

**TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE FISCAL YEARS
ENDED JUNE 30, 2013 and 2012**

HODULIK & MORRISON, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
HIGHLAND PARK, N.J.

**TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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**TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY**

**PART I
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Municipal Council
Township of North Brunswick
Middlesex County, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Township of North Brunswick, County of Middlesex, New Jersey, as of and for the years ended June 30, 2013 and 2012, the statements of operations and changes in fund balance – regulatory basis for the years then ended and the related statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended June 30, 2013, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the 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 of 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 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.

The financial statements referred to above include the assets and liabilities of the Township's Length of Service Awards Program Plan (LOSAP), which by regulation, is subject to an accountant's review report and is unaudited. The Length of Service Awards Program Plan is included in the Trust Fund.

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

As described in Note 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles are designed primarily for determining compliance with legal provisions and budgetary restrictions, and as a means of reporting on the stewardship of public officials with respect to public funds. Accordingly, the accompanying financial statements – regulatory basis are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The effect on the financial statements of the differences between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial positions of the Township of North Brunswick, County of Middlesex, New Jersey, as of June 30, 2013 and 2012, the changes in the fund balance for the years ended or the revenue and expenditures for the year ended June 30, 2013

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and governmental fixed assets of the Township of North Brunswick, County of Middlesex, New Jersey as of June 30, 2013 and 2012 and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the related statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended June 30, 2013, on the basis of accounting described in Note 2.

Other Matters

Other Information

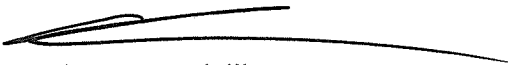
Our audit was made for the purpose of forming an opinion on the financial statements of the Township of North Brunswick, County of Middlesex, New Jersey. The information included in Part III – Supplementary Schedules and Part IV – Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of North Brunswick, County of Middlesex, New Jersey. The information included in Part II - the accompanying schedule of Schedule of Expenditures of State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey Office of Management and Budget Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and are also not a required part of the financial statements. The information included in Part II - the Schedule of Expenditure of State Financial Assistance and the Part III – Supplementary Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements – regulatory basis taken as a whole. The schedules and information contained in Part IV - Supplementary Data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated February 24, 2014 on our consideration of the Township of North Brunswick's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of North Brunswick's internal control over financial reporting and compliance.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants



Andrew G. Hodulik
Registered Municipal Accountant
No. 406

Highland Park, New Jersey
February 24, 2014

FINANCIAL STATEMENTS

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2013 AND 2012

Assets	Ref.	June 30, 2013	June 30, 2012	Liabilities	Ref.	June 30, 2013	June 30, 2012
<u>Current Fund:</u>				<u>Current Fund:</u>			
Cash.....	A-4	\$ 7,163,409.09	\$ 7,591,241.11	Accounts Payable.....	A-9	\$ 61,865.68	\$ 210,546.90
Change Fund.....	A-5	1,175.00	1,175.00	Encumbrances, Current Budget.....	A-3, A-10	815,405.96	712,694.24
Due New Jersey - Sr Citizens & Veterans Deductions.....	A-6	183,236.32	195,027.47	Appropriation Reserves.....	A-3, A-10	1,073,863.37	1,265,935.53
				Prepaid & Overpaid Taxes.....	A-11	266,740.24	223,745.58
				Taxes Payable.....	A-12	37,641,520.50	36,908,241.50
				Less Deferred School Taxes.....	A-12	-37,167,758.00	-36,217,758.00
Total.....		<u>7,347,820.41</u>	<u>7,787,443.58</u>	Filing Fees Due State of NJ.....	A-9	12,710.00	16,177.00
				Reserve, Master Plan.....	A-9	2,516.00	2,516.00
				Reserve, Tax Appeals.....	A-9	256,972.36	179,582.37
				Reserve, Tax Map Revisions.....	A-9	9,346.25	9,346.25
				Reserve, Rental Inspections.....	A-9	300.00	300.00
				Reserve, FMBA Health.....	A-9	9,965.63	17,273.07
Receivable Offset by Reserves:							
Municipal Service Reimburse....	A-9	3,400.00	3,400.00	Total Cash Liabilities.....		<u>2,983,447.99</u>	<u>3,328,600.44</u>
Accounts Receivable.....	A-9		2,400.98				
Property Tax Receivables.....	A-7	474.80	31.58				
Tax Title Liens Receivables.....	A-7	292,191.37	336,997.25	Reserve for Accounts Receivable.....	A	458,036.75	641,866.39
Property Acquired for Taxes.....	A-7	161,970.58	161,970.58	Fund Balance.....	A-1	<u>4,364,372.42</u>	<u>4,458,843.14</u>
Due From Grant Fund.....	A-17		137,066.00				
Total.....	A	<u>458,036.75</u>	<u>641,866.39</u>	Total Current Fund.....		<u>\$ 7,805,857.16</u>	<u>\$ 8,429,309.97</u>
Total Current Fund.....		<u>\$ 7,805,857.16</u>	<u>\$ 8,429,309.97</u>				
<u>Grant Fund:</u>				<u>Grant Fund:</u>			
Cash.....	A-4	\$ 28,520.33	\$ 3,721.70	Unappropriated Grant Reserves.....	A-14	\$ 63,170.13	\$ 53,283.70
Grant Accounts Receivable.....	A-15	1,101,027.80	1,526,488.09	Reserve for Encumbrances.....	A-16	447,376.27	425,508.71
				Due to Current Fund.....	A-17		137,066.00
				Appropriated Grant Reserves.....	A-16	619,001.73	914,351.38
Total Grant Fund.....		<u>\$ 1,129,548.13</u>	<u>\$ 1,530,209.79</u>	Total Grant Fund.....		<u>\$ 1,129,548.13</u>	<u>\$ 1,530,209.79</u>
Total.....		<u>\$ 8,935,405.29</u>	<u>\$ 9,959,519.76</u>	Total.....		<u>\$ 8,935,405.29</u>	<u>\$ 9,959,519.76</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	<u>Ref.</u>	June 30, 2013	June 30, 2012
<u>Revenue and Other Realized Income</u>			
Surplus Anticipated.....	A-1, A-2	\$ 3,775,000.00	\$ 5,150,479.00
Miscellaneous Revenues Anticipated.....	A- 2	11,157,848.64	11,182,892.70
Receipts from Current Taxes.....	A- 7	122,910,111.95	120,218,424.12
Non Budget Revenue (MRNA).....	A- 8	555,049.22	321,614.66
Unexpended Balance of Appropriation Reserves....	A- 10	1,101,423.24	945,634.62
Interfund Advance.....	A-17	137,066.00	4,238.49
Other Accounts Receivable.....	A-9	2,400.98	
Prior Period Adjustments			
Accounts Payable and Reserves Canceled.....	A- 9	79,216.55	20,328.63
Grant Balances Canceled.....	A-17	2,934.00	6,205.71
Total Revenue and Realized Income.....		<u>139,721,050.58</u>	<u>137,849,817.93</u>
<u>Expenditures</u>			
Budget Appropriations.....	A- 3	42,805,894.19	43,636,719.00
Tax Collections			
County Taxes.....	A-12	17,413,769.51	16,628,385.19
Local School District Taxes.....	A-12	76,016,320.00	74,835,754.50
Less Additional School Taxes Deferred.....	A-12	(950,000.00)	(1,000,000.00)
Municipal Open Space Trust Fund.....	A-12	721,087.19	735,387.61
Interfund Advance.....	A-17		137,066.00
Prior Yr Sr Citizens & Veterans Disallowed.....	A-6	33,450.42	250.00
Total Expenditures.....		<u>136,040,521.30</u>	<u>134,973,562.30</u>
Statutory Excess.....	A-1	3,680,529.28	2,876,255.64
Fund Balance, Beginning of Year.....	A	4,458,843.14	6,733,066.50
Decreased by Surplus Anticipated.....	A-1, A-2	(3,775,000.00)	(5,150,479.00)
Fund Balance, End of Year.....	A	<u>\$ 4,364,372.42</u>	<u>\$ 4,458,843.14</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Ref.	Anticipated SFY 2013	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Surplus Anticipated.....	A-1	\$ 3,775,000.00		\$ 3,775,000.00	
<u>Miscellaneous Revenues:</u>					
Licenses - Alcoholic Beverages.....		55,500.00		53,400.00	\$ (2,100.00)
Licenses - Other.....		182,415.00		189,040.78	6,625.78
Fees & Permits.....		260,855.00		260,417.00	(438.00)
Mayor Marriages & Civil Unions.....		2,350.00		3,650.00	1,300.00
Fines & Costs - Municipal Court.....		1,173,570.97		1,157,454.58	(16,116.39)
Interest & Costs on Taxes.....		150,000.00		172,622.98	22,622.98
Interest on Investments and Deposits.....		75,000.00		73,594.66	(1,405.34)
Water & Sewer Operating Funds.....		514,990.65		514,990.65	
Fire Prevention Fines & Fees.....		137,050.00		162,818.64	25,768.64
Cable Television Franchise Fee.....		122,550.00		118,189.00	(4,361.00)
Hotel Tax.....		62,700.00		96,894.71	34,194.71
Developer Contribution - Kaplan		100,000.00		100,000.00	
Payments In Lieu of Taxes (PILOT)					
Sr Citizens Housing Complex.....		230,650.00		236,100.00	5,450.00
Technology Center of NJ.....		848,000.00		990,729.83	142,729.83
Uniform Construction Code Fees.....		575,000.00		575,067.00	67.00
Uniform Fire Safety Act.....		77,600.00		68,066.29	(9,533.71)
Open Space Trust Fund.....		890,516.35		890,516.35	
General Capital Surplus.....		200,000.00		200,000.00	
North Brunswick BOE - Contribution to					
Soil Remediation Project.....		262,000.00		215,748.99	(46,251.01)
Library Contribution.....		103,000.00		93,760.26	(9,239.74)
Special Assessment - Pulda Farm.....		42,750.00		42,750.00	
State Aid					
Consolidated Municipal					
Property Tax Relief Aid.....		304,611.00		304,611.00	
Energy Receipts Tax.....		4,182,358.00		4,182,358.00	
Watershed Moratorium Aid.....		4,653.00		4,653.00	
Sub-total.....		10,558,119.97		10,707,433.72	149,313.75

Public and Private Revenues

Offset with Appropriations:

Public Safety:

Drunk Driving Enforcement Fund.....	11,644.81		11,644.81
Highway Safety - Safe Corridors.....	88,462.26		88,462.26
FEMA.....	14,000.00		14,000.00
Cops in Shops.....		1,200.00	1,200.00
Bullet Proof Vests.....		7,350.00	7,350.00
Body Armor Grant - State.....		7,242.56	7,242.56
MCPO Community Concerns.....	5,000.00		5,000.00
Drive Sober or Get Pulled Over.....	4,400.00	4,400.00	8,800.00

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Ref.</u>	Anticipated SFY 2013	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Municipal Court					
Alcohol Education & Enforce Fund.....		2,806.08		2,806.08	
Parks Recreation & Community Service					
Municipal Alliance.....		12,500.00	32,682.00	45,182.00	
Senior Center Outreach Grant.....			9,500.00	9,500.00	
Senior Center Congregate Meals.....			16,500.00	16,500.00	
Forest Service Green Community.....			3,000.00	3,000.00	
Senior Center Transportation Program....			5,000.00	5,000.00	
Heritage Day (County/Federal).....			4,428.00	4,428.00	
Community Development					
NJDOT - Route 130/Adams Lane - Sewer		25,000.00		25,000.00	
NJDOT - Route 130/Adams Lane - Water		25,000.00		25,000.00	
Public Works:					
Recycling Tonnage Grant.....			110,321.59	110,321.59	
ANJEC.....		7,500.00		7,500.00	
Bristol Myers Squibb.....			2,000.00	2,000.00	
Clean Communities.....		50,477.62		50,477.62	
Sub-total.....		246,790.77	203,624.15	450,414.92	
Current Fund Total Miscellaneous.....	A-1	10,804,910.74	203,624.15	11,157,848.64	149,313.75
Local Purpose Tax.....	A-7	27,174,503.00		27,756,689.93	582,186.93
Library Tax.....	A-7	1,595,406.33		1,595,406.33	
Sub-total.....		28,769,909.33		29,352,096.26	582,186.93
Total General Revenues.....	A-1	\$ 43,349,820.07	\$ 203,624.15	\$ 44,284,944.90	\$731,500.68
	<u>Ref.</u>	A-3	A-3	A-1	
			<u>Ref.</u>		
Federal & State Grants.....			A-15	\$ 450,414.92	
Cash.....			A-4	10,707,433.72	
Total Miscellaneous Revenue.....				<u>\$ 11,157,848.64</u>	

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	SFY 2013 Budget		Modified Budget		Expended			Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Encumbrances	Canceled	Salaries	Other
General Government:										
Administration.....	\$ 390,185.00	\$ 23,150.00	\$ 390,185.00	\$ 23,150.00	\$ (389,698.34)	\$ (17,942.04)	\$ (3,789.00)		\$ 486.66	\$ 1,418.96
Municipal Clerk.....	153,294.00	21,900.00	153,294.00	21,900.00	(152,308.41)	(20,191.77)	(312.50)		985.59	1,395.73
Financial Administration.....	193,906.00	31,750.00	193,906.00	31,750.00	(193,709.27)	(30,311.87)			196.73	1,438.13
Audit.....		55,000.00		55,000.00			(55,000.00)			
Information Technology...	149,058.00	61,000.00	157,058.00	61,000.00	(155,810.02)	(57,246.76)	(3,750.00)		1,247.98	3.24
Tax Collection.....	113,089.00	16,900.00	113,589.00	16,900.00	(113,418.32)	(15,251.38)	(1,106.20)		170.68	542.42
Tax Assessment.....	116,286.00	115,300.00	107,786.00	115,300.00	(93,300.81)	(44,534.10)	(28,981.87)	(20,000.00)	14,485.19	21,784.03
Reserve for Tax Appeals.....		145,000.00		145,000.00		(145,000.00)				
Legal.....		350,000.00		330,000.00		(269,934.49)	(25,480.18)	(20,000.00)		14,585.33
Insurance:										
Other Insurance		1,147,950.00		1,122,950.00		(1,037,941.64)	(50,001.00)			35,007.36
Employee Group Insurance.....		4,400,000.00		4,387,000.00		(4,323,501.40)	(2,925.61)			60,572.99
Health Benefit Waiver...		17,000.00		30,000.00		(29,391.52)				608.48
Community Development										
Engineering.....	90,164.00	72,550.00	90,464.00	72,550.00	(90,113.74)	(41,584.09)	(30,886.25)		350.26	79.66
Planning.....	241,337.00	22,100.00	242,837.00	22,100.00	(242,308.28)	(14,537.34)	(4,786.25)		528.72	2,776.41
Zoning.....	103,152.00	4,550.00	103,952.00	24,550.00	(103,552.55)	(4,273.44)	(5,428.46)		399.45	14,848.10
Affordable Housing...	3,600.00	200.00	3,600.00	200.00	(3,600.00)					200.00
Code Enforcement.....	149,655.00	3,450.00	149,655.00	3,450.00	(148,567.91)	(3,012.58)			1,087.09	437.42
Fire Safety.....	180,687.00	8,250.00	180,687.00	8,250.00	(177,732.15)	(7,176.99)	(735.73)		2,954.85	337.28
Uniform Construction Code.....	297,785.00	35,300.00	295,185.00	35,300.00	(286,826.58)	(20,043.55)	(14,639.67)		8,358.42	616.78
Public Safety:										
Police...	11,642,433.30	560,700.00	11,642,433.30	560,700.00	(11,346,285.30)	(396,068.48)	(152,297.01)		242,082.22	66,400.29
Emergency Management.....	28,094.00	26,550.00	28,594.00	26,550.00	(27,038.50)	(1,106.40)	(4,130.00)		1,555.50	21,313.60
Volunteer Fire Departments...		198,000.00		198,000.00		(187,819.95)	(9,982.37)			197.68
First Aid Organizations...		65,000.00		65,000.00		(60,000.00)	(4,930.33)			69.67
Length of Service Award Program		78,000.00		78,000.00		(63,258.88)	(3,466.24)			11,274.88
Juvenile Aid.....	2,400.00	5,000.00	2,400.00	5,000.00	(2,400.00)	(236.25)	(3,290.00)			1,473.75
Municipal Court.....	421,957.00	33,575.00	421,957.00	33,575.00	(415,572.31)	(24,923.14)	(4,865.80)		6,384.69	3,786.06
Public Defender...		25,000.00		25,000.00		7,200.00	(12,300.00)			19,900.00
Public Works:										
Streets and Roads...	763,991.00	152,350.00	763,991.00	136,350.00	(755,394.19)	(122,885.21)	(5,769.46)		8,596.81	7,695.33
Sanitation.....	632,396.00	419,500.00	632,396.00	419,500.00	(599,625.74)	(370,519.11)	(33,963.42)		30,715.76	17,071.97
Solid Waste Disposal Fees...		835,375.00		835,375.00		(717,214.93)	(84,146.20)			34,013.87
Recycling...		302,350.00		302,350.00		(252,608.88)	(31,983.78)			17,757.34
Buildings and Grounds.....	172,678.00	132,850.00	172,678.00	132,850.00	(171,865.64)	(74,785.67)	(44,088.39)		812.36	13,975.94
Motor Vehicle Maintenance...	337,955.00	331,254.00	337,955.00	347,254.00	(332,973.30)	(304,820.69)	(25,535.34)		4,981.70	16,897.97
Condominiums.....		119,500.00		119,500.00		271.46	(58,148.00)	(60,000.00)		1,623.46

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	SFY 2013 Budget		Modified Budget		Expended		Encumbrances	Balance Canceled	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other			Salaries	Other
NJDEP - Stormwater Permit.....	338,016.00	26,330.00	338,016.00	26,330.00	(277,830.51)	(9,940.02)	(318.04)		60,185.49	16,071.94
Parks Recreation & Community Services										
Board of Health.....		90,000.00		90,000.00		(86,668.40)				3,331.60
Animal Control...	30,000.00	20,000.00	30,000.00	20,000.00	(23,018.75)	(11,393.97)	(633.00)		6,981.25	7,973.03
Environmental Commission.....	1,200.00	450.00	1,200.00	450.00	(1,200.00)					450.00
Recreation & Community Services...	236,429.00	62,950.00	236,429.00	62,950.00	(232,632.40)	(48,614.13)	(2,536.80)		3,796.60	11,799.07
Senior Services...	103,147.00	113,200.00	108,647.00	138,200.00	(100,832.28)	(79,628.97)	(32,910.94)		7,814.72	25,660.09
Parks and Playgrounds...	544,677.00	284,750.00	539,177.00	284,750.00	(530,282.73)	(222,385.47)	(56,632.67)		8,894.27	5,731.86
Education - Library.....		1,602,406.00		1,602,406.00		(1,602,406.00)				
Unclassified										
Salary Adjustments..		17,500.00		17,000.00		(10,907.22)			-	6,092.78
Utilities / Facilities Costs....		1,734,865.00		1,734,865.00		(1,615,187.72)	(15,655.45)			104,021.83
Contingency.....		100.00		100.00						100.00
Statutory Expenditures:										
Public Employees Retirement..		779,259.00		779,259.00		(765,259.00)				14,000.00
Police & Fire Retirement...		2,241,230.00		2,241,230.00		(2,241,230.00)				
Defined Contribution (DCRP)...		1,000.00		1,000.00		(734.61)				265.39
Social Security..		1,320,000.00		1,320,000.00		(1,250,781.84)				69,218.16
Unemployment Compensation....		90,000.00		90,000.00		(90,000.00)				
Matching Funds for Grants....		40,000.00		40,000.00		(35,009.50)				4,990.50
Sub-Total Operations.....	17,437,571.30	18,240,394.00	17,438,071.30	18,239,894.00	(16,967,898.03)	(16,720,797.94)	(815,405.96)	(100,000.00)	414,052.99	659,810.38
<u>Public & Private Programs</u>										
<u>Offset by Revenues:</u>										
Public Safety:										
Drunk Driving Enforcement Fund.....		11,644.81		11,644.81		(11,644.81)				
Highway Safety - Safe Corridors.....		88,462.26		88,462.26		(88,462.26)				
FEMA Emergency Management Performance.....		14,000.00		14,000.00		(14,000.00)				
Cops in Shops.....		-		1,200.00		(1,200.00)				
Drive Sober or Get Pulled Over.....		4,400.00		8,800.00		(8,800.00)				
MCPO Community Concerns.....		5,000.00		5,000.00		(5,000.00)				
Bullet Proof Vests.....		-		7,350.00		(7,350.00)				
Body Armor Grant.....		-		7,242.56		(7,242.56)				

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	SFY 2013 Budget		Modified Budget		Expended		Encumbrances	Balance Canceled	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other			Salaries	Other
Municipal Court										
Alcohol Education & Enforce Fund.....		2,806.08		2,806.08		(2,806.08)				
Parks Recreation & Community Service										
Municipal Alliance.....		12,500.00		45,182.00		(45,182.00)				
Senior Center Outreach Grant.....		-		9,500.00		(9,500.00)				
Senior Meal Program.....		-		16,500.00		(16,500.00)				
Senior Transportation.....		-		5,000.00		(5,000.00)				
Heritage Day (County/Federal).....		-		4,428.00		(4,428.00)				
Community Development										
NJDOT - Route 130/Adams - Sewer.....		25,000.00		25,000.00		(25,000.00)				
NJDOT - Rt 130/Adams - Water.....		25,000.00		25,000.00		(25,000.00)				
Public Works:										
Recycling Tonnage Grant.....		-		110,321.59		(110,321.59)				
Clean Communities.....		50,477.62		50,477.62		(50,477.62)				
Forest Service Green Community.....		-		3,000.00		(3,000.00)				
BMS.....		-		2,000.00		(2,000.00)				
ANJEC.....		7,500.00		7,500.00		(7,500.00)				
Public and Private Programs.....		246,790.77		450,414.92		(450,414.92)			-	
Total Operations.....	17,437,571.30	18,487,184.77	17,438,071.30	18,690,308.92	(16,967,898.03)	(17,171,212.86)	(815,405.96)	(100,000.00)	414,052.99	659,810.38
Capital Improvements:										
Capital Improvement Fund.....		156,075.00		156,075.00		(156,075.00)				-
Total Capital Improvements.....		156,075.00		156,075.00		(156,075.00)				

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	SFY 2013 Budget		Modified Budget		Expended		Encumbrances	Balance Canceled	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other			Salaries	Other
Debt Service:										
Bond Principal.....		4,460,000.00		4,460,000.00		(4,460,000.00)		-		
Interest on Bonds.....		1,456,000.00		1,456,000.00		(1,403,185.97)		(52,814.03)		
Note Principal.....		155,828.00		155,828.00		(155,828.00)		-		
Interest on Notes.....		567,000.00		567,000.00		(565,425.00)		(1,575.00)		
Deferred Charges.....		37,000.00		37,000.00		(37,000.00)				
Total Debt Service.....		6,675,828.00		6,675,828.00		(6,621,438.97)		(54,389.03)		
Total.....	17,437,571.30	25,319,087.77	17,438,071.30	25,522,211.92	(16,967,898.03)	(23,948,726.83)	(815,405.96)	(154,389.03)	414,052.99	659,810.38
Reserve for Uncollected Taxes.....		593,161.00		593,161.00		(593,161.00)				
Total Current Fund Budget.....	17,437,571.30	25,912,248.77	17,438,071.30	26,115,372.92	(16,967,898.03)	(24,541,887.83)	(815,405.96)	(154,389.03)	414,052.99	659,810.38
Total Current Fund Budget	\$ 17,437,571.30	\$ 25,912,248.77	\$ 17,438,071.30	\$ 26,115,372.92	\$ (16,967,898.03)	\$ (24,541,887.83)	\$ (815,405.96)	\$ (154,389.03)	\$ 414,052.99	\$ 659,810.38
Adopted Budget:										
Salaries.....	\$ 17,437,571.30		Cash Disbursed.....		A-4	\$ (40,321,209.94)				
Other Expenses.....	25,912,248.77		Reserve for Tax Appeals.....		A-9	(145,000.00)				
Total Adopted Budget.....	43,349,820.07		Reserve for Uncollected Taxes.....		A-7	(593,161.00)				
Budget Amendments-NJSA 40A:4-87.....	203,624.15		State & Federal Grants.....		A-16	(450,414.92)				
Total Modified Budget.....	\$ 43,553,444.22		Total Paid or Charged.....			\$ (41,509,785.86)			Reserved Balance	
									Salaries.....	\$ 414,052.99
									Other Expens	659,810.38
									A	\$ 1,073,863.37

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2013 AND 2012

		June 30, 2013	June 30, 2012
<u>ASSETS</u>			
	<u>Ref.</u>		
Cash.....	B-2	\$ 5,066,044.86	\$ 7,763,840.69
Investment LOSAP, Funds held by Trustee (unaudited)...	B	814,621.82	700,062.55
Trust Assessment - Accounts Receivable.....	B-1	71,055.00	71,055.00
Trust Other - Accounts Receivable			
Middlesex County			
CDBG - FY 2004.....	B-2	33,778.25	33,778.25
CDBG - FY 2011.....	B-2		54,428.64
CDBG - FY 2012.....	B-2	28,369.57	80,056.00
CDBG - FY 2013.....	B-2	50,951.00	
Total.....		<u>\$ 6,064,820.50</u>	<u>\$ 8,703,221.13</u>
<u>LIABILITIES</u>			
LOSAP Funds (unaudited).....	B	\$ 814,621.82	\$ 700,062.55
Trust Assessment - Reserve for Receivables.....	B-1	71,055.00	71,055.00
Fund Balance.....	B-2		42,750.00
Parks and Recreation			
Due NJ - Animal License Fees.....	B-2	32.00	56.40
Animal Control Reserves.....	B-2	28,990.47	18,864.37
Recreation Programs.....	B-2	843,013.50	789,453.92
Open Space.....	B-2	565,176.65	469,118.91
Finance			
NJ Unemployment.....	B-2	179,805.39	167,089.73
Terminal Leave.....	B-2	153,973.16	323,497.89
Tax Sale, Premium on TTL.....	B-2	1,213,300.00	977,200.00
Payroll Liabilities Payable.....	B-2	174,043.50	28,883.40

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2013 AND 2012

		June 30, 2013	June 30, 2012
<hr/>			
Public Safety			
Forfeited Funds.....	B-2	87,882.84	32,443.16
Seized Funds.....	B-2	968.00	968.00
Unclaimed Funds.....	B-2	6,502.80	6,502.80
Outside Employment.....	B-2	9,951.99	8,477.36
Uniform Fire Code.....	B-2	91,725.57	60,269.57
Municipal Court			
Handicapped Parking.....	B-2	1,206.00	56.00
Public Defender.....	B-2	18,685.09	15,985.59
POAA Fines.....	B-2	1,113.57	895.57
Public Works - Snow Removal.....	B-2	156,405.25	259,184.18
Donations, Gifts, & Bequests.....	B-2	11,381.91	3,303.66
Community Development Block Grant			
CDBG - FY04.....	B-2	33,778.25	33,778.25
CDBG - FY12.....	B-2	22,909.57	46,273.77
CDBG - FY13.....	B-2	19,470.00	
Community Development Department			
Growth Share Reserve.....	B-2	133,609.28	558,726.46
Third Party UCC Inspections.....	B-2	30,823.34	238,877.54
Developers' Escrow.....	B-2	1,392,952.79	1,714,984.12
Regional Contribution Agreement			
Affordable Housing Contribution, Phase II.....	B-2	1,442.76	2,134,462.93
<hr/>			
Total.....		<u>\$ 6,064,820.50</u>	<u>\$ 8,703,221.13</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2013 AND 2012

	<u>Ref.</u>	June 30, 2013	June 30, 2012
<u>ASSETS</u>			
Cash.....	C-2	\$ 9,294,171.43	\$ 10,443,505.39
Deferred Charges to Future Taxation:			
Funded.....	C-4	44,854,750.00	36,024,000.00
Unfunded.....	C-5	33,958,019.00	46,502,066.00
Total.....		<u>\$ 88,106,940.43</u>	<u>\$ 92,969,571.39</u>
<u>LIABILITIES, RESERVES, & FUND BALANCE</u>			
Outstanding Debt:			
Bond Anticipation Notes Payable.....	C-8	\$ 26,878,500.00	\$ 37,800,000.00
Serial Bonds Payable.....	C-7	44,854,750.00	36,024,000.00
Improvement Authorizations:			
Funded.....	C-6	80,597.40	522,528.43
Unfunded.....	C-6	6,510,579.81	10,529,254.09
Reserve for Encumbrances.....	C-6	5,705,493.40	3,604,149.66
Reserve to Retire Debt.....	C-10	3,828,925.55	4,148,085.60
Capital Improvement Fund.....	C-9	342.00	342.00
Fund Balance.....	C-1	247,752.27	341,211.61
Total.....		<u>\$ 88,106,940.43</u>	<u>\$ 92,969,571.39</u>
Bonds & Notes Authorized not Issued.....	C-11	<u>\$ 7,079,519.00</u>	<u>\$ 8,701,172.00</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Ref.</u>	
Balance June 30, 2012.....	C	\$ 341,211.61
Increased by Cash Receipts		
Cancellation of Ordinance Balance.....	C-6	12,254.65
Premium on Sale of Notes.....	C-2	<u>95,180.01</u>
		448,646.27
Decreased by Cash Disbursements		
Adj - Prior Year BAN Principal Payment.....	C-5	(894.00)
Surplus - Anticipated in Current Fund.....	C-2	<u>(200,000.00)</u>
		(200,894.00)
Balance June 30, 2013.....	C	<u><u>\$ 247,752.27</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2013 AND 2012

Assets	Ref.	June 30, 2013	June 30, 2012	Liabilities	Ref.	June 30, 2013	June 30, 2012
<u>Water Operating</u>				<u>Water Operating</u>			
Cash.....	D-6	\$ 2,688,552.51	\$ 2,492,826.37	Reserve for Encumbrances.....	D-5,D-10	\$ 374,582.33	\$ 71,437.80
				Appropriation Reserves.....	D-5,D-10	18,452.18	23,001.41
				Accounts Payable.....	D-10		19,116.37
				Accrued Interest Payable.....	D-13	361,817.54	335,361.34
				Total Liabilities.....		754,852.05	448,916.92
				Fund Balance.....	D-1	1,933,700.46	2,043,909.45
Total Water Operating Fund.....		<u>\$ 2,688,552.51</u>	<u>\$ 2,492,826.37</u>	Total Water Operating Fund.....		<u>\$ 2,688,552.51</u>	<u>\$ 2,492,826.37</u>
<u>Water Assessment</u>				<u>Water Assessment</u>			
Cash.....	D-6	\$ 375,592.36	385,449.38	Reserve for:			
Assessment Receivable:				Accounts Receivable.....	D-21	\$ 665,554.70	\$ 893,625.68
Accounts Receivable.....	D-20	2,915,554.70	3,143,625.68	Liens Interest & Costs.....	D-21	288.00	288.00
Liens Interest & Costs.....	D-20	288.00	288.00	Serial Bonds Payable.....	D-22	2,160,000.00	2,250,000.00
				Fund Balance.....	D-3	465,592.36	385,449.38
Total Water Assessment Fund.....		<u>\$ 3,291,435.06</u>	<u>\$ 3,529,363.06</u>	Total Water Assessment Fund.....		<u>\$ 3,291,435.06</u>	<u>\$ 3,529,363.06</u>

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2013 AND 2012

Assets	Ref.	June 30, 2013	June 30, 2012	Liabilities	Ref.	June 30, 2013	June 30, 2012
<u>Water Capital</u>				<u>Water Capital</u>			
Cash.....	D-6,D-7	\$ 663,762.22	\$ 1,211,541.79	Bond Anticipation Notes.....	D-15	\$ 1,000,000.00	2,500,000.00
				Serial Bonds Payable.....	D-12	16,034,500.00	14,788,500.00
				NJEIT Loan Obligation.....	D-16	16,009,715.53	16,904,853.28
				Lease Purchase Obligation.....	D-14		812,500.00
				Improvement Authorizations:			
				Funded.....	D-11		
Fixed Capital				Unfunded.....	D-11	1,639,906.81	1,289,088.09
Completed.....	D-8	30,065,994.03	30,065,994.03	Reserve for Encumbrances.....	D-11	901,279.31	812,807.60
Authorized not Completed.....	D-9	27,972,695.56	26,972,695.56	Reserve for Amortization.....	D-17	22,633,972.06	20,672,334.31
				Reserve for:			
				Water System Improvements.....	D-19	30,900.00	30,900.00
				Capital Improvement Fund.....	D-18	89,067.59	89,067.59
				Fund Balance.....	D-2	363,110.51	350,180.51
<hr/>				<hr/>			
Total Water Capital Fund.....		\$ 58,702,451.81	\$ 58,250,231.38	Total Water Capital Fund.....		\$ 58,702,451.81	\$ 58,250,231.38
Total.....		\$ 64,682,439.38	\$ 64,272,420.81	Total.....		\$ 64,682,439.38	\$ 64,272,420.81

Note: See Notes to Financial Statements

There were Bonds and Notes Authorized but Not Issued at June 30, 2013 in the amount of \$2,360,502 (Exhibit - D-23).

