

**BURLINGTON COUNTY  
BRIDGE COMMISSION**

**REPORT OF AUDIT**

**WITH  
SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEARS ENDING  
SEPTEMBER 30, 2020 and 2019**

**BURLINGTON COUNTY BRIDGE COMMISSION**  
Table of Contents

		<u>Page</u>
	Roster of Officials	1
<b><u>PART I – FINANCIAL SECTION</u></b>		
	Independent Auditor's Report	3
	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6
	Management's Discussion and Analysis	8
<u>Exhibit No.</u>	<u>Basic Financial Statements</u>	
A	Comparative Statements of Net Position	13
B	Comparative Statements of Revenues, Expenses and Changes in Net Position	15
C	Comparative Statements of Cash Flows	16
	Notes to Financial Statements	18
	<u>Required Supplementary Information</u>	
RSI-1	Schedule of Changes in the Commission's Total OPEB Liability and Related Ratios – Commission Plan	51
RSI-2	Schedule of the Commission's Proportionate Share of the Net Pension Liability –PERS	52
RSI-3	Schedule of Commission Pension Contributions – PERS	53
	Notes to Required Supplementary Information	54
<u>Schedule No.</u>	<u>Supplementary Schedules</u>	
1	Combining Schedule of Revenues, Expenses and Changes in Net Position	56
2	Schedule of Cash Receipts, Cash Disbursements and Changes in Cash and Investments	57
3	Schedule of Revenues and Expenses -- Budget and Actual--Non-GAAP Budgetary Basis	58
4	Analysis of Toll Revenue - Cash	63
5	Analysis of Investment Income Receivable	65
6	Analysis of Improvements in Progress	66
7	Analysis of Other Accounts Receivable	66
8	Analysis of Unearned Revenue	67
9	Analysis of Accrued Expenses Payable	67
10	Analysis of Accrued Interest Payable on Bonds	68
11	Schedule of Revenue Bonds	69

**BURLINGTON COUNTY BRIDGE COMMISSION**  
Table of Contents (Continued)

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<u>Schedule No.</u>		<u>Page</u>
	<u>Schedules Required by Trust Indentures</u>	
12	Schedule of Conduit Debt	71
13	Schedule of Trust Estates Cash Receipts and Disbursements	72
 <b><u>PART II - SCHEDULE OF FINDINGS AND RECOMENDATIONS</u></b> 		
	Schedule of Findings and Recommendations	77
	Summary Schedule of Prior Year Findings and Recommendations as prepared by Management	78
	<b><u>APPRECIATION</u></b>	79

**BURLINGTON COUNTY BRIDGE COMMISSION**  
**ROSTER OF OFFICIALS**  
As of September 30, 2020

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MEMBERS

Troy E. Singleton  
Matthew J. Riggins  
John B. Comegno, II

POSITION

Chairman  
Vice-Chairman  
Commissioner

OTHER OFFICIALS

Joseph Andl  
  
Christine J. Nociti  
  
Kathleen M. Wiseman

Executive Director  
  
Treasurer  
  
Secretary

PROFESSIONALS

Pennoni Associates Inc.  
  
Anthony T. Drollas, Jr.  
of Malamut & Associates, LLC

Consulting Engineer  
  
Solicitor

**BURLINGTON COUNTY BRIDGE  
COMMISSION**

**PART I**

**FINANCIAL SECTION**

**FOR THE FISCAL YEARS ENDED  
SEPTEMBER 30, 2020 AND 2019**

## **INDEPENDENT AUDITOR'S REPORT**

The Chairman and Members of  
The Burlington County Bridge Commission  
Palmyra, New Jersey

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

We have audited the accompanying financial statements of the business-type activities of the Burlington County Bridge Commission, in the County of Burlington, State of New Jersey, a component unit of the County of Burlington (Commission), as of and for the fiscal years ended September 30, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Burlington County Bridge Commission, in the County of Burlington, State of New Jersey as of September 30, 2020 and 2019, and the changes in its financial position and its cash flows thereof for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the Commission's total OPEB liability and related ratios, schedule of the Commission's proportionate share of the net pension liability and schedule of the Commission's pension contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2021 on our consideration of the Commission'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 Commission'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 Commission's internal control over financial reporting and compliance.

Respectfully submitted,

Handwritten signature in black ink that reads "Bowman & Company LLP".

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Woodbury, New Jersey  
July 8, 2021



**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 AUDITOR'S REPORT**

The Chairman and Members of  
The Burlington County Bridge Commission  
Palmyra, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Burlington County Bridge Commission, in the County of Burlington, State of New Jersey, a component unit of the County of Burlington (Commission), as of and for the fiscal year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated July 8, 2021.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Woodbury, New Jersey  
July 8, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

This Management Discussion and Analysis ("MD&A") by the Burlington County Bridge Commission (the "Commission") provides an introduction to the financial statements of the Commission for the fiscal year ended September 30, 2020. The financial section of the annual audit report consists of four sections: the MD&A, the basic financial statements together with the notes thereto, required supplementary information and supplementary schedules. The intent of the discussion and analysis is to look at the Commission's financial performance and review the notes to the basic financial statements to enhance the understanding of the Commission's financial position.

The Commission's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America which are promulgated by the Governmental Accounting Standards Board. As the Commission follows the accrual method of accounting, the current year's revenues and expenses are accounted for in the comparative statements of revenues, expenses, and changes in net position regardless of when cash is received or paid. Net position - the difference between the Commission's assets, deferred outflows of resources, liabilities and deferred inflows of resources - is a measure of the Commission's financial health. Accordingly, the Commission is structured as a single enterprise fund with revenues recognized when earned and expenses recognized when incurred. Capital assets, which meet certain criteria, are capitalized and depreciated over their useful lives (with the exception of land and construction in progress). A summary of the Commission's significant accounting policies is described in the "Notes to the Financial Statements" which is included with the audit as described above.

The comparative statements of net position (Exhibit A) include all of the Commission's assets, liabilities, net position and inflows and outflows of resources. The comparative statements of revenues, expenses and changes in net position (Exhibit B) provide a breakdown of the various areas of revenues and expenses encountered during the fiscal year. The comparative statements of cash flows (Exhibit C) provide a breakdown of the various sources of cash flow, categorized into three areas: Cash flows from operating activities, capital and related financing activities and investing activities.

### **FINANCIAL HIGHLIGHTS:**

- During the fiscal year ended September 30, 2020, the Commission's financial position was impacted by Governmental Accounting Standard Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This entire liability ("OPEB" liability) is recorded on the Commission's balance sheet. The OPEB liability is based on an actuarial estimate and the actual payments may vary as they will be paid over the employee's lifetime after retirement. As of September 30, 2019, the unfunded liability was \$41,891,626 which said amount increased to \$49,498,344 as of September 30, 2020. The change is substantially attributable to a decrease in the discount rate assigned by the actuary triggered by the current interest rate environment. The notes to the financial statements provide a more thorough discussion of the OPEB Liability and the effects to the financial statements.
- The Commission continued to record net pension liability as calculated by the State of New Jersey and related expenses in accordance with GASB Statement No. 68 and GASB Statement No. 71. For the fiscal year ended September 30, 2020, the Commission recorded a liability of \$17,214,550, a decrease of \$1,984,539 from September 30, 2019. Since this pension liability is expected to be paid out over decades, the Commission's management nets out these long-term liabilities for purposes of making certain budget and operating decisions.
- Management's position is that a current ratio approach, the comparison of current assets to current liabilities, yields the best data for purposes of evaluating the operations of the Commission. Current assets of \$69,036,850 compared to the current liabilities of \$13,446,995 represents a fiscally sound financial position, effective for meeting current operating requirements.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)**  
**(UNAUDITED)**

**FINANCIAL HIGHLIGHTS (CONT'D):**

- Operating expenses decreased by \$10,385,932 from fiscal year 2019. There are a variety of factors that went into the decrease in expenditures. Expenses related to Major Repairs decreased by \$7.35 million dollars and other expenses in total between Administration and Cost of Providing Service decreased by \$2.20 million dollars. These decreases were part of the Commission's response to COVID-19 and the decrease in revenue as a result of fewer people traveling over the Commission's bridges. Toll revenue decreased 7.06 million dollars from fiscal year 2019.
- The Commission continues to dedicate resources in a joint effort with the County to provide support which will conserve taxpayer dollars through shared services. The Commission attributes the global success of their ability to stabilize costs to the continued pursuit of efficiencies offered through technology and the strength of the Commission's leadership and management's efforts.
- Total assets at the end of fiscal year 2020 were just over \$211.37 million. After adding deferred outflows of \$14.23 million and deducting liabilities and deferred inflows totaling just over \$160.36 million, net position came to \$65.24 million.

**SUMMARY OF FINANCIAL POSITION:**

The largest portion of the Commission's net position is represented by its investment in capital assets (e.g. bridges and equipment), less the related debt outstanding used to acquire those capital assets. The Commission remains devoted to providing the best possible facilities to its customers and visitors. The Commission's investment in its capital assets is reported net of related debt; the resources required to repay this debt was substantially provided from operations in recent years.

An additional portion of the Commission's net position includes resources that are subject to external restrictions on how they can be used under bond resolutions and State regulations. The Commission will apply these restricted funds as appropriate for Bond Resolution Covenants.

The remaining portion of the Commission's net position is a deficit in unrestricted net position. The deficit is primarily a result of the Commission's net pension liability and net OPEB liability, which at September 30, 2020 total \$66.71 million dollars.

**COMPARATIVE STATEMENTS OF NET POSITION AS OF SEPTEMBER 30,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<b>Change from FY 2019 to FY 2020</b>	
				<u>Amount</u>	<u>Percentage</u>
<b>ASSETS:</b>					
UNRESTRICTED ASSETS	\$ 28,082,948.53	\$ 45,305,105.84	\$43,860,997.17	\$ (17,222,157.31)	-38.01%
RESTRICTED ASSETS	40,953,901.96	54,984,756.15	67,877,561.69	(14,030,854.19)	-25.52%
CAPITAL ASSETS (NET OF DEPRECIATION)	<u>142,329,568.37</u>	<u>130,124,618.95</u>	<u>110,602,720.53</u>	<u>12,204,949.42</u>	<u>9.38%</u>
<b>TOTAL ASSETS</b>	<u>211,366,418.86</u>	<u>230,414,480.94</u>	<u>222,341,279.39</u>	<u>(19,048,062.08)</u>	<u>-8.27%</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>14,231,503.00</u>	<u>9,448,831.00</u>	<u>4,297,145.00</u>	<u>4,782,672.00</u>	<u>50.62%</u>
<b>LIABILITIES:</b>					
CURRENT LIABILITIES	13,446,995.27	25,662,216.36	10,639,905.32	(12,215,221.09)	-47.60%
LONG TERM LIABILITIES	<u>136,563,757.57</u>	<u>138,225,218.44</u>	<u>138,558,010.25</u>	<u>(1,661,460.87)</u>	<u>-1.20%</u>
<b>TOTAL LIABILITIES</b>	<u>150,010,752.84</u>	<u>163,887,434.80</u>	<u>149,197,915.57</u>	<u>(13,876,681.96)</u>	<u>-8.47%</u>
<b>DEFERED INFLOWS OF RESOURCES</b>	<u>10,350,472.00</u>	<u>11,407,801.00</u>	<u>12,639,543.00</u>	<u>(1,057,329.00)</u>	<u>-9.27%</u>
<b>NET POSITION:</b>					
NET INVESTMENT IN CAPITAL ASSETS	72,114,778.55	71,834,823.83	68,660,170.69	279,954.72	0.39%
RESTRICTED	12,417,229.40	12,827,354.50	12,817,727.50	(410,125.10)	-3.20%
UNRESTRICTED	<u>(19,295,310.93)</u>	<u>(20,094,102.19)</u>	<u>(16,676,932.37)</u>	<u>798,791.26</u>	<u>-3.98%</u>
<b>TOTAL NET POSITION</b>	<u>\$ 65,236,697.02</u>	<u>\$ 64,568,076.14</u>	<u>\$ 64,800,965.82</u>	<u>\$ 668,620.88</u>	<u>1.04%</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)**  
**(UNAUDITED)**

**CHANGES IN NET POSITION:**

The total net position in fiscal year 2020 is stable, which is reflective of the Commission's commitment to maintaining a balanced budget despite unprecedented losses of revenue as a result of the pandemic. The Commission remains dedicated to preserving its assets through the maintenance of the bridges, which is funded through the issuance of debt and operating expense. Bridge safety is similarly a priority of the Commissioners. Management adheres to a long term plan dedicated to maintaining the Commission's revenue generating assets in excellent condition and at the same time maintaining a commitment to opportunities made possible with improved technology. Because improvements and large scale repairs require longer periods of time to design and implement, the associated costs may not be spread equally from year to year as projects develop from the design to construction phase. Completed Projects (Net of Accumulated Depreciation) and Improvements in Progress fall similarly in management's planned, optimal range.

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<b>Change from FY 2019 to FY 2020</b>	
				<u>Amount</u>	<u>Percentage</u>
<b>OPERATING REVENUES:</b>					
TOLL REVENUE	\$ 38,881,675.22	\$ 45,944,876.07	\$ 46,334,441.84	\$ (7,063,200.85)	-15.37%
OTHER REVENUE	1,688,293.35	945,924.39	1,146,307.99	742,368.96	78.48%
<b>TOTAL OPERATING REVENUE</b>	<u>40,569,968.57</u>	<u>46,890,800.46</u>	<u>47,480,749.83</u>	<u>(6,320,831.89)</u>	<u>-13.48%</u>
<b>OPERATING EXPENSES:</b>					
ADMINISTRATIVE	4,114,271.27	5,053,750.95	4,559,254.43	(939,479.68)	-18.59%
COST OF PROVIDING SERVICE	21,231,026.37	23,739,330.07	20,553,184.41	(2,508,303.70)	-10.57%
MAJOR REPAIRS	5,848,938.71	13,200,388.48	12,093,705.89	(7,351,449.77)	-55.69%
DEPRECIATION	5,736,751.27	5,323,450.43	5,078,504.64	413,300.84	7.76%
<b>TOTAL OPERATING EXPENSES</b>	<u>36,930,987.62</u>	<u>47,316,919.93</u>	<u>42,284,649.37</u>	<u>(10,385,932.31)</u>	<u>-21.95%</u>
<b>OPERATING INCOME (LOSS)</b>	3,638,980.95	(426,119.47)	5,196,100.46	4,065,100.42	-953.98%
<b>NON-OPERATING REVENUES AND (EXPENSES):</b>					
INVESTMENT INCOME	605,285.73	1,817,539.53	948,500.60	(1,212,253.80)	-66.70%
INTEREST EXPENSE	(1,844,602.51)	(1,931,102.24)	(1,769,026.68)	86,499.73	-4.48%
NET OTHER ITEMS AND TRANSFERS	(1,731,043.29)	306,792.50	(508,056.02)	(2,037,835.79)	-664.24%
<b>TOTAL NON-OPERATING ITEMS</b>	<u>(2,970,360.07)</u>	<u>193,229.79</u>	<u>(1,328,582.10)</u>	<u>(3,163,589.86)</u>	<u>-1637.22%</u>
<b>CHANGE IN NET POSITION</b>	<u>668,620.88</u>	<u>(232,889.68)</u>	<u>3,867,518.36</u>	<u>901,510.56</u>	<u>-387.10%</u>
<b>NET POSITION - BEGINNING</b>	64,568,076.14	64,800,965.82	60,933,447.46	(232,889.68)	-0.36%
<b>CHANGE IN NET POSITION</b>	<u>668,620.88</u>	<u>(232,889.68)</u>	<u>3,867,518.36</u>	<u>901,510.56</u>	<u>-387.10%</u>
<b>NET POSITION - ENDING</b>	<u>\$ 65,236,697.02</u>	<u>\$ 64,568,076.14</u>	<u>\$ 64,800,965.82</u>	<u>\$ 668,620.88</u>	<u>1.04%</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)**  
**(UNAUDITED)**

**BUDGETARY HIGHLIGHTS:**

The Commission must adopt an annual budget in accordance with N.J.A.C. 5:31-2. The budget is adopted on the accrual basis of accounting with cash provisions for bond principal. Significant variances between the original adopted budget and actual budget amounts fall within the two categories of favorable and unfavorable. The Commission overall experienced modest favorable and unfavorable variances in budgetary expenses with an overall favorable variance. Despite the decrease in revenue due to the pandemic, the Commission did not have any unfavorable revenue variance due to the Commission's conservative budgeting of revenues. Other favorable variances can be attributed to cost cutting measures implemented by the Commission in response to the pandemic. Overall, the fiscal year concluded with a net favorable operation appropriation variance of \$6.59 million dollars.

