000.00		
Payment of Bond Anticipation Notes	75,000.00	75,000.00	75,000.00		
Interest on Bonds	49,150.00	49,150.00	35,518.93		\$ 13,631.07
Interest on Notes	46,420.00	46,420.00	38,038.90		8,381.10
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	83,938.00	83,938.00	83,938.00		
Social Security System (O.A.S.I.)	47,752.00	47,752.00	47,752.00		
	<u>\$ 2,570,801.00</u>	<u>\$ 2,570,801.00</u>	<u>\$ 2,162,870.48</u>	<u>\$ 385,918.35</u>	<u>\$ 22,012.17</u>

Ref.

D

	Cash Disbursed	\$ 2,063,083.60
	Accrued Interest on Bonds	35,518.93
	Accrued Interest on Notes	38,038.90
	Encumbrances	26,229.05
D		
	<u>\$ 2,162,870.48</u>	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
SEWER UTILITY FUND



TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 515,565.87	\$ 1,192,924.52
		<u>515,565.87</u>	<u>1,192,924.52</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	E-6	355,725.96	232,460.63
Inventory - Materials and Supplies	E-6A	<u>22,500.00</u>	<u>21,145.00</u>
Total Receivables and Inventory with Full Reserves		<u>378,225.96</u>	<u>253,605.63</u>
Total Operating Fund		<u>893,791.83</u>	<u>1,446,530.15</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	862,184.04	949,080.24
Fixed Capital	E-7	18,195,901.23	18,016,268.73
Fixed Capital Authorized and Uncompleted	E-8	<u>3,375,000.00</u>	<u>3,095,000.00</u>
Total Capital Fund		<u>22,433,085.27</u>	<u>22,060,348.97</u>
TOTAL ASSETS		<u>\$ 23,326,877.10</u>	<u>\$ 23,506,879.12</u>

TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

		December 31,	
		2021	2020
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 216,698.71	\$ 231,205.05
Encumbered	E-3;E-9	29,991.85	81,010.20
		246,690.56	312,215.25
Due to K. Hovanian			269,650.00
Sewer Rent Overpayments		17,240.76	7,113.22
Accrued Interest on Bonds		12,572.57	39,777.61
Accrued Interest on Notes		7,862.92	9,588.33
Reserve for Improvements		3,514.91	3,514.91
		287,881.72	641,859.32
Reserve for Receivables	E	378,225.96	253,605.63
Fund Balance	E-1	227,684.15	551,065.20
Total Operating Fund		893,791.83	1,446,530.15
Capital Fund:			
Bond Anticipation Notes Payable	E-13	1,356,000.00	1,046,000.00
Serial Bonds Payable	E-14	3,000,000.00	3,677,000.00
Improvement Authorizations:			
Funded	E-10	124,539.08	149,135.92
Unfunded	E-10	1,046,695.24	1,103,346.01
Capital Improvement Fund	E-11	67,000.00	52,000.00
Reserve for:			
Engineering Study		9,920.00	9,920.00
Amortization	E-12	16,499,901.23	15,763,268.73
Deferred Reserve for Amortization	E-12A	315,000.00	245,000.00
Fund Balance	E-1A	14,029.72	14,678.31
Total Capital Fund		22,433,085.27	22,060,348.97
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 23,326,877.10	\$ 23,506,879.12

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS

	Year Ended December 31,	
<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 389,408.69	\$ 315,095.78
Sewer Rents	2,080,604.75	2,196,501.92
Miscellaneous Revenue Anticipated	35,685.53	233,029.84
Sewer Capital Fund Surplus	14,678.31	9,301.22
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	193,705.05	165,985.63
Total Income	2,714,082.33	2,919,914.39
<u>Expenditures</u>		
Budget Expenditures:		
Operating	1,988,458.00	1,944,769.00
Capital Improvements	52,500.00	47,500.00
Debt Service	390,047.69	418,477.35
Deferred Charges and Statutory Expenditures	217,049.00	202,278.00
Total Expenditures	2,648,054.69	2,613,024.35
Excess in Revenue/Statutory Excess to Fund Balance	66,027.64	306,890.04
<u>Fund Balance</u>		
Balance January 1	551,065.20	559,270.94
	617,092.84	866,160.98
Decreased by:		
Utilization as Anticipated Revenue:		
Sewer Operating Budget	389,408.69	315,095.78
Balance December 31	E \$ 227,684.15	\$ 551,065.20

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 14,678.31
Increased by:		
Premium on Sale of Notes		14,029.72
		<u>28,708.03</u>
Decreased by:		
2021 Anticipated Revenue		14,678.31
		<u>14,678.31</u>
Balance December 31, 2021	E	<u><u>\$ 14,029.72</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Operating Surplus Anticipated	\$ 389,408.69	\$ 389,408.69	
Sewer Rents	2,196,000.00	2,080,604.75	\$ 115,395.25 *
Miscellaneous Revenue	75,000.00	35,685.53	39,314.47 *
Sewer Capital Fund Surplus	<u>14,678.31</u>	<u>14,678.31</u>	
	<u>\$ 2,675,087.00</u>	<u>\$ 2,520,377.28</u>	<u>\$ 154,709.72 *</u>

Analysis of Miscellaneous Revenue

Treasurer:

Interest on Investments and Deposits:

Collected/Received by Treasurer:

Sewer Utility Operating Fund	\$ 1,195.22	
Sewer Utility Capital Fund	<u>965.71</u>	
		\$ 2,160.93

Collector:

Sewer Discharge	28,800.00	
Building Department	2,500.00	
Penalties	<u>2,224.60</u>	
		<u>33,524.60</u>
		<u>\$ 35,685.53</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 783,307.00	\$ 793,216.00	\$ 698,421.11	\$ 94,794.89	
Other Expenses	1,195,242.00	1,195,242.00	1,088,705.68	106,536.32	
Salary Adjustment Program	9,909.00				
Capital Improvements:					
Capital Improvement Fund	15,000.00	15,000.00	15,000.00		
Capital Outlay	37,500.00	37,500.00	22,132.50	15,367.50	
Debt Service:					
Payment of Bond Principal	235,000.00	235,000.00	235,000.00		
Payment of Bond Anticipation Notes and Capital Notes	70,000.00	70,000.00	70,000.00		\$ 25,248.78
Interest on Bonds	91,160.00	91,160.00	65,911.22		1,783.53
Interest on Notes	20,920.00	20,920.00	19,136.47		
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	154,338.00	154,338.00	154,338.00		
Social Security System (O.A.S.I.)	62,711.00	62,711.00	62,711.00		
	<u>\$ 2,675,087.00</u>	<u>\$ 2,675,087.00</u>	<u>\$ 2,431,355.98</u>	<u>\$ 216,698.71</u>	<u>\$ 27,032.31</u>
Ref.				E	
Cash Disbursed			\$ 2,316,316.44		
Accrued Interest on Bonds			65,911.22		
Accrued Interest on Notes			19,136.47		
Encumbrances Payable			29,991.85		
E			<u>\$ 2,431,355.98</u>		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
SWIMMING POOL UTILITY FUND

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2021	2020
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	F-4	\$ 51,114.70	\$ 8,470.56
Total Operating Fund		51,114.70	8,470.56
Capital Fund:			
Cash and Cash Equivalents	F-4	14,000.00	12,000.00
Fixed Capital	F-7	3,433,040.89	3,410,194.64
Total Capital Fund		3,447,040.89	3,422,194.64
TOTAL ASSETS		\$ 3,498,155.59	\$ 3,430,665.20
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	F-3;F-9	\$ 47,032.99	
Encumbered	F-3;F-9	1,095.00	
		48,127.99	
Accrued Interest on Bonds		2,986.46	8,470.31
Fund Balance	F-1	0.25	0.25
Total Operating Fund		51,114.70	8,470.56
Capital Fund:			
Serial Bonds Payable	F-14	715,000.00	873,000.00
Capital Improvement Fund	F-11	14,000.00	12,000.00
Reserve for Amortization	F-12	2,718,040.89	2,537,194.64
Total Capital Fund		3,447,040.89	3,422,194.64
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 3,498,155.59	\$ 3,430,665.20

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT



TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income Realized</u>			
Membership Fees		\$ 323,146.00	
Miscellaneous Revenue Anticipated		22,894.89	\$ 161.59
Anticipated Deficit - Current Fund		189,382.00	101,307.45
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves			14,018.03
		<u>535,422.89</u>	<u>115,487.07</u>
Total Income			
<u>Expenditures</u>			
Budget Expenditures:			
Operating		374,637.00	
Capital Improvements		26,513.00	
Debt Service		113,864.89	115,487.07
Deferred Charges and Statutory Expenditures		20,408.00	
		<u>535,422.89</u>	<u>115,487.07</u>
Total Expenditures			
<u>Fund Balance</u>			
Balance January 1		<u>0.25</u>	<u>0.25</u>
Balance December 31	F	<u>\$ 0.25</u>	<u>\$ 0.25</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY CAPITAL FUND  
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Anticipated	Realized	Excess or Deficit*
Membership Fees	\$ 265,870.21	\$ 323,146.00	\$ 57,275.79
Miscellaneous Revenue	25,312.95	22,894.89	2,418.06 *
Anticipated Deficit - Current Fund	248,874.84	189,382.00	59,492.84 *
	<u>\$ 540,058.00</u>	<u>\$ 535,422.89</u>	<u>\$ 4,635.11 *</u>

Analysis of Miscellaneous Revenue

Treasurer:

Interest on Investments and Deposits:

Collected/Received by Treasurer:

Swimming Pool Utility Operating Fund	\$ 10.29	
Swimming Pool Utility Capital Fund	<u>11.79</u>	
		<u>\$ 22.08</u>

Collector:

Guest Passes	9,084.00	
Concession Stand	6,568.81	
Pool Insurance	1,160.00	
Miscellaneous	<u>6,060.00</u>	
		<u>22,872.81</u>
		<u>\$ 22,894.89</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 258,003.00	\$ 262,957.00	\$ 240,172.85	\$ 22,784.15	
Other Expenses	111,680.00	111,680.00	89,097.91	22,582.09	
Salary Adjustment Program	4,954.00				
Capital Improvements:					
Capital Improvement Fund	2,000.00	2,000.00	2,000.00		
Capital Outlay	24,513.00	24,513.00	22,846.25	1,666.75	
Debt Service:					
Payment of Bond Principal	100,000.00	100,000.00	100,000.00		
Interest on Bonds	18,500.00	18,500.00	13,864.89		\$ 4,635.11
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	20,408.00	20,408.00	20,408.00		
	<u>\$ 540,058.00</u>	<u>\$ 540,058.00</u>	<u>\$ 488,389.90</u>	<u>\$ 47,032.99</u>	<u>\$ 4,635.11</u>
				F	
Cash Disbursed			\$ 473,430.01		
Accrued Interest on Bonds			13,864.89		
Encumbrances Payable			<u>1,095.00</u>		
			<u>\$ 488,389.90</u>		

Ref.

F

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
SPECIAL GARBAGE DISTRICT FUND

TOWNSHIP OF CEDAR GROVE  
SPECIAL GARBAGE DISTRICT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Due Current Fund	A	<u>\$ 1,727,942.53</u>	<u>\$ 1,761,000.17</u>
TOTAL ASSETS		<u><u>\$ 1,727,942.53</u></u>	<u><u>\$ 1,761,000.17</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	H-3;H-6	\$ 91,595.61	\$ 266,757.56
Accounts Payable - Vendors		339,655.41	83,998.40
Fund Balance	H-1	<u>1,296,691.51</u>	<u>1,410,244.21</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 1,727,942.53</u></u>	<u><u>\$ 1,761,000.17</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
SPECIAL GARBAGE DISTRICT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS

	Year Ended December 31,	
	2021	2020
<u>Revenue and Other Income Realized</u>		
Fund Balance Anticipated	\$ 403,865.00	\$ 257,179.00
District Tax	1,622,470.00	1,619,090.00
Nonbudget Revenue	16,179.74	17,143.19
Cancellation of Prior Year Accounts Payable	7,375.00	
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	266,757.56	390,119.60
	<u>2,316,647.30</u>	<u>2,283,531.79</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	<u>2,026,335.00</u>	<u>1,876,269.00</u>
Total Expenditures	<u>2,026,335.00</u>	<u>1,876,269.00</u>
Excess in Revenue/Statutory Excess to Fund Balance	290,312.30	407,262.79
<u>Fund Balance</u>		
Balance January 1	<u>1,410,244.21</u>	<u>1,260,160.42</u>
	1,700,556.51	1,667,423.21
Decreased by:		
Utilized as Anticipated Revenue	<u>403,865.00</u>	<u>257,179.00</u>
Balance December 31	H <u>\$ 1,296,691.51</u>	<u>\$ 1,410,244.21</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT



TOWNSHIP OF CEDAR GROVE  
SPECIAL GARBAGE DISTRICT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	<u>Anticipated</u>	<u>Realized</u>
Fund Balance Anticipated	\$ 403,865.00	\$ 403,865.00
Special District Tax	<u>1,622,470.00</u>	<u>1,622,470.00</u>
Budget Totals	2,026,335.00	2,026,335.00
Nonbudget Revenue	<u>                    </u>	<u>16,179.74</u>
	<u><u>\$ 2,026,335.00</u></u>	<u><u>\$ 2,042,514.74</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
SPECIAL GARBAGE DISTRICT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

	<u>Appropriations</u>		<u>Expended by</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 140,295.00	\$ 195,295.00	\$ 143,011.25	\$ 52,283.75
Other Expenses:				
Contractual Services	779,700.00	779,700.00	779,700.00	
Disposal Fees	1,092,057.00	1,037,057.00	1,008,760.14	28,296.86
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement				
System (P.E.R.S)	3,268.00	3,268.00	3,268.00	
Social Security System (O.A.S.I.)	11,015.00	11,015.00		11,015.00
	<u>\$ 2,026,335.00</u>	<u>\$ 2,026,335.00</u>	<u>\$ 1,934,739.39</u>	<u>\$ 91,595.61</u>

Ref.