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	Ref.	June 30, 2013	June 30, 2012
<u>Revenue and Other Realized Income</u>			
Surplus Anticipated.....	D-4	\$ 295,000.00	\$ 790,000.00
Water Rents.....	D-4	5,735,619.84	5,500,882.73
Connection Fees.....	D-4	123,077.00	266,462.00
Developer Contribution.....	D-4	152,890.00	147,690.00
Miscellaneous Revenues.....	D-4	623,540.48	605,954.76
Water Utility Assessment Trust Fund Interest.....	D-4	147,928.00	
Unexpended Balance of Appropriation Reserves.....	D-10	3,363.39	121,932.03
SREC Sales.....	D-4		13,455.00
Prior Years' Accounts Payable Canceled.....	D-10		187,700.92
Total Revenue and Realized Income.....		<u>7,081,418.71</u>	<u>7,634,077.44</u>
<u>Expenditures</u>			
Budget Appropriations.....	D-5	<u>(6,896,627.70)</u>	<u>(6,740,917.12)</u>
Total Expenditures.....		<u>(6,896,627.70)</u>	<u>(6,740,917.12)</u>
Statutory Excess.....		184,791.01	893,160.32
Decreased by Surplus Anticipated.....	D-1	(295,000.00)	(790,000.00)
Fund Balance, Beginning of Year.....	D	<u>2,043,909.45</u>	<u>1,940,749.13</u>
Fund Balance, End of Year.....	D	<u>\$ 1,933,700.46</u>	<u>\$ 2,043,909.45</u>

() Denotes Deficit or Deduction

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013 AND JUNE 30, 2012

	<u>Ref.</u>	
Balance June 30, 2012.....	D	\$ 350,180.51
Increased by:		
Premium on BAN Sale	D-6	<u>12,930.00</u>
Balance June 30, 2013.....	D	<u><u>\$ 363,110.51</u></u>

() Denotes Deficit or Deduction

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY TRUST ASSESSMENT FUND
 STATEMENT OF FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013

	<u>REF.</u>		
Balance - June 30, 2012.....	D	\$	385,449.38
Increased by:			
Collection of Pledged Assessments.....	D-21	\$	228,070.98
Decrease by:			
Payment to Operating Fund as Anticipated Revenue.....	D-6		237,928.00
			<hr/>
Balance - June 30, 2013.....	D	\$	<u><u>375,592.36</u></u>

Note: See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Ref.</u>	Anticipated	Realized	Excess (Deficit)
Water Operating Surplus Anticipated	D-1	\$ 295,000.00	\$ 295,000.00	\$ -
Water Rents.....	D-1, D-6	5,606,000.00	5,735,619.84	129,619.84
Connection Fees.....	D-1, D-6	137,000.00	123,077.00	(13,923.00)
Dedicated Water Utility Assessment : Interest.....	D-1	148,075.00	147,928.00	(147.00)
Developer Contribution.....	D-1, D-6	147,000.00	152,890.00	5,890.00
Miscellaneous				
Meter Fees.....	D-1, D-6	476,925.00	509,222.77	32,297.77
Interest on Delinquent Accounts.....	D-1, D-6	41,000.00	49,070.07	8,070.07
Other.....	D-1, D-6	47,000.00	65,247.64	18,247.64
SREC Sales.....	D-1, D-6			
Water Utility Operating Fund Total.....		<u>\$ 6,898,000.00</u>	<u>\$ 7,078,055.32</u>	<u>\$ 180,055.32</u>

Ref.

D-5

() Denotes Deficit or Deduction

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	Budget					
	Original	Modified	Paid/Charged	Encumbrances	Canceled	Reserved
Operating Salaries.....	\$ 81,400.00	\$ 83,400.00	\$ (82,389.20)			\$ 1,010.80
Operating Expenses.....	3,596,854.50	3,594,854.50	(3,202,830.79)	\$ (374,582.33)		17,441.38
Debt - MCIA Lease Payments.....	832,830.50	832,830.50	(832,812.50)		\$ (18.00)	
Debt - Bond Principal.....	254,000.00	254,000.00	(254,000.00)			
Debt - Interest on Bonds.....	558,000.00	558,000.00	(557,136.88)		(863.12)	
Debt - Interest on Notes.....	17,600.00	17,600.00	(17,417.86)		(182.14)	
Debt - NJEIT.....	1,309,240.00	1,309,240.00	(1,309,077.96)		(162.04)	
Water Assessment - Bond Interest.....	148,075.00	148,075.00	(147,928.00)		(147.00)	
Surplus - Current Fund.....	100,000.00	100,000.00	(100,000.00)			
Total Water Utility Operating.....	\$ 6,898,000.00	\$ 6,898,000.00	\$ (6,503,593.19)	\$ (374,582.33)	\$ (1,372.30)	\$ 18,452.18
	D-4	D-1		D	D-1	D
Cash.....	D-6		\$ (6,477,136.99)			
Accrued Interest 6/30/2012.....	D-13		335,361.34			
Accrued Interest 6/30/2013.....	D-13		(361,817.54)			
Total Paid or Charged.....			<u>\$ (6,503,593.19)</u>			

() Denotes deficit or deduction.

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - E

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2013 AND 2012

<u>Assets</u>	<u>Ref.</u>	June 30, 2013	June 30, 2012	<u>Liabilities</u>	<u>Ref.</u>	June 30, 2013	June 30, 2012
<u>Sewer Utility Operating:</u>				<u>Sewer Utility Operating:</u>			
Cash.....	E-5	\$ 1,998,156.07	\$ 2,548,781.49	Encumbrances Payable.....	E-4,E-9	\$ 153,713.42	\$ 121,567.09
Due Sewer Capital Fund.....	E	760,000.00		Appropriation Reserves.....	E-4,E-9	87,760.12	86,723.82
				Accounts Payable.....	E-9	4,388.95	20,854.82
				Accrued Interest Payable.....	E-11	133,266.70	131,612.03
				Total Liabilities.....		379,129.19	360,757.76
				Fund Balance.....	E-1	2,379,026.88	2,188,023.73
Total Sewer Operating Fund.....		<u>\$ 2,758,156.07</u>	<u>\$ 2,548,781.49</u>	Total Sewer Operating Fund.....		<u>\$ 2,758,156.07</u>	<u>\$ 2,548,781.49</u>

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - E

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2013 AND 2012

Assets	Ref	June 30, 2013	June 30, 2012	Liabilities	Ref	June 30, 2013	June 30, 2012
<u>Sewer Utility Capital:</u>				<u>Sewer Utility Capital:</u>			
				Due Sewer Operating Fund.....	E	\$ 760,000.00	
				Debt			
Cash.....	E-5 E-6	\$ 5,071.54	\$ 29,854.01	NJ EIT Loan Payable.....	E-13	767,255.76	\$ 821,433.52
				Lease Purchase Obligation.....	E-12		812,500.00
				Serial Bonds.....	E-10	12,747,500.00	11,193,500.00
				Bond Anticipation Notes.....	E- 17	500,000.00	2,200,000.00
Fixed Capital				Improvement Authorizations:			
Completed.....	E-7	13,795,637.00	13,795,637.00	Funded	E-14	117,706.00	117,706.00
Authorized and Uncompleted.....	E-8	12,790,000.00	11,790,000.00	Unfunded	E-14	6,462,289.67	6,122,826.89
				Encumbrances.....	E-14	223,496.87	354,207.12
Deferred Charge				Reserve for:			
MCIA Lease Purchase.....	E-16	1,289,201.00	2,101,701.00	Amortization.....	E-16	5,816,770.24	5,616,592.48
				Deferred Amortization.....	E-16	370,000.00	370,000.00
				Capital Improvement Fund.....	E-15	28,900.00	28,900.00
				Fund Balance.....	E- 2	85,991.00	79,526.00
Total Sewer Capital Fund.....		\$ 27,879,909.54	\$ 27,717,192.01	Total Sewer Capital Fund.....		\$ 27,879,909.54	\$ 27,717,192.01
Total Sewer Utility Funds.....		\$ 30,638,065.61	\$ 30,265,973.50	Total Sewer Utility Funds.....		\$ 30,638,065.61	\$ 30,265,973.50

Note: See Notes to Financial Statements

There were Bonds and Notes Authorized but Not Issued at June 30, 2013 in the amount of \$7,673,312 (Exhibit E-18).

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	<u>Ref.</u>	June 30, 2013	June 30, 2012
<u>Revenue and Other Realized Income</u>			
Fund Balance Utilized.....	E-3	\$ 114,990.65	\$ 150,000.00
Sewer Rents.....	E-3	6,029,804.28	5,935,597.41
Connection Fees.....	E-3	51,575.00	146,350.00
Miscellaneous.....	E-3	7,452.60	
Unexpended Balance of Appropriation Reserves.....	E-9	8,310.93	116,386.06
Prior Years' Accounts Payable Canceled.....	E-9	20,854.82	22,897.11
Total Revenue and Realized Income.....		6,232,988.28	6,371,230.58
Budget Appropriations.....	E-4	(5,926,994.48)	(5,599,747.67)
Statutory Excess.....		305,993.80	771,482.91
Fund Balance, Beginning of Year.....	E	2,188,023.73	1,566,540.82
Decreased by:			
Utilized as Anticipated Surplus.....	E-3	114,990.65	150,000.00
Fund Balance, End of Year.....	E	\$ 2,379,026.88	\$ 2,188,023.73

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Ref.</u>		
Balance June 30, 2012.....	E	\$	79,526.00
Premium on BAN	E-5		6,465.00
			<hr/>
Balance June 30, 2013.....	E	\$	<u><u>85,991.00</u></u>

() Denotes Deficit or Deduction

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Ref.</u>	Anticipated	Realized	Excess (Deficit)
Operating Surplus Anticipated	E-1	\$ 114,990.65	\$ 114,990.65	\$ -
Sewer Rents.....	E-1	5,780,000.00	6,029,804.28	249,804.28
Connection Fees.....	E-1	40,000.00	51,575.00	11,575.00
Miscellaneous Revenue.....	E-1		7,452.60	7,452.60
Sewer Utility Operating Fund Total.....		\$ 5,934,990.65	\$ 6,203,822.53	\$ 268,831.88
	<u>Ref.</u>	E-4	E-5	

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	Budget	Modified Budget	Cash Disbursed	Encumbrances	Canceled	Reserved
Operating Salaries & Wages.....	\$ 407,666.00	\$ 407,666.00	\$ (346,536.38)			\$ 61,129.62
Operating Other Expenses.....	3,601,600.00	3,601,600.00	(3,421,256.08)	\$ (153,713.42)		26,630.50
Statutory Expenditures						
PERS Retirement.....	14,000.00	14,000.00	(14,000.00)			
Social Security.....	21,000.00	21,000.00	(21,000.00)			
Debt Service:						
Debt - Bond Principal.....	131,000.00	131,000.00	(131,000.00)			
Debt - Bond Interest.....	425,000.00	425,000.00	(420,051.31)		\$ (4,948.69)	
Debt - MCIA Lease.....	832,850.00	832,850.00	(832,812.50)		(37.50)	
Debt - NJ EIT Principal.....	54,180.00	54,180.00	(54,177.76)		(2.24)	
Debt - NJ EIT Interest.....	19,894.00	19,894.00	(17,774.97)		(2,119.03)	
Debt - NJ EIT Administraton.....	1,710.00	1,710.00	(1,710.00)			
Debt - Interest on Notes.....	11,100.00	11,100.00	(10,211.29)		(888.71)	
Surplus - Current Fund.....	414,990.65	414,990.65	(414,990.65)			
Total Sewer Utility Operating.....	\$ 5,934,990.65	\$ 5,934,990.65	\$ (5,685,520.94)	\$ (153,713.42)	\$ (7,996.17)	\$ 87,760.12

Ref. E-3 E-1 E E-1 E

	<u>Ref.</u>	
Cash.....	E-5	\$ (5,683,866.27)
Accrued Interest June 30, 2012.....	E-11	131,612.03
Accrued Interest June 30, 2013.....	E-11	<u>(133,266.70)</u>
Total Paid or Charged.....		<u>\$ (5,685,520.94)</u>

() Denotes deficit or deduction.

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS - REGULATORY BASIS
JUNE 30, 2013 AND JUNE 30, 2012

	6/30/2013	6/30/2012
<u>GOVERNMENTAL FIXED ASSETS</u>		
Land	\$ 55,594,300.00	\$ 57,074,800.00
Buildings	18,030,500.00	24,587,000.00
Equipment	3,521,179.59	3,379,765.74
Vehicles	3,148,529.34	2,969,752.97
	<hr/>	<hr/>
Total Governmental Fixed Assets	\$ <u>80,294,508.93</u>	\$ <u>88,011,318.71</u>

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
THE FISCAL YEAR ENDED JUNE 30, 2013 AND JUNE 30, 2012

Note 1: FORM OF GOVERNMENT

The Township of North Brunswick is managed under a Mayor Council Administrator form of government. Under this plan, created by N.J.S.A. 40:69A-149 et seq., the Mayor and six Council members are elected at partisan elections for terms of four years and three years, respectively. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water and sewer, and general administrative services.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Description of Funds

The accounting policies of the Township of North Brunswick conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of North Brunswick accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purposes for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A: 4-39, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

- Animal Control Trust Fund
- Unemployment Compensation Insurance Fund
- Developer's Escrow Fund
- Community Development Block Grant Fund
- Open Space Trust Fund
- Other Trust Funds

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

NOTES TO THE FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Description of Funds (Cont'd.)

Water Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Township's Water Utility activities and the assets and liabilities relative to such activities.

Sewer Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Township's Sewer Utility activities and the assets and liabilities relative to such activities.

Governmental Fixed Assets - Governmental Fixed Assets system is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on governmental fixed assets.

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories and two account groups as appropriate for the accounting and reporting of the financial position and results of operations in accordance with generally accepted accounting principles in the United States of America. This structure of funds and account groups differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation required by GAAP.

C. Basis of Accounting

Basis of Accounting and Measurement Focus – The basis of accounting prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other significant differences are as follows:

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds that are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and water and sewer utility consumer charges are recorded with offsetting reserves within the Current Fund and Water and Sewer Utility Funds, respectively. Other amounts that are due to the Township, which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of water and sewer utility consumer charges, which should be recognized in the period they are earned and become measurable.

NOTES TO THE FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting (Cont'd.)

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP.

Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP.

For the purpose of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized as a "component unit" of the Township, and discrete reporting of the Library's financial position and operating results would be incorporated in the Township's financial statements.

Compensated Absences - The Township has adopted policies, which set forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Water Utility and Sewer Utility) fund on a full accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting (Cont'd.)

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed asset account group at the lower of cost or fair market value.

Self Insurance Reserves - Charges to self insurance reserves are recorded when payments of claims and related expenses are made. Increases to self insurance reserves are recorded from budgetary appropriations in the accounting period in which budgetary expenditures are recorded. Earnings on investments and miscellaneous reimbursements are credited to reserves when received in cash. GAAP requires that liabilities for incurred claims be recorded as determined actuarially, and that operating transfers to self insurance funds not exceed the amount determined.

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. Although the expenditure method of accounting for purchases of supplies is in accordance with GAAP, the cost of inventory on hand at the close of the year should be reported on the balance sheet with an offsetting reserve for conformity with GAAP.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. Year end balances of reserved proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Property and equipment purchased by the Water Utility Fund and the Sewer Utility Fund are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for amortization accounts in the Utility Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements, and costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Governmental Fixed Assets - N.J.A.C. 5:30-5.6 established a mandate for fixed accounting by municipalities, effective December 31, 1985. The Township with a third party inventory service performed a physical inventory and assessment of fixed assets in June of 2000. Assets acquired through June 2000 were valued based on actual costs, where available, and other methods, including current replacement values and estimated historical costs. The Township records assets acquired subsequent to June 2000 at original cost.

Disclosures About Fair Value of Financial Instruments - The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments - The carrying amount approximates fair value because of the short maturity of those instruments.

NOTES TO THE FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting (Cont'd.)

Long-term debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is disclosed in Note 3 to the financial statements.

Recent Accounting Standards

GASB issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", in June 2011. The objective of the statement is to provide guidance for reporting for these financial statement elements.

GASB issued Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB No. 53" in June 2011. The objective of the statement is to clarify circumstances in which hedge accounting should continue to be applied.

GASB issued Statement No. 65, "Items Previously Reported as Assets and Liabilities" in March 2012. The objective of the Statement is to amend the financial statement element classification of certain items previously reported as assets and liabilities for consistency with the definitions included in Concepts Statement 4.

GASB issued Statement No. 66, "Technical Corrections-2012- an amendment of GASB Statements No. 10 and 62" in March 2012. The objective of this Statement is to improve accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements.

GASB issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25" in June 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements.

GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" in June 2012. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pension that is provided by other entities.

GASB issued Statement No. 69, "Government Combinations and Disposals of Government Operations" in January 2013. The objective of this Statement is to establish accounting and financial standards related to government combinations and disposals of government operations.

GASB issued Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees" in April 2013. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles. The adoption of these new standards will not adversely effect the reporting on the Township's financial condition.

NOTES TO THE FINANCIAL STATEMENTS

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

Comparative Data - Comparative data for the prior year has been presented in order to provide an understanding of changes on the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain reclassifications have been made to the fiscal year 2012 financial statements to conform to classifications used in fiscal year 2013.

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

The Local Bond Law, Chapter 40A:2 et seq, governs the issuance of bonds to finance municipal capital expenditures. The Township's debt is summarized as follows:

A. Summary of Municipal Debt for Capital Projects

	<u>SFY 2013</u>	<u>SFY 2012</u>
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 71,733,250.00	\$ 73,824,000.00
Water Utility:		
Bonds and Notes	19,194,500.00	19,538,500.00
Sewer Utility:		
Bonds and Notes	<u>13,247,500.00</u>	<u>13,393,500.00</u>
Total Issued	<u>104,175,250.00</u>	<u>106,756,000.00</u>
Net Issued	<u>104,175,250.00</u>	<u>106,756,000.00</u>
<u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	7,079,519.00	8,701,172.00
Water Utility:		
Bonds and Notes	2,360,502.00	1,360,502.00
Sewer Utility:		
Bonds and Notes	<u>7,676,312.00</u>	<u>6,673,312.00</u>
Total Authorized But Not Issued	<u>17,116,333.00</u>	<u>16,734,986.00</u>
Total Bonds and Notes Issued and Authorized but not Issued	<u>\$ 121,291,583.00</u>	<u>\$ 123,490,986.00</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

Summarized below are the Township's individual bond and loan issues which were outstanding at June 30, 2013 and 2012:

	<u>SFY 2013</u>	<u>SFY 2012</u>
<u>General Debt:</u>		
\$3,794,000, General Obligation Bonds of 2002 due in annual installments of \$225,000 to \$419,000 through January 2015, interest at 4.65%.	869,000.00	1,319,000.00
\$2,075,000, Refunding Bonds of 2003 due in annual installments of \$105,000 to \$310,000 through August 2014, interest at 2.50% to 4.85%.	305,000.00	505,000.00
\$6,000,000, General Obligation Bonds of 2003 due in annual installments of \$300,000 to \$600,000 through August 2017, interest at 3.25% to 4.00%.	500,000.00	3,400,000.00
\$4,500,000, Open Space Bonds of 2003 due in annual installments of \$125,000 to \$200,000 through August 2028, interest at 3.25% to 4.50%.	200,000.00	3,400,000.00
\$3,000,000, General Obligation Bonds of 2004 due in annual installments of \$150,000 to \$300,000 through August 2015, interest at 3.25% to 3.70%.	900,000.00	1,200,000.00
\$5,075,000, Refunding Bonds of 2006 due in annual installments of \$345,000 to \$815,000 through April 2015, interest at 3.50% to 4.25%.	790,000.00	1,605,000.00
\$6,550,000, Refunding Bonds of 2007 due in annual installments of \$1,205,000 to \$1,365,000 through May 2013, interest at 4.00% to 5.00%.		1,365,000.00
\$4,205,000, General Obligation Bonds of 2006 due in annual installments of \$170,000 to \$340,000 through November 2021, interest at 3.875% to 4.000%.	3,060,000.00	3,355,000.00
\$5,500,000, General Obligation Bonds of 2007 due in annual installments of \$235,000 to \$465,000 through August 2022, interest at 4.12% to 4.25%.	4,315,000.00	4,555,000.00
\$7,811,435 General Obligation Bonds of 2010 due in annual installments of \$78,000 to \$1,090,000 through August 2022, interest at 1.50% to 4.00%.	7,293,435.00	7,371,435.00
\$8,045,565 General Obligation Bonds of 2010 due in annual installments of \$17,000 to \$1,048,000 through August 2029, interest at 1.50% to 4.00%.	7,931,565.00	7,948,565.00
\$13,455,750 General Obligation Bonds of 2012 due in annual installments of \$530,000 to \$1,060,000 through August 2027, interest at 1.50% to 2.375%.	13,455,750.00	

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

	<u>SFY 2013</u>	<u>SFY 2012</u>
<u>General Debt (cont'd.):</u>		
\$2,275,000 Refunding Bonds of 2012 due in annual installments of \$530,000 to \$1,060,000 through August 2017, interest at 2.00% to 4.00%.	2,275,000.00	
\$2,960,000 Open Space Refunding Bonds of 2012 due in annual installments of \$195,000 to \$205,000 through August 2028, interest at 1.50% to 2.375%.	2,960,000.00	
\$26,878,500, General Capital Bond Anticipation Notes issued on 8/8/12 due on 8/7/13, interest 1.25%	26,878,500.00	
\$34,300,000, General Capital Bond Anticipation Notes issued on 8/12/10 due on 8/11/11, interest 1.25%		37,800,000.00
Total General Capital Debt	<u>\$ 71,733,250.00</u>	<u>\$ 73,824,000.00</u>
<u>Utility Debt:</u>		
\$2,020,000, Ordinance 96-21 due in annual installments of \$90,000 to \$150,000 through April 2019, interest at 4.80% to 4.90%.	775,000.00	885,000.00
\$2,000,000, Ordinance 03-31 due in annual installments of \$65,000 to \$130,000 through November 2026, interest at 3.875% to 4.000%.	1,590,000.00	1,675,000.00
\$2,000,000, Ordinance 5-16/6-16 due in annual installments of \$4,000 to \$260,000 through August 2030, interest at 1.50% to 4.00%.	1,972,000.00	1,976,000.00
\$10,252,500, Water Refunding Bonds of 2011A due in annual installments of \$55,000 to \$1,202,500 through April 2023, interest at 0.650% to 5.000%.	10,197,500.00	10,252,500.00
\$1,500,000, Ordinance 5-16/6-16 due in annual installments of \$60,000 to \$100,000 through August 2032, interest at 1.50% to 3.00%.	1,500,000.00	
\$1,095,000, Ordinance 97-25 due in annual installments of \$50,000 to \$100,000 through August 2018, interest at 3.25% to 4.00%.	75,000.00	645,000.00
\$300,000, Ordinance 5-17 due in annual installments of \$4,000 to \$39,000 through August 2029, interest at 1.50% to 4.00%.	295,000.00	296,000.00

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

	<u>SFY 2013</u>	<u>SFY 2012</u>
<u>Utility Debt (cont'd.):</u>		
\$10,252,500, Sewer Refunding Bonds of 2011A due in annual installments of \$55,000 to \$1,202,500 through April 2023, interest at 0.650% to 5.000%.	10,197,500.00	10,252,500.00
\$480,000, Sewer Refunding Bonds of 2012 due in annual installments of \$95,000 to \$1,000,000 through August 2018, interest at 0.650% to 5.000%.	480,000.00	
\$1,700,000, Ordinance 5-17/8-21 due in annual installments of \$70,000 to \$110,000 through August 2032, interest at 1.50% to 3.00%.	1,700,000.00	
\$2,250,000 Water Assessment Bond due in annual installments of \$90,000 to \$105,000 through August 2031, interest at 4.00% to 5.000%.	2,160,000.00	2,250,000.00
\$1,000,000, Water Utility Capital Bond Anticipation Notes issued on 8/8/12 due on 8/7/13, interest 1.50%	1,000,000.00	
\$2,500,000, Water Utility Capital Bond Anticipation Notes issued on 8/11/11 due on 8/9/12, interest 2.50%		2,500,000.00
\$5000,000, Sewer Utility Capital Bond Anticipation Notes issued on 8/8/12 due on 8/7/13, interest 1.5%	500,000.00	
\$2,200,000, Sewer Utility Capital Bond Anticipation Notes issued on 8/11/11 due on 8/9/12, interest 1.25%		<u>2,200,000.00</u>
Total Utility Debt	<u>32,442,000.00</u>	<u>32,932,000.00</u>
Total Debt Issued and Outstanding	<u>\$ 104,175,250.00</u>	<u>\$ 106,756,000.00</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition - Annual Debt Statement

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

<u>SFY 2013</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 51,976,000.00	\$ 51,976,000.00	
Water Utility and Sewer Utility Debt *	57,149,963.53	57,149,963.53	
General Debt**	78,812,769.00	14,816,079.55	63,996,689.45
	<u>\$ 187,938,732.53</u>	<u>\$ 123,942,043.08</u>	<u>\$ 63,996,689.45</u>

Net Debt \$63,996,689.45 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$ 4,648,566,245.33 = 1.38%

* Gross Debt includes Water/Wastewater System Lease Revenue Bonds issued by the MCIA (F).

** Gross Debt includes Capital Lease Purchase Agreements issued by the MCIA and NJEDA Loan Payable (E).

<u>SFY 2012</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 55,976,000.00	\$ 55,976,000.00	
Water Utility and Sewer Utility Debt *	60,317,101.00	60,317,101.00	
General Debt**	82,525,172.00	15,578,797.00	66,946,375.00
	<u>\$ 198,818,273.00</u>	<u>\$ 131,871,898.00</u>	<u>\$ 66,946,375.00</u>

Net Debt \$66,946,375.00 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$ 4,842,813,026.00 = 1.38%

* Gross Debt includes Water/Wastewater System Lease Revenue Bonds issued by the MCIA (F).

** Gross Debt includes Capital Lease Purchase Agreements issued by the MCIA and NJEDA Loan Payable (E).

The Township's Borrowing Power Under N.J.S.A. 40A:2-6 as Amended, at June 30, was as follows:

	<u>2013</u>	<u>2012</u>
3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$ 162,699,818.59 <u>63,996,689.45</u>	\$ 169,498,455.91 <u>66,946,375.00</u>
Remaining Borrowing Power	<u>\$ 98,703,129.14</u>	<u>\$ 102,552,080.91</u>

SFY 2013 Equalized Valuation Basis

2011 Equalized Valuation Basis of Real Property	\$ 4,803,919,361.00
2012 Equalized Valuation Basis of Real Property	4,782,985,575.00
2013 Equalized Valuation Basis of Real Property	4,358,793,800.00
Average Equalized Valuation	<u>\$ 4,648,566,245.33</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd.)SFY 2012 Equalized Valuation Basis

2010 Equalized Valuation Basis of Real Property	\$	4,941,534,143.00
2011 Equalized Valuation Basis of Real Property		4,803,919,361.00
2012 Equalized Valuation Basis of Real Property		<u>4,782,985,575.00</u>
Average Equalized Valuation	\$	<u><u>4,842,813,026.33</u></u>

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

The calculation of "Self-Liquidating Purpose" for the Water Utility, per N.J.S.A. 40A:2-45 is as follows:

	<u>2013</u>	<u>2012</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 7,078,055.32	\$ 7,324,444.49
Deductions:		
Operating & Maintenance Cost	3,678,254.50	3,654,790.00
Debt Service Per Water Acct.	<u>3,118,373.20</u>	<u>2,861,127.12</u>
Total Deductions	<u>6,796,627.70</u>	<u>6,515,917.12</u>
Excess/(Deficit) in Revenue	\$ <u><u>281,427.62</u></u>	\$ <u><u>808,527.37</u></u>

The difference between the excess in revenues for debt statement purposes and the statutory cash basis for the Water Utility is as follows:

	<u>2013</u>	<u>2012</u>
Excess/(Deficit) in Revenues - Cash Basis (D-1)	\$ 184,791.01	\$ 893,160.32
Add: Revenue in Municipal Budget	100,000.00	225,000.00
Prior Years' Receivables Cancelled	<u>284,791.01</u>	<u>1,118,160.32</u>
Less: Unexpended Balance of Appropriation Reserves	3,363.39	121,932.03
Prior Years' Accounts Payables Cancelled	<u>3,363.39</u>	<u>187,700.92</u>
	<u>3,363.39</u>	<u>309,632.95</u>
Excess/(Deficit) in Revenue	\$ <u><u>281,427.62</u></u>	\$ <u><u>808,527.37</u></u>

The calculation of "Self-Liquidating Purpose" for the Sewer Utility, per N.J.S.A. 40A:2-45 is as follows:

	<u>2013</u>	<u>2012</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 6,203,822.53	\$ 6,231,947.41
Deductions:		
Operating & Maintenance Cost	4,044,266.00	3,834,881.00
Debt Service Per Sewer Acct.	<u>1,467,737.83</u>	<u>1,364,866.67</u>
Total Deductions	<u>5,512,003.83</u>	<u>5,199,747.67</u>
Excess/(Deficit) in Revenue	\$ <u><u>691,818.70</u></u>	\$ <u><u>1,032,199.74</u></u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

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

The difference between the excess in revenues for debt statement purposes and the statutory cash basis for the Sewer Utility is as follows:

	<u>2013</u>	<u>2012</u>
Excess/(Deficit) in Revenues - Cash Basis (E-1)	\$ 305,993.80	\$ 771,482.91
Add: Revenue in Municipal Budget	<u>414,990.65</u>	<u>400,000.00</u>
	720,984.45	1,171,482.91
Less: Unexpended Balance of Appropriation Reserves	8,310.93	116,386.06
Prior Years' Accounts Payables Cancelled	<u>20,854.82</u>	<u>22,897.11</u>
	<u>29,165.75</u>	<u>139,283.17</u>
Excess/(Deficit) in Revenue	<u>\$ 691,818.70</u>	<u>\$ 1,032,199.74</u>

C. North Brunswick Senior Housing Bonds

\$8,300,000 North Brunswick Taxable Guaranteed Revenue Bonds were issued by the Middlesex County Improvement Authority for the Senior Citizens housing Project. The Bonds were dated November 1, 1994 and come due on December 1, in years 1998 through 2027. Payment, when due, of the principal and interest on the Bonds is guaranteed by the Township of North Brunswick.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 220,000.00	\$ 566,018.76	\$ 786,018.76
2015	240,000.00	563,318.76	803,318.76
2016	260,000.00	560,656.26	820,656.26
2017	285,000.00	515,790.63	800,790.63
2018	310,000.00	488,643.75	798,643.75
2019	340,000.00	458,987.50	798,987.50
2020	370,000.00	426,593.75	796,593.75
2021	405,000.00	391,236.38	796,236.38
2022	440,000.00	372,678.26	812,678.26
2023	485,000.00	310,478.13	795,478.13
2024	525,000.00	264,396.88	789,396.88
2025	575,000.00	214,209.38	789,209.38
2026	625,000.00	159,459.38	784,459.38
2027	685,000.00	99,690.63	784,690.63
2028	750,000.00	34,218.75	784,218.75
	<u>\$6,515,000.00</u>	<u>\$5,426,377.20</u>	<u>\$11,941,377.20</u>

Note 3: DEBT, DEBT SERVICE AND REGULATORY DEBT CONDITION (CONT'D.)