**DEBT ADMINISTRATION:**

The Commission continues to pay down two series of Revenue Bonds: (1) \$46,290,000 Series 2013 Bonds having interest rates ranging from 3.25% to 5.00% with principal payments until October 2030; and (2) \$44,730,000 Series 2017 Bonds with interest rates ranging from 3.00% to 5.00%. In each case the Revenue Bonds were issued to provide funds for the costs of various capital improvements to the Commission's Bridge System, fund the Debt Service Reserve Fund, and pay issuance costs.

During fiscal year 2020, the Commission made payments of \$5.99 million in principal and \$3.36 million in interest to meet the required payments of the Series 2013 and 2017 Revenue Bonds.

**CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES:**

As set forth above, the Commission invests a consistent percentage of financial resources during the year toward capital improvements and construction activities. These capital improvement expenditures during the fiscal year include project costs as well as design and engineering expenses.

**FACTORS BEARING ON THE COMMISSION'S FUTURE FINANCIAL POSITION:**

Toll Revenue is generally subject to local economic conditions and vehicle fares for alternate routes. The Commission's Tacony-Palmyra Bridge continues to enjoy a competitive price advantage for automobile traffic when compared to the nearest alternate route. Alternate routes for the Burlington-Bristol Bridge are less convenient to travelers. Daily weather conditions and impediments to approach roadway access are generally short term in duration and have little impact on annual revenue.

**COMPONENT UNITS:**

It has been determined by the Commission that the Friends of the Palmyra Nature Cove, Inc. is considered a component unit. The Commission has determined that the entity is not fiscally significant and, therefore, has not been included in the basic financial statements. Requests for financial information should be addressed to Friends of the Palmyra Nature Cove, Inc. 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey 08065.

**ADDITIONAL FINANCIAL INFORMATION:**

This financial report is designed to provide the Commission's customers, investors and other interested parties with an overview of the Commission's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Commission's Chief Financial Officer/Compliance Officer/Treasurer: Christine J. Nociti, J.D., C.P.A. at 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey 08065-1090.

# **BASIC FINANCIAL STATEMENTS**

**BURLINGTON COUNTY BRIDGE COMMISSION**

Comparative Statements of Net Position  
As of September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 23,189,804.06	\$ 34,711,320.75
Investments		4,529,645.94
E-ZPass Receivable	2,106,938.00	2,413,798.00
Accrued Interest Receivable	12.58	24,160.26
Other Accounts Receivable	2,289,844.29	2,936,456.27
Prepaid Expenses	496,349.60	689,724.62
Total Unrestricted Assets	<u>28,082,948.53</u>	<u>45,305,105.84</u>
Restricted Assets:		
Cash and Cash Equivalents	40,953,701.58	54,906,406.67
Accrued Interest Receivable	200.38	78,349.48
Total Unrestricted Assets	<u>40,953,901.96</u>	<u>54,984,756.15</u>
Total Current Assets	<u>69,036,850.49</u>	<u>100,289,861.99</u>
Noncurrent Assets:		
Capital Assets		
Completed (Net of Depreciation)	134,320,862.61	87,388,252.32
Improvements in Progress	8,008,705.76	42,736,366.63
Total Noncurrent Assets	<u>142,329,568.37</u>	<u>130,124,618.95</u>
Total Assets	<u>211,366,418.86</u>	<u>230,414,480.94</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to Pensions	1,773,446.00	2,590,368.00
Related to Other Post Employment Benefits	12,458,057.00	6,858,463.00
Total Deferred Outflows of Resources	<u>14,231,503.00</u>	<u>9,448,831.00</u>

(Continued)



**BURLINGTON COUNTY BRIDGE COMMISSION**

## Comparative Statements of Net Position

As of September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>LIABILITIES</b>		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	\$ 2,499,808.61	\$ 5,775,280.61
Accrued Liabilities - Related to Early Retirement Incentive Programs - Current Portion	93,868.00	91,076.00
Accounts Payable - Related to Pensions	1,154,805.00	1,036,439.00
Escrow and Retained Funds	1,021,397.87	704,100.47
Unearned Revenue		5,686.73
Compensated Absences Payable - Current Portion	70,980.55	78,199.99
Total Current Liabilities Payable from Unrestricted Assets	<u>4,840,860.03</u>	<u>7,690,782.80</u>
Current Liabilities Payable from Restricted Assets:		
Accounts Payable	1,176,391.49	10,232,064.79
Accrued Interest Payable on Bonds	1,604,743.75	1,754,368.77
Bridge System Revenue Bonds Payable	5,825,000.00	5,985,000.00
Total Current Liabilities Payable from Restricted Assets	<u>8,606,135.24</u>	<u>17,971,433.56</u>
Total Current Liabilities	<u>13,446,995.27</u>	<u>25,662,216.36</u>
Long-Term Liabilities Payable:		
Compensated Absences Payable	2,002,404.87	2,031,882.28
Net OPEB Liability	49,498,343.53	41,891,626.00
Accrued Liabilities:		
Related to Early Retirement Incentive Programs	327,546.00	421,414.00
Related to Pensions	288,701.00	259,110.00
Net Pension Liability	17,214,550.00	19,199,089.00
Bridge System Revenue Bonds Payable	67,232,212.17	74,422,097.16
Total Long-Term Liabilities	<u>136,563,757.57</u>	<u>138,225,218.44</u>
Total Liabilities	<u>150,010,752.84</u>	<u>163,887,434.80</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to Pensions	7,809,506.00	7,718,397.00
Related to Other Post Employment Benefits	2,540,966.00	3,689,404.00
Total Deferred Inflows of Resources	<u>10,350,472.00</u>	<u>11,407,801.00</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	72,114,778.55	71,834,823.83
Restricted - Bond Resolution Covenants	12,417,229.40	12,827,354.50
Unrestricted (Deficit)	(19,295,310.93)	(20,094,102.19)
Total Net Position	<u>\$ 65,236,697.02</u>	<u>\$ 64,568,076.14</u>

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

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Comparative Statements of Revenues, Expenses and Changes in Net Position  
 For the Fiscal Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Tolls	\$ 38,881,675.22	\$ 45,944,876.07
Miscellaneous Revenue	1,688,293.35	945,924.39
Total Operating Revenues	<u>40,569,968.57</u>	<u>46,890,800.46</u>
Operating Expenses:		
Administration:		
Salaries and Wages	2,066,909.19	2,222,873.39
Employee Benefits	1,100,147.89	1,203,477.20
Other Expenses	947,214.19	1,627,400.36
Cost of Providing Service:		
Salaries and Wages	8,463,415.67	9,004,702.48
Employee Benefits	4,540,809.43	4,986,263.94
Other Expenses	8,226,801.27	9,748,363.65
Major Repairs Expense	5,848,938.71	13,200,388.48
Depreciation	5,736,751.27	5,323,450.43
Total Operating Expenses	<u>36,930,987.62</u>	<u>47,316,919.93</u>
Operating Income (Loss)	3,638,980.95	(426,119.47)
Non-Operating Revenues (Expenses):		
Investment Income	605,285.73	1,817,539.53
Interest on Bonds	(1,844,602.51)	(1,931,102.24)
Proceeds from Sale of Easement		284,000.00
Gain (Loss) on Disposal of Capital Assets	(1,731,043.29)	22,792.50
Total Non-Operating Revenues (Expenses)	<u>(2,970,360.07)</u>	<u>193,229.79</u>
Change in Net Position	668,620.88	(232,889.68)
Net Position - Beginning	<u>64,568,076.14</u>	<u>64,800,865.82</u>
Net Position - Ending	<u>\$ 65,236,697.02</u>	<u>\$ 64,568,076.14</u>

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

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Comparative Statements of Cash Flows  
 For the Fiscal Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 39,188,535.22	\$ 45,966,867.07
Payments to Suppliers	(12,137,746.44)	(7,527,025.22)
Payments to Employees and Agencies	(16,487,286.50)	(16,790,137.21)
Provision for Major Repairs	(5,848,938.71)	(13,200,388.48)
Other Operating Receipts	2,329,218.60	5,173,878.71
	<u>7,043,782.17</u>	<u>13,623,194.87</u>
Net Cash Provided by Operating Activities		
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(28,436,134.63)	(14,517,126.47)
Retainage		(53,026.80)
Bond Principal	(5,985,000.00)	(4,760,000.00)
Interest on Bonds	(3,359,112.52)	(3,627,737.50)
Cash Received for Sale of Disposed Assets	25,014.75	22,792.50
Cash Received for Sale of Easement		284,000.00
	<u>(37,755,232.40)</u>	<u>(22,651,098.27)</u>
Net Cash Used in Capital and Related Financing Activities		
Cash Flows from Investing Activities:		
Purchase of Investments		(2,125,288.34)
Maturities on Investments	4,529,645.94	2,584,634.76
Unrealized Loss on Investments		(39,225.86)
Investment Income Receipts	707,582.51	1,816,606.37
	<u>5,237,228.45</u>	<u>2,236,726.93</u>
Net Cash Provided by Investing Activities		
Net Decrease in Cash and Cash Equivalents	(25,474,221.78)	(6,791,176.47)
Cash and Cash Equivalents at Beginning of Fiscal Year	<u>89,617,727.42</u>	<u>96,408,903.89</u>
Cash and Cash Equivalents at End of Fiscal Year	<u>\$ 64,143,505.64</u>	<u>\$ 89,617,727.42</u>

(Continued)

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Comparative Statements of Cash Flows  
 For the Fiscal Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 3,638,980.95	\$ (426,119.47)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation Expense	5,736,751.27	5,323,450.43
Pension Liability Expense - GASB 68	(1,046,917.00)	(458,928.00)
Other Post Employment Benefits - GASB 75	858,685.53	1,032,822.00
Change in Assets and Liabilities:		
E-ZPass Receivable	306,860.00	21,991.00
Other Accounts Receivable	646,611.98	4,232,900.87
Prepaid Expenses	193,375.02	(16,558.87)
Accounts Payable	(3,157,106.00)	3,865,297.66
Unearned Revenue	(5,686.73)	(4,946.55)
Compensated Absences Payable	(36,696.85)	141,709.80
Early Retirement Incentive Program	(91,076.00)	(88,424.00)
Total Adjustments	<u>3,404,801.22</u>	<u>14,049,314.34</u>
Net Cash Provided by Operating Activities	<u>\$ 7,043,782.17</u>	<u>\$ 13,623,194.87</u>

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

**BURLINGTON COUNTY BRIDGE COMMISSION**  
Notes to Financial Statements  
For the Fiscal Years Ended September 30, 2020 and 2019

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Burlington County Bridge Commission (the "Commission") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Reporting Entity**

The Commission is a component unit of the County of Burlington, State of New Jersey. The Commission was created by the Board of County Commissioners of the County of Burlington on October 22, 1948 under the laws of the State of New Jersey. The Commission operates and maintains the Tacony-Palmyra and Burlington-Bristol Bridges that span the Delaware River along with several other non-toll producing bridges. The Commission was granted the power to act as an Improvement Commission during 2002 in order to provide within the County, public facilities for use by the State, the County or any municipality in the County and to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon. The Commission consists of three Commissioners, who are appointed by resolution by the Burlington County Board of Chosen County Commissioners for three-year terms. The daily operations are managed by the Executive Director.

**Component Unit**

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Commission is a component unit of the County of Burlington, and it has been determined by the Commission that the following organization is considered a component unit. The Commission has determined that it is not significant and, therefore, has not been included in the basic financial statements:

Friends of the Palmyra Nature Cove, Inc.  
1300 Route 73 North,  
PO Box 6  
Palmyra, New Jersey 08065

Requests for financial information should be addressed to the organization listed above.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Basis of Presentation**

The financial statements of the Commission have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Commission is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

**Revenues -- Exchange and Non-Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Bridge toll charges are recognized as revenue when services are provided.

Non-exchange transactions, in which the Commission receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Commission must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis.

**Expenses** - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

**Budgets and Budgetary Accounting**

The Commission must adopt an annual budget in accordance with N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Commission budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Commission's fiscal year. The governing body may amend the budget at any point during the fiscal year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense, bond issue costs, bond premiums and deferred loss on defeasance are not included in the budget appropriations.

The legal level of budgetary control is established at the detail shown on the Comparative Statements of Revenues, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Commission as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended. The Commission adopted an amending budget resolution during the fiscal year.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets and Budgetary Accounting (Cont'd)**

The Commission records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At fiscal year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Commission has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the GUDPA. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

**Prepaid Expenses**

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the applicable fiscal year end.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Capital Assets**

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Commission. Assets purchased prior to June 30, 1993 are stated at estimated cost. Assets purchased since are stated at actual cost. Donated capital assets are recorded at their fair market value as of the date received.

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the capital asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Costs incurred during construction of an asset are recorded as construction in progress. In the fiscal year that the project is completed, these costs are transferred to Capital Assets - Completed. Interest costs incurred during construction are not capitalized into the cost of the asset.