H

Due to Current Fund	\$ 1,595,083.98
Accounts Payable	<u>339,655.41</u>
	<u>\$ 1,934,739.39</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
GENERAL FIXED ASSETS ACCOUNT GROUP

NOT APPLICABLE

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Cedar Grove include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Cedar Grove, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Cedar Grove do not include the operations of the municipal library, or volunteer fire and first aid squads.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of Cedar Grove conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 of Cedar Grove accounts for its financial transactions through the following separate funds:

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

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Trust Funds - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Water Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned water utility.

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

Swimming Pool Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned swimming pool utility.

Special Garbage District Fund - Collection of special district taxes for the cost of providing garbage collection.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The following is a summary of the significant accounting policies.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Federal and state grants are generally recognized on the cash basis, except for certain assistance which is not realized until anticipated in the Township's budget. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are generally charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee benefit amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

The cash basis of accounting is followed in the Trust and Capital Funds.

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; depreciation would be recorded on fixed assets in the utility capital funds; Federal and State grants and assistance would be recognized when earned, not when budgeted in the Current Fund or when improvements are authorized in the Capital Funds; and inventories would not be reflected as expenditures at the time of purchase, investments would generally be stated at fair value, and the Township's net OPEB liability and net pension liability and related deferred inflows and outflows, where applicable, would be recorded.

- D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by issuing loans or through capital lease purchase agreements.

- E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include (Cont'd):

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets, except for the Water and Sewer Utility Operating Funds. The amounts reflected as inventories on the Water and Sewer Utility Funds balance sheets are offset by reserves.

Fixed Assets – Property and equipment purchased by the Current, General Capital, Water Utility, Sewer Utility and Swimming Pool Utility Funds are recorded as expenditures at the time of purchase and are not capitalized.

F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for Current operating, utility, Garbage District and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2021	2020	2019
<u>Issued:</u>			
General:			
Bonds and Notes	\$ 20,676,000	\$ 21,539,000	\$ 21,069,000
Authorized but not Issued	2,347,000	1,967,000	1,490,000
Water Utility:			
Bonds and Notes	3,861,000	4,306,000	4,101,000
Authorized but not Issued	105,000		270,000
Sewer Utility:			
Bonds and Notes	4,356,000	4,723,000	4,865,000
Authorized but not Issued	400,000	380,000	258,000.00
Swimming Pool Utility:			
Bonds and Notes	715,000	873,000	968,000
Total Issued	<u>32,460,000</u>	<u>33,788,000</u>	<u>33,021,000</u>
Less:			
Funds Temporarily Held to Pay			
Bonds, Notes and Loans:			
Reserve for Payment of Debt Service			<u>382,920</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 32,460,000</u>	<u>\$ 33,788,000</u>	<u>\$ 32,638,080</u>



TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current and Prior Years

	Balance 12/31/20	Additions	Retirements	Balance 12/31/21
Serial Bonds:				
General Capital Fund	\$ 3,465,000	\$ 1,180,000	\$ 2,310,000	\$ 2,335,000
Water Utility	1,985,000	1,485,000	1,855,000	1,615,000
Sewer Utility	3,677,000	2,755,000	3,432,000	3,000,000
Swimming Pool Utility	873,000	615,000	773,000	715,000
Bond Anticipation Notes:				
General Capital Fund	18,074,000	18,341,000	18,074,000	18,341,000
Water Utility	2,321,000	2,246,000	2,321,000	2,246,000
Sewer Utility	1,046,000	1,356,000	1,046,000	1,356,000
Total	<u>\$ 31,441,000</u>	<u>\$ 27,978,000</u>	<u>\$ 29,811,000</u>	<u>\$ 29,608,000</u>
	Balance 12/31/19	Additions	Retirements	Balance 12/31/20
Serial Bonds:				
General Capital Fund	\$ 4,555,000		\$ 1,090,000	\$ 3,465,000
Water Utility	2,110,000		125,000	1,985,000
Sewer Utility	3,907,000		230,000	3,677,000
Swimming Pool Utility	968,000		95,000	873,000
Bond Anticipation Notes:				
General Capital Fund	16,514,000	\$ 18,074,000	16,514,000	18,074,000
Water Utility	1,991,000	2,321,000	1,991,000	2,321,000
Sewer Utility	958,000	1,046,000	958,000	1,046,000
Total	<u>\$ 31,003,000</u>	<u>\$ 21,441,000</u>	<u>\$ 21,003,000</u>	<u>\$ 31,441,000</u>

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

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 1.051%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 22,488,439	\$ 22,488,439	
Water Utility Debt	3,966,000	2,951,992	\$ 1,014,008
Sewer Utility Debt	4,756,000	3,252,512	1,503,488
Swimming Pool Utility Debt	715,000	715,000	
General Debt	<u>23,023,000</u>		<u>23,023,000</u>
	<u>\$ 54,948,439</u>	<u>\$ 29,407,943</u>	<u>\$ 25,540,496</u>

Net Debt: \$25,540,496 divided by Average Equalized Valuations of \$2,431,052,105 of Real Property = 1.051%.

Borrowing Power Under N.J.S. 40A:2-6 As Amended

3-1/2% Average Equalized Valuation of Real Property	\$ 85,086,824
Net Debt	<u>25,540,496</u>
Remaining Borrowing Power	<u>\$ 59,546,328</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 2,481,699
Deductions:	
Operating and Maintenance Cost	\$ 1,830,207
Debt Service	<u>278,558</u>
Total Deductions	<u>2,108,765</u>
Excess in Revenue	<u>\$ 372,934</u>

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

Calculation of "Self-Liquidating Purpose", Sewer Utility  
Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 2,520,377
Deductions:	
Operating and Maintenance Cost	\$ 1,868,137
Debt Service	<u>390,048</u>
Total Deductions	<u>2,258,185</u>
Excess in Revenue	<u>\$ 262,192</u>

Calculation of "Self-Liquidating Purpose", Swimming Pool Utility  
Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 535,423
Deductions:	
Operating and Maintenance Cost	\$ 329,271
Debt Service	<u>113,865</u>
Total Deductions	<u>443,136</u>
Excess in Revenue	<u>\$ 92,287</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less.

The foregoing information is in agreement with the Annual Debt Statement as filed by the Chief Financial Officer.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

At December 31, 2021, the Township had Capital Debt issued and outstanding described as follows:

<u>General Capital Serial Bonds</u>				
<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>
	<u>Date</u>	<u>Amount</u>		
General Improvements	02/01/22	\$ 1,155,000	2.00%	
General Capital Refunding Bonds	02/01/23	1,180,000	3.00%	<u>\$ 2,335,000</u>
<u>Water Utility Capital Serial Bonds</u>				
<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>
	<u>Date</u>	<u>Amount</u>		
Water Improvements	02/01/22	\$ 130,000	2.00%	
Water Refunding Bonds	02/01/23	105,000	3.00%	
	02/01/24	110,000	3.00%	
	02/01/25	120,000	4.00%	
	02/01/26	125,000	4.00%	
	02/01/27	125,000	4.00%	
	02/01/28	130,000	5.00%	
	02/01/29	140,000	5.00%	
	02/01/30	145,000	5.00%	
	02/01/31	155,000	5.00%	
	02/01/32	160,000	4.00%	
	02/01/33	170,000	4.00%	<u>\$ 1,615,000</u>

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

At December 31, 2021, the Township had Capital Debt issued and outstanding described as follows: (Cont'd)

<u>Sewer Utility Capital Serial Bonds</u>				
<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>
	<u>Date</u>	<u>Amount</u>		
Sewer Improvements	02/01/22	245,000	2.00%	
Sewer Refunding Bonds	02/01/23	200,000	3.00%	
	02/01/24	210,000	3.00%	
	02/01/25	215,000	4.00%	
	02/01/26	225,000	4.00%	
	02/01/27	235,000	4.00%	
	02/01/28	245,000	5.00%	
	02/01/29	255,000	5.00%	
	02/01/30	270,000	5.00%	
	02/01/31	285,000	5.00%	
	02/01/32	300,000	4.00%	
	02/01/33	315,000	4.00%	
				<u>\$ 3,000,000</u>
<u>Swimming Pool Utility Capital Serial Bonds</u>				
<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>
	<u>Date</u>	<u>Amount</u>		
Swimming Pool Improvements	02/01/22	\$ 100,000	2.00%	
Swimming Pool Refunding Bonds	02/01/23	95,000	3.00%	
	02/01/24	95,000	3.00%	
	02/01/25	100,000	4.00%	
	02/01/26	105,000	4.00%	
	02/01/27	105,000	4.00%	
	02/01/28	115,000	5.00%	
				<u>\$ 715,000</u>

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and  
Thereafter for Bonded Debt Issued and Outstanding

General			
<u>Calender Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,155,000.00	\$ 11,550.00	\$ 1,166,550.00
2023	1,180,000.00	17,700.00	1,197,700.00
	<u>\$ 2,335,000.00</u>	<u>\$ 29,250.00</u>	<u>\$ 2,364,250.00</u>
Water Utility			
<u>Calender Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 130,000.00	\$ 39,594.58	\$ 169,594.58
2023	105,000.00	61,375.00	166,375.00
2024	110,000.00	58,150.00	168,150.00
2025	120,000.00	54,100.00	174,100.00
2026	125,000.00	49,200.00	174,200.00
Thereafter:			
2027-2031	695,000.00	156,000.00	851,000.00
2032-2033	330,000.00	13,400.00	343,400.00
	<u>\$ 1,615,000.00</u>	<u>\$ 431,819.58</u>	<u>\$ 2,046,819.58</u>
Sewer Utility			
<u>Calender Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 245,000.00	\$ 73,412.08	\$ 318,412.08
2023	200,000.00	113,650.00	313,650.00
2024	210,000.00	107,500.00	317,500.00
2025	215,000.00	100,050.00	315,050.00
2026	225,000.00	91,250.00	316,250.00
Thereafter:			
2027-2031	1,290,000.00	289,325.00	1,579,325.00
2032-2033	615,000.00	24,900.00	639,900.00
	<u>\$ 3,000,000.00</u>	<u>\$ 800,087.08</u>	<u>\$ 3,800,087.08</u>
Swimming Pool Utility			
<u>Calender Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 100,000.00	\$ 15,508.75	\$ 115,508.75
2023	95,000.00	22,425.00	117,425.00
2024	95,000.00	19,575.00	114,575.00
2025	100,000.00	16,150.00	116,150.00
2026	105,000.00	12,050.00	117,050.00
Thereafter:			
2027-2028	220,000.00	10,725.00	230,725.00
	<u>\$ 715,000.00</u>	<u>\$ 96,433.75</u>	<u>\$ 811,433.75</u>

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 2: Long-Term Debt (Cont'd)

General Capital - Bond Anticipation Notes Payable

Purpose	Final Maturity	Rate	Amount
Acquisition of Generators	07/12/22	1.25%	\$ 64,000.00
Panther Park Improvements	07/12/22	1.25%	385,000.00
Acquisition of Equipment	07/12/22	1.25%	69,000.00
Various General Improvements	07/12/22	1.25%	216,000.00
Various General Improvements	07/12/22	1.25%	340,000.00
Improvements to Commerce Road	07/12/22	1.25%	220,000.00
Improvements to Commerce Road	07/12/22	1.25%	85,000.00
Various General Improvements	07/12/22	1.25%	520,000.00
Road Overlay Program	07/12/22	1.25%	520,000.00
Various General Improvements	07/12/22	1.25%	696,000.00
Acquisition and Installation of Generator	07/12/22	1.25%	160,000.00
Various General Improvements	07/12/22	1.25%	963,000.00
Various General Improvements	07/12/22	1.25%	250,000.00
Acquisition of Property	07/12/22	1.25%	9,775,000.00
Resurfacing Little Falls Road Tennis Courts	07/12/22	1.25%	61,000.00
Various General Improvements	07/12/22	1.25%	440,000.00
Various General Improvements	07/12/22	1.25%	300,000.00
Various General Improvements	07/12/22	1.25%	800,000.00
Various General Improvements	07/12/22	1.25%	510,000.00
Various General Improvements	07/12/22	1.25%	900,000.00
Reconstruction of Ozone Avenue	07/12/22	1.25%	20,000.00
Public Safety Radio Communications	07/12/22	1.25%	1,047,000.00
			<u>\$ 18,341,000.00</u>

Sewer Utility - Bond Anticipation Notes Payable

Purpose	Final Maturity	Rate	Amount
Various Sewer Utility Improvements	07/12/22	1.25%	\$ 104,000.00
Various Sewer Utility Improvements	07/12/22	1.25%	70,000.00
Various Sewer Utility Improvements	07/12/22	1.25%	34,000.00
Various Sewer Utility Improvements	07/12/22	1.25%	510,000.00
Various Sewer Utility Improvements	07/12/22	1.25%	133,000.00
Various Sewer Utility Improvements	07/12/22	1.25%	225,000.00
Various Sewer Utility Improvements	07/12/22	1.25%	280,000.00
			<u>\$ 1,356,000.00</u>

Water Utility - Bond Anticipation Notes Payable

Purpose	Final Maturity	Rate	Amount
Various Water Utility Improvements	07/12/22	1.25%	\$ 370,000.00
Various Water Utility Improvements	07/12/22	1.25%	96,000.00
Various Water Utility Improvements	07/12/22	1.25%	332,000.00
Various Water Utility Improvements	07/12/22	1.25%	370,000.00
Various Water Utility Improvements	07/12/22	1.25%	493,000.00
Various Water Utility Improvements	07/12/22	1.25%	385,000.00
Various Water Utility Improvements	07/12/22	1.25%	200,000.00
			<u>\$ 2,246,000.00</u>

Total Debt Issued and Outstanding \$ 29,608,000.00

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 3: Fund Balances Appropriated

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

Current Fund	\$ 5,487,205.68
Water Utility Operating Fund	\$ 247,653.16
Sewer Utility Operating Fund	\$ 227,684.15
Special Garbage District Fund	\$ 770,447.00

Note 4: Local School District 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 Cedar Grove has elected to defer school taxes.