D. North Brunswick General Obligation Water/Wastewater Water Utility & Sewer Utility Refunding Bond Series 2011

On October 1, 2011, the Township of North Brunswick issued \$20,105,000 General Obligation Water/Wastewater System Refunding Bonds, Series 2011A (Tax-Exempt Refunding Bonds) and \$400,000 General Obligation Water/Wastewater System Refunding Bonds, Series 2011B (Federally Taxable) to refund \$23,105,000 outstanding principal amount of Water/Wastewater System Lease Revenue Bonds. Interest rates on the Refunding Bonds ranged from 0.650% to 5.00%, while Yields, which reflect premium or discounts, ranged from 0.650% to 2.61%. The Net Interest Cost (NIC) on the Bonds was 2.270863%. The net proceeds of the sale of \$22,773,665.45, which includes premiums of \$2,268,665.45 and deducts \$265,989.22 of underwriting fees and other costs associated with the issuance of the Bonds.

The Township completed its refunding to reduce its total debt service payments through April 1, 2023 by \$2,980,735.87 and to obtain net economic gain (the difference between the present value of the old and new debt service payment of 2,746,488.22). The net economic benefit represents 12.541554% of the debt service on the refunded bonds, and utilizes a discount factor of 2.007291%, the arbitrage yield limit on the Refunding Bonds, as required by the Local Finance Board.

The outstanding debt service with respect to the Township's 2012 General Obligation Refunding Bond, Series 2011A and 2011B is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	1,795,000.00	674,400.00	2,469,400.00
2015	1,830,000.00	639,600.00	2,469,600.00
2016	1,865,000.00	602,650.00	2,467,650.00
2017	1,910,000.00	555,350.00	2,465,350.00
2018	1,975,000.00	497,075.00	2,472,075.00
2019	2,030,000.00	437,000.00	2,467,000.00
2020	2,105,000.00	364,450.00	2,469,450.00
2021	2,190,000.00	278,550.00	2,468,550.00
2022	2,290,000.00	177,500.00	2,467,500.00
2023	2,405,000.00	60,125.00	2,465,125.00
	<u>\$ 20,395,000.00</u>	<u>\$ 4,286,700.00</u>	<u>\$ 24,681,700.00</u>

E. North Brunswick General Obligation Refunding Bonds, Series 2012

On August 29, 2021, the Township of North Brunswick issued \$5,715,000 General Obligation Refunding Bonds, Series 2012 consisting of \$2,275,000 General Improvement Refunding Bonds, \$2,960,000 Open Space Refunding Bonds, and \$480,000 Sewer Utility Refunding Bonds to advance refund all the outstanding callable principal amount of the originally issued \$11,595,000 General Obligation Bonds consisting of \$6,000,000 General Improvement Bonds, \$4,500,000 Open Space Bonds and \$1,095,000 Sewer Utility Bonds, each dated December 15, 2003 and maturing on or after August 15, 2014 at par plus any unpaid accrued interest to August 15, 2013, the call date for the refunded bonds, and to pay the costs of issuance with respect to the Bonds. Interest on the Refunding Bonds ranged from 2.00% to 4.00%, while Yields, which reflects premium or discounts ranged from 0.64% to 2.92%. The Net Interest Cost (NIC) on the Bonds was 2.087704%. The net proceeds of the sale of \$6,150,890.35, which includes premiums of 435890.35 and deducts \$26,919.57 of underwriting fees and other costs associated with the issuance of the Bonds.

Note 3: DEBT, DEBT SERVICE AND REGULATORY DEBT CONDITION (CONT'D.)

E. North Brunswick General Obligation Refunding Bonds, Series 2012 (Cont'd)

The Township completed its refunding to reduce its total debt service payments through June 30, 2029 by \$566,681.25 and to obtain net economic gain (the difference between the present value of the old and new debt service payment of \$512,686.49). The net economic benefit represents 7.262000% of the debt service on the refunded bonds, and utilizes a discount factor of 1.891692%, the arbitrage yield limit on the Refunding Bonds, as required by the Local Finance Board.

The outstanding debt service with respect to the Township's 2012 General Obligation Refunding Bond, Series 2012 is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014		180,250.00	180,250.00
2015	880,000.00	171,450.00	1,051,450.00
2016	875,000.00	149,525.00	1,024,525.00
2017	860,000.00	123,500.00	983,500.00
2018	855,000.00	93,500.00	948,500.00
2019	295,000.00	70,500.00	365,500.00
2020	200,000.00	60,600.00	260,600.00
2021	200,000.00	52,600.00	252,600.00
2022	200,000.00	44,600.00	244,600.00
2023	200,000.00	36,600.00	236,600.00
2024	200,000.00	29,600.00	229,600.00
2025	195,000.00	23,675.00	218,675.00
2026	195,000.00	18,312.50	213,312.50
2027	190,000.00	13,025.00	203,025.00
2028	185,000.00	7,631.25	192,631.25
2029	185,000.00	2,543.75	187,543.75
	<u>\$ 5,715,000.00</u>	<u>\$ 1,077,912.50</u>	<u>\$ 6,792,912.50</u>

F. North Brunswick Refunding Pension Bonds - Series 2003 (Taxable)

The Township issued taxable Refunding Pension Bonds - Series 2003, dated May 1, 2003. The Refunding Pension Bonds were issued to retire the Township's unfunded Early Retirement Incentive (ERI) Programs liability under the ERI Programs previously adopted by the Township. The ERI Programs provided early retirement opportunities for Township members of the Public Employees Retirement System (PERS) adopted in 1991 and 1993 and the Police and Fire Retirement (PFRS) adopted in 1993. The implementation of these programs created unfunded liabilities which would be retired by annual payments to PERS through the years 2021 and 2033, respectively, and to PFRS through the year 2012. P.L. 2002, c.42, was enacted to permit local units to sell refunding bonds in accordance with the Local Bond Law to retire the present value of the liabilities attributable to ERI programs. The total gross annual pension liability payments due from fiscal year 2004 through 2033 amounted to \$3,565,629. The present value of the Township's liabilities for the ERI programs was established by the State Division of Pensions as of May 14, 2003, in the amount of \$560,046 for PERS and \$1,423,781 for PFRS. The net present value savings benefit resulting from the paydown of the unfunded ERI program liabilities was \$450,988.33 or 22.525% of the refunded principal. The enabling legislation for the pension refunding bonds allows a deduction from gross debt for the these bonds. The bonds carry interest rates from 1.40% in fiscal year 2003 to 4.85% in fiscal year 2015.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	200,000.00	9,842.50	209,842.50
2015	105,000.00	2,546.25	107,546.25
	<u>\$ 305,000.00</u>	<u>\$ 12,388.75</u>	<u>\$ 317,388.75</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

G. Department of Environmental Protection - Environmental Infrastructure Loans

The Township has contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred for the Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station. Information relating to these loans is as follows:

	<u>Loan #1</u>	<u>Loan #2</u>
Draw Down Date	11/4/04	11/4/04
Loan Amount	\$ 570,000.00	\$ 581,688.00
Interest Rates	various	0.00%
Due Dates	Aug. 1 & Feb. 1	Aug. 1 & Feb. 1
Number of Payments	19	39
Final Payment Date	August 1, 2024	August 1, 2024

Pursuant to the provisions of N.J.S.A. 40A: 2-1 et seq. the combined outstanding principle of these loans has been included in the calculation of the Township's statutory debt condition.

<u>Fiscal Year</u>	<u>Fund Loan Principal</u>	<u>Trust Loan Principal</u>	<u>Interest</u>	<u>Total</u>
2014	28,365.35	25,000.00	18,643.76	72,009.11
2015	30,818.84	30,000.00	17,418.36	78,237.20
2016	30,038.92	30,000.00	16,218.76	76,257.68
2017	29,259.00	30,000.00	15,018.76	74,277.76
2018	28,381.60	30,000.00	13,668.76	72,050.36
2019	30,575.11	35,000.00	12,043.76	77,618.87
2020	29,437.73	35,000.00	10,293.76	74,731.49
2021	28,300.36	35,000.00	8,543.76	71,844.12
2022	30,331.38	40,000.00	6,668.76	77,000.14
2023	29,031.53	40,000.00	4,668.76	73,700.29
2024	27,829.35	40,000.00	2,818.76	70,648.11
2025	29,886.59	45,000.00	984.64	75,871.23
	<u>\$ 352,255.76</u>	<u>\$ 415,000.00</u>	<u>\$ 126,990.60</u>	<u>\$ 894,246.36</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTD.)

H. Schedule of Annual Debt Service for Principal and Interest for
Township Bonded Debt Issued and Outstanding

SFY Year	General		Water Utility	
	Principal	Interest	Principal	Interest
2014	\$ 4,055,000.00	\$ 963,385.90	\$ 1,312,500.00	\$ 648,922.50
2015	4,130,000.00	834,927.15	1,314,000.00	616,818.75
2016	3,629,000.00	703,264.28	1,366,500.00	582,726.88
2017	2,859,000.00	611,633.65	1,372,000.00	543,120.00
2018	2,814,000.00	525,326.15	1,420,500.00	497,782.50
Subtotal	17,487,000.00	3,638,537.13	6,785,500.00	2,889,370.63
2019	2,462,000.00	443,661.15	1,475,000.00	450,485.00
2020	2,514,000.00	367,076.15	1,373,500.00	395,390.00
2021	2,121,000.00	290,169.90	1,422,000.00	340,367.50
2022	2,204,000.00	215,757.40	1,479,000.00	277,366.25
2023	2,129,435.00	144,076.20	1,548,000.00	205,397.50
Subtotal	11,430,435.00	1,460,740.80	7,297,500.00	1,669,006.25
2024	920,000.00	100,381.25	512,000.00	158,171.88
2025	1,000,000.00	79,981.25	521,000.00	137,480.63
2026	1,000,000.00	58,106.25	536,000.00	116,231.25
2027	1,030,000.00	34,625.00	559,000.00	94,106.25
2028	895,750.00	11,196.88	445,000.00	73,520.00
Subtotal	4,845,750.00	284,290.63	2,573,000.00	579,510.01
2029			468,000.00	54,510.00
2030			490,000.00	34,543.75
2031			235,000.00	17,781.25
2032			245,000.00	8,431.25
2033			100,000.00	1,500.00
Subtotal	-	-	1,538,000.00	116,766.25
Totals	\$ 33,763,185.00	\$ 5,383,568.56	\$ 18,194,000.00	\$ 5,254,653.14

NOTES TO THE FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

H. Schedule of Annual Debt Service for Principal and Interest for
Township Bonded Debt Issued and Outstanding (Cont'd)

SFY Year	Sewer Utility		Open Space		Total
	Principal	Interest	Principal	Interest	
2014	\$ 1,051,500.00	\$ 403,100.00	\$ 441,000.00	\$ 398,793.85	\$ 9,274,202.25
2015	1,084,000.00	382,082.50	321,000.00	389,673.85	9,072,502.25
2016	1,111,500.00	359,621.88	443,000.00	380,860.10	8,576,473.14
2017	1,125,000.00	331,491.88	329,000.00	370,724.48	7,541,970.01
2018	1,162,500.00	297,445.00	333,000.00	360,197.60	7,410,751.25
Subtotal	5,534,500.00	1,773,741.26	1,867,000.00	1,900,249.88	41,875,898.90
2019	1,190,000.00	261,957.50	338,000.00	348,132.60	6,969,236.25
2020	1,132,500.00	222,107.50	345,000.00	335,162.60	6,684,736.25
2021	1,181,000.00	177,387.50	351,000.00	321,242.60	6,204,167.50
2022	1,231,000.00	125,022.50	356,000.00	307,102.60	6,195,248.75
2023	1,288,500.00	64,495.00	363,565.00	292,711.30	6,036,180.00
Subtotal	6,023,000.00	850,970.00	1,753,565.00	1,604,351.70	32,089,568.75
2024	114,000.00	32,029.38	974,000.00	266,960.00	3,077,542.51
2025	115,000.00	29,043.13	1,004,000.00	229,375.00	3,115,880.01
2026	117,000.00	25,943.75	1,047,000.00	190,792.50	3,091,073.75
2027	123,000.00	22,618.75	1,088,000.00	150,505.00	3,101,855.00
2028	130,000.00	19,002.50	1,130,000.00	108,251.25	2,812,720.63
Subtotal	599,000.00	128,637.51	5,243,000.00	945,883.75	15,199,071.90
2029	132,000.00	15,187.50	1,180,000.00	64,363.75	1,914,061.25
2030	139,000.00	11,167.50	1,048,000.00	20,960.00	1,743,671.25
2031	105,000.00	6,187.50			363,968.75
2032	105,000.00	4,473.75			253,431.25
2033	110,000.00	1,650.00			101,500.00
Subtotal	591,000.00	38,666.25	2,228,000.00	85,323.75	4,376,632.50
Totals	\$ 12,747,500.00	\$ 2,792,015.02	\$ 11,091,565.00	\$ 4,535,809.08	\$ 93,541,172.05

NOTES TO THE FINANCIAL STATEMENTS

Note 4: FUND BALANCES APPROPRIATED

Fund balances at June 30, 2013 and 2012, which were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending June 30, 2013 and 2012 as follows:

	<u>FUND BALANCE</u> <u>JUNE 30, 2013</u>	<u>UTILIZED IN</u> <u>SUCCEEDING BUDGET</u>
Current Fund	\$4,364,431.61	\$2,950,000.00
Sewer Utility Fund	2,379,026.88	50,000.00
Water Utility Fund	1,933,700.46	370,000.00

	<u>FUND BALANCE</u> <u>JUNE 30, 2012</u>	<u>UTILIZED IN</u> <u>SUCCEEDING BUDGET</u>
Current Fund	\$4,458,843.41	\$3,775,000.00
Sewer Utility Fund	2,188,023.73	114,990.65
Water Utility Fund	2,043,909.45	295,00.00

Note 5: FIXED ASSETS

Following is a summary of changes in the Governmental Fixed Assets for the years 2013 and 2012.

	<u>Balance</u> <u>June 30,</u> <u>2012</u>	<u>Additions</u>	<u>Adjustment/</u> <u>Retirements</u>	<u>Balance</u> <u>June 30,</u> <u>2013</u>
<u>2013</u>				
Land and Land Improvements	\$57,074,800.00	\$8,400.00	1,139,600.00	\$55,594,300.00
Buildings and Building Improvement	24,587,000.00	76,300.00	6,632,800.00	18,030,500.00
Equipment And Improvements	3,379,765.74	141,413.85		3,521,179.59
Vehicles	2,969,752.97	369,622.00	190,885.63	3,148,529.34
	<u>\$88,011,318.71</u>	<u>\$606,475.85</u>	<u>\$7,963,285.63</u>	<u>\$80,654,508.93</u>

	<u>Balance</u> <u>June 30,</u> <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30,</u> <u>2012</u>
<u>2012</u>				
Land and Land Improvements	\$57,066,400.00	\$8,400.00		\$57,074,800.00
Buildings and Building Improvement	24,587,000.00			24,587,000.00
Equipment And Improvements	3,274,940.75	115,764.71	10,939.72	3,379,765.74
Vehicles	2,325,436.82	644,316.15		2,969,752.97
	<u>\$87,253,777.57</u>	<u>\$768,480.86</u>	<u>\$10,939.72</u>	<u>\$88,011,318.71</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 6: DEPOSITS AND INVESTMENTS

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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

The State of New Jersey Cash Management Fund is authorized by statutes and regulations of the State Investment Council to invest in fixed income and debt securities, which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one and one-half percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

At June 30, 2013 and 2012 the cash and cash equivalents and investments of the Township consisted of the following:

	<u>2013</u>	<u>2012</u>
Cash (Demand Accts.)	\$28,593,192.42	\$33,855,737.11
Change Funds (On-Hand)	1,175.00	1,175.00
Total	<u>\$28,594,367.42</u>	<u>\$33,856,912.11</u>

Based upon GASB criteria, the Township considers change fund, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year-end, the book value of the Township's deposits was \$27,286,214.41 and the bank balance was \$28,593,192.45. Of the bank balance, \$1,250,000.00 was covered by Federal depository insurance and \$27,343,192.42 was covered under the provisions of NJGUDPA.

NOTES TO THE FINANCIAL STATEMENTS

Note 6: DEPOSITS AND INVESTMENTS (CONT'D).

At June 30, 2009, the Township has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposits and Investment Risk Disclosures" (GASB 40) and accordingly the Township has assessed the Custodial Risk, the Concentration of Credit Risk and Interest Rate Risk of its cash and investments.

- (a) Custodial Credit Risk – The Township's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-governments name. The deposit risk is that, in the event of the failure of a depository financial institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Township's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either: the counterparty or the counterparty's trust department or agent but not in the Township's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the Township will not be able to recover the value of the investment or collateral securities that in possession of an outside party.
- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments that Township has with any one issuer that exceeds 5 percent or more of its total investments. Investment issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.
- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Township does not have an investment policy regarding Credit Risk except to the extent outlined under the Township's investment policy. The New Jersey Cash Management Fund is not rated.
- (d) Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

As of June 30, 2013, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amounts of the Township's bank balance were considered exposed to custodial credit risk.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured--FDIC	\$ 1,250,000.00
Insured—NJGUDPA (N.J.S.A. 17:941)	<u>27,343,192.42</u>
Total	<u>\$ 28,593,192.42</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 6: DEPOSITS AND INVESTMENTS (CONT'D).

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located;
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52: 18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2013, the Township had no funds on deposit with the New Jersey Cash Management Fund.

Generally, the Township's investments consist of money market and savings accounts. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

NOTES TO THE FINANCIAL STATEMENTS

Note 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

A taxable valuation of real property is prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. The County Board of Taxation establishes tax rates to reflect the levy necessary for municipal, local school district, special district and county taxes.

The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formulae used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous years billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January 1 through June 30.

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent. In addition, the law now allows for, and the Township has authorized, the imposition of a penalty of 6% on delinquencies exceeding \$10,000.00 that remain unpaid at the end of a calendar year. If taxes remain delinquent on or after April 1 of the succeeding fiscal year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property, and allows the holder to enforce the tax lien by collection foreclosure. New Jersey property tax laws establish property taxes as a lien on real estate as of the first day of the fiscal year of the municipality even though the full amount due is not known.

As County, School and Special District tax requirements are certified to the County Board of Taxation on a calendar year basis and within a time frame which precludes the certification of a municipal purpose tax certification for the calendar year, the conversion to a fiscal year has necessitated that tax bills be prepared and mailed by the Tax Collector twice annually. The law requires tax bills for the first and second installments to be delivered on or before October 1 of the pre-tax year, and bills for the third and fourth installments to be delivered on or before June 14.

The statutory requirement to deliver tax bills for the first and second installments by October 1 of the pre-tax year requires that these bills utilize assessed valuations from the pre-tax year. As a result, tax bills for the third and fourth installments will also include adjustments to reflect the results of changes in assessed valuations from the pre-tax year to the current tax year.

In accordance with the accounting principles presented by the State of New Jersey, taxes receivable and tax title liens are realized when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible.

NOTES TO THE FINANCIAL STATEMENTS

Note 8: PENSION AND RETIREMENT PLANS

Employees of the Township of North Brunswick are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). The Division of Pensions in the Department of Treasury, State of New Jersey, administers the PERS and PFRS plans. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plans, which cover public employees throughout the state, do not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Township who are members of the plan are not available. For 2013 and 2012, the Township contributed \$779,259.00 and \$846,711.00 for PERS and \$2,241,230.00 and \$2,107,870.00 for PFRS.

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

Note 9: POST-RETIREMENT HEALTH CARE BENEFITS

Plan Description: The Township of North Brunswick contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The Township of North Brunswick provides postretirement health benefits to retirees of the PBA, SOA and FMBA only. All active full time employees are covered by the SHBP.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website www.state.nj.us/treasury/pensions.

Funding Policy: Participating employers are contractually required to be contributed based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township of North Brunswick on a monthly basis. Currently there is no cost-sharing requirement for retirees.

At June 30, 2013 and 2012, forty five (45) and forty two (42) retirees were receiving post retirement health care benefits at an annual cost to the Township of approximately \$1,014,629.34 and \$852,899.31.

NOTES TO THE FINANCIAL STATEMENTS

Note 10: ACCRUED SICK AND VACATION BENEFITS

The Township has established uniform personnel policies via employee contracts and municipal ordinances that set forth the terms under which an employee may accumulate unused benefits as follows:

Sick Leave - Sick Leave shall accumulate at the rate of one (1) day per month for the first year of service and fifteen (15) days for each subsequent year for all permanent employees and shall be cumulative from year to year without limit. Upon retirement, the employee is entitled to receive partial payment for any unused accumulated sick leave computed on the basis of final wages and subject to limitations that vary with union affiliation.

Vacations - Vacation pay for permanent employees accumulates in accordance with the approved schedules. Vacation days may be taken in year earned, but not to exceed the number of days earned at time of vacation. Earned vacation day may be accumulated up to one (1) year of current vacation credits with the exception of employees in the PBA or SOA unions who may accumulate vacation days without limit.

Any employee who has separated his/her employment may be paid the salary equivalent to accrued vacation earned, not to exceed more than one (1) year of current vacation credits earned with the exception of those employees in the PBA or SOA.

The Township maintains up-to-date records of each employee's status relating to earned and unused sick and vacation pay. It is estimated that the cost of such unpaid sick and vacation pay would approximate \$4,563,710.00 and \$4,088,079.62 at June 30, 2013 and 2012. This amount represents the current value of all accumulations, and is not intended to portray amounts that would be recorded under GAAP. The Township has not discounted the total based upon a study of utilization by employees separating from service. Neither has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriations.

Note 11: RISK MANAGEMENT

Prior to December 31, 2010, the Township was a member of the Middlesex County Municipal Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. The Fund's governing board based upon actuarial and budgetary requirements calculates payments to the Fund. Each participant in the Fund is jointly and severally obligated for any deficiency in the amount available to pay all claims. Lines of coverage provided by the Fund include property; boiler and machinery; equipment floater; auto physical; blanket bond; auto liability; general liability; law enforcement liability; public official liability and worker compensation and employer liability.

On January 1, 2011, the Township joined the Garden State Municipal Joint Insurance Fund. This fund provides for a pooling of self-retained risks of insurable losses, as well as cost effective excess insurance coverage. At December 31, 2012, the Fund reported total assets of \$31,594,485, liabilities and reserves of \$30,208,703, which includes case reserves of \$17,249,731 and IBNR of \$11,298,038 and a fund balance of \$1,385,782.

NOTES TO THE FINANCIAL STATEMENTS

Note 11: RISK MANAGEMENT (CONT'D)

Summary of Risk Management Program

The GSMJIF provides the following coverage to its participants:

1. Workers Compensation

The Fund covers \$500,000.00 for each accident or each employee for disease. The State National Insurance Company covers excess claims to the following limits: Workers Compensation – statutory

2. General Liability

The Fund covers \$250,000.00 Combined Single Limit (CSL)

The State National Insurance Company covers excess claims to the following limits:

General Liability -\$15,000,000*

Public Officials -\$15,000,000*

*-subject to annual aggregate limits

3. Automobile Liability

The Fund covers \$250,000.00 (CSL) for bodily injury, property damage and PIP. The Fund covers \$15,000.00/person and \$30,000.00/occurrence for uninsured/underinsured motorist liability.

The Travelers Insurance Company covers excess claims as part of its excess General Liability Limit.

4. Property

Coverage is provided through the State National Insurance Company.

Basic Limit -\$500,000,000.00/occurrence*

*Subject to per occurrence and annual aggregate limits

Note 11: LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED

The Township has instituted a Length of Service Award Program (LOSAP) pursuant to section 457(e) of the Internal Revenue Code and P.L. 1997, C. 388 as amended by P.L. 2001, C. 272 of the Statutes of New Jersey. The Program provides for fixed annual contributions to a deferred income account for volunteer firefighters and first aid and rescue squad members who meet specified service criteria. The Township sponsors the Program, which is administered by a private contractor. The LOSAP section of this document includes the relevant unaudited financial statements and notes for the Program.

Note 12: DEFERRED COMPENSATION

The Township has instituted a Deferred Compensation Plan pursuant to section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The Township has engaged a private contractor to administer the plan.

NOTES TO THE FINANCIAL STATEMENTS

Note 13: WATER AND SEWER UTILITY AGREEMENTS

On August 27, 2002, pursuant to the New Jersey Water Supply Public-Private Contracting Act, N.J.S.A. 58:26-19 et. seq and other applicable law, the Township entered into a water services agreement with the Middlesex County Improvement Authority and a joint venture of American Water Services, Inc. and JJS Management Services, LLC (the "Water Operator"). The agreement transfers the responsibilities for the operation, management, maintenance and repairs of the water system to the Water Operator.

Under the agreement, American Water operates, maintains and manages the System at all times on behalf of the Township in compliance withal federal, state and local laws and regulations for a fixed annual fee. The Township receives the revenues generated from user charges to water and sewer customers. Such user charges are based on annual base rates established by Township ordinance. American Water is responsible for the billing and collection of such user charges.

In connection with the August 27, 2002 operating agreements with the water operator and wastewater operator, the Middlesex County Improvement Authority issued \$34,805,000 Township of North Brunswick Lease Revenue Bonds (Water/Wastewater System Project) Series 2002A, dated September 15, 2002. The Bonds finally mature October 1, 2022, and carry interest rates from 2.00% to 4.75% with yields of 1.40% to 4.65%. As of the date of the Bonds, the Township and the Authority entered into a Franchise Agreement, pursuant to which the Township conveyed to the Authority the franchise to operate and a leasehold interest in the Wastewater and Water Systems.

On September 24, 2006, the Township of North Brunswick terminated its agreement with United Water, Inc. ("aka U.S. Water") for the operation, maintenance and management services for the Township's wastewater system, and initiated an "in-house" sewer maintenance operation under the Department of Public Works.

On October 2011, the Township of North Brunswick issued \$20,105,000 General Obligations Water/Wastewater System Refunding Bonds, Series 2011A and \$400,000 General Obligation Water/Wastewater System Refunding Bonds, Series 2011B and refunded \$23,105,000 outstanding principal balance of the \$34,805,000 Township of North Brunswick Lease Revenue Bonds (Water/Wastewater System Project) Series 2002A, dated September 15, 2002, issued by the Middlesex County Improvement Authority. Interest rates on the refunding bonds ranged from 0.650% to 5.00% with yields of 0.650% to 2.61%.

Note 14: SCHOOL TAXES

Tax revenue for the Township of North Brunswick Board of Education has been collected and the liability deferred by statute. The following is a schedule of deferred taxes:

	<u>2013</u>	<u>June 30</u>	<u>2012</u>
Balance of Tax	\$ 37,641,520.50		\$ 36,908,241.50
Deferred	<u>37,167,758.00</u>		<u>36,217,758.00</u>
Payable	<u>\$ 473,762.50</u>		<u>\$ 690,483.50</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 13: WATER AND SEWER UTILITY AGREEMENTS

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Payable	<u>\$ 473,762.50</u>		<u>\$ 690,483.50</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 15: INTERFUND RECEIVABLES AND PAYABLES

The following inter-fund balances remained on the Balance Sheets - as of June 30, 2013:

<u>Fund</u>	<u>Inter-fund</u>	
	<u>Receivable</u>	<u>Payable</u>
Sewer Operating Fund	\$760,000.00	
Sewer Capital Fund		<u>\$760,000.00</u>
	<u>\$760,000.00</u>	<u>\$760,000.00</u>

Note 16: AFFORDABLE HOUSING

On June 4, 2012, the governing body of the Township of North Brunswick authorized by resolution an agreement with the North Brunswick Housing Corporation to serve as Administrative Agent for the administration of affordable housing units within the Township of North Brunswick. The resolution also authorized the transfer of funds from the Affordable Housing Trust Fund to the North Brunswick Housing Corporation for affordability assistance in the accordance with the Townships Amended Spending Plan approved by the New Jersey Department of Community Affairs. The Township of North Brunswick transferred funds to the Housing Corporation in fiscal year 2013, as follow:

Housing Rehabilitation Program	\$1,075,000.00
Rent Subsidy Program	\$1,051,734.00
Market to Affordable Acquisitions and Renovations	\$450,000.00
Program Administration	\$425,346.80

The funding for the Market to Affordable Acquisition and Renovations program is contingent upon future development fee revenue as described in the spending plan and not projected to be realized until calendar years 2013 through 2018. Also, the Housing Corporation is entitled to a program administration fee to manage the Housing Rehabilitation and Rent Subsidy programs in an amount prescribed by affordable housing regulations at no more than 20% of the project cost and as detailed in the approved spending plan.

Note 17: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of June 30, 2013 and the date of this report, the Township does not believe that any material liabilities will result from such audits.

As of the filing date of this report, the Township had pending litigations. Management's review of the pending litigations indicates that any judgments rendered against the Township will not have a material adverse impact on the Township's financial position.

NOTES TO THE FINANCIAL STATEMENTS

Note 18: SUBSEQUENT EVENTS

On September 3, 2013, the Township issued a Bond Ordinance for capital improvement and appropriating the aggregate amount of \$3,000,000 and authorizing the issuance of \$2,850,000 in Bonds or Notes.

On September 3, 2013, the Township issued a Bond Ordinance for improvement of the water distribution system and appropriating the aggregate amount of \$1,000,000 and authorizing the issuance of \$1,000,000 in Bonds or Notes.