Expenditures are capitalized when they meet the following requirements:

- 1) Cost of \$25,000.00 or more
- 2) Cost of \$5,000.00 or more if purchased with Federal or State grants
- 3) Vehicles with a cost of \$15,000.00 or more
- 4) Useful life of more than five years
- 5) Asset is not affected by consumption

**Depreciation**

Depreciation is provided using the straight-line method over the following estimated useful life of the assets:

	<u>Years</u>
Bridges, Approaches and Improvements	40-100
Buildings and Improvements	10-40
Equipment	5-25
Mobile Equipment	5-15

Depreciation is calculated from the month of acquisition.

**Bond Premiums**

Bond premiums arising from the issuance of long-term debt are amortized over the life of the bonds, in a systematic and rational method from the issue date to maturity as a component of interest expense. Bond premiums are presented as an adjustment of the face amount on the bonds.

**Deferred Outflows and Deferred Inflows of Resources**

The comparative statements of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Commission is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans and postemployment benefit plans.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Commission and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Commission and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the Commission is eligible to realize the revenue.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position**

In accordance with the provisions of GASB Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", the Commission has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

**Net Investment in Capital Assets** - This component of net position consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at fiscal year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount.

**Restricted** – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Unrestricted** - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets." This component includes net position that may be allocated for specific purposes by the Commission's Board.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Income Taxes**

The Commission operates as defined by the Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

**Operating and Non-Operating Revenues and Expenses**

Operating revenues include all revenues derived from facility charges (i.e., toll revenues, which include E-Z Pass revenues) and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and investment in U.S. Treasury obligations.

Operating expenses include expenses associated with the operation, maintenance and repair of the bridges and general administrative expenses. Non-operating expenses principally include expenses attributable to the Commission's interest on funded debt, debt issuance costs and loss on the disposal of capital assets.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Impact of Recently Issued Accounting Policies****Recently Issued and Adopted Accounting Pronouncements**

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The adoption of this Statement had no impact on the Commission's financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of this Statement had no impact on the Commission's financial statements.

**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements, which will become effective in future fiscal years as indicated below:

Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement originally would have become effective for the Commission in the fiscal year ending September 30, 2020, but as a result of GASB Statement 95 will become effective in the fiscal year ending September 30, 2021. Management does not expect this Statement will have an impact on the financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement originally would have become effective for the Commission in the fiscal year ending September 30, 2021, but as a result of GASB Statement 95 will become effective in the fiscal year ending September 30, 2022. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies accounting for interest cost incurred before the end of a construction period. This Statement originally would have become effective for the Commission in the fiscal year ending September 30, 2021, but as a result of GASB Statement 95 will become effective in the fiscal year ending September 30, 2022. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 90, *Major Equity Interests*. The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement originally would have become effective for the Commission in the fiscal year ending September 30, 2020, but as a result of GASB Statement 95 will become effective in the fiscal year ending September 30, 2021. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement originally would have become effective for the Commission in the fiscal year ending September 30, 2022, but as a result of GASB Statement 95 will become effective in the fiscal year ending September 30, 2023. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective as follows:

1. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
2. The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 originally would have become effective for the Commission in the fiscal year ending September 30, 2021, but as a result of GASB Statement 95 will become effective in the fiscal year ending September 30, 2022.
3. The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities originally would have become effective for the Commission in the fiscal year ending September 30, 2021 but as a result of GASB Statement 95 will become effective in the fiscal year ending September 30, 2022.
4. The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition originally would have become effective for the Commission in the fiscal year ending September 30, 2021, but as a result of GASB Statement 95 will become effective in the fiscal year ending September 30, 2022.

Management has not yet determined the impact of this Statement on the financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Policies (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. This Statement will become effective for the Commission in the fiscal year ending September 30, 2021. GASB Statement 95 changed the effective date for paragraphs 13 and 14 to the fiscal year ending September 30, 2022. Management does not expect this Statement will have an impact on the financial statements.

Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The Statement will become effective for the Commission in the fiscal year ending September 30, 2023. Management does not expect this Statement will have an impact on the financial statements.

Statement 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Statement will become effective for the Commission in the fiscal year ending September 30, 2023. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The portions of the statement effect component unit criteria are effective immediately, but the other portions of the Statement will become effective for the Commission in the fiscal year ending September 30, 2022. Management does not expect this Statement will have an impact on the financial statements.

**Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY****Compliance with finance related legal and contractual provisions**

Management of the Commission is unaware of any material violations of finance related legal and contractual provisions.

**General Bond Resolution**

The Commission is subject to the provisions and restrictions of a Bond Resolution adopted April 27, 1993. A summary of the activities of each account created by the Bond Resolution is covered below.

**Revenue Account** - All money collected by the Commission for bridge tolls or from any other source for operating, maintaining or repairing the system is deposited in this account. All revenues of the Commission are deposited into this account and are transferred in turn to the appropriate trust account on or before the 20<sup>th</sup> day of each month.

**Operating Account** - The balance on deposit must be equal to at least 10% of the annual budgeted appropriations for operating expenses, not including principal payments on debt. At September 30, 2020, the balance in the operating account meets the requirements of the Bond Resolution.

**Debt Service Account** - The amount on deposit in this account must equal at least the accrued interest payable on the Bridge System Revenue bonds plus that portion of the principal installment, which would have accrued if principal accrued in the same manner as interest. At September 30, 2020, the balance meets the requirements of the Bond Resolution.

**Debt Reserve Account** - The amount of funds on deposit must be maintained at a level equal to the Maximum Debt Service to insure funds are available for payment of Debt Service. The balance on September 30, 2020 meets the requirements of the Bond Resolution.

**Reserve Maintenance Account** – The amount on deposit in this account must be equal to the greater of \$500,000.00 or a larger amount if certified as necessary by the Consulting Engineer. Amounts in this account may be applied to the cost of major or extraordinary repairs, renewals and replacements of the Bridge System and major acquisitions of equipment. Additionally, the Commission received insurance proceeds for damage to the bridge fender system. These funds are held in trust and utilized for the repair and maintenance of the fender system. At September 30, 2020, the balance meets the requirements of the Bond Resolution.

**General Reserve Account** – All excess funds of the Commission are recorded in the General Reserve Account. If the Commission is not in default in the payment of bond principal or interest and all fund requirements are satisfied and there is no money owing to the County under the Security Agreement (See Note 4), then the Commission may use the excess funds for any lawful purpose.

**Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)****Debt Service Coverage**

The Commission's Bond Resolution requires that net revenues equal at least 105% of debt service. Compliance with this covenant is calculated as follows:

	<u>2020</u>		<u>2019</u>
Net Revenue:			
Operating Income (Loss) (Exhibit B)	\$ 3,638,980.95		\$ (426,119.47)
Add:			
Depreciation Expenses	5,736,751.27		5,323,450.43
Major Repairs and Acquisitions	5,848,938.71		13,200,388.48
Interest Revenue	605,285.73		1,817,539.53
	<u>\$ 15,829,956.66</u>		<u>\$ 19,915,258.97</u>
Debt Service			
Interest Charges	\$ 3,209,487.50		\$ 3,508,737.50
Bond Principal (Due Oct. 1)	5,825,000.00		5,985,000.00
	<u>\$ 9,034,487.50</u>		<u>\$ 9,493,737.50</u>
Net Revenue	<u>\$ 15,829,956.66</u>	= 175%	<u>\$ 19,915,258.97</u>
Debt Service	<u>\$ 9,034,487.50</u>		<u>\$ 9,493,737.50</u>
			= 210%

**Note 3: DETAIL NOTES - ASSETS****Cash and Cash Equivalents**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits might not be recovered. Although the Commission does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Commission in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Commission relative to the happening of a future condition. If the Commission had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule below.

As of September 30, 2020 and 2019, the Commission's bank balances were exposed to custodial credit risk as follows:

	<u>2020</u>	<u>2019</u>
Insured by FDIC	\$ 250,000.00	\$ 250,000.00
Insured by GUDPA	22,807,072.79	37,926,517.62
Uninsured and Uncollateralized	41,319,128.61	55,276,132.54
	<u>\$ 64,376,201.40</u>	<u>\$ 93,452,650.16</u>
Total		

**Note 3: DETAIL NOTES – ASSETS (CONT'D)****Investments**

New Jersey authorities are limited as to the types of investments and types of financial institutions they may utilize for investing. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey authorities. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or other obligations of the local unit or units within which the Commission is located, bonds or other obligations approved by the Division of Investment in the Department of Treasury for investment by authorities, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. The Commission has no investment policy that would further limit its investment choices.

**Custodial Credit Risk** – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Commission, and are held by either the counterparty or the counterparty's trust department or agent but not in the Commission's name. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Commission has no investment policy to limit its exposure to custodial credit risk. All of the Commission's investments matured during 2020.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As stated in note 1, investments are purchased in accordance with N.J.S.A. 40A:5-15.1. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Commission has no investment policy that would further limit its exposure to credit risk.

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Commission's investment policies place no limit on the amount the Commission may invest in any one issuer. All of the Commission's investments were in US treasury bonds, bills and notes.

**Note 3: DETAIL NOTES – ASSETS (CONT'D)****Investments (Cont'd)**

**Concentration of Credit Risk (Cont'd)** - As of September 30, 2020 and September 30, 2019, the Commission had the following investments and maturities:

<u>Investment</u>	<u>Rating</u>	<u>Maturities</u>	<u>Fair Value Hierarchy Level *</u>	<u>Fair Value Sept. 30, 2020</u>	<u>Fair Value Sept. 30, 2019</u>
US Treasury Notes	AAA	10/31/2019	Level 1		\$ 247,133.34
US Treasury Bills	AAA	10/31/2019	Level 1		249,880.00
US Treasury Notes	AAA	11/30/2019	Level 1		249,775.00
US Treasury Notes	AAA	11/30/2019	Level 1		299,853.00
US Treasury Notes	AAA	12/31/2019	Level 1		249,975.00
US Treasury Notes	AAA	12/31/2019	Level 1		349,706.00
US Treasury Notes	AAA	01/31/2020	Level 1		495,153.45
US Treasury Notes	AAA	02/15/2020	Level 1		498,945.00
US Treasury Bills	AAA	02/27/2020	Level 1		489,677.65
US Treasury Notes	AAA	02/29/2020	Level 1		200,290.00
US Treasury Notes	AAA	03/31/2020	Level 1		99,639.00
US Treasury Notes	AAA	04/30/2020	Level 1		249,282.50
US Treasury Notes	AAA	05/31/2020	Level 1		249,400.00
US Treasury Bonds	AAA	06/30/2020	Level 1		100,016.00
US Treasury Bonds	AAA	07/31/2020	Level 1		250,285.00
US Treasury Bonds	AAA	08/31/2020	Level 1		250,635.00
				\$ -	\$ 4,529,645.94

All Investments matured during the year ended September 30, 2020 and no new investments were purchased.

\*Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.



**Note 3: DETAIL NOTES – ASSETS (CONT'D)****Required Cash and Investment Balances**

Below are schedules of amounts required to be on deposit as of September 30, 2020 and 2019, as discussed in Note 2:

	<b><u>Balance</u></b> <b><u>Sept. 30, 2020</u></b>	<b><u>Required</u></b> <b><u>Balance</u></b>	<b><u>Excess</u></b>
Unrestricted:			
Revenue Account	\$ 3,857,537.13		\$ 3,857,537.13
Operating Account	16,864,694.46	\$ 3,028,366.90	13,836,327.56
General Reserve Account	2,467,572.47		2,467,572.47
	<u>23,189,804.06</u>	<u>3,028,366.90</u>	<u>20,161,437.16</u>
Restricted:			
Other	30,349.50		30,349.50
Construction Fund	22,992,517.54		22,992,517.54
Debt Service	7,624,645.91		7,624,645.91
Debt Service Reserve	9,806,181.87	8,888,862.50	917,319.37
Reserve Maintenance	500,006.76	500,000.00	6.76
	<u>40,953,701.58</u>	<u>9,388,862.50</u>	<u>31,564,839.08</u>
	<u>\$ 64,143,505.64</u>	<u>\$ 12,417,229.40</u>	<u>\$ 51,726,276.24</u>

	<b><u>Balance</u></b> <b><u>Sept. 30, 2019</u></b>	<b><u>Required</u></b> <b><u>Balance</u></b>	<b><u>Excess</u></b>
Unrestricted:			
Revenue Account	\$ 4,066,472.03		\$ 4,066,472.03
Operating Account	27,311,137.29	\$ 2,983,242.00	24,327,895.29
General Reserve Account	3,333,711.43		3,333,711.43
	<u>34,711,320.75</u>	<u>2,983,242.00</u>	<u>31,728,078.75</u>
Restricted:			
Other	14,304.38		14,304.38
Construction Fund	36,765,457.46		36,765,457.46
Debt Service	7,869,134.50		7,869,134.50
Debt Service Reserve	9,756,872.18	9,344,112.50	412,759.68
Reserve Maintenance	500,637.85	500,000.00	637.85
	<u>54,906,406.37</u>	<u>9,844,112.50</u>	<u>45,062,293.87</u>
	<u>\$ 89,617,727.12</u>	<u>\$ 12,827,354.50</u>	<u>\$ 76,790,372.62</u>

**Note 3: DETAIL NOTES – ASSETS (CONT'D)****Capital Assets**

During the fiscal year ended September 30, 2020 and 2019, the following changes in capital assets occurred:

	<u>Balance Oct. 1, 2019</u>	<u>Additions and Transfers</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2020</u>
Capital Assets not being Depreciated				
Land	\$ 2,323,076.92	\$ -	\$ -	\$ 2,323,076.92
Capital Assets being Depreciated				
Bridges and Improvements	119,384,601.23	52,121,160.50		171,505,761.73
Approaches	4,803,881.20			4,803,881.20
Buildings and Improvements	16,892,551.43			16,892,551.43
Equipment	21,207,345.19	513,524.97	81,190.56	21,639,679.60
Mobile Equipment	2,875,445.87	71,358.84	139,270.77	2,807,533.94
Total Capital Assets being Depreciated	165,163,824.92	52,706,044.31	220,461.33	217,649,407.90
Total Capital Assets	167,486,901.84	52,706,044.31	220,461.33	219,972,484.82
Less: Depreciation	80,098,649.52	5,736,751.27	183,778.58	85,651,622.21
Capital Assets, Net	\$ 87,388,252.32	\$ 46,969,293.04	\$ 36,682.75	\$ 134,320,862.61
	<u>Balance Oct. 1, 2018</u>	<u>Additions and Transfers</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2019</u>
Capital Assets not being Depreciated				
Land	\$ 2,323,076.92	\$ -	\$ -	\$ 2,323,076.92
Capital Assets being Depreciated				
Bridges and Improvements	115,202,673.20	4,181,928.03		119,384,601.23
Approaches	4,803,881.20			4,803,881.20
Buildings and Improvements	16,806,119.43	86,432.00		16,892,551.43
Equipment	21,457,015.72	718,460.96	968,131.49	21,207,345.19
Mobile Equipment	3,180,944.29	241,023.50	546,521.92	2,875,445.87
Total Capital Assets being Depreciated	161,450,633.84	5,227,844.49	1,514,653.41	165,163,824.92
Total Capital Assets	163,773,710.76	5,227,844.49	1,514,653.41	167,486,901.84
Less: Depreciation	76,289,852.50	5,323,450.43	1,514,653.41	80,098,649.52
Capital Assets, Net	\$ 87,483,858.26	\$ (95,605.94)	\$ -	\$ 87,388,252.32