The Local School District Tax was raised on the school year basis and liability deferred by statute, resulting in school tax payable set forth in liabilities computed as follows:

	Balance Dec. 31, 2021	Balance Dec. 31, 2020
Balance of Tax	\$ 15,659,861.50	\$ 15,394,816.50
Less: Amount Deferred	15,394,816.50	15,394,816.50
Tax Payable	<u>\$ 265,045.00</u>	<u>\$ -0-</u>

Note 5: Pension Plans

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS).

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 annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).



TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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. 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  $1/55^{\text{th}}$  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  $1/60^{\text{th}}$  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 members 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 50 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.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets.

Township contributions to PERS amounted to \$454,547 for 2021.

The employee contribution rate was 7.50% effective July 1, 2018.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities and Pension Expense

At June 30, 2020, the Township's liability was \$7,825,148 for its proportionate share of the 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 July 1, 2019 which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the Township's proportion was 0.04799%, which was a decrease of 0.00014% from its proportion measured as of June 30, 2019. The Township has rolled forward the net pension liability as of June 30, 2020 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities to include the June 30, 2020 pension information in the Notes to the Financial Statements as the June 30, 2021 pension information has not been released as of the date of this audit.

For the year ended December 31, 2021, the Township recognized actual pension expense in the amount of \$457,815.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial 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%
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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 a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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' 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 Markets 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 Management Strategies	3.00%	3.40%

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 upon 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.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Township's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the Township's proportionate share of the net pension 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:

	June 30, 2020		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Township's proportionate share of the Net Pension Liability	\$ 9,828,735	\$ 7,825,148	\$ 6,093,007

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's 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 annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The 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.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Benefits Provided (Cont'd)

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.

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members.

The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.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 local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Special Funding Situation (Cont'd)

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

Township contributions to PFRS amounted to \$1,248,376 for the year ended December 31, 2021. During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$165,425 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$243,636.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2020, the Township's liability for its proportionate share of the net pension liability was \$13,852,161. 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 July 1, 2019 which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the Township's proportion was 0.107%, which was a decrease of 0.006% from its proportion measured as of June 30, 2019. The Township has rolled forward the net pension liability as of June 30, 2020 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2020 information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this audit.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$2,149,792 as of June 30, 2020. 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 July 1, 2019 which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the Township 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 members, actuarially determined. At June 30, 2020, the State's proportion was 0.107%, which was a decrease of 0.006% from its proportion measured as of June 30, 2019 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 13,852,161
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>2,149,792</u>
Total Net Pension Liability	<u><u>\$ 16,001,953</u></u>

For the year ended December 31, 2021, the Township recognized total pension expense of \$1,248,376.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was 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%

Pre-retirement mortality rates were based on the RP-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 Retiree mortality table with a 96.7% adjustment for males and a 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 the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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' target asset allocation as of June 30, 2020 are summarized in the following table:

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<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 Markets 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 Management Strategies	3.00%	3.40%

Discount Rate – PFRS

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 upon 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 Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Township) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Township) 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 were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:



TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Township) to Changes in the Discount Rate (Cont'd)

	June 30, 2020		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Township's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 21,279,304	\$ 16,001,953	\$ 11,618,710

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

Note 6: Accrued Sick and Vacation Benefits

The Township has permitted employees to accrue unused sick pay and, with prior approval, unused vacation pay. Police shall be entitled to convert one (1) accumulated sick day into a personal day of each three (3) month period during which no sick leave is taken. A maximum of 60 sick days may be taken as time off or paid upon retirement at the employee's current rate. At December 31, 2021 and 2020, it was estimated that the current cost of such unpaid compensation would approximate \$1,483,362 and \$1,411,956, respectively. These amounts were not reported either as an expenditure or liability. However, it is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

Note 7: Deferred Compensation Plan

The Township of Cedar Grove offers its employees two deferred compensation plans (the "Plans") created in accordance with Section 457 of the Internal Revenue Code. The Plans, which are administered by the Great-West Life Assurance Company, and AXA Equitable are available to all Township employees and permit participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 8: Selected Tax Rate Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A 6% penalty may be assessed for any unpaid taxes and other municipal charges in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after January 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	\$ 2.533	\$ 2.497	\$ 2.438

Apportionment of Tax Rate

Municipal:

Amount to be Raised:

Local	0.490	0.480	0.472
Library	0.036	0.036	0.035
Special Garbage District	0.073	0.073	0.073
County	0.525	0.520	0.508
Local School	1.409	1.388	1.350

Assessed Valuations

2021	<u>\$ 2,222,561,600</u>		
2020		<u>\$ 2,217,934,700</u>	
2019			<u>\$ 2,218,315,000</u>

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 possible increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$ 56,396,972.87	\$ 55,998,033.38	99.29%
2020	55,463,023.90	55,084,434.17	99.31%
2019	54,302,600.87	53,982,523.99	99.41%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 9: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits and short-term investments with original maturities of three months or less.

Investments are stated at cost. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below.

Custodial Credit Risk – The Township's policy with respect to custodial credit risk requires that the Township ensures that Township funds are only deposited in financial institutions in which New Jersey municipalities are permitted to invest their funds.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; and in addition, and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Township to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 9: Cash and Cash Equivalents and Investments (Cont'd)

Investments: (Cont'd)

- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 9: Cash and Cash Equivalents and Investments (Cont'd)

Investments: (Cont'd)

As of December 31, 2021, cash and cash equivalents and investments of the Township of Cedar Grove consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking and Savings Accounts</u>	<u>NJ Cash Management Fund</u>	<u>Total</u>
Current	\$ 2,399,533.85	\$ 13,262,371.93	\$ 40,034.13	\$ 15,701,939.91
Federal and State Grant	576,842.31	469,619.66	26,137.40	1,072,599.37
Animal Control		11,864.22	2,081.09	13,945.31
Other Trust		1,441,028.54	507,609.30	1,948,637.84
General Capital	154,640.25	1,136,891.77	2,860.69	1,294,392.71
Water Utility:				
Operating	18,204.66	676,274.82	3,642.38	698,121.86
Capital		326,625.51	5,436.18	332,061.69
Sewer Utility:				
Operating	644.02	513,246.57	1,675.28	515,565.87
Capital		856,535.66	5,648.38	862,184.04
Swimming Pool Utility:				
Operating	44,622.06	1,739.10	4,753.54	51,114.70
Capital	1,988.21	11,481.77	530.02	14,000.00
	<u>\$ 3,196,475.36</u>	<u>\$ 18,707,679.55</u>	<u>\$ 600,408.39</u>	<u>\$ 22,504,563.30</u>

During the period ended December 31, 2021, the Township did not hold any investments other than certificates of deposit. The carrying amount of the Township's cash and cash equivalents and investments at December 31, 2021, was \$22,504,563.30 and the bank balance was \$22,502,340.52. The \$600,408.39 in the State of New Jersey Cash Management Fund is uninsured and unregistered.

Note 10: Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided through the New Jersey State Health Benefits Program.

Property, Liability and Workers' Compensation

The Township is a member of the North Jersey Intergovernmental Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of providing insurance for general liability, property and workers' compensation.

As a member of the Fund, the Township could be subjected to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liability.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 10: Risk Management (Cont'd)

Property, Liability and Workers' Compensation (Cont'd)

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year's assessments with their respective share of the distribution.

The December 31, 2021 audit report of the North Jersey Intergovernmental Insurance Fund is not available as of the date of this audit. Selected financial information for the Fund as of December 31, 2020 is as follows:

	Property and Liability	Workers' Compensation
Total Assets	\$ 56,372,253	\$ 33,273,291
Net Position (Deficit)	\$ 15,140,247	\$ (7,521,240)
Total Revenue	\$ 10,646,928	\$ 9,833,241
Total Expenses	\$ 7,513,582	\$ 10,700,193
Change in Net Position	\$ 3,133,346	\$ (866,952)
Members Dividends	\$ -0-	\$ -0-

Financial statements for the Fund are available at the office of the Fund's Executive Director:

North Jersey Intergovernmental Insurance Fund  
RHM Benefits Inc.  
55 Madison Avenue, Suite 400  
Morristown, NJ 07960  
(201) 317-6821

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township contributions, employee contributions, interest earned, reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years.

Year	Township Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2021		\$ 38,551.96	\$ 4.92	\$ 27,127.27	\$ 48,056.01
2020	\$ 15,000.00	26,331.23	33.70	15,466.57	36,626.40
2019		17,222.91	160.73	20,512.42	10,728.04

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 11: Interfund Receivables and Payables

The following interfund balances remained on the balance sheets at December 31, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current		\$ 2,520,387.47
Other Trust	\$ 792,444.94	
Special Garbage District	1,727,942.53	
	<u>\$ 2,520,387.47</u>	<u>\$ 2,520,387.47</u>

The interfund receivable in the Other Trust Funds is due to funds received in the Current Fund net of disbursements made by the Current Fund on behalf of the Other Trust Funds. The interfund receivable in the Special Garbage District Fund is due to reimbursements received and the tax levy collected in the Current Fund net of disbursements made by the Current Fund on behalf of the Special Garbage District Fund.

As the Current Fund acts as a clearing account for all other Township Funds, the most significant interfund activity during the year is the collection of receipts and disbursements made on behalf of all other Township Funds by the Current Fund.

Note 12: Economic Dependency

The Township receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

Note 13: Open Space Trust Fund

The Township created an Open Space Trust Fund with a tax levy of \$.02 per \$100 of assessed valuation on March 8, 1999. The funds collected are used to acquire and maintain open space property in the Township. The balance in the Open Space Trust Fund at December 31, 2021 and 2020 were \$36,731.90 and \$36,696.85, respectively. There was no Open Space Tax for calendar years 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, and 2010 for the Township. The tax levy for calendar years 2012 and 2011 was established at \$.02 per \$100 of assessed valuation.

Note 14: Contingent Liabilities

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Township vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 15: Tax Abatement

GASB Statement 77, *Tax Abatements* requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

On January 8, 2018, the Township entered into a redevelopment agreement with a tax abatement to a redeveloper for 460 residential housing units and 90 affordable housing units in the Township pursuant to N.J.S.A. 40A:20-1 et seq., the *Long Term Tax Exemption Law*, and a financial agreement between the Township and the redeveloper at the property known as Hilltop at Cedar Grove. The agreement is for a period of 30 years. The Township shall remit to the County of Essex on a quarterly basis, 5% of the Annual Service Charge in the form of Payments in Lieu of Taxes ("PILOT") received from the redeveloper in accordance with N.J.S.A. 40A:20-12b. The Township recognized revenue in the amount of \$4,770,048.61 from this annual service charge or payment in lieu of taxes which is recorded as a miscellaneous revenue not anticipated in the Current Fund, of which \$244,265.33 was due to the County of Essex for the county apportionment of payment in lieu of taxes.

Note 16. Postemployment Benefits Other than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.



TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 16. Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Benefits Provided (Cont'd)

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

In accordance with the Township's resolution, Township employees are entitled to the following benefits:

Municipal and Police Employees:

Married Township employees retiring at age 62 or older who have accumulated 15 years or more of uninterrupted service, or under age 62 with 25 years or more, are entitled to fifty percent of the premium for hospital and surgical health insurance family coverage to be paid by the Township. Single employees retiring at age 62 or older who have accumulated 15 years or more of uninterrupted service, or under age 62 with 25 years or more, are entitled to one hundred percent of the premium for hospital and surgical insurance individual coverage to be paid by the Township. All years of qualifying service must be with the Township of Cedar Grove.

Contributions

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020. Employer and non-employer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 16. Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense

The Township has rolled forward the net OPEB liability as of June 30, 2020 with no adjustments. The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting municipalities and counties to include the June 30, 2020 OPEB information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

At June 30, 2020, the Township had a liability of \$21,701,403 for its proportionate share of the net OPEB liability. At June 30, 2020, the Township's proportion was 0.120922% which was an increase of 0.0323% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020 the Township's OPEB expense as determined by the State of New Jersey Division of Pensions and Benefits was \$771,252.

The Township's actual post retirement payments in 2021 for 43 retiree employees were \$609,825.54.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% - 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

\* - Salary increases are based on years of service within the respective plan.