On September 3, 2013, the Township issued a Bond Ordinance for improvement of the sewer distribution system and appropriating the aggregate amount of \$1,000,000 and authorizing the issuance of \$1,000,000 in Bonds or Notes.

**TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY**



**PART II
SUPPLEMENTARY SCHEDULES**

SINGLE AUDIT SECTION

HODULIK & MORRISON, P.A.
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MEMBERS OF:
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NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

**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**

Honorable Mayor and Members
of the Municipal Council
Township of North Brunswick
Middlesex County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Township of North Brunswick, County of Middlesex, New Jersey as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Township of North Brunswick's financial statements and have issued our report thereon dated February 24, 2014. Our report was modified because of the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2 and unqualified based upon the Other Comprehensive Basis of Accounting financial statement presentations.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of North Brunswick's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of North Brunswick's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of North Brunswick'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 Township of North Brunswick's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

We noted certain matters we have reported to management of the Township of North Brunswick in the General Comments and Recommendations section of the Report of Audit.

Purpose of this Report

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



HODULIK & MORRISON, P.A.

Certified Public Accountants

Registered Municipal Accountants

Highland Park, New Jersey

February 24, 2014

HODULIK & MORRISON, P.A.
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN REQUIRED BY
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable Mayor and Members
of the Municipal Council
Township of North Brunswick
Middlesex County, New Jersey

Report on Compliance for Each Major State Program

We have audited the Township of North Brunswick, County of Middlesex, New Jersey compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" and the New Jersey Compliance Manual "State Grant Compliance Supplement" that could have a direct and material effect on each of the Township of North Brunswick's major state programs for the year ended June 30, 2013. The Township's major state programs are identified in the "Summary of Auditor's Results Section" of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirement of laws, regulations, contracts and grants applicable to its state programs

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of North Brunswick's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB Circular 04-04. Those standards and OMB circulars A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of North Brunswick's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the Township of North Brunswick's compliance.

Opinion on Each Major State Program

In our opinion, the Township of North Brunswick complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Township of North Brunswick is responsible for establishing and maintaining effective internal control over compliance with requirements referred to above. In planning and performing our audit, we considered the Township of North Brunswick's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB circular A-133, and New Jersey OMB Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of North Brunswick's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133, and New Jersey OMB Circular. Accordingly, this report is not suitable for any other purposes.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants

Highland Park, New Jersey
February 24, 2014

Schedule of Expenditures of State Financial Assistance

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

Schedule B

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDING JUNE 30, 2013

<u>State of New Jersey Department / Program Title</u>	<u>Grant Number/State Loan Number</u>	<u>Grant Period</u>	<u>Grant Award</u>	<u>2013 Grant Receipts</u>	<u>2013 Expenditures</u>	<u>Cummulative Expenditures/ Cancellations</u>
<u>Department of Community Affairs</u>						
Municipal Alliance	2000-475-995120-60	2012	40,852.50	32,682.00	32,784.18	40,852.50
Municipal Alliance	2000-475-995120-60	2013	56,446.50		34,057.19	34,057.19
Total Department of Community Affairs			<u>97,299.00</u>	<u>32,682.00</u>	<u>66,841.37</u>	<u>74,909.69</u>
<u>New Jersey Department of Environmental Protection</u>						
Recycling Tonnage Grants	042-4900-752-001	2010	93,012.03		2,365.48	62,522.03
Recycling Tonnage Grants	042-4900-752-001	2011	82,131.00		58,160.16	65,751.44
Recycling Tonnage Grants	042-4900-752-001	2012	85,189.93		3,002.50	3,002.50
Recycling Tonnage Grants	042-4900-752-001	2013	110,321.59	110,321.59		
Clean Communities Program	042-4900-765-004	2011	51,787.57		15,081.40	51,787.57
Clean Communities Program	042-4900-765-004	2012	51,268.85		22,452.79	22,452.79
Clean Communities Program	042-4900-765-004	2013	59,264.80	59,264.80	175.00	175.00
Stormwater Management Grants	042-4850-100-118	2006	20,619.00		3,447.55	16,392.81
Total New Jersey Department of Environmental Protection			<u>553,594.77</u>	<u>169,586.39</u>	<u>104,684.88</u>	<u>222,084.14</u>
<u>Green/Trust Acres Grant Program:</u>						
00-27 Land Acquisition	042-4800-727-002	Indefinite	5,275,000.00		13,371.45	1,027,139.82
Total New Jersey Department of Environmental Protection			<u>5,828,594.77</u>	<u>169,586.39</u>	<u>118,056.33</u>	<u>1,249,223.96</u>
<u>New Jersey Department of Law and Public Safety</u>						
Body Armor Replacement	066-1020-718-001	2011	6,650.07		852.00	6,650.07
Body Armor Replacement	066-1020-718-001	2012	6,890.56		6,890.56	6,890.56
Body Armor Replacement	066-1020-718-001	2013	7,245.56	7,242.56	4,631.20	4,631.20
Drunk Driving Enforcement Fund	N/A	2012	9,937.52		177.68	9,937.52
Drunk Driving Enforcement Fund	N/A	2013	11,644.81	11,644.81	8,470.30	8,470.30
Total New Jersey Department of Law and Public Safety			<u>42,368.52</u>	<u>18,887.37</u>	<u>21,021.74</u>	<u>36,579.65</u>

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDING JUNE 30, 2013

<u>State of New Jersey Department / Program Title</u>	<u>Grant Number/State Loan Number</u>	<u>Grant Period</u>	<u>Grant Award</u>	<u>2013 Grant Receipts</u>	<u>2013 Expenditures</u>	<u>Cummulative Expenditures/ Cancellations</u>
<u>New Jersey Department of Health</u>						
Alcohol Education, Rehabilitation and Enforcement Trust Fund	046-760-4240-001	2011	2,262.29		1,541.94	2,262.29
Alcohol Education, Rehabilitation and Enforcement Trust Fund	046-760-4240-001	2012	2,806.08	2,806.08	958.06	958.06
Alcohol Education, Rehabilitation and Enforcement Trust Fund	046-760-4240-001	2013	3,905.33	3,905.33		
Total New Jersey Department of Health			8,973.70	6,711.41	2,500.00	3,220.35
<u>New Jersey Department of Transportation</u>						
Highway Safety Fund Grant: Safe Corridors	078-6100-100-051	2012	81,901.59	81,901.59		81,901.59
Highway Safety Fund Grant: Safe Corridors	078-6100-100-051	2013	88,462.26	88,264.93	88,264.93	88,462.26
Highway Planning & Construction:						
Pedestrian/Bicycle Path	078-6320-480	2009	80,000.00		14,774.80	30,759.55
Rt 130/Adams Lane (Water)	078-6320-480	2009	25,000.00		205.50	3,383.25
Rt 130/Adams Lane (Sewer)	078-6320-480	2009	25,000.00		205.50	6,678.25
Rt 130/Adams Lane (Water)	078-6320-480	2013	25,000.00		16,089.50	16,089.50
Rt 130/Adams Lane (Sewer)	078-6320-480	2013	25,000.00		2,502.00	2,502.00
Hermann Raod	078-6320-480	2010	375,000.00		71,750.00	283,250.00
Omaha Raod	078-6320-480	2011	250,000.00	62,500.00		250,000.00
Hollywood Street	078-6320-480	2012	250,000.00	187,500.00	250,000.00	250,000.00
Rt 27 (Utilities)	078-6300-480	2010	92,000.00	92,000.00		
Total New Jersey Department of Transportation			1,225,363.85	342,000.00	443,792.23	1,025,575.40
Grand Total			\$ 7,202,599.84	\$ 569,867.17	\$ 652,211.67	\$ 2,389,509.05

Footnotes:

NOTE: See accompanying Notes to Schedules of State Financial Assistance.

The Township's state grants are presented within the Township's overall financial statements on the modified accrual basis of accounting in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

N/A - Not Available or Not Applicable

**TOWNSHIP NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY**

**NOTES TO SCHEDULES OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
JUNE 30, 2013- REGULATORY BASIS**

NOTE 1: GENERAL

The accompanying schedule of expenditures of state financial assistance presents the activity of all state financial assistance programs of the Township of North Brunswick. The Township is defined in Note 1 to the financial statements - regulatory basis.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules financial assistance is presented using the basis of accounting as described in Note 2 to the Township's financial statements.

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements-regulatory basis.

NOTE 4: RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules generally agree with the amounts reported in the related state financial reports, where required.

**TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section 1 – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified/ (OCBOA)

Internal control over financial reporting:

- 1) Material weakness(es) identified? _____ Yes X No
- 2) Significant deficiency(ies) identified that
are not considered to be material weaknesses? _____ Yes X No

Noncompliance material to financial
statements noted? _____ Yes X No

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000.00

Auditee qualified as low-risk auditee? _____ Yes X No

Type of auditor's report issued on compliance for major programs: Unqualified

Internal Control over financial reporting:

- 1) Material weakness(es) identified? _____ Yes X No
- 2) Significant deficiency(s) identified that
are not considered to be material weaknesses? _____ Yes X No

Any audit findings disclosed that are required to be reported
in accordance with NJ OMB Circular Letter 04-04 _____ Yes X No

Identification of major programs:

<u>State Account Number(s)</u>	<u>Name of State Program</u>
<u>078-6320-480</u>	<u>Highway Planning and Construction</u>

**TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section II – Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with chapter 5.18 of *Governmental Auditing Standards*.

Significant Deficiency(ies)/Material Weaknesses

None noted

Noncompliances

None noted

**TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section III – Federal and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB circular A-133 and New Jersey OMB's circular 04-04.

Federal and State Award Programs:

Significant deficiency(ies)/Material Weaknesses:

None noted.

Noncompliance:

None noted.

**TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY**

**SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section 1 – Summary of Prior Year Federal & State Findings

SUMMARY OF PRIOR YEAR FINDINGS

None

Current Fund

CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	Current	Grants
Cash Balance June 30, 2012	A	\$ 7,591,241.11	\$ 3,721.70
Increased by Cash Receipts			
Petty Cash.....	A-5	1,050.00	
Interfund Transfers			
Matching Funds For Grants.....	A-17		35,009.50
Due To Current Fund.....	A-17	137,066.00	
NJ Sr Citizens and Vets Deductions.....	A-6	161,577.05	
Revenue Collection			
Taxes Receivable.....	A-7	122,847,515.09	
Misc Anticipated Revenue.....	A-2	10,707,433.72	
Misc Revenue Not Anticipated.....	A-8	499,248.21	
Grants Receivable.....	A-15		823,645.77
Unappropriated Grant Reserves.....	A-14		63,170.13
Miscellaneous Reserves.....	A-9	44,089.54	
Total Cash Receipts.....		134,397,979.61	921,825.40
Decreased by Disbursements			
Petty Cash.....	A-5	(1,050.00)	
Budget			
Budget Appropriations.....	A-3	(40,321,209.94)	
Appropriation Reserves.....	A-10	(861,232.61)	
Appropriated Grant Reserves.....	A-16		(757,026.77)
Interfund Transfers			
Due From Grant.....	A-17		(137,066.00)
Grant Adjustment.....	A-17		(2,934.00)
Tax Collections			
Tax Overpayments.....	A-11	(18,909.78)	
Taxes Payable.....	A-12	(93,417,897.70)	
Miscellaneous Reserves.....	A-9	(205,511.60)	
Total Cash Disbursements.....		(134,825,811.63)	(897,026.77)
Cash Balance June 30, 2013.....	A	\$ 7,163,409.09	\$ 28,520.33

CURRENT FUND
SCHEDULE OF CHANGE PETTY CASH AND CHANGE FUNDS

	Balance June 30, 2012	Advanced	Returned	Balance June 30, 2013
Change Fund.....	\$ 1,175.00			\$ 1,175.00
Petty Cash Funds:				
Senior Center.....	-	\$ 200.00	\$ 200.00	-
Public Works.....	-	200.00	200.00	-
Police.....	-	250.00	250.00	-
Purchasing.....	-	200.00	200.00	-
Recreation.....	-	200.00	200.00	-
Total	\$ 1,175.00	\$ 1,050.00	\$ 1,050.00	\$ 1,175.00
	<u>Ref.</u> A	A-4	A-4	A

CURRENT FUND
SCHEDULE OF DUE NJ - SR CITIZENS & VETERANS DEDUCTIONS

Balance June 30, 2012.....	<u>Ref.</u> A		\$ 195,027.47
Revenue - Eligible Sr Citizens & Veterans Deductions			
Original SFY 2013 Tax Levy.....		\$ 190,625.00	
Disallowed - SFY 2013 Taxes.....		<u>(7,388.68)</u>	
Total Revenue.....	A-7		183,236.32
Decreased by:			
Cash Received from State of NJ.....	A-4	(161,577.05)	
Adjustment to due to State Audit.....	A-1	(21,250.00)	
Prior year Sr Citizens Disallowed.....	A-1	<u>(12,200.42)</u>	
			<u>(195,027.47)</u>
Balance June 30, 2013	A		<u>\$ 183,236.32</u>

CURRENT FUND
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

	<u>Ref.</u>	Total	FY 2014 Prepaid	FY 2013 Current	FY 2012 Delinquent	Arrears	Tax Liens	Property Acquired for Taxes
Balance June 30, 2012	A	\$498,999.41			\$ 31.58		\$ 336,997.25	\$ 161,970.58
<u>Levy & Adjustments</u>								
Original Levy.....		122,860,325.50		\$ 122,860,325.50				
Added Omitted & Rollback....		407,369.03		407,369.03				
Assessor's Appeals.....								
Appeals & Canceled Taxes....		(346,526.02)	(0.33)	(315,449.98)	(31,075.71)			
Clean Up Cost Adjustment.....								
<u>Revenue</u>								
Sr. Citizens & Vets.....	A-6	(183,236.32)		(183,236.32)				
Prepays Applied.....	A-11	(157,511.16)		(157,511.16)				
Cash Receipts.....	A-4	(122,847,515.09)	(150,100.24)	(122,610,120.78)	(435.05)		(86,859.02)	
Overpayments Applied.....	A-7	(66,234.42)	(107,982.95)	11,599.70	30,148.83			
Tax Appeal Refunded.....	A-9	2,920.46	64.19	2,856.27				
Overpayments Refunded.....	A-11	18,909.78		17,595.05	1,314.73			
Transfer to Overpayment.....	A-11	8,705.29		8,705.29				
Transfer to Prepaid.....	A-11	258,034.95	258,019.33		15.62			
Balance June 30, 2013	A	\$454,636.75	\$ -	\$ 474.80	\$ -	\$ -	\$ 292,191.37	\$ 161,970.58

.....Analysis of FY 2013 Property Tax Levy.....

<u>Tax Yield:</u>	<u>Ref.</u>		<u>Tax Levy:</u>	<u>Ref.</u>	
General Purpose Tax.....	A-7	\$ 122,860,325.50	Non-Municipal Taxes.....	A-12	94,151,176.69
Added Taxes.....	A-7	407,369.03	Municipal Purpose Tax.....	A-2	27,174,503.00
			Municipal Library Tax.....	A-2	1,595,406.33
			Total Tax Levy.....		122,921,086.02
			Added Taxes.....		346,608.51
Total Levy.....		<u>\$ 123,267,694.53</u>	Total Amount to be Raised.....		<u>\$ 123,267,694.53</u>

<u>Current Taxes Realized</u>	<u>Ref.</u>		<u>% of Tax Levy Collected</u>	
Sr. Citizens & Veterans Deductions.....	A-6, A-7	\$ 183,236.32		
Cash Receipts.....	A-7	122,610,120.78		
Prepaid Taxes Applied.....	A-7	157,511.16		
Transfers to Overpayment.....	A-7	(8,705.29)		
Tax Appeal Refunded.....	A-7	(20,451.32)		
Overpayment Applied.....	A-7	(11,599.70)		
Subtotal - Revenue Realized including Adjustments.....	A-1	122,910,111.95	Total Tax Revenue.....	122,910,111.95
Reserve for Uncollected Taxes.....	A-3	593,161.00		
Total Revenue, Current Taxes.....		123,503,272.95		
Non-Municipal Taxes Payable.....	A-12	(94,151,176.69)	Total Tax Levy.....	123,267,694.53
Revenue, Local Purpose Tax.....	A-2	<u>\$ 29,352,096.26</u>		
			% of Tax Levy Collected.....	<u>99.710%</u>

CURRENT FUND
SCHEDULE OF NON-BUDGET REVENUE

	Ref	June 30, 2013	June 30, 2012
Receipts from Delinquent Taxes.....	A-7	\$ 55,801.01	\$ 30,653.76
Other Miscellaneous Revenues Not Anticipated:			
Prior Year Grant Reimbursement.....			2,934.00
NSF Fees.....		220.00	340.00
Cellular Tower Lease.....		56,451.82	55,296.60
Cellular Franchise Fee.....		32,586.34	27,504.74
Inspection Fees - State of NJ.....		21,376.50	11,340.75
Third Party UCC Inspection Transferred.....		200,000.00	
Miscellaneous.....		1,180.69	1,798.40
Sale of Municipal Assets (Auction).....			22,725.36
LOSAP.....			500.00
Escrow Inspections.....		45,758.05	36,930.16
Admin Fee Sr. Ctr. & Vet Deduction.....		3,656.54	4,246.24
Collector - Lot Clean -up Fees.....		5,283.47	
Church & Dwight - Lease Agreement.....		200.00	
Change of Use.....		151.00	748.00
FEMA Reimbursement.....		10,260.57	11,417.68
Bail Returned.....		776.00	
Parks Recreation & Community Services			
Senior Citizen Center.....		1,719.29	1,122.84
Public Works			
Sanitation Bins / Automated Carts.....		1,560.00	3,522.00
Refuse Container Rental.....		4,800.00	2,800.00
Police - Admin Fee, Off-Duty Police.....		113,267.94	107,734.13
Sale of Easement Parcels.....			
Total.....	A-4	\$ 499,248.21	\$ 290,960.90
Total.....	A-1	\$ 555,049.22	\$ 321,614.66

CURRENT FUND
SCHEDULE OF CHANGES IN MISCELLANEOUS RECEIVABLES, ACCOUNTS PAYABLE & RESERVES

	June 30, 2012	Transfer from (to) Budget	Cash Receipts	Cash Disbursements	Adjustments	June 30, 2013
Accounts Receivable:						
Municipal Services Reimbursement \$	(3,400.00)		\$ -			\$ (3,400.00)
Clean Up - Cost Municipal	(2,400.98)		2,400.98			-
Total Accounts Receivable.....	(5,800.98)	-	2,400.98		-	(3,400.00)
Accounts Payable:						
Filing Fees Due State of NJ:						
Marriage Licenses.....	3,950.00		5,700.00	(7,825.00)		1,825.00
DCA - UCC Training.....	12,152.00		43,296.00	(44,613.00)		10,835.00
Civil Union.....	75.00			(25.00)		50.00
Total Filing Fees Due NJ.....	16,177.00		48,996.00	(52,463.00)		12,710.00
Vendor Accounts Payable.....	210,546.90	15,973.92		(85,438.59)	(79,216.55)	61,865.68
Total Payable.....	226,723.90	15,973.92	48,996.00	(137,901.59)	(79,216.55)	74,575.68
Reserves:						
Master Plan.....	2,516.00					2,516.00
Tax Map Revisions.....	9,346.25					9,346.25
Reserve for Tax Appeals.....	179,582.37	145,000.00		(67,610.01)		256,972.36
Reserve for Rental Inspection	300.00					300.00
Reserve for FMBA Health....	17,273.07		(7,307.44)			9,965.63
Total Reserves.....	209,017.69	145,000.00	(7,307.44)	(67,610.01)	-	279,100.24
Total.....	\$ 429,940.61	\$ 160,973.92	\$ 44,089.54	\$ (205,511.60)	\$ (79,216.55)	\$ 350,275.92
Ref.	A	A-3, A-10	A-1, A-3, A-4	A-4	A-1, A-7	A

CURRENT FUND
SCHEDULE OF FY 2012 APPROPRIATION RESERVES

	June 30, 2012 Balance			Expended		Transferred to	Balance
	Salaries	Other	Encumbrances	Salaries	Other	Accounts Payable	Lapsed
General Government:							
Administration.....	\$ 6,983.85	\$ 3,650.24	\$ 5,029.78		\$ (1,324.79)	\$ (2,408.00)	\$ 11,931.08
Purchasing.....		421.68					421.68
Municipal Clerk.....	3,172.51	6,770.25	11,963.70		(11,921.69)		9,984.77
Financial Administration.....	9,503.55	15,732.57		\$ 238.37	(13,463.58)		12,010.91
Audit.....			55,000.00		(55,000.00)		
Information Technology.....	1,423.82	0.43	1,174.14		(1,174.14)		1,424.25
Tax Collection.....	1,121.97	1,812.99	1,099.88		(1,099.88)		2,934.96
Tax Assessment.....	1,907.74	3,634.25	47,257.35		(17,637.46)		35,161.88
Legal.....		38,499.59	44,813.90		(23,670.36)		59,643.13
Insurance:							
Other Insurance		149,583.84			(74,535.65)		75,048.19
Employee Group Insurance.....		203,679.96			34,450.87		238,130.83
Health Benefit Waiver.....		5,083.12					5,083.12
Community Development							
Engineering.....	168.80	17,130.21	19,120.00		(13,834.00)		22,585.01
Planning.....	611.55	11,206.17	4,203.70	2,480.00	(2,254.62)		16,246.80
Zoning.....	575.08	141.79	3,000.00		(2,040.00)		1,676.87
Code Enforcement.....	829.57	581.47		20,000.00	(20,450.00)		961.04
Rent Control Board.....	1,200.00						1,200.00
Uniform Construction Code.....	1,562.83	17,006.91			(3,821.84)		14,747.90
Public Safety:							
Police.....	143,855.39	38,387.08	70,518.89	3,606.48	(197,791.93)	(7,395.00)	51,180.91
Emergency Management.....	648.97	4,871.99	4,032.00	54.07	(1,522.00)		8,085.03
Volunteer Fire Departments.....		0.31	2,168.82		(2,161.29)		7.84
First Aid Organizations.....		24.41	1,950.59		(1,950.59)		24.41
Fire Safety.....	1,549.51	413.61	1,665.10		(1,624.16)		2,004.06
Length of Service Award Program.....		2,609.28	11,265.28		(6,932.48)	(3,466.24)	3,475.84
Juvenile Aid.....		3,254.00	1,445.00		(1,445.00)		3,254.00
Public Works:							
Streets and Roads.....	4,737.25	4,088.24	30,647.09	4,108.52	(17,285.20)	(1,414.05)	24,881.85
Solid Waste Disposal Fees.....			58,011.56		(75,774.41)		2,237.15
Sanitation.....	25,740.30	11,882.32	45,645.22	4,553.18	(66,911.85)		20,909.17
Recycling.....		66,317.48	21,980.02		(9,697.79)	(200.00)	58,399.71
Buildings and Grounds.....	18,097.33	412.56	25,881.29	51.60	(37,833.60)		11,609.18
Motor Vehicle Maintenance.....	5,059.50	8,199.95	72,771.21	4,791.46	(7,987.49)	(1,090.63)	81,744.00
Condominiums.....		118,267.91			(61,796.35)		56,471.56
NJDEP - Stormwater Permit.....	11,295.77	3,522.57	185.50	734.50	(10,000.00)		5,738.34

CURRENT FUND
SCHEDULE OF FY 2012 APPROPRIATION RESERVES

	June 30, 2012 Balance			Expended		Transferred to	Balance
	Salaries	Other	Encumbrances	Salaries	Other	Accounts Payable	Lapsed
Parks Recreation & Community Services							
Board of Health.....		4,181.32	22,091.93		(22,091.93)		4,181.32
Animal Control.....	1,392.50	4,119.22			(47.90)		5,463.82
Environmental Commission.....		20.00					20.00
Recreation & Community Services.....	7,212.25	3,135.46	5,295.02		(3,651.37)		11,991.36
Senior Services.....	8,438.30	631.27	2,993.92	1,883.91	(23,762.16)		10,185.24
Parks and Playgrounds.....	30,957.61	4,285.89	20,666.21	5,513.91	(43,426.12)		17,997.50
Municipal Court							
Municipal Court.....	15,139.96	1,828.76	88.20		(1,916.96)		15,139.96
Public Defender.....		22,460.00	19,400.00		(9,200.00)		32,660.00
Unclassified							
Utilities / Facilities Costs.....		81,735.92	101,328.94		(97,496.01)		60,568.85
Contingency.....		100.00					100.00
Statutory Expenditures:							
Public Employees Retirement.....		14,000.00					14,000.00
DCRP.....		960.72					960.72
Social Security.....		58,374.38			835.12		59,209.50
Matching Funds for Grants.....		29,729.50					29,729.50
Total Operations	\$ 303,185.91	\$ 962,749.62	\$ 712,694.24	\$ 48,016.00	\$ (909,248.61)	\$ (15,973.92)	\$ 1,101,423.24
Reserve for Accumulated Leave of Absences..	<u>Ref.</u>		A			A-9	A-1
Salaries.....	\$ 303,185.91			\$ (280,000.00)			
Other Expenses.....	<u>962,749.62</u>			<u>48,016.00</u>			
				<u>(629,248.61)</u>			
Total.....	A	<u>\$ 1,265,935.53</u>		<u>\$ (861,232.61)</u>			
			<u>Ref.</u>	<u>A-4</u>			

CURRENT FUND
SCHEDULE OF PREPAID PROPERTY TAX & PROPERTY TAX OVERPAYMENTS

	<u>Ref.</u>	Total	FY 2014 Prepaid	FY 2013 Prepaid	FY 2013 Current Overpayments	FY 2012 Overpayments
Balance June 30, 2012.....	A	\$ (223,745.58)		\$ (157,511.16)		\$ (66,234.42)
Taxes Received.....	A-7	(27,615.07)			(27,615.07)	
Transferred (from) or to Taxes Receivable.....	A-7	(258,034.95)	(258,019.33)			(15.62)
Prepaid Taxes Applied.....	A-7	157,511.16		157,511.16		
Overpayments Applied.....	A-7	66,234.42				66,234.42
Overpayments Refunds.....	A-4	18,909.78			18,909.78	
Balance June 30, 2013	A	<u>\$ (266,740.24)</u>	<u>\$ (258,019.33)</u>	<u>\$ -</u>	<u>\$ (8,705.29)</u>	<u>\$ (15.62)</u>

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

	Ref.	June 30, 2012	Taxes Levied	Cash Disbursements	June 30, 2013
County - General.....			\$ 15,938,947.62	\$ (15,938,947.62)	
County - Open Space.....			1,417,781.94	(1,417,781.94)	
County - Added & Omitted.....			57,039.95	(57,039.95)	
Local School District Taxes.....		\$ 36,908,241.50	76,016,320.00	(75,283,041.00)	\$ 37,641,520.50
Local Open Space.....			721,087.19	(721,087.19)	
Sub-Total.....	A-7	36,908,241.50	94,151,176.69	(93,417,897.70)	37,641,520.50
School Taxes Deferred.....		(36,217,758.00)	(950,000.00)		(37,167,758.00)
Total Taxes Payable.....		\$ 690,483.50	\$ 93,201,176.69	\$ (93,417,897.70)	\$ 473,762.50
	<u>Ref.</u>	A	A-1, A-7	A-4	A

CURRENT FUND
NON-LOCAL TAX LEVY CALCULATION

Ref.	Total	.....County Lax Levy.....			Added & Omitted	School Taxes	Local Open Space	Library
		General	Open Space					
Calendar Year 2012 Tax Levy.....	\$ 94,584,560.20	\$ 15,551,928.08	\$ 1,427,708.43			\$ 75,283,041.00	\$ 726,476.36	\$ 1,595,406.33
1/1-6/30/2012 Levy (1/2 CY12)....	46,190,851.57	7,388,944.50	723,780.71			36,908,241.50	368,627.36	801,257.50
7/1-12/31/2012 Levy.....	48,450,748.59	8,162,983.58	703,927.72	\$ 57,039.95		38,374,799.50	357,849.01	794,148.83
1/1-6/30/2013 Levy (1/2 CY13)....	47,292,280.10	7,775,964.04	713,854.22			37,641,520.50	363,238.18	797,703.17
SFY 2013 Tax Levy..... A-12	\$ 95,743,028.69	\$ 15,938,947.62	\$ 1,417,781.94	\$ 57,039.95		\$ 76,016,320.00	\$ 721,087.19	1,591,852.00

	CY 2011		CY 2012		CY 2013	
	Rate	Levy	Rate	Levy	Rate	Levy
County General Tax.....	\$ 0.602	\$ 14,777,889.00	\$ 0.643	\$ 15,551,928.08	\$ 0.640	\$ 15,413,666.33
County Open Space.....	0.059	1,447,561.42	0.059	1,427,708.43	0.055	1,309,617.43
Local School Tax.....	3.005	73,816,483.00	3.109	75,283,041.00	3.184	76,805,428.00
Municipal Open Space.....	0.030	737,254.71	0.030	726,476.36	0.030	723,550.02
Library	0.032	801,257.50	0.065	1,595,406.33	0.060	1,454,039.50
Total - Non Municipal.....	3.728	91,580,445.63	3.906	94,584,560.20	3.969	95,706,301.28
Local Purpose Municipal Tax.....	1.093	26,861,539.72	1.105	26,753,714.07	1.134	27,351,000.00
Total CY Tax Levy.....	\$ 4.821	\$ 118,441,985.35	\$ 5.011	\$ 121,338,274.27	\$ 5.103	\$ 123,057,301.28
Net Valuation Taxable.....		\$2,469,963,068.00		\$2,456,909,811.00		\$2,421,587,877.00

STATE AND FEDERAL GRANT FUND
SCHEDULE OF UNAPPROPRIATED GRANT RESERVES

Grant Name	June 30, 2012	Approp- riated	Cash Receipts	June 30, 2013
<u>Fiscal Year 2012</u>				
Clean Communities.....	\$ 50,477.62	\$ (50,477.62)		
Alcohol Education & Enforcement Fund.....	2,806.08	(2,806.08)		
<u>Fiscal Year 2013</u>				
Clean Communities.....			\$ 59,264.80	\$ 59,264.80
Alcohol Ed. Rehab. Enforcement Fund			3,905.33	3,905.33
Total.....	\$ 53,283.70	\$ (53,283.70)	\$ 63,170.13	\$ 63,170.13
Ref.	A	A-15	A-4	A

STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2012	Budget.....		Cash	Unappropriated		June 30, 2013
		Adopted	NJSA 40A:4-87	Received	Realized	Canceled	
<u>STATE GRANTS</u>							
Community Development:							
NJ DOT - Rt 27 (Utilities).....	\$ 92,000.00			\$ (92,000.00)			\$ -
NJ DOT - Mae Brook (Water).....	30,793.50						30,793.50
NJ DOT - Mae Brook (Sewer).....	32,371.00						32,371.00
NJ DOT - Rt 1 Sec (6V) Bridge (Water).....	20,000.00						20,000.00
NJ DOT - Rt 1 Sec (6V) Bridge (Sewer).....	20,000.00						20,000.00
NJ DOT - Rt 27 Sec (6V) Bridge (Water).....	25,000.00						25,000.00
NJ DOT - Rt 130/Adams Lane (Water).....	15,000.00						15,000.00
NJ DOT - Rt 130/Adams Lane (Sewer).....	10,000.00						10,000.00
NJ DOT - Rt 130 - Mae Brook.....	5,000.00						5,000.00
NJ DOT - Hermann Road.....	375,000.00						375,000.00
NJ DOT - Hollywood Street.....	250,000.00			(187,500.00)			62,500.00
NJ DOT - Rt 130/Adams Lane - Sewer.....		\$ 25,000.00					25,000.00
NJ DOT - Rt 130/Adams Lane - Water.....		25,000.00					25,000.00
NJ DOT - Omaha Road.....	62,500.00			(62,500.00)			
Public Safety:							
Drunk Driving Enforcement.....		11,644.81		(11,644.81)			
Drive Sober or Get Pulled Over.....		4,400.00	\$ 4,400.00	(8,750.00)		(50.00)	
Body Armor Grant - State.....			7,242.56	(7,242.56)			
Parks Recreation & Community Service							
Municipal Alliance.....	32,682.00			(32,682.00)			
Municipal Alliance.....			32,682.00	(3,725.00)			28,957.00
Dodgeball Prevention.....		12,500.00		(12,500.00)			
Green Communities.....			3,000.00				3,000.00
Public Works:							
Clean Communities.....		50,477.62			(50,477.62)		
Recycling Tonnage Grant.....			110,321.59	(110,321.59)			
ANJEC Sustainable Land Use Planning.....		7,500.00					7,500.00
Municipal Court							
Alcohol Education & Enforce Fund.....		2,806.08			(2,806.08)		
Total - State Grants.....	970,346.50	139,328.51	157,646.15	(528,865.96)	(53,283.70)	(50.00)	685,121.50

STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2012	Budget Adopted	NJSA 40A:4-87	Cash Received	Unappropriated Realized	Canceled	June 30, 2013
<u>FEDERAL GRANTS</u>							
Public Safety:							
Bullet Proof Vest Grant - Federal.....	2,499.00			(2,499.00)			
Bullet Proof Vest Grant - Federal - fy08.....	(1,500.48)					1,500.48	
Bullet Proof Vest Grant - Federal.....	6,650.00			(6,650.00)			
Bullet Proof Vest Grant - Federal.....	(1,433.52)					1,433.52	
Bullet Proof Vest Grant - Federal.....			7,350.00				7,350.00
BJA Congressionally Selected Video Surv. Program	172,125.00			(22,850.00)			149,275.00
FEMA - Emergency Mgmt Performance.....		14,000.00		(14,000.00)			
COPS - Secure Our Schools.....		88,462.26		(88,264.93)		(197.33)	0.00
COPS - Secure Our Schools.....	81,901.59			(81,901.59)			
COPS in Shops.....			1,200.00				1,200.00
COPS in Shops.....	1,200.00			(1,200.00)			
Safe Routes to School.....	118,000.00						118,000.00
Parks Recreation & Community Service							
Heritage Day (County/Federal).....	1,050.00			(1,050.00)			
Heritage Day (County/Federal).....			4,428.00	(3,321.00)			1,107.00
Senior Center Meal Program.....			16,500.00				16,500.00
Senior Center Transportation.....			5,000.00				5,000.00
Senior Center Outreach Grant.....	9,500.00			(9,500.00)			
Senior Center Outreach Grant.....			9,500.00				9,500.00
Public Works:							
NJ Clean Energy Program - Boiler.....	3,150.00						3,150.00
Sustainable Economic Growth Improvement.....	60,000.00			(55,175.70)			4,824.30
Total - Federal Grants.....	453,141.59	102,462.26	43,978.00	(286,412.22)		2,736.67	315,906.30
Other/County/Local Grants:							
MC Streetscape Improvment - Livingston Avenue..	100,000.00						100,000.00
MCPO Task Force.....	3,000.00			(3,000.00)			
MCPO Community Concerns.....		5,000.00		(3,367.59)		(1,632.41)	
Bristol Myers Squibb Abilities Council.....			2,000.00	(2,000.00)			
Total - Other/County/Local Grants.....	103,000.00	5,000.00	2,000.00	(8,367.59)		(1,632.41)	100,000.00
Total - All Grants.....	\$ 1,526,488.09	\$ 246,790.77	\$ 203,624.15	\$ (823,645.77)	\$ (53,283.70)	\$ 1,054.26	\$ 1,101,027.80
	A			A-4	A-14	A-17	A
Adopted Budget.....		A-2	\$ 246,790.77				
Amended (NJSA 40A:4-87).....		A-2	203,624.15				
Total.....		A-2, A-17	\$ 450,414.92				

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

		Budget						
	June 30, 2012	Adopted	NJSA 40A:4-87	June 30, 2012 Encumbrances	Paid or Charged	Canceled	June 30, 2013 Encumbrances	June 30, 2013
<u>STATE GRANTS</u>								
Community Development:								
NJ DOT - Mae Brook (Water).....	FY04			\$ 14,698.25			\$ (14,698.25)	-
NJ DOT - Mae Brook (Sewer).....	FY04			15,342.75			(15,342.75)	-
NJ DOT - Rt 1 Sec (6V) Bridge (Water).....	FY06			7,451.00			(7,451.00)	-
NJ DOT - Rt 1 Sec (6V) Bridge (Sewer).....	FY06			19,474.00			(19,474.00)	-
NJ DOT - Rt 27 Sec (6V) Bridge (Water).....	FY06	\$ 24,067.50					(4,067.50)	20,000.00
NJ DOT - Rt 130/Adams Lane (Water).....	FY09			11,822.25	\$ (205.50)		(11,616.75)	-
NJ DOT - Rt 130/Adams Lane (Sewer).....	FY09			3,527.25	(205.50)		(3,321.75)	-
NJ DOT - Rt 130 - Mae Brook.....	FY09			2,430.00			(2,430.00)	-
NJ DOT - Hermann Road.....	FY10			91,750.00	(71,750.00)		(20,000.00)	-
NJ DOT - Hollywood Street.....	FY12	250,000.00			(250,000.00)		-	-
NJ DOT - Pedestrian/Bicycle Path.....	FY09			96,015.25	(14,774.80)		(81,240.45)	-
NJ DOT - Rt 130/Adams Lane (Water).....	FY13	\$ 25,000.00			(16,089.50)		(8,910.50)	-
NJ DOT - Rt 130/Adams Lane (Sewer).....	FY13	25,000.00			(2,502.00)		(22,498.00)	-
Highway Safety- Safe Corridors.....	FY13	88,462.26			(88,264.93)	\$ (197.33)		0.00
Public Safety:								
Drunk Driving Enforcement Fund.....	FY12	35.68		142.00	(177.68)			0.00
Drunk Driving Enforcement Fund.....	FY13		11,644.81		(8,470.30)		(113.00)	3,061.51
Body Armor Grant - State.....	FY11			852.00	(852.00)			-
Body Armor Grant - State.....	FY13		\$ 7,242.56		(4,631.20)			2,611.36
Body Armor Grant - State.....	FY12			6,890.56	(6,890.56)			-
Parks Recreation & Community Service								
Clean Communities.....	FY12	51,268.85			(22,452.79)			28,816.06
Clean Communities.....	FY11	15,081.40			(15,081.40)			-
Clean Communities.....	FY13		50,477.62		(175.00)			50,302.62
Municipal Alliance.....	FY12	18,236.68		14,547.50	(32,784.18)			-
Municipal Alliance.....	FY13		15,625.00	40,852.50	(34,057.19)		(1,905.00)	20,515.31
Green Communities.....	FY13			3,000.00			(3,000.00)	-
Public Works:								
Recycling Tonnage Grant.....	FY11	59,539.72		15,000.00	(58,160.16)		(15,000.00)	1,379.56
Recycling Tonnage Grant.....	FY12	85,189.93			(3,002.50)			82,187.43
Recycling Tonnage Grant.....	FY10			32,855.48	(2,365.48)		(30,490.00)	-
Recycling Tonnage Grant.....	FY13			110,321.59				110,321.59
Stormwater Regulation Management.....	FY06	7,673.74			(3,447.55)			4,226.19
Municipal Court								
Alcohol Education & Enforce Fund.....	FY12	2,588.87			(958.06)			1,630.81
Alcohol Education & Enforce Fund.....	FY11	1,541.94			(1,541.94)			-
Alcohol Education & Enforce Fund.....	FY13		2,806.08					2,806.08
Total - State Grants.....		515,224.31	219,015.77	161,416.65	332,798.29	(638,840.22)	(197.33)	(261,558.95)
								327,858.52

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

		June 30, 2012	Budget Adopted	NJSA 40A:4-87	June 30, 2012 Encumbrances	Paid or Charged	Canceled	June 30, 2013 Encumbrances	June 30, 2013
FEDERAL GRANTS									
Community Development:									
Safe Routes to Schools.....	FY10	100,116.00			2,826.50			(2,826.50)	100,116.00
Public Safety:									
Bullet Proof Vest Grant - Federal.....	FY13			7,350.00		(4,631.30)			2,718.70
Bullet Proof Vest Grant - Federal.....	FY12				6,650.00	(6,650.00)			-
COPS in Shops.....	FY13			1,200.00		(1,200.00)			-
Drive Sober or Get Pulled Over.....	FY13		4,400.00	4,400.00		(8,750.00)	(50.00)		-
BJA Congressionally Selected Video Surv.Progr	FY11	168,000.00			1,525.00	(20,250.00)		(94,946.00)	54,329.00
FEMA.....	FY13		28,000.00			(21,122.73)		(725.00)	6,152.27
Parks Recreation & Community Service									
Fed/County - Senior Center Congregate Meals	FY13			16,500.00		(6,119.16)		(356.82)	10,024.02
Fed/County - Senior Center Transportation	Gran FY12	8,120.00				(8,120.00)			-
Fed/County - Senior Center Transportation	Gran FY13			5,000.00		(5,000.00)			-
Fed/County - Senior Outreach Program.....	FY13			9,500.00		(7,026.00)			2,474.00
Public Works									
Energy Efficiency Conserv. Block Grant.....	FY10				62.92	(62.92)			-
Total - Federal Grants.....		276,236.00	32,400.00	43,950.00	11,064.42	(88,932.11)	(50.00)	(98,854.32)	175,813.99
Other/County/Local Grants:									
County - Heritage Day.....	FY13			6,642.00					6,642.00
County - Heritage Day.....	FY12	6,300.00				(6,300.00)			-
Middlesex County Economic Growth-Lights	FY11	1,113.80			3,710.50			59.50	4,883.80
Open Space - Recreation Pedestrian/Bicycle...	FY07	224.00			75,585.50			(75,809.50)	-
Bristol Myers Squibb Abilities Council.....	FY12	2,500.00				(746.58)			1,753.42
Bristol Myers Squibb - Abilities Council.....	FY13			2,000.00					2,000.00
Bristol Myers Squibb - Abilities Council.....	FY11	864.39				(864.39)			-
Cablevision Grant.....	FY06	8,888.88				(8,888.88)			-
NJ Clean Energy - Boiler.....	FY11				2,350.00	(2,350.00)			-
MCPO Task Force.....	FY12	3,000.00				(3,000.00)			-
MCPO Community Concerns.....	FY13		5,000.00			(3,367.59)	(1,632.41)		-
ANJEC Sustainable Land Use Planning.....	FY13		15,000.00			(3,737.00)		(11,213.00)	50.00
MC Streetscape - Livingston Avenue.....	FY12	100,000.00							100,000.00
Total - Other/County/Local Grants.....		122,891.07	20,000.00	8,642.00	81,646.00	(29,254.44)	(1,632.41)	(86,963.00)	115,329.22
TOTAL - ALL Grants		\$ 914,351.38	\$ 271,415.77	\$ 214,008.65	\$ 425,508.71	\$ (757,026.77)	\$ (1,879.74)	\$ (447,376.27)	\$ 619,001.73
	Ref.	A	A-3,A-17	A-3,A-17	A	A-4	A-17	A	A

Adopted Budget..... \$ 271,415.77
Amended..... 214,008.65
Total..... \$ 485,424.42

STATE & FEDERAL GRANT FUND
SCHEDULE OF INTERFUND CURRENT FUND / GRANT FUND

	<u>Ref.</u>		
Interfund Balance (Due Current Fund) June 30, 2012.....	A		\$ (137,066.00)
Increased by			
Cash Disbursed from Grant Fund to Current Fund.....	A-1, A-4	137,066.00	
Interfund - Due to Current Fund.....	A-4	2,934.00	
Local Match Requirement			
Appropriated Reserves.....	A-16	485,424.42	
Less Grant Revenues.....	A-15	(450,414.92)	
Local Match Requirement.....	A-4	<u>35,009.5</u>	
Total Increases.....			175,009.50
Decreased by			
Adjustments			
Appropriated Reserves Canceled.....	A-16	(1,879.74)	
Grant Receivables Adjustment.....	A-15	(2,934.00)	
Grant Receivables Canceled.....	A-15	<u>1,879.74</u>	
Net Adjustments.....	A-1		(2,934.00)
Cash Disbursed from Current Fund to Grant Fund.....	A-4	<u>(35,009.50)</u>	
Total Decreases.....			(37,943.50)
<hr/>			
Interfund Balance (Due Current Fund) June 30, 2013	A		\$ 0.00

Trust Fund

TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE

Description	Confirmation			Balance	
	Date	Installments	Due Dates	06/12/13	&'06/30/
<u>Assessments Receivable</u>					
Georges Road / Route #1 - Water.....	12/8/81	10	12/8/1981-1990	\$	371.00
Total Assessments Receivable.....					<u>371.00</u>
<u>Assessment Liens</u>					
Maple Meade - Sewer.....	11/12/72				255.00
Maple Meade/Church Lane - Sewer...	8/21/74				396.00
East Adams - Sewer.....	11/15/76				13,763.00
Adams Lane - Water.....	7/7/75				34,791.00
East Adams - Water.....	12/18/77				3,659.00
Linder, Evelyn & Thomas.....	6/19/78				3,666.00
Aaron Road - Section 1.....	12/3/83				1,278.00
Marigold - LaRose.....	12/28/77				2,654.00
Interest & Costs on Assessment Liens.....					<u>10,222.00</u>
Total Assessment Liens Receivable.....					<u>70,684.00</u>
Total Assessments & Assessment Liens Receivable.....				\$	<u><u>71,055.00</u></u>
			<u>Ref.</u>		B

TRUST FUND
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2012	Cash..... Receipts	Disbursements	Adjustments	Balance June 30, 2013
Animal Control Trust Fund					
Due NJ - Animal License Fees.....	\$ 1,060.00	\$ 2,716.60	\$ (2,741.00)	\$ (1,003.60)	\$ 32.00
Animal Control Reserves.....	17,860.77	16,817.80	(6,691.70)	1,003.60	28,990.47
Payroll					
Deductions Payable.....	11,150.86	21,040,853.04	(20,895,692.94)		156,310.96
Miscellaneous.....	17,732.54				17,732.54
Trust Assessment					
Fund Balance.....	42,750.00		(42,750.00)		
Recreation Trust.....	789,453.92	1,343,569.18	(1,290,009.60)		843,013.50
Developers' Escrow					
Inspections.....	428,536.70	169,701.06	(198,957.53)	(2,505.10)	396,775.13
Technical Review.....	251,987.84	544,993.21	(535,044.29)	(2,265.26)	259,671.50
Performance Bonds.....	1,034,459.58	32,872.02	(325,952.69)	(4,872.75)	736,506.16
Regional Contribution Agreement					
Affordable Housing Contribution, Phase II..	2,134,462.93	152.63	(2,133,172.80)		1,442.76
Growth Share Reserve.....	558,726.46	229.62	(425,346.80)		133,609.28
Other Trust Funds					
Finance					
NJ Unemployment.....	167,089.73	117,458.53	(104,742.87)		179,805.39
Terminal Leave.....	323,497.89	313,000.00	(482,524.73)		153,973.16
Tax Sale - Premium on TTL.....	977,200.00	684,300.00	(448,200.00)		1,213,300.00
Open Space					
Dedicated Tax Levy - Open Space.....	196,096.85	925,381.19	(890,516.35)		230,961.69
Developer Parkland Improvements.....	21,318.69	47,500.00			68,818.69
Tree Preservation.....	204,366.30				204,366.30
Program Income.....	47,337.07	16,414.90	(2,722.00)		61,029.97
Public Safety					
Forfeited Funds.....	32,443.16	55,439.68			87,882.84
Seized Funds.....	968.00				968.00
Unclaimed Funds.....	6,502.80				6,502.80
Miscellaneous.....	8,477.36	620,309.13	(618,834.50)		9,951.99
Uniform Fire Code.....	60,269.57	31,516.00	(60.00)		91,725.57

TRUST FUND
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2012	Cash..... Receipts	Disbursements	Adjustments	Balance June 30, 2013
Animal Control Trust Fund					
Due NJ - Animal License Fees.....	\$ 1,060.00	\$ 2,716.60	\$ (2,741.00)	\$ (1,003.60)	\$ 32.00
Animal Control Reserves.....	17,860.77	16,817.80	(6,691.70)	1,003.60	28,990.47
Payroll					
Deductions Payable.....	11,150.86	21,040,853.04	(20,895,692.94)		156,310.96
Miscellaneous.....	17,732.54				17,732.54
Trust Assessment					
Fund Balance.....	42,750.00		(42,750.00)		
Recreation Trust.....	789,453.92	1,343,569.18	(1,290,009.60)		843,013.50
Developers' Escrow					
Inspections.....	428,536.70	169,701.06	(198,957.53)	(2,505.10)	396,775.13
Technical Review.....	251,987.84	544,993.21	(535,044.29)	(2,265.26)	259,671.50
Performance Bonds.....	1,034,459.58	32,872.02	(325,952.69)	(4,872.75)	736,506.16
Regional Contribution Agreement					
Affordable Housing Contribution, Phase II..	2,134,462.93	152.63	(2,133,172.80)		1,442.76
Growth Share Reserve.....	558,726.46	229.62	(425,346.80)		133,609.28
Other Trust Funds					
Finance					
NJ Unemployment.....	167,089.73	117,458.53	(104,742.87)		179,805.39
Terminal Leave.....	323,497.89	313,000.00	(482,524.73)		153,973.16
Tax Sale - Premium on TTL.....	977,200.00	684,300.00	(448,200.00)		1,213,300.00
Open Space					
Dedicated Tax Levy - Open Space.....	196,096.85	925,381.19	(890,516.35)		230,961.69
Developer Parkland Improvements.....	21,318.69	47,500.00			68,818.69
Tree Preservation.....	204,366.30				204,366.30
Program Income.....	47,337.07	16,414.90	(2,722.00)		61,029.97
Public Safety					
Forfeited Funds.....	32,443.16	55,439.68			87,882.84
Seized Funds.....	968.00				968.00
Unclaimed Funds.....	6,502.80				6,502.80
Miscellaneous.....	8,477.36	620,309.13	(618,834.50)		9,951.99
Uniform Fire Code.....	60,269.57	31,516.00	(60.00)		91,725.57

TRUST FUND
SCHEDULE OF PAYROLL LIABILITIES

	Balance June 30, 2012	Cash..... Receipts	Disbursements	Balance June 30, 2013
Miscellaneous.....	\$ 17,732.54			\$ 17,732.54
Federal and State Taxes				
Federal Withholding.....		2,561,771.95	(2,561,771.95)	
Social Security/Medicare.....	540.92	2,531,573.37	(2,531,573.37)	540.92
NJ State Withholding.....	37.75	721,149.84	(721,149.84)	37.75
NJ Unemployment.....	9,466.12	37,999.91	(47,466.48)	(0.45)
PA State Withholding.....	227.99	1,981.40	(2,075.05)	134.34
Pension				
Police & Fire Pension.....	(1.57)	1,214,228.03	(1,117,031.99)	97,194.47
Public Employees Pension.....	879.65	671,136.06	(613,611.78)	58,403.93
Deferred Compensation (IRS 457).....		506,210.88	(506,210.88)	
Garnishments - Wage Attachments.....		54,190.13	(54,190.13)	
Union Dues.....		79,624.08	(79,624.08)	
Employee Medical Premium Cost Sharing.....		420,493.33	(420,493.33)	
Life & Disability Insurance.....		107,860.15	(107,860.15)	
Net Pay.....		12,132,633.91	(12,132,633.91)	
Total - Payroll Liabilities.....	11,150.86	21,040,853.04	(20,895,692.94)	156,310.96
Total - Payroll Trust Fund.....	\$ 28,883.40	\$ 21,040,853.04	\$ (20,895,692.94)	\$ 174,043.50
	B, B-2	B-2	B-2	B, B-2

General Capital Fund

GENERAL CAPITAL FUND
SCHEDULE OF CASH AND INVESTMENTS

	<u>Ref.</u>	
Balance June 30, 2012.....	C	\$ 10,443,505.39
Increased by Receipts:		
Capital Improvement Fund.....	C-9, A-3	156,075.00
Deferred Charges, Unfunded		
Current Fund Appropriation.....	C-5, A-3	37,000.00
Retire Notes.....	C-5, A-3	155,828.00
Bonds Issued.....	C-5	13,455,750.00
Proceeds from Issuing Debt		
Sale of Bond Anticipation Notes.....	C-8	4,550,078.00
Premium on Sale of Notes.....	C-1	95,180.01
Reserve to Retire Debt -		
Interest Earned - Soil Remediation.....	C-10	<u>54,652.95</u>
Total Receipts.....		18,504,563.96
Decreased by Disbursements:		
Redemption of Bond Anticipation Notes....	C-8	(15,471,578.00)
Improvement Authorizations.....	C-6	(3,768,506.92)
Surplus Anticipated in Current Fund.....	C-1	(200,000.00)
Reserve to Retire Debt -		
Current Fund Revenue.....	C-10	<u>(213,813.00)</u>
Total Disbursements.....		<u>(19,653,897.92)</u>
Balance June 30, 2013.....	C	<u><u>\$ 9,294,171.43</u></u>

Analysis of Cash Balance

Soil Remediation Account.....	\$ 4,898,349.76
General Account.....	4,395,821.67
	<u> </u>
Total Cash.....	<u><u>\$ 9,294,171.43</u></u>

GENERAL CAPITAL
SCHEDULE OF ANALYSIS OF CASH

Ord.	Description	Ref	Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Notes Outstanding	Other	Cash Balance
88-16	Fire Fighting Equipment.....		\$ (47,000.00)					\$ (47,000.00)
00-27	Acquisition of Lands.....		(5,040,000.00)	\$ 1,863,866.36	\$ 42,766.29	\$ 4,590,000.00	\$ 359,008.00	1,815,640.65
02-24	Fire Communications System.....			16,417.00				16,417.00
02-38	Various Capital Improvements.....			16,577.93	431.10			17,009.03
03-12	Refunding Unfunded Pension Liability....			14,094.33				14,094.33
03-13	Refunding of the Outstanding FYABs.....			3,050.00				3,050.00
03-30	Various Capital Improvements.....			30,458.14	284.20			30,742.34
04-05	High School/Vets Park Soil Remediation..		(4,720,594.00)	1,899,236.64	77,070.48	3,720,594.00	3,419,514.55	4,395,821.67
04-26	Otken Farm Improvements.....				90,821.26			90,821.26
04-27	UCC Scanning/Indexing System.....				57,007.33			57,007.33
04-28	Various Capital Improvements.....			84,204.16				84,204.16

GENERAL CAPITAL
SCHEDULE OF ANALYSIS OF CASH

Ord.	Description	Ref	Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Notes Outstanding	Other	Cash Balance
05-15	Various Capital Improvements.....				90,795.58			90,795.58
06-15	Various Capital Improvements.....			10,901.57	184,548.86			195,450.43
07-22	Various Capital Improvements.....			2,685.65	20,119.69			22,805.34
08-23	Various Capital Improvements.....			149,135.32	113,701.20			262,836.52
09-16	Various Capital Improvements.....		(3,325,000.00)		295,779.12	2,807,906.00		(221,314.88)
09-22	Acquisition of Pulda Farm.....		(11,210,000.00)	1,871,270.55		11,210,000.00	50,403.00	1,921,673.55
10-06	Capital Items.....		(475,000.00)	245,280.32	213,460.00			(16,259.68)
10-23	Various Capital Improvements.....		(2,850,000.00)	27,650.00	37,345.49	2,850,000.00		64,995.49
11-16	Various Capital Improvements.....		(3,325,000.00)	51,104.62	1,862,818.16	1,700,000.00		288,922.78
12-13	Various Capital Improvements.....		(2,965,425.00)	305,244.62	2,618,544.64			(41,635.74)
	Capital Improvement Fund.....	C-10					342.00	342.00
	Fund Balance.....	C-1					247,752.27	247,752.27
Total.....			\$ (33,958,019.00)	\$ 6,591,177.21	\$ 5,705,493.40	\$ 26,878,500.00	\$ 4,077,019.82	\$ 9,294,171.43
		<u>Ref.</u>	C, C-5	C, C-6	C, C-6	C, C-8	C, C-1, C-10	C, C-2

GENERAL CAPITAL
SCHEDULE OF DEFERRED CHARGES - FUNDED

	Total Funded Deferred Charges	Serial Bonds
Balance - June 30, 2012.....	\$ 36,024,000.00	\$ 36,024,000.00
Serial Bonds/Loans paid from Budget Appropriation.....	(4,460,000.00)	(4,460,000.00)
Serial Bond Refunded.....	(5,400,000.00)	(5,400,000.00)
Serial Bond Issued.....	13,455,750.00	13,455,750.00
Refunded Bonds Issued.....	5,235,000.00	5,235,000.00
Balance - June 30, 2013.....	\$ 44,854,750.00	\$ 44,854,750.00
<u>Ref.</u>	<u>C</u>	<u>C-7</u>

GENERAL CAPITAL
SCHEDULE OF DEFERRED CHARGES - UNFUNDED

Ord.	Description	Balance June 30, 2012	Authorizations	Authorizations Canceled	Reduced	Balance June 30, 2013	Financed by Bond Anticipation Notes	Cash Expended (Deficit)	Unfunded Balance of Improvement Authorization
88-16	Fire Fighting Equipment.....	\$ 84,000.00		\$	(37,000.00)	\$ 47,000.00		\$ (47,000.00)	
00-27	Acquisition of Lands.....	5,200,000.00			(160,000.00)	5,040,000.00	\$ (4,590,000.00)	1,413,866.36	\$ (1,863,866.36)
04-05	High School/Vets Park - Soil Remediation.....	4,877,316.00			(156,722.00)	4,720,594.00	(3,720,594.00)	899,236.64	(1,899,236.64)
04-28	Various Capital Improvements.....	360,000.00			(360,000.00)	-	-		
06-15	Various Capital Improvements.....	5,683,100.00		\$ (1,700,000.00)	(3,983,100.00)	-	-		
07-01	Various Capital Improvements.....	1,654,227.00			(1,654,227.00)	-	-		
07-22	Various Capital Improvements.....	3,658,423.00			(3,658,423.00)	-	-		
08-23	Various Capital Improvements.....	3,800,000.00			(3,800,000.00)	-	-		
09-16	Various Capital Improvements....	3,325,000.00				3,325,000.00	(2,807,906.00)	(517,094.00)	
09-22	Acquisition of Pulda Farm.....	11,210,000.00				11,210,000.00	(11,210,000.00)		
10-06	Capital Items.....	475,000.00				475,000.00		(229,719.68)	(245,280.32)
10-23	Various Capital Improvements.....	2,850,000.00				2,850,000.00	(2,850,000.00)		
11-16	Various Capital Improvements.....	3,325,000.00				3,325,000.00	(1,700,000.00)	(1,573,895.38)	(51,104.62)
12-13	Various Capital Improvements.....		2,965,425.00			2,965,425.00		(2,660,180.38)	(305,244.62)
Total.....		\$ 46,502,066.00	\$ 2,965,425.00	\$ (1,700,000.00)	\$ (13,809,472.00)	\$ 33,958,019.00	\$ (26,878,500.00)	\$ (2,714,786.44)	\$ (4,364,732.56)
	Ref.	C	C-6	C-6		C	C-8		
Current Fund Appropriation									
	Debt Service.....		C-2	\$	(37,000.00)				
	BAN's Principal.....		C-2		(155,828.00)				
	Sub-total.....				(192,828.00)				
	Trust - UCC.....		C-2		(13,455,750.00)				
	Adj - Prior Year BAN Principal Payment.....		C-1		(894.00)				
	Reserve to Retire Debt.....		C-10		(160,000.00)				
	Total.....			\$	(13,809,472.00)				
Improvement Authorization Unfunded									
	Less: Unexpended proceeds of BAN issued:								\$ 6,510,579.81
	04-28								(84,204.16)
	06-15								(10,901.57)
	07-22								(2,685.65)
	08-23								(149,135.32)
	09-22								(1,871,270.55)
	10-23								(27,650.00)
	Total								\$ 4,364,732.56

GENERAL CAPITAL
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Description	June 30, 2012		Authorized	Encumbrance June 30, 2012	Paid or Charged	Cancelled	Encumbrance June 30, 2013	June 30, 2013	
		Funded	Unfunded						Funded	Unfunded
97-24	Washington Place Drainage.....	\$ 4,502.52					\$ (4,502.52)			
99-29	Underground Storage Tanks.....	6,875.37				(6,875.37)				
00-27	Acquisition of Land.....		\$ 1,892,757.04		\$ 40,618.50	\$ (26,742.89)		\$ (42,766.29)		\$ 1,863,866.36
00-28	Various Street Improvements.....	76,082.81			478.80	(76,561.61)				
01-19	Various Capital Improvements.....	185.39				(185.39)				
02-24	Fire Communications System, Parks Improvements & Playground Equipment.....	85,461.93				(69,044.93)			16,417.00	
02-38	Various Capital Improvements.....	24,655.06				106.10	(7,752.13)	(431.10)	16,577.93	
03-12	Refunding Pension Liability.....	14,094.33							14,094.33	
03-13	Refunding of FYABs.....	3,050.00							3,050.00	
03-30	Various Capital Improvements.....	39,036.00				(8,293.66)		(284.20)	30,458.14	
04-05	High School / Vets Park Soil Remediation.....		2,061,124.82		18,080.26	(102,897.96)		(77,070.48)		1,899,236.64
04-26	Otken Farm Improvements.....				92,439.01	(1,617.75)		(90,821.26)		
04-27	UCC Scan/Index System.....	70,962.33				(13,955.00)		(57,007.33)		
04-28	Various Capital Improvements....		115,079.31			(30,875.15)				84,204.16
05-15	Various Capital Improvements....	161,424.44				(70,628.86)		(90,795.58)		
06-07	Various Capital Improvements....	11,198.25				(11,198.25)				
06-15	Various Capital Improvements....		1,686,800.73		363,380.48	(154,730.78)	(1,700,000.00)	(184,548.86)		10,901.57