**Note 3: DETAIL NOTES – ASSETS (CONT'D)****Toll Revenues**

The following is a three-year comparison of toll revenues:

<u>Fiscal Year</u>	<u>Cash Revenue</u>	<u>E-Z Pass Revenue</u>	<u>Total Revenue</u>
2020	\$ 15,238,927.22	\$ 23,642,748.00	\$ 38,881,675.22
2019	18,361,834.07	27,583,042.00	45,944,876.07
2018	19,002,093.84	27,332,348.00	46,334,441.84

**Note 4: DETAIL NOTES - LIABILITIES****Long Term Liabilities**

During the fiscal years ended September 30, 2020 and 2019, the following changes occurred in long-term obligations:

	<u>Balance Oct. 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept. 30, 2020</u>	<u>(Memo) Due Within One Year</u>
Bonds Payable:					
Revenue Bonds	\$ 72,630,000.00		\$ (5,985,000.00)	\$ 66,645,000.00	\$ 5,825,000.00
Issuance Premiums	7,777,097.16		(1,364,884.99)	6,412,212.17	
Total Bonds Payable	80,407,097.16	\$ -	(7,349,884.99)	73,057,212.17	5,825,000.00
Other Liabilities					
Net Pension Liability	19,199,089.00	9,311,030.00	(11,295,569.00)	17,214,550.00	
Accrued Liabilities:					
Early Retirement	512,490.00		(91,076.00)	421,414.00	93,868.00
Pensions	259,110.00	288,701.00	(259,110.00)	288,701.00	
Net OPEB Liability	41,891,626.00	9,223,919.89	(1,617,202.36)	49,498,343.53	
Compensated Absences	2,110,082.27	1,417,648.29	(1,454,345.14)	2,073,385.42	70,980.55
Total Other Liabilities	63,972,397.27	20,241,299.18	(14,717,302.50)	69,496,393.95	164,848.55
Total Long Term Liabilities	\$ 144,379,494.43	\$ 20,241,299.18	\$ (22,067,187.49)	\$ 142,553,606.12	\$ 5,989,848.55

	<u>Balance Oct. 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept. 30, 2019</u>	<u>(Memo) Due Within One Year</u>
Bonds Payable:					
Revenue Bonds	\$ 77,390,000.00		\$ (4,760,000.00)	\$ 72,630,000.00	\$ 5,985,000.00
Issuance Premiums	9,354,732.42		(1,577,635.26)	7,777,097.16	
Total Bonds Payable	86,744,732.42	\$ -	(6,337,635.26)	80,407,097.16	5,985,000.00
Other Liabilities					
Net Pension Liability	21,271,945.00	10,710,474.00	(12,783,330.00)	19,199,089.00	
Accrued Liabilities:					
Early Retirement	600,914.00		(88,424.00)	512,490.00	91,076.00
Pensions	268,655.00	518,220.00	(268,655.00)	259,110.00	
Net OPEB Liability	32,851,903.00	10,576,706.00	(1,536,983.00)	41,891,626.00	
Compensated Absences	1,968,372.47	905,094.55	(763,384.75)	2,110,082.27	78,199.99
Total Other Liabilities	56,961,789.47	22,710,494.55	(15,440,776.75)	63,972,397.27	169,275.99
Total Long Term Liabilities	\$ 143,706,521.89	\$ 22,710,494.55	\$ (21,778,412.01)	\$ 144,379,494.43	\$ 6,154,275.99

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Revenue Bonds Payable**

The Commission issued \$46,290,000.00 of the Series 2013 Bonds pursuant to a resolution dated April 18, 2013 with interest rates ranging from 2.50% to 5.00%. The Bonds were issued to provide funds for the costs of various capital improvements to the Commission's Bridge System, funding the Debt Service Reserve Fund, and paying costs and expenses associated with the issuance of the Series 2013 Bonds.

The Commission issued \$44,730,000.00 of the Series 2017 Bonds pursuant to a resolution dated August 29, 2017 with interest rates ranging from 3.00% to 5.00%. The Bonds were issued to pay off the 2016 Notes, fund the Debt Service Reserve Fund, and paying costs and expenses associated with the issuance of the Series 2017 Bonds.

The following schedule reflects the Debt Requirements until 2037.

<b>Fiscal Year Ending</b>				
<b>Sept. 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2021	\$ 5,825,000.00	\$ 3,063,862.50	\$ 8,888,862.50	
2022	5,460,000.00	2,781,737.50	8,241,737.50	
2023	5,130,000.00	2,516,987.50	7,646,987.50	
2024	4,780,000.00	2,269,238.00	7,049,238.00	
2025	4,485,000.00	2,037,613.00	6,522,613.00	
2026-2030	23,955,000.00	6,726,469.00	30,681,469.00	
2031-2035	15,120,000.00	1,941,550.00	17,061,550.00	
2035-2037	1,890,000.00	77,250.00	1,967,250.00	
	66,645,000.00	<u>\$ 21,414,707.50</u>	<u>\$ 88,059,707.50</u>	
Adjustments:				
Premium on Bonds	<u>6,412,212.17</u>			
				<u>\$ 73,057,212.17</u>

**Burlington County Guaranty**

The Burlington County Board of County Commissioners (the "Board") adopted a resolution on April 28, 1993, as supplemented on March 28, 2001 (the "Prior County Guaranty"), which authorized the guaranty by the County of the payment, when due, of the principal of and interest on certain bonds of the Commission issued in 1993 and 2002 (collectively, the "Prior County Guaranteed Bonds"). The Board further adopted a resolution on November 14, 2012 (the "New County Guaranty" and together with the Prior County Guaranty, the "County Guaranty") which authorized the guaranty by the County of the payment, when due, of the principal of and interest on the Bonds (the "New County Guaranteed Bonds" and together with the Prior County Guaranteed Bonds, the "County Guaranteed Bonds"). Pursuant to the terms of the County Guaranty, the County has covenanted to pay, when due, the principal of and interest on the outstanding County Guaranteed Bonds to the extent that the revenues or other moneys or securities or funds of the Commission are not available under the terms of the Resolution therefor.

The payments which are required by the County under the terms of the New County Guaranty will constitute the valid, binding, direct and general obligations of the County and are payable out of the first funds becoming legally available for such purpose. In the opinion of Bond Counsel to the Commission, the County has the power, and is obligated, to levy ad valorem taxes upon all the taxable real property within the jurisdiction of the County, for the purpose of making such payments under the New County Guaranty, as the same shall become due, without limitation as to rate or amount, if such funds are not otherwise available. The New County Guaranty will remain in full force and effect for as long as the Bonds remain outstanding.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Compensated Absences**

Full-time employees earn sick and vacation days based on years of service. Part-time employees are not entitled to paid vacation or sick days. Sick days are cumulative; however, vacation days not used during the fiscal year may only be carried forward until December 15th, of the following year. Operations employees may convert five sick and/or vacation days to cash on an annual basis as of December 15th. Additionally, Operations employees may use five sick days as personal days per year. Administrative employees may use four sick days as personal days per year. Upon retirement from the Commission, employees will be paid for all accrued sick and vacation time, eligible for payout, at their then current hourly rate. Administrative employees hired on or before May 1, 2005 who retire after April 13, 2010, cannot be paid for unused sick time in excess of the amount earned as of April 15, 2010. Administration employees and Operations employees hired after May 1, 2005 and April 1, 1998 respectively, have a maximum sick payout of \$15,000.00. Employees tendering their resignation or terminated are only entitled to accrued vacation time at their then current hourly rate. The Commission's accrued liability for accumulated sick leave and vacation time at September 30, 2020 is estimated at \$2,073,385.42 and September 30, 2019 is estimated at \$2,110,082.27.

**Lease Obligations**

At September 30, 2020, the Commission has operating lease agreements in effect for copiers and a postage machine.

Operating Leases – Future minimum rental payments under operating lease agreements are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 23,657.04
2022	23,657.04
2023	21,600.00
2024	3,600.00
	<hr/>
	\$ 72,514.08
	<hr/>

Current year payments under operating leases totaled \$23,657.04.

**Pension Plans**

A substantial number of the Commission's employees participate in the Public Employees' Retirement System ("PERS") which is administered by the New Jersey Division of Pensions and Benefits. In addition, several Commission employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey  
 Division of Pensions and Benefits  
 P.O. Box 295  
 Trenton, New Jersey 08625-0295  
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****General Information about the Pension Plans****Plan Descriptions**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Commission, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Commission's contractually required contribution rate for the fiscal years ended September 30, 2020 and 2019 was 15.69% and 13.85% of the Commission's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the Commission's contractually required contribution to the pension plan for the fiscal year ended September 30, 2020 was \$1,154,805.00, and was payable by April 1, 2021. Based on the PERS measurement date of June 30, 2019, the Commission's contractually required contribution to the pension plan for the fiscal year ended September 30, 2019 was \$1,036,439.00, and was payable by April 1, 2020.

Employee contributions to the Plan for the fiscal year ended September 30, 2020 and 2019 were \$558,736.02 and \$571,568.90, respectively.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Commission contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended September 30, 2020 and 2019, employee contributions totaled \$22,394.03 and \$32,635.72, respectively. The Commission recognized pension expense of \$12,340.53 and \$17,844.14 for the fiscal years ended September 30, 2020 and 2019, which equaled the required contributions. There were no forfeitures during the fiscal year.

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

**Pension Liability** - As of September 30, 2020, the Commission's proportionate share of the PERS net pension liability was \$17,214,550.00. 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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Commission's proportion was .1055629107%, which was a decrease of .0009892850% from its proportion measured as of June 30, 2019.

As of September 30, 2019, the Commission's proportionate share of the PERS net pension liability was \$19,199,089.00. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the Commission's proportion was .1065521957%, which was a decrease of .0014847939% from its proportion measured as of June 30, 2019.

**Pension Expense** - For the fiscal years ended September 30, 2020 and 2019, the Commission recognized its proportionate share of the PERS pension (benefit) expense of \$107,887.00 and \$577,515.00, respectively. These amounts were based on the Plan's June 30, 2020 and 2019 measurement dates, respectively.



**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources** – At September 30, 2020 and 2019, the Commission had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>September 30, 2020</u>		<u>September 30, 2019</u>	
	<u>Measurement Date</u>		<u>Measurement Date</u>	
	<u>June 30, 2020</u>		<u>June 30, 2019</u>	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>
Differences between Expected and Actual Experience	\$ 313,449.00	\$ 60,878.00	\$ 344,599.00	\$ 84,813.00
Changes of Assumptions	558,459.00	7,207,895.00	1,917,100.00	6,663,943.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	588,407.00	-	-	303,065.00
Changes in Proportion and Differences between Commission Contributions and Proportionate Share of Contributions	24,430.00	540,733.00	69,559.00	666,576.00
Commission Contributions Subsequent to the Measurement Date	288,701.00	-	259,110.00	-
	<u>\$ 1,773,446.00</u>	<u>\$ 7,809,506.00</u>	<u>\$ 2,590,368.00</u>	<u>\$ 7,718,397.00</u>

Deferred outflows of resources in the amount of \$288,701.00 and \$259,110.00 will be included as a reduction of the net pension liability during the fiscal years ending September 30, 2021 and 2020, respectively. These amounts are based on an estimated April 1, 2022 and April 1, 2021 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2020 and 2019 to the Commission's fiscal year end of September 30, 2020 and 2019.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - The Commission will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	-
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Commission Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<b>Fiscal Year Ending September 30,</b>	
2021	\$ (2,342,322.00)
2022	(2,127,978.00)
2023	(1,237,293.00)
2024	(511,833.00)
2025	(105,335.00)
	<u>\$ (6,324,761.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020 and 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b>Measurement Date <u>June 30, 2020</u></b>	<b>Measurement Date <u>June 30, 2019</u></b>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.00% - 6.00%	2.00% - 6.00%
	Based on Years of Service	Based on Years of Service
Thereafter	3.00% - 7.00%	3.00% - 7.00%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2014 - June 30, 2018

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****Actuarial Assumptions (Cont'd)**

For the June 30, 2020 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For the June 30, 2019 measurement date, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

<u>Asset Class</u>	<u>Measurement Date</u> <u>June 30, 2020</u>		<u>Measurement Date</u> <u>June 30, 2019</u>	
	<u>Target</u> <u>Allocation</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>	<u>Target</u> <u>Allocation</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
High Yield	2.00%	5.95%	2.00%	5.37%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Assets	3.00%	9.73%	2.50%	9.31%
Real Estate	8.00%	9.56%	7.50%	8.33%
U.S. Equity	27.00%	7.71%	28.00%	8.26%
Non-U.S. Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
Private Equity	13.00%	11.42%	12.00%	10.85%
	<u>100.00%</u>		<u>100.00%</u>	

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****Actuarial Assumptions (Cont'd)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State 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 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.

The discount rate used to measure the total pension liability at June 30, 2019 was 6.28%. The single blended discount rate as based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from pension plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current pension plan members through 2057. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Commission's proportionate share of the net pension liability as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Commission's Proportionate Share of the Net Pension Liability	<u>\$ 24,004,791.00</u>	<u>\$ 17,214,550.00</u>	<u>\$ 14,789,616.00</u>

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Pension Plans (Cont'd)****Sensitivity of Commission's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

The following presents the Commission's proportionate share of the net pension liability at June 30, 2019, the pension plan's measurement date, calculated using a discount rate of 6.28%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>1% Decrease (5.28%)</b>	<b>Current Discount Rate (6.28%)</b>	<b>1% Increase (7.28%)</b>
Commission's Proportionate Share of the Net Pension Liability	<u>\$ 26,379,425.00</u>	<u>\$ 19,199,089.00</u>	<u>\$ 16,449,485.00</u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS' respective fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Early Retirement Incentive Program**

Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These programs, which were subject to the approval of the Commission's governing body (within a limited period of time), were available to employees who met certain minimum requirements. The governing body of the Commission approved the program on January 14, 1992, March 17, 1992 and November 9, 1993 for eligible members of the PERS. Seven employees applied for early retirement under the 1991 and 1993 programs. Program costs are billed annually by the Division of Pensions.