Mortality:

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

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

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

TOWNSHIP OF CEDAR GROVE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Note 16. Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially is 5.6% and decreases to a 4.5% long term trend rate after seven years. For post 65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the Net OPEB Liability Attributable to the Township to Changes in the Discount Rate

The following presents the net OPEB Liability of the Township as of June 30, 2020, calculated using the discount rate as disclosed in this note, as well as what the net OPEB Liability of the Township 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:

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Net OPEB Liability Attributable to the Township	\$ 25,655,644	\$ 21,701,403	\$ 18,571,262

Sensitivity of the Net OPEB Liability Attributable to the Township to Changes in the Healthcare Trend Rate

The following presents the net OPEB Liability of the Township as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the net OPEB Liability of the Township 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:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability Attributable to the Township	\$ 17,957,933	\$ 21,701,403	\$ 26,603,528

SUPPLEMENTARY DATA

TOWNSHIP OF CEDAR GROVE  
ROSTER OF OFFICIALS  
YEAR ENDED DECEMBER 31, 2021

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

Name	Title	Amount of Bond
Peter H. Tanella	Deputy Mayor (Through 6/30/21); Mayor (From 7/1/21)	
Kerry Peterson	Mayor (Through 6/30/21); Councilwoman (From 7/1/21)	
Joseph Maceri	Councilman (Through 6/30/21); Deputy Mayor (From 7/1/21)	
Joseph Cicala	Councilman (Through 6/30/21)	
Joseph Zichelli	Councilman	
Melissa Skabich	Councilwoman (From 7/1/21)	
Thomas J. Tucci, Jr.	Township Manager	**
Kathleen R. Stutz	Township Clerk	**
William M. Homa	Chief Financial Officer;	\$ 100,000.00
	Tax Collector;	500,000.00
	Tax Search Officer	**
Richard Hamilton	Tax Assessor	**
Matthew Giacobbe	Township Attorney	**
Nicholas S. Brindisi	Magistrate	35,000.00
Theresa Platvoet	Court Administrator	**
Courtney Demarest	Deputy Court Administrator	**
Joseph Cirasa	Chief of Police	**
Robert J. Candido	Township Prosecutor	**
James Hoffmann	Construction Official (From 2/22/21)	**
Jacquelyn Maddaloni	Coordinator - Planning and Zoning Boards	**
Debra Riou	Director - Board of Health	**
Marisa Landolifi-Jefferson	Director - Recreation Department	**
Catherine Wolverton	Director of Library	**
Alessandro Palumbo	Municipal Engineer	**

A Blanket Bond in the amount of \$25,000 covers all other public employees who may handle Municipal monies.

Personnel of the Municipal Court are also covered by a separate Blanket Bond in the amount of \$35,000.

All surety bonds were underwritten by the Fidelity and Deposit Company.

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
CURRENT FUND

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 12,956,748.59
Increased by Receipts:		
Tax Collector	\$ 56,370,663.41	
Revenue Accounts Receivable	2,403,824.72	
Miscellaneous Revenue Not Anticipated	5,026,021.83	
Petty Cash Returned	480.00	
Interest on Investments and Deposits	3,356.19	
Due Federal and State Grant Fund:		
Interest Income	486.65	
Overpayment of Payment in Lieu of Taxes	13,413.64	
Prepaid Payment in Lieu of Taxes	29,162.32	
Payment in Lieu of Taxes - County	244,265.32	
Due Other Trust Funds - Interfund	900,235.52	
Tax Sale Premiums	225,802.03	
Due General Capital Fund:		
Interest Income	1,093.04	
Due Special Garbage District Fund - Leaf Disposal/Recycling	16,179.74	
Due State of New Jersey - Senior Citizens' and Veterans' Deductions	62,264.38	
Appropriation Refunds	76,877.68	
		<u>65,374,126.47</u>
		78,330,875.06
Decreased by Disbursements:		
2021 Appropriation Expenditures	16,538,134.77	
2020 Appropriation Reserve Expenditures	381,577.86	
Petty Cash Advanced	480.00	
Local School District Taxes	31,054,678.00	
County Taxes	11,666,290.59	
County Payment in Lieu of Taxes	141,889.42	
Payment in Lieu of Taxes Overpayments Refunded	7,428.86	
Due Federal and State Grant Fund - Interfund	1,781.25	
Due Other Trust Funds - Interfund	896,535.91	
Tax Sale Premiums	225,802.03	
Due Special Garbage District Fund:		
2021 Appropriation Expenditures	1,595,083.98	
Accounts Payable	76,623.40	
Reserve for:		
Pending Tax Appeals	17,781.03	
Refund of:		
Tax Overpayments	18,233.05	
Revenue Overpayments	3,680.00	
Prior Year Revenue:		
Other	3,200.00	
		<u>62,629,200.15</u>
Balance December 31, 2021	A	<u>\$ 15,701,674.91</u>

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2021

## Increased by Receipts:

Taxes Receivable	\$ 55,918,290.45	
2022 Prepaid Taxes	332,039.83	
Interest and Costs on Taxes	89,819.36	
Miscellaneous Revenue Not Anticipated	890.35	
Tax Overpayments	29,623.42	
	<hr/>	<hr/>
		\$ 56,370,663.41

## Decreased by:

Payments to Municipal Treasurer		<hr/> <hr/> \$ 56,370,663.41
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SCHEDULE OF CASH - FEDERAL AND STATE GRANT FUND

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 495,260.61
Increased by Receipts:		
Due Current Fund:		
Interfund	\$ 1,781.25	
Interest Earned	486.65	
Grants Receivable	55,108.82	
Unappropriated Grant Funds	655,944.27	
Reserve for Maintenance of Free Public Library:		
State Library Aid	6,811.00	
Interest Earned	9.80	
	<hr/>	<hr/>
		720,141.79
		<hr/> 1,215,402.40
Decreased by Disbursements:		
Due Current Fund:		
Interest Earned	486.65	
Appropriated Reserve Expenditures	135,037.73	
Reserve for Maintenance of Free Public Library	7,278.65	
	<hr/>	<hr/>
		142,803.03
Balance December 31, 2021	A	<hr/> <hr/> \$ 1,072,599.37



TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2020	2021 Levy	Collections		Over- payments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance Dec. 31, 2021
			2020	2021					
2020	\$ 363,844.97			\$ 364,414.83		\$ (569.86)			
2021	\$ 56,396,972.87	\$ 56,396,972.87	\$ 379,488.55	\$ 55,553,875.62	\$ 654.83	\$ 64,014.38	\$ 18,345.81	\$ 14,957.35	\$ 365,636.33
	\$ 363,844.97	\$ 56,396,972.87	\$ 379,488.55	\$ 55,918,290.45	\$ 654.83	\$ 63,444.52	\$ 18,345.81	\$ 14,957.35	\$ 365,636.33

Ref. A

A

Analysis of 2021 Property Tax Levy

## Tax Yield:

General Purpose Tax	\$ 54,675,015.36
Special District Tax	1,622,470.00
Added and Omitted Taxes	99,487.51
	<u>\$ 56,396,972.87</u>

## Tax Levy:

Local School District Taxes	\$ 31,319,723.00
Special District Tax	1,622,470.00
County Taxes	
Due County for Added and Omitted Taxes	<u>20,623.64</u>
	11,669,910.95
	<u>44,612,103.95</u>
Local Tax for Municipal Purposes Levied	10,885,019.37
Minimum Library Tax Levied	<u>805,655.48</u>
	11,690,674.85
Add: Additional Tax Levied	<u>94,194.07</u>
	11,784,868.92
	<u>\$ 56,396,972.87</u>

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 224,904.40
Increased by:		
Transfer from Taxes Receivable		<u>14,957.35</u>
Balance December 31, 2021	A	<u><u>\$ 239,861.75</u></u>

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Accrued In 2021	Collected by Collector	Treasurer	Balance Dec. 31, 2021
Licenses:					
Alcoholic Beverages - Clerk		\$ 18,514.00		\$ 18,514.00	
Other Licenses:					
Clerk		3,840.00		3,840.00	
Health Officer		8,015.00		8,015.00	
Fees and Permits:					
Recreation		136,822.70		136,822.70	
Planning and Zoning Board		30,564.05		30,564.05	
Health Officer		28,453.00		28,453.00	
Engineering		2,780.00		2,780.00	
Clerk		3,035.15		3,035.15	
Tax Assessor		510.00		510.00	
Tax Collector		890.35	\$ 890.35		
Treasurer		55.00		55.00	
Municipal Court - Fines and Fees	\$ 6,317.54	94,653.38		94,386.14	\$ 6,584.78
Cedar Grove Senior Citizen Housing Association:					
Service Charge		166,352.00		166,352.00	
Energy Receipts Tax		1,042,942.00		1,042,942.00	
Watershed Moratorium Offset Aid		5,687.00		5,687.00	
Uniform Construction Code Fees		372,605.00		372,605.00	
Cablevision		198,562.10		198,562.10	
Lease of Municipal Property - 350 Little Falls Road		37,072.76		37,072.76	
Due from General Capital Fund:					
Surplus Anticipated		253,628.82		253,628.82	
	6,317.54	2,404,982.31	890.35	2,403,824.72	6,584.78
Miscellaneous Revenue Not Anticipated:					
Payment in Lieu of Taxes	170,542.56	4,885,306.58		4,770,048.61	285,800.53
	\$ 176,860.10	\$ 7,290,288.89	\$ 890.35	\$ 7,173,873.33	\$ 292,385.31

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
Administrative and Executive:				
Other Expenses:				
Township Council	\$ 3,576.89	\$ 3,576.89		\$ 3,576.89
Township Manager's Office	5,424.00	5,424.00		5,424.00
Township Clerk's Office	11,128.41	11,128.41	\$ 1,910.83	9,217.58
Elections:				
Other Expenses	1,360.04	1,360.04		1,360.04
Treasurer - Controller's Office:				
Annual Audit	1,474.34	1,474.34	1,474.34	
Other Expenses	2,508.69	2,508.69		2,508.69
Assessment of Taxes:				
Other Expenses	7,666.04	7,666.04	2,364.50	5,301.54
Collection of Taxes:				
Other Expenses	1,636.00	1,636.00		1,636.00
Legal Services and Costs:				
Other Expenses	84,819.49	84,819.49	18,310.06	66,509.43
Engineering Services and Costs:				
Other Expenses	851.23	851.23	739.27	111.96
Municipal Prosecutor:				
Other Expenses	726.00	726.00	726.00	
Public Buildings and Grounds:				
Other Expenses	25,080.91	25,080.91	22,405.69	2,675.22
Municipal Court:				
Other Expenses	11,433.57	11,433.57	432.37	11,001.20
Public Defender:				
Other Expenses	4,270.00	4,270.00	1,061.00	3,209.00
Downtown Advisory Committee:				
Other Expenses	14,240.00	14,240.00		14,240.00
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Other Expenses	5,611.50	5,611.50	645.00	4,966.50
Zoning Board of Adjustment:				
Other Expenses	1,121.00	1,121.00	500.00	621.00
Shade Tree:				
Other Expenses	1,987.00	1,987.00		1,987.00
Environmental Commission (R.S. 40:56A-1 et seq):				
Other Expenses	700.00	700.00		700.00
Emergency Management Services:				
Other Expenses	414.00	414.00		414.00
Fire:				
Other Expenses	79,085.90	79,085.90	55,515.44	23,570.46
Police:				
Salaries and Wages	144,324.51	144,324.51		144,324.51
Other Expenses	47,273.79	47,273.79	30,027.63	17,246.16
Road Repair and Maintenance:				
Other Expenses	584.77	584.77	584.77	

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
Equipment Maintenance:				
Other Expenses	\$ 3,552.85	\$ 3,552.85	\$ 1,535.95	\$ 2,016.90
Snow Removal:				
Salaries and Wages	52,110.17	52,110.17		52,110.17
Other Expenses	158,036.42	158,036.42	47,862.01	110,174.41
Vehicle Maintenance:				
Other Expenses	34,720.66	34,720.66	31,555.27	3,165.39
Board of Health:				
Other Expenses	4,314.15	4,314.15	1,020.00	3,294.15
Animal Control:				
Salaries and Wages	1,500.00	1,500.00		1,500.00
Other Expenses	15,155.90	15,155.90		15,155.90
Parks and Playgrounds:				
Other Expenses	1,330.08	1,330.08	830.93	499.15
Recreation:				
Salaries and Wages	34,605.47	34,605.47	559.00	34,046.47
Other Expenses	38,384.99	38,384.99	6,925.62	31,459.37
Celebration of Public Events, Anniversaries or Holidays:				
Other Expenses	1,165.90	1,165.90		1,165.90
Senior Citizens' Transportation:				
Other Expenses	1,177.00	1,177.00		1,177.00
Sub-Code Officials:				
Building Inspector:				
Other Expenses	27,439.32	27,439.32	1,705.00	25,734.32
Plumbing Inspector:				
Other Expenses	3,435.00	3,435.00	1,200.00	2,235.00
Electrical Inspector:				
Other Expenses	3,435.00	3,435.00	1,200.00	2,235.00
Utilities	55,084.57	55,084.57	18,693.29	36,391.28
Insurance:				
Other Insurance Premiums	579.81	579.81		579.81
Group Insurance for Employees	138,509.59	138,509.59		138,509.59
Health Benefits Waiver	3,075.22	3,075.22		3,075.22
Surety Bond Premiums	500.00	500.00		500.00
Reserve for Self- Insurance Program	100.00	100.00		100.00
Contingent	3,860.00	3,860.00	3,722.85	137.15
Social Security System (O.A.S.I.)	1,452.43	1,452.43		1,452.43
Maintenance of Free Public Library (C.82, P.L. 1985)	81,376.51	81,376.51	81,376.51	
LOSAP Contribution:				
Fire Department	41,535.06	44,535.06	44,025.48	509.58
Ambulance & Rescue Squad	14,000.00	11,000.00		11,000.00

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
Local Access CATV Equipment	\$ 5,259.68	\$ 5,259.68	\$ 108.77	\$ 5,150.91
Improvements to Myrtle Avenue	16,962.50	16,962.50	7,452.00	9,510.50
	<u>\$ 1,199,956.36</u>	<u>\$ 1,199,956.36</u>	<u>\$ 386,469.58</u>	<u>\$ 813,486.78</u>

Ref.