GENERAL CAPITAL
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Description	June 30, 2012		Authorized	Encumbrance June 30, 2012	Paid or Charged	Cancelled	Encumbrance June 30, 2013	June 30, 2013	
		Funded	Unfunded						Funded	Unfunded
07-01	Various Streets & Roads.....		901.19		7,000.00	(7,901.19)				0.00
07-22	Various Capital Improvements....		106,254.49		77,801.86	(161,251.01)		(20,119.69)		2,685.65
08-23	Various Capital Improvements....		352,778.89		58,319.22	(148,261.59)		(113,701.20)		149,135.32
09-16	Various Capital Improvements....		285,540.38		135,942.12	(125,703.38)		(295,779.12)		
09-22	Acquisition of Pulda Farms.....		1,901,528.15			(30,257.60)				1,871,270.55
10-06	Capital Items.....	25,000.00	475,000.00			(41,259.68)		(213,460.00)		245,280.32
10-23	Capital Improvement.....		500.00		1,074,356.97	(1,009,861.48)		(37,345.49)		27,650.00
11-16	Various Capital Improvements....		1,650,989.09		1,735,732.44	(1,472,798.75)		(1,862,818.16)		51,104.62
12-13	Various Capital Improvements....			3,121,500.00		(197,710.74)		(2,618,544.64)		305,244.62
Total.....		\$ 522,528.43	\$ 10,529,254.09	\$ 3,121,500.00	\$ 3,604,149.66	\$ (3,768,506.92)	\$ (1,712,254.65)	\$ (5,705,493.40)	\$ 80,597.40	\$ 6,510,579.81
	<u>Ref.</u>	C	C		C	C-2		C	C	C
			<u>Ref.</u>							
	Capital Improvement Fund.....		C-9	\$ 156,075.00						
	Deferred Chgs Unfunded.....		C-5	2,965,425.00			\$ 1,700,000.00			
	Surplus.....		C-1				12,254.65			
	Total.....			<u>\$ 3,121,500.00</u>			<u>\$ 1,712,254.65</u>			

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/13		June 30, 2012	Bonds Issued	Budget Appropriation	June 30, 2013
			Date	Amount Rate				
General Obligation Bonds.....	1/1/02	3,794,000	01/01/14 01/01/15	450,000 4.650% 419,000 4.650%	1,319,000.00		(450,000.00)	869,000.00
General Obligation Bonds.....	12/15/03	6,000,000	08/15/13	500,000 3.500%	3,400,000.00		(2,900,000.00)	500,000.00
Refunding Bonds (ERI).....	5/15/03	2,075,000	08/15/13 08/15/14	200,000 4.750% 105,000 4.850%	505,000.00		(200,000.00)	305,000.00
Open Space Bonds.....	12/15/03	4,500,000	08/15/13	200,000 3.500%	3,400,000.00		(3,200,000.00)	200,000.00
General Obligation Bonds.....	11/17/04	3,000,000	08/15/13 08/15/14 08/15/15	300,000 3.500% 300,000 3.625% 300,000 3.700%	1,200,000.00		(300,000.00)	900,000.00
Refunding Bonds.....	4/1/06	5,075,000	04/01/14 04/01/15	405,000 4.250% 385,000 4.250%	1,605,000.00		(815,000.00)	790,000.00
General Obligation Bonds.....	11/1/06	4,205,000	11/01/13 11/01/14-21	340,000 3.875% 340,000 4.000%	3,355,000.00		(295,000.00)	3,060,000.00
Refunding Bonds.....	5/15/07	6,550,000			1,365,000.00		(1,365,000.00)	-

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/13			June 30, 2012	Bonds Issued	Budget Appropriation	June 30, 2013
			Date	Amount	Rate				
General Obligation Bonds.....	8/20/07	5,500,000	08/15/13	240,000	4.125%				
			08/15/14	415,000	4.200%				
			08/15/15	435,000	4.250%				
			08/15/16	450,000	4.250%				
			08/15/17-19	460,000	4.250%				
			08/15/20-22	465,000	4.250%	4,555,000.00		(240,000.00)	4,315,000.00
General Obligation.....	8/14/09	7,811,435	08/15/13	1,090,000	2.000%				
			08/15/14	526,000	2.000%				
			08/15/15	1,079,000	2.125%				
			08/15/16	584,000	2.375%				
			08/15/17	604,000	3.000%				
			08/15/18	627,000	3.000%				
			08/15/19	654,000	4.000%				
			08/15/20	681,000	4.000%				
			08/15/21	709,000	4.000%				
			08/15/22	739,435	4.000%	7,371,435.00		(78,000.00)	7,293,435.00
Open Space.....	8/14/09	8,045,565	08/15/13	241,000	2.000%				
			08/15/14	116,000	2.000%				
			08/15/15	238,000	2.125%				
			08/15/16	129,000	2.375%				
			08/15/17	133,000	3.000%				
			08/15/18	138,000	3.000%				
			08/15/19	145,000	4.000%				
			08/15/20	151,000	4.000%				
			08/15/21	156,000	4.000%				
			08/15/22	163,565	4.000%				
			08/15/23	774,000	4.000%				
			08/15/24	809,000	4.000%				
			08/15/25	852,000	4.000%				
			08/15/26	898,000	4.000%				
			08/15/27	945,000	4.000%				
			08/15/28	995,000	4.000%				
			08/15/29	1,048,000	4.000%	7,948,565.00		(17,000.00)	7,931,565.00

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/13			June 30, 2012	Bonds Issued	Budget Appropriation	June 30, 2013
			Date	Amount	Rate				
General Obligation.....	8/8/12	13,455,750	08/01/13	530,000	1.500%				
			08/01/14	1,060,000	2.000%				
			08/01/15	905,000	2.000%				
			08/01/16	920,000	2.000%				
			08/01/17	850,000	2.000%				
			08/01/18	1,035,000	2.000%				
			08/01/19	1,060,000	2.000%				
			08/01/20	635,000	2.000%				
			08/01/21	690,000	2.000%				
			08/01/22	925,000	2.000%				
			08/01/23	920,000	2.125%				
			08/01/24	1,000,000	2.125%				
			08/01/25	1,000,000	2.250%				
			08/01/26	1,030,000	2.375%				
			08/01/27	895,750	2.500%		13,455,750.00		13,455,750.00
General Obligation Refunding ...	9/12/12	2,275,000	08/15/14	580,000	2.000%				
			08/15/15	570,000	3.000%				
			08/15/16	565,000	3.000%				
			08/15/17	560,000	4.000%		2,275,000.00		2,275,000.00
Open Space Refunding	9/12/12	2,960,000	08/15/14	205,000	2.000%				
			08/15/15	205,000	3.000%				
			08/15/16	200,000	3.000%				
			08/15/17	200,000	4.000%				
			08/15/18	200,000	4.000%				
			08/15/19	200,000	4.000%				
			08/15/20	200,000	4.000%				
			08/15/21	200,000	4.000%				
			08/15/22	200,000	4.000%				
			08/15/23	200,000	3.000%				
			08/15/24	195,000	3.000%				
			08/15/25	195,000	2.500%				
			08/15/26	190,000	3.000%				
			08/15/27	185,000	2.750%				
			08/15/28	185,000	2.750%		2,960,000.00		2,960,000.00
Total						\$ 36,024,000.00	18,690,750.00	\$ (9,860,000.00)	\$ 44,854,750.00
			Ref.			C			C
			Serial Bonds Refunded.....	C-4		\$ 5,235,000.00	\$ 5,400,000.00		
			Issued for Cash.....	C-5		13,455,750.00			
			Paid by Budget Appropriation.....	C-4			4,460,000.00		

GENERAL CAPITAL
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities			Notes Outstanding June 30, 2012	New Financing	BAN's Not Re-issued	Notes Outstanding June 30, 2013
		Interest Rate	Issue Date	Maturity Date				
00-27	Land Acquisition.....	1.50%	8/8/12	8/7/13	\$ 4,750,000.00		\$ (160,000.00)	\$ 4,590,000.00
04-05	High School / Vets Park Soil Remediation.....	1.50%	8/8/12	8/7/13	3,876,422.00		(155,828.00)	3,720,594.00
04-28	Various Capital Improvements	1.50%	8/8/12	8/7/13	360,000.00		(360,000.00)	-
06-15	Various Capital Improvements..	1.50%	8/8/12	8/7/13	5,683,100.00		(5,683,100.00)	-
07-01	Various Streets & Roads.....	1.50%	8/8/12	8/7/13	1,654,227.00		(1,654,227.00)	-
07-22	Various Capital Improvements..	1.50%	8/8/12	8/7/13	3,658,423.00		(3,658,423.00)	-
08-23	Various Capital Improvements..	1.50%	8/8/12	8/7/13	3,800,000.00		(3,800,000.00)	-
09-22	Land Acquisition.....	1.50%	8/8/12	8/7/13	11,210,000.00			11,210,000.00
09-16	Various Capital Improvements	1.50%	8/8/12	8/7/13	2,807,828.00	78.00		2,807,906.00
10-23	Various Capital Improvements	1.50%	8/8/12	8/7/13		2,850,000.00		2,850,000.00
11-16	Various Capital Improvements	1.50%	8/8/12	8/7/13		1,700,000.00		1,700,000.00
Total.....					<u>\$ 37,800,000.00</u>	<u>\$ 4,550,078.00</u>	<u>\$(15,471,578.00)</u>	<u>\$ 26,878,500.00</u>
					<u>Ref.</u>	<u>C</u>	<u>C-2</u>	<u>C</u>

GENERAL CAPITAL
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance June 30, 2012	C	\$ 342.00
Increased by Receipts:		
Current Fund Budget Appropriation.....	A-3, C-2	156,075.00
Appropriated to Fund Improvement Authorizations	C-6	(156,075.00)
Balance June 30, 2013.....	C	<u><u>\$ 342.00</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL FUND RESERVE TO RETIRE DEBT

	Ordinance Number	Balance June 30, 2012	Increases Cash Receipts	Decreases	Balance June 30, 2013
<hr/>					
Reserve to Retire Debt					
High School/Vets Park Soil Remediation.....	2004-05	\$ 3,578,674.60	\$ 54,652.95	\$ (213,813.00)	\$ 3,419,514.55
Land Acquisition.....	2000-27	519,008.00		(160,000.00)	359,008.00
Land Acquisition.....	2009-22	50,403.00			50,403.00
		<hr/>			
Total.....		\$ 4,148,085.60	\$ 54,652.95	\$ (373,813.00)	\$ 3,828,925.55
	<u>Ref.</u>	C	C-2	C-2	C
<hr/>					
2004-05 Interest Earned - Soil Remediation.....			54,652.95		
2000-27 State Green Acres Grant.....				160,000.00	
2004-05 Bond Anticipaion Notes.....				213,813.00	
			<hr/>		
Total.....			\$ 54,652.95	\$ 373,813.00	
			C-2	C-2, C-5	

GENERAL CAPITAL FUND
SCHEDULE OF BONDS & NOTES AUTHORIZED BUT NOT ISSUED

Ord.	Description	Balane June 30, 2012	FY 2013 Authorizaions	Notes Redeemed	Budget Appropriation	Authorizations Canceled	BAN'S Issued	Bonds Issued/ Adjustment	Balane June 30, 2013
1988-16	Fire Fighting Equipment.....	\$ 84,000.00			\$ (37,000.00)				\$ 47,000.00
2000-27	Acquisition of Lands.....	450,000.00		\$ 4,750,000.00	(160,000.00)		\$ (4,590,000.00)		450,000.00
2004-05	High School/Vets Park Soil Remediation...	1,000,000.00		3,876,422.00	(155,828.00)		(3,720,594.00)		1,000,000.00
2004-28	Various Capital Improvements.....			360,000.00				\$ (360,000.00)	
2006-15	Various Capital Improvements.....			5,683,100.00		\$ (1,700,000.00)		(3,983,100.00)	
2007-01	Various Streets & Roads.....			1,654,227.00				(1,654,227.00)	
2007-22	Various Capital Improvements.....			3,658,423.00				(3,658,423.00)	
2008-23	Various Capital Improvements.....			3,800,000.00				(3,800,000.00)	
2009-16	Various Capital Improvements.....	517,172.00		2,807,828.00			(2,807,906.00)		517,094.00
2009-22	Pulda Farm Acquisition.....			11,210,000.00			(11,210,000.00)		
2010-06	Capital Items.....	475,000.00							475,000.00
2010-23	Various Capital Improvements.....	2,850,000.00					(2,850,000.00)		
2011-16	Various Capital Improvements.....	3,325,000.00					(1,700,000.00)		1,625,000.00
2012-13	Various Capital Improvements.....		\$ 2,965,425.00						2,965,425.00
Total.....		\$ 8,701,172.00	\$ 2,965,425.00	\$ 37,800,000.00	\$ (352,828.00)	\$ (1,700,000.00)	\$ (26,878,500.00)	\$ (13,455,750.00)	\$ 7,079,519.00
		Ref. C			A-3, C-5				C

Water Utility Fund

WATER UTILITY OPERATING AND CAPITAL FUNDS
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Assessment</u>	<u>Capital</u>
Cash Balance June 30, 2012.....	D	\$ 2,492,826.37	\$ 385,449.38	\$ 1,211,541.79
Increased by Cash Receipts				
Premium on BAN Sale.....	D-2			12,930.00
Revenues Collected.....	D-4	6,783,055.32		
Collector.....	D-20		228,070.98	
Bond Anticipation Notes.....	D-15			1,000,000.00
Bond Issued.....	D-12			1,500,000.00
Total Cash Receipts.....		6,783,055.32	228,070.98	2,512,930.00
Decreased by Disbursements				
Bond Anticipation Notes.....	D-15			(2,500,000.00)
Due Water Capital/Operating.....	D			
Accounts Payable.....	D-10	(19,116.37)		
Appropriation Reserves.....	D-10	(91,075.82)		
Budget Appropriations.....	D-5	(6,477,136.99)		
Assessment Serial Bonds.....	D-22		(90,000.00)	
Assessment Trust Fund Surplus.....	D-3		(147,928.00)	
Improvement Authorizations.....	D-11			(560,709.57)
Total Cash Disbursements.....		(6,587,329.18)	(237,928.00)	(3,060,709.57)
Cash Balance June 30, 2013	D	\$ 2,688,552.51	\$ 375,592.36	\$ 663,762.22

WATER CAPITAL UTILITY FUND
ANALYSIS OF CASH BALANCE

	Deferred Charges	Improvement Authorizations	Reserve for Encumbrances	Other	Balance June 30, 2013
<u>Improvement Authorizations</u>					
05-16 Water Distribution System.....		\$ 1,314.50	\$ 5,127.09		\$ 6,441.59
06-16 Water Distribution System.....	-		445.49		445.49
07-20 Water Treatment Plant.....	\$ (360,502.00)	596,546.00	5,000.00		241,044.00
07-24 Water Distribution System.....	-	800.62			800.62
08-22 Water Distribution System.....	-		252,506.22		252,506.22
07-24/11-04 Water Distribution System.....	-	(800.62)	27,337.83		26,537.21
11-18 Water Distribution System.....	(1,000,000.00)	347,045.95	305,863.04		(347,091.01)
12-14 Water Distribution System.....	(1,000,000.00)	695,000.36	304,999.64		
Reserve, Water System Improvements.....				\$ 30,900.00	30,900.00
Capital Improvement Fund.....				89,067.59	89,067.59
Fund Balance.....				363,110.51	363,110.51
<hr/>					
Total.....	\$ (2,360,502.00)	\$ 1,639,906.81	\$ 901,279.31	\$ 483,078.10	\$ 663,762.22
		D, D-11	D, D-11	D	D

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Balance - June 30, 2013 & 2012.....	<u>Ref.</u> D	<u>\$ 30,065,994.03</u>
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WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED BUT NOT COMPLETED

Ord.	Improvement Description	Balance June 30, 2012	SFY 2013 Authorization	Balance June 30, 2013
<hr/>				
03-31	Water Distribution System.....	\$ 222,695.56		\$ 222,695.56
05-16	Water Distribution System.....	2,000,000.00		2,000,000.00
06-16	Water Distribution System.....	1,500,000.00		1,500,000.00
07-20	Water Treatment Plant.....	19,000,000.00		19,000,000.00
07-24	Water Distribution System.....	2,150,000.00		2,150,000.00
08-22	Water Distribution System.....	1,000,000.00		1,000,000.00
07-24/11-04	Water Distribution System.....	100,000.00		100,000.00
11-18	Water Distribution System.....	1,000,000.00		1,000,000.00
12-14	Water Distribution System.....		1,000,000.00	1,000,000.00
Total.....		<u>\$ 26,972,695.56</u>	<u>\$ 1,000,000.00</u>	<u>\$ 27,972,695.56</u>
	Ref.	D	D-11	D, D-11

WATER UTILITY OPERATING FUND
SCHEDULE OF SFY 2012 APPROPRIATION RESERVES/ACCOUNTS PAYABLE

	June 30, 2012	June 30, 2012 Encumbrances	Paid or Charged	Overexpenditure
Operating - S & W.....	\$ 2,914.19			\$ 2,914.19
Operating - Other Expenses.....	20,087.22	71,437.80	(102,179.36)	(10,654.34)
Reclass - PO - Paid on 7/3/13.....			11,103.54	11,103.54
Total Water Utility Operating.....	\$ 23,001.41	\$ 71,437.80	\$ (91,075.82)	\$ 3,363.39

Ref.

D

D

D-1

Ref.

Cash Disbursements..... D-6 \$ (91,075.82)

Total Paid or Charged..... \$ (91,075.82)

Accounts Payable Analysis

Balance June 30, 2012.....	D	\$ 19,116.37
Cash Disbursements.....	D-6	(19,116.37)
Balance June 30, 2013	D	\$ -

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Original Appropriation	Description	June 30, 2012 Funded	June 30, 2012 Unfunded	SFY 2013 Authorizations	Encumbrances June 30, 2012	Paid or Charged	Encumbrances June 30, 2013	June 30, 2013 Unfunded
03-31	\$ 2,000,000	Water Distribution System...				\$ 2,101.40	\$ (2,101.40)		
05-16	2,000,000	Water Distribution System...				191,526.24	(185,084.65)	\$ (5,127.09)	\$ 1,314.50
06-16	1,500,000	Water Distribution System...				445.49		(445.49)	
07-20	19,000,000	Water Treatment Plant.....		\$ 596,546.00		5,000.00		(5,000.00)	596,546.00
07-24	2,150,000	Water Distribution System...		800.62					800.62
08-22	1,000,000	Water Distribution System...		666.77		278,271.96	(26,432.51)	(252,506.22)	
07-24/11-04	100,000	Water Distribution System...		26,537.21				(27,337.83)	(800.62)
11-18	1,000,000	Water Distribution System...		\$664,537.49		335,462.51	(347,091.01)	(305,863.04)	347,045.95
11-18	1,000,000	Water Distribution System...			\$ 1,000,000.00		-	(304,999.64)	695,000.36
	<u>\$ 29,750,000</u>	Total.....	\$ -	\$ 1,289,088.09	\$ 1,000,000.00	\$ 812,807.60	\$ (560,709.57)	\$ (901,279.31)	\$ 1,639,906.81
		<u>Ref.</u>	D	D	D-9	D	D-6	D	D

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	....OUTSTANDING MATURITIES....			.....INTEREST EXPENSE.....			
			Date	June 30, 2013 Principal	Rate	Interest Cash Payments	.....Accrued Interest.... Beginning	Ending	FY Budget Appropriation Interest
Ordinance 96-21.....	04/01/99	2,020,000	04/01/14	115,000	4.800%	37,610.00	(9,403.00)	8,023.00	36,230.00
			04/01/15	125,000	4.800%	32,090.00	(8,023.00)	6,523.00	30,590.00
			04/01/16	125,000	4.800%	26,090.00	(6,523.00)	5,023.00	24,590.00
			04/01/17	125,000	4.900%	20,090.00	(5,023.00)	3,491.00	18,558.00
			04/01/18	135,000	4.900%	13,965.00	(3,491.00)	1,838.00	12,312.00
			04/01/19	150,000	4.900%	7,350.00	(1,838.00)		5,512.00
Ordinance 03-31.....	11/01/06	2,000,000	11/01/13	90,000	3.875%	61,743.75	(10,581.25)	10,000.00	61,162.50
			11/01/14	95,000	4.000%	58,100.00	(10,000.00)	9,366.67	57,466.67
			11/01/15	95,000	4.000%	54,300.00	(9,366.67)	8,733.33	53,666.66
			11/01/16	100,000	4.000%	50,400.00	(8,733.33)	8,066.67	49,733.34
			11/01/17	105,000	4.000%	46,300.00	(8,066.67)	7,366.67	45,600.00
			11/01/18	110,000	4.000%	42,000.00	(7,366.67)	6,633.33	41,266.66
			11/01/19	115,000	4.000%	37,500.00	(6,633.33)	5,866.67	36,733.34
			11/01/20	115,000	4.000%	32,900.00	(5,866.67)	5,100.00	32,133.33
			11/01/21	120,000	4.000%	28,200.00	(5,100.00)	4,300.00	27,400.00
			11/01/22	125,000	4.000%	23,300.00	(4,300.00)	3,466.67	22,466.67
			11/01/23	130,000	4.000%	18,200.00	(3,466.67)	2,600.00	17,333.33
			11/01/24	130,000	4.000%	13,000.00	(2,600.00)	1,733.33	12,133.33
			11/01/25	130,000	4.000%	7,800.00	(1,733.33)	866.67	6,933.34
			11/01/26	130,000	4.000%	2,600.00	(866.67)		1,733.33

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	....OUTSTANDING MATURITIES....			.....INTEREST EXPENSE.....			
			Date	June 30, 2013 Principal	Rate	Interest Cash Payments	....Accrued Interest.... Beginning	Ending	FY Budget Appropriation Interest
Ordinance 5-16/6-16	08/14/09	2,000,000	08/15/13	60,000	2.000%	74,193.75	(28,048.00)	27,598.00	73,743.75
			08/15/14	29,000	2.000%	73,303.75	(27,598.00)	27,380.00	73,085.75
			08/15/15	59,000	2.125%	72,386.88	(27,380.00)	26,910.00	71,916.88
			08/15/16	32,000	2.375%	71,380.00	(26,910.00)	26,625.00	71,095.00
			08/15/17	33,000	3.000%	70,505.00	(26,625.00)	26,254.00	70,134.00
			08/15/18	35,000	3.000%	69,485.00	(26,254.00)	25,860.00	69,091.00
			08/15/19	36,000	4.000%	68,240.00	(25,860.00)	25,320.00	67,700.00
			08/15/20	37,000	4.000%	66,780.00	(25,320.00)	24,765.00	66,225.00
			08/15/21	39,000	4.000%	65,260.00	(24,765.00)	24,180.00	64,675.00
			08/15/22	41,000	4.000%	63,660.00	(24,180.00)	23,565.00	63,045.00
			08/15/23	192,000	4.000%	59,000.00	(23,565.00)	20,685.00	56,120.00
			08/15/24	201,000	4.000%	51,140.00	(20,685.00)	17,670.00	48,125.00
			08/15/25	211,000	4.000%	42,900.00	(17,670.00)	14,505.00	39,735.00
			08/15/26	224,000	4.000%	34,200.00	(14,505.00)	11,145.00	30,840.00
			08/15/27	235,000	4.000%	25,020.00	(11,145.00)	7,620.00	21,495.00
			08/15/28	248,000	4.000%	15,360.00	(7,620.00)	3,900.00	11,640.00
			08/15/29	260,000	4.000%	5,200.00	(3,900.00)		1,300.00
2011 Refunding Bond	12/22/11	10,252,500	04/01/14	897,500	2.000%	337,200.00	(86,362.50)	82,237.50	333,075.00
			04/01/15	915,000	2.000%	319,800.00	(82,237.50)	77,662.50	315,225.00
			04/01/16	932,500	2.000%	301,325.00	(77,662.50)	73,000.00	296,662.50
			04/01/17	955,000	3.000%	277,675.00	(73,000.00)	65,837.50	270,512.50
			04/01/18	987,500	3.000%	248,537.50	(65,837.50)	58,431.25	241,131.25
			04/01/19	1,015,000	3.000%	218,500.00	(58,431.25)	50,818.50	210,887.25
			04/01/20	1,052,500	4.000%	182,225.00	(50,818.50)	40,293.75	171,700.25
			04/01/21	1,095,000	4.000%	139,275.00	(40,293.75)	29,343.75	128,325.00
			04/01/22	1,145,000	5.000%	88,750.00	(29,343.75)	15,031.25	74,437.50
			04/01/23	1,202,500	5.000%	30,062.50	(15,031.25)		15,031.25

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	....OUTSTANDING MATURITIES....			.....INTEREST EXPENSE.....			
			Date	June 30, 2013 Principal	Rate	Interest Cash Payments	.....Accrued Interest.... Beginning	Ending	FY Budget Appropriation Interest
2012 Improvement Bond Ordinance 5-16/6-16	08/08/12	1,500,000	08/01/13	60,000	1.500%	33,700.00	(14,229.17)	13,854.17	33,325.00
			08/01/14	60,000	2.000%	32,650.00	(13,854.17)	13,354.17	32,150.00
			08/01/15	60,000	2.000%	31,450.00	(13,354.17)	12,854.17	30,950.00
			08/01/16	65,000	2.000%	30,200.00	(12,854.17)	12,312.50	29,658.33
			08/01/17	65,000	2.000%	28,900.00	(12,312.50)	11,770.83	28,358.33
			08/01/18	65,000	2.000%	27,600.00	(11,770.83)	11,229.17	27,058.33
			08/01/19	70,000	2.000%	26,250.00	(11,229.17)	10,645.83	25,666.67
			08/01/20	70,000	2.000%	24,850.00	(10,645.83)	10,062.50	24,266.67
			08/01/21	70,000	2.000%	23,450.00	(10,062.50)	9,479.17	22,866.67
			08/01/22	70,000	2.000%	22,050.00	(9,479.17)	8,895.83	21,466.67
			08/01/23	75,000	2.125%	20,553.13	(8,895.83)	8,231.78	19,889.07
			08/01/24	75,000	2.125%	18,959.38	(8,231.78)	7,567.69	18,295.30
			08/01/25	75,000	2.250%	17,318.75	(7,567.69)	6,864.58	16,615.64
			08/01/26	80,000	2.375%	15,525.00	(6,864.58)	6,072.92	14,733.33
			08/01/27	80,000	2.500%	13,575.00	(6,072.92)	5,239.58	12,741.67
			08/01/28	85,000	2.500%	11,512.50	(5,239.58)	4,354.17	10,627.08
			08/01/29	90,000	2.625%	9,268.75	(4,354.17)	3,369.79	8,284.38
			08/01/30	90,000	2.750%	6,850.00	(3,369.79)	2,338.54	5,818.75
			08/01/31	95,000	2.750%	4,306.25	(2,338.54)	1,250.00	3,217.71
			08/01/32	100,000	3.000%	1,500.00	(1,250.00)		250.00
			Ref.						
June 30, 2012 Balance.....			D	\$ 14,788,500.00					
Bonds Issued - 8/8/12.....			D-14	1,500,000.00					
Principal Payments.....			D-5,D-17	(254,000.00)					
June 30, 2013 Balance.....			D	\$ 16,034,500.00					

WATER UTILITY OPERATING AND CAPITAL FUNDS
SCHEDULE OF ACCRUED INTEREST ON BONDS & NOTES

	Ref.	Total Accrued Interest	Bond Anticipation Notes	Serial Bonds	MCIA Lease Purchase	Environmental Infrastructure Trust
Accrued Interest June 30, 2012.....	D	(335,361.34)	\$ (33,437.50)	\$ (136,374.88)		\$ (165,548.96)
Cash Payments - SFY 2013.....		1,101,336.88	37,397.03	544,887.85	\$ 20,312.50	390,517.50
Accrued Interest June 30, 2013.....	D	361,817.54	13,458.33	148,623.92		159,882.29
SFY 2013 Budget Expense.....		\$ 1,127,793.08	\$ 17,417.86	\$ 557,136.89	\$ 20,312.50	\$ 384,850.83

WATER CAPITAL
 SCHEDULE OF MIDDLESEX COUNTY IMPROVEMENT AUTHORITY
 WATER/SEWER-LEASE PAYMENT AMORTIZATION
 ORIGINAL ISSUE \$17,402,500 DATED OCTOBER 1, 2003

OUTSTANDING MATURITIES				.....INTEREST EXPENSE.....			
June 30, 2013				Interest	.....Accrued Interest.....		FY Budget
Date	Mgt/Trustee	Principal	Rate	Annual Cash	Beginning	Ending	Appropriation
				Payments			Interest

Balance - June 30, 2012.....	\$	812,500.00	<u>Ref.</u> D
Principal Payments.....		(812,500.00)	D-5,D-17
Balance - June 30, 2013.....	\$	<u>-</u>	D

WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2013			Notes Outstanding June 30, 2012	Increase	Decrease	Notes Outstanding June 30, 2013
		Interest Rate	Issue Date	Maturity Date				
05-16	Improvements to Water Distribution Syste	1.50%	8/11/11	8/9/12	\$ 1,000,000.00		\$ (1,000,000.00)	\$ -
06-16	Water Distribution System.....	1.50%	8/11/11	8/9/12	500,000.00		(500,000.00)	-
08-22	Water Distribution System.....	1.50%	8/8/12	8/7/13	1,000,000.00	1,000,000.00	(1,000,000.00)	1,000,000.00
Total.....					\$ 2,500,000.00		\$ (2,500,000.00)	\$ 1,000,000.00
					D	D-6	D-6	D

Calculation of Accrued Interest

	Total	Issued Date	
		8/8/12	8/7/13
Principal Outstanding.....		\$ 1,000,000.00	\$ 1,000,000.00
Interest Rate.....		1.25%	1.50%
Accrued Interest at June 30, 2013			13,458.33
SFY 2013 Budget Expense.....	-	-	13,458.33
Memo - Cash Interest at August 07, 2013 Maturity.....		\$	14,958.33

SCHEDULE OF WATER LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	OUTSTANDING MATURITIES June 30, 2013		.....INTEREST EXPENSE.....			
				Principal 8/1 Maturities	Rate	Interest Annual Cash Payments	Accrued Interest Beginning	Ending	FY Budget Appropriation Interest
Trust Loan Ordinance 07-20	11/8/07	\$ 9,700,000	2014	415,000.00	3.50%	376,455.00	(159,882.29)	153,830.21	370,402.92
			2015	430,000.00	3.60%	361,452.50	(153,830.21)	147,380.21	355,002.50
			2016	445,000.00	5.00%	342,587.50	(147,380.21)	138,109.38	333,316.67
			2017	465,000.00	5.00%	319,837.50	(138,109.38)	128,421.88	310,150.00
			2018	490,000.00	5.00%	295,962.50	(128,421.88)	118,213.54	285,754.17
			2019	515,000.00	5.00%	270,837.50	(118,213.54)	107,484.38	260,108.33
			2020	540,000.00	4.00%	247,162.50	(107,484.38)	98,484.38	238,162.50
			2021	560,000.00	4.00%	225,162.50	(98,484.38)	89,151.04	215,829.17
			2022	585,000.00	5.00%	199,337.50	(89,151.04)	76,963.54	187,150.00
			2023	610,000.00	5.00%	169,462.50	(76,963.54)	64,255.21	156,754.17
			2024	640,000.00	4.25%	140,612.50	(64,255.21)	52,921.88	129,279.17
			2025	670,000.00	4.50%	111,937.50	(52,921.88)	40,359.38	99,375.00
			2026	700,000.00	4.50%	81,112.50	(40,359.38)	27,234.38	67,987.50
			2027	730,000.00	4.50%	48,937.50	(27,234.38)	13,546.88	35,250.00
			2028	765,000.00	4.25%	16,256.25	(13,546.88)	-	2,709.38
		4.25%			16,256.25	-	16,256.25		
Trust Loan June 30, 2013 Balance.....				\$ 8,560,000.00					

SCHEDULE OF WATER LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	Annual	Rate	SEMI-ANNUAL PRINCIPAL	
						1-Aug	1-Feb
Fund Loan Ordinance 07-20	11/8/07	\$ 8,939,498	2014	492,730.88	0.00%	383,942.13	108,788.75
			2015	493,729.29	0.00%	388,837.42	104,891.87
			2016	498,284.03	0.00%	393,430.62	104,853.41
			2017	500,544.17	0.00%	399,045.57	101,498.60
			2018	497,255.93	0.00%	407,507.55	89,748.38
			2019	497,176.84	0.00%	415,574.11	81,602.73
			2020	498,015.13	0.00%	423,245.25	74,769.88
			2021	496,749.79	0.00%	429,065.83	67,683.96
			2022	496,227.84	0.00%	437,796.69	58,431.15
			2023	505,143.57	0.00%	444,360.66	60,782.91
			2024	494,871.14	0.00%	453,692.56	41,178.58
			2025	493,709.43	0.00%	464,068.37	29,641.06
			2026	494,187.47	0.00%	473,510.99	20,676.48
			2027	496,811.42	0.00%	482,526.56	14,284.86
			2028	494,278.60	0.00%	494,278.60	

Fund Loan June 30, 2013 Balance..... \$ 7,449,715.53

Ref.