As of September 30, 2020, the accrued liability to the PERS for the 1991 and 1993 programs were \$87,629.00 and \$333,785.00, respectively. As of September 30, 2019, the accrued liability to the PERS for the 1991 and 1993 programs were \$160,031.00 and \$352,459.00 respectively. The Commission incurred and recorded the costs the year the programs were adopted and have made all payments annually. The current fiscal year payments for the 1991 and 1993 programs were \$72,402.00 and \$18,674.00, respectively. The payments for the fiscal year ending September 30, 2019 for the 1991 and 1993 programs were \$70,294.00 and \$18,130.00, respectively. The payments are scheduled to increase 4% annually.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Postemployment Benefits Other Than Pensions (OPEB) – Commission Plan****General Information about the OPEB Plan****Plan Description and Benefits Provided**

The Commission provides medical benefits to employees that have retired from the Commission. The Commission provides family prescription and medical insurance, a \$5,000.00 life and accidental death insurance policy, and 50% of the Medicare B premium, if eligible, deducted from the employee's social security check for both the employee and the spouse. No assets are accumulated in a trust. In accordance with GASB Statement 75, this plan is considered a Single Employer, Defined Benefit OPEB Plan that is not administered through a Trust that meets the criteria in paragraph 4 of GASB Statement 75.

**Employees Covered by Benefit Terms**

At September 30, 2020 and 2019, the following employees were covered by the benefit terms:

	<u>Sept. 30, 2020</u>	<u>Sept. 30, 2019</u>
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	159	158
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments		
Active Employees	<u>102</u>	<u>110</u>
	<u>261</u>	<u>268</u>

**Contributions**

For retirees who are currently in retirement status as of July 1, 2011, or have at least 20 years of service as of July 1, 2011, there are no retiree contributions. For retirees who do not have at least 20 years of service as of July 1, 2011 are expected to pay an amount equal to their Contribution Rate times the plan's gross premiums. In no event shall the contribution be less than 1.5% of the Retirement Allowance.

**Net OPEB Liability**

The Commission's total OPEB liability of \$49,498,343.53 as of September 30, 2020 and \$41,891,626.00 as of September 30, 2019 was measured as of September 30, 2020 and 2019. The liabilities were determined by an actuarial valuation as of September 1, 2020 and October 1, 2017.

**Actuarial Assumptions and Other Inputs**

The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% Annually
Salary Increases	2.50% Annually
Discount Rate	2.21%
Healthcare Cost Trend Rates	
Pre-Medicare	
Medical	5.60% decreasing to 5.00% by 2026
Prescription	9.00% decreasing to 5.00% by 2026

The discount rate was based on the 20 year Municipal AA bond rate.

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Postemployment Benefits Other Than Pensions (OPEB) – Commission Plan****Actuarial Assumptions and Other Inputs**

Mortality rates were based on RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement.

Turnover rates were based on New Jersey State Pensions Ultimate Withdrawal Rates prior to benefits eligibility.

An experience study was not performed on the actuarial assumptions used in the September 30, 2020 valuation since the plan had insufficient data to produce a study with credible results. Mortality rates and termination rates were based on standard tables either issued by the SOA or developed for the applicable grade of employee. The actuary has used his/her professional judgement in applying these assumptions to this plan.

**Changes in the Total OPEB Liability**

The following table shows the changes in the total OPEB liability for the fiscal years ended September 30, 2020 and 2019, respectively:

	<u>Sept. 30, 2020</u>	<u>Sept. 30, 2019</u>
Balance at Beginning of Year	\$ 41,891,626.00	\$ 32,851,903.00
Changes for the Year:		
Service Cost	\$ 588,152.00	\$ 922,515.00
Interest Cost	1,151,470.89	1,390,306.00
Benefit Payments	(1,617,202.36)	(1,536,983.00)
Actuarial Assumption Changes	<u>7,484,297.00</u>	<u>8,263,885.00</u>
Net Changes	<u>7,606,717.53</u>	<u>9,039,723.00</u>
Balance at End of Year	<u><u>\$ 49,498,343.53</u></u>	<u><u>\$ 41,891,626.00</u></u>

There were no changes of benefit terms at September 30, 2020 or 2019. There was a change in the assumed discount rate at September 30, 2020 and 2019. For 2020, the discount rate changed from 2.66% as of September 30, 2019 to 2.21% as of September 30, 2020. For 2019, the discount rate changed from 4.18% as of September 30, 2018 to 2.66% as of September 30, 2019.



**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Postemployment Benefits Other Than Pensions (OPEB) – Commission Plan (Cont'd)****Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

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

	<b>Sept. 30, 2020</b>		
	<b>1.00% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1.00% Increase (3.21%)</b>
Total OPEB Liability	<u>\$ 53,476,975.80</u>	<u>\$ 49,498,343.53</u>	<u>\$ 46,184,446.17</u>
	<b>Sept. 30, 2019</b>		
	<b>1.00% Decrease (1.66%)</b>	<b>Current Discount Rate (2.66%)</b>	<b>1.00% Increase (3.66%)</b>
Total OPEB Liability	<u>\$ 48,994,112.01</u>	<u>\$ 41,891,626.00</u>	<u>\$ 36,198,125.25</u>

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>Sept. 30, 2020</b>		
	<b>1.00% Decrease (Various)</b>	<b>Healthcare Cost Trend Rate (Various)</b>	<b>1.00% Increase (Various)</b>
Total OPEB Liability	<u>\$45,507,233.00</u>	<u>\$49,498,343.53</u>	<u>\$54,240,613.32</u>
	<b>Sept. 30, 2019</b>		
	<b>1.00% Decrease (Various)</b>	<b>Healthcare Cost Trend Rate (Various)</b>	<b>1.00% Increase (Various)</b>
Total OPEB Liability	<u>\$34,984,785.46</u>	<u>\$41,891,626.00</u>	<u>\$50,806,300.40</u>

**Note 4: DETAIL NOTES – LIABILITIES (CONT'D)****Postemployment Benefits Other Than Pensions (OPEB) – Commission Plan (Cont'd)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal years ended September 30, 2020 and 2019, the Commission recognized OPEB expense of \$2,475,888.00 and \$2,569,805.00. At September 30, 2020 and 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Sept. 30, 2020</u>		<u>Sept. 30, 2019</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions or Other Inputs	\$ 12,458,057.00	\$ 2,240,267.00	\$ 6,858,463.00	\$ 2,712,540.00
Changes of Actuarial Gains	-	300,699.00	-	976,864.00
	<u>\$ 12,458,057.00</u>	<u>\$ 2,540,966.00</u>	<u>\$ 6,858,463.00</u>	<u>\$ 3,689,404.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year Ending September 30,</b>	
2021	\$ 736,265.00
2022	878,216.00
2023	1,498,662.00
2024	1,716,056.00
2025	479,281.00
Thereafter	<u>4,608,611.00</u>
	<u>\$ 9,917,091.00</u>

**Note 5: CONDUIT DEBT OBLIGATIONS**

The Commission is authorized to provide within the County, public facilities for use by the State, the County or any municipality in the County and to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon and to lease the same to governmental units. Utilizing this authorization, the Commission has issued certain debt bearing its name to lower the cost of borrowing for specific governmental entities. This debt is commonly referred to as conduit (or non-commitment) debt. Typically, the debt proceeds are used to finance facilities within the Commission's jurisdiction that are transferred to the third party either by lease or by sale. The underlying lease or mortgage loan agreement, which serves as collateral for the promise of payments by the third party, calls for payments that are essentially the same as those required by the debt. These payments are made by the third-party directly to an independent trustee, who is appointed to service and administer the arrangement. The Commission assumes no responsibility for repayment of this debt beyond the resources provided by the underlying leases or mortgage loans.

**Note 5: CONDUIT DEBT OBLIGATIONS (CONT'D)**

As of September 30, 2020, there were twenty-four series of Special Revenue Bonds outstanding. The corresponding aggregate principal totaling \$388,611,300.00 is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and accordingly is not included in the financial statements.

As of September 30, 2019, there were twenty-four series of Special Revenue Bonds outstanding. The corresponding aggregate principal totaling \$301,900,800.00 is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and accordingly is not included in the financial statements.

**Note 6: INTERGOVERNMENTAL AGREEMENTS**

**Burlington County Service Agreement**

The Commission remitted \$1,500,000.00 to Burlington County as set forth and described in an Interlocal Service Agreement approved on August 14, 2012. The funds were applied toward the operation and maintenance of County bridges and the network of roadways which feed the bridges under the Commission's jurisdiction.

**Note 7: COMMITMENTS**

**Construction Contracts**

The Commission had several outstanding or planned construction projects as of September 30, 2020. These projects are evidenced by contractual commitments with contractors and include:

<u>Project</u>	<u>Awarded</u>	<u>Remaining</u>
Tacony Palmyra Bascule Span Deck Replacement, Phase 2	\$ 2,130,896.00	\$ 275,874.98
Burlington Bristol Bridge Commercial Coating, Removal, Rehabilitation and Painting	14,762,939.70	245,570.05
Tacony Palmyra Bridge Bridge Commercial Coating, Removal, Rehabilitation and Painting	20,601,000.00	457,855.68
Burlington Bristol Bridge S-Span Deck Replacement	8,711,800.00	71,000.00
	<u>\$ 46,206,635.70</u>	<u>\$ 1,050,300.71</u>

**Note 8: DEFERRED COMPENSATION SALARY ACCOUNT**

The Commission offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Commission or its creditors. Since the Commission does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Commission's financial statements.

**Note 9: RISK MANAGEMENT****Joint Insurance**

The Commission purchases insurance through the Burlington County Insurance Commission (the "Fund"). Excess insurance is managed by the New Jersey Counties Excess Joint Insurance Fund.

The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
 Liability other than Motor Vehicles  
 Property Damage other than Motor Vehicles  
 Motor Vehicles

Through membership in the New Jersey Counties Excess Joint Insurance Fund, the Commission receives the following ancillary insurance coverage:

Public Officials Liability/Employment Practices Liability  
 Crime  
 Pollution Liability  
 Medical Professional Liability  
 Employed Lawyers Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Commission's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the New Jersey Counties Excess Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2020, which can be obtained from:

Burlington County Insurance Commission  
 49 Rancocas Road  
 PO Box 6000  
 Mt Holly, New Jersey 08060

**Note 10: CONTINGENCIES**

**Litigation** - The Commission is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Commission, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 11: SUBSEQUENT EVENTS**

The management of the Commission has evaluated its financial statements for subsequent events through the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have continued, which may negatively impact the financial position of the Commission. In months subsequent to fiscal year end, the management has continued to note an estimated decrease of 7% in revenue compared to pre-pandemic revenues. Management continues to monitor the financial impact and continues to implement several cost cutting strategies to help offset the financial impact of the loss of revenue.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Required Supplementary Information  
 Schedule of Changes in the Commission's Total OPEB Liability and Related Ratios - Commission Plan  
 Last Four Fiscal Years

	<b>Fiscal Year Ended September 30,</b>			
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Total OPEB Liability</b>				
Service Cost	\$ 588,152	\$ 922,515	\$ 1,007,739	\$ 1,163,982
Interest Cost	1,151,471	1,390,306	1,276,928	1,175,108
Benefit Payments	(1,617,202)	(1,536,983)	(1,565,860)	(1,432,521)
Actuarial Demographic Changes	7,484,297	8,263,885	(2,579,446)	(4,116,591)
Actuarial Demographic Gains				
Net Change in Total OPEB Liability	7,606,718	9,039,723	(1,860,639)	(3,210,022)
Total OPEB Liability - Beginning of Fiscal Year	<u>41,891,626</u>	<u>32,851,903</u>	<u>34,712,542</u>	<u>37,922,564</u>
Total OPEB Liability - End of Fiscal Year	<u>\$ 49,498,344</u>	<u>\$ 41,891,626</u>	<u>\$ 32,851,903</u>	<u>\$ 34,712,542</u>
Covered Payroll	\$ 5,311,000	\$ 9,556,695	\$ 8,519,588	\$ 8,181,168
Total OPEB Liability as a Percentage of Covered Payroll	932.00%	438.35%	385.60%	424.30%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Required Supplementary Information  
 Schedule of the Commission's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Eight Plan Years

	<b>Measurement Date Ending June 30,</b>			
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Commission's Proportion of the Net Pension Liability	0.1055629107%	0.1065521957%	0.1080369896%	0.1082007077%
Commission's Proportionate Share of the Net Pension Liability	\$ 17,214,550.00	\$ 19,199,089.00	\$ 21,271,945.00	\$ 25,187,395.00
Commission's Covered Payroll (Plan Measurement Period)	\$ 7,456,092.00	\$ 7,525,176.00	\$ 7,620,988.00	\$ 7,474,128.00
Commission's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	230.88%	255.13%	279.12%	336.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Commission's Proportion of the Net Pension Liability	0.1105223757%	0.1093203713%	0.1151776579%	0.001150043
Commission's Proportionate Share of the Net Pension Liability	\$ 32,733,558.00	\$ 24,540,233.00	\$ 21,564,408.00	\$ 21,979,609.00
Commission's Covered Payroll (Plan Measurement Period)	\$ 7,617,020.00	\$ 7,411,408.00	\$ 7,773,788.00	\$ 7,950,440.00
Commission's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	429.74%	331.11%	277.40%	2.764577684
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	0.4872

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Required Supplementary Information  
 Schedule of the Commission's Pension Contributions  
 Public Employees' Retirement System (PERS)  
 Last Eight Fiscal Years

	<b>Fiscal Year Ended September 30,</b>			
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Commission's Contractually Required Contribution	\$ 1,154,805.00	\$ 1,036,439.00	\$ 1,074,619.00	\$ 1,002,364.00
Commission's Contribution in Relation to the Contractually Required Contribution	<u>(1,154,805.00)</u>	<u>(1,036,439.00)</u>	<u>(1,074,619.00)</u>	<u>(1,002,364.00)</u>
Commission's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's Covered Payroll (Fiscal Year)	\$ 7,357,808.00	7,483,776.00	7,534,265.00	\$ 7,593,551.00
Commission's Contributions as a Percentage of Covered Payroll	15.69%	13.85%	14.26%	13.20%
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Commission's Contractually Required Contribution	\$ 981,865.00	\$ 939,862.00	\$ 949,508.00	866,534.00
Commission's Contribution in Relation to the Contractually Required Contribution	<u>(981,865.00)</u>	<u>(939,862.00)</u>	<u>(949,508.00)</u>	<u>(866,534.00)</u>
Commission's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's Covered Payroll (Fiscal Year)	\$ 7,485,534.00	\$ 7,516,759.00	\$ 7,487,073.00	779196700.00%
Commission's Contributions as a Percentage of Covered Payroll	13.12%	12.50%	12.68%	11.12%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.