Analysis of Balance December 31, 2020

Encumbered	A \$ 279,540.59
Unencumbered	A <u>920,415.77</u>
	<u>\$ 1,199,956.36</u>

Cash Disbursed	\$ 381,577.86
Accounts Payable	<u>4,891.72</u>
	<u>\$ 386,469.58</u>

TOWNSHIP OF CEDAR GROVE  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

Balance December 31, 2020	
Local School District Tax Deferred	\$ 15,394,816.50
Increased by:	
Levy - School Year July 1, 2021 - June 30, 2022	31,319,723.00
	<u>46,714,539.50</u>
Decreased by:	
Payments to Local School District	<u>31,054,678.00</u>
Balance December 31, 2021	
Local School District Tax Payable	265,045.00
Local School District Tax Deferred	<u>15,394,816.50</u>
	<u><u>\$ 15,659,861.50</u></u>
 <u>Analysis of Increase - Deferred School Tax:</u>	
Balance December 31, 2021	\$ 15,394,816.50
Balance December 31, 2020	<u>15,394,816.50</u>
Net Increase Credited to Operations	<u><u>\$ -0-</u></u>



TOWNSHIP OF CEDAR GROVE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2020	2021 Budget Revenue Realized	Received	Transferred from Unappropriated Reserves	Canceled to Current Fund Operations	Balance Dec. 31, 2021
Drunk Driving Enforcement Fund		\$ 4,268.15	\$ 4,268.15			
Clean Communities Program		23,294.17	23,294.17			
Municipal Alliance on Alcoholism and Drug Abuse	\$ 18,386.25	7,125.00	1,668.75		\$ 16,717.50	\$ 7,125.00
Body Armor Replacement Fund		3,018.11		\$ 3,018.11		
Department of Transportation: Harper Terrace	212,785.33					212,785.33
Recycling Tonnage Grant		25,877.75	25,877.75			
	<u>\$ 231,171.58</u>	<u>\$ 63,583.18</u>	<u>\$ 55,108.82</u>	<u>\$ 3,018.11</u>	<u>\$ 16,717.50</u>	<u>\$ 219,910.33</u>

Ref.

A

A

Original Budget

\$ 40,289.01

Appropriation by NJSA 40A:4-87

23,294.17

\$ 63,583.18

TOWNSHIP OF CEDAR GROVE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance Dec. 31, 2020	Transferred to 2021 Budget Revenue	Received	Balance Dec. 31, 2021
American Rescue Plan Body Armor Replacement Fund	\$ 3,018.11	\$ 3,018.11	\$ 653,602.79 2,341.48	\$ 653,602.79 2,341.48
	<u>\$ 3,018.11</u>	<u>\$ 3,018.11</u>	<u>\$ 655,944.27</u>	<u>\$ 655,944.27</u>

Ref.

A

A

TOWNSHIP OF CEDAR GROVE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2020	Transferred from 2021 Budget Appropriations	Expended	Canceled to Current Fund Operations	Balance Dec. 31, 2021
Drunk Driving Enforcement Fund	\$ 6,587.44	\$ 4,268.15	\$ 3,813.05		\$ 7,042.54
Clean Communities Program	84,003.93	23,294.17	13,275.00		94,023.10
Nonpublic School Nursing Services	22,707.27				22,707.27
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	27,776.34	7,125.00	10,779.46	\$ 16,717.50	7,404.38
Local Share		1,781.25	1,781.25		
Body Armor Replacement Fund	3,966.88	3,018.11			6,984.99
Department of Transportation:					
Harper Terrace	257,822.49				257,822.49
Recycling Tonnage Grant	11,808.06	25,877.75	14,638.97		23,046.84
Alcohol Education and Rehabilitation	48.68				48.68
Special Legislative Grants:					
Recreation/Community Center Study	129,552.52				129,552.52
Essex County Open Space Local Aid	150,000.00		90,750.00		59,250.00
	<u>\$ 694,273.61</u>	<u>\$ 65,364.43</u>	<u>\$ 135,037.73</u>	<u>\$ 16,717.50</u>	<u>\$ 607,882.81</u>

Ref.

A

A

Original Budget  
Appropriation by NJSA 40A:4-87  
Matching Funds

\$ 40,289.01
23,294.17
<u>63,583.18</u>
<u>1,781.25</u>
<u>\$ 65,364.43</u>

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
TRUST FUNDS

TOWNSHIP OF CEDAR GROVE  
TRUST FUNDS  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2020	B	\$ 14,429.19	\$ 1,969,172.02
Increased by Receipts:			
Animal Control Collector		\$ 11,225.80	
Interest Earned		13.94	
Due Current Fund:			
Interfund			\$ 896,535.91
Interest Earned			74.25
Special Deposits			128,290.60
Other Deposits			721,915.24
Municipal Open Space - Interest			35.05
State Unemployment Insurance:			
Employee Contributions			38,551.96
Interest			4.92
		<u>11,239.74</u>	<u>1,785,407.93</u>
		25,668.93	3,754,579.95
Decreased by Disbursements:			
Administrative Expenses		10,386.82	
State Board of Health		1,336.80	
Due Current Fund:			
Interfund			900,235.52
Due General Capital Fund:			
Community Development Block Grant			46,060.00
Special Deposits			164,065.85
Other Deposits			627,088.06
Depositors' Funds Assigned as Security:			
Disbursements			41,365.41
State Unemployment Insurance			27,127.27
		<u>11,723.62</u>	<u>1,805,942.11</u>
Balance December 31, 2021	B	<u>\$ 13,945.31</u>	<u>\$ 1,948,637.84</u>

TOWNSHIP OF CEDAR GROVE  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2021

## Increased by:

## Animal Control License Fees:

Dogs	\$ 7,959.60	
Cats	330.00	
Late Fees	1,810.00	
Miscellaneous Fees	3.00	
State Registration Fees	<u>1,123.20</u>	\$ 11,225.80

## Decreased by:

Paid to Treasurer		<u><u>\$ 11,225.80</u></u>
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TOWNSHIP OF CEDAR GROVE  
ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2020	B	\$ 14,214.39
Increased by:		
Animal Control License Fees:		
Dogs		\$ 7,959.60
Cats		330.00
Late Fees		1,810.00
Miscellaneous Fees		3.00
Interest Income		13.94
		<u>10,116.54</u>
		24,330.93
Decreased by:		
Animal Control Expenditures (R.S. 4:19-15.11):		
Cash Disbursed		<u>10,386.82</u>
Balance December 31, 2021	B	<u><u>\$ 13,944.11</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2019	\$ 8,110.80
2020	<u>7,020.80</u>
Maximum Allowable Reserve	<u><u>\$ 15,131.60</u></u>

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
GENERAL CAPITAL FUND



TOWNSHIP OF CEDAR GROVE  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2020	C	\$ 1,138,659.48
Increased by Receipts:		
Due Current Fund:		
Interest Earned	\$ 1,093.04	
Due Other Trust Fund:		
Interfund	46,060.00	
2021 Budget Appropriation:		
Capital Improvement Fund	85,000.00	
Down Payments on Improvements	32,080.00	
Grants Receivable:		
New Jersey Department of Transportation	138,357.05	
Community Development Block Grant	6,860.00	
Refunding Serial Bonds Issued	6,035,000.00	
Bond Anticipation Note Proceeds	1,967,000.00	
Capital Fund Balance - Premium on Sale of Notes	189,763.33	
Reserve for Fire Apparatus	150,000.00	
		<u>8,651,213.42</u>
		9,789,872.90
Decreased by Disbursements:		
Improvement Authorizations	8,240,758.33	
Due Current Fund:		
Interest Earned	1,093.04	
Anticipated Revenue - Fund Balance	253,628.82	
		<u>8,495,480.19</u>
Balance December 31, 2021	C	<u>\$ 1,294,392.71</u>

TOWNSHIP OF CEDAR GROVE  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance/(Deficit) Dec. 31, 2020	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2021
		Bond Proceeds	Bond Anticipation Notes	Budget Appropriations	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Capital Fund Balance	\$ 253,628.82			\$ 32,080.00	\$ 189,763.33		\$ 253,628.82	\$ 32,080.00		\$ 189,763.33
Down Payments on Improvements	920.00			85,000.00				85,920.00		
Capital Improvement Fund										
Grants Receivable:										
New Jersey Department of Transportation	(605,000.00)									
Community Development Block Grant	(6,860.00)				138,357.05					(466,642.95)
Reserve for Receivable from NJ Department					6,860.00					
of Transportation Grant	350,000.00									350,000.00
Reserve for Fire Apparatus	550,000.00				150,000.00					700,000.00
Due Other Trust Fund	(46,060.00)				46,060.00					
Due Current Fund					1,093.04			1,093.04		
Ord.										
No.										
Improvement Description										
15-783 Various General Improvements	4,247.50					\$ 3,199.88				1,047.62
18-826 Various General Improvements	24,724.88					24,724.88				
19-841 Various General Improvements						94,214.58		\$ 105,552.93		11,338.35
19-850 Various General Improvements	128,099.25					22,546.32		105,552.93		
20-856 Various General Improvements	177,434.03		\$ 900,000.00			538,706.65				538,727.38
20-861 Reconstruction of Ozone Avenue	254,525.00		20,000.00			210,845.57				63,679.43
20-868 Public Safety Radio Communications Project	53,000.00		1,047,000.00			1,000,937.50				99,062.50
21-872 Various General Improvements						310,582.95			58,000.00	(252,582.95)
21-877 Refunding Bond Ordinance		\$ 6,035,000.00				6,035,000.00				
21-878 Acquisition of Real Property									60,000.00	60,000.00
	\$ 1,138,659.48	\$ 6,035,000.00	\$ 1,967,000.00	\$ 117,080.00	\$ 532,133.42	\$ 8,240,758.33	\$ 254,721.86	\$ 223,552.93	\$ 223,552.93	\$ 1,294,392.71

TOWNSHIP OF CEDAR GROVE  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	2021		Paid by Budget Appropriation	Improvement Authorizations Canceled	Balance Dec. 31, 2021	Bond Anticipation Notes	Analysis of Balance Dec. 31, 2021	
		Balance Dec. 31, 2020	Improvement Authorizations					Expended	Unexpended Improvement Authorization
12-752	Acquisition of Generators	\$ 86,000.00		\$ 22,000.00		\$ 64,000.00	\$ 64,000.00		
13-756	Panther Park Improvements	515,000.00		130,000.00		385,000.00	385,000.00		
14-767	Acquisition of Equipment	92,000.00		23,000.00		69,000.00	69,000.00		
14-775	Various General Improvements	290,000.00		74,000.00		216,000.00	216,000.00		
15-783	Various General Improvements	430,000.00		90,000.00		340,000.00	340,000.00		
16-793	Improvements to Commerce Road	355,000.00		50,000.00		305,000.00	305,000.00		
16-796	Various General Improvements	565,000.00		45,000.00		520,000.00	520,000.00		
17-806	Road Overlay Program	550,000.00		30,000.00		520,000.00	520,000.00		
17-808	Various General Improvements	726,000.00		30,000.00		696,000.00	696,000.00		
17-821	Acquisition and Installation of Generator	166,000.00		6,000.00		160,000.00	160,000.00		
18-826	Various General Improvements	1,213,000.00				1,213,000.00	1,213,000.00		
18-835	Acquisition of Property	10,975,000.00		1,200,000.00		9,775,000.00	9,775,000.00		
19-837	Resurfacing Little Falls Tennis Courts	61,000.00				61,000.00	61,000.00		
19-841	Various General Improvements	440,000.00				440,000.00	440,000.00		
19-850	Various General Improvements	1,100,000.00				1,100,000.00	1,100,000.00		
20-856	Various General Improvements	1,410,000.00				1,410,000.00	1,410,000.00		
20-861	Reconstruction of Ozone Avenue	20,000.00				20,000.00	20,000.00		
20-868	Public Safety Radio Communications	1,047,000.00				1,047,000.00	1,047,000.00		
21-872	Various General Improvements		\$ 1,157,000.00		\$ 7,500,000.00	1,157,000.00		\$ 252,582.95	\$ 904,417.05
21-877	Refunding Bond Ordinance		7,500,000.00						
21-878	Acquisition of Real Property		1,190,000.00			1,190,000.00			1,190,000.00
		<u>\$20,041,000.00</u>	<u>\$ 9,847,000.00</u>	<u>\$ 1,700,000.00</u>	<u>\$ 7,500,000.00</u>	<u>\$ 20,688,000.00</u>	<u>\$18,341,000.00</u>	<u>\$ 252,582.95</u>	<u>\$ 2,094,417.05</u>
		C		C		C			
		Ref.		Improvement Authorizations - Unfunded		C-7		\$ 2,764,592.90	
		Less: Unexpended Proceeds of Bond Anticipation Notes Issued:							
		Ordinance 15-783 - Various General Improvements				\$ 1,047.62			
		Ordinance 18-841 - Various General Improvements				11,338.35			
		Ordinance 20-856 - Various General Improvements				538,727.38			
		Ordinance 20-861 - Reconstruction of Ozone Avenue				20,000.00			
		Ordinance 20-868 - Various General Improvements				99,062.50			
								670,175.85	
								<u>\$ 2,094,417.05</u>	

TOWNSHIP OF CEDAR GROVE  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2020		2021 Authorizations		Paid or Charged	Improvement Authorizations Canceled	Balance Dec. 31, 2021	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Down Payments on Improvements			Deferred Charges to Future Taxation - Unfunded	
15-783	General Improvements:	5/18/2015	\$ 600,000.00		\$ 4,247.50			\$ 3,199.88		\$	\$ 1,047.62
18-826	Various General Improvements	6/18/2018	1,250,000.00		24,724.88			24,724.88			
19-841	Various General Improvements	6/3/2019	831,000.00		105,552.93			94,214.58			11,338.35
19-850	Various General Improvements	12/16/2019	1,100,000.00		22,546.32			22,546.32			
20-856	Various General Improvements	4/20/2020	1,460,000.00		1,077,434.03			538,706.65			538,727.38
20-861	Reconstruction of Ozone Avenue	8/17/2020	275,000.00	\$ 254,525.00	20,000.00			210,845.57	\$ 43,679.43		20,000.00
20-868	Public Safety Radio Communications	12/21/2020	1,100,000.00	53,000.00	1,047,000.00	\$ 58,000.00		1,000,937.50			99,062.50
21-872	Various General Improvements	6/7/2021	1,215,000.00					310,582.95			904,417.05
21-877	Refunding Bond Ordinance	8/9/2021	7,500,000.00					6,035,000.00	\$ 1,465,000.00		
21-878	Acquisition of Real Property	8/9/2021	1,250,000.00			27,920.00	\$ 32,080.00	1,190,000.00		60,000.00	1,190,000.00
				\$ 307,525.00	\$ 2,301,505.66	\$ 85,920.00	\$ 32,080.00	\$ 9,847,000.00	\$ 1,465,000.00	\$ 103,679.43	\$ 2,764,592.90
				C	C				C	C	C
			Ref.								