June 30, 2012 NJEIT Loan Balance..... D \$ 16,904,853.28

Principal Payments..... D-5,D-17 (895,137.75)

June 30, 2013 NJEIT Loan Balance..... D \$ 16,009,715.53

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

Balance June 30, 2012.....	<u>Ref.</u> D	\$ 20,672,334.31
Principal Payments		
Serial Bonds.....	D-5,D-12	\$ 254,000.00
Lease Obligation.....	D-5,D-14	812,500.00
NJEIT Loan.....	D-5,D-16	895,137.75
Total Principal Payments.....		<u>1,961,637.75</u>
Balance June 30, 2013.....	D	<u>\$ 22,633,972.06</u>

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance June 30, 2013 and 2012.....	D	<u>\$ 89,067.59</u>
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WATER UTILITY CAPITAL FUND
RESERVE FOR WATER SYSTEM IMPROVEMENTS

	<u>Ref.</u>	
Balance June 30, 2013 and 2012.....	D	<u>\$ 30,900.00</u>

WATER ASSESSMENT FUND
SCHEDULE OF ASSESSMENTS & LIENS RECEIVABLE

Description	Ordinance Number	Confirmation Date	Annual Installments	Due Dates	Balance 06/30/12	Collected	Balance 06/30/13	Balance Pledged To	
								Assessment Bonds	Reserve
<u>Assessment Receivables</u>									
Prior Year Assessment Receivables					\$ 412.00		\$ 412.00		
Water Improvement - Belcourt at Hidden Lakes Condo Ass 07/24/11/04	10/3/11		4	12/1/11-2031	3,143,213.68	228,070.98	2,915,142.70	2,160,000.00	665,554.70
Total Assessments Receivable.....					3,143,625.68	228,070.98	2,915,554.70	2,160,000.00	665,554.70
<u>Assessment Liens</u>									
Interest & Costs on Assessment Liens.....					288.00		288.00		
Total Assessment Liens Receivable.....					288.00	-	288.00		
Total Assessments & Assessment Liens Receivable.....					\$ 3,143,913.68	\$ 228,070.98	\$ 2,915,842.70	\$ 2,160,000.00	\$ 665,554.70
				<u>Ref.</u>	D	D-6	D	D-22	D-21

STATEMENT OF RESERVES
FOR ASSESSMENTS AND LIENS
WATER UTILITY ASSESSMENT FUND

<u>ORD.</u> <u>NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>	<u>COLLECTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2013</u>
<u>ASSESSMENTS RECEIVABLE</u>				
	Assessment Liens.....	\$ 412.00		\$ 412.00
07-24/11/04	Water Improvement - Belcourt at Hidden Lake Condo Ass.....	893,213.68	\$ 228,070.98	665,142.70
<u>ASSESSMENT LIENS</u>				
	Assessment Liens Interest & Cost	<u>288.00</u>	<u></u>	<u>288.00</u>
		<u>\$ 893,913.68</u>	<u>\$ 228,070.98</u>	<u>\$ 665,842.70</u>
	<u>Ref.</u>	D	D-3	D

WATER UTILITY ASSESSMENT FUND
SCHEDULE OF ASSESSMENT SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	....OUTSTANDING MATURITIES....			.....INTEREST EXPENSE.....			FY Budget Appropriation Interest
			Date	June 30, 2013 Principal	Rate	Interest Cash Payments	....Accrued Interest.... Beginning	Ending	
Ordinance 07-24/11-04... Belcourt Assessment	08/10/11	\$ 2,250,000	08/15/13	90,000.00	4.000%	108,075.00	(41,203.13)	39,853.13	106,725.00
			08/15/14	90,000.00	4.000%	104,475.00	(39,853.13)	38,503.13	103,125.00
			08/15/15	90,000.00	4.000%	100,875.00	(38,503.13)	37,153.13	99,525.00
			08/15/16	95,000.00	4.000%	97,175.00	(37,153.13)	35,728.13	95,750.00
			08/15/17	95,000.00	4.000%	93,375.00	(35,728.13)	34,303.13	91,950.00
			08/15/18	95,000.00	4.000%	89,575.00	(34,303.13)	32,878.13	88,150.00
			08/15/19	100,000.00	4.250%	85,550.00	(32,878.13)	31,284.38	83,956.25
			08/15/20	100,000.00	4.500%	81,175.00	(31,284.38)	29,596.88	79,487.50
			08/15/21	105,000.00	4.500%	76,562.50	(29,596.88)	27,825.00	74,790.62
			08/15/22	105,000.00	4.750%	71,706.25	(27,825.00)	25,954.69	69,835.94
			08/15/23	110,000.00	5.250%	66,325.00	(25,954.69)	23,789.06	64,159.37
			08/15/24	115,000.00	5.250%	60,418.75	(23,789.06)	21,525.00	58,154.69
			08/15/25	115,000.00	5.250%	54,381.25	(21,525.00)	19,260.94	52,117.19
			08/15/26	120,000.00	5.250%	48,212.50	(19,260.94)	16,898.44	45,850.00
			08/15/27	125,000.00	5.250%	41,781.25	(16,898.44)	14,437.50	39,320.31
			08/15/28	130,000.00	5.500%	34,925.00	(14,437.50)	11,756.25	32,243.75
			08/15/29	135,000.00	5.500%	27,637.50	(11,756.25)	8,971.88	24,853.13
			08/15/30	140,000.00	5.500%	20,075.00	(8,971.88)	6,084.38	17,187.50
			08/15/31	145,000.00	5.500%	12,237.50	(6,084.38)	3,093.75	9,246.87
				08/15/31	150,000.00	5.500%	4,125.00	(3,093.75)		1,031.25
			Ref.						
June 30, 2012 Balance.....			D	\$ 2,250,000.00					
Principal Payments.....			D-6	<u>(90,000.00)</u>					
June 30, 2013 Balance.....			D	<u>\$ 2,160,000.00</u>					

WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord.	Description	SFY 2013				Balance June 30, 2013
		Balance June 30, 2012	Notes Redeemed	Bonds	New Authorization	
05-16	Water Distribution System.....	-	\$ 1,000,000.00	\$ (1,000,000.00)		-
06-16	Water Distribution System.....		500,000.00	(500,000.00)		-
07-20	Water Treatment Plant.....	\$ 360,502.00				\$ 360,502.00
11-18	Water Distribution System.....	1,000,000.00				1,000,000.00
12-14	Water Distribution System.....				1,000,000.00	-
						1,000,000.00
Total Bonds & Notes						
Authorized but not Issued.....		\$ 1,360,502.00	1,500,000.00	(1,500,000.00)	1,000,000.00	\$ 2,360,502.00

Ref.

D

Sewer Utility Fund

SEWER UTILITY OPERATING & CAPITAL FUNDS
SCHEDULE OF CASH

		Operating	Capital
Cash Balance June 30, 2012.....	E	\$ 2,548,781.49	\$ 29,854.01
Increased by Cash Receipts			
Anticipated Revenue.....	E-3	6,088,831.88	
Due Sewer Operating Fund.....	E		760,000.00
Premium on BAN issue.....	E-2		6,465.00
Bonds Issued	E-10		1,700,000.00
Bond Anticipation Notes	E-17		500,000.00
Total Cash Receipts.....		6,088,831.88	2,966,465.00
Decreased by Disbursements			
Bond Anticipation Notes	E-17		(2,200,000.00)
Appropriation Reserves.....	E-9	(195,591.03)	
Budget Appropriations.....	E-4	(5,683,866.27)	
Due Sewer Capital Fund.....	E	(760,000.00)	
Improvement Authorizations.....	E-14		(791,247.47)
Total Cash Disbursements.....		(6,639,457.30)	(2,991,247.47)
Cash Balance June 30, 2013.....	E	\$ 1,998,156.07	\$ 5,071.54

SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH BALANCES

Ord.		Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Other	Cash Balance
<u>Improvement Authorizations</u>						
95-19	North/South Brunswick Joint Outlet Sewer Project.....	\$ (2,380,000.00)	\$ 2,497,706.00	\$ -	\$ -	\$ 117,706.00
97-25	Replacement of Schmidt Lane & West Lawrence St Sanitary Sewer Pumping Station.....	(2,593,312.00)	2,523,694.08	1.00		(69,616.92)
08-21	Improve Sanitary Sewer System.....		63.00	9,864.14		9,927.14
09-17	Improvement to Sewer Distribution.....	(700,000.00)	366,880.41	54,854.82		(278,264.77)
11-17	Improvement to Sewer Distribution.....	(1,000,000.00)	298,587.20	86,796.91		(614,615.89)
12-15	Improvement to Sewer Distribution.....	(1,000,000.00)	893,064.98	71,980.00		(34,955.02)
	Due Sewer Operating Fund.....				760,000.00	760,000.00
	Fund Balance.....				85,991.00	85,991.00
	Capital Improvement Fund.....				28,900.00	28,900.00
Total.....		\$ (7,673,312.00)	\$ 6,579,995.67	\$ 223,496.87	\$ 874,891.00	\$ 5,071.54
	<u>Ref.</u>	E-18	E-14	E-14	E-2, E-15	E, E-5

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Balance June 30, 2013 and 2012	Ref. E	<u>\$ 13,795,637.00</u> E
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SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED BUT NOT COMPLETED

Ord. Date	Description	June 30, 2012	SFY 2013 Authorizations	June 30, 2013
95-19	North/South Brunswick Joint Outlet Sewer Project.....	\$ 2,500,000.00	\$ -	\$ 2,500,000.00
97-25	Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station.....	4,840,000.00		4,840,000.00
05-17	Improve Sanitary Sewer System.....	1,000,000.00		1,000,000.00
06-18	Improve Sanitary Sewer System.....	250,000.00		250,000.00
08-21	Improve Sanitary Sewer System.....	1,000,000.00		1,000,000.00
09-17	Improvement to Sewer Distribution System.....	1,200,000.00		1,200,000.00
11-17	Improvement to Sewer Distribution System.....	1,000,000.00		1,000,000.00
12-15	Improvement to Sewer Distribution System.....		1,000,000.00	1,000,000.00
	Total Fixed Capital Authorized but not Completed.....	<u>\$ 11,790,000.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 12,790,000.00</u>
		E	E-14	E

SEWER UTILITY OPERATING FUND
SCHEDULE OF SFY 2012 APPROPRIATION RESERVES

	June 30, 2012	Encumbrances	Paid or Charged	Overexpenditure
Operating Salaries.....	\$ 30,910.15		\$ (30,289.13)	\$ 621.02
Operating Expenses.....	55,813.67	\$ 121,567.09	(218,320.71)	(40,939.95)
Reclassified PO - Paid 7/3/13.....			48,629.86	48,629.86
Total Sewer Utility Operating.....	<u>\$ 86,723.82</u>	<u>\$ 121,567.09</u>	<u>\$ (199,979.98)</u>	<u>\$ 8,310.93</u>
	<u>Ref.</u>	<u>E</u>	<u>E</u>	<u>E-1</u>

	<u>Ref.</u>	
Cash Disbursements.....	E-5	\$ (195,591.03)
June 30, 2013 Accounts Payable.....	E-9	<u>(4,388.95)</u>
Total Paid or Charged.....		<u>\$ (199,979.98)</u>

Accounts Payable Analysis

Balance June 30, 2012.....	E	\$ 20,854.82
Transfer from Appropriation Reserve.....	E-9	<u>4,388.95</u>
Decreased by:		
Accounts Payable Canceled.....	E-1	<u>(20,854.82)</u>
Balance June 30, 2013.....	E	<u>\$ 4,388.95</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE & ACCRUED INTEREST

Purpose	Issue Date	Original Issue	OUTSTANDING MATURITIES			INTEREST EXPENSE			
			Date	Principal	Rate	Interest Annual Cash Payments	Accrued Interest Beginning	Accrued Interest Ending	FY Budget Appropriation Interest
Ordinance 97-25	12/15/03	\$1,095,000	08/15/13	75,000	3.50%	19,937.50	(2,656.25)	2,328.13	19,609.38
Ordinance 5-17	8/15/09	\$300,000	08/15/13	9,000	2.000%	11,100.00	(4,196.25)	4,128.75	11,032.50
			08/15/14	4,000	2.000%	10,970.00	(4,128.75)	4,099.00	10,940.25
			08/15/15	9,000	2.125%	10,834.38	(4,099.00)	4,027.03	10,762.41
			08/15/16	5,000	2.375%	10,679.38	(4,027.03)	3,982.50	10,634.85
			08/15/17	5,000	3.000%	10,545.00	(3,982.50)	3,926.25	10,488.75
			08/15/18	5,000	3.000%	10,395.00	(3,926.25)	3,870.00	10,338.75
			08/15/19	5,000	4.000%	10,220.00	(3,870.00)	3,795.00	10,145.00
			08/15/20	6,000	4.000%	10,000.00	(3,795.00)	3,705.00	9,910.00
			08/15/21	6,000	4.000%	9,760.00	(3,705.00)	3,615.00	9,670.00
			08/15/22	6,000	4.000%	9,520.00	(3,615.00)	3,523.00	9,428.00
			08/15/23	29,000	4.000%	8,820.00	(3,523.00)	3,090.00	8,387.00
			08/15/24	30,000	4.000%	7,640.00	(3,090.00)	2,640.00	7,190.00
			08/15/25	32,000	4.000%	6,400.00	(2,640.00)	2,160.00	5,920.00
			08/15/26	33,000	4.000%	5,100.00	(2,160.00)	1,665.00	4,605.00
			08/15/27	35,000	4.000%	3,740.00	(1,665.00)	1,140.00	3,215.00
			08/15/28	37,000	4.000%	2,300.00	(1,140.00)	585.00	1,745.00
			08/15/29	39,000	4.000%	780.00	(585.00)		195.00
2011 Refunding Bond	12/22/11	10,252,500	04/01/14	897,500	2.000%	337,200.00	(86,362.50)	82,237.50	333,075.00
			04/01/15	915,000	2.000%	319,800.00	(82,237.50)	77,662.50	315,225.00
			04/01/16	932,500	2.000%	301,325.00	(77,662.50)	73,000.00	296,662.50
			04/01/17	955,000	3.000%	277,675.00	(73,000.00)	65,837.50	270,512.50
			04/01/18	987,500	3.000%	248,537.50	(65,837.50)	58,431.25	241,131.25
			04/01/19	1,015,000	3.000%	218,500.00	(58,431.25)	50,818.50	210,887.25
			04/01/20	1,052,500	4.000%	182,225.00	(50,818.50)	40,293.75	171,700.25
			04/01/21	1,095,000	4.000%	139,275.00	(40,293.75)	29,343.75	128,325.00
			04/01/22	1,145,000	5.000%	88,750.00	(29,343.75)	15,031.25	74,437.50
			04/01/23	1,202,500	5.000%	30,062.50	(15,031.25)		15,031.25

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE & ACCRUED INTEREST

						INTEREST EXPENSE.....				
Purpose	Issue Date	Original Issue	OUTSTANDING MATURITIES			Interest			FY Budget	
			Date	Principal	Rate	Annual Cash Payments	Accrued Interest Beginning	Ending	Appropriation Interest	
General Obligation Bond Ordinance 05-17; 08-21	8/8/12	1,700,000	08/01/13	70,000	1.500%	38,137.50	(16,109.38)	15,671.88	37,700.00	
			08/01/14	70,000	2.000%	36,912.50	(15,671.88)	15,088.54	36,329.16	
			08/01/15	70,000	2.000%	35,512.50	(15,088.54)	14,505.21	34,929.17	
			08/01/16	70,000	2.000%	34,112.50	(14,502.21)	13,921.88	33,532.17	
			08/01/17	75,000	2.000%	32,662.50	(13,921.88)	13,296.88	32,037.50	
			08/01/18	75,000	2.000%	31,162.50	(13,296.88)	12,671.88	30,537.50	
			08/01/19	75,000	2.000%	29,662.50	(12,671.88)	12,046.88	29,037.50	
			08/01/20	80,000	2.000%	28,115.50	(12,046.88)	11,380.21	27,448.83	
			08/01/21	80,000	2.000%	26,512.50	(11,380.21)	10,713.54	25,845.83	
			08/01/22	80,000	2.000%	24,912.50	(10,713.54)	10,046.88	24,245.84	
			08/01/23	85,000	2.125%	23,209.38	(10,046.88)	9,294.28	22,456.78	
			08/01/24	85,000	2.125%	21,403.13	(9,294.28)	8,541.67	20,650.52	
			08/01/25	85,000	2.250%	19,543.75	(8,541.67)	7,744.79	18,746.87	
			08/01/26	90,000	2.375%	17,518.75	(7,744.79)	6,854.17	16,628.13	
			08/01/27	95,000	2.500%	15,262.50	(6,854.17)	5,864.58	14,272.91	
			08/01/28	95,000	2.500%	12,887.50	(5,864.58)	4,875.00	11,897.92	
			08/01/29	100,000	2.625%	10,387.50	(4,875.00)	3,781.25	9,293.75	
			08/01/30	105,000	2.750%	7,631.25	(3,781.25)	2,578.13	6,428.13	
			08/01/31	105,000	2.750%	4,743.75	(2,578.13)	1,375.00	3,540.62	
			08/01/32	110,000	3.000%	1,650.00	(1,375.00)		275.00	
2012 Refunding Bond	9/12/12	480,000	08/15/13			15,350.00	(11,512.50)	10,800.00	14,637.50	
			08/15/14	95,000	2.000%	14,400.00	(10,800.00)	8,962.50	12,562.50	
			08/15/15	100,000	3.000%	11,950.00	(8,962.50)	6,768.75	9,756.25	
			08/15/16	95,000	3.000%	9,025.00	(6,768.75)	4,275.00	6,531.25	
			08/15/17	95,000	4.000%	5,700.00	(4,275.00)	1,425.00	2,850.00	
			08/15/18	95,000	4.000%	1,900.00	(1,425.00)		475.00	
			Ref							
June 30, 2012 Balance.....			E	\$	11,193,500.00					
2012 Refunding Bonds Issued.....			E-10		480,000.00					
2012 Serial Bonds Issued.....			E-5		1,700,000.00					
2003 Bonds Refunded.....			E-10, E-16		(495,000.00)					
Principal Payments.....			E-4,E-16		(131,000.00)					
June 30, 2013 Balance.....			E	\$	12,747,500.00					

SEWER UTILITY OPERATING AND CAPITAL FUNDS
SCHEDULE OF ACCRUED INTEREST ON BONDS & NOTES

	Ref.	Total Accrued Interest	Bond Anticipation Notes	Serial Bonds	MCIA Lease Purchase	Environmental Infrastructure Trust
Accrued Interest June 30, 2012.....	E	\$ (131,612.03)	\$ (29,425.00)	\$ (93,637.55)	-	\$ (8,549.48)
Cash Payments - SFY 2013.....		293,970.40	32,907.12	222,454.98	20,312.50	18,295.80
Accrued Interest June 30, 2013.....	E	133,266.70	6,729.17	118,508.89		8,028.65
SFY 2013 Budget Expense.....		<u>\$ 295,625.07</u>	<u>\$ 10,211.29</u>	<u>\$ 247,326.32</u>	<u>\$ 20,312.50</u>	<u>\$ 17,774.97</u>

SEWER UTILITY CAPITAL
 SCHEDULE OF MIDDLESEX COUNTY IMPROVEMENT AUTHORITY
 WATER/SEWER-LEASE PAYMENT AMORTIZATION
 ORIGINAL ISSUE \$17,402,500 DATED OCTOBER 1, 2003

OUTSTANDING MATURITIES				INTEREST EXPENSE.....			
July 1, 2015				Interest	.....Accrued Interest.....		FY Budget
Date	Mgt/Trustee	Principal	Rate	Annual Cash Payments	Beginning	Ending	Appropriation Interest

- 142 -	Balance - June 30, 2012.....	\$	812,500.00	<u>Ref.</u> E
	Principal Payments.....		(812,500.00)	E-4,E-17
	Balance - June 30, 2013.....	<u>\$</u>	<u>-</u>	E

SCHEDULE OF SEWER LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	OUTSTANDING MATURITIES		INTEREST EXPENSE.....			
				June 30, 2013		Interest			FY Budget
				Principal	Rate	Annual Cash	Accrued Interest	Ending	Appropriation
				8/1 Maturities		Payments	Beginning		Interest
Trust Loan Ordinance 97-25	11/4/04	\$570,000	2014	25,000.00	5.000%	18,643.76	(8,028.65)	7,507.82	18,122.93
			2015	30,000.00	4.000%	17,418.76	(7,507.82)	7,007.82	16,918.76
			2016	30,000.00	4.000%	16,218.76	(7,007.82)	6,507.82	15,718.76
			2017	30,000.00	4.000%	15,018.76	(6,507.82)	6,007.82	14,518.76
			2018	30,000.00	5.000%	13,668.76	(6,007.82)	5,382.82	13,043.76
			2019	35,000.00	5.000%	12,043.76	(5,382.82)	4,653.65	11,314.59
			2020	35,000.00	5.000%	10,293.76	(4,653.65)	3,924.48	9,564.59
			2021	35,000.00	5.000%	8,543.76	(3,924.48)	3,195.32	7,814.60
			2022	40,000.00	5.000%	6,668.76	(3,195.32)	2,361.98	5,835.42
			2023	40,000.00	5.000%	4,668.76	(2,361.98)	1,528.65	3,835.43
			2024	40,000.00	4.250%	2,818.76	(1,528.65)	820.32	2,110.43
			2025	45,000.00	4.375%	984.38	(820.32)		164.06
Trust Loan June 30, 2013 Balance.....				\$	415,000.00				

SCHEDULE OF SEWER LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	Annual	Rate	SEMI-ANNUAL PRINCIPAL	
						1-Aug	1-Feb
Fund Loan Ordinance 97-25	11/4/04	\$ 581,688	2014	28,365.35	0.00%	22,509.89	5,855.46
			2015	30,818.84	0.00%	25,353.34	5,465.50
			2016	30,038.92	0.00%	24,963.38	5,075.54
			2017	29,259.00	0.00%	24,573.42	4,685.58
			2018	28,381.60	0.00%	24,183.46	4,198.14
			2019	30,575.11	0.00%	26,945.66	3,629.45
			2020	29,437.73	0.00%	26,376.97	3,060.76
			2021	28,300.36	0.00%	25,808.29	2,492.07
			2022	30,331.38	0.00%	28,489.24	1,842.14
			2023	29,031.53	0.00%	27,839.32	1,192.21
			2024	27,829.35	0.00%	27,189.58	639.77
			2025	29,886.59	0.00%	29,886.59	
Fund Loan June 30, 2032 Balance.....				\$ 352,255.76			
June 30, 2012 Balance.....			<u>Ref.</u> E	\$ 821,433.52			
Principal Payments.....			E-4,E-16	<u>(54,177.76)</u>			
June 30, 2013 Balance.....			E	<u>\$ 767,255.76</u>			

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Exhibit E-14

Ord	Original	Description	June 30, 2012		SFY 2013 Authorized	Encumbrances 6/30/12	Paid or Charged	Encumbrances 6/30/13	June 30, 2013	
			Funded	Unfunded					Funded	Unfunded
95-19	\$ 2,500,000	North/South Brunswick joint outlet sewer project.....	\$ 117,706.00	\$ 2,380,000.00					\$ 117,706.00	\$ 2,380,000.00
97-25	4,840,000	Replacement of Schmidt Lane & West Lawrence Street sanitary sewer pumping station.....		2,523,694.08		\$ 1.00		\$ (1.00)		2,523,694.08
05-17	1,000,000	Improve Sanitary Sewer System.....				61,193.71	\$ (61,193.71)			
06-18	250,000	Improve Sanitary Sewer System.....				9,674.36	(9,674.36)			
08-21	1,000,000	Improve Sanitary Sewer System.....		1,972.67		65,367.11	(57,412.64)	(9,864.14)		63.00
09-17	1,200,000	Sewer Distribution System.....		430,257.22		104,519.85	(113,041.84)	(54,854.82)		366,880.41
11-17	1,000,000	Improve Sanitary Sewer System.....		786,902.92		113,451.09	(514,969.90)	(86,796.91)		298,587.20
12-15	1,000,000	Improve Sanitary Sewer System.....			\$ 1,000,000.00		(34,955.02)	(71,980.00)		893,064.98
<u>\$ 8,590,000 Total.....</u>			<u>\$ 117,706.00</u>	<u>\$ 6,122,826.89</u>	<u>\$ 1,000,000.00</u>	<u>\$ 354,207.12</u>	<u>\$ (791,247.47)</u>	<u>\$ (223,496.87)</u>	<u>\$ 117,706.00</u>	<u>\$ 6,462,289.67</u>
		<u>Ref.</u>	E	E	E-8	E	E-5	E	E	E

SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance - June 30, 2013 and June 30, 2012	E	<u>\$ 28,900.00</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES,
RESERVE FOR AMORTIZATION & DEFERRED AMORTIZATION

	<u>Ref.</u>	Deferred Charge MCIA Lease	Amortization	Deferred Amortization
Balance June 30, 2012.....	E	\$ 2,101,701.00	\$ (5,616,592.48)	\$ (370,000.00)
Refunding Bond Issued.....	E-10		(15,000.00)	
Principal Payments on Lease Obligation.....	E-4,E-10, E-12, E-13	(812,500.00)	(185,177.76)	
Balance June 30, 2013.....	E	<u>\$ 1,289,201.00</u>	<u>\$ (5,816,770.24)</u>	<u>\$ (370,000.00)</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2013			Notes Outstanding June 30, 2012	Decrease	Notes Outstanding June 30, 2013
		Interest Rate	Issue Date	Maturity Date			
05-17	Improve Sanitary Sewer System.....	1.50%	8/8/11	8/9/12	\$ 700,000.00	\$ (700,000.00)	\$ -
08-21	Improve Sanitary Sewer System.....	1.50%	8/8/11	8/9/12	1,000,000.00	(1,000,000.00)	
09-17	Improve Sanitary Sewer System.....	1.50%	8/8/12	8/7/13	500,000.00		500,000.00
	Total.....				<u>\$ 2,200,000.00</u>	<u>\$ (1,700,000.00)</u>	<u>\$ 500,000.00</u>
				<u>Ref.</u>	E	E-5	E

Calculation of Accrued Interest

	Total	Issued Date	
		8/8/12	8/7/13
Principal Outstanding.....	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
Interest Rate.....	1.50%		
Accrued Interest at June 30, 2013.....			6,729.17
SFY 2013 Budget Expense.....	-	-	6,729.17
			<u>\$ 7,479.17</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord.	Description	June 30, 2012	SFY 2013 New Notes	June 30, 2013
1995-19	North/South Brunswick Joint Outlet Sewer Project.....	\$ 2,380,000.00	\$ -	\$ 2,380,000.00
1997-25	Replacement of Schmidt Lane & West Lawrence Street Sanitary Sewer Pumping Station.....	2,593,312.00		2,593,312.00
2009-17	Improvements to Sanitary Sewerage System.....	700,000.00		700,000.00
2011-17	Improvements to Sanitary Sewerage System.....	1,000,000.00		1,000,000.00
2012-15	Improvements to Sanitary Sewerage System.....	-	1,000,000.00	1,000,000.00
Total Bonds & Notes Authorized but not Issued.....		\$ 6,673,312.00	\$ 1,000,000.00	\$ 7,673,312.00
		<u>Ref.</u>		E

**TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY**

**PART III
SUPPLEMENTARY DATA**

Length of Service Award Program (LOSAP) (Unaudited)

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
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ROBERT S. MORRISON, CPA, RMA, PSA

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MEMBERS OF:
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

Honorable Mayor and Members
of the Township Council
Township of North Brunswick
County of Middlesex, New Jersey

We have reviewed the accompanying statement of assets, liabilities and net assets of the Township of North Brunswick Length of Service Award Program (LOSAP) as of June 30, 2013, and the related statement of revenues, expenses and other changes in net assets for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the administration of the Township.

A review consists primarily of inquiries of the administration of the Township and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

The Length of Service Award Program is a Township sponsored program and has no separate legal status or existence. The program prepares its financial statements in conformity with the accounting principles and practices prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the basis of accounting described in the note.

Hodulik & Morrison, P.A.
Hodulik and Morrison, P.A.
Highland Park, N.J.
January 25, 2014

TOWNSHIP OF NORTH BRUNSWICK
 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS

	June 30, 2013	June 30, 2012
Assets		
Investments, at fair value	\$ <u>814,621.82</u>	\$ <u>700,062.55</u>
Total Assets	\$ <u><u>814,621.82</u></u>	\$ <u><u>700,062.55</u></u>
Net Assets		
Restricted	\$ <u>814,621.82</u>	\$ <u>700,062.55</u>
Total Net Assets	\$ <u><u>814,621.82</u></u>	\$ <u><u>700,062.55</u></u>

See Accompanying Notes and Accountant's Review Report

TOWNSHIP OF NORTH BRUNSWICK
 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED
STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS

FOR THE YEAR ENDED

	June 30, 2013	June 30, 2012
Restricted Net Assets		
Contributions	\$ 72,791.04	\$ 64,992.00
Earnings	78,401.88	(4,410.99)
Withdrawals	(33,097.62)	(50,517.28)
Service Charges	<u>(3,536.03)</u>	<u>(3,625.57)</u>
Increase in Net Assets	114,559.27	6,438.16
Net Assets - Beginning of Year	<u>700,062.55</u>	<u>693,624.39</u>
Net Assets - End of Year	\$ <u><u>814,621.82</u></u>	\$ <u><u>700,062.55</u></u>

NOTE: See Notes to Unaudited Financial Statements

TOWNSHIP OF NORTH BRUNSWICK LENGTH OF SERVICE AWARD PROGRAM
(LOSAP)

NOTES TO UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Township of North Brunswick Length of Service Award Program (LOSAP) is a qualified plan under Internal Revenue Code Section 457(e) and pursuant to P.L. 1997, c.388. The Township established the LOSAP Program for the North Brunswick Fire Company #1, #2 & #3 and the North Brunswick First Aid and Rescue Squad on September 4, 2001 through Ordinance #01-17. LOSAP provides for fixed annual contributions to a deferred income account for volunteer firefighters and first aid and rescue squad members who meet specified service criteria. LOSAP shall provide for annual contribution to each eligible member that meets the criteria as provided in the LOSAP Point System. The Township of North Brunswick sponsors LOSAP through an annual award appropriated through the municipal budget.

B. Basis of Presentation

The accounting policies of the Township of North Brunswick (the "Township"), Length of Service Award Program (LOSAP) (the "Program") conform to the accounting principles and practices prescribed by the division of Local Government Services, department of Community Affairs, State of New Jersey.

C. Description of Program

The Program was created in accordance with the Internal Revenue Code Section 457. The Program is offered to all volunteer members that meet the criteria set by the Township, and provides for fixed annual contributions for all eligible members. The deferred compensation is not available to volunteer members until termination, retirement, death, or unforeseeable emergency. Earnings of the Program and contributions by the Township are subject to vesting provisions of the plan and are exempt from income taxes until distribution to the participating volunteers.

The Program is offered by the Township to the participants through the Lincoln Financial Group.

All amounts of compensation deferred under the Program, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights, are (until paid or made available to the volunteer or other beneficiary) solely the property and rights of the Township (without being restricted to the provisions of benefits under the Program), subject only to the claims of the Township's general creditors. Participant's rights under the Program are equal to those of general creditors of the Township in an amount equal to the fair market value of the deferred account for each participant.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Description of Program (Cont'd.)

In accordance with standards established by the Governmental Accounting standards Board, the Program balances are displayed in the Trust Fund of the Township. The Program is tax exempt in Internal revenue Code Section 457.

D. Amount of Contribution

The Township will contribute to the plan for an active volunteer who thereafter annually attains the minimum point score as provided below shall receive an annual contribution to their LOSAP account of \$866.56 for each year of qualified service. An active volunteer may also qualify for a retroactive annual contribution of \$100.00 per prior year of service for each of the previous five (5) years.

An active volunteer member will qualify for contribution to a LOSAP deferred account if they earn a cumulative total minimum of 100 points based on the point system below for each service year. For each service year during which a volunteer member is determined to be eligible to receive a LOSAP contribution, he/she will be credited with a year of service for purposes of vesting in accordance with this Plan. All members must be an active volunteer member in good standing throughout the year in order to be considered an eligible "qualified participant" in the Program and must be a qualified participant in the Program for five (5) years in order to be vested.

NOTE 2: QUALIFICATIONS

Qualification – Volunteer Fire Department

Each active volunteer member shall be credited with points for volunteer services provided to Fire Company #1, Fire Company #2 or Fire Company #3 in accordance with the following schedule:

- a. **Response to fire alarm calls – minimum of 25% response to all calls required.** Volunteers must annually respond to not less than 25 percent of the total number of actual calls in order to receive any points under this system and to be eligible to receive a LOSAP contribution to any service year. Providing that a volunteer member meets the minimum response requirements of 25 percent he/she shall receive one point per one percent of call responses, i.e. 29 percent call response equals 29 points. Active members with 30 years of active service are exempt from this minimum requirement.
- b. **Attendance at regular business meeting – 2 points per meeting.** A minimum of 12 points is required. 25 points will be earned if all meetings are made.

NOTE 2: QUALIFICATIONS (CONT'D)

Qualification – Volunteer Fire Department (Cont'd)

- c. **Worknights – 1 point per worknight.** A minimum of 12 points for participation in worknight is required and a maximum of 25 points may be earned.
- d. **Fundraisers – 1 point per event.** A minimum of 5 points for participation in fundraisers is required and a maximum of 20 points may be earned.
- e. **Fund Drives – 3 points per session.** A minimum of 6 points for participation in fund drives is required and a maximum of 15 points may be earned.
- f. **Drills – 2 points per drill.** A minimum of 12 points for participation in drills is required and a maximum of 24 points may be earned.
- g. **Training – 1 point per hour.** Maximum of 25 points.
- h. **Memorial Day Parade – 10 points for participation.**
- i. **Elected Officers.** Elected officers in the department and in each company shall receive points, subject to review by the Chief, President and LOSAP Secretary of each Fire Company respectively, for serving in the following positions.

a. Chief Officer	50 points
b. Company Life Member	50 points
c. Company Officer/Engineer or Executive Officer	35 points
d. Committee Member, LOSAP Secretary	25 points
- j. **Miscellaneous Activities – 2 points per qualifying activity.** A maximum of 10 points may be earned for participation in the following activities: wakes and memorial services, weather related standbys, overnight standbys, parades, township activities, special events, department meetings.

NOTE 2: QUALIFICATIONS (CONT'D)

Qualification – Volunteer First Aid & Rescue Squad

Each active volunteer member shall be credited with points for volunteer services provided to the North Brunswick First Aid and Rescue Squad organization in accordance with the following schedule:

- a. **Crew Hours:**
 - a. 1 point for each 5 hours of primary duty crew
 - b. 1 point for each 10 hours of backup duty crew
 - c. 1 point for each 2.5 hours of special event/standby duty crew
 - d. 1 point for each 2.5 hours of scramble duty calls
 - e. A minimum of .5 points per scramble call awarded.
- b. **Officers:** Elected officers shall receive points, subject to review by the executive committee, for serving in the following positions:
 - a. Captain or President 20 points
 - b. Asst Capt, V Pres, Recording or LOSAP Secretary 15 points
 - c. Lieutenant or Treasurer 10 points
 - d. Trustee and other administrative positions 5 points
 - e.
- c. **Attendance at Business Executive Board, or Officer meeting** - .5 points per meeting.
- d. **Training** - .5 points per hour of training.
- e. **Various Events (cleanups, fund-drives, fundraising and attendance at wakes and memorial services)** - .5 points per hour.

Other Supplementary Data

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

Page 1 of 2

COMBINED BALANCE SHEET - ALL FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

ASSETS	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	WATER UTILITY FUND	GENERAL FIXED ASSETS (UNAUDITED)	MEMORANDUM ONLY TOTALS	
							JUNE 30, 2013	JUNE 30, 2012
Cash and Investments	\$ 7,193,104.42	\$ 5,880,666.68	\$ 9,294,171.43	\$ 2,003,227.61	\$ 3,727,907.09	\$	\$ 28,099,077.23	\$ 33,171,999.48
Accounts Receivable:								
State & Federal Grants Receivable	1,101,027.80						1,101,027.80	1,526,488.09
Due from State of New Jersey	183,236.32						183,236.32	195,027.47
Taxes, Assessments, Liens & Utility Charges		71,055.00			2,915,842.70		2,986,897.70	3,214,968.68
Interfund Loans				760,000.00			760,000.00	137,066.00
Other Accounts Receivable	295,591.37	113,098.82					408,690.19	511,061.12
Property Taxes Receivable	474.80						474.80	31.58
Property Acquired for Taxes at Assessed Valuation	161,970.58						161,970.58	161,970.58
Fixed Assets - General						80,294,508.93	80,294,508.93	88,011,318.71
Fixed Capital - Utility				13,795,637.00	30,065,994.03		43,861,631.03	43,861,631.03
Fixed Capital - Authorized and Uncompleted - Utility				12,790,000.00	27,972,695.56		40,762,695.56	38,762,695.56
Deferred Charges								
MCIA Lease Purchase Obligation				1,289,201.00			1,289,201.00	2,101,701.00
Deferred Charges to Future Taxation:								
General Capital Fund			78,812,769.00				78,812,769.00	82,526,066.00
	<u>\$ 8,935,405.29</u>	<u>\$ 6,064,820.50</u>	<u>\$ 88,106,940.43</u>	<u>\$ 30,638,065.61</u>	<u>\$ 64,682,439.38</u>	<u>\$ 80,294,508.93</u>	<u>\$ 278,722,180.14</u>	<u>\$ 294,182,025.30</u>

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

Page 2 of 2

COMBINED BALANCE SHEET - ALL FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

LIABILITIES, RESERVES AND FUND BALANCE	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	WATER UTILITY FUND	GENERAL FIXED ASSETS (UNAUDITED)	MEMORANDUM ONLY		
							TOTALS		
							JUNE 30, 2013	JUNE 30, 2012	
Bonds and Notes Payable	\$	\$	\$ 71,733,250.00	\$ 13,247,500.00	\$ 19,194,500.00	\$	\$ 104,175,250.00	\$ 106,756,000.00	(2,580,750.00)
Lease Payable								1,625,000.00	(1,625,000.00)
Loans Payable				767,255.76	16,009,715.53		16,776,971.29	17,726,286.80	(949,315.51)
Taxes Payable	473,762.50						473,762.50	690,483.50	(216,721.00)
Prepaid Taxes, Assessments, Utility Charges and Licenses	266,740.24						266,740.24	223,745.58	42,994.66
Tax, Assessment, Lien, License and Utility Charge Overpayments		71,055.00			665,842.70		736,897.70	964,968.68	(228,070.98)
Appropriation Reserves	1,692,865.10			87,760.12	18,452.18		1,799,077.40	1,375,660.76	423,416.64
Reserve for Encumbrances/ Accounts Payable	1,324,647.91			291,369.07	736,399.87		2,352,416.85	4,183,349.10	(1,830,932.25)
Other Liabilities	12,710.00	174,075.50					186,785.50	45,118.00	141,667.50
Amts. Pledged to Specific Purposes	342,270.37	4,426,737.21	342.00	28,900.00	119,967.59		4,918,217.17	7,246,468.29	(2,328,251.12)
Escrow Funds		1,392,952.79					1,392,952.79	1,714,984.12	(322,031.33)
Improvement Authorizations			12,296,670.61	6,803,492.54	2,541,186.12		21,641,349.27	22,185,553.16	(544,203.89)
Interfund Loans				760,000.00			760,000.00	137,066.00	622,934.00
Investments in General Fixed Assets						80,294,508.93	80,294,508.93	88,011,318.71	
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				6,186,770.24	22,633,972.06		28,820,742.30	26,658,926.79	2,161,815.51
Reserve for Certain Assets Acquired or Receivables & Inventories	458,036.75		3,828,925.55				4,286,962.30	4,789,951.99	(502,989.69)
Fund Balance	4,364,372.42		247,752.27	2,465,017.88	2,762,403.33		9,839,545.90	9,847,143.82	(7,597.92)
	\$ 8,935,405.29	\$ 6,064,820.50	\$ 88,106,940.43	\$ 30,638,065.61	\$ 64,682,439.38	\$ 80,294,508.93	\$ 278,722,180.14	\$ 294,182,025.30	(15,459,845.16)

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

	SFY 2013		SFY 2012	
<u>Revenue and Other Income Realized</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated	\$3,775,000.00	2.70	\$5,150,479.00	3.74
Miscellaneous Revenues Anticipated	11,157,848.64	7.99	11,182,892.70	8.11
Receipts from Current Taxes	122,910,111.95	87.97	120,218,424.12	87.21
Other Miscellaneous Revenue	1,878,089.99	1.34	1,298,022.11	0.94
Total Income	139,721,050.58	100.00	137,849,817.93	100.00
<u>Expenditures</u>				
Budget Appropriations	42,805,894.19	31.47	43,636,719.00	32.33
Tax Collections				
County Taxes	17,413,769.51	12.80	16,628,385.19	12.32
Local School District Taxes	75,066,320.00	55.18	73,835,754.50	54.70
Other Miscellaneous Expenditures	754,537.61	0.55	872,703.61	0.65
Total Expenditures	136,040,521.31	100.00	134,973,562.30	100.00
Excess in Revenue	3,680,529.27		2,876,255.63	
Adj. to Income Before Fund Balance: Expend. Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years				
Statutory Excess to Fund Balance	3,680,529.27		2,876,255.63	
Fund Balance - Beginning	4,458,843.13		6,733,066.50	
	8,139,372.40		9,609,322.13	
Utilized as Anticipated Revenue Charges Deferred to Future Years' Budgets	(3,775,000.00)		(5,150,479.00)	
Fund Balance - Ending	\$4,364,372.40		\$4,458,843.13	

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

<u>Revenue and Other Income Realized</u>	SFY 2013		SFY 2012	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated	\$295,000.00	4.17	\$790,000.00	10.35
Water Rents	5,735,619.84	81.00	5,500,882.73	72.06
Developer Contribution	152,890.00	2.16	147,690.00	1.93
Miscellaneous Revenues	623,540.48	8.81	605,954.76	7.94
Connection Fees	123,077.00	1.74	266,462.00	3.49
Prior Years' Accounts Payable Canceled			187,700.92	2.46
Unexpended Balance of Appropriation Reserve	3,363.39	0.05	121,932.03	1.60
Water Utility Assessment Trust Fund Interest	147,928.00	2.09		
SREC Sales			13,455.00	0.18
Total Income	<u>7,081,418.71</u>	<u>100.00</u>	<u>7,634,077.44</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	<u>6,896,627.70</u>	<u>100.00</u>	<u>6,740,917.12</u>	<u>100.00</u>
Total Expenditures	<u>6,896,627.70</u>	<u>100.00</u>	<u>6,740,917.12</u>	<u>100.00</u>
Excess in Revenue	184,791.01		893,160.32	
Decreased by Surplus Anticipated				
Water Utility Operating Fund	(295,000.00)		(790,000.00)	
Current Fund				
Fund Balance - Beginning	<u>2,043,909.45</u>		<u>1,940,749.13</u>	
Fund Balance - Ending	<u>\$1,933,700.46</u>		<u>\$2,043,909.45</u>	

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

<u>Revenue and Other Income Realized</u>	SFY 2013		SFY 2012	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated	\$114,990.65	1.84	\$150,000.00	2.35
Sewer Rents	6,029,804.28	96.74	5,935,597.41	93.16
Connection Fees	51,575.00	0.83	146,350.00	2.30
Miscellaneous	7,452.60	0.12		
Prior Year's Accounts Payable Canceled	20,854.82	0.33	22,897.11	0.36
Unexpended Balance of Appropriation Reserve	8,310.93	0.13	116,386.06	1.83
Total Income	<u>6,232,988.28</u>	<u>100.00</u>	<u>6,371,230.58</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	<u>5,926,994.48</u>	<u>100.00</u>	<u>5,599,747.67</u>	<u>100.00</u>
Total Expenditures	<u>5,926,994.48</u>	<u>100.00</u>	<u>5,599,747.67</u>	<u>100.00</u>
Excess in Revenue	305,993.80		771,482.91	
Decreased by Surplus Anticipated	(114,990.65)		(150,000.00)	
Fund Balance - Beginning	<u>2,188,023.73</u>		<u>1,566,540.82</u>	
Fund Balance - Ending	<u>\$2,379,026.88</u>		<u>\$2,188,023.73</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION*

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Tax Rate:</u>	<u>\$5.103</u>	<u>\$5.011</u>	<u>\$4.821</u>
<u>Apportionment of Tax Rate:</u>			
Municipal:	<u>\$1.134</u>	<u>\$1.170</u>	<u>\$1.093</u>
Municipal Open Space:	<u>\$0.030</u>	<u>\$0.030</u>	<u>\$0.030</u>
County:	<u>\$0.640</u>	<u>\$0.643</u>	<u>\$0.602</u>
County Open Space:	<u>\$0.550</u>	<u>\$0.059</u>	<u>\$0.059</u>
Local School:	<u>\$3.184</u>	<u>\$3.109</u>	<u>\$3.005</u>
<u>Assessed Valuation:</u>			
2013	<u>\$2,411,833,404.00</u>		
2012		<u>\$2,418,258,800.00</u>	
2011			<u>\$2,453,671,600.00</u>

*Per Abstract of Ratables, Middlesex County, NJ

Note: Under the provisions of Chapter 73, L.1976, the County Board of Taxation estimated the amount of approved Veterans and Senior Citizens Tax Deductions for 2013 to be \$165,233.59.

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
SFY 2013	\$123,267,694.53	\$122,910,111.95	99.71%
SFY 2012	120,744,776.11	120,218,424.12	99.56%
SFY 2011	116,080,734.29	115,983,210.50	99.92%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
SFY 2013	\$336,997.25	\$474.80	\$337,472.05	0.27%
SFY 2012	336,997.25	31.58	337,028.83	0.28%
SFY 2011	280,954.61	200.00	281,154.61	0.24%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on June 30, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
SFY 2013	\$161,970.58
SFY 2012	161,970.58
SFY 2011	161,971.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year Ended</u>		<u>Balance</u>		<u>Utilized in Budget of Succeeding Year</u>
Current Fund	SYF 2013	\$	4,364,372.42	\$	2,950,000.00
	SYF 2012		4,458,843.14		3,775,000.00
	SYF 2011		6,733,066.50		5,150,479.00
	SYF 2010		9,503,788.60		6,390,475.00
	SFY 2009		10,990,369.87		6,200,000.00
Water Utility Operating Fund	SYF 2013	\$	1,933,700.46	\$	370,000.00
	SYF 2012		2,043,909.45		295,000.00
	SYF 2011		1,940,749.13		790,000.00
	SYF 2010		2,834,681.44		1,350,000.00
	SFY 2009		2,833,716.99		
Sewer Utility Operating Fund	SYF 2013	\$	2,379,026.88	\$	50,000.00
	SYF 2012		2,188,023.73		114,990.65
	SYF 2011		1,566,540.82		150,000.00
	SYF 2010		1,305,099.63		
	SFY 2009		1,499,066.58		295,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at June 30, 2013:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Francis Womack	- Mayor	
Robert Davis	- Council President	
Ralph Andrews	- Councilperson	
Robert Corbin	- Councilperson	
Carlo Socio	- Councilperson	
Shanti Narra	- Councilperson	
Cathy Nicola	- Councilperson	
Robert Lombard	- Business Administrator	
Justine Progebin	- Assistant Business Administrator	
Kala Sriranganathan	Chief Financial Officer	\$1,000,000.00 (A)
Laurie Hammerstrom	- Tax Collector	\$1,000,000.00 (A)
Fran Cipot	- Tax Search Officer	
Justine Progebin	- Purchasing Agent	
Lisa Russo	- Township Clerk	
Diane Walker	- Tax Assessor	
Sheral Rossmann	- Court Administrator	\$1,000,000.00 (A)
Christine Heitman	- Municipal Court Judge	\$1,000,000.00 (A)
E. Ronald Wright	- Municipal Court Judge	\$1,000,000.00 (A)
Ron Gordon, Esq.	- Township Attorney	
Lisa Russo	- Registrar of Vital Statistics	
Louann Benson	- Director of Parks and Recreation/ Community Services	
Michael Hritz	- Director of Community Development	
Glenn Sandor	- Director of Public Works	
Tom Paun	- Construction Official	
Kenneth McCormick	- Director of Public Safety	

(A) Garden State Municipal Joint Insurance Fund

Comments related to surety bond coverages are located in the General Comment section of the report.

**TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY**

**PART IV
GENERAL COMMENTS AND RECOMMENDATIONS**

TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
FISCAL YEAR ENDED JUNE 30, 2013

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Township of North Brunswick, County of Middlesex, New Jersey, for the fiscal year ended June 30, 2013, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Township of North Brunswick, County of Middlesex, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of the Township of North Brunswick, County of Middlesex, New Jersey as of and for the fiscal year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. Professional accounting standards define the inadequacies or shortcomings of internal controls within an organization, as follows:

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 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 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.

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (cont'd.)

The control deficiencies reported are not considered to be significant deficiencies nor material weaknesses. In addition, as per standards, control deficiencies are not required to be reported in writing. However, control deficiencies are presented in this report as a means to inform management and those charged with governance, matters identified in review of the Township's internal controls.

These general comments do not affect our report on the financial statements of the Township of North Brunswick, dated February 24, 2014. Our comments and recommendations, which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies.

Control Deficiencies:

2013-1 Segregation of Duties – Other Offices/Departments Collecting Municipal Fees

Conditions exist whereby the same person may collect, records and deposit cash receipts in the following offices – Tax Office, Recreation, Police, Community Development, Fire, Building Regulations and Clerk.

This condition is the result of multiple tasks performed by the same individual and the staffing levels of the respective offices.

2013-2 Transaction Posting

The computerized data processing system allows for the back posting of transactions for those individuals with security rights in the system. The ability to back post transactions can limit the effectiveness of the data processing system.

OTHER MATTERS

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

N.J.S.A. 40A:11-4 states "every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3, of this act, shall be made or awarded only after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$21,000 except by contract or agreement."

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

On June 9, 2010, the Local Public Contracts Law was amended, effective on July 1, 2010. The amendments address the bid threshold (Section 7, N.J.S.A. 40A: 11-3), thereby increasing the amount from \$21,000 to \$26,000 under which a contract may be awarded without public advertising. Furthermore, if the Township's Purchasing Agent is "Qualified" the Township may increase the bid threshold from \$29,000.00 to \$36,000.00.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

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

Pursuant to provisions of the statute, and upon notification of the adjustment to the threshold amount to \$36,000.00 when the purchasing agent is a Qualified Purchasing Agent, the Township Council increased the Township's bid threshold from \$29,000.00 to \$36,000.00 on November 19, 2012.

On May 5, 2011, the Local Public Contracts Law was revised again pursuant to a statutorily permitted notice issued by the Governor of the State of New Jersey, effective January 1, 2011. The law eliminated the previous 'lower' non-QPA threshold of \$26,000. Thus a contracting unit without a Qualified Purchasing Agent now has a maximum bid threshold of \$17,500.00.

A review of the Township's purchasing procedures indicates bids were requested by public advertising for the following items tested, as disclosed in the official minutes:

Materials, Supplies and Equipment:

One Roll-Off Truck; John Deer Tractors and attachments; One 2013 Ford Explorer 4x4 Vehicle; Two Public Safety Vehicles; One Animal Control Vehicle; One Automated Refuse Truck; One Pickup Truck with Plow; One 2013 Chevrolet Tahoe 4WD Vehicle.

Service, Rentals, Construction and Repairs:

Refuse and Recycle Collections Services; Princess Drive Sanitary Pump Station Bypass Project; Senior Transportation Services; Snow Removal Services; Improvement to Vehicle Wash and Maintenance Location; Chiller Replacement Project; Upgrade Radio Communication Equipment; Maintenance and Repair of Township Sewer Lift Station; 2013 Road Improvement Program; Municipal Complex CCTV Wire Installation; Sewer Collection System Maintenance and Repair; Close Circuit Video Security System at Municipal Complex; Document Imaging Services.

Examination for items tested revealed no individual payments over the \$36,000 bid threshold, "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those were bids had been previously sought by public advertising or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A: 11-4.

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

Any interpretations as to the possible violation of N.J.S.A. 40A: 11-4 would be in the province of the Township solicitor.

Pay-to-Play and Business Registration Requirements

Tests of expenditures for vendors with payments in excess of \$17,500 and less than applicable bid threshold for contracts not awarded through state contracts, bidding or the "fair and open process" indicated the Township is in compliance with P.L. 2005, c.271.

GENERAL COMMENTS

OTHER MATTERS (CONT'D)

Collection of Interest on Delinquent Taxes, Assessments and Water and Sewer Charges

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the non- payment of taxes or assessments on or before the date when they would become delinquent.

The governing body, on January 1, 2013, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, R.S. 54:4-67 has been amended to permit the governing body to fix the rate of interest to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent and may provide that no interest shall be charged if payment of any installment is made within (10) days after the date upon which the same is payable.

NOW, THEREFORE, BE IT RESOLVED that the Township Council does hereby fix the rate of interest at eight percent (8%) per annum on the first One Thousand Five Hundred Dollars (\$1,500) and at eighteen percent (18%) per annum on any amount in excess of One thousand Five Hundred Dollars (\$1,500) from the date when any tax installment shall be payable and delinquent until the said installment together with interest is paid provided, however, that if any installments shall be paid within ten (10) days after the date payable, in that event there shall be no interest charged.

“In addition, pursuant to N.J.S.A. 54:4-67, there is hereby fixed as a penalty to be charged to a tax payer with a delinquency in excess of \$10,000 who fails to pay the delinquency prior to the end of the calendar year of 6 percent to the amount of delinquency”.

An examination of the Tax Collector’s record indicated that interests on delinquent accounts were calculated in accordance with the foregoing resolution for the items tested.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 26, 2013. Properties that were in bankruptcy proceedings were excluded from the sale.

The following comparison is made of the number of tax title liens receivable for the last three years:

<u>Year</u>	<u>Number of Liens</u>
SFY 2013	86
SFY 2012	78
SFY 2011	84

Investments

During SFY 2013, the Township’s funds were invested primarily in interest bearing and sweep accounts.

The Township has adopted a formal cash management plan policy in compliance with N.J.S.A. 40A:5-14 of the Local Fiscal Affairs Law, which requires that “each local unit shall adopt a cash management plan and shall deposit its fund pursuant to that plan”.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Purchase Order and Encumbrance System

The Township utilized a purchase order system for its expenditures in connection with its budgetary accounting encumbrance system during the year under review. Transactions are approved based on availability of funds. The processing of confirming orders was noted.

Surety Bonds

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverage's in effect at June 30, 2013. A review of surety bond coverage as of June 30, 2013, disclosed compliance with requirements, as promulgated by the Local Finance Board, State of New Jersey, for the Municipal Court and Collector.

During July 1998 the Local Finance Board completed a readopting of the Board's general rules in the New Jersey Administrative Code. Based upon the new provisions of N.J.A.C. 5:30-8.3 and 8.4, local units are encouraged to utilize new recommended amounts in lieu of the minimum amounts in order to provide a higher level of security of public funds. We suggest that the Township review these revised regulations and determine their applicability and also determine if other positions should be bonded separately or covered with increased blanket coverage.

Municipal Court

The financial records maintained by the Municipal Court during the period were reviewed. The examination of the general account included a review to confirm deposits were properly recorded and spread by receipt category and disbursements were made to the appropriate agencies on a timely basis. There were no exceptions for turnover exceeding the 15th day of the following month for disbursements to the Township's Current Fund. It was noted in the prior year audit that bank reconciliations were completed within acceptable time frame for both the bail and general accounts and that cash bail on account was not in agreement with cash bail per bank reconciliation. The examination of the bail accounts and supporting records maintained by the Municipal Court indicated that the analysis of outstanding bail was reconciled to the book balance for the period under review. The examination of the court records also indicated that the court continues to complete its bank reconciliations in a timely manner.

It is suggested that the Court continue to monitor and ensure compliance with the Administrative Office of the Courts required procedures.

Internal Control Documentation

Statement on Auditing Standards 115 identifies inadequate documentation of internal controls as a possible deficiency, significant deficiency or material weakness. The Township initiated the process of documenting its control, we suggest the Township consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Information and Communication; Monitoring; and Control Activities. In addition, we suggest the documentation also include the internal controls that exist over grant compliance.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Condition of Records - Other Officials Collecting Fees

Our review of the records maintained for other officials collecting fees were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over to the Treasurer's accounts within a 48 hour period as required by N.J.S.A. 40A:5-15, and the fees charged were in accordance with the provisions of the Township Code and that monthly financial reports are being submitted to the Finance Department timely.

The examination of the records of the various outside offices and departments indicated the following for the fiscal year ended June 30, 2013: all offices were in compliance with 48-hour deposit requirement (N.J.S.A 40A: 5-15).

It is suggested that the Township continually review its financial accounting and reporting policies and procedures as well as internal control procedures to ensure that all of its control objectives are met and to ensure compliance with N.J.S.A 40A: 5-15.

Water Utility Fund/ Sewer Utility Fund

The results of operation for the Water Utility Operating Fund and the Sewer Utility Operating Fund are set forth in Exhibit "D-1" and Exhibit "E-1", respectively, of this report. Realized revenues amounted to \$7,081,418.71 for Water and 6,232,988.28 for Sewer. Expenditures amounted to \$6,896,627.10 for Water and \$5,926,994.48 for Sewer. This resulted in excess revenues of \$184,791.01 for Water and \$305,993.80 for Sewer. The calculation of "Self-Liquidating Purpose" water utility operations per N.J.S.A. 40A: 2-45 resulted in a statutory excess for debt statement purposes of \$281,427.62, which allows for the total deduction of Water Utility Debt in the calculation of the statutory net debt of the Township at June 30, 2013. The calculation of "Self-Liquidating Purpose" sewer utility operations per N.J.S.A. 40A:2-45 resulted in a statutory excess for debt statement purposes of \$691,818.70, which allows for the total deduction of Sewer Utility Debt in the calculation of the statutory net debt of the Township at June 30, 2013.

Condition of Records - Collector of Revenues

The records maintained by the Collector of Revenues were reviewed. Computerized cash receipt records were agreed to daily controls and in total monthly with no exceptions noted for items tested. No exceptions were noted in the review of computerized real estate billings and billing adjustments for real estate taxes for items tested.

Condition of Records - Finance Office

The financial records maintained by the Finance Department during the period were reviewed. A general ledger was maintained for each fund. Adjustments were required to be posted and recorded within the general ledger accounting and reporting system in order to utilize the ledger as the basis of financial statement – regulatory basis preparation and presentation. The control accounts were generally in proof with supporting detail.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Administration and Accounting of State & Federal Grants

During SFY 2013, the Township operated programs that were funded in whole or in part by state and or federal grant awards. As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. Based upon the myriad compliance and reporting requirements for grant awards, the Township should continue to develop sound administrative functions over grant program.

The acceptance of grant funds also places additional requirements upon the Township with respect to the Township's system of internal controls. Based upon the matrix of requirements applicable to a specific grant, the Township's internal controls are required to include systems and policies and procedures designed to ensure compliance with the applicable requirements.

As with other local entities, due to weaknesses in the grant notification process followed by certain agencies, that pass-through federal and state assistance to the Township, the Township often does not receive accurate and timely information with respect to the grant funding sources, along with the relevant CFDA and account number information from its grantor agencies, which can inhibit the preparation of these financial assistance schedules.

We suggest the Township continuously review its system of internal controls and various policies and procedures as they apply to the compliance requirements for State and Federal grants.

Animal Control Fund

It was noted in the prior two audit periods that monthly reports due to the State of New Jersey for dog licenses issued pursuant to R.S. 4:19-15.1 et seq., as amended by Chapter 168, P.L. 1978 and Chapter 235, P.L. 1981, were not being filed within the required thirty days after collection period and that the number of dog licenses issued during a month were not properly reconciled to the number of dog licenses reported.

During our audit, we found that dog licenses were being filed within the thirty-day time frame and dog licenses issued during the months were properly reconciled to the number of dog licenses reported.

GENERAL COMMENTS

OTHER MATTERS (CONT'D.)

Other Compliance Matters:

The Local Finance Board, State of New Jersey, adopted the following requirements, previously identified as "technical accounting directives", as codified in the New Jersey Administration Code, as follows:

N.J.A.C. 5:30 - 5.2 - Encumbrance Systems: This directive requires the development and implementation of accounting systems, which can reflect the commitment of funds at the point of commitment. The Township of North Brunswick is in compliance with this directive.

N.J.A.C. 5:30 - 5.6 - Accounting for Governmental Fixed Assets: This directive requires the development and implementation of accounting systems which assigns values to covered assets and can track additions, retirements and transfers of inventoried assets. The Township is compliance with this directive.

Compliance with Local Finance Notices

N.J.A.C. 5:30 - 5.7 - General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, at least, the Current Fund. The Township is in compliance with this directive.

In accordance with Local Finance Notice No. CFO-10, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c) 2, and no exceptions were noted for those items tested.

RECOMMENDATIONS

None.

* * * * *

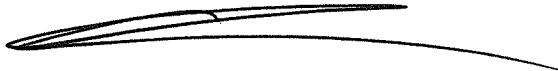
ACKNOWLEDGMENT

During the course of our audit we received the complete cooperation of the various officials of the Township, and the courtesies extended to us were greatly appreciated.

Should any questions arise as to our comments or recommendations or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

Very truly yours,

HODULIK & MORRISON, P.A.



Andrew G. Hodulik, CPA, RMA
No. 406