**BURLINGTON COUNTY BRIDGE COMMISSION**

Notes to Required Supplementary Information  
For the Fiscal Year Ended September 30, 2020

**Note 1: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - COMMISSION PLAN**Changes in Benefit Terms

None

Changes in Assumptions

The discount rate used as of September 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	2.21%	2017	3.64%
2019	2.66%	2016	3.06%
2018	4.18%		

**Note 2: POSTEMPLOYMENT BENEFITS - PENSION****Public Employees' Retirement System (PERS)**Changes in Benefit Terms

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

## **SUPPLEMENTARY SCHEDULES**

**BURLINGTON COUNTY BRIDGE COMMISSION**  
Combining Schedule of Revenues, Expenses and Changes in Net Position  
For the Fiscal Year Ended September 30, 2020

	Unrestricted			Restricted				Total
	Revenue	Operating	General Reserve	Debt Service	Debt Service Reserve	Reserve Maintenance	Other	
Operating Revenues:								
Tolls	\$ 38,881,675.22							\$ 38,881,675.22
Miscellaneous	1,674,033.05						\$ 14,260.30	1,688,293.35
Operating Expenses:								
Administration:								
Salaries and Wages		\$ (2,066,909.19)						(2,066,909.19)
Employee Benefits		(1,085,887.59)					(14,260.30)	(1,100,147.89)
Other Expenses		(947,214.19)						(947,214.19)
Cost of Providing Service:								
Salaries and Wages		(8,463,415.67)						(8,463,415.67)
Employee Benefits		(4,540,809.43)						(4,540,809.43)
Other Expenses		(8,226,801.27)						(8,226,801.27)
Major Repairs Expense			\$ (5,848,938.71)					(5,848,938.71)
Depreciation		(5,736,751.27)						(5,736,751.27)
Operating Income (Loss)	40,555,708.27	(31,067,788.61)	(5,848,938.71)	\$ -	\$ -	\$ -	-	3,638,980.95
Non-operating Income (Expenses):								
Investment Income	46,517.07	119,735.85	229,039.35	10,560.48	38,430.41	2,521.90	158,480.67	605,285.73
(Loss) on Disposal of Capital Assets		(1,731,043.29)						(1,731,043.29)
Interest on Bonds			1,364,884.99	(3,209,487.50)				(1,844,602.51)
Total Non-Operating Income (Expense)	46,517.07	(1,611,307.44)	1,593,924.34	(3,198,927.02)	38,430.41	2,521.90	158,480.67	(2,970,360.07)
Income (Loss) before Transfers	40,602,225.34	(32,679,096.05)	(4,255,014.37)	(3,198,927.02)	38,430.41	2,521.90	158,480.67	668,620.88
Transfers	(40,602,225.34)	32,724,220.95	5,333,760.35	3,198,927.02	(493,680.41)	(2,521.90)	(158,480.67)	
Change in Net Position	-	45,124.90	1,078,745.98	-	(455,250.00)	(0.00)	-	668,620.88
Net Position Oct. 1	-	2,983,242.00	51,740,721.64	-	9,344,112.50	500,000.00	-	64,568,076.14
Net Position Sept. 30	\$ -	\$ 3,028,366.90	\$ 52,819,467.62	\$ -	\$ 8,888,862.50	\$ 500,000.00	\$ -	\$ 65,236,697.02
Analysis of Balance:								
Net Investment in Capital Assets			\$ 72,114,778.55					\$ 72,114,778.55
Restricted:								
Bond Resolution Covenants		\$ 3,028,366.90			\$ 8,888,862.50	\$ 500,000.00		12,417,229.40
Unrestricted (Deficit)			(19,295,310.93)					(19,295,310.93)
	\$ -	\$ 3,028,366.90	\$ 52,819,467.62	\$ -	\$ 8,888,862.50	\$ 500,000.00	\$ -	\$ 65,236,697.02

## BURLINGTON COUNTY BRIDGE COMMISSION

Schedule of Cash Receipts, Cash Disbursements and Changes in Cash and Cash Equivalents  
For the Fiscal Year Ended September 30, 2020

	Unrestricted			Restricted					Total
	Revenue	Operating	General Reserve	Reserve Maintenance	Construction Fund	Debt Service	Debt Service Reserve	Other	
Cash, Cash Equivalents and Investments:									
Balance - October 1, 2019	\$ 4,066,472.03	\$ 27,311,137.29	\$ 7,863,357.37	\$ 500,637.85	\$ 36,765,457.46	\$ 7,869,134.50	\$ 9,756,872.48	\$ 14,304.38	\$ 94,147,373.36
Cash Receipts:									
Tolls	15,238,927.22								15,238,927.22
E-ZPass Receivable	23,949,608.00								23,949,608.00
Investment Income	46,534.56	119,735.85	253,169.54	3,152.97	214,154.87	19,924.77	50,727.71	182.24	707,582.51
Other Accounts Receivable	3,660,808.19								3,660,808.19
Unearned Revenue	7,238.17								7,238.17
Miscellaneous Income	911,108.15							14,260.30	925,368.45
Gain on Disposal	25,014.75								25,014.75
Transfers In		40,606,768.72				9,079,699.16		15,862.88	49,702,330.76
Total Cash Receipts and Investments Available	47,905,711.07	68,037,641.86	8,116,526.91	503,790.82	36,979,612.33	16,968,758.43	9,807,600.19	44,609.80	188,364,251.41
Cash Disbursements:									
Budgetary		19,757,282.29						14,260.30	19,771,542.59
Major Repairs and Expenses		5,848,938.71							5,848,938.71
Unrestricted Accounts Payable		6,811,719.61							6,811,719.61
Accrued Expenses Payable		1,545,421.14							1,545,421.14
Other Accounts Receivable		2,264,196.21							2,264,196.21
Prepaid Expenses		496,349.60							496,349.60
Capital Acquisitions		14,449,039.84			13,987,094.79				28,436,134.63
Debt Principal						5,985,000.00			5,985,000.00
Accrued Interest Payable						3,359,112.52			3,359,112.52
Transfers Out	44,048,173.94		5,648,954.44	3,784.06			1,418.32		49,702,330.76
Total Cash Disbursements	44,048,173.94	51,172,947.40	5,648,954.44	3,784.06	13,987,094.79	9,344,112.52	1,418.32	14,260.30	124,220,745.77
Cash, Cash Equivalents and Investments:									
Balance - September 30, 2020	\$ 3,857,537.13	\$ 16,864,694.46	\$ 2,467,572.47	\$ 500,006.76	\$ 22,992,517.54	\$ 7,624,645.91	\$ 9,806,181.87	\$ 30,349.50	\$ 64,143,505.64

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Schedule of Revenues and Expenses - Budget and Actual  
 Non-GAAP Budgetary Basis  
 For the Fiscal Year Ended September 30, 2020

	Adopted Budget	Modifications/ Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:					
Tolls	\$ 38,866,907.00		\$ 38,866,907.00	\$ 38,881,675.22	\$ 14,768.22
Miscellaneous Income	120,000.00		120,000.00	950,433.43	830,433.43
<b>Total Operating Revenues</b>	<b>38,986,907.00</b>	<b>\$ -</b>	<b>38,986,907.00</b>	<b>39,832,108.65</b>	<b>845,201.65</b>
Non-Operating Revenues:					
Investment Income	40,000.00		40,000.00	605,285.73	565,285.73
<b>Total Anticipated Revenues</b>	<b>39,026,907.00</b>	<b>-</b>	<b>39,026,907.00</b>	<b>40,437,394.38</b>	<b>1,410,487.38</b>
Cost of Providing Service:					
Toll Collection:					
Salaries	3,756,050.00		3,756,050.00	3,175,670.95	580,379.05
Uniforms	14,000.00	(10,000.00)	4,000.00	2,547.58	1,452.42
Services	30,000.00	(2,400.00)	27,600.00	27,440.52	159.48
Other Expenses	2,000.00		2,000.00	600.00	1,400.00
Minor Tools and Equipment	5,000.00	10,000.00	15,000.00	14,767.20	232.80
Materials and Supplies	19,500.00		19,500.00	9,588.93	9,911.07
Travel & Meetings	900.00	2,000.00	2,900.00	690.87	2,209.13
Membership Dues	600.00	400.00	1,000.00	750.00	250.00
<b>Total Toll Collection</b>	<b>3,828,050.00</b>	<b>-</b>	<b>3,828,050.00</b>	<b>3,232,056.05</b>	<b>595,993.95</b>
Police:					
Salaries	2,905,499.00		2,905,499.00	3,029,792.81	(124,293.81)
Uniforms	20,000.00		20,000.00	14,437.30	5,562.70
Other Profesional Expenses	20,000.00	(8,500.00)	11,500.00		11,500.00
Subscriptions	5,000.00	5,000.00	10,000.00	9,435.13	564.87
Services	8,000.00		8,000.00	3,445.03	4,554.97
Other Expenses	20,300.00	1,000.00	21,300.00	11,340.19	9,959.81
Materials and Supplies	88,100.00		88,100.00	16,707.19	71,392.81
Travel and Meetings	5,500.00	2,500.00	8,000.00	4,647.31	3,352.69
Membership Dues	2,500.00		2,500.00	805.00	1,695.00
Telephone	1,500.00		1,500.00	1,295.70	204.30
<b>Total Police</b>	<b>3,076,399.00</b>	<b>-</b>	<b>3,076,399.00</b>	<b>3,091,905.66</b>	<b>(15,506.66)</b>

(Continued)

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Schedule of Revenues and Expenses - Budget and Actual  
 Non-GAAP Budgetary Basis  
 For the Fiscal Year Ended September 30, 2020

	<u>Adopted Budget</u>	<u>Modifications/ Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cost of Providing Service (Cont'd):					
Maintenance:					
Salaries	\$ 1,894,689.00		\$ 1,894,689.00	\$ 1,873,588.80	\$ 21,100.20
Services	15,000.00	\$ 10,000.00	25,000.00	14,054.93	10,945.07
Landscaping	15,000.00		15,000.00	7,950.05	7,049.95
Land Lease	7,000.00		7,000.00	6,363.00	637.00
Trash	24,000.00		24,000.00	20,304.11	3,695.89
Equipment Rental	8,000.00		8,000.00	209.88	7,790.12
Electrical Maintenance	400.00		400.00		400.00
Other Expense	6,000.00		6,000.00	1,107.55	4,892.45
Uniforms	7,000.00		7,000.00	4,348.88	2,651.12
Membership Dues	600.00		600.00	490.20	109.80
Travel & Meetings	300.00		300.00		300.00
Minor Tools and Equipment	16,000.00		16,000.00	10,586.00	5,414.00
Materials and Supplies	364,000.00	65,000.00	429,000.00	167,351.68	261,648.32
Engineering	5,000.00		5,000.00	2,788.48	2,211.52
<b>Total Maintenance</b>	<b>2,362,989.00</b>	<b>75,000.00</b>	<b>2,437,989.00</b>	<b>2,109,143.56</b>	<b>328,845.44</b>
Information Technology:					
Salaries	483,300.00		483,300.00	384,363.11	98,936.89
Other Expense	20,000.00		20,000.00	10,786.17	9,213.83
Materials and Supplies	28,000.00		28,000.00	8,681.80	19,318.20
Tools and Equipment	3,000.00		3,000.00	297.67	2,702.33
Uniforms	2,000.00		2,000.00	128.79	1,871.21
Meetings	2,000.00		2,000.00	685.00	1,315.00
Membership Dues	3,000.00		3,000.00	695.00	2,305.00
Travel	4,000.00		4,000.00	2,943.39	1,056.61
Data Processing	97,500.00		97,500.00	38,908.56	58,591.44
Telephone	180,000.00		180,000.00	151,704.08	28,295.92
EZ Pass	505,000.00		505,000.00	431,991.36	73,008.64
ETC	299,500.00		299,500.00	182,808.10	116,691.90
Security	174,000.00		174,000.00	156,057.11	17,942.89
Support	271,700.00		271,700.00	234,485.75	37,214.25
<b>Total Information Technology</b>	<b>2,073,000.00</b>	<b>-</b>	<b>2,073,000.00</b>	<b>1,604,535.89</b>	<b>468,464.11</b>

(Continued)

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Schedule of Revenues and Expenses - Budget and Actual  
 Non-GAAP Budgetary Basis  
 For the Fiscal Year Ended September 30, 2020

	Adopted Budget	Modifications/ Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
Cost of Providing Service (Cont'd):					
Other Operations:					
Employee Benefits	\$ 5,812,000.00		\$ 5,812,000.00	\$ 4,540,809.43	\$ 1,271,190.57
General Supplies	2,000.00		2,000.00		2,000.00
Utilities	629,500.00	\$ (25,000.00)	604,500.00	377,204.22	227,295.78
Insurance	2,850,000.00		2,850,000.00	3,924,807.94	(1,074,807.94)
PILOT Fees	51,500.00		51,500.00	50,943.48	556.52
Other Expense	3,154,126.00	(50,000.00)	3,104,126.00	1,561,760.22	1,542,365.78
<b>Total Other Operations</b>	<b>12,499,126.00</b>	<b>(75,000.00)</b>	<b>12,424,126.00</b>	<b>10,455,525.29</b>	<b>1,968,600.71</b>
<b>Total Cost of Providing Service</b>	<b>23,839,564.00</b>	<b>-</b>	<b>23,839,564.00</b>	<b>20,493,166.45</b>	<b>3,346,397.55</b>
Administration:					
General Administrative:					
Salaries	1,977,555.00		1,977,555.00	1,870,978.84	106,576.16
Employee Benefits	1,772,300.00		1,772,300.00	1,100,147.89	672,152.11
Other Expenses	47,200.00		47,200.00	22,379.06	24,820.94
Materials & Supplies	23,000.00		23,000.00	14,072.81	8,927.19
Travel & Meetings	16,750.00		16,750.00	6,510.38	10,239.62
Membership Dues	12,500.00		12,500.00	7,043.46	5,456.54
Data Processing	25,000.00		25,000.00	10,428.73	14,571.27
Postage	12,200.00		12,200.00	7,297.65	4,902.35
Printing and Binding	1,000.00		1,000.00	652.84	347.16
Legal	331,000.00		331,000.00	177,085.94	153,914.06
Accounting	110,000.00		110,000.00	87,043.40	22,956.60
Engineering	85,000.00		85,000.00	2,555.09	82,444.91
Other Professional Services	66,500.00		66,500.00	36,254.26	30,245.74
<b>Total General Administrative</b>	<b>4,480,005.00</b>	<b>-</b>	<b>4,480,005.00</b>	<b>3,342,450.35</b>	<b>1,137,554.65</b>
Economic Development:					
Services					
Advertising	10,000.00	(98.88)	9,901.12	367.95	9,533.17
Legal	225,000.00		225,000.00	144,328.00	80,672.00
Engineering	117,050.00		117,050.00	10,000.00	107,050.00
Printing & Binding	1,000.00		1,000.00	545.77	454.23
Other Professional Services	25,000.00		25,000.00	8,911.95	16,088.05
Other Expenses	80,000.00		80,000.00	72,273.51	7,726.49
Office Supplies	9,000.00		9,000.00	4,589.41	4,410.59
Subscriptions	1,800.00	782.88	2,582.88	2,545.33	37.55
Meetings	2,000.00	(684.00)	1,316.00	362.04	953.96
Membership Dues	5,750.00		5,750.00	1,515.34	4,234.66
Travel	6,000.00		6,000.00	854.23	5,145.77
Energy Aggregation	10,000.00		10,000.00		10,000.00
<b>Total Economic Development</b>	<b>492,600.00</b>	<b>-</b>	<b>492,600.00</b>	<b>246,293.53</b>	<b>246,306.47</b>