TOWNSHIP OF CEDAR GROVE  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance December 31, 2020	C	\$ 920.00
Increased by:		
2021 Budget Appropriation		85,000.00
		<u>85,920.00</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		85,920.00
		<u>85,920.00</u>
Balance December 31, 2021	C	<u>\$ -0-</u>

TOWNSHIP OF CEDAR GROVE  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2021

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2020	Issued	Matured	Balance Dec. 31, 2021
		Original Issue	Issue	Maturity					
12-752	Acquisition of Generators	7/30/2014	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	\$ 86,000.00	\$ 64,000.00	\$ 86,000.00	\$ 64,000.00
13-756	Panther Park Improvements	7/30/2014	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	515,000.00	385,000.00	515,000.00	385,000.00
14-767	Acquisition of Equipment	7/30/2014	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	92,000.00	69,000.00	92,000.00	69,000.00
14-775	Various General Improvements	7/30/2014	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	290,000.00	216,000.00	290,000.00	216,000.00
15-783	Various General Improvements	7/28/2015	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	430,000.00	340,000.00	430,000.00	340,000.00
16-793	Improvements to Commerce Road	7/26/2016	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	260,000.00	220,000.00	260,000.00	220,000.00
16-793	Improvements to Commerce Road	7/28/2015	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	95,000.00	85,000.00	95,000.00	85,000.00
16-796	Various General Improvements	7/26/2016	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	565,000.00	520,000.00	565,000.00	520,000.00
17-806	Road Overlay Program	7/24/2017	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	550,000.00	520,000.00	550,000.00	520,000.00
17-808	Various General Improvements	7/24/2017	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	726,000.00	696,000.00	726,000.00	696,000.00
17-821	Acquisition and Installation of Generator	7/19/2018	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	166,000.00	160,000.00	166,000.00	160,000.00
18-826	Various General Improvements	7/17/2019	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	963,000.00	963,000.00	963,000.00	963,000.00
18-826	Various General Improvements	7/15/2020	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	250,000.00	250,000.00	250,000.00	250,000.00
18-835	Acquisition of Property	7/17/2019	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	10,975,000.00	9,775,000.00	10,975,000.00	9,775,000.00
19-837	Resurfacing Little Falls Road Tennis Courts	7/17/2019	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	61,000.00	61,000.00	61,000.00	61,000.00
19-841	Various General Improvements	7/15/2020	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	440,000.00	440,000.00	440,000.00	440,000.00
19-850	Various General Improvements	7/17/2019	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	300,000.00	300,000.00	300,000.00	300,000.00
19-850	Various General Improvements	7/15/2020	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	800,000.00	800,000.00	800,000.00	800,000.00
20-856	Various General Improvements	7/15/2020	7/15/2020 7/13/2021	7/14/2021 7/12/2022	2.00% 1.25%	510,000.00	510,000.00	510,000.00	510,000.00
20-856	Various General Improvements	7/13/2021	7/13/2021	7/12/2022	1.25%		900,000.00		900,000.00
20-861	Reconstruction of Ozone Avenue	7/13/2021	7/13/2021	7/12/2022	1.25%		20,000.00		20,000.00
20-868	Public Safety Radio Communications	7/13/2021	7/13/2021	7/12/2022	1.25%		1,047,000.00		1,047,000.00
						<u>\$ 18,074,000.00</u>	<u>\$ 18,341,000.00</u>	<u>\$ 18,074,000.00</u>	<u>\$ 18,341,000.00</u>
						Ref. C			C
							\$ 1,967,000.00		
							16,374,000.00	\$ 16,374,000.00	
								1,700,000.00	
							<u>\$ 18,341,000.00</u>	<u>\$ 18,074,000.00</u>	



TOWNSHIP OF CEDAR GROVE  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2021

Ord. No.	Improvement Description	Balance Dec. 31, 2020	2021 Improvement Authorizations	Bonds Issued	Bond Anticipation Notes Issued	Improvement Authorizations Cancelled	Balance Dec. 31, 2021
20-856	Various General Improvements	\$ 900,000.00			\$ 900,000.00		
20-861	Reconstruction of Ozone Avenue	20,000.00			20,000.00		
20-868	Public Safety Radio Communications	1,047,000.00			1,047,000.00		
21-872	Various General Improvements		\$ 1,157,000.00			\$ 1,465,000.00	\$ 1,157,000.00
21-877	Refunding Bond Ordinance		7,500,000.00	\$ 6,035,000.00			
21-878	Acquisition of Real Property		1,190,000.00				1,190,000.00
		<u>\$ 1,967,000.00</u>	<u>\$ 9,847,000.00</u>	<u>\$ 6,035,000.00</u>	<u>\$ 1,967,000.00</u>	<u>\$ 1,465,000.00</u>	<u>\$ 2,347,000.00</u>



TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
WATER UTILITY FUND

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2020	D	\$ 1,876,568.84	\$ 589,072.89
Increased by Receipts:			
Water Utility Collector		\$ 1,887,091.39	
Miscellaneous Revenue		116,984.63	
Miscellaneous Revenue Not Anticipated		122,928.00	
Interest Income		1,819.43	
Due Water Utility Operating Fund:			
Interest Earned			\$ 634.53
Due Water Utility Capital Fund:			
Interest Earned		634.53	
Surplus Anticipated		32,570.13	
2021 Budget Appropriation:			
Capital Improvement Fund			15,000.00
Capital Fund Balance:			
Premium on Sale of Notes			23,238.01
		<u>2,162,028.11</u>	<u>38,872.54</u>
		4,038,596.95	627,945.43
Decreased by Disbursements:			
2021 Appropriation Expenditures		2,063,083.60	
2020 Appropriation Reserve Expenditures		92,584.68	
Interest on Bonds		50,218.76	
Interest on Notes		46,291.05	
Due K. Hovanian Water Hookups Overpayment		1,088,297.00	
Due Water Utility Operating Fund:			
Interest Earned			634.53
Surplus Anticipated			32,570.13
Improvement Authorizations			262,679.08
		<u>3,340,475.09</u>	<u>295,883.74</u>
Balance December 31, 2021	D	<u>\$ 698,121.86</u>	<u>\$ 332,061.69</u>

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2021

## Increased by Receipts:

## Consumer Accounts Receivable:

Water Rents	\$ 1,887,091.39	
Miscellaneous Revenue	119,438.59	
Water Rent Overpayments	<u>16,610.53</u>	
		<u>\$ 2,023,140.51</u>

## Decreased by:

Paid to Treasurer		<u><u>\$ 2,023,140.51</u></u>
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TOWNSHIP OF CEDAR GROVE  
WATER UTILITY CAPITAL FUND  
ANALYSIS OF CASH

	Balance Dec. 31, 2020	Receipts		Disbursements		Balance Dec. 31, 2021
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	
Capital Fund Balance	\$ 32,570.13		\$ 23,238.01		\$ 32,570.13	\$ 23,238.01
Capital Improvement Fund	36,187.70	\$ 15,000.00				51,187.70
Due Water Utility Operating Fund			634.53		634.53	
Ord. No.	Improvement Description					
16-794	Various Water Utility Improvements			\$ 15,313.48		
17-809	Various Water Utility Improvements			173,143.84		
18-828	Various Water Utility Improvements			24,436.45		4,824.75
19-843	Various Water Utility Improvements			3,150.41		195,300.00
20-858	Various Water Utility Improvements			46,634.90		57,511.23
	\$ 589,072.89	\$ 15,000.00	\$ 23,872.54	\$ 262,679.08	\$ 33,204.66	\$ 332,061.69

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 213,168.46
Increased by:		
Billings	\$ 1,940,466.17	
Water Rent Overpayments	<u>16,610.53</u>	
		<u>2,170,245.16</u>
Decreased by:		
Collections		<u>1,887,091.39</u>
Balance December 31, 2021	D	<u><u>\$ 283,153.77</u></u>

WATER UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 17,600.00
Increased by:		
Increase in Inventory		<u>900.00</u>
Balance December 31, 2021	D	<u><u>\$ 18,500.00</u></u>

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2020	Transferred for Fixed Capital Authorized and Uncomplete	Balance Dec. 31, 2021
Water Distribution System	\$ 8,970,739.18	\$ 771,000.00	\$ 9,741,739.18
Wanaque South Project	149,950.00		149,950.00
Engineering and Design	6,700.00		6,700.00
Water Well	20,000.00		20,000.00
Water Towers	417,000.00		417,000.00
Water Mains	425,000.00		425,000.00
Water Meters	25,000.00		25,000.00
Utility Trucks	16,060.00		16,060.00
Fuel Tanks	10,000.00		10,000.00
Capital Outlay	823,430.24		823,430.24
	<u>\$ 10,863,879.42</u>	<u>\$ 771,000.00</u>	<u>\$ 11,634,879.42</u>

Ref.

D

D

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance		Balance		Costs to Fixed Capital	Balance Dec. 31, 2021
		Date	Amount	Dec. 31, 2020	Authorizations		
16-794	Various Water Utility Improvements	5/2/2016	\$ 381,000.00	\$ 381,000.00		\$ 381,000.00	
17-809	Various Water Utility Improvements	7/24/2017	390,000.00	390,000.00		390,000.00	
18-828	Various Water Utility Improvements	6/18/2018	518,000.00	518,000.00			\$ 518,000.00
19-843	Various Water Utility Improvements	6/3/2019	385,000.00	385,000.00			385,000.00
20-858	Various Water Utility Improvements	4/20/2020	200,000.00	200,000.00			200,000.00
21-873	Various Water Utility Improvements	6/7/2021	105,000.00		\$ 105,000.00		105,000.00
				\$ 1,874,000.00	\$ 105,000.00	\$ 771,000.00	\$ 1,208,000.00

Ref.                      D                      D

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 48,886.42	\$ 48,886.42		\$ 48,886.42
Other Expenses	349,436.35	349,436.35	\$ 92,584.68	256,851.67
Capital Improvements:				
Capital Outlay	18,000.00	18,000.00		18,000.00
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	2,174.59	2,174.59		2,174.59
	<u>\$ 418,497.36</u>	<u>\$ 418,497.36</u>	<u>\$ 92,584.68</u>	<u>\$ 325,912.68</u>

Ref.

Analysis of Balance December 31, 2020:

Appropriation Reserves:		
Unencumbered	D	\$ 347,191.34
Encumbered	D	<u>71,306.02</u>
		<u>\$ 418,497.36</u>



TOWNSHIP OF CEDAR GROVE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2020		2021 Authorizations		Balance Dec. 31, 2021	
		Date	Amount	Unfunded		Deferred Charges to Future Revenue		Paid or Charged	Unfunded
16-794	Various Water Utility Improvements	5/2/2016	\$ 381,000.00	\$ 15,313.48	\$		\$	15,313.48	
17-809	Various Water Utility Improvements	7/24/2017	390,000.00	173,143.84				173,143.84	
18-828	Various Water Utility Improvements	6/18/2018	518,000.00	29,261.20				24,436.45	\$ 4,824.75
19-843	Various Water Utility Improvements	6/3/2019	385,000.00	198,450.41				3,150.41	195,300.00
20-858	Various Water Utility Improvements	4/20/2020	200,000.00	104,146.13				46,634.90	57,511.23
21-873	Various Water Utility Improvements	6/7/2021	105,000.00		\$ 105,000.00				105,000.00
				\$ 520,315.06	\$ 105,000.00	\$ 105,000.00	\$ 262,679.08	\$ 362,635.98	
		<u>Ref.</u>	D	Cash Disbursed	\$ 262,679.08				
						D			

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 36,187.70
Increased by:		
2021 Budget Appropriation		<u>15,000.00</u>
Balance December 31, 2021	D	<u><u>\$ 51,187.70</u></u>

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 8,357,879.42
Increased by:		
Paid by Water Utility Operating Budget:		
Serial Bonds		\$ 130,000.00
Serial Bonds Retired		240,000.00
		<u>370,000.00</u>
Balance December 31, 2021	D	<u>\$ 8,727,879.42</u>

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Ord. Date	Balance Dec. 31, 2020	Notes Paid by Budget Appropriation	Balance Dec. 31, 2021
14-773	Various Water Utility Improvements	4/21/2014		\$ 30,000.00	\$ 30,000.00
15-782	Various Water Utility Improvements	5/18/2015		25,000.00	25,000.00
16-794	Various Water Utility Improvements	5/2/2016	\$ 39,000.00	10,000.00	49,000.00
17-809	Various Water Utility Improvements	7/24/2017	10,000.00	10,000.00	20,000.00
18-828	Various Water Utility Improvements	6/18/2018	25,000.00		25,000.00
			\$ 74,000.00	\$ 75,000.00	\$ 149,000.00
		<u>Ref.</u>	D	D	D

TOWNSHIP OF CEDAR GROVE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2021

Ord. No.	Improvement Description	Date of				Interest Rate	Balance Dec. 31, 2020	Issued	Matured	Balance Dec. 31, 2021
		Issue of Original Note	Issue	Maturity						
14-773	Various Water Utility Improvements	7/30/2014	7/15/2020 7/13/2021	7/14/2021 7/12/2022		2.00% 1.25%	\$ 400,000.00	\$ 370,000.00	\$ 400,000.00	\$ 370,000.00
15-782	Various Water Utility Improvements	7/28/2015	7/15/2020 7/13/2021	7/14/2021 7/12/2022		2.00% 1.25%	121,000.00	96,000.00	121,000.00	96,000.00
16-794	Various Water Utility Improvements	7/26/2016	7/15/2020 7/13/2021	7/14/2021 7/12/2022		2.00% 1.25%	342,000.00	332,000.00	342,000.00	332,000.00
17-809	Various Water Utility Improvements	7/24/2017	7/15/2020 7/13/2021	7/14/2021 7/12/2022		2.00% 1.25%	380,000.00	370,000.00	380,000.00	370,000.00
18-828	Various Water Utility Improvements	7/17/2019	7/15/2020 7/13/2021	7/14/2021 7/12/2022		2.00% 1.25%	493,000.00	493,000.00	493,000.00	493,000.00
19-843	Various Water Utility Improvements	7/17/2019	7/15/2020 7/13/2021	7/14/2021 7/12/2022		2.00% 1.25%	385,000.00	385,000.00	385,000.00	385,000.00
20-858	Various Water Utility Improvements	7/15/2020	7/15/2020 7/13/2021	7/14/2021 7/12/2022		2.00% 1.25%	200,000.00	200,000.00	200,000.00	200,000.00
							<u>\$ 2,321,000.00</u>	<u>\$ 2,246,000.00</u>	<u>\$ 2,321,000.00</u>	<u>\$ 2,246,000.00</u>

Ref. D

Paid by Budget Appropriation  
Renewals

	\$ 75,000.00	
	\$ 2,246,000.00	2,246,000.00
	<u>\$ 2,246,000.00</u>	<u>\$ 2,321,000.00</u>



TOWNSHIP OF CEDAR GROVE  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2021

Ord. No.	Improvement Description	2021 Improvement Authorizations	Balance Dec. 31, 2021
21-873	Various Water Utility Improvements	\$ 105,000.00	\$ 105,000.00
		\$ 105,000.00	\$ 105,000.00

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
SEWER UTILITY FUND



TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2020	E	\$ 1,192,924.52	\$ 949,080.24
Increased by Receipts:			
Sewer Utility Collector		\$ 2,125,444.03	
Interest Income		1,195.22	
Bond Anticipation Note Proceeds			\$ 380,000.00
Due Sewer Utility Operating Fund:			
Interest Earned			965.71
Due Sewer Utility Capital Fund:			
Interest Earned		965.71	
Surplus Anticipated		14,678.31	
2021 Budget Appropriation:			
Capital Improvement Fund			15,000.00
Capital Fund Balance:			
Premium on Sale of Notes			14,029.72
		<u>2,142,283.27</u>	<u>409,995.43</u>
		3,335,207.79	1,359,075.67
Decreased by Disbursements:			
2021 Appropriation Expenditures		2,316,316.44	
2020 Appropriation Reserve Expenditures		118,510.20	
Interest on Bonds		93,116.26	
Interest on Notes		20,861.88	
Refund of Sewer Rent Overpayments		1,187.14	
Due K. Hovanian Sewer Hookups Overpayment		269,650.00	
Due Sewer Utility Operating Fund:			
Interest Earned			965.71
Surplus Anticipated			14,678.31
Improvement Authorizations			481,247.61
		<u>2,819,641.92</u>	<u>496,891.63</u>
Balance December 31, 2021	E	<u>\$ 515,565.87</u>	<u>\$ 862,184.04</u>

TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2021

## Increased by Receipts:

## Consumer Accounts Receivable:

Sewer Rents	\$ 2,080,604.75	
Miscellaneous Revenue	33,524.60	
Sewer Rent Overpayments	<u>11,314.68</u>	
		<u>\$ 2,125,444.03</u>

## Decreased by:

Paid to Treasurer		<u><u>\$ 2,125,444.03</u></u>
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TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 232,460.63
Increased by:		
Billings		2,203,870.08
		<u>2,436,330.71</u>
Decreased by:		
Collections		2,080,604.75
		<u>2,080,604.75</u>
Balance December 31, 2021	E	<u>\$ 355,725.96</u>

SEWER UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 21,145.00
Increased by:		
Increase in Inventory		1,355.00
		<u>1,355.00</u>
Balance December 31, 2021	E	<u>\$ 22,500.00</u>

TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2020	Capital Outlay	Transfer from Fixed Capital Authorized and Uncompleted	Balance Dec. 31, 2021
Sewer System	\$ 14,766,995.53		\$ 120,000.00	\$ 14,886,995.53
Wastewater Treatment Plant	2,471,000.00			2,471,000.00
Fuel Tank	10,000.00			10,000.00
Engineering Services	8,609.12			8,609.12
Ultraviolet Disinfection System	150,000.00			150,000.00
Capital Outlay	609,664.08	\$ 59,632.50		669,296.58
	<u>\$ 18,016,268.73</u>	<u>\$ 59,632.50</u>	<u>\$ 120,000.00</u>	<u>\$ 18,195,901.23</u>

Ref.

E

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TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2020	2021 Authorizations	Transfer to Fixed Capital	Balance Dec. 31, 2021
		Date	Amount				
12-750	Various Sewer Utility Improvements	12/17/12	\$ 1,575,000.00	\$ 1,575,000.00			\$ 1,575,000.00
14-774	Various Sewer Utility Improvements	05/05/14	225,000.00	225,000.00			225,000.00
15-781	Various Sewer Utility Improvements	05/18/15	120,000.00	120,000.00	\$ 120,000.00		
17-810	Various Sewer Utility Improvements	07/24/17	530,000.00	530,000.00			530,000.00
18-827	Various Sewer Utility Improvements	06/18/18	140,000.00	140,000.00			140,000.00
19-842	Various Sewer Utility Improvements	06/03/19	225,000.00	225,000.00			225,000.00
20-857	Various Sewer Utility Improvements	04/20/20	280,000.00	280,000.00			280,000.00
21-874	Various Sewer Utility Improvements	06/07/21	400,000.00		\$ 400,000.00		400,000.00
				\$ 3,095,000.00	\$ 400,000.00	\$ 120,000.00	\$ 3,375,000.00

Ref.

E

E

TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 135,991.43	\$ 135,991.43		\$ 135,991.43
Other Expenses	138,723.82	138,723.82	\$ 81,010.20	57,713.62
Capital Improvements:				
Capital Outlay	37,500.00	37,500.00	37,500.00	
	<u>\$ 312,215.25</u>	<u>\$ 312,215.25</u>	<u>\$ 118,510.20</u>	<u>\$ 193,705.05</u>

Ref.

Analysis of Balance December 31, 2020:

Appropriation Reserves:		
Unencumbered	E	\$ 231,205.05
Encumbered	E	<u>81,010.20</u>
		<u>\$ 312,215.25</u>

TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2020		Deferred Charges to Future Revenue	Paid or Charged	Balance Dec. 31, 2021	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
12-750	Various Sewer Utility Improvements	12/17/12	\$ 1,575,000.00	\$ 149,135.92			\$ 24,596.84	\$ 124,539.08	
14-744	Various Sewer Utility Improvements	05/05/14	225,000.00		\$ 191,552.00				\$ 191,552.00
15-781	Various Sewer Utility Improvements	05/18/15	120,000.00		1,211.27		1,211.27		
17-810	Various Sewer Utility Improvements	07/24/17	530,000.00		400,000.00		24,593.87		375,406.13
18-827	Various Sewer Utility Improvements	06/18/18	140,000.00		39,249.00		24,249.00		15,000.00
19-842	Various Sewer Utility Improvements	06/03/19	225,000.00		191,333.74		155,997.63		35,336.11
20-857	Various Sewer Utility Improvements	04/20/20	280,000.00		280,000.00		250,599.00		29,401.00
21-784	Various Sewer Utility Improvements	06/07/21	400,000.00			\$ 400,000.00			400,000.00
				<u>\$ 149,135.92</u>	<u>\$ 1,103,346.01</u>	<u>\$ 400,000.00</u>	<u>\$ 481,247.61</u>	<u>\$ 124,539.08</u>	<u>\$ 1,046,695.24</u>
		<u>Ref.</u>		E	E	Cash Disbursed	\$ 481,247.61	E	E



TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 52,000.00
Increased by:		
2021 Budget Appropriation		<u>15,000.00</u>
Balance December 31, 2021	E	<u><u>\$ 67,000.00</u></u>

TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2020	E	\$ 15,763,268.73
Increased by:		
Paid by Sewer Utility Operating Budget:		
Serial Bonds		235,000.00
Capital Outlay:		
Sewer Utility Operating Budget		22,132.50
Sewer Utility Operating Appropriation Reserves		37,500.00
Serial Bonds Retired		442,000.00
		<hr/>
Balance December 31, 2021	E	<u><u>\$ 16,499,901.23</u></u>

TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Ord. Date	Balance Dec. 31, 2020	Notes Paid by Budget Appropriation	Balance Dec. 31, 2021
12-750	Various Sewer Utility Improvements	12/17/12	\$ 75,000.00		\$ 75,000.00
14-744	Various Sewer Utility Improvements	05/05/14	101,000.00	\$ 20,000.00	121,000.00
15-781	Various Sewer Utility Improvements	05/18/15	30,000.00	20,000.00	50,000.00
16-795	Various Sewer Utility Improvements	05/02/16	22,000.00	20,000.00	42,000.00
18-827	Various Sewer Utility Improvements	06/18/18	17,000.00	10,000.00	27,000.00
			<u>\$ 245,000.00</u>	<u>\$ 70,000.00</u>	<u>\$ 315,000.00</u>
		<u>Ref.</u>	E		E

TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of		Interest Rate	Balance Dec. 31, 2020	Issued	Matured	Balance Dec. 31, 2021
		Issue of Original Note	Issue					
14-744	Various Sewer Utility Improvements	7/30/2014	7/15/2020 7/13/2021	2.00% 1.25%	\$ 124,000.00	\$ 104,000.00	\$ 124,000.00	\$ 104,000.00
15-781	Various Sewer Utility Improvements	7/28/2015	7/15/2020 7/13/2021	2.00% 1.25%	90,000.00	70,000.00	90,000.00	70,000.00
16-795	Various Sewer Utility Improvements	7/26/2016	7/15/2020 7/13/2021	2.00% 1.25%	54,000.00	34,000.00	54,000.00	34,000.00
17-810	Various Sewer Utility Improvements	7/24/2017	7/15/2020 7/13/2021	2.00% 1.25%	520,000.00	510,000.00	520,000.00	510,000.00
18-827	Various Sewer Utility Improvements	7/15/2020	7/15/2020 7/13/2021	2.00% 1.25%	133,000.00	133,000.00	133,000.00	133,000.00
19-842	Various Sewer Utility Improvements	7/17/2019	7/15/2020 7/13/2021	2.00% 1.25%	125,000.00	225,000.00	125,000.00	225,000.00
20-857	Various Sewer Utility Improvements	7/13/2021	7/13/2021	1.25%		280,000.00		280,000.00
					<u>\$ 1,046,000.00</u>	<u>\$ 1,356,000.00</u>	<u>\$ 1,046,000.00</u>	<u>\$ 1,356,000.00</u>
					<u>Ref.</u>	<u>E</u>	<u>E</u>	
					Issued for Cash	\$ 380,000.00		
					Renewals	976,000.00	\$ 976,000.00	
					Paid by Budget Appropriation	70,000.00		
						<u>\$ 1,356,000.00</u>	<u>\$ 1,046,000.00</u>	



TOWNSHIP OF CEDAR GROVE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2021

Ord. No.	Improvement Description	2021		Bond	
		Balance Dec. 31, 2020	Improvement Authorizations	Anticipation Notes Issued	Balance Dec. 31, 2021
19-842	Various Sewer Utility Improvements	\$ 100,000.00		\$ 100,000.00	
20-857	Various Sewer Utility Improvements	280,000.00		280,000.00	
21-874	Various Sewer Utility Improvements		\$ 400,000.00		\$ 400,000.00
		<u>\$ 380,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ 380,000.00</u>	<u>\$ 400,000.00</u>

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
SWIMMING POOL UTILITY FUND

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2020	F	\$ 8,470.56	\$ 12,000.00
Increased by Receipts:			
Swimming Pool Utility Collector		\$ 346,018.81	
Interest Earned		10.29	
Due Current Fund:			
Anticipated Deficit in Operations		189,382.00	
Due Swimming Pool Utility Operating Fund:			
Interest Earned			\$ 11.79
Due Swimming Pool Utility Capital Fund:			
Interest Earned		11.79	
2021 Budget Appropriation:			
Capital Improvement Fund			2,000.00
		<u>535,422.89</u>	<u>2,011.79</u>
		543,893.45	14,011.79
Decreased by Disbursements:			
2021 Appropriation Expenditures			
Interest on Bonds		473,430.01	
19,348.74			
Due Swimming Pool Utility Operating Fund:			
Interest Earned			11.79
		<u>492,778.75</u>	<u>11.79</u>
Balance December 31, 2021	F	\$ 51,114.70	\$ 14,000.00



TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2021

## Increased by Receipts:

Membership Fees	\$ 323,146.00	
Miscellaneous Revenue	<u>22,872.81</u>	
		<u>\$ 346,018.81</u>

## Decreased by:

Paid to Treasurer		<u><u>\$ 346,018.81</u></u>
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TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY CAPITAL FUND  
ANALYSIS OF CASH

	Balance Dec. 31, 2020	Receipts		Disbursements		Balance Dec. 31, 2021
		Budget Appropriation	Miscellaneous	Miscellaneous		
Capital Improvement Fund	\$ 12,000.00	\$ 2,000.00				\$ 14,000.00
Due Swimming Pool Utility Operating Fund			\$ 11.79	\$ 11.79		
	<u>\$ 12,000.00</u>	<u>\$ 2,000.00</u>	<u>\$ 11.79</u>	<u>\$ 11.79</u>		<u>\$ 14,000.00</u>