(Continued)

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Schedule of Revenues and Expenses - Budget and Actual  
 Non-GAAP Budgetary Basis  
 For the Fiscal Year Ended September 30, 2020

	Adopted Budget	Modifications/ Transfers	Modified Budget	Actual	Variance Favorable (Unfavorable)
Administration (Cont'd):					
Improvement Authority:					
Postage	\$ 1,000.00		\$ 1,000.00		\$ 1,000.00
Other Prof Services	450,000.00		450,000.00	\$ 304,061.37	145,938.63
Other Expenses	10,000.00		10,000.00		10,000.00
Meetings	2,000.00		2,000.00		2,000.00
<b>Total Improvement Authority</b>	<b>463,000.00</b>	<b>\$ -</b>	<b>463,000.00</b>	<b>304,061.37</b>	<b>158,938.63</b>
Palmyra Nature Cove:					
Salaries	374,500.00		374,500.00	195,930.35	178,569.65
Postage	500.00		500.00		500.00
Printing & Binding	1,500.00		1,500.00		1,500.00
Legal Services	15,000.00		15,000.00	4,038.00	10,962.00
Engineering Services	90,000.00		90,000.00	322.50	89,677.50
Other Professional Services	25,000.00		25,000.00	10,716.54	14,283.46
Services	3,900.00		3,900.00		3,900.00
Other Expenses	16,000.00		16,000.00	6,033.75	9,966.25
Supplies	9,850.00		9,850.00	3,549.88	6,300.12
Minor Tools and Equipment	15,000.00		15,000.00		15,000.00
Events	2,000.00		2,000.00	875.00	1,125.00
Exhibits	4,000.00		4,000.00		4,000.00
<b>Total Palmyra Cove</b>	<b>557,250.00</b>	<b>-</b>	<b>557,250.00</b>	<b>221,466.02</b>	<b>335,783.98</b>
<b>Total Administration</b>	<b>5,992,855.00</b>	<b>-</b>	<b>5,992,855.00</b>	<b>4,114,271.27</b>	<b>1,878,583.73</b>
<b>Total Principal Payments on Debt Service in Lieu of Depreciation</b>	<b>5,985,000.00</b>	<b>-</b>	<b>5,985,000.00</b>	<b>5,985,000.00</b>	<b>-</b>
<b>Total Operating Appropriations</b>	<b>35,817,419.00</b>	<b>-</b>	<b>35,817,419.00</b>	<b>30,592,437.72</b>	<b>5,224,981.28</b>
<b>Non-Operating Appropriations</b>					
Interest on Bonds	3,209,488.00	-	3,209,488.00	1,844,602.51	1,364,885.49
<b>Total Operating and Non-Operating Appropriations</b>	<b>39,026,907.00</b>	<b>-</b>	<b>39,026,907.00</b>	<b>32,437,040.23</b>	<b>6,589,866.77</b>
<b>Excess Revenues Over Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,000,354.15</b>	<b>\$ 8,000,354.15</b>

(Continued)



**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Schedule of Revenues and Expenses - Budget and Actual  
 Non-GAAP Budgetary Basis  
 For the Fiscal Year Ended September 30, 2020

Reconciliation of Actual Expenditures

Cash Disbursements	\$ 19,033,682.67
Accounts Payable	3,654,613.61
Increase in Accrued Other Post Employment Benefits	858,685.53
Increase in Compensated Absences Payable	1,417,648.29
Decrease in Pension Related Liabilities	(1,046,917.00)
Prepaid Expenses Applied	689,724.62
Bond Principal	5,985,000.00
Interest on Bonds	1,844,602.51
	<u>\$ 32,437,040.23</u>

Reconciliation to Operating Income

Excess Revenues over Expenditures (Schedule 3)	\$ 8,000,354.15
Add	
Principal Payments on Bonds	\$ 5,985,000.00
Reclassification of Budget Refund for GAAP	737,859.92
Interest on Bonds	1,844,602.51
	<u>8,567,462.43</u>
	16,567,816.58
Less:	
Investment Income	(605,285.73)
Reclassification of Budget Refund for GAAP	(737,859.92)
Depreciation	(5,736,751.27)
Provision for Major Repairs	(5,848,938.71)
	<u>(12,928,835.63)</u>
Total Operating Income (Exhibit B)	<u>\$ 3,638,980.95</u>

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Analysis of Toll Revenue - Cash  
 For the Fiscal Year Ended September 30, 2020

Category	Current Year			Prior Year			Increase / (Decrease)		% Change	
	Rate	Units	Revenue	Rate	Units	Revenue	Units	Revenue	Units	Revenue
Auto, Lt. Trucks, Vans Buses or Dual Wheel Pickups:	\$ 4.00	3,597,065	\$ 14,388,600.00	\$ 4.00	4,324,666	\$ 17,299,160.00	(727,601)	\$ (2,910,560.00)	-16.82%	-16.82%
2 Axle	6.00	6,423	38,582.00	6.00	8,224	49,404.00	(1,801)	(10,822.00)	-21.90%	-21.91%
3 Axle	9.00	58	526.00	9.00	96	864.00	(38)	(338.00)	-39.58%	-39.12%
Extra Axle	3.00	15,264	45,792.00	3.00	17,162	51,486.00	(1,898)	(5,694.00)	-11.06%	-11.06%
Trucks:										
2 Axle	12.00	33,671	404,052.00	12.00	41,473	497,676.00	(7,802)	(93,624.00)	-18.81%	-18.81%
3 Axle	18.00	3,478	62,604.00	18.00	4,324	77,832.00	(846)	(15,228.00)	-19.57%	-19.57%
4 Axle	24.00	807	19,368.00	24.00	882	21,168.00	(75)	(1,800.00)	-8.50%	-8.50%
5 Axle	30.00	8,599	257,970.00	30.00	11,436	343,080.00	(2,837)	(85,110.00)	-24.81%	-24.81%
Extra Axle	6.00	3,586	21,516.00	6.00	4,324	25,944.00	(738)	(4,428.00)	-17.07%	-17.07%
		<u>3,668,951</u>	<u>15,239,010.00</u>		<u>4,412,587</u>	<u>18,366,614.00</u>	<u>(743,636)</u>	<u>(3,127,604.00)</u>	-16.85%	-17.03%
Over / (Short)			<u>(82.78)</u>			<u>(4,779.93)</u>		<u>4,697.15</u>		-98.27%
			<u>\$ 15,238,927.22</u>			<u>\$ 18,361,834.07</u>		<u>\$ (3,122,906.85)</u>		-17.01%

(Continued)

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Analysis of Toll Revenue - Electronic Toll Collection  
 For the Fiscal Year Ended September 30, 2020

Category	Current Year			Prior Year			Increase / (Decrease)		% Change	
	Rate	Units	Revenue	Rate	Units	Revenue	Units	Revenue	Units	Revenue
Auto, Lt. Trucks, Vans Buses or Dual Wheel Pickups:	\$3.00	6,378,843	\$19,136,952.00	\$3.00	7,578,613	\$22,736,112.00	(1,199,770)	\$ (3,599,160.00)	-15.83%	-15.83%
2 Axle	5.00	21,979	109,943.00	5.00	24,347	121,828.00	(2,368)	(11,885.00)	-9.73%	-9.76%
3 Axle	8.00	134	1,081.00	8.00	314	2,521.00	(180)	(1,440.00)	-57.32%	-57.12%
Extra Axle	2.00	29,199	58,398.00	2.00	30,545	61,090.00	(1,346)	(2,692.00)	-4.41%	-4.41%
Trucks:										
2 Axle	12.00	118,653	1,423,836.00	12.00	128,785	1,545,420.00	(10,132)	(121,584.00)	-7.87%	-7.87%
3 Axle	18.00	39,057	703,026.00	18.00	39,175	705,150.00	(118)	(2,124.00)	-0.30%	-0.30%
4 Axle	24.00	15,871	380,904.00	24.00	17,969	431,256.00	(2,098)	(50,352.00)	-11.68%	-11.68%
5 Axle	30.00	58,653	1,759,590.00	30.00	63,692	1,910,760.00	(5,039)	(151,170.00)	-7.91%	-7.91%
Extra Axle	6.00	11,503	69,018.00	6.00	12,095	72,570.00	(592)	(3,552.00)	-4.89%	-4.89%
		<u>6,673,892</u>	<u>23,642,748.00</u>		<u>7,895,535</u>	<u>27,586,707.00</u>	<u>(1,221,643)</u>	<u>(3,943,959.00)</u>	-15.47%	-14.30%
Violations, Allowances and Other Adjustments			-			(3,665.00)		3,665.00		
			<u>\$23,642,748.00</u>			<u>\$27,583,042.00</u>		<u>\$ (3,940,294.00)</u>		-14.29%
Cash Received			\$15,238,927.22			\$18,361,834.07		\$ (3,122,906.85)		-17.01%
E-ZPass Transactions			<u>23,642,748.00</u>			<u>27,583,042.00</u>		<u>(3,940,294.00)</u>		-14.29%
			<u>\$38,881,675.22</u>			<u>\$45,944,876.07</u>		<u>\$ (7,063,200.85)</u>		-15.37%

**BURLINGTON COUNTY BRIDGE COMMISSION**

Analysis of Investment Income Receivable  
For the Fiscal Year Ended September 30, 2020

	<u>Balance</u> <u>Oct. 1, 2019</u>	<u>Investment</u> <u>Income Earned</u>	<u>Received</u>	<u>Balance</u> <u>Sept. 30, 2020</u>
Unrestricted Assets:				
Revenue Account	\$ 17.99	\$ 46,517.07	\$ 46,534.56	\$ 0.50
Operating Account		119,735.85	119,735.85	
General Account	24,142.27	229,039.35	253,169.54	12.08
	<u>24,160.26</u>	<u>395,292.27</u>	<u>419,439.95</u>	<u>12.58</u>
Restricted Assets:				
Unemployment Compensation		182.24	182.24	
Construction Fund	55,969.56	158,298.43	214,154.87	113.12
Debt Service	9,400.82	10,560.48	19,924.77	36.53
Debt Service Reserve	12,345.55	38,430.41	50,727.71	48.25
Reserve Mainenance	633.55	2,521.90	3,152.97	2.48
Total Restricted Assets	<u>78,349.48</u>	<u>209,993.46</u>	<u>288,142.56</u>	<u>200.38</u>
	<u>\$ 102,509.74</u>	<u>\$ 605,285.73</u>	<u>\$ 707,582.51</u>	<u>\$ 212.96</u>

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Analysis of Improvements in Progress  
 For the Fiscal Year Ended September 30, 2020

Balance October 1, 2019		\$ 42,736,366.63
Add:		
Disbursed	\$ 17,619,186.03	
Accounts Payable	1,176,391.49	
Retainage Due Contractors	<u>317,297.40</u>	
		<u>19,112,874.92</u>
		61,849,241.55
Less:		
Transferred to Completed	52,121,160.50	
Discontinued Projects	<u>1,719,375.29</u>	
		53,840,535.79
Balance September 30, 2020		<u>\$ 8,008,705.76</u>

## Schedule 7

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Analysis of Other Accounts Receivable  
 For the Fiscal Year Ended September 30, 2020

	<u>Balance</u> <u>Oct. 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Revenue</u> <u>Realized</u>	<u>Disbursed</u>	<u>Balance</u> <u>Sept. 30, 2020</u>
Due from Burlington County					
Interlocal Service Agreement	\$ 2,891,579.06	\$ 2,814,631.19		\$ 1,387,886.01	\$ 1,464,833.88
City of Burlington		12,000.00		24,000.00	12,000.00
Grant Receivable		117,934.88		143,629.37	25,694.49
Miscellaneous Receivable	8,039.58	10,204.38	\$ 750,000.00	2,164.80	750,000.00
E-Z Pass Service Fees	36,837.63	706,037.74		706,516.03	37,315.92
	<u>\$ 2,936,456.27</u>	<u>\$ 3,660,808.19</u>	<u>\$ 750,000.00</u>	<u>\$ 2,264,196.21</u>	<u>\$ 2,289,844.29</u>

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Analysis of Unearned Revenue  
 For the Fiscal Year Ended September 30, 2020

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	<u>Balance</u> <u>Oct. 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue</u>	<u>Balance</u> <u>Sept. 30, 2020</u>
Unearned Revenue:				
State & Federal Grants	\$ 5,686.73	\$ 7,238.17	\$ 12,924.90	\$ -

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## Schedule 9

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Analysis of Accrued Expenses Payable  
 For the Fiscal Year Ended September 30, 2020

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	<u>Compensated</u> <u>Absences</u>	<u>Early Retirement</u> <u>Incentive Programs</u>	<u>Total</u>
Balance October 1, 2019	\$ 2,110,082.27	\$ 512,490.00	\$ 2,622,572.27
Increased by:			
Budget Charges	1,417,648.29		1,417,648.29
Decreased by:			
Disbursed	3,527,730.56	512,490.00	4,040,220.56
Disbursed	1,454,345.14	91,076.00	1,545,421.14
Balance September 30, 2020	\$ 2,073,385.42	\$ 421,414.00	\$ 2,494,799.42

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**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Analysis of Accrued Interest Payable on Bonds  
 For the Fiscal Year Ended September 30, 2020

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Balance October 1, 2019		\$ 1,754,368.77
Increased by:		
Accrued	\$ 3,209,487.50	
Net Amortization of Premium on Bonds	<u>(1,364,884.99)</u>	
		<u>1,844,602.51</u>
		3,598,971.28
Decreased by:		
Cash Disbursed	3,359,112.52	
Net Amortization of Premium on Bonds	<u>(1,364,884.99)</u>	
		<u>1,994,227.53</u>
Balance September 30, 2020		<u><u>\$ 1,604,743.75</u></u>