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2020	F	\$ 3,410,194.64
Additions by:		
Capital Outlay:		
Swimming Pool Utility Operating Budget		<u>22,846.25</u>
Balance December 31, 2021	F	<u><u>\$ 3,433,040.89</u></u>

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY OPERATING FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2020	F	\$ 12,000.00
Increased by:		
2021 Budget Appropriation		<u>2,000.00</u>
Balance December 31, 2021	F	<u><u>\$ 14,000.00</u></u>



TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2020	F	\$ 2,537,194.64
Increased by:		
Paid by Swimming Pool Utility Operating Budget:		
Serial Bonds Matured		100,000.00
Serial Bonds Retired/Cancelled		58,000.00
Capital Outlay:		
Swimming Pool Utility Operating Budget		22,846.25
		<hr/>
Balance December 31, 2021	F	<u><u>\$ 2,718,040.89</u></u>

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Maturities of Bonds												
Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance Dec. 31, 2020	Issued	Matured	Defeased	Balance Dec. 31, 2021		
			Date	Amount								
Swimming Pool Improvements	02/20/13	\$ 1,483,000.00	02/01/22	\$ 100,000.00	2.000%	\$ 873,000.00		\$ 100,000.00	\$ 673,000.00	\$ 100,000.00		
Swimming Pool Refunding Bonds	12/01/21	615,000.00	02/01/23	95,000.00	3.000%		\$ 615,000.00			615,000.00		
			02/01/24	95,000.00	3.000%							
			02/01/25	100,000.00	4.000%							
			02/01/26	105,000.00	4.000%							
			02/01/27	105,000.00	4.000%							
			02/01/28	115,000.00	5.000%							
						\$ 873,000.00	\$ 615,000.00	\$ 100,000.00	\$ 673,000.00	\$ 715,000.00		
					<u>Ref.</u>	F				F		
							Refunded		\$ 615,000.00			
							Redeemed by Premium		58,000.00			
									\$ 673,000.00			

TOWNSHIP OF CEDAR GROVE  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF CEDAR GROVE  
COUNTY OF ESSEX  
2021  
SPECIAL GARBAGE DISTRICT FUND

TOWNSHIP OF CEDAR GROVE  
SPECIAL GARBAGE DISTRICT FUND  
SCHEDULE OF CASH - TREASURER  
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE



TOWNSHIP OF CEDAR GROVE  
SPECIAL GARBAGE DISTRICT FUND  
SCHEDULE OF DISTRICT TAXES RECEIVABLE  
YEAR ENDED DECEMBER 31, 2021

Increased by:

2021 Tax Levy

\$ 1,622,470.00

Decreased by:

Due from Current Fund

\$ 1,622,470.00

TOWNSHIP OF CEDAR GROVE  
SPECIAL GARBAGE DISTRICT FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 59,559.55	\$ 59,559.55		\$ 59,559.55
Other Expenses:				
Disposal Fees	196,312.01	196,312.01		196,312.01
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System (P.E.R.S.)	250.00	250.00		250.00
Social Security System (O.A.S.I.)	10,636.00	10,636.00		10,636.00
	<u>\$ 266,757.56</u>	<u>\$ 266,757.56</u>	<u>\$ -0-</u>	<u>\$ 266,757.56</u>
 <u>Ref.</u>				
<u>Balance December 31, 2020:</u>				
Unencumbered	H	<u>\$ 266,757.56</u>		

TOWNSHIP OF CEDAR GROVE

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF CEDAR GROVE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2021

Name of Federal Agency or Department	Assistance Listing Number	State Program Account Number	Federal Program	Grant Period		Grant Award Amount	Amount Received	Amount of Expenditures	MEMO Cumulative Total Expenditures	Amounts Provided to Subrecipients
				From	To					
U.S. Department of Treasury: (Passed through N.J. Department of Community Affairs)	21.019	99-022-8030- 686-2020	Coronavirus Aid, Relief, and Economic Security Act (CARES) Grant - Local Government Emergency Fund	03/01/20	12/31/21	\$ 131,311.38	\$ 36,807.09	\$ 36,807.09 *	\$ 131,311.38	
							36,807.09	36,807.09	131,311.38	
	21.027	100-022-8030- 687-046010	COVID-19 - American Rescue Plan Coronavirus State & Local Fiscal Recovery Funds	03/03/21	12/31/24	1,307,205.58	653,602.79			
							653,602.79			
Total U.S. Department of Treasury							690,409.88	36,807.09	131,311.38	
TOTAL FEDERAL AWARDS							\$ 690,409.88	\$ 36,807.09	\$ 131,311.38	

\* - Expended in prior years

TOWNSHIP OF CEDAR GROVE  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2021

Name of State Agency or Department	Name of Program	State Program Account Number	Grant Period		Grant Award Amount	Amount Received	Amount of Expenditures	MEMO Cumulative Total Expenditures
			From	To				
Department of Transportation	Infrastructure Fund: Reconstruction of Ozone Avenue	480-078-6320- ANP-605179	01/01/20	12/31/21	\$ 255,000.00	\$ 138,357.05	\$ 210,845.57	\$ 211,320.57
Total Department of Transportation						138,357.05	210,845.57	355,498.08
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-066-1110- 260-YYYY	01/01/18	12/31/21	9,639.25		852.48	9,639.25
			01/01/19	12/31/22	5,734.96		2,960.57	2,960.57
			01/01/21	12/31/22	4,268.15	4,268.15		
						4,268.15	3,813.05	12,599.82
	Body Armor Replacement Fund	718-066-1020- 001-090160	01/01/20	12/31/22	5,359.49	2,341.48		
						2,341.48		
Total Department of Law and Public Safety						6,609.63	3,813.05	12,599.82
Department of Environmental Protection	Clean Communities Program	765-042-4900- 004-178910	01/01/20	12/31/22	21,884.99		13,275.00	13,275.00
			01/01/21	12/31/22	23,294.17	23,294.17		
						23,294.17	13,275.00	13,275.00
	Recycling Tonnage Grant	752-042-4900- 004-178840	01/01/19	12/31/21	13,587.14		11,808.06	13,587.14
			01/01/21	12/31/22	25,877.75	25,877.75	2,830.91	2,830.91
						25,877.75	14,638.97	16,418.05
Total Department of Environmental Protection						49,171.92	27,913.97	29,693.05
Department of the Treasury Passed through the County of Essex	Municipal Alliance to Prevent Alcoholism and Drug Abuse	100-082-2000- 044-995120	07/01/20	06/30/22	17,763.25	1,668.75	10,779.46	10,779.46
Total Department of the Treasury						1,668.75	10,779.46	10,779.46
TOTAL STATE AWARDS						\$ 195,807.35	\$ 253,352.05	\$ 408,570.41

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF CEDAR GROVE  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2021

A. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards (the "Schedules") include the federal and state grant activity of the Township of Cedar Grove under programs of the federal and state governments for the year ended December 31, 2021. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township of Cedar Grove, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township of Cedar Grove.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying Schedules of Expenditures of Federal and State Awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Township has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.



Mount Arlington, NJ  
 Newton, NJ  
 Bridgewater, NJ  
 973.298.8500  
 nisivoccia.com  
 Independent Member  
 BKR International

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*

Independent Auditors' Report

The Honorable Mayor and Members  
 of the Township Council  
 Township of Cedar Grove  
 Cedar Grove, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *regulatory basis* - of the various funds of the Township of Cedar Grove, in the County of Essex (the "Township") as of, and for the years ended, December 31, 2021 and 2020, and the related notes to the financial statements and have issued our report thereon dated June 6, 2022. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That report contained a qualified opinion on the financial statements as the amount that should be recorded in the general fixed assets account group could not be determined.

**Report on Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that have been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2021-001, that we consider to be a significant deficiency.

The Honorable Mayor and Members  
of the Township Council  
Township of Cedar Grove  
Page 2

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The Township's Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Township's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Mount Arlington, New Jersey  
June 6, 2022

NISIVOCCIA LLP

*Francis Jones of Nisivoccia LLP*

Francis J. Jones  
Certified Public Accountant  
Registered Municipal Accountant No. 442



TOWNSHIP OF CEDAR GROVE  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the amount that should be recorded in the general fixed assets account group could not be determined.
- A significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditors' 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*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Township was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for the year ended December 31, 2021 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2021-001 Fixed Assets

Criteria

A fixed assets accounting and reporting system is required to be in compliance with the New Jersey Administrative Code Accounting Requirements.

Condition

The Township does not maintain a fixed assets accounting and reporting system. A fixed assets accounting and reporting system would be used to identify assets held by the Township, their cost, acquisition date, location and other pertinent information.

Cause

Insufficient Township personnel and/or financial resources are not available to perform the initial inventory of the Township's fixed assets.

Effect or Potential Effect

The Township is not in compliance with the New Jersey Administrative Code Accounting Requirements. A fixed assets accounting and reporting system could possibly be used to aid in the planning for replacement of assets.

Recommendation

It is recommended that the Township consider the implementation of a fixed assets accounting and reporting system.

Management's Response

The finding was evaluated and the Township will consider soliciting bids for instituting a fixed assets accounting and reporting system in 2022.

TOWNSHIP OF CEDAR GROVE  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2021  
(Continued)

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the Single Audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the Single Audit threshold.

TOWNSHIP OF CEDAR GROVE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

The Township's prior year audit finding 2020-001 regarding fixed assets has not been resolved due to budgetary constraints in 2021, and is therefore included as current year finding 2021-001.

TOWNSHIP OF CEDAR GROVE

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF CEDAR GROVE  
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

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 (N.J.S.A. 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 (N.J.S.A. 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 (N.J.S.A. 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: "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 therefore, except as is provided otherwise in this act or 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 has had prior negative experience with the bidder."

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are \$17,500 for a contracting unit without a qualified purchasing agent and \$44,000 for a contracting unit with a qualified purchasing agent.

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

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

TOWNSHIP OF CEDAR GROVE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

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 materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

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, utility charges or assessments on or before the date when they would become delinquent.

On January 11, 2021, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

"WHEREAS, R.S. 54:4-67 regulates the due dates for the payment of taxes and authorizes the rate of interest for delinquent payment of taxes, and authorizes a grace period not exceeding ten (10) days.

NOW, THEREFORE, BE IT RESOLVED, by the Township Council of the Township of Cedar Grove, that the Tax Collector is hereby authorized to allow a period of ten (10) days grace from the quarterly tax due date before charging interest; and

BE IT FURTHER RESOLVED that the rate of interest to be charged for the payment of taxes, assessments, and property maintenance when they become delinquent shall be at the rate of eight percent (8%) per annum on the first \$1,500 of the delinquency, eighteen percent (18%) of any amount in excess of \$1,500, and an additional six percent (6%) penalty for a delinquency over \$10,000 if not paid prior to the end of the calendar year."

It appears from tests 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 December 7, 2021.

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	6
2020	6
2019	6

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

TOWNSHIP OF CEDAR GROVE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2021.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Receipts	Disbursements	Balance Dec. 31, 2021
Municipal Treasurer:				
Fines and Costs	\$ 6,317.54	\$ 94,428.38	\$ 94,361.14	\$ 6,384.78
P.O.A.A. Fines		122.00	112.00	10.00
Public Defender		225.00	25.00	200.00
State Treasurer	4,634.83	68,148.75	68,473.32	4,310.26
County Treasurer	1,642.00	36,317.50	35,329.00	2,630.50
Conditional Discharge		110.00	110.00	
Restitution		500.00	500.00	
Cash Bail		1,000.00	1,000.00	
	<u>\$ 12,594.37</u>	<u>\$ 200,851.63</u>	<u>\$ 199,910.46</u>	<u>\$ 13,535.54</u>

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Township currently maintains a general ledger accounting system.

With regard to the fixed asset accounting and reporting system, Finding 2021-001 is included in Part II (Single Audit), of this report, on the Schedule of Findings and Responses.

TOWNSHIP OF CEDAR GROVE  
COMMENTS AND RECOMMENDATIONS  
 (Continued)

New Jersey Administrative Code Accounting Requirements (Cont'd)

The Township's computer system provides for the proper recording of encumbrances; however, encumbrances were not posted until after the 2021 year was closed.

It is recommended that the Township record encumbrances on an ongoing basis in order to ensure compliance with the New Jersey Administrative Code Accounting Requirements.

Management's Response

The Township will study the implementation of a computerized encumbrance system during 2022.

Management Suggestion

Membership in the New Jersey Intergovernmental Insurance Fund – Workers' Compensation Fund

The Township is a member of the New Jersey Intergovernmental Insurance Fund (the "NJIF"). In the 2020 Workers' Compensation Fund Audited Financial Statements, the NJIF experienced a positive change in Net Position of (\$866,952), to bring the NJIF's Net Position to (\$7,521,240) at December 31, 2020. The Township monitors the operations of the NJIF's Workers' Compensation Fund's financial performance, and based on the overall financial performance of the NJIF the Township feels that the Fund is stable at this time.

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 87, *Leases*, is effective for the year ended December 31, 2022. Previously leases were either categorized as capital leases or operating leases. This statement will likely affect most leases formerly classified as operating leases. There will be required disclosures for leases for which the Township is either a lessee or a lessor although there will be no impact on the actual financial statements. It is likely that a lease software or similar spreadsheets will need to be utilized to perform the various calculations necessary to implement this standard.

COVID-19 Federal Funding

It is possible that the Township will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Township ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Township ensures that these funds are separately accounted for in the Township's accounting records and that any applicable Township policies are current with respect to federal grant requirements.

Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

Corrective Action Plan

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2020 audit report. Prior year recommendations 1 and 2 are repeated as current year recommendations 1 and 2 and are in the process of being implemented, where practical.



TOWNSHIP OF CEDAR GROVE  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. The Township consider the implementation of a fixed assets accounting and reporting system.
2. The Township record encumbrances on an ongoing basis in order to ensure compliance with the New Jersey Administrative Code Accounting Requirements.

\* \* \* \* \*