**BURLINGTON COUNTY BRIDGE COMMISSION**  
Schedule of Revenue Bonds  
For the Fiscal Year Ended September 30, 2020

Description	Date of Issue	Original Issue	Maturities		Rate	Balance Oct. 1, 2019	Decreased	Balance Sept. 30, 2020		
			Date	Amount						
Series 2013	04/18/13	\$ 46,290,000.00	10/01/20	\$ 4,425,000.00	5.00%	\$ 27,900,000.00	\$ 4,605,000.00	\$ 23,295,000.00		
			10/01/21	4,255,000.00	5.00%					
			10/01/22	4,065,000.00	5.00%					
			10/01/23	2,555,000.00	5.00%					
			10/01/24	2,215,000.00	5.00%					
			10/01/25	1,835,000.00	5.00%					
			10/01/26	1,425,000.00	4.00%					
			10/01/27	965,000.00	3.00%					
			10/01/28	750,000.00	3.25%					
			10/01/29	525,000.00	3.25%					
			10/01/30	280,000.00	3.25%					
									23,295,000.00	
			Series 2017	10/31/17	44,730,000.00				10/01/20	1,400,000.00
10/01/21	1,205,000.00	5.00%								
10/01/22	1,065,000.00	5.00%								
10/01/23	2,225,000.00	5.00%								
10/01/24	2,270,000.00	5.00%								
10/01/25	2,840,000.00	5.00%								
10/01/26	3,470,000.00	5.00%								
10/01/27	4,185,000.00	5.00%								
10/01/28	4,055,000.00	5.00%								
10/01/29	3,905,000.00	5.00%								
10/01/30	3,740,000.00	5.00%								
10/01/31	3,575,000.00	5.00%								
10/01/32	3,100,000.00	3.00%								
10/01/36	6,315,000.00	5.00%								
						43,350,000.00				
Premium on Bonds - Amortized						72,630,000.00	5,985,000.00	66,645,000.00		
						7,777,097.16	1,364,884.99	6,412,212.17		
						\$ 80,407,097.16	\$ 7,349,884.99	\$ 73,057,212.17		



**SCHEDULES REQUIRED BY TRUST INDENTURES  
ASSOCIATED WITH THE ISSUANCE OF CONDUIT DEBT**

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Schedule of Conduit Debt  
 For the Fiscal Year Ended September 30, 2020

<u>Issue</u>	<u>Issue Date</u>	<u>Issued Amount</u>	<u>Balance Oct. 1, 2019</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance Sept. 30, 2020</u>
<b>Guaranteed by Other Government Entities:</b>						
County Guaranteed Pooled Loan Revenue Bonds, Series 2002	10/24/2002	\$ 73,510,000.00	\$ 1,110,000.00			\$ 1,110,000.00
County Guaranteed Pooled Loan Revenue Bonds, Series 2003	11/20/2003	42,575,000.00	5,000.00		\$ 5,000.00	
County Guaranteed Pooled Loan Revenue Bonds, Series 2005	12/22/2005	12,185,000.00	145,000.00		70,000.00	75,000.00
County Guaranteed Pooled Loan Revenue Bonds, Series 2010B	12/8/2010	17,675,000.00	9,060,000.00		1,260,000.00	7,800,000.00
County Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2011A	3/16/2011	37,785,000.00	8,775,000.00		5,615,000.00	3,160,000.00
County Guaranteed Lease Revenue Refunding Bonds, Series 2011	9/8/2011	9,480,000.00	4,125,000.00		975,000.00	3,150,000.00
County Guaranteed Loan Revenue Refunding Bonds, Series 2013A	3/11/2013	47,535,000.00	28,115,000.00		4,390,000.00	23,725,000.00
County Guaranteed Lease Revenue Bonds, Series 2013A	10/7/2013	29,380,000.00	21,985,000.00		1,000,000.00	20,985,000.00
County Guaranteed Loan Revenue Refunding Bonds, Series 2014A	1/2/2014	16,250,000.00	9,550,000.00		1,270,000.00	8,280,000.00
County Guaranteed Lease Revenue Refunding Bonds, Series 2014	6/25/2014	10,605,000.00	5,520,000.00		1,135,000.00	4,385,000.00
County Guaranteed Lease Revenue Bonds, Series 2016	4/14/2016	27,660,000.00	27,060,000.00		500,000.00	26,560,000.00
Lenape Regional High School District Board of Education Lease Agreement	5/12/2016	2,175,000.00	1,846,000.00		118,000.00	1,728,000.00
County Guaranteed Lease Revenue Refunding Bonds, Series 2016	8/4/2016	4,450,000.00	3,670,000.00		395,000.00	3,275,000.00
Board of Education of the Township of Delran Lease Agreement	9/14/2016	4,560,000.00	3,650,000.00		257,000.00	3,393,000.00
County Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2017A	3/8/2017	18,925,000.00	13,395,000.00		2,535,000.00	10,860,000.00
Bass River Township School District Lease Agreement	4/4/2017	369,000.00	334,800.00		19,500.00	315,300.00
County Guaranteed Lease Revenue Refunding Bonds, Series 2017	11/7/2017	17,230,000.00	10,655,000.00		3,380,000.00	7,275,000.00
County Guaranteed Lease Revenue Bonds, Series 2018	4/23/2018	29,155,000.00	29,155,000.00		1,765,000.00	27,390,000.00
County Guaranteed Pooled Loan Revenue Bonds, Series 2018	9/6/2018	27,015,000.00	25,555,000.00		1,405,000.00	24,150,000.00
County Guaranteed Lease Revenue Notes, Series 2018C-1	11/29/2018	12,000,000.00	12,000,000.00		12,000,000.00	
County Guaranteed Lease Revenue Notes, Series 2018C-2	11/29/2018	18,000,000.00	18,000,000.00		18,000,000.00	
County Guaranteed Lease Revenue Bonds, Series 2019A	4/18/2019	20,775,000.00	20,775,000.00			20,775,000.00
County Guaranteed Lease Revenue Notes, Series 2019B	4/18/2019	45,370,000.00	45,370,000.00		45,370,000.00	
County Guaranteed Lease Revenue Notes, Series 2019C-1	11/21/2019	25,000,000.00		\$ 25,000,000.00		25,000,000.00
County Guaranteed Lease Revenue Notes, Series 2019C-2	11/21/2019	55,000,000.00		55,000,000.00		55,000,000.00
County Guaranteed Lease Revenue Notes, Series 2019D	11/21/2019	20,500,000.00		20,500,000.00	20,500,000.00	
County Guaranteed Lease Revenue Bonds, Series 2019A	4/16/2020	20,500,000.00		20,500,000.00		20,500,000.00
County Guaranteed Lease Revenue Notes, Series 2019B	4/16/2020	55,870,000.00		55,870,000.00		55,870,000.00
Guaranteed by Other Government Entities			299,855,800.00	176,870,000.00	121,964,500.00	354,761,300.00
<b>Other Series:</b>						
Lutheran Home Project Economic Development Bonds, Series 2005	12/28/2005	4,570,000.00	2,045,000.00		2,045,000.00	
Masonic Charity Foundation of New Jersey Economic Development Revenue Refunding Bonds, Series 2019	12/12/2019	33,850,000.00		33,850,000.00		33,850,000.00
Guaranteed by Other Entities			2,045,000.00	33,850,000.00	2,045,000.00	33,850,000.00
Total Conduit Debt			\$ 301,900,800.00	\$ 210,720,000.00	\$ 124,009,500.00	\$ 388,611,300.00

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Schedule of Trust Estates Cash Receipts and Disbursements  
 For the Fiscal Year Ended September 30, 2020

	Lease Revenue Bonds			Pooled Lease Refunding Bonds			
	Series <u>2013A</u>	Series <u>2016</u>	Series <u>2018</u>	Series <u>2011</u>	Series <u>2014</u>	Series <u>2016</u>	Series <u>2017</u>
Cash and Cash Equivalents October 1	\$ 2,056,347.38	\$ 1,108,419.41	\$ 664,795.85	\$ 38,290.59	\$ 27,927.02	\$ 6,839.36	\$ 23,519.23
Increases:							
Investment Receipts	4,967.39	1,485.29	1,354.33	307.56	301.31	199.86	323.09
Proceeds From the Issuance of Debt							
Transferred Proceeds							
Lease/Loan Revenue	<u>1,524,963.06</u>	<u>1,687,551.60</u>	<u>2,956,296.71</u>	<u>1,144,500.00</u>	<u>1,401,929.18</u>	<u>533,648.66</u>	<u>3,909,701.85</u>
Total Increases	<u>1,529,930.45</u>	<u>1,689,036.89</u>	<u>2,957,651.04</u>	<u>1,144,807.56</u>	<u>1,402,230.49</u>	<u>533,848.52</u>	<u>3,910,024.94</u>
Decreases:							
Interest on Debt Paid	1,054,250.00	1,196,500.00	1,261,831.26	165,000.00	264,650.00	138,900.00	532,750.00
Debt Principal	1,000,000.00	500,000.00	1,765,000.00	975,000.00	1,135,000.00	395,000.00	3,380,000.00
Debt Issue Costs							
Requisitions					4,500.00		2,250.00
Transferred Proceeds							
Total Decreases	<u>2,054,250.00</u>	<u>1,696,500.00</u>	<u>3,026,831.26</u>	<u>1,140,000.00</u>	<u>1,404,150.00</u>	<u>533,900.00</u>	<u>3,915,000.00</u>
Cash and Cash Equivalents September 30	<u>\$ 1,532,027.83</u>	<u>\$ 1,100,956.30</u>	<u>\$ 595,615.63</u>	<u>\$ 43,098.15</u>	<u>\$ 26,007.51</u>	<u>\$ 6,787.88</u>	<u>\$ 18,544.17</u>

(Continued)

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Schedule of Trust Estates Cash Receipts and Disbursements  
 For the Fiscal Year Ended September 30, 2020

	Pooled Revenue Bonds					
	Series 2002	Series 2003	Series 2005	Series 2009	Series 2010B	Series 2018
Cash and Cash Equivalents October 1	\$ 25,904.62	\$ 19.72	\$ 67.60	\$ 1,634.26	\$ 1,466,561.05	\$ 7,516.99
Increases:						
Investment Receipts	36.82	4.84	65.10	3.65	1,569.04	553.13
Proceeds From the Issuance of Debt						
Transferred Proceeds						
Lease/Loan Revenue	49,918.55	5,124.81	74,557.01		1,673,542.39	2,634,010.86
Total Increases	49,955.37	5,129.65	74,622.11	3.65	1,675,111.43	2,634,563.99
Decreases:						
Interest on Debt Paid	49,950.00	125.00	4,631.25		381,612.50	1,228,050.00
Debt Principal		5,000.00	70,000.00		1,260,000.00	1,405,000.00
Debt Issue Costs						4,500.00
Requisitions		24.37		1,637.91		
Transferred Proceeds						
Total Decreases	49,950.00	5,149.37	74,631.25	1,637.91	1,641,612.50	2,637,550.00
Cash and Cash Equivalents September 30	\$ 25,909.99	\$ -	\$ 58.46	-	\$ 1,500,059.98	\$ 4,530.98

(Continued)

**BURLINGTON COUNTY BRIDGE COMMISSION**  
 Schedule of Trust Estates Cash Receipts and Disbursements  
 For the Fiscal Year Ended September 30, 2020

	Burlington County Pooled Lease Refunding Bonds				School District Lease Agreements
	Series <u>2011A</u>	Series <u>2013A</u>	Series <u>2014A</u>	Series <u>2017A</u>	<u>Bass River</u>
Cash and Cash Equivalents October 1	\$ 5,813,378.57	\$ 7,207.36	\$ 6,929.68	\$ 6,427.83	\$ 146,577.86
Increases:					
Investment Receipts	6,597.04	4,853.49	1,550.19	1,880.15	
Proceeds From the Issuance of Debt					
Transferred Proceeds					
Lease/Loan Revenue	2,193,508.81	5,665,052.19	1,672,495.59	3,037,306.32	
Total Increases	2,200,105.85	5,669,905.68	1,674,045.78	3,039,186.47	-
Decreases:					
Interest on Debt Paid	256,375.00	1,281,050.00	401,175.00	502,600.00	
Debt Principal	5,615,000.00	4,390,000.00	1,270,000.00	2,535,000.00	
Debt Issue Costs					
Requisitions		4,500.00	2,700.00		145,776.10
Transferred Proceeds					
Total Decreases	5,871,375.00	5,675,550.00	1,673,875.00	3,037,600.00	145,776.10
Cash and Cash Equivalents September 30	\$ 2,142,109.42	\$ 1,563.04	\$ 7,100.46	\$ 8,014.30	\$ 801.76

**BURLINGTON COUNTY BRIDGE COMMISSION**  
Schedule of Trust Estates Cash Receipts and Disbursements  
For the Fiscal Year Ended September 30, 2020

	Burlington County Lease Revenue Notes				
	Series <u>A</u>	Series <u>B</u>	Series <u>C-1</u>	Series <u>C-2</u>	Series <u>D</u>
Cash and Cash Equivalents October 1	\$ 4,928,433.92	\$ 4,515,816.74	\$ 800,256.85	\$ 673,617.71	
Increases:					
Investment Receipts	22,256.84	24,505.95	44,700.87	44,700.87	\$ 43,524.13
Proceeds From the Issuance of Debt	20,679,170.00	56,358,303.80	25,430,750.00	25,430,750.00	20,658,875.00
Transferred Proceeds	1,482,911.06				
Lease/Loan Revenue		2,517,651.11	337,574.08	337,574.08	230,496.11
Total Increases	22,184,337.90	58,900,460.86	25,813,024.95	25,813,024.95	20,932,895.24
Decreases:					
Interest on Debt Paid	1,653,823.54	2,263,692.15	386,750.00	386,750.00	249,416.67
Debt Principal	20,500,000.00	45,370,000.00	12,000,000.00	12,000,000.00	
Debt Issue Costs	131,029.53	254,986.48	132,053.40	132,053.40	137,216.36
Requisitions		4,145,728.96	6,476,068.87	6,476,068.87	19,063,351.15
Transferred Proceeds					1,482,911.06
Total Decreases	22,284,853.07	52,034,407.59	18,994,872.27	18,994,872.27	19,449,984.18
Cash and Cash Equivalents September 30	\$ 4,827,918.75	\$ 11,381,870.01	\$ 7,618,409.53	\$ 7,491,770.39	\$ 1,482,911.06

**BURLINGTON COUNTY BRIDGE  
COMMISSION**

**PART II**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**FOR THE FISCAL YEAR ENDING  
SEPTEMBER 30, 2020**

**BURLINGTON COUNTY BRIDGE COMMISSION**  
Schedule of Findings and Recommendations  
For the Fiscal Year Ended September 30, 2020

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***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**None**



**BURLINGTON COUNTY BRIDGE COMMISSION**  
Summary Schedule of Prior Year Findings and Recommendations  
As Prepared By Management

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***Schedule of Financial Statement Findings***

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with the audit requirements as prescribed by the Bureau of Authority Regulations, Division of Local Governmental Services, Department of Community Affairs, State of New Jersey.

**None**

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**APPRECIATION**

We express our appreciation for the courtesies extended and assistance rendered to us during the course of this audit.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants