

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



**FINANCIAL STATEMENTS FOR  
THE YEARS ENDED  
JUNE 30, 2019 and 2018**

**HODULIK & MORRISON, P.A.**

*A division of*



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

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**MIDDLESEX COUNTY, NEW JERSEY**

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

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**PART I**

**INDEPENDENT AUDITORS' REPORT  
FINANCIAL STATEMENTS  
NOTES TO FINANCIAL STATEMENTS**

## **Independent Auditors' 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 regulatory-basis financial statements of the various funds and the governmental fixed assets of the Township of North Brunswick, Middlesex County, New Jersey (the "Township") which comprise the balance sheets as of and for the years ended June 30, 2019 and 2018, and the related statements of operations and changes in the fund balance for the years then ended and related notes to the financial statements, the statements of changes in fund balance, statements of revenue and statements of expenditures for the year ended June 30, 2019 which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

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

#### ***Auditors' Responsibility***

Our responsibility is to express opinions 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 of the United States; and the audit requirements prescribed by the Division. Those standards and requirements prescribed by the Division require that we plan and perform the audit to obtain reasonable assurance about whether the regulatory-basis 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 Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township'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 opinions.

**Honorable Mayor and Members  
of the Municipal Council  
Township of North Brunswick**

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

As described in Note 2, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division to demonstrate compliance with Division's regulatory-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the basis of accounting described in Note 2 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 matter discussed in the Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund of the Township as of June 30, 2019 and 2018 and the results of its operations and changes in fund balance, for the years then ended.

***Unmodified 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, 2019 and 2018 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, 2019, and the related notes to the financial statements in accordance with the financial reporting provisions of the Division, as described in Note 2 to the financial statements.

***Report on Supplementary Information as Required by the Division in Accordance with Regulatory Basis***

***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 II – Supplementary Schedules and Part III – 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 – 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 III - 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.

**Honorable Mayor and Members  
of the Municipal Council  
Township of North Brunswick**

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

In accordance with *Government Auditing Standards*, we have also issued a report dated May 1, 2020 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.  
A division of PKF O'Connor Davies  
Certified Public Accountants  
Registered Municipal Accountants



Andrew G. Hodulik  
Registered Municipal Accountant, No. 406

Cranford, New Jersey  
May 1, 2020

**Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance With  
*Government Auditing Standards***

**Independent Auditors' Report**

**The Honorable Mayor and Members  
of the Municipal Council  
Township of North Brunswick  
North Brunswick, 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, 2019, 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 May 1, 2020. Our report reflects the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2 and unmodified based upon the Other Comprehensive Basis of Accounting financial statement presentations.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township of North Brunswick's internal control over financial reporting 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 of North Brunswick's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of North Brunswick's internal control over financial reporting.

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 over the financial reporting 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.

**The Honorable Mayor and Members  
of the Municipal Council  
Township of North Brunswick**

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**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.*

HODULIK & MORRISON, P.A.  
A division of PKF O'Connor Davies  
Certified Public Accountants  
Registered Municipal Accountants



Andrew G. Hodulik  
Registered Municipal Accountant, No. 406

Cranford, New Jersey  
May 1, 2020

## **FINANCIAL STATEMENTS**

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2019 AND 2018

Assets	Ref.	June 30, 2019	June 30, 2018	Liabilities	Ref.	June 30, 2019	June 30, 2018
<u>Current Fund:</u>				<u>Current Fund:</u>			
Cash.....	A-4	\$ 15,119,560.61	\$ 12,577,850.13	Accounts Payable.....	A-9	\$ 20,985.51	\$ 12,859.96
Change Fund.....	A-5	1,225.00	1,225.00	Encumbrances, Current Budget.....	A-3, A-10	641,974.03	678,591.88
Due New Jersey - Sr Citizens & Veterans Deductions.....	A-6	132,530.67	139,646.77	Appropriation Reserves.....	A-3, A-10	1,942,616.48	1,453,028.45
Total.....		15,253,316.28	12,718,721.90	Due to Sewer Utility Operating Fund.....	A-3	150,000.00	
				Prepaid & Overpaid Taxes.....	A-11	351,163.17	984,055.59
				Taxes Payable.....	A-12	42,971,684.00	41,891,141.98
				Less Deferred School Taxes.....	A-12	(42,267,758.00)	(41,417,758.00)
				Filing Fees Due State of NJ.....	A-9	21,360.00	32,552.00
Receivable Offset by Reserves:				Reserve, Tax Appeals.....	A-9	375,803.86	370,803.86
Property Tax Receivables.....	A-7	210,605.21	9,090.58	Reserve, Rental Inspections.....	A-9	180.00	180.00
Tax Title Liens Receivables.....	A-7	78,916.93	46,814.68	Reserve, FMBA Health.....	A-9	37,976.67	32,532.10
Property Acquired for Taxes.....	A-7	534,280.68	534,280.68	Total Cash Liabilities.....		4,245,985.72	4,037,987.82
Total.....	A	823,802.82	590,185.94				
				Reserve for Accounts Receivable.....	A	823,802.82	590,185.94
				Fund Balance.....	A-1	11,007,330.56	8,680,734.08
Total Current Fund.....		\$ 16,077,119.10	\$ 13,308,907.84	Total Current Fund.....		\$ 16,077,119.10	\$ 13,308,907.84
<u>Grant Fund:</u>				<u>Grant Fund:</u>			
Cash.....	A-4	\$ 246,032.21	\$ 392,003.26	Unappropriated Grant Reserves.....	A-15	\$ 73,154.04	\$ 66,047.49
Grant Accounts Receivable.....	A-16	2,156,510.67	338,430.86	Reserve for Encumbrances.....	A-17	208,167.43	425,054.20
Total Grant Fund.....		\$ 2,402,542.88	\$ 730,434.12	Appropriated Grant Reserves.....	A-17	2,121,221.41	239,332.43
				Total Grant Fund.....		\$ 2,402,542.88	\$ 730,434.12
Total.....		\$ 18,479,661.98	\$ 14,039,341.96	Total.....		\$ 18,479,661.98	\$ 14,039,341.96

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, 2019 AND 2018

	<u>Ref.</u>	June 30, 2019	June 30, 2018
<u>Revenue and Other Realized Income</u>			
Surplus Anticipated.....	A-1, A-2	\$ 3,343,830.00	\$ 3,350,000.00
Miscellaneous Revenues Anticipated.....	A-2	14,300,089.18	12,719,628.08
Receipts from Current Taxes.....	A-7	142,180,920.61	136,556,445.92
Receipts from Delinquent Taxes.....	A-7	512,305.73	149,424.26
Non Budget Revenue (MRNA).....	A-8	471,055.44	389,351.18
Unexpended Balance of Appropriation Reserves.....	A-10	1,053,589.76	689,958.91
Interfund Returned.....			250,000.00
Total Revenue and Realized Income.....		<u>161,861,790.72</u>	<u>154,104,808.35</u>
<u>Expenditures</u>			
Budget Appropriations.....	A-3	50,646,225.03	47,178,328.90
Tax Collections			
County Taxes.....	A-12	18,621,715.15	18,165,253.57
Local School District Taxes.....	A-12	87,023,910.00	84,749,763.50
Less Additional School Taxes Deferred.....	A-12	(850,000.00)	(850,000.00)
Municipal Open Space Trust Fund.....	A-12	749,319.54	738,894.75
Prior Year Senior Citizens & Vet Adjustment.....	A-6	194.52	3,875.00
Over Payments Refunded - Adjustment			215.17
Total Expenditures.....		<u>156,191,364.24</u>	<u>149,986,330.89</u>
Statutory Excess.....	A-1	5,670,426.48	4,118,477.46
Fund Balance, Beginning of Year.....	A	8,680,734.08	7,912,256.62
Decreased by Surplus Anticipated.....	A-1, A-2	(3,343,830.00)	(3,350,000.00)
Fund Balance, End of Year.....	A	<u>\$ 11,007,330.56</u>	<u>\$ 8,680,734.08</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, 2019

	Ref.	Anticipated SFY 2019	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Surplus Anticipated.....	A-1	\$ 3,343,830.00		\$ 3,343,830.00	
<u>Miscellaneous Revenues:</u>					
Licenses - Alcoholic Beverages.....		50,000.00		58,710.00	\$ 8,710.00
Licenses - Other.....		205,900.00		199,277.51	(6,622.49)
Fees & Permits.....		383,711.00		340,515.22	(43,195.78)
Fines & Costs - Municipal Court.....		1,227,770.09		1,044,242.05	(183,528.04)
Interest & Costs on Taxes.....		135,000.00		146,129.47	11,129.47
Interest on Investments and Deposits.....		170,000.00		246,514.59	76,514.59
Water & Sewer Operating Funds.....		600,000.00		600,000.00	-
Fire Prevention Fines & Fees.....		133,950.00		170,194.07	36,244.07
Cable Television Franchise Fee.....		132,000.00		121,255.00	(10,745.00)
Hotel Tax.....		200,000.00		241,108.27	41,108.27
Payments In Lieu of Taxes (PILOT)					
Sr Citizens Housing Complex.....		258,200.00		278,456.50	20,256.50
Technology Center of NJ.....		1,050,000.00		1,096,403.69	46,403.69
Crescent Apartment Complex.....		40,000.00		42,344.88	2,344.88
Uniform Construction Code Fees.....		1,055,000.00		1,211,576.00	156,576.00
Shared Services Agreement - Bd. Of Education.....		400,000.00		391,551.22	(8,448.78)
Uniform Fire Safety Act.....		97,000.00		132,072.22	35,072.22
Open Space Trust Fund.....		745,809.54		745,809.54	-
General Capital Surplus.....		300,000.00		300,000.00	-
Library Contribution.....		86,000.00		98,302.53	12,302.53
School Soil Remediation Debt.....				3,214.48	3,214.48
State Aid:					
Energy Receipts Tax.....		4,486,969.00		4,486,969.00	-
Watershed Moratorium Aid.....		4,653.00		4,653.00	-
Sub-total.....		11,761,962.63		11,959,299.24	197,336.61
<u>Public and Private Revenues</u>					
<u>Offset with Appropriations:</u>					
Public Safety:					
Drunk Driving Enforcement Fund.....		3,441.93	\$ 10,885.43	14,327.36	
Click it or Ticket.....			5,500.00	5,500.00	
Safe and Secure.....			60,000.00	60,000.00	
Bullet Proof Vests.....			9,427.54	9,427.54	
Body Armor Grant - State.....			8,143.89	8,143.89	
Drive Sober or Get Pulled Over.....			5,500.00	5,500.00	
Distracted Driving.....			5,500.00	5,500.00	
Pedestrian Safety, Education & Enforcement.....			15,000.00	15,000.00	
Community Development					
NJDOT Finnegans Lane Improvements.....		-	1,050,000.00	1,050,000.00	
NJDOT Quarry Lane.....		925,000.00		925,000.00	
Parks Recreation & Community Service					
Municipal Alliance.....			48,982.00	48,982.00	
Senior Center Outreach Grant.....			15,800.00	15,800.00	
Senior Center Congregate Meals.....			10,000.00	10,000.00	
Senior Center Transportation Program.....			10,000.00	10,000.00	
Heritage Day (County/Federal).....			6,000.00	6,000.00	
Cablevision.....			9,200.00	9,200.00	
Public Works:					
Recycling Tonnage Grant.....			66,009.59	66,009.59	
Clean Communities.....		62,605.56		62,605.56	

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Ref.</u>	Anticipated SFY 2019	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Other Grants:					
MCPO Task Force.....			6,000.00	6,000.00	
Bristol Meyers Squibb.....		-	4,794.00	4,794.00	
Middlesex County DWI Checkpoint.....		-	3,000.00	3,000.00	
Sub-total.....		991,047.49	1,349,742.45	2,340,789.94	
Current Fund Total Miscellaneous.....	A-1	12,753,010.12	1,349,742.45	14,300,089.18	197,336.61
Local Purpose Tax.....	A- 7	32,400,000.00		34,982,816.04	2,582,816.04
Library Tax.....	A-7	1,503,159.88		1,503,159.88	
Sub-total.....		33,903,159.88		36,485,975.92	2,582,816.04
Total General Revenues.....	A-1	\$ 50,000,000.00	\$ 1,349,742.45	\$ 54,129,895.10	\$ 2,780,152.65
	<u>Ref.</u>	A-3	A-3	A-1	
Federal & State Grants.....			<u>Ref.</u>		
Cash.....			A-14	\$ 2,340,789.94	
			A-4	11,959,299.24	
Total Miscellaneous Revenue.....				<u>\$ 14,300,089.18</u>	

Note: See Notes to Financial Statements

MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	SFY 2019 Budget		Modified Budget		Expended		Encumbered		Balance Canceled	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses		Salaries	Other
General Government:											
Administration	\$ 494,741.00	\$ 30,410.00	\$ 494,741.00	\$ 30,410.00	\$ (478,869.00)	\$ (25,241.33)	\$ -	\$ (763.42)	\$ -	\$ 15,872.00	\$ 4,405.25
Municipal Clerk	192,828.00	28,100.00	192,828.00	28,100.00	(190,864.57)	(14,580.05)		(100.00)		1,963.43	13,419.95
Financial Administration	244,044.00	13,900.00	249,044.00	13,900.00	(247,541.60)	(8,277.44)		-		1,502.40	5,622.56
Audit		55,000.00		55,000.00				(55,000.00)		-	-
Information Technology	171,453.00	395,814.00	156,453.00	395,814.00	(135,599.24)	(334,846.60)		(59,910.53)		20,853.76	1,056.87
Tax Collection	145,298.00	9,700.00	152,298.00	9,700.00	(151,250.01)	(4,852.81)		(349.00)		1,047.99	4,498.19
Tax Assessment	165,200.00	113,200.00	165,200.00	113,200.00	(164,000.55)	(92,022.38)		(20,382.00)		1,199.45	795.62
Reserve for Tax Appeals		5,000.00		5,000.00		(5,000.00)				-	-
Legal		365,000.00		365,000.00		(319,704.20)		(45,295.80)		-	-
Insurance:											
Other Insurance		1,191,000.00		1,191,000.00		(1,191,000.00)				-	-
Employee Group Insurance		5,750,000.00		5,505,000.00		(4,972,744.99)		(3,609.13)		-	528,645.88
Health Benefit Waiver		110,000.00		110,000.00		(110,000.00)				-	-
Community Development				-							
Engineering	108,378.00	95,850.00	108,378.00	95,850.00	(102,597.30)	(50,511.95)		(41,073.74)		5,780.70	4,264.31
Planning	286,324.00	10,150.00	286,324.00	10,150.00	(283,873.59)	(2,263.47)		(3,883.08)		2,450.41	4,003.45
Zoning	115,744.00	5,700.00	117,744.00	5,700.00	(116,797.83)	(2,898.56)		(2,542.55)		946.17	258.89
Affordable Housing	3,600.00		3,600.00	-	(3,600.00)					-	-
Code Enforcement	139,591.00	3,250.00	132,591.00	3,250.00	(110,148.65)	(2,466.84)		(376.78)		22,442.35	406.38
Fire Safety	229,697.00	8,250.00	229,697.00	8,250.00	(217,842.62)	(6,076.83)		(824.81)		11,854.38	1,348.36
Uniform Construction Code	367,893.00	45,300.00	372,893.00	45,300.00	(359,767.82)	(38,752.33)		(3,885.00)		13,125.18	2,662.67
Public Safety:				-							
Police	14,254,031.00	311,500.00	14,254,031.00	311,500.00	(13,720,461.22)	(188,178.79)		(80,240.46)		533,569.78	43,080.75
Emergency Management	75,227.00	18,050.00	79,227.00	18,050.00	(76,155.90)	(5,018.51)		(2,796.06)		3,071.10	10,235.43
Volunteer Fire Departments		207,500.00	-	207,500.00		(198,733.04)		(240.00)		-	8,526.96
First Aid Organizations		65,000.00	-	65,000.00		(15,000.00)				-	50,000.00
Length of Service Award Program		82,000.00	-	82,000.00		(43,624.46)		(2,784.54)		-	35,591.00
Juvenile Aid		10,000.00	-	10,000.00		(2,485.85)		(6,233.13)		-	1,281.02
Municipal Court	517,051.00	54,800.00	517,051.00	54,800.00	(505,000.74)	(40,480.24)		(777.38)		12,050.26	13,542.38
Public Defender		10,000.00	-	10,000.00		(400.00)		(9,000.00)		-	600.00

MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	SFY 2019 Budget		Modified Budget		Expended		Encumbered		Balance Canceled	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses		Salaries	Other
Public Works:											
Streets and Roads	\$ 675,995.00	\$ 295,200.00	\$ 675,995.00	\$ 280,200.00	\$ (638,951.58)	\$ (244,364.07)	\$ -	\$ (23,713.25)	\$ -	\$ 37,043.42	\$ 12,122.68
Sanitation	618,878.00	418,300.00	618,878.00	418,300.00	(576,346.34)	(376,872.12)		(35,580.10)		42,531.66	5,847.78
Solid Waste Disposal Fees		900,000.00	-	900,000.00		(795,213.26)		(103,145.90)		-	1,640.84
Recycling		413,375.00	-	418,375.00		(379,631.33)		(37,078.45)		-	1,665.22
Buildings and Grounds	331,397.00	184,200.00	359,397.00	194,200.00	(348,965.10)	(152,952.24)	-	(29,002.59)		10,431.90	12,245.17
Motor Vehicle Maintenance	324,967.00	438,320.00	324,967.00	518,320.00	(305,103.08)	(472,803.78)		(13,953.36)		19,863.92	31,562.86
Muni Service Reimbursement			-	-						-	-
Condominiums		69,500.00	-	69,500.00		6,592.34				-	76,092.34
NJDEP - Stormwater Permit	332,525.00	14,000.00	332,525.00	14,000.00	(319,563.36)	(9,244.29)				12,961.64	4,755.71
Parks Recreation & Community Services			-	-						-	-
Board of Health		98,100.00	-	98,100.00		(96,740.77)				-	1,359.23
Animal Control	1,000.00	56,000.00	-	56,000.00		(47,110.87)		(1.00)		-	8,888.13
Environmental Commission		1,860.00	-	1,860.00		(1,716.53)				-	143.47
Recreation & Community Services	289,330.00	71,750.00	291,330.00	71,750.00	(285,132.80)	(66,532.52)	1,760.92	(2,473.87)		7,958.12	2,743.61
Senior Services	153,331.00	62,050.00	153,331.00	62,050.00	(144,622.55)	(58,280.18)	-	(1,876.65)		8,708.45	1,893.17
Parks and Playgrounds	527,059.00	251,200.00	527,059.00	251,200.00	(521,339.48)	(205,364.82)		(25,256.01)		5,719.52	20,579.17
Education - Library		1,503,159.88	-	1,503,159.88		(1,503,159.88)				-	-
Unclassified										-	-
Salary Adjustments		120,000.00		90,000.00						-	90,000.00
Utilities / Facilities Costs		1,700,939.63	-	1,865,939.63		(1,819,012.92)		(20,592.61)		-	26,334.10
Contingency		100.00	-	100.00						-	100.00
Statutory Expenditures:										-	-
Public Employees Retirement		1,068,802.00	-	1,068,802.00		(1,057,665.00)		(10,993.75)		-	143.25
Police & Fire Retirement		2,938,123.00	-	2,938,123.00		(2,938,123.00)				-	-
Defined Contribution (DCRP)		15,000.00	-	15,000.00		(7,527.59)				-	7,472.41
Social Security		1,500,000.00	-	1,500,000.00		(1,484,076.07)				-	15,923.93
Unemployment Compensation		40,000.00	-	40,000.00		(40,000.00)				-	-
Interlocal Agreement- Special Law Enforcement Officers		400,000.00	-	400,000.00		(310,845.00)				-	89,155.00
Matching Funds for Grants		20,000.00	-	20,000.00		(15,245.50)				-	4,754.50
Sub-Total Operations	20,765,582.00	21,574,453.51	20,795,582.00	21,544,453.51	(20,004,394.93)	(19,751,050.07)	1,760.92	(643,734.95)	-	792,947.99	1,149,668.49

MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	SFY 2019 Budget		Modified Budget		Expended		Encumbered		Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses	Canceled	Salaries	Other
<u>Public &amp; Private Programs</u>											
<u>Offset by Revenues:</u>											
Public Safety:											
Drunk Driving Enforcement Fund	\$ -	\$ 3,441.93	\$ -	\$ 14,327.36	\$ -	\$ (14,327.36)	\$ -	\$ -	\$ -	\$ -	\$ -
Distracted Driving				5,500.00		(5,500.00)					
Drive Sober or Get Pulled Over				5,500.00		(5,500.00)					
Safe and Secure				60,000.00		(60,000.00)					
Bullet Proof Vests				9,427.54		(9,427.54)					
Body Armor Grant				8,143.89		(8,143.89)					
Click it or Ticket				5,500.00		(5,500.00)					
Pedestrian Safety Enforcement				15,000.00		(15,000.00)					
Middlesex County DWI Checkpoint				3,000.00		(3,000.00)					
Parks Recreation & Community Service						-					
Municipal Alliance				48,982.00		(48,982.00)					
Senior Center Outreach Grant				15,800.00		(15,800.00)					
Senior Center Congregate Meals				10,000.00		(10,000.00)					
Senior Center Transportation Program				10,000.00		(10,000.00)					
Heritage Day (County/Federal)				6,000.00		(6,000.00)					
Cabevision				9,200.00		(9,200.00)					
MCPO Task Force				6,000.00		(6,000.00)					
Bristol Meyers Squibb				4,794.00		(4,794.00)					
Public Works:											
Recycling Tonnage Grant				66,009.59		(66,009.59)					
Clean Communities		62,605.56		62,605.56		(62,605.56)					

MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	SFY 2019 Budget		Modified Budget		Expended		Encumbered		Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses	Canceled	Salaries	Other
Community Development NJDOT - Quarry Lane NJDOT - Finnegans Lane Improvements Public and Private Programs	\$ -	\$ 925,000.00	\$ -	\$ 925,000.00	\$ -	\$ 925,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
		991,047.49		1,050,000.00		(1,050,000.00)					
				2,340,789.94		(2,340,789.94)					
Total Operations	20,765,582.00	22,565,501.00	20,795,582.00	23,885,243.45	(20,004,394.93)	(22,091,840.01)	1,760.92	(643,734.95)	-	792,947.99	1,149,668.49
Capital Improvements: Capital Improvement Fund		264,500.00	-	264,500.00		(264,500.00)					
Total Capital Improvements	-	264,500.00	-	264,500.00	-	(264,500.00)			-		
Debt Service: Bond Principal Interest on Bonds Note Principal Interest on Notes		3,575,000.00		3,575,000.00		(3,575,000.00)			-		
		1,389,417.00		1,389,417.00		(1,387,959.55)			(1,457.45)		
		740,000.00		740,000.00		(737,940.03)			(2,059.97)		
Total Debt Service	-	5,704,417.00	-	5,704,417.00	-	(5,700,899.58)			(3,517.42)		
Total Reserve for Uncollected Taxes	20,765,582.00	28,534,418.00	20,795,582.00	29,854,160.45	(20,004,394.93)	(28,057,239.59)	1,760.92	(643,734.95)	(3,517.42)	792,947.99	1,149,668.49
		700,000.00		700,000.00		(700,000.00)					
Total Current Fund Budget	20,765,582.00	29,234,418.00	20,795,582.00	30,554,160.45	(20,004,394.93)	(28,757,239.59)	1,760.92	(643,734.95)	(3,517.42)	792,947.99	1,149,668.49
Total Current Fund Budget	\$ 20,765,582.00	\$ 29,234,418.00	\$ 20,795,582.00	\$ 30,554,160.45	\$ (20,004,394.93)	\$ (28,757,239.59)	\$ 1,760.92	\$ (643,734.95)	\$ (3,517.42)	\$ 792,947.99	\$ 1,149,668.49
Adopted Budget:			Cash Disbursed.....	A-4	\$ (45,550,599.08)						
Salaries	\$ 20,765,582.00		Due to Sewer Operating Fund.....	A	(150,000.00)		\$ 643,734.95			\$ 792,947.99	
Other Expenses	<u>29,234,418.00</u>		Reserve for Uncollected Taxes.....	A-7	(700,000.00)		<u>1,760.92</u>			<u>1,149,668.49</u>	
Total Adopted Budget	50,000,000.00		Reserve for Tax Appeals.....	A-9	(5,000.00)						
Budget Amendments-NJSA 40A:4-87	<u>1,349,742.45</u>		State & Federal Grants.....	A-14	<u>(2,356,035.44)</u>		<u>\$ 641,974.03</u>			<u>\$ 1,942,616.48</u>	
Total Modified Budget	<u>\$ 51,349,742.45</u>		Total Paid or Charged.....		<u>\$ (48,761,634.52)</u>		A			A	

A-2

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2019 AND 2018

			June 30, 2019	June 30, 2018
<hr/>				
<u>ASSETS</u>	<u>Ref.</u>			
Cash.....	B-2	\$	5,524,688.01	\$ 5,789,354.96
Trust Assessment - Accounts Receivable.....	B-1		71,055.00	71,055.00
Trust Other - Accounts Receivable				
Middlesex County				
CDBG - FY 2016.....	B-2		6,951.00	6,951.00
CDBG - FY 2017.....	B-2		407.99	407.99
CDBG - FY 2018.....	B-2		40,000.00	50,951.00
CDBG - FY 2019.....	B-2		50,951.00	
Total.....		\$	5,694,053.00	\$ 5,918,719.95
<hr/>				
<u>LIABILITIES</u>				
Trust Assessment - Reserve for Receivables.....	B-1	\$	71,055.00	\$ 71,055.00
Parks and Recreation				
Due NJ - Animal License Fees.....	B-2		1.00	105.40
Animal Control Reserves.....	B-2		19,154.07	26,780.68
Recreation Programs.....	B-2		966,014.03	1,165,464.06
Open Space.....	B-2		139,591.18	103,405.07
Finance				
NJ Unemployment.....	B-2		85,100.97	113,684.03
Terminal Leave.....	B-2		988,387.78	921,265.03
Tax Sale, Premium on TTL.....	B-2		1,184,500.00	1,242,300.00
Payroll Liabilities Payable.....	B-2		77,665.37	202,924.26

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2019 AND 2018

		June 30, 2019	June 30, 2018
Public Safety			
Forfeited Funds.....	B-2	\$ 65,508.11	\$ 38,720.29
Outside Employment.....	B-2	73,347.52	34,944.91
Uniform Fire Code.....	B-2	66,992.61	49,930.05
Municipal Court			
Public Defender.....	B-2	18,612.59	26,113.59
POAA Fines.....	B-2	487.57	219.57
Public Works - Snow Removal.....	B-2	327,482.78	277,654.00
Donations, Gifts, & Bequests.....	B-2	2,632.90	1,402.90
Community Development Block Grant			
CDBG - FY16.....	B-2	6,951.00	6,951.00
CDBG - FY18.....	B-2		27,013.33
CDBG - FY19.....	B-2	37,658.75	
Community Development Department			
Growth Share Reserve.....	B-2	379,154.97	265,143.20
Third Party UCC Inspections.....	B-2	15,346.14	84,088.14
Developers' Escrow.....	B-2	1,168,408.66	1,259,555.44
Total.....		<u>\$ 5,694,053.00</u>	<u>\$ 5,918,719.95</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, 2019 AND 2018

	<u>Ref.</u>	June 30, 2019	June 30, 2018
<u>ASSETS</u>			
Cash.....	C-2	\$ 6,408,470.06	\$ 4,422,829.44
Deferred Charges to Future Taxation:			
Funded.....	C-4	50,572,250.00	39,034,750.00
Unfunded.....	C-5	32,175,500.00	42,416,000.00
Total.....		<u>\$ 89,156,220.06</u>	<u>\$ 85,873,579.44</u>
<u>LIABILITIES, RESERVES, &amp; FUND BALANCE</u>			
Outstanding Debt:			
Bond Anticipation Notes Payable.....	C-8	\$ 26,700,000.00	\$ 37,000,000.00
Serial Bonds Payable.....	C-7	50,572,250.00	39,034,750.00
Improvement Authorizations:			
Funded.....	C-6	890,698.33	967,112.95
Unfunded.....	C-6	1,954,664.73	1,909,016.32
Reserve for Encumbrances.....	C-6	5,639,459.77	5,190,251.26
Reserve to Retire Debt.....	C-10	2,973,877.86	1,263,475.44
Capital Improvement Fund.....	C-9	342.00	342.00
Fund Balance.....	C-1	424,927.37	508,631.47
Total.....		<u>\$ 89,156,220.06</u>	<u>\$ 85,873,579.44</u>
Bonds & Notes Authorized not Issued.....	C-11	<u>\$ 5,475,500.00</u>	<u>\$ 5,416,000.00</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, 2019

	<u>Ref.</u>	
Balance June 30, 2018	C	\$ 508,631.47
Increased by Cash Receipts		
Premium on Sale of Notes.....	C-2	<u>216,295.90</u>
		724,927.37
Decreased by Cash Disbursements		
Surplus - Anticipated in Current Fund.....	C-2	<u>(300,000.00)</u>
Balance June 30, 2019	C	<u><u>\$ 424,927.37</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, 2019 AND 2018

Assets	Ref.	June 30, 2019	June 30, 2018	Liabilities	Ref.	June 30, 2019	June 30, 2018
<u>Water Operating</u>				<u>Water Operating</u>			
Cash.....	D-6	\$ 3,077,721.51	\$ 2,876,937.46	Reserve for Encumbrances.....	D-5,D-10	\$ 795,494.43	\$ 336,709.37
				Appropriation Reserves.....	D-5,D-10	154,299.63	84,074.41
		<u>3,077,721.51</u>	<u>2,876,937.46</u>	Accounts Payable.....	D-10	14,024.00	20,024.00
Receivables with Offsetting Reserves				Accrued Interest Payable.....	D-13	406,245.86	364,149.10
Water Rents Receivable.....	D	847,872.68	-	Total Liabilities.....		<u>1,370,063.92</u>	<u>804,956.88</u>
		<u>847,872.68</u>	<u>-</u>	Reserve for Receivables.....	Reserve	847,872.68	-
				Fund Balance.....	D-1	<u>1,707,657.59</u>	<u>2,071,980.58</u>
Total Water Operating Fund.....		<u>\$ 3,925,594.19</u>	<u>\$ 2,876,937.46</u>	Total Water Operating Fund.....		<u>\$ 3,925,594.19</u>	<u>\$ 2,876,937.46</u>
<u>Water Assessment</u>				<u>Water Assessment</u>			
Cash.....	D-6	\$ 456,850.32	\$ 439,107.58	Reserve for:			
Assessment Receivable:				Accounts Receivable.....	D-19	\$ 103,271.74	\$ 206,564.48
Accounts Receivable.....	D-18	1,698,271.74	1,901,564.48	Liens Interest & Costs.....	D-19	288.00	288.00
Liens Interest & Costs.....	D-18	288.00	288.00	Serial Bonds Payable.....	D-20	1,595,000.00	1,695,000.00
				Fund Balance.....	D-3	<u>456,850.32</u>	<u>439,107.58</u>
Total Water Assessment Fund.....		<u>\$ 2,155,410.06</u>	<u>\$ 2,340,960.06</u>	Total Water Assessment Fund.....		<u>\$ 2,155,410.06</u>	<u>\$ 2,340,960.06</u>

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2019 AND 2018

Assets	Ref.	June 30, 2019	June 30, 2018	Liabilities	Ref.	June 30, 2019	June 30, 2018
<u>Water Capital</u>				<u>Water Capital</u>			
Cash.....	D-6,D-7	\$ 1,782,942.79	\$ 1,712,384.15	Bond Anticipation Notes.....	D-14	\$ 4,960,000.00	\$ 3,990,000.00
				Serial Bonds Payable.....	D-12	9,988,591.00	11,438,591.00
				NJEIT Loan Obligation.....	D-15	9,557,994.39	10,496,171.23
				Improvement Authorizations:			
				Funded.....	D-11	-	242,468.70
Fixed Capital				Unfunded.....	D-11	2,258,797.18	1,398,146.83
Completed.....	D-8	60,068,229.55	58,542,087.11	Reserve for Encumbrances.....	D-11	1,851,160.86	921,627.07
Authorized not Completed.....	D-9	4,109,958.04	3,136,100.48	Reserve for Amortization.....	D-16	37,171,602.20	34,753,425.36
				Capital Improvement Fund.....	D-17	89,067.59	89,067.59
				Fund Balance.....	D-2	83,917.16	61,073.96
Total Water Capital Fund.....		<u>\$ 65,961,130.38</u>	<u>\$ 63,390,571.74</u>	Total Water Capital Fund.....		<u>\$ 65,961,130.38</u>	<u>\$ 63,390,571.74</u>
Total.....		<u>\$ 72,042,134.63</u>	<u>\$ 68,608,469.26</u>	Total.....		<u>\$ 72,042,134.63</u>	<u>\$ 68,608,469.26</u>

There were Bonds and Notes Authorized but Not Issued at June 30, 2019 and 2018 in the amounts of \$ 2,500,000 and \$1,000,000, respectively (Exhibit - D-21).

Note: See Notes to Financial Statements

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, 2019 AND 2018

	Ref.	June 30, 2019	June 30, 2018
<u>Revenue and Other Realized Income</u>			
Surplus Anticipated.....	D-4	\$ 624,000.00	\$ 400,000.00
Water Rents.....	D-4	6,314,282.62	6,263,205.17
Connection Fees.....	D-4	65,550.00	89,700.00
Developer Contribution.....	D-4	157,350.00	148,965.00
Miscellaneous Revenues.....	D-4	578,308.49	743,665.96
Water Utility Capital Surplus.....	D-4	40,000.00	75,000.00
Water Utility Assessment Trust Fund Interest.....	D-4	85,553.75	89,575.00
Unexpended Balance of Appropriation Reserves.....	D-10	99,874.54	296,804.17
SREC Sales.....	D-4	17,636.58	20,041.00
Prior Years' Accounts Payable Canceled.....	D-10	8,000.00	-
Total Revenue and Realized Income.....		<u>7,990,555.98</u>	<u>8,126,956.30</u>
<u>Expenditures</u>			
Budget Appropriations.....	D-5	<u>(7,730,878.97)</u>	<u>(7,537,614.35)</u>
Total Expenditures.....		<u>(7,730,878.97)</u>	<u>(7,537,614.35)</u>
Statutory Excess.....		259,677.01	589,341.95
Decreased by Surplus Anticipated.....	D-1	(624,000.00)	(400,000.00)
Fund Balance, Beginning of Year.....	D	<u>2,071,980.58</u>	<u>1,882,638.63</u>
Fund Balance, End of Year.....	D	<u>\$ 1,707,657.59</u>	<u>\$ 2,071,980.58</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, 2019

	<u>Ref.</u>	
Balance June 30, 2018	D	\$ 61,073.96
Increased by:		
Premium on BAN Sale .....	D-6	<u>62,843.20</u>
		123,917.16
Decreased by:		
Use of Surplus in budget .....	D-6	<u>(40,000.00)</u>
Balance June 30, 2019	D	<u><u>\$ 83,917.16</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, 2019

	<u>REF.</u>		
Balance - June 30, 2018	D	\$	439,107.58
Increased by:			
Collection of Pledged Assessments.....	D-19		<u>103,292.74</u>
			542,400.32
Decrease by:			
Payment to Water Operating Fund as Anticipated Revenue..	D-6		<u>85,550.00</u>
Balance - June 30, 2019	D	\$	<u><u>456,850.32</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, 2019

	<u>Ref.</u>	Anticipated	Realized	Excess (Deficit)
Water Operating Surplus Anticipated	D-1	\$ 624,000.00	\$ 624,000.00	\$ -
Water Rents.....	D-1, D-6	6,300,000.00	6,314,282.62	14,282.62
Connection Fees.....	D-1, D-6	89,700.00	65,550.00	(24,150.00)
Dedicated Water Utility Assessment : Interest.....	D-1, D-6	89,300.00	85,553.75	(3,746.25)
Developer Contribution.....	D-1, D-6	147,000.00	157,350.00	10,350.00
Miscellaneous				
Meter Fees.....	D-1, D-6	510,000.00	500,202.81	(9,797.19)
Interest on Delinquent Accounts.....	D-1, D-6	85,000.00	49,987.92	(35,012.08)
Other.....	D-1, D-6	115,000.00	28,117.76	(86,882.24)
SREC Sales.....	D-1, D-6		17,636.58	17,636.58
Water Utility Capital Surplus.....	D-1, D-6	40,000.00	40,000.00	-
Water Utility Operating Fund Total.....		<u>\$ 8,000,000.00</u>	<u>\$ 7,882,681.44</u>	<u>\$ (117,318.56)</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, 2019

	Budget						
	Original	Modified	Paid/Charged	Encumbrances	Canceled	Reserved	
Operating Salaries.....	\$ 255,000.00	\$ 155,000.00	\$ (101,541.53)	\$ -	\$ (50,000.00)	\$ 3,458.47	
Operating Expenses.....	4,287,888.00	4,387,888.00	(3,223,412.41)	(795,494.43)	(218,140.00)	150,841.16	
Debt - Bond Principal.....	1,450,000.00	1,450,000.00	(1,450,000.00)	-		-	
Debt - Interest on Bonds.....	399,200.00	399,200.00	(399,107.88)	-	(92.12)	-	
Debt - Note Principal.....	30,000.00	30,000.00	(30,000.00)	-		-	
Debt - Interest on Notes.....	145,000.00	145,000.00	(144,806.20)	-	(193.80)	-	
Debt - NJEIT.....	1,223,952.00	1,223,952.00	(1,223,256.89)	-	(695.11)	-	
Water Assessment - Bond Interest.....	83,960.00	83,960.00	(83,960.00)	-		-	
Surplus - Current Fund.....	125,000.00	125,000.00	(125,000.00)	-	-	-	
Total Water Utility Operating.....	<u>\$ 8,000,000.00</u>	<u>\$ 8,000,000.00</u>	<u>\$ (6,781,084.91)</u>	<u>\$ (795,494.43)</u>	<u>\$ (269,121.03)</u>	<u>\$ 154,299.63</u>	
	D-4	D-1		D	D-1	D	
Cash.....	D-6		\$ (5,897,230.78)				
Accrued Interest.....	D-13		<u>(883,854.13)</u>				
Total Paid or Charged.....			<u>\$ (6,781,084.91)</u>				

( ) Denotes deficit or deduction.

Note: See Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2019 AND 2018

<u>Assets</u>	<u>Ref.</u>	June 30, 2019	June 30, 2018	<u>Liabilities</u>	<u>Ref.</u>	June 30, 2019	June 30, 2018
<u>Sewer Utility Operating:</u>				<u>Sewer Utility Operating:</u>			
Cash.....	E-5	\$ 2,223,100.96	\$ 2,366,683.28	Encumbrances Payable.....	E-4,E-9	\$ 96,361.94	\$ 114,702.28
Due from Current Fund.....	E-17	150,000.00		Appropriation Reserves.....	E-4,E-9	156,625.21	849,773.00
Due from Sewer Utility Capital Fund.....	E-17		450,000.00	Accrued Interest Payable.....	E-11	281,101.25	166,414.41
		<u>2,373,100.96</u>	<u>2,816,683.28</u>	Total Liabilities.....		534,088.40	1,130,889.69
Receivables with Offsetting Reserves:				Reserve for Receivables	Reserve	1,008,588.35	-
Sewer Rents Receivable	E	<u>1,008,588.35</u>	<u>-</u>	Fund Balance.....	E-1	<u>1,839,012.56</u>	<u>1,685,793.59</u>
		<u>1,008,588.35</u>	<u>-</u>				
Total Sewer Operating Fund.....		<u>\$ 3,381,689.31</u>	<u>\$ 2,816,683.28</u>	Total Sewer Operating Fund.....		<u>\$ 3,381,689.31</u>	<u>\$ 2,816,683.28</u>
<u>Sewer Utility Capital:</u>				<u>Sewer Utility Capital:</u>			
Cash.....	E-5,E-6	\$ 908,465.27	\$ 22,491.63	Debt			
Fixed Capital				NJ EIT Loan Payable.....	E-12	\$ 409,816.94	\$ 475,392.05
Completed.....	E-7	26,231,242.93	21,703,653.51	Serial Bonds.....	E-10	7,937,409.00	9,207,409.00
Authorized and Uncompleted.....	E-8	7,763,376.07	5,290,965.49	BAN.....	E-16	6,460,000.00	2,990,000.00
				Due to Sewer Operating.....	E-5		450,000.00
				Improvement Authorizations:			
				Unfunded .....	E-13	1,173,734.51	1,119,933.91
				Encumbrances.....	E-13	6,589,641.56	1,789,316.72
				Reserve for:			
				Amortization.....	E-15	11,935,099.06	10,569,523.95
				Deferred Amortization.....	E-15	252,294.00	252,294.00
				Capital Improvement Fund.....	E-14	28,900.00	28,900.00
				Fund Balance.....	E- 2	<u>116,189.20</u>	<u>134,341.00</u>
Total Sewer Capital Fund.....		<u>\$ 34,903,084.27</u>	<u>\$ 27,017,110.63</u>	Total Sewer Capital Fund.....		<u>\$ 34,903,084.27</u>	<u>\$ 27,017,110.63</u>
Total Sewer Utility Funds.....		<u>\$ 38,284,773.58</u>	<u>\$ 29,833,793.91</u>	Total Sewer Utility Funds.....		<u>\$ 38,284,773.58</u>	<u>\$ 29,833,793.91</u>

There were Bonds and Notes Authorized but Not Issued at June 30, 2019 and 2018 in the amount of \$7,000,000 and \$3,500,000 (Exhibit E-18).  
Note: See Notes to Financial Statements

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, 2019 AND 2018

	<u>Ref.</u>	June 30, 2019	June 30, 2018
<u>Revenue and Other Realized Income</u>			
Fund Balance Utilized.....	E-3	\$ 837,000.00	\$1,000,000.00
Sewer Rents.....	E-3	6,274,623.88	6,721,730.08
Connection Fees.....	E-3	16,750.00	7,046.00
Miscellaneous.....	E-3	31,670.90	
Unexpended Balance of Appropriation Reserves.....	E-9	858,659.14	403,587.97
Sewer Capital Fund Balance Utilized.....	E-3	100,000.00	190,000.00
Total Revenue and Realized Income.....		8,118,703.92	8,322,364.05
Budget Appropriations.....	E-4	(7,128,484.95)	(7,796,734.11)
Statutory Excess.....		990,218.97	525,629.94
Fund Balance, Beginning of Year.....	E	1,685,793.59	2,160,163.65
Decreased by:			
Utilized as Anticipated Surplus.....	E-3	837,000.00	1,000,000.00
Fund Balance, End of Year.....	E	<u>\$ 1,839,012.56</u>	<u>\$1,685,793.59</u>

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, 2019

	<u>Ref.</u>	
Balance June 30, 2018.....	E	\$ 134,341.00
Premium on BAN .....	E-5	81,848.20
Surplus Used in Budget	E-5	<u>(100,000.00)</u>
Balance June 30, 2019.....	E	<u><u>\$ 116,189.20</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, 2019

	<u>Ref.</u>	Anticipated	Realized	Excess (Deficit)
Operating Surplus Anticipated.....	E-1	\$ 837,000.00	\$ 837,000.00	\$ -
Sewer Rents.....	E-1, E-5	6,856,000.00	6,274,623.88	(581,376.12)
Connection Fees.....	E-1-E-5	7,000.00	16,750.00	9,750.00
Sewer Capital Surplus.....	E-1-E-5	100,000.00	100,000.00	-
Miscellaneous Revenue.....	E-1-E-5		31,670.90	31,670.90
Sewer Utility Operating Fund Total.....		<u>\$ 7,800,000.00</u>	<u>\$ 7,260,044.78</u>	<u>\$ (539,955.22)</u>
	<u>Ref.</u>	E-4		

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, 2019

	Budget	Modified Budget	Cash Disbursed	Encumbrances	Canceled	Reserved
Operating Salaries & Wages..... \$	600,481.00	\$ 630,481.00	\$ (626,210.01)	\$ -	\$ -	\$ 4,270.99
Operating Other Expenses.....	4,793,398.00	4,763,398.00	(3,846,931.84)	(96,361.94)	(667,750.00)	152,354.22
Statutory Expenditures						
PERS Retirement.....	19,000.00	19,000.00	(19,000.00)	-	-	-
Social Security.....	36,066.00	36,066.00	(36,066.00)	-	-	-
Debt Service:		-				
Debt - Bond Principal.....	1,270,000.00	1,270,000.00	(1,270,000.00)	-		-
Debt - Bond Interest.....	311,450.00	311,450.00	(311,437.39)	-	(12.61)	-
Debt - NJ EIT .....	78,605.00	78,605.00	(75,072.14)	-	(3,532.86)	-
Debt - Note Principal.....	30,000.00	30,000.00	(30,000.00)	-		-
Debt - Interest on Notes.....	186,000.00	186,000.00	(185,780.42)	-	(219.58)	-
Surplus - Current Fund.....	475,000.00	475,000.00	(475,000.00)	-		-
Total Sewer Utility Operating.....	<u>\$ 7,800,000.00</u>	<u>\$ 7,800,000.00</u>	<u>\$ (6,875,497.80)</u>	<u>\$ (96,361.94)</u>	<u>\$ (671,515.05)</u>	<u>\$ 156,625.21</u>

<u>Ref.</u>	E-3	E-1	E	E-1	E
Cash.....		<u>Ref.</u>			
		E-5	\$ (6,370,492.96)		
Accrued Interest.....		E-11	<u>(505,004.84)</u>		
Total Paid or Charged.....			<u>\$ (6,875,497.80)</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, 2019 AND JUNE 30, 2018

	June 30, 2019	June 30, 2018
<hr/>		
<u>GOVERNMENTAL FIXED ASSETS</u>		
Buildings	\$ 17,648,400.00	\$ 17,648,400.00
Equipment	5,643,127.52	4,999,378.25
Vehicles	5,006,975.50	5,401,350.79
	<hr/>	
Total Governmental Fixed Assets	<u>\$ 84,816,203.02</u>	<u>\$ 84,566,829.04</u>

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### **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
- Trust Assessment 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.

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### **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.

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### **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.

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### 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.

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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

##### **D. Basis of Accounting (Cont'd.)**

##### **Length of Service Awards Program (LOSAP)**

Financial reporting standards established by the DLGS exclude the financial information relating to a LOSAP program from the scope of the statutory audit. Accordingly, financial information relating to the Township's LOSAP program, a deferred income program created pursuant to Section 457 of the Internal Revenue Code for the benefit of the members of the volunteer fire company and volunteer first aid and rescue squad, is not reported as part of the Township's basic financial statements. As the LOSAP Plan's assets remain the property of the Township until withdrawn by participants, GAAP requires that the Plan's financial information be included in the Township's basic financial statements. See Note 12 regarding the availability of LOSAP Plan financial information.

Disclosures About Pension and OPEB Liabilities – The Township has included information relating to its allocated shares of the net pension liabilities of the state sponsored, cost-sharing, multiple employer defined pension benefit plans and its allocated share of the net OPEB liability of the state sponsored non-employer cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) state healthcare plan in which it participates, within these Notes to the Financial Statements and the accompanying required supplementary information. Under the regulatory basis of accounting followed by the Township, as prescribed by the State of New Jersey, the Township does not present entity-wide financial statements and, accordingly, does not present within its financial statements its proportionate share of the net pension liability of the defined benefit pension plans and the net OPEB state healthcare benefit plan in which its employees are enrolled and through which its retirees receive benefits. GAAP requires the recognition of the net pension liability and the associated deferred inflows and outflows of financial resources in the entity-wide financial statements.

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.

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. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements" in April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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

##### **C. Basis of Accounting (Cont'd.)**

GASB issued Statement No. 89, "Accounting for Interest Cost Incurred Before the end of a Construction Period" in June 2018. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB issued Statement No. 90, "Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61" in August 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

GASB issued Statement No. 91, "Conduit Debt Obligations" in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

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

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 and Supplemental Schedules - 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 2018 financial statements to conform to classifications used in fiscal year 2019. Supplemental schedules are included within this report that provide additional information related to the Township's financial reporting.

**TOWNSHIP OF NORTH BRUNSWICK**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**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 2019</u>	<u>SFY 2018</u>
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 77,272,250.00	\$ 76,034,750.00
Water Utility:		
Bonds, Notes, and Loans	26,101,585.39	27,619,762.23
Sewer Utility:		
Bonds, Notes, and Loans	<u>14,807,225.94</u>	<u>12,672,801.05</u>
Total Issued	<u>118,181,061.33</u>	<u>116,327,313.28</u>
Net Issued	<u>118,181,061.33</u>	<u>116,327,313.28</u>
 <u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	5,475,500.00	5,416,000.00
Water Utility:		
Bonds and Notes	2,500,000.00	1,000,000.00
Sewer Utility:		
Bonds and Notes	<u>7,000,000.00</u>	<u>3,500,000.00</u>
Total Authorized But Not Issued	<u>14,975,500.00</u>	<u>9,916,000.00</u>
Total Bonds and Notes Issued and Authorized but not Issued	<u>\$ 133,156,561.33</u>	<u>\$ 126,243,313.28</u>

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### **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, 2019 and 2018:

	<u>SFY 2019</u>	<u>SFY 2018</u>
<u>General Debt:</u>		
\$7,811,435 General Obligation Bonds of 2010 due in annual installments of \$654,000 in August 2019, interest of 4.00%	\$ 654,000.00	\$ 1,281,000.00
\$8,045,565 Open Space Bonds of 2010 due in annual installments of \$145,000 in August 2019, interest at 4.000%	145,000.00	283,000.00
\$13,455,750 General Obligation Bonds of 2012 due in annual installments of \$1,060,000 to \$895,750 through August 2027, interest at 2.000% to 2.500%.	8,155,750.00	9,190,750.00
\$2,960,000 Open Space Refunding Bonds of 2012 due in annual installments of \$200,000 to \$185,000 through August 2028, interest at 4.000% to 2.750%.	1,950,000.00	2,150,000.00
\$4,745,000 General Obligation Refunding Bonds of 2015 due in annual installments of \$785,000 to \$455,000 through August 2022, interest at 5.000% to 2.000%.	2,820,000.00	3,595,000.00
\$15,000,000 General Improvement Bonds of 2015 due in annual installments of \$775,000 to \$1,000,000 through July 2035, interest at 2.750% to 3.500%.	13,200,000.00	14,000,000.00
\$6,530,468 Open Space Refunding Bonds of 2017 due in annual installments of \$15,192 to \$1,000,000 through August 2029, interest at 4.000%.	6,487,468.00	6,487,468.00
\$2,069,532 General Obligation Refunding Bonds of 2017 due in annual installments of \$654,808 to \$712,412 through August 2022, interest at 4.000%.	2,047,532.00	2,047,532.00
\$15,112,500 General Obligation Bonds of 2018 due in annual installments of \$500,000 to \$1,000,000 through July 2034, interest at 2.500% to 3.000%.	15,112,500.00	
\$37,000,000, General Capital Bond Anticipation Notes issued on 07/26/17 due on 07/25/18, interest 2.00%		37,000,000.00
\$26,700,000, General Capital Bond Anticipation Notes issued on 07/24/18 due on 07/23/19, interest 3.00%	26,700,000.00	
Total General Capital Debt	<u>\$ 77,272,250.00</u>	<u>\$ 76,034,750.00</u>

**TOWNSHIP OF NORTH BRUNSWICK**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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

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

	<u>SFY 2019</u>	<u>SFY 2018</u>
<u>Utility Debt:</u>		
\$2,020,000, Ordinance 96-21 final annual installment of \$150,000 in April 2019, interest at 4.900%	\$ -	\$ 150,000.00
\$2,000,000, Ordinance 5-16/6-16 due in annual installments of \$36,000 in August 2019, interest at 4.000%	36,000.00	71,000.00
\$10,252,500, Water Refunding Bonds of 2011A due in annual installments of \$1,052,500 to \$1,202,500 through April 2023, interest at 4.000% to 5.000%.	4,495,000.00	5,510,000.00
\$1,500,000, Ordinance 5-16/6-16 due in annual installments of \$70,000 to \$100,000 through August 2032, interest at 2.000% to 3.000%.	1,125,000.00	1,190,000.00
\$1,275,000, Water Refunding Bonds of 2015 due in annual installments of \$115,000 to \$120,000 through August 2018, interest at 5.000% to 3.000%.	960,000.00	1,065,000.00
\$1,993,670, Water Improvement Bonds of 2015 due in annual installments of \$80,000 to \$133,670 through July 2035, interest at 2.750% to 3.500%.	1,763,670.00	1,843,670.00
\$2,250,000 Water Assessment Bond due in annual installments of \$100,000 to \$150,000 through August 2031, interest at 4.500% to 5.500%.	1,595,000.00	1,695,000.00
\$1,621,947 Water Obligation Refunding Bonds of 2017 due in annual installments of \$30,116 to \$252,174 through August 2029, interest at 4.000%.	1,608,921.00	1,608,921.00
\$3,000,000, Water Utility Capital Bond Anticipation Notes issued on 07/28/16 due on 07/27/17, interest 2.00%		
\$3,990,000, Water Utility Capital Bond Anticipation Notes issued on 07/26/17 due on 07/25/18, interest 2.00%		3,990,000.00
\$4,960,000, General Capital Bond Anticipation Notes issued on 07/24/18 due on 07/23/19, interest 3.00%	4,960,000.00	
\$9,700,000 State of NJ - Environmental Infrastructure Loan Nov. 8, 2007, interest at 5%	5,088,000.00	5,529,000.00
\$8,939,498 State of NJ - Environmental Infrastructure Loan Nov. 8, 2007, interest at 0%	4,469,994.39	4,967,171.23

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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

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

	<u>SFY 2019</u>	<u>SFY 2018</u>
<u>Utility Debt (cont'd.):</u>		
\$300,000, Ordinance 5-17 due in annual installments of \$5,000 in August 2019, interest at 4.000%	\$ 5,000.00	\$ 10,000.00
\$10,252,500, Sewer Refunding Bonds of 2011A due in annual installments of \$1,052,500 to \$1,202,500 through April 2023, interest at 4.000% to 5.000%.	4,495,000.00	5,510,000.00
\$480,000, Sewer Refunding Bonds of 2012 final annual installment of \$95,000 in August 2018, interest at 4.000%	-	95,000.00
\$1,700,000, Ordinance 5-17/8-21 due in annual installments of \$75,000 to \$110,000 through August 2032, interest at 2.000% to 3.000%.	1,270,000.00	1,345,000.00
\$2,186,330, Sewer Improvement Bonds of 2015 due in annual installments of \$85,000 to \$146,330 through July 2035, interest at 2.750% to 3.500%	1,926,330.00	2,006,330.00
\$243,053 Sewer Obligation Refunding Bonds of 2017 due in annual installments of \$4,884 to \$37,826 through August 2029, interest at 4.000%	241,079.00	241,079.00
\$2,990,000, Sewer Utility Capital Bond Anticipation Notes issued on 07/26/17 due on 07/25/18, interest 2.00%		2,990,000.00
\$6,460,000, General Capital Bond Anticipation Notes issued on 07/24/18 due on 07/23/19, interest 3.00%	6,460,000.00	
\$570,000 State of NJ - Environmental Infrastructure Loan Nov. 4, 2004, interest at 4% to 5%	235,000.00	270,000.00
\$581,688 State of NJ - Environmental Infrastructure Loan Nov. 4, 2004, interest at 0%	174,816.94	205,392.05
Total Utility Debt	<u>40,908,811.33</u>	<u>40,292,563.28</u>
Total Debt Issued and Outstanding	<u>\$ 118,181,061.33</u>	<u>\$ 116,327,313.28</u>

Detailed information related to debt issuances are presented in the supplemental schedules included within this report.

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### 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 2019</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 105,048,000.00	\$ 105,048,000.00	\$ -
Water Utility and Sewer Utility Debt *	50,408,811.33	48,813,811.33	
General Debt**	<u>82,747,750.00</u>	<u>18,210,968.00</u>	<u>64,536,782.00</u>
	<u>\$ 238,204,561.33</u>	<u>\$ 172,072,779.33</u>	<u>\$ 64,536,782.00</u>

Net Debt \$64,536,782.00 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$ 4,514,304,899.33 = 1.43%

\* 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 2018</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 111,098,000.00	\$ 111,098,000.00	\$ -
Water Utility and Sewer Utility Debt *	44,792,563.28	44,792,563.28	
General Debt**	<u>81,450,750.00</u>	<u>18,702,468.00</u>	<u>\$ 62,748,282.00</u>
	<u>\$ 237,341,313.28</u>	<u>\$ 174,593,031.28</u>	<u>\$ 62,748,282.00</u>

Net Debt \$62,748,282 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$ 4,482,877,944.00 = 1.40%

\* 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>2019</u>	<u>2018</u>
3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$ 158,000,671.48 <u>64,536,782.00</u>	\$ 156,900,728.04 <u>62,748,282.00</u>
Remaining Borrowing Power	<u>\$ 93,463,889.48</u>	<u>\$ 94,152,446.04</u>

#### SFY 2019 Equalized Valuation Basis

2016 Equalized Valuation Basis of Real Property	\$ 4,456,400,145.00
2017 Equalized Valuation Basis of Real Property	4,506,500,183.00
2018 Equalized Valuation Basis of Real Property	4,580,014,370.00
Average Equalized Valuation	<u>\$ 4,514,304,899.33</u>

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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

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

##### SFY 2018 Equalized Valuation Basis

2015 Equalized Valuation Basis of Real Property	\$	4,485,733,504.00
2016 Equalized Valuation Basis of Real Property		4,456,400,145.00
2017 Equalized Valuation Basis of Real Property		4,506,500,183.00
Average Equalized Valuation	\$	<u><u>4,482,877,944.00</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>2019</u>	<u>2018</u>
Cash Receipts from Fees, Rents or Other		
Charges for Year	\$ 7,882,681.44	\$ 7,830,152.13
Deductions:		
Operating & Maintenance Cost	4,274,748.00	4,197,940.00
Debt Service Per Water Acct.	<u>3,331,130.97</u>	<u>3,239,674.35</u>
Total Deductions	<u>7,605,878.97</u>	<u>7,437,614.35</u>
Excess/(Deficit) in Revenue	\$ <u><u>276,802.47</u></u>	\$ <u><u>392,537.78</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>2019</u>	<u>2018</u>
Excess/(Deficit) in Revenues - Cash Basis (D-1)	\$ 259,677.01	\$ 589,341.95
Add: Revenue in Municipal Budget	<u>125,000.00</u>	<u>100,000.00</u>
	384,677.01	689,341.95
Less: Unexpended Balance of Appropriation Reserves	99,874.54	296,804.17
Prior Years' Accounts Payable Cancelled	<u>8,000.00</u>	<u></u>
Excess/(Deficit) in Revenue	\$ <u><u>276,802.47</u></u>	\$ <u><u>392,537.78</u></u>

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

	<u>2019</u>	<u>2018</u>
Cash Receipts from Fees, Rents or Other		
Charges for Year	\$ 7,260,044.78	\$ 7,728,776.08
Deductions:		
Operating & Maintenance Cost	4,781,195.00	5,283,620.00
Debt Service Per Sewer Acct.	<u>1,872,289.95</u>	<u>1,738,114.11</u>
Total Deductions	<u>6,653,484.95</u>	<u>7,021,734.11</u>
Excess/(Deficit) in Revenue	\$ <u><u>606,559.83</u></u>	\$ <u><u>707,041.97</u></u>

**TOWNSHIP OF NORTH BRUNSWICK**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**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>2019</u>	<u>2018</u>
Excess/(Deficit) in Revenues - Cash Basis (E-1)	\$ 990,218.97	\$ 525,629.94
Add: Revenue in Municipal Budget	<u>475,000.00</u>	<u>775,000.00</u>
	1,465,218.97	1,300,629.94
Less: Unexpended Balance of Appropriation Reserves	858,659.14	403,587.97
Prior Years' Accounts Payables Cancelled	<u>190,000.00</u>	<u>190,000.00</u>
	<u>858,659.14</u>	<u>593,587.97</u>
Excess/(Deficit) in Revenue	<u><u>\$ 606,559.83</u></u>	<u><u>\$ 707,041.97</u></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>
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><u>\$ 4,860,000.00</u></u>	<u><u>\$ 2,272,961.54</u></u>	<u><u>\$ 7,132,961.54</u></u>

**TOWNSHIP OF NORTH BRUNSWICK**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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

**D. Schedule of Annual Debt Service for Principal and Interest for  
Township Bonded Debt Issued and Outstanding and NJEIT Loans**

SFY Year	General		Open Space	
	Principal	Interest	Principal	Interest
2020	\$ 3,774,000.00	\$ 1,147,400.03	\$ 345,000.00	\$ 322,998.72
2021	3,829,808.00	1,037,030.12	345,192.00	309,194.88
2022	3,710,312.00	934,490.22	349,688.00	295,297.28
2023	3,642,412.00	832,060.74	357,588.00	281,151.76
2024	2,470,000.00	750,237.50	940,000.00	256,200.00
Subtotal	17,426,532.00	4,701,218.61	2,337,468.00	1,464,842.64
2025	2,590,000.00	685,225.00	965,000.00	220,075.00
2026	2,482,500.00	619,728.13	1,010,000.00	183,012.50
2027	2,490,000.00	554,537.50	1,045,000.00	144,325.00
2028	2,355,750.00	488,509.38	1,090,000.00	103,731.25
2029	1,960,000.00	426,012.50	1,135,000.00	61,543.75
Subtotal	11,878,250.00	2,774,012.51	5,245,000.00	712,687.50
2030	1,960,000.00	367,212.50	1,000,000.00	20,000.00
2031	1,960,000.00	307,787.50		
2032	1,960,000.00	247,737.50		
2033	1,885,000.00	188,281.25		
2034	1,960,000.00	128,200.00		
Subtotal	9,725,000.00	1,239,218.75	1,000,000.00	20,000.00
2035	1,960,000.00	66,275.00		
2036	1,000,000.00	17,500.00		
Subtotal	2,960,000.00	83,775.00	-	-
Totals	\$ 41,989,782.00	\$ 8,798,224.87	\$ 8,582,468.00	\$ 2,197,530.14

**TOWNSHIP OF NORTH BRUNSWICK**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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

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

SFY Year	Water Utility		NJEIT Loans		Water Assessment Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,353,500.00	\$ 358,499.04	\$ 961,015.13	\$ 242,825.00	\$ 100,000.00	\$ 81,175.00
2021	1,390,116.00	304,876.72	980,749.79	219,150.00	105,000.00	76,562.50
2022	1,450,333.00	245,492.74	1,007,227.84	194,275.00	105,000.00	71,706.25
2023	1,517,394.00	178,275.70	1,038,143.57	168,175.00	110,000.00	66,325.00
2024	476,787.00	136,976.46	1,053,871.14	140,875.00	115,000.00	60,418.75
Subtotal	6,188,130.00	1,224,120.66	5,041,007.47	965,300.00	535,000.00	356,187.50
2025	481,429.00	121,237.14	1,082,709.43	112,175.00	115,000.00	54,381.25
2026	499,053.00	103,311.87	1,113,187.47	81,975.00	120,000.00	48,212.50
2027	513,541.00	85,316.24	1,144,811.42	50,300.00	125,000.00	41,781.25
2028	406,296.00	69,769.50	1,176,278.60	17,050.00	130,000.00	34,925.00
2029	429,298.00	55,320.12			135,000.00	27,637.50
Subtotal	2,329,617.00	434,954.87	4,516,986.92	261,500.00	625,000.00	206,937.50
2030	452,174.00	40,021.93			140,000.00	20,075.00
2031	200,000.00	29,190.95			145,000.00	12,237.50
2032	210,000.00	23,131.58			150,000.00	4,125.00
2033	220,000.00	16,578.45				
2034	125,000.00	11,097.20				
Subtotal	1,207,174.00	120,020.11	-	-	435,000.00	36,437.50
2035	130,000.00	6,872.20				
2036	133,670.00	2,339.23				
Subtotal	263,670.00	9,211.43	-	-	-	-
Totals	\$ 9,988,591.00	\$ 1,788,307.07	\$ 9,557,994.39	\$ 1,226,800.00	\$ 1,595,000.00	\$ 599,562.50

**TOWNSHIP OF NORTH BRUNSWICK**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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

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

SFY Year	Sewer Utility		NJEIT Loans		Total General, Water and Sewer Debt
	Principal	Interest	Principal	Interest	
2020	\$ 1,217,500.00	\$ 280,045.96	\$ 64,437.73	\$ 10,293.76	\$ 10,258,690.37
2021	1,269,884.00	232,942.03	63,300.36	8,543.76	10,172,350.16
2022	1,324,667.00	177,963.51	70,331.38	6,668.76	9,943,452.98
2023	1,382,606.00	114,630.55	69,031.53	4,668.76	9,762,462.61
2024	213,213.00	79,273.55	67,829.35	2,818.76	6,763,500.51
Subtotal	5,407,870.00	884,855.60	334,930.35	32,993.80	46,900,456.63
2025	213,571.00	73,331.62	74,886.59	984.38	6,790,005.41
2026	220,947.00	67,206.88			6,549,134.35
2027	231,459.00	60,708.76			6,486,780.17
2028	238,704.00	53,849.25			6,164,862.98
2029	245,702.00	46,711.13			4,522,225.00
Subtotal	1,150,383.00	301,807.64	74,886.59	984.38	30,513,007.91
2030	257,826.00	39,215.57			4,296,525.00
2031	230,000.00	31,949.68			2,916,165.63
2032	230,000.00	25,155.93			2,850,150.01
2033	240,000.00	17,996.55			2,567,856.25
2034	135,000.00	12,040.30			2,371,337.50
Subtotal	1,092,826.00	126,358.03	-	-	15,002,034.39
2035	140,000.00	7,484.05			2,310,631.25
2036	146,330.00	2,560.78			1,302,400.01
Subtotal	286,330.00	10,044.83	-	-	3,613,031.26
Totals	\$ 7,937,409.00	\$ 1,323,066.10	\$ 409,816.94	\$ 33,978.18	\$ 96,028,530.19

**TOWNSHIP OF NORTH BRUNSWICK**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 4: FUND BALANCES APPROPRIATED**

Fund balances at June 30, 2019 and 2018, which were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending June 30, 2019 and 2018 as follows:

	<u>FUND BALANCE JUNE 30, 2019</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$11,007,330.56	\$ 3,620,000.00
Sewer Utility Fund	1,839,012.56	775,000.00
Water Utility Fund	1,707,657.59	800,000.00

	<u>FUND BALANCE JUNE 30, 2018</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$ 8,680,734.08	\$3,343,830.00
Sewer Utility Fund	1,685,793.59	837,000.00
Water Utility Fund	2,071,980.58	624,000.00

**Note 5: FIXED ASSETS**

Following is a summary of changes in the Governmental Fixed Assets for the years 2019 and 2018.

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Adjustment/ Retirements</u>	<u>Balance June 30, 2019</u>
<u>2019</u>				
Land and Land Improvements	\$56,517,700.00			\$56,517,700.00
Buildings and Building Improvement	17,648,400.00			17,648,400.00
Equipment	4,999,378.25	643,749.27		5,643,127.52
And Improvements	5,401,350.79	543,448.38	(937,823.67)	5,006,975.50
Vehicles	\$84,566,829.04	\$1,187,197.65	(\$937,823.67)	\$84,816,203.02
	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Adjustment/ Retirements</u>	<u>Balance June 30, 2018</u>
<u>2018</u>				
Land and Land Improvements	\$56,263,300.00	\$ 560,700.00	(306,300.00)	\$56,517,700.00
Buildings and Building Improvement	18,030,500.00		(382,100.00)	17,648,400.00
Equipment	4,603,156.33	396,221.92		4,999,378.25
And Improvements	5,370,426.44	326,193.35	(295,269.00)	5,401,350.79
Vehicles	\$84,267,382.77	\$1,283,115.27	(\$983,669.00)	\$84,566,829.04

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### 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, 2019 and 2018 the cash and cash equivalents and investments of the Township consisted of the following:

	<u>2019</u>	<u>2018</u>
Cash (Demand Accts.)	\$ 35,747,831.73	\$ 30,599,641.89
Change Funds (On-Hand)	<u>1,225.00</u>	<u>1,225.00</u>
Total	<u>\$ 35,749,056.73</u>	<u>\$ 30,600,866.89</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 \$35,658,495.52 and the bank balance was \$35,766,821.97. Of the bank balance, \$250,000.00 was covered by Federal depository insurance and \$35,516,821.97 was covered under the provisions of NJGUDPA.

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### 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, 2019, 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	\$ 250,000.00
Insured—NJGUDPA (N.J.S.A. 17:941)	<u>35,516,821.97</u>
	<u>\$ 35,766,821.97</u>

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### **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, 2019, 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.

## **TOWNSHIP OF NORTH BRUNSWICK**

### **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018**

#### **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 year's 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 remains 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. Receivable balances at year-end were \$210,605 for property taxes and \$78,917 for tax title liens receivables.

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### NOTE 8. PENSION PLANS

Description of Plans - The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

A. Public Employees' Retirement System (PERS) - The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Inactive plan members or beneficiaries currently receiving benefits	174,904	170,124
Inactive plan members entitled to but not yet receiving benefits	589	650
Active plan members	<u>254,780</u>	<u>254,685</u>
Total	<u>430,273</u>	<u>425,459</u>
Contributing Employers	1,708	1,705

**TOWNSHIP OF NORTH BRUNSWICK**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 8. PENSION PLANS (CONT'D.)**

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

*Significant Legislation* – Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended June 30, 2019 the Township's total payroll for all employees was \$23,923,704.44. Total PERS covered payroll was \$7,740,949. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% for State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended June 30, 2018 and 2019 were \$995,810 and \$1,076,665, respectively. Township Contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contribution requirements were calculated. Township payments to PERS for the years ending June 30, 2018 and 2019 consisted of the following:

	<u>2018</u>	<u>2019</u>
Normal Cost	\$ 129,853	\$ 133,991
Amortization of Accrued Liability	<u>808,628</u>	<u>889,485</u>
Total Pension	938,481	1,023,476
NCGI Premiums	<u>48,088</u>	<u>48,755</u>
Total Pension & NCGI	986,569	1,072,231
LTD Expense	<u>9,241</u>	<u>4,434</u>
Total PERS Payment	<u>\$ 995,810</u>	<u>\$ 1,076,665</u>

Ch. 19, P.L. 2009 billings reflect the recoupment of the 50% deferral of normal and accrued liability costs due on April 1, 2009. The law set a fifteen-year repayment schedule for the deferred amount, with additional annual adjustments to reflect the return on investment of actuarial net assets of the plan on deferred principal balances.

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### NOTE 8. PENSION PLANS (CONT'D.)

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

The Township recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

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

The following represents the membership tiers for PERS:

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

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

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2018, the PERS reported a liability of \$19,689,501,539 for its Non-State Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Group that is attributable to the Township was \$21,224,674 or 0.10779691%. At June 30, 2017, the PERS reported a liability of \$23,278,401,588 for its Non-State Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Group that is attributable to the Township was \$24,790,499 or 0.106496%.

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### NOTE 8. PENSION PLANS (CONT'D.)

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

*Actuarial Assumptions-* The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25%
Salary Increases: Through 2026	1.65-4.15% Based on age
Thereafter	2.65-5.15% Based on age
Investment rate of return	7.00%

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### NOTE 8. PENSION PLANS (CONT'D.)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	<u>8.25%</u>	13.08%
	<u>100.00%</u>	

*Discount Rate* – The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year.

The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### NOTE 8. PENSION PLANS (CONT'D.)

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

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS participating employers as of June 30, 2018, calculated using the discount rates as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	At 1% Decrease (4.66%)	At current discount rate (5.66%)	At 1% increase (6.66%)
State	\$27,413,044,035	\$23,704,298,093	\$20,597,322,253
Local	<u>24,757,279,564</u>	<u>19,689,501,539</u>	<u>15,437,959,879</u>
PERS Plan Total	<u>\$52,170,323,599</u>	<u>\$43,393,799,632</u>	<u>\$36,035,282,132</u>
Township's proportionate share of the net pension liability	<u>\$26,687,583</u>	<u>\$21,224,675</u>	<u>\$16,641,644</u>

Components of Net Pension Liability – The components of the net pension liability for PERS, including the State of New Jersey, at June 30, 2018 is as follows:

	State	Local	Total
Total Pension Liability	\$30,434,600,657	\$42,431,573,511	\$72,866,174,168
Plan Fiduciary Net Position	<u>6,730,302,564</u>	<u>22,742,071,972</u>	<u>29,472,374,536</u>
Net Pension Liability	<u>\$23,704,298,093</u>	<u>\$19,689,501,539</u>	<u>\$43,393,799,632</u>

At December 31, 2018, the Township's deferred outflow of resources and deferred inflow of resources related to PERS were from the following sources, if GASB 68 was recognized:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expended and actual experience	\$ 404,758	\$ 109,441
Change in assumptions	3,497,475	6,786,522
Net difference between projected and actual earnings		
On pension plan investments		199,088
Changes in proportion and differences between Township		
Contributions and proportionate share of contributions	<u>516,211</u>	<u>24,027</u>
Total	<u>\$4,418,444</u>	<u>\$7,119,078</u>

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### NOTE 8. PENSION PLANS (CONT'D.)

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

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>Amount</u>
2019	\$ 270,782
2020	(59,676)
2021	(1,332,998)
2022	(1,204,984)
2023	<u>(373,758)</u>
Total	<u>\$ (2,700,634)</u>

#### *Additional Information*

Collective balances at June 30, 2018

Collective deferred outflows of resources	\$4,684,852,302
Collective deferred inflows of resources	7,646,736,226
Collective net pension liability – Local group	19,689,501,539

Township's Proportion	0.10779691%
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B. Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all full-time county and municipal police or firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Inactive plan members or beneficiaries currently receiving benefits	43,755	43,011
Inactive plan members entitled to but not yet receiving benefits	39	47
Active plan members	<u>41,517</u>	<u>40,789</u>
Total	<u>85,311</u>	<u>83,847</u>
Contributing Employers	586	586

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### NOTE 8. PENSION PLANS (CONT'D.)

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

For the year ended June 30, 2019 and 2018 the Township's total payroll for all employees was \$23,923,704.44 and \$23,019,643.24, respectively. Total PFRS covered payroll was \$10,995,392 and \$10,384,353, respectively. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan.

*Significant Legislation* – Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PFRS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate was 10.0% in State fiscal year 2018. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended June 30, 2018 and 2019 were \$2,525,204 and \$2,938,123, respectively. Township Contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contribution requirements were calculated.

Township payments to PFRS for the years ending June 30, 2018 and 2019 consisted of the following:

	<u>2018</u>	<u>2019</u>
Normal Cost	\$ 786,297	\$ 922,191
Amortization of Accrued Liability	<u>1,636,871</u>	<u>1,904,324</u>
Total Pension	2,423,168	2,826,515
NCGI Premiums	<u>102,036</u>	<u>111,608</u>
Total PFRS Payment	<u>\$2,525,204</u>	<u>\$2,938,123</u>

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### NOTE 8. PENSION PLANS (CONT'D.)

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

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

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until fiscal period in which such payments will become due and payable.

At June 30, 2018, the PFRS reported a net pension liability of \$13,531,648,591 for its Non-State. Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$40,666,656 or 0.3005299458%. At June 30, 2017, the PFRS reported a net pension liability of \$15,438,066,691 for its Non-State. Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$44,049,101 or 0.285328%.

*Actuarial Assumptions*- The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25%
Salary Increases: Through 2026	2.10-8.98% Based on age
Thereafter	3.10-9.98% Based on age
Investment rate of return	7.00%

Preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed. The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### NOTE 8. PENSION PLANS (CONT'D.)

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	<u>8.25%</u>	13.08%
	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year.

**TOWNSHIP OF NORTH BRUNSWICK**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 8. PENSION PLANS (CONT'D.)**

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

The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of Net Pension Liability* – The following presents the collective net pension liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (5.51%)	At current discount rate (6.51%)*	At 1% increase (7.51%)
State	\$ 5,090,302,750	\$ 4,329,304,276	\$ 3,702,605,881
Local	<u>20,570,435,198</u>	<u>15,369,699,278</u>	<u>11,080,039,474</u>
PFRS Plan Total	<u>\$25,660,737,948</u>	<u>\$19,699,003,554</u>	<u>\$14,782,645,355</u>
Township's proportionate share of the net pension liability	<u>\$54,427,272.57</u>	<u>\$40,666,656</u>	<u>\$29,316,654</u>

\*- Local Share includes \$1,838,050,687 of Special Funding Situation allocated to the State of NJ as a non-employer.

*Components of Net Pension Liability* – The components of the net pension liability for PFRS, including the State of New Jersey, at June 30, 2018 is as follows:

	State	Local	Total
Total Pension Liability	\$ 5,837,506,505	\$40,960,053,149	\$46,797,559,654
Plan Fiduciary Net Position	<u>1,508,202,229</u>	<u>25,590,353,871</u>	<u>27,098,556,100</u>
Net Pension Liability	<u>\$ 4,329,304,276</u>	<u>\$15,369,699,278</u>	<u>\$19,699,003,554</u>

**TOWNSHIP OF NORTH BRUNSWICK**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 8. PENSION PLANS (CONT'D.)**

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

At December 31, 2018, the Township's deferred outflow of resources and deferred inflow of resources related to PFRS were from the following sources, if GASB 68 was recognized:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between expended and actual experience	\$413,730	\$168,288
Change in assumptions	3,490,685	10,422,162
Net difference between projected and actual earnings		
On pension plan investments		222,483
Changes in proportion and differences between Township		
Contributions and proportionate share of contributions	<u>2,913,565</u>	<u>678,207</u>
Total	<u>\$6,817,980</u>	<u>\$11,491,140</u>

*Collective Deferred Outflows of Resources and Deferred Inflows of Resources* – Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>Amount</u>
2018	\$ 778,735
2019	(691,728)
2020	(2,788,683)
2021	(1,594,483)
2022	<u>(377,001)</u>
Total	\$ <u>(4,673,160)</u>

*Additional Information*

Collective balances at June 30, 2018	
Collective deferred outflows of resources	\$1,988,215,695
Collective deferred inflows of resources	4,286,994,294
Collective net pension liability – Local group	15,369,699,278
 Township's Proportion	 0.3005299458%

**Special Funding Situation**

The Township is responsible for the actuarially determined annual contributions to the PFRS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for the Local employers of the PFRS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions.

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### NOTE 8. PENSION PLANS (CONT'D.)

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

The provisions of GASB Statement No. 68 define this these relationship as a "special funding situation", and the State of New Jersey is defined as a "non-employer contributing entity".

Unaudited data provided by the PFRS indicates that the total Non-employer contributions made to the PFRS by the State for the year ended June 30, 2018 was \$108,857,000. The portion of that contribution allocated to the Township was \$327,148, or 0.3005299458%. The June 30, 2018 State special funding situation pension expense of \$217,714,180 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at \$1,838,050,687 at June 30, 2018 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date. The Township's allocated shares of the special funding situation pension expense for the year ended June 30, 2018 and its share of the special funding situation NPL at that date were \$654,296 and \$5,523,893, respectively.

##### C. Defined Contribution Retirement System (DCRP)

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers-* Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2017, the membership in the DCRP, based on the information within the Division's database, was 46,557.

*Contribution Requirement and Benefit Provisions -* State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary. Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended June 30, 2019 and 2018 the Township's total payroll for all employees was \$23,923,704.44 and \$23,019,643.24, respectively. Total DCRP covered payroll was \$254,115.63 for 2019 and \$227,695.45 for 2018. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan. Township and employee contributions to the DCRP for the year ended June 30, 2019 were \$13,770.17 and \$7,527.59, respectively and for the year ended June 30, 2018 were \$6,830.86 and \$12,523.25, respectively.

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### NOTE 8. PENSION PLANS (CONT'D.)

#### D. Cumulative PERS and PFRS Deferred Outflows of Resources and Deferred Inflows of Resources

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Total Pension Expense
PERS	\$ 21,224,675	\$4,418,444	\$7,119,078	\$1,076,665
PFRS	<u>40,666,656</u>	<u>6,817,980</u>	<u>11,491,140</u>	<u>2,938,123</u>
Total	<u>\$ 61,891,331</u>	<u>\$11,236,424</u>	<u>\$18,610,218</u>	<u>\$4,014,788</u>

### Note 9: POST-RETIREMENT HEALTH CARE BENEFITS

The Township of North Brunswick provides healthcare to its employees and retirees through its participation in 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.

Participating employers are contractually required to provide for their contributions 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.

At June 30, 2019 and 2018, Forty-nine (49) and Forty-nine (49) retirees were receiving postretirement health care benefits in which the Township was billed \$1,223,184 and \$1,583,745, respectively.

#### *Plan Description and Benefits Provided:*

P.L. 1987, c.384 and P.L. 1990, c.6. required the Public Employees Retirement System (PERS) to fund post-retirement medical benefits for those members who retire after accumulating a minimum of 25 years of credited service or on a disability retirement. Pursuant to P.L 2007, c.103, separate funds outside the pension plans were established for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees.

Coverage is provided at no cost to members of the PERS that had retired on a disability retirement or retired after accumulating 25 years of creditable service prior to June 28, 2011 and to those who had a minimum of 20 years of creditable service on June 28, 2011 and who subsequently retire after accumulating 25 years of credited service or on a disability retirement. Employees who had less than 20 years of creditable service on June 28, 2011 and subsequently retire after accumulating a minimum of 25 years of creditable service are required by Chapter 78, P.L. 2011 to contribute a percentage of the cost of their health care coverage in retirement.

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### Note 9: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D)

Chapter 78 retirees opting for single will make contributions that escalate from 4.5% for annual retirement allowance under \$20,000 to 35.0% for annual retirement allowances exceeding \$110,000 per annum. Chapter 78 retirees opting for family coverage will range from 3.43% for annual retirement allowances under \$25,000 per annum to 35.0% for annual retirement allowances exceeding \$110,000 per annum.

#### *Total OPEB Liability*

#### *Special Funding Situation*

The State of New Jersey's Total OPEB Liability for special funding situation was \$6,213,844,492 and \$8,695,413,315 at June 30, 2018 and 2017, respectively.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The amount of the State's proportionate share of the net OPEB liability for special funding situation attributable to employees and retirees of the Township of North Brunswick was \$23,179,442 and \$32,176,333 at June 30, 2018 and 2017, respectively.

#### *Nonspecial Funding Situation:*

The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$9,452,773,649 and \$11,720,375,604 at June 30, 2018 and 2017, respectively.

The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Township of North Brunswick was \$28,439,925 and \$36,193,723 at June 30, 2018 and 2017, respectively. These allocated liabilities represent 0.181% and 0.177% of the State's Total Non-employer OPEB Liability for June 30, 2018 and 2017, respectively.

*Components of Net OPEB Liability* – The components of the collective net OPEB liability for PERS, including the State of New Jersey, at June 30, 2018 is as follows:

	2018	2017
Total OPEB Liability	\$15,981,103,227	\$20,629,044,656
Plan Fiduciary Net Position	<u>314,485,086</u>	<u>213,255,917</u>
Net OPEB Liability	<u>\$15,666,618,141</u>	<u>\$20,415,788,739</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.97%	1.03%

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### Note 9: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D)

##### *Actuarial Assumptions and Other Inputs:*

The total OPEB liability as of June 30, 2018 and 2017 was determined by an actuarial valuation as of June 30, 2017 and 2016, which was rolled forward to June 30, 2018 and 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%
Salary Increases*:	
Through 2026	1.65%-8.98%
Thereafter	2.65%-9.98%

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

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

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

##### *Healthcare Trend Assumptions:*

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**TOWNSHIP OF NORTH BRUNSWICK**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 9: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D)**

*Discount Rate:*

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate:*

The following presents the collective net OPEB liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>(2.87%)</u>	At Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
Total Net OPEB Liability	\$18,381,085,096	\$15,666,618,141	\$13,498,373,388
Township's Share	\$33,367,551	\$28,439,925	\$24,503,867

*Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates:*

The following presents the net OPEB liability as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability	\$13,068,471,450	\$15,666,618,141	\$19,029,006,023

At June 30, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>Of Resources</u>	Deferred Inflows <u>Of Resources</u>
Difference between expected and actual experience		\$ 5,774,319
Changes of assumptions		7,214,160
Changes in proportion	\$ 845,222	<u>1,321,361</u>
Net difference between projected and actual investment earnings on OPEB plan investments	<u>15,029</u>	
Total	\$ <u>860,251</u>	\$ <u>14,309,840</u>

**TOWNSHIP OF NORTH BRUNSWICK**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 9: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D)**

*Collective Deferred Outflows of Resources and Deferred Inflows of Resources* – Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending</u>	<u>Amount</u>
2019	\$ (2,003,271)
2020	(2,003,271)
2021	(2,003,271)
2022	(2,004,822)
2023	(2,007,416)
Thereafter	<u>(3,427,538)</u>
Total	<u>\$ (13,449,589)</u>

*Changes in Proportion* - The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.14 years for the 2018 amounts.

*OPEB Expense*

*Changes in the Net OPEB Liability reported by the State of New Jersey:*

Changes to the State's Net OPEB Liability during the fiscal year ended June 30, 2018 were as follows:

Total Non-employer OPEB Liability Balance-June 30, 2017	\$20,415,788,739
Changes During the Current Year:	
Service Cost	896,235,148
Interest on the Total OPEB Liability	764,082,232
Differences Between Expected and Actual Experience	(3,626,384,047)
Changes in Assumptions	(2,314,240,675)
Contributions from the Employer	(421,194,662)
Contributions from Non-Employer Contributing Entities	(53,548,285)
Net Investment Income	(2,320,422)
Administrative Expense	<u>8,200,113</u>
Net Changes	(4,749,170,598)
Total Non-employer OPEB Liability Balance-June 30, 2018	<u>\$15,666,618,141</u>

## **TOWNSHIP OF NORTH BRUNSWICK**

### **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018**

#### **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 \$6,888,457 and \$6,482,140 at June 30, 2019 and 2018. 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; house flooding; underground storage tanks; 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, 2018 and 2017, the Fund reported total assets of \$52,967,800 and \$49,959,759, respectively, liabilities and reserves of \$52,340,543 and \$43,134,304, respectively, which includes case reserves of \$33,177,829 and \$28,162,179, respectively, and IBNR of \$18,867,897 and \$14,639,682, respectively and a fund balance of \$627,257 and \$6,825,455, respectively.

## **TOWNSHIP OF NORTH BRUNSWICK**

### **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018**

#### **Note 12: LENGTH OF SERVICE AWARD PROGRAM (LOSAP)**

The Township has authorized 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 administrated by a private contractor. The LOSAP Program is subject to an annual review in accordance with AICPA standards for attestation engagements. LOSAP review reports are available in the office of the Township Clerk during scheduled working hours.

#### **Note 13: 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.

#### **Note 14: 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 transferred 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. Previous to October 1, 2018, American Water was responsible for the billing and collection of such user charges. Effective October 1, 2018, the Township assumed the responsibility for the billing and collection of water and sewer customer user charges, which allows the Township to receive the systems revenues directly and is reflective of the user accounts receivables recorded in the utility funds as of June 30, 2019, in the amounts of \$847,873 for water rents and \$1,008,588 for sewer rents, respectively.

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 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%.

## TOWNSHIP OF NORTH BRUNSWICK

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### Note 15: 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>2019</u>	<u>June 30</u>	<u>2018</u>
Balance of Tax	\$ 42,971,684.00		\$ 41,891,142.00
Deferred	<u>42,267,758.00</u>		<u>41,417,758.00</u>
Payable	<u>\$ 703,926.00</u>		<u>\$ 473,384.00</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. Annual reporting obligations on behalf of the Corporation are presented to the Township.

#### Note 17: LONG TERM TAX EXEMPTIONS

The Township provides for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Township are predominately for affordable housing projects. Taxes abated include municipal, local school and county taxes. The Township is required to remit five percent (5.00%) to the County for any payments received in lieu of taxes (PILOT payments). The Township PILOT billings in 2019 were \$0.00 and taxes in 2019 that otherwise would have been due on these long-term tax exemptions amounted to \$2,352,775.46, based upon the assessed valuations of the long-term tax exemptions properties.

# TOWNSHIP OF NORTH BRUNSWICK

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### Note 18: 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, 2019, 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.

### Note 19: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$	\$ 150,000.00
Sewer Utility Operating Fund	<u>150,000.00</u>	<u></u>
Total	\$ <u>150,000.00</u>	\$ <u>150,000.00</u>

These interfund balances are not an indication that the respective fund cannot meet its obligation. The interfund amounts are reflective of year-end closing journals and adjustments. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Transfers are used to (1) move revenues from the funds New Jersey Statute or budget requires to collect to collect to fund the appropriation and the statute or budget to expend them.

### Note 20: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after June 30, 2019 through the date of this report, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined the following subsequent events have occurred which requires disclosure in the financial statements:

The Township issued General Improvement Bonds of 2019, dated July 22, 2019, in the amount of \$9,628,500 with interest rates ranging from 2.00% to 3.00% and a true interest cost (TIC) of 2.932590%. The bonds were issued with serial bond maturities from 2020 through to 2039 and with year 2044 and year 2049 term bonds.

The Township issued Bond Anticipation Notes dated July 22, 2019 with a maturity date of July 21, 2020. The BAN's were issued for \$35,230,750 with an interest rate of 3.00% and at a net interest cost (NIC) of 1.349415%

## **TOWNSHIP OF NORTH BRUNSWICK**

### **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018**

#### **Note 20: SUBSEQUENT EVENTS (CONT'D)**

The Township adopted a bond ordinance on September 3, 2019 providing for Improvement to the Water Treatment Plant and Distribution System, appropriating \$1,000,000 therefore and authorizing the issuance of \$1,000,000 Bonds or Notes.

The Township adopted a bond ordinance on September 3, 2019 providing for Improvement of the Sewer Distribution System, appropriating \$1,000,000 therefore and authorizing the issuance of \$1,000,000 Bonds or Notes.

The Township adopted a bond ordinance on September 3, 2019 providing for Capital Improvements, appropriating \$6,000,000 therefore and authorizing the issuance of \$5,700,000 Bonds or Notes.

The Township adopted a bond ordinance on April 6, 2020 providing for Improvement to the Water Treatment Plant and Distribution System, appropriating \$10,000,000 therefore and authorizing the issuance of \$10,000,000 Bonds or Notes.

The Township adopted a bond ordinance on April 6, 2020 providing for Improvement of the Sewer Distribution System, appropriating \$10,000,000 therefore and authorizing the issuance of \$10,000,000 Bonds or Notes.

The Township adopted a bond ordinance on April 6, 2020 providing for Capital Improvements, appropriating \$4,000,000 therefore and authorizing the issuance of \$3,800,000 Bonds or Notes.

Subsequent to year end, the COVID-19 (coronavirus) pandemic has resulted in substantial economic volatility on a global scale. As a result, the Township's economically sensitive revenues (i.e. property taxes, water and sewer utility collections, interest earnings, fees, state and federal aid) might be negatively impacted. Collection rates on real property taxes might be slowed as unemployment rates are expected to spike. Meanwhile, the Township's expenditures for public safety and health service functions and pension benefits (due to stock market declines) would all be expected to increase sharply. None of these factors were taken into consideration in the development of the fiscal year 2020 adopted budget. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the actual impact on the Township's financial position at this time.

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

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**PART II  
SUPPLEMENTARY SCHEDULES**

CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	Current	Grants
Cash Balance June 30, 2018	A	\$ 12,577,850.13	\$ 392,003.26
Increased by Cash Receipts			
Petty Cash.....	A-5	1,050.00	
Interfund Transfers			
Matching Funds For Grants.....	A-18		15,245.50
NJ Sr Citizens and Vets Deductions.....	A-6	134,145.90	
Revenue Collection			
Misc Anticipated Revenue.....	A-2	11,959,299.24	
Taxes Receivable.....	A-7	140,803,047.65	
Homestead Benefit Rebates.....	A-7	937,375.78	
Misc Revenue Not Anticipated.....	A-8	471,055.44	
Tax Overpayments.....	A-11	192,686.17	
Miscellaneous Reserves.....	A-9	141,271.57	
Unappropriated Grant Reserves.....	A-15		73,154.04
Grants Receivable.....	A-16		338,799.69
Total Cash Receipts.....		154,639,931.75	427,199.23
Decreased by Disbursements			
Petty Cash.....	A-5	(1,050.00)	
Budget			
Budget Appropriations.....	A-3	(45,550,599.08)	
Appropriation Reserves.....	A-10	(1,069,320.96)	
Appropriated Grant Reserves.....	A-17		(573,170.28)
Interfund Transfers			
Matching Funds for Transfer.....	A-14	(15,245.50)	
Tax Collections			
Taxes Payable.....	A-12	(105,314,402.67)	
Miscellaneous Reserves.....	A-9	(147,603.06)	
Total Cash Disbursements.....		(152,098,221.27)	(573,170.28)
Cash Balance June 30, 2019	A	\$ 15,119,560.61	\$ 246,032.21

CURRENT FUND  
SCHEDULE OF CHANGE PETTY CASH AND CHANGE FUNDS

	Balance June 30, 2018	Advanced	Returned	Balance June 30, 2019
Change Fund.....	\$ 1,225.00			1,225.00
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	\$ 1,225.00	\$ 1,050.00	\$ 1,050.00	\$ 1,225.00
<u>Ref.</u>	A	A-4	A-4	A

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

Balance June 30, 2018	<u>Ref.</u> A	\$ 139,646.77
Revenue - Eligible Sr Citizens & Veterans Deductions		
Original SFY 2019 Tax Levy.....	A-6	\$ 131,375.00
Disallowed - SFY 2019 Taxes.....	A-6	(4,150.68)
Prior year Sr Citizens Disallowed.....	A-1	<u>(194.52)</u>
Total Revenue.....		<u>127,029.80</u>
		266,676.57
Decreased by:		
Cash Received from State of NJ.....	A-4	<u>(134,145.90)</u>
Balance June 30, 2019	A	<u><u>\$ 132,530.67</u></u>
<u>Analysis of Realized Revenues for 2019</u>		
Sr. Citizen & Veterans Deductions Allowed/Disallowed by:		
Per tax Billings - 2019	A-6	\$ 131,375.00
By Collector - 2019	A-6	<u>(4,150.68)</u>
	A-7	<u><u>\$ 127,224.32</u></u>

CURRENT FUND  
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

	<u>Ref.</u>		FY 2020 Prepaid	FY 2019 Current	FY 2018 Delinquent	Tax Liens	Property Acquired for Taxes
Balance June 30, 2018	A	\$	590,185.94	\$	9,090.58	\$ 46,814.68	\$ 534,280.68
<u>Levy &amp; Adjustments</u>							
Original Levy.....			140,425,516.02	140,425,516.02			
Added Omitted & Rollback.....			831,025.37	831,025.37			
Appeals & Canceled Taxes.....			1,589,125.25	1,020,900.66	568,224.59		
Cost & Interest on Taxes.....			1,415.05	(16,732.99)		18,148.04	
Transfers & Tax Lien Sales.....			-	(15,184.42)		15,184.42	
Other Adjustments - by Resolution			79,761.53	79,761.53			
<u>Revenue</u>							
Sr. Citizens & Vets.....	A-6		(127,224.32)	(127,224.32)			
Prepays Applied.....	A-11		(984,055.59)	(984,055.59)			
Cash Receipts.....	A-4		(140,803,047.65)	(140,132,264.92)	(511,075.52)	(1,230.21)	
Homestead Benefit Rebates.....	A-4		(937,375.78)	(937,375.78)			
Balance June 30, 2019	A	\$	665,325.82	\$ (158,477.00)	\$ 144,365.56	\$ 66,239.65	\$ 78,916.93
							\$ 534,280.68

.....Analysis of FY 2019 Property Tax Levy.....

<u>Tax Yield:</u>		<u>Ref.</u>			<u>Tax Levy:</u>	<u>Ref.</u>	
General Purpose Tax.....	A-7	\$	140,425,516.02		Non-Municipal Taxes.....	A-12	\$ 106,394,944.69
Added Taxes.....	A-7		831,025.37		Municipal Purpose Tax.....	A-2	32,400,000.00
Total Levy.....		\$	141,256,541.39		Municipal Library Tax.....	A-2	1,503,159.88
					Total Tax Levy.....		140,298,104.57
					Added Taxes.....		958,436.82
<u>Current Taxes Realized</u>		<u>Ref.</u>			Total Amount to be Raised.....		\$ 141,256,541.39
Sr. Citizens & Veterans Deductions.....	A-6, A-7	\$	127,224.32				
Cash Receipts.....	A-7		140,132,264.92				
Prepaid Taxes Applied.....	A-7		984,055.59				
Homestead Benefits Credits.....	A-7		937,375.78				
Subtotal - Revenue Realized including Adjustments...	A-1		142,180,920.61				
Reserve for Uncollected Taxes.....	A-3		700,000.00				
Total Revenue, Current Taxes.....			142,880,920.61				
Non-Municipal Taxes Payable.....	A-12		(106,394,944.69)				
Revenue, Local Purpose Tax.....	A-2	\$	36,485,975.92				

% of Tax Levy Collected

Total Tax Revenue.....	142,180,920.61
Total Tax Levy.....	141,256,541.39
% of Tax Levy Collected.....	100.654%

Delinquent Taxes Realized

Taxes Received	\$ 511,075.52
Tax Title Liens Received	1,230.21
	\$ 512,305.73

A-1

CURRENT FUND  
SCHEDULE OF NON-BUDGET REVENUE

	Ref	June 30, 2019	June 30, 2018
Other Miscellaneous Revenues Not Anticipated:			
NSF Fees.....	\$	934.90	\$ 745.00
Cellular Tower Lease.....		66,102.03	64,176.67
Cellular Franchise Fee.....			67,870.47
Inspection Fees - State of NJ.....		9,352.00	18,574.33
Miscellaneous.....		6,161.19	3,889.19
Buildings - Variations.....		336.00	68.00
Admin Fee Sr. Ctr. & Vet Deduction.....		2,692.92	2,896.97
Collector - Lot Clean -up Fees.....		231.20	13,456.06
Church & Dwight - Lease Agreement.....			100.00
Prior Year Voided Checks.....		79,530.04	
Auction - Sale of Assets.....		69,159.52	
Bail Returned.....		8,304.00	4,193.00
Public Works			
Sanitation Bins / Automated Carts.....		4,347.00	2,995.00
Refuse Container Rental.....		15,600.00	13,200.00
Police - Admin Fee, Off-Duty Police.....		208,304.64	197,186.49
Total.....	A-1, A-4	\$ 471,055.44	\$ 389,351.18

CURRENT FUND  
SCHEDULE OF CHANGES IN ACCOUNTS PAYABLE & RESERVES

	June 30, 2018	Transfer from (to) Budget	Cash Receipts	Cash Disbursements	June 30, 2019
<b>Accounts Payable:</b>					
Filing Fees Due State of NJ:					
Marriage Licenses.....	\$ 2,750.00		\$ 6,725.00	\$ (9,450.00)	\$ 25.00
DCA - UCC Training.....	29,727.00		129,102.00	(137,569.00)	21,260.00
EDA Pilot Payment	75.00				75.00
Total Filing Fees Due NJ.....	32,552.00		135,827.00	(147,019.00)	21,360.00
Vendor Accounts Payable.....	12,859.96	\$ 8,709.61		(584.06)	20,985.51
Total Payable.....	45,411.96	8,709.61	135,827.00	(147,603.06)	42,345.51
<b>Reserves:</b>					
Reserve for Tax Appeals.....	370,803.86	5,000.00			375,803.86
Reserve for Rental Inspections - Crescent.....	180.00				180.00
Reserve for FMBA Health.....	32,532.10		5,444.57		37,976.67
Total Reserves.....	403,515.96	5,000.00	5,444.57	-	413,960.53
Total.....	\$ 448,927.92	\$ 13,709.61	\$ 141,271.57	\$ (147,603.06)	\$ 456,306.04
<u>Ref.</u>	A	A-3, A-10	A-4	A-4	A

CURRENT FUND  
SCHEDULE OF FY 2018 APPROPRIATION RESERVES

	June 30, 2018 Balance		Encumbrances	Transfers	Expended		Transferred to	Balance Lapsed
	Salaries	Other			Salaries	Other	Accounts Payable	
General Government:								
Administration.....	\$ 9,492.44	\$ 1.81	\$ 2.00		\$ (4,990.43)	\$ -	\$ -	\$ 4,505.82
Municipal Clerk.....	4,918.06	18,172.06	23,681.00		(838.39)	(36,570.97)		9,361.76
Financial Administration.....	16,692.27	26,617.09	169.38		(2,246.36)	(169.38)		41,063.00
Audit.....			55,000.00			(55,000.00)		-
Information Technology.....	12,164.93	57,131.31	54,168.10		(787.74)	(57,271.78)		65,404.82
Tax Collection.....	1,907.86	8,012.76	1,323.32		(1,490.48)	(1,323.32)		8,430.14
Tax Assessment.....	2,076.36	4,124.64	30,440.00		(1,586.10)	(9,458.00)		25,596.90
Legal.....		45,043.61	34,422.35			(22,322.34)		57,143.62
Insurance:								-
Other Insurance .....		16,241.29	300.00			(383.00)		16,158.29
Employee Group Insurance.....		247,567.61		\$ (67,000.00)		(5,421.60)		175,146.01
Health Benefit Waiver.....		6,785.00						6,785.00
Community Development								
Engineering.....	2,867.89	2,890.63	42,877.00			(26,167.75)		22,467.77
Planning.....	3,543.70	7,739.17	3,597.50		(2,197.10)	(408.40)		12,274.87
Zoning.....	1,479.59	6,860.92	600.00		(1,040.03)	(3,225.00)		4,675.48
Code Enforcement.....	9,760.99	19.22			(204.71)			9,575.50
Fire Safety.....	13,760.30	434.87	890.50		(800.00)	(663.00)		13,622.67
Uniform Construction Code.....	1,922.26	5,331.07	9,608.41		(1,785.89)	(5,406.73)		9,669.12
Public Safety:								
Police.....	290,963.91	3,910.69	147,831.27		(175,955.09)	(146,921.66)		119,829.12
Emergency Management.....	23,164.16	8,899.02	1,616.00		(686.55)	(1,616.00)		31,376.63
Volunteer Fire Departments.....		4,103.03						4,103.03
First Aid Organizations.....		20.00	5,000.00			(5,000.00)		20.00
Length of Service Award Program.....		7,227.77	4,604.95	2,000.00		(4,595.95)	(7,351.92)	1,884.85
Juvenile Aid.....		1,230.17	1,179.50			(1,199.50)		1,210.17
Municipal Court.....	7,038.64	6,270.49	542.07		(3,613.98)	(1,844.41)		8,392.81
Public Defender.....		13,200.00						13,200.00

CURRENT FUND  
SCHEDULE OF FY 2018 APPROPRIATION RESERVES

	June 30, 2018 Balance		Encumbrances	Transfers	Expended		Transferred to Accounts Payable	Balance Lapsed
	Salaries	Other			Salaries	Other		
Public Works:								
Streets and Roads.....	66,805.06	26,670.57	31,701.26		(51,295.42)	(48,661.24)	1.00	25,221.23
Sanitation.....	38,780.88	11,768.62	153.00		(24,999.00)			25,703.50
Solid Waste Disposal Fees.....		14,895.00	72,308.12			(83,422.48)		3,780.64
Recycling.....		16,512.01	3,468.34			(3,459.34)		16,521.01
Buildings and Grounds.....	12,555.08	39,112.15	28,470.36		(5,299.97)	(56,590.58)		18,247.04
Motor Vehicle Maintenance.....	36,317.22	3,267.07	35,345.23	30,000.00	(26,000.00)	(42,861.81)		36,067.71
Muni Service Reimbursement								
Condominiums.....		69,500.00	1,812.40			(60,368.67)		10,943.73
NJDEP - Stormwater Permit.....	48,166.55	7,000.00			(3,617.97)			51,548.58
Parks Recreation & Community Services								
Board of Health.....		1,349.22						1,349.22
Animal Control.....	1,000.00	6,611.44	5,819.17			(12,407.09)		1,023.52
Environmental Commission.....		510.00						510.00
Recreation & Community Services.....	6,762.24	479.84	1,424.47	5,000.00	(3,106.78)	(945.95)		9,613.82
Senior Services.....	11,869.00	7,352.60	4,344.55		2,157.38	(748.36)		24,975.17
Parks and Playgrounds.....	31,865.48	6,087.92	26,233.03		(4,331.55)	(28,657.17)		31,197.71
Unclassified								
Salary Adjustments.....		32,500.00						32,500.00
Utilities / Facilities Costs.....		191.96	49,659.60	30,000.00		(31,513.32)	(1,358.69)	46,979.55
Contingency.....		100.00						100.00
Statutory Expenditures:								
Public Employees Retirement.....		3,275.25						3,275.25
DCRP.....		8,169.02						8,169.02
Social Security.....		2,573.20	(1.00)					2,572.20
Interlocal Agreements:								
Special Law Enforcement Officers.....		14,143.48						14,143.48
Matching Funds for Grants.....		27,250.00						27,250.00
Total Operations	\$ 655,874.87	\$ 797,153.58	\$ 678,591.88	\$ -	\$ (314,716.16)	\$ (754,604.80)	\$ (8,709.61)	\$ 1,053,589.76

	<u>Ref.</u>	A		A-9	A-1
Salaries.....		\$ 655,874.87		\$ (314,716.16)	
Other Expenses.....		<u>797,153.58</u>		<u>(754,604.80)</u>	
Total.....	A	<u>\$ 1,453,028.45</u>		<u>\$ (1,069,320.96)</u>	
			<u>Ref.</u>	A-4	

CURRENT FUND  
SCHEDULE OF PREPAID PROPERTY TAX & PROPERTY TAX OVERPAYMENTS

		Total	FY 2020 Prepaid	FY 2019 Prepaid	FY 2019 Overpayment
Balance June 30, 2018	A	\$ (984,055.59)	\$ -	\$ (984,055.59)	\$ -
Transferred (from) or to Taxes Receivable.....	A-7	(158,477.00)	(158,477.00)		
Prepaid Taxes Applied.....	A-7	984,055.59		984,055.59	
Overpayments Received.....	A-4	(192,686.17)			(192,686.17)
Balance June 30, 2019	A	<u>\$ (351,163.17)</u>	<u>\$ (158,477.00)</u>	<u>\$ -</u>	<u>\$ (192,686.17)</u>

CURRENT FUND  
SCHEDULE OF TAXES PAYABLE

	Ref.	June 30, 2018	Taxes Levied	Cash Disbursements	June 30, 2019
County - General.....		\$ -	\$ 17,108,750.27	\$ (17,108,750.26)	\$ 0.01
County - Open Space.....		(0.02)	1,401,994.34	(1,401,994.33)	(0.01)
County - Added & Omitted.....		-	110,970.54	(110,970.54)	-
Local School District Taxes.....		41,891,142.00	87,023,910.00	(85,943,368.00)	42,971,684.00
Local Open Space.....		-	749,319.54	(749,319.54)	-
Sub-Total.....	A-7	41,891,141.98	106,394,944.69	(105,314,402.67)	42,971,684.00
School Taxes Deferred.....		(41,417,758.00)	(850,000.00)	-	(42,267,758.00)
Total Taxes Payable.....		<u>\$ 473,383.98</u>	<u>\$ 105,544,944.69</u>	<u>\$ (105,314,402.67)</u>	<u>\$ 703,926.00</u>
	<u>Ref.</u>	A	A-1, A-7	A-4	A

CURRENT FUND  
NON-LOCAL TAX LEVY CALCULATION

		.....County Lax Levy.....				Local School Taxes		Local Open Space	Library
Ref.	Total	General	Open Space	Added & Omitted					
Calendar Year 2018 Tax Levy.....	\$ 105,012,809.39	\$ 16,939,088.82	\$ 1,384,543.03	\$ -	\$ 85,943,368.00	\$ 745,809.54	\$ 1,503,159.88		
1/1-6/30/2018 Levy (1/2 CY18).....	51,235,239.94	8,299,882.96	674,820.21	-	41,891,142.00	369,394.77	743,214.09		
7/1-12/31/2018 Levy.....	53,777,569.46	8,639,205.86	709,722.83	-	44,052,226.00	376,414.77	759,945.80		
1/1-6/30/2019 Levy (1/2 CY18).....	52,506,404.70	8,469,544.41	692,271.52	-	42,971,684.00	372,904.77	751,579.94		
SFY 2019 Tax Levy.....	A-12 \$ 106,283,974.15	\$ 17,108,750.27	\$ 1,401,994.34	\$ -	\$ 87,023,910.00	\$ 749,319.54	\$ 1,511,525.74		
		<u>CY 2017</u>		<u>CY 2018</u>		<u>CY 2019</u>			
	<u>Rate</u>	<u>Levy</u>	<u>Rate</u>	<u>Levy</u>	<u>Rate</u>	<u>Levy</u>			
County General Tax.....	\$ 0.675	\$ 16,599,765.92	\$ 0.682	\$ 16,939,088.82	\$ 0.671	\$ 16,805,699.13			
County Open Space.....	0.055	1,349,640.41	0.056	1,384,543.03	0.057	1,410,794.02			
Local School Tax.....	3.402	83,782,284.00	3.458	85,943,368.00	3.548	88,904,219.00			
Municipal Open Space.....	0.030	738,789.54	0.030	745,809.54	0.030	751,852.83			
Library.....	0.060	1,486,428.17	0.060	1,503,159.88	0.060	1,526,669.93			
Total - Non Municipal.....	4.222	103,956,908.04	4.286	106,515,969.27	4.366	109,399,234.91			
Local Purpose Municipal Tax.....	1.232	30,346,002.38	1.266	31,497,577.54	1.302	32,637,584.00			
Total CY Tax Levy.....	\$ 5.454	\$ 134,302,910.42	\$ 5.552	\$ 138,013,546.81	\$ 5.668	\$ 142,036,818.91			
Net Valuation Taxable.....		\$ 2,462,631,767.00		\$ 2,486,031,800.00		\$ 2,506,176,100.00			

CURRENT FUND  
SCHEDULE OF INTERFUNDS

	<u>Ref.</u>	
Interfund Balance - June 30, 2018	A	\$ -
Increased by:		
Local Match Requirement		
Appropriated.....	A-3	2,356,035.44
Less Grant Revenues.....	A-2	(2,340,789.94)
Decreased by:		
Cash Disbursements.....	A-4	(15,245.50)
Interfund Balance (Due from Grant Fund) June 30, 2019	A	\$ -

STATE AND FEDERAL GRANT FUND  
SCHEDULE OF UNAPPROPRIATED GRANT RESERVES

Grant Name	June 30, 2018	Appropriated	Cash Receipts	June 30, 2019
<u>Fiscal Year 2018</u>				
Clean Communities.....	\$ 62,605.56	\$ 62,605.56	\$ -	\$ -
Alcohol Education & Enforcement Fund.....	3,441.93	3,441.93		
<u>Fiscal Year 2019</u>				
Clean Communities.....			69,939.05	69,939.05
Alcohol Ed. Rehab. Enforcement Fund.....			3,214.99	3,214.99
Total	\$ 66,047.49	\$ 66,047.49	\$ 73,154.04	\$ 73,154.04
Ref.	A	A-16	A-4	A

STATE AND FEDERAL GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2018	Budget Adopted	NJSA 40A:4-87	Cash	Unappropriated Realized	Canceled	June 30, 2019
<u>STATE GRANTS</u>							
Community Development:							
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).....	5,000.00			(3,255.25)		(1,744.75)	
NJ DOT - Rt 130/Adams Lane (Sewer).....	3,321.75					(3,321.75)	
NJ DOT - Rt 130 - Mae Brook.....	5,000.00					(5,000.00)	
NJ DOT - Schmidt Lane.....	57,500.00						57,500.00
NJ DOT - Quarry Lane.....		925,000.00					925,000.00
NJ DOT - Finnigans Lane Improvements.....			1,050,000.00				1,050,000.00
Public Safety:							
Drunk Driving Enforcement.....			10,885.43	(10,885.43)			
Body Armor Grant - State.....			8,143.89	(8,143.89)			
Distracted Driving .....			5,500.00	(5,500.00)			
Distracted Driving .....	6,600.00			(6,600.00)			
Pedestrian Safety, Education and Enforcement.....	10,105.00			(10,065.00)		(40.00)	
Pedestrian Safety, Education and Enforcement.....			15,000.00	(7,150.00)			7,850.00
Parks Recreation & Community Service							
Municipal Alliance.....	26,568.68			(26,568.68)			
Municipal Alliance.....			48,982.00	(1,255.50)			47,726.50
Public Works:							
Clean Communities.....		62,605.56		-	(62,605.56)		
Recycling Tonnage Grant.....			66,009.59	(66,009.59)			
Municipal Court							
Alcohol Education & Enforce Fund.....		3,441.93		-	(3,441.93)		
Total - State Grants.....	\$ 217,259.93	\$ 991,047.49	\$ 1,204,520.91	\$ (145,433.34)	\$ (66,047.49)	\$ (113,271.00)	\$ 2,088,076.50

STATE AND FEDERAL GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2018	Budget Adopted	NJSA 40A:4-87	Cash	Unappropriated Realized	Canceled	June 30, 2019
<b>FEDERAL GRANTS</b>							
Public Safety:							
Bullet Proof Vest Grant - Federal.....	\$ 6,855.53			\$ (2,263.58)		\$ (4,591.95)	
Bullet Proof Vest Grant - Federal.....			\$ 9,427.54	(2,328.37)			7,099.17
Safe and Secure.....	45,000.00			(45,000.00)			
Safe and Secure.....			60,000.00	(30,000.00)			30,000.00
Click it or ticket.....			5,500.00				5,500.00
Drive Sober or Get Pulled Over.....	5,500.00			(5,500.00)			
Drive Sober or Get Pulled Over.....			5,500.00	(5,500.00)			
Highway Safety Safe Corridors.....	31,060.40			(31,060.40)			
Parks Recreation & Community Service							
Heritage Day (County/Federal).....	1,375.00						1,375.00
Heritage Day (County/Federal).....			6,000.00	(4,500.00)			1,500.00
Senior Center Meal Program.....	14,357.00			(14,357.00)			
Senior Center Meal Program.....			10,000.00	(2,515.00)			7,485.00
Senior Center Transportation.....	4,491.00			(4,491.00)			
Senior Center Transportation.....			10,000.00	(2,480.00)			7,520.00
Senior Center Outreach Grant.....	6,532.00			(6,532.00)			
Senior Center Outreach Grant.....			15,800.00	(7,845.00)			7,955.00
Other Grants							
MCPO Task Force.....	6,000.00			(6,000.00)			
MCPO Task Force.....			6,000.00	(6,000.00)			
Cable Vision - PEG Access Programming Grant.....			9,200.00	(9,200.00)			
Bristol Meyers Squibb NBPD-AED.....			4,794.00	(4,794.00)			
Middlesex County DWI Checkpoint.....			3,000.00	(3,000.00)			
Total - Federal Grants.....	121,170.93		145,221.54	(193,366.35)		(4,591.95)	68,434.17
Total - All Grants.....	\$ 338,430.86	\$ 991,047.49	\$ 1,349,742.45	\$ (338,799.69)	\$ (66,047.49)	\$ (117,862.95)	\$ 2,156,510.67
	A			A-4	A-15	A-18	A
Adopted Budget.....		A-2	\$ 991,047.49				
Amended (NJSA 40A:4-87).....		A-2	1,349,742.45				
Total.....		A-2, A-18	\$ 2,340,789.94				

STATE AND FEDERAL GRANT FUND  
SCHEDULE OF APPROPRIATED GRANT RESERVES

				.....Budget.....				Paid or Charged				June 30, 2019			
		June 30, 2018		Adopted		NJSA 40A:4-87		June 30, 2018 Encumbrances		Canceled		June 30, 2019 Encumbrances		June 30, 2019	
<u>STATE GRANTS</u>															
Community Development:															
NJ DOT - Mae Brook (Water).....	FY04	\$	14,698.25	\$	-	\$	-	\$	-	\$	16,095.25	\$	(30,793.50)	\$	-
NJ DOT - Mae Brook (Sewer).....	FY04		15,342.75								17,028.25		(32,371.00)		
NJ DOT - Rt 1 Sec (6V) Bridge (Water).....	FY06		7,451.00								12,549.00		(20,000.00)		
NJ DOT - Rt 1 Sec (6V) Bridge (Sewer).....	FY06		19,474.00								526.00		(20,000.00)		
NJ DOT - Rt 27 Sec (6V) Bridge (Water).....	FY06		1,744.75										(1,744.75)		
NJ DOT - Rt 130/Adams Lane (Sewer).....	FY09		3,321.75										(3,321.75)		
NJ DOT - Rt 130 - Mae Brook.....	FY09		2,430.00								2,570.00		(5,000.00)		
NJ DOT - Pedestrian/Bicycle Path.....	FY09							81,240.45					(81,240.45)		
NJ DOT - Schmidt Lane.....	FY18							230,000.00		(230,000.00)			-		
NJ DOT - Quarry Lane.....	FY19			925,000.00											925,000.00
NJ DOT - Finnegans Lane.....	FY 19					1,050,000.00									1,050,000.00
Public Safety:															
Drunk Driving Enforcement Fund.....	FY19					10,885.43									10,885.43
Drunk Driving Enforcement Fund.....	FY18		10,833.25							(1,389.73)					9,443.52
Drunk Driving Enforcement Fund.....	FY17		8,937.07							(6,727.56)			(512.00)		1,697.51
Drunk Driving Enforcement Fund.....	FY16		6,483.89							(6,483.89)					
Drunk Driving Enforcement Fund.....	FY15		8,369.44							(8,369.44)					
Drunk Driving Enforcement Fund.....	FY14		2,251.03					1,152.44		(3,403.47)					
Body Armor Grant - State.....	FY18		7,248.99										(2,086.51)		5,162.48
Body Armor Grant - State.....	FY19					8,143.89									8,143.89
Body Armor Grant - State.....	FY17		3,158.84										(3,158.84)		
Body Armor Grant - State.....	FY16		3,938.55							(3,757.05)			(181.50)		
Safe & Secure.....	FY19					60,000.00				(30,000.00)					30,000.00
Safe & Secure.....	FY18		30,000.00							(30,000.00)					
Pedestrian Safety, Education and Enforcement.....	FY19					15,000.00				(14,999.60)					0.40
Pedestrian Safety, Education and Enforcement.....	FY18		1,360.00							(1,320.00)		(40.00)			
Distracted Driving Crackdown U Text.....	FY19					5,500.00				(5,500.00)					
Parks Recreation & Community Service															
Clean Communities.....	FY19			62,605.56						(28,806.78)			(33,798.78)		
Clean Communities.....	FY18		945.17					25,190.37		(26,135.54)					
Municipal Alliance.....	FY19					61,227.50				(56,673.50)		-	(4,554.00)		
Municipal Alliance.....	FY18							60.05		(60.05)					
Alcohol Education Enforcement.....	FY19			3,441.93											3,441.93

STATE AND FEDERAL GRANT FUND  
SCHEDULE OF APPROPRIATED GRANT RESERVES

		.....Budget.....		NJSA		June 30, 2018		Paid		June 30, 2019		June 30, 2019	
		June 30, 2018	Adopted	40A:4-87		Encumbrances		or Charged		Encumbrances		June 30, 2019	
<hr/>													
Public Works:													
Recycling Tonnage Grant.....	FY19			66,009.59				(66,009.59)					
Municipal Court													
Alcohol Education & Enforce Fund.....	FY18	2,454.54										2,454.54	
<hr/>													
Total - State Grants.....		150,443.27	991,047.49	1,276,766.41		337,643.31		(470,867.70)		(113,271.00)		(125,532.08)	2,046,229.70
<hr/>													
<u>FEDERAL GRANTS</u>													
Public Safety:													
Bullet Proof Vest Grant - Federal.....	FY18	\$ -	\$ -	\$ 9,427.54	\$ -	\$ (2,745.82)	\$ -	\$ (5,426.85)	\$ 1,254.87				
Bullet Proof Vest Grant - Federal.....	FY17	5,603.18				(1,011.23)		(4,591.95)					
Click it or Ticket.....	FY19			5,500.00		(5,060.00)						440.00	
Click it or Ticket.....	FY18	5,500.00				(5,500.00)							
Drive Sober or Get Pulled Over.....	FY19			5,500.00		(5,500.00)							
Highway Safety Safe Corridors.....	FY18				9,390.00	(9,390.00)							
Parks Recreation & Community Service													
Fed/County - Senior Center Congregate MealsGrant.....	FY19			10,000.00		(8,786.48)				-		1,213.52	
Fed/County - Senior Center Congregate MealsGrant.....	FY18	9,855.16			2,211.39	(12,066.55)							
Fed/County - Senior Center TransportationGrant.....	FY19			10,000.00		(2,480.00)						7,520.00	
Fed/County - Senior Center TransportationGrant.....	FY18	4,491.00				(4,491.00)							
Fed/County - Senior Outreach Program.....	FY19			15,800.00		(7,845.00)						7,955.00	
Fed/County - Senior Outreach Program.....	FY18	6,532.00				(6,532.00)							
<hr/>													
Total - Federal Grants.....		31,981.34	-	56,227.54	11,601.39	(71,408.08)		(4,591.95)		(5,426.85)		18,383.39	
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STATE AND FEDERAL GRANT FUND  
SCHEDULE OF APPROPRIATED GRANT RESERVES

		June 30, 2018	Budget.....	NJSA 40A:4-87	June 30, 2018 Encumbrances	Paid or Charged	Canceled	June 30, 2019 Encumbrances	June 30, 2019
			Adopted						
Other/County/Local Grants:									
Cable Vision - PEG Access Programming Grant.....	FY18			9,200.00					9,200.00
Cable Vision - PEG Access Programming Grant.....	FY17	4,600.00							4,600.00
Cable Vision - PEG Access Programming Grant.....	FY16	34,602.14				(850.50)			33,751.64
County - Heritage Day.....	FY19			9,000.00		(1,000.00)		(1,399.00)	6,601.00
County - Heritage Day.....	FY18	8,250.00				(8,250.00)			
Open Space - Recreation Pedestrian/Bicycle.....	FY07	-			75,809.50			(75,809.50)	
MCPO Community Concerns.....	FY19			6,000.00		(6,000.00)			
MCPO Community Concerns.....	FY17	6,000.00				(6,000.00)			
MC Streetscape - Livingston Avenue.....	FY12								
E-Waste.....	FY16	2,455.68							2,455.68
Bristol Meyers Squibb NBPD-AED.....	FY19			4,794.00		(4,794.00)			
Middlesex County DWI Checkpoint.....	FY19			3,000.00		(3,000.00)			
Walmart Community Grant.....	FY18	1,000.00				(1,000.00)			
Total - Other/County/Local Grants.....		56,907.82	-	31,994.00	75,809.50	(30,894.50)	-	(77,208.50)	56,608.32
<hr/>									
TOTAL - ALL Grants		\$ 239,332.43	\$ 991,047.49	\$ 1,364,987.95	\$ 425,054.20	\$ (573,170.28)	\$ (117,862.95)	\$ (208,167.43)	\$ 2,121,221.41
<hr/>									
	REF	A			A	A-4	A-18	A	A
Adopted Budget.....				991,047.49					
Amended (NJSA 40A:4-87).....				1,349,742.45					
Amended (NJSA 40A:4-87) - Match.....				15,245.50					
Total.....			A-18	<u>\$ 2,356,035.44</u>					

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

	<u>Ref.</u>		
Interfund Balance (Due Current Fund) June 30, 2018		\$	-
Increased by			
Local Match Requirement			
Appropriated Reserves.....	A-17	\$	2,356,035.44
Less Grant Revenues.....	A-16	<u>(2,340,789.94)</u>	
Total Increases.....			15,245.50
Decreased by			
Adjustments			
Appropriated Reserves Canceled.....	A-17	(117,862.95)	
Grant Receivables Canceled.....	A-16	117,862.95	
Cash Received from Current Fund to Grant Fund.....	A-4	<u>(15,245.50)</u>	
Total Decreases.....		\$	(15,245.50)
Interfund Balance (Due Current Fund) June 30, 2019	A	<u>\$</u>	<u>-</u>

TRUST FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLE

Description	Confirmation Date	Installments	Due Dates	Balance 06/30/19 & 06/30/18
<u>Assessments Receivable</u>				
Georges Road / Route #1 - Water.....	12/08/81	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.....	08/21/74			396.00
East Adams - Sewer.....	11/15/76			13,763.00
Adams Lane - Water.....	07/07/75			34,791.00
East Adams - Water.....	12/18/77			3,659.00
Linder, Evelyn & Thomas.....	06/19/78			3,666.00
Aaron Road - Section 1.....	12/03/83			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>\$ 71,055.00</u>

Ref.

B

TRUST FUND  
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2018	Cash..... Receipts	Disbursements	Adjustments	Balance June 30, 2019
<b>Animal Control Trust Fund</b>					
Due NJ - Animal License Fees.....	\$ 105.40	\$ 2,328.60	\$ (2,430.00)	\$ (3.00)	\$ 1.00
Animal Control Reserves.....	26,780.68	12,620.60	(20,250.21)	3.00	19,154.07
<b>Payroll</b>					
Deductions Payable.....	185,747.47	24,877,210.36	(24,991,007.54)		71,950.29
Miscellaneous.....	17,176.79	1,437.56	(12,899.27)		5,715.08
Recreation Trust.....	1,165,464.06	1,053,258.11	(1,252,708.14)		966,014.03
<b>Developers' Escrow</b>					
Inspections.....	295,381.16	286,503.84	(322,137.90)		259,747.10
Technical Review.....	207,354.18	178,626.60	(192,067.02)		193,913.76
Performance Bonds.....	756,820.10	82,166.18	(124,238.48)		714,747.80
Growth Share Reserve.....	265,143.20	114,011.77			379,154.97
<b>Other Trust Funds</b>					
<b>Finance</b>					
NJ Unemployment.....	113,684.03	50,054.91	(78,637.97)		85,100.97
Terminal Leave.....	921,265.03	300,000.00	(232,877.25)		988,387.78
Tax Sale - Premium on TTL.....	1,242,300.00	924,600.00	(982,400.00)		1,184,500.00
<b>Open Space</b>					
Dedicated Tax Levy - Open Space.....	12,274.61	749,319.54	(745,809.54)		15,784.61
Tree Preservation.....	-	27,266.66			27,266.66
Program Income.....	91,130.46	5,630.00	(220.55)		96,539.91
<b>Public Safety</b>					
Forfeited Funds.....	38,720.29	26,787.82			65,508.11
Miscellaneous - Off Duty.....	34,944.91	1,207,892.61	(1,169,490.00)		73,347.52
Uniform Fire Code.....	49,930.05	47,663.00	(30,600.44)		66,992.61

TRUST FUND  
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2018	Cash..... Receipts	Disbursements	Adjustments	Balance June 30, 2019
Municipal Court					
Public Defender.....	\$ 26,113.59	\$ 21,099.00	\$ (28,600.00)	\$ -	\$ 18,612.59
POAA Fines.....	219.57	268.00			487.57
Public Works - Snow Removal.....	277,654.00	95,000.00	(45,171.22)		327,482.78
Donations, Gifts, & Bequests.....	1,402.90	1,275.00	(45.00)		2,632.90
Community Development Department					
FY16 - Library Transit Shelter.....	6,951.00				6,951.00
FY16 - Due Middlesex County.....	(6,951.00)				(6,951.00)
FY17 - Due Middlesex County.....	(407.99)				(407.99)
FY18 - Individual Housing Rehabilitation.....	27,013.33		(27,013.33)		-
FY18- Senior Improvements.....			(15,649.00)	15,649.00	-
FY18- Due Middlesex County.....	(50,951.00)	26,600.00		(15,649.00)	(40,000.00)
FY19- Individual Housing Rehabilitation.....			(13,292.25)	50,951.00	37,658.75
FY19 - Code Enforcement.....			(61,138.00)	61,138.00	-
FY19 - Due Middlesex County.....		61,138.00		(112,089.00)	(50,951.00)
Third Party UCC Inspections.....	84,088.14	42,160.33	(110,902.33)		15,346.14
Total - All Trust Funds.....	\$ 5,789,354.96	\$ 30,194,918.49	\$ (30,459,585.44)	\$ -	\$ 5,524,688.01
Ref.	B				B

TRUST FUND  
SCHEDULE OF PAYROLL LIABILITIES

	Balance June 30, 2018	Cash..... Receipts	Disbursements	Balance June 30, 2019
Miscellaneous.....	\$ 17,176.76	\$ 1,437.59	\$ (12,899.27)	\$ 5,715.08
Federal and State Taxes				
Federal Withholding.....	-	2,992,244.52	(3,080,086.08)	(87,841.56)
Social Security/Medicare.....	177.54	3,155,947.37	(3,068,442.49)	87,682.42
NJ State Withholding.....	37.75	982,575.45	(982,575.45)	37.75
NJ Unemployment.....	5,226.85	47,367.30	(28,411.98)	24,182.17
PA State Tax.....	-	590.16	(590.16)	-
Pension				
Police & Fire Pension.....	114,107.85	1,389,784.56	(1,496,806.23)	7,086.18
Public Employees Pension.....	66,560.18	784,021.34	(847,323.00)	3,258.52
Deferred Compensation (IRS 457).....	0.01	606,273.28	(606,273.28)	0.01
Garnishments - Wage Attachments.....	-	61,198.52	(61,198.52)	-
Union Dues.....	18.00	91,647.21	(91,627.61)	37.60
Employee Medical Premium Cost Sharing.....	(380.74)	750,021.27	(718,823.68)	30,816.85
Life & Disability Insurance.....	-	216,427.83	(210,069.77)	6,358.06
Flexible Spending Plan.....	-	50,016.83	(49,684.54)	332.29
Net Pay.....	-	13,817,735.17	(13,817,735.17)	-
Total - Payroll Liabilities.....	185,747.44	24,945,850.81	(25,059,647.96)	71,950.29
Total - Payroll Trust Fund.....	\$ 202,924.20	\$ 24,947,288.40	\$ (25,072,547.23)	\$ 77,665.37
	B, B-2	B-2	B-2	B, B-2

GENERAL CAPITAL FUND  
SCHEDULE OF CASH AND INVESTMENTS

	<u>Ref.</u>		
Balance June 30, 2018.....	C	\$	4,422,829.44
Increased by Receipts:			
Capital Improvement Fund.....	C-9	264,500.00	
Proceeds from Issuing Debt			
Sale of Bond Anticipation Notes.....	C-8	26,700,000.00	
Bond Issue.....	C-5	15,112,500.00	
Premium on Sale of Notes.....	C-1	216,295.90	
Reserve to Retire Debt - State Green Acres Grant.....	C-10	1,769,507.23	
Interest Earned + Squibb Settlement- Soil Remediation.....	C-10	7,404.09	
Premium Received on Sale of BAN's.....	C-10	121,993.10	
			<u>44,192,200.32</u>
Total Receipts.....			44,192,200.32
Decreased by Disbursements:			
Redemption of Bond Anticipation Notes.....	C-8	(37,000,000.00)	
Improvement Authorizations.....	C-6	(4,871,557.70)	
Surplus Anticipated in Current Fund.....	C-1	(300,000.00)	
Reserve to Retire Debt -			
Current Fund Revenue.....	C-10	(35,002.00)	
			<u>(42,206,559.70)</u>
Total Disbursements.....			(42,206,559.70)
Balance June 30, 2019	C	\$	<u><u>6,408,470.06</u></u>

Analysis of Cash Balance

Soil Remediation Account.....	\$	1,488,847.35
General Account.....		<u>4,919,622.71</u>
Total Cash.....	\$	<u><u>6,408,470.06</u></u>

GENERAL CAPITAL  
SCHEDULE OF ANALYSIS OF CASH

Ord.	Description	Ref	Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Notes Outstanding	Other	Cash Balance
00-27	Acquisition of Lands.....		\$ (450,000.00)	\$ 1,235,792.54	\$ 1,750.00	\$ -	\$ -	\$ 787,542.54
04-05	High School/Vets Park Soil Remediat.....	C-10	-	66,752.65	69,531.90		1,018,678.35	1,154,962.90
09-16	Various Capital Improvements.....		-	1,000.00	(830.00)			170.00
09-22	Acquisition of Pulda Farm.....		(9,628,500.00)		-	9,628,500.00		-
10-06	Capital Items.....		-	37,153.14	50,000.00			87,153.14
11-16	Various Capital Improvements.....		-			-		-
12-13	Various Capital Improvements.....		-	-	5,912.00	-		5,912.00
15-14	Various Capital Improvements.....		(6,289,000.00)	50,048.18	8,223.70	6,289,000.00		58,271.88
16-15	Various Capital Improvements.....		(6,032,500.00)	406,472.42	74,990.70	6,032,500.00		481,463.12
17-09	Various Capital Improvements		(4,750,000.00)	510,789.91	1,154,529.86	4,750,000.00		1,665,319.77
18-14	Various Capital Improvements		(5,025,500.00)	537,354.22	4,275,351.61	-		(212,794.17)
Capital Improvement Fund.....	C-9						342.00	342.00
Reserve to Retire Debt.....	C-10				-		1,955,199.51	1,955,199.51
Fund Balance.....	C-1				-		424,927.37	424,927.37
<hr/>								
Total.....			\$ (32,175,500.00)	\$ 2,845,363.06	\$ 5,639,459.77	\$ 26,700,000.00	\$ 3,399,147.23	\$ 6,408,470.06
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	<u>Ref.</u>		C, C-5	C, C-6	C, C-6	C, C-8	C, C-1, C-9,C-10	C, C-2

GENERAL CAPITAL  
SCHEDULE OF DEFERRED CHARGES - FUNDED

	<u>Ref.</u>	Total Funded Deferred Charges	Serial Bonds
Balance - June 30, 2018.....	C	\$ 39,034,750.00	\$ 39,034,750.00
Increased by:			
Bond Issue.....	C-7	<u>15,112,500.00</u>	<u>15,112,500.00</u>
		54,147,250.00	54,147,250.00
Decreased by:			
Budget Appropriation.....	C-7	<u>(3,575,000.00)</u>	<u>(3,575,000.00)</u>
Balance - June 30, 2019	C	<u><u>\$ 50,572,250.00</u></u>	<u><u>\$ 50,572,250.00</u></u>

GENERAL CAPITAL  
SCHEDULE OF DEFERRED CHARGES - UNFUNDED

Ord.	Description	Balance June 30, 2018	Authorizations	Reduced	Balance June 30, 2019	Financed by Bond Anticipation Notes	Cash Expended (Deficit)	Unfunded Balance of Improvement Authorization
00-27	Acquisition of Lands.....	\$ 450,000.00	\$ -	\$ -	\$ 450,000.00	\$ -	\$ -	\$ (450,000.00)
09-22	Acquisition of Pulda Farm.....	9,782,000.00		(153,500.00)	9,628,500.00	(9,628,500.00)	-	
11-16	Various Capital Improvements...	2,185,000.00		(2,185,000.00)	-	-	-	
12-13	Various Capital Improvements...	2,798,000.00		(2,798,000.00)	-	-	-	
13-14	Various Capital Improvements...	2,767,000.00		(2,767,000.00)	-	-	-	
14-10	Various Capital Improvements.....	7,362,500.00		(7,362,500.00)	-	-		
15-14	Various Capital Improvements...	6,289,000.00			6,289,000.00	(6,289,000.00)		
16-15	Various Capital Improvements...	6,032,500.00			6,032,500.00	(6,032,500.00)		
17-09	Various Capital Improvements...	4,750,000.00			4,750,000.00	(4,750,000.00)		
18-14	Various Capital Improvements...		5,025,500.00		5,025,500.00	-	(4,488,145.78)	(537,354.22)
	Total.....	<u>\$ 42,416,000.00</u>	<u>\$ 5,025,500.00</u>	<u>\$ (15,266,000.00)</u>	<u>\$ 32,175,500.00</u>	<u>\$ (26,700,000.00)</u>	<u>\$ (4,488,145.78)</u>	<u>\$ (987,354.22)</u>
		Ref.	C	C-6	C	C-8		
	Current Fund Appropriation							
	Debt Service.....	C-2		\$ 15,112,500.00				
	Reserve to Retire Debt.....	C-10		153,500.00				
	Total.....			<u>\$ 15,266,000.00</u>				
	Unexpended Balances of Unfunded Improv. Authors.							\$ 1,954,664.73
	Less: Unexpended Proceeds of Bond Anticipation Notes							
	Ordinance 15-14							(50,048.18)
	Ordinance 16-15							(406,472.42)
	Ordinance 17-09							(510,789.91)
								<u>\$ 987,354.22</u>

GENERAL CAPITAL  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Description	June 30, 2018		Authorized	Encumbrance June 30, 2018	Paid or Charged	Encumbrance June 30, 2019	June 30, 2019	
		Funded	Unfunded					Funded	Unfunded
00-27	Acquisition of Land.....	\$ 812,382.42	\$ 450,000.00	\$ -	\$ 1,750.00	\$ (26,589.88)	\$ (1,750.00)	\$ 785,792.54	\$ 450,000.00
04-05	High School / Vets Park Soil Remediation.....	95,024.63	-		120,622.53	(79,362.61)	(69,531.90)	66,752.65	-
09-16	Various Capital Improvements...	1,000.00	-		(830.00)	-	830.00	1,000.00	-
10-06	Capital Items.....	58,705.90	-		65,942.24	(37,495.00)	(50,000.00)	37,153.14	-
12-13	Various Capital Improvements...	-	-		5,912.00		(5,912.00)	-	-
13-14	Various Capital Improvements...	-	12,857.59			(12,857.59)		-	-
14-10	Various Capital Improvements....	-	53,073.38			(53,073.38)		-	-
15-14	Various Capital Improvements....	-	85,884.91		270,522.74	(298,135.77)	(8,223.70)	-	50,048.18
16-15	Various Capital Improvements.....		468,474.89		1,234,449.62	(1,221,461.39)	(74,990.70)		406,472.42
17-09	Various Capital Improvements.....		838,725.55		3,491,882.13	(2,665,287.91)	(1,154,529.86)		510,789.91
18-14	Various Capital Improvements.....			5,290,000.00		(477,294.17)	(4,275,351.61)		537,354.22
Total.....		\$ 967,112.95	\$ 1,909,016.32	\$ 5,290,000.00	\$ 5,190,251.26	\$ (4,871,557.70)	\$ (5,639,459.77)	\$ 890,698.33	\$ 1,954,664.73
	<u>Ref.</u>	C	C		C	C-2	C	C	C
Capital Improvement Fund.....	C-9			\$ 264,500.00					
Deferred Chgs Unfunded.....	C-5			5,025,500.00					
Total.....				<u>\$ 5,290,000.00</u>					

GENERAL CAPITAL  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/19		June 30, 2018	Bonds Issued	Budget Appropriation	June 30, 2019
			Amount	Rate				
General Obligation.....	08/14/09	\$ 7,811,435.00	08/15/19	\$ 654,000	4.000%	\$ 1,281,000.00	\$ -	\$ (627,000.00) \$ 654,000.00
Open Space.....	08/14/09	8,045,565.00	08/15/19	145,000	4.000%	283,000.00	(138,000.00)	145,000.00
General Obligation.....	08/08/12	13,455,750.00	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%	9,190,750.00	(1,035,000.00)	8,155,750.00
Open Space Refunding .....	09/12/12	2,960,000.00	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%	2,150,000.00	(200,000.00)	1,950,000.00

GENERAL CAPITAL  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/19		June 30, 2018	Bonds Issued	Budget Appropriation	June 30, 2019
			Amount	Rate				
General Obligation Refunding.	06/02/15	\$ 4,745,000.00	08/15/19	785,000	5.000%			
			08/15/20	790,000	2.000%			
			08/15/21	790,000	2.500%			
			08/15/22	455,000	2.000%	\$ 3,595,000.00	\$ -	\$ (775,000.00)
								\$ 2,820,000.00
General Obligation Bonds.....	07/30/15	15,000,000.00	07/15/19	775,000	2.750%			
			07/15/20	750,000	2.750%			
			07/15/21	550,000	3.000%			
			07/15/22	550,000	3.000%			
			07/15/23	550,000	3.000%			
			07/15/24	600,000	3.000%			
			07/15/25	500,000	3.000%			
			07/15/26	500,000	3.000%			
			07/15/27	500,000	3.000%			
			07/15/28	1,000,000	3.000%			
			07/15/29	1,000,000	3.000%			
			07/15/30	1,000,000	3.130%			
			07/15/31	1,000,000	3.130%			
			07/15/32	925,000	3.250%			
			07/15/33	1,000,000	3.250%			
			07/15/34	1,000,000	3.380%			
			07/15/35	1,000,000	3.500%	14,000,000.00	(800,000.00)	13,200,000.00
2017 Refunding - Open Space	05/24/17	6,530,468.00	08/15/20	145,192	4.000%			
			08/15/21	149,688	4.000%			
			08/15/22	157,588	4.000%			
			08/15/23	740,000	4.000%			
			08/15/24	770,000	4.000%			
			08/15/25	815,000	4.000%			
			08/15/26	855,000	4.000%			
			08/15/27	905,000	4.000%			
			08/15/28	950,000	4.000%			
			08/15/29	1,000,000	4.000%	6,487,468.00		6,487,468.00
2017 Refunding - GO Bonds- 2	05/24/17	2,069,532.00	08/15/20	654,808	4.000%			
			08/15/21	680,312	4.000%			
			08/15/22	712,412	4.000%	2,047,532.00		2,047,532.00

GENERAL CAPITAL  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/19			June 30, 2018	Bonds Issued	Budget Appropriation	June 30, 2019	
			Amount	Rate						
2018 General Obligation Bond:	07/24/18	\$ 15,112,500.00	07/15/19	500,000	2.500%					
			07/15/20	1,000,000	2.750%					
			07/15/21	1,000,000	2.750%					
			07/15/22	1,000,000	2.750%					
			07/15/23	1,000,000	2.750%					
			07/15/24	990,000	2.750%					
			07/15/25	982,500	2.750%					
			7/15/206	960,000	2.750%					
			7/15/207	960,000	2.750%					
			07/15/28	960,000	3.000%					
			07/15/29	960,000	3.000%					
			07/15/30	960,000	3.000%					
			07/15/31	960,000	3.000%					
			07/15/32	960,000	3.000%					
			07/15/33	960,000	3.000%					
			07/15/34	960,000	3.000%	\$ -	\$ 15,112,500.00	\$ -	\$ 15,112,500.00	
Total.....						\$ 39,034,750.00	\$ 15,112,500.00	\$ (3,575,000.00)	\$ 50,572,250.00	
						Ref.	C	C-4	C-4	C

GENERAL CAPITAL  
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities			Notes		BAN's Issued	BAN's Redeemed	Notes Outstanding June 30, 2019
		Interest Rate	Issue Date	Maturity Date	Outstanding June 30, 2018				
09-22	Land Acquisition	3.00%	07/24/18	07/23/19	\$ 9,782,000.00	\$ 9,628,500.00	\$ (9,782,000.00)	\$ 9,628,500.00	
11-16	Various Capital Improvements				2,185,000.00		(2,185,000.00)	-	
12-13	Various Capital Improvements				2,798,000.00		(2,798,000.00)	-	
13-14	Various Capital Improvements				2,767,000.00		(2,767,000.00)	-	
14-10	Various Capital Improvements				7,362,500.00		(7,362,500.00)	-	
15-14	Various Capital Improvements	3.00%	07/24/18	07/23/19	6,289,000.00	6,289,000.00	(6,289,000.00)	6,289,000.00	
16-15	Various Capital Improvements	3.00%	07/24/18	07/23/19	5,816,500.00	6,032,500.00	(5,816,500.00)	6,032,500.00	
17-09	Various Capital Improvements	3.00%	07/24/18	07/23/19		4,750,000.00		4,750,000.00	
Total.....					\$ 37,000,000.00	\$ 26,700,000.00	\$ (37,000,000.00)	\$ 26,700,000.00	
					<u>Ref.</u>	C	C-2	C-2	C

GENERAL CAPITAL  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance June 30, 2018.....	C	\$ 342.00
Increased by Receipts:		
Current Fund Budget Appropriation.....	C-2	<u>264,500.00</u>
		264,842.00
Decreased by:		
Appropriated to Fund Improvement Authorizations.....	C-6	<u>(264,500.00)</u>
Balance June 30, 2019.....	C	<u><u>\$ 342.00</u></u>

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

	Ordinance Number	Balance June 30, 2018	Increases Cash Receipts	Decreases	Balance June 30, 2019
<b>Reserve to Retire Debt</b>					
High School/Vets Park Soil Remediation.....	2004-05	\$ 1,046,276.26	\$ 7,404.09	\$ (35,002.00)	\$ 1,018,678.35
Land Acquisition.....	2000-27	72,106.42			72,106.42
Land Acquisition.....	2009-22	145,092.76	1,891,500.33	(153,500.00)	1,883,093.09
<b>Total.....</b>		<b>\$ 1,263,475.44</b>	<b>\$ 1,898,904.42</b>	<b>\$ (188,502.00)</b>	<b>\$ 2,973,877.86</b>
	<u>Ref.</u>	<u>C</u>		<u>C</u>	
2004-05	Interest Earned - Soil Remediation.....	C-2	\$ 7,404.09		
2009-22	Premium Received on Sale of BAN's.....	C-2	121,993.10		
2009-22	State Green Acres Grant.....	C-2	1,769,507.23		
2004-05	Payments made - Soil Remediation Expenses....	C-2		\$ (35,002.00)	
2009-22	Bond Anticipaion Notes.....	C-5		(153,500.00)	
<b>Total.....</b>			<b>\$ 1,898,904.42</b>	<b>\$ (188,502.00)</b>	

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

Ord.	Description	Balane June 30, 2018	FY 2019 Authorizaions	Notes Issued	Balance June 30, 2019
2000-27	Acquisition of Lands.....	\$ 450,000.00	\$ -	\$ -	\$ 450,000.00
2016-15	Various Capital Improvements.....	216,000.00		(216,000.00)	-
2017-09	Various Capital Improvements.....	4,750,000.00		(4,750,000.00)	-
2018-14	Various Capital Improvements.....		5,025,500.00		5,025,500.00
Total.....		<u>\$ 5,416,000.00</u>	<u>\$ 5,025,500.00</u>	<u>\$ (4,966,000.00)</u>	<u>\$ 5,475,500.00</u>
<u>Ref.</u>		C			C

WATER UTILITY OPERATING AND CAPITAL FUNDS  
SCHEDULE OF CASH

	<u>Ref.</u>	Operating	Capital	Assessment
Cash Balance June 30, 2018	D	\$ 2,876,937.46	\$ 1,712,384.15	\$ 439,107.58
Increased by Cash Receipts				
Premium on BAN Sale.....	D-2		62,843.20	
Revenues Collected.....	D-4	7,258,681.44		
Bond Anticipation Notes.....	D-14		4,960,000.00	
Collector.....	D-18			203,292.74
Total Cash Receipts.....		7,258,681.44	5,022,843.20	203,292.74
Decreased by Disbursements				
Surplus to Water Operating.....	D-2		(40,000.00)	
Assessment Trust Fund Surplus to Operating Budget.....	D-3			(85,550.00)
Budget Appropriations.....	D-5	(5,897,230.78)		
Appropriation Reserves.....	D-10	(318,909.24)		
Improvement Authorizations.....	D-11		(952,284.56)	
Accrued Interest Payable.....	D-13	(841,757.37)		
Bond Anticipation Notes.....	D-14		(3,960,000.00)	
Assessment Serial Bonds.....	D-20			(100,000.00)
Total Cash Disbursements.....		(7,057,897.39)	(4,952,284.56)	(185,550.00)
Cash Balance June 30, 2019.....	D	\$ 3,077,721.51	\$ 1,782,942.79	\$ 456,850.32

WATER CAPITAL UTILITY FUND  
ANALYSIS OF CASH BALANCE

		Deferred Charges	Improvement Authorizations	Reserve for Encumbrances	Other	Balance June 30, 2019
<hr/>						
<u>Improvement Authorizations</u>						
05-16	Water Distribution System.....	\$ -	\$ -	\$ -	\$ -	\$ -
07-20	Water Treatment Plant.....		-	242,468.70	-	242,468.70
13-15	Water Distribution System.....		-	15,316.35	-	15,316.35
15-16	Water Distribution System.....		32.75	467,014.13	-	467,046.88
17-10	Water Distribution System.....	-	16,364.43	868,761.68		885,126.11
18-13	Water Distribution System.....	(1,000,000.00)	960,000.00	40,000.00		-
19-10	Water Distribution System.....	(1,500,000.00)	1,282,400.00	217,600.00		-
Capital Improvement Fund.....					89,067.59	89,067.59
Fund Balance.....					83,917.16	83,917.16
<hr/>						
Total.....		\$ (2,500,000.00)	\$ 2,258,797.18	\$ 1,851,160.86	\$ 172,984.75	\$ 1,540,474.09
<hr/>						
			D, D-11	D, D-11	D, D-2, D-17	D

WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Ref.	
Balance - June 30, 2018.....	D	\$ 58,542,087.11
Increased by:		
Adjustment - Fixed Capital Authorized but not Completed.....	D-9	<u>1,526,142.44</u>
Balance - June 30, 2019.....	D	<u><u>\$ 60,068,229.55</u></u>

WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED BUT NOT COMPLETED

Ord.	Improvement Description	Balance June 30, 2018	Improvement Authorizations	Canceled/ Adjusted	Balance June 30, 2019
05-16	Water Distribution System.....	\$ 12.00	\$ -	\$ 12.00	\$ -
07-20	Water Treatment Plant.....	136,044.00		(106,424.70)	242,468.70
12-14	Water Distribution System.....	44.48		44.48	-
13-15	Water Distribution System.....			(15,316.35)	15,316.35
15-16	Water Distribution System.....	2,000,000.00		1,532,953.12	467,046.88
17-10	Water Distribution System.....	1,000,000.00		114,873.89	885,126.11
18-13	Water Distribution System.....		1,000,000.00		1,000,000.00
19-10	Water Distribution System.....		1,500,000.00		1,500,000.00
	Total.....	<u>\$ 3,136,100.48</u>	<u>\$ 2,500,000.00</u>	<u>\$ 1,526,142.44</u>	<u>\$ 4,109,958.04</u>
	Ref.	D	D-11	D-8	D

WATER UTILITY OPERATING FUND  
SCHEDULE OF SFY 2018 APPROPRIATION RESERVES/ACCOUNTS PAYABLE

	June 30, 2018	June 30, 2018 Encumbrances	Paid or Charged	Lapsed
Operating - S & W.....	\$ 1,716.68	\$ -	\$ -	\$ 1,716.68
Operating - Other Expenses.....	82,357.73	336,709.37	(320,909.24)	98,157.86
Total Water Utility Operating.....	\$ 84,074.41	\$ 336,709.37	\$ (320,909.24)	\$ 99,874.54

Ref.                      D                      D                      D-1

Cash Disbursements.....	<u>Ref.</u> D-6	\$ (318,909.24)
June 30, 2018 Accounts Payable.....	D-10	<u>(2,000.00)</u>
Total Paid or Charged.....		<u>\$ (320,909.24)</u>

Accounts Payable Analysis

Balance June 30, 2018.....	D	\$ 20,024.00
Transfer from Appropriation Reserves.....	D-10	2,000.00
Prior Year's Payable Canceled.....	D-1	<u>(8,000.00)</u>
Balance June 30, 2019	D	<u>\$ 14,024.00</u>

WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Original Appropriation	Description	June 30, 2018		SFY 2019 Authorizations	Encumbrances June 30, 2018	Paid or Charged	Encumbrances June 30, 2019	June 30, 2019	
			Funded	Unfunded					Funded	Unfunded
05-16	\$ 2,000,000	Water Distribution System.....	\$ -	\$ -	\$ -	\$ 12.00	\$ (12.00)	\$ -	\$ -	\$ -
07-20	19,000,000	Water Treatment Plant.....	242,468.70	-				(242,468.70)	-	
13-15	1,000,000	Water Distribution System.....		17,581.35		-	(2,265.00)	(15,316.35)	-	-
15-16	2,000,000	Water Distribution System.....		425,235.77		876,944.78	(835,133.67)	(467,014.13)	-	32.75
17-10	1,000,000	Water Distribution System		955,329.71		44,670.29	(114,873.89)	(868,761.68)	-	16,364.43
18-13	1,000,000	Water Distribution System			1,000,000.00			(40,000.00)	-	-
19-10	1,500,000	Water Distribution System			1,500,000.00			(217,600.00)	-	1,282,400.00
<b>\$ 27,500,000 Total.....</b>			<b>\$ 242,468.70</b>	<b>\$ 1,398,146.83</b>	<b>\$ 2,500,000.00</b>	<b>\$ 921,627.07</b>	<b>\$ (952,284.56)</b>	<b>\$ (1,851,160.86)</b>	<b>\$ -</b>	<b>\$ 2,258,797.18</b>
		<u>Ref.</u>	D	D	D-9	D	D-6	D	D	D

WATER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

SCHEDULE OF SERIAL BOND PAYABLE									
Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			.....INTEREST EXPENSE.....			FY Budget Appropriation Interest
			June 30, 2019			Interest Cash Payments	....Accrued Interest....		
			Date	Principal	Rate		Beginning	Ending	
Ordinance 5-16/6-16.....	08/14/09	\$ 2,000,000	8/14/2019	\$ 36,000	4.000%	\$ 720.00	\$ (540.00)		\$ 180.00
2011 Refunding Bond.....	12/22/11	10,252,500	4/1/2020	1,052,500	4.000%	182,225.00	(50,818.50)	40,293.75	171,700.25
			4/1/2021	1,095,000	4.000%	139,275.00	(40,293.75)	29,343.75	128,325.00
			4/1/2022	1,145,000	5.000%	88,750.00	(29,343.75)	15,031.25	74,437.50
			4/1/2023	1,202,500	5.000%	30,062.50	(15,031.25)		15,031.25
2012 Improvement Bond.. Ordinance 5-16/6-16	08/08/12	1,500,000	8/1/2019	70,000	2.000%	26,250.00	(11,229.17)	10,645.83	25,666.67
			8/1/2020	70,000	2.000%	24,850.00	(10,645.83)	10,062.50	24,266.67
			8/1/2021	70,000	2.000%	23,450.00	(10,062.50)	9,479.17	22,866.67
			8/1/2022	70,000	2.000%	22,050.00	(9,479.17)	8,895.83	21,466.67
			8/1/2023	75,000	2.125%	20,553.13	(8,895.83)	8,231.78	19,889.07
			8/1/2024	75,000	2.125%	18,959.38	(8,231.78)	7,567.69	18,295.30
			8/1/2025	75,000	2.250%	17,318.75	(7,567.69)	6,864.58	16,615.64
			8/1/2026	80,000	2.375%	15,525.00	(6,864.58)	6,072.92	14,733.33
			8/1/2027	80,000	2.500%	13,575.00	(6,072.92)	5,239.58	12,741.67
			8/1/2028	85,000	2.500%	11,512.50	(5,239.58)	4,354.17	10,627.08
			8/1/2029	90,000	2.625%	9,268.75	(4,354.17)	3,369.79	8,284.38
			8/1/1930	90,000	2.750%	6,850.00	(3,369.79)	2,338.54	5,818.75
			8/1/1931	95,000	2.750%	4,306.25	(2,338.54)	1,250.00	3,217.71
			8/1/1932	100,000	3.000%	1,500.00	(1,250.00)		250.00
Refunding Bonds.....	06/02/15	1,275,000	8/15/2019	115,000	5.00%	31,487.50	(12,885.94)	10,729.69	29,331.25
			8/15/2020	115,000	5.00%	25,737.50	(10,729.69)	8,573.44	23,581.25
			8/15/2021	120,000	2.00%	21,362.50	(8,573.44)	7,448.44	20,237.50
			8/15/2022	120,000	2.00%	18,662.50	(7,448.44)	6,548.44	17,762.50
			8/15/2023	125,000	2.25%	16,056.25	(6,548.44)	5,493.75	15,001.56
			8/15/2024	120,000	4.00%	12,250.00	(5,493.75)	3,693.75	10,450.00
			8/15/2025	125,000	5.00%	6,725.00	(3,693.75)	1,350.00	4,381.25
			8/15/2026	120,000	3.00%	1,800.00	(1,350.00)		450.00

WATER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

SCHEDULE OF SERIAL BONDS PAYABLE									
Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			.....INTEREST EXPENSE.....			FY Budget Appropriation Interest
			June 30, 2019			Interest Cash Payments	....Accrued Interest....		
			Date	Principal	Rate		Beginning	Ending	
2015 Bonds.....	07/30/15	\$ 1,993,670	7/15/2019	\$ 80,000	2.75%	\$ 53,459.70	\$ (20,459.89)	\$ 19,634.89	\$ 52,634.70
			7/15/2020	80,000	2.75%	51,259.70	(19,634.89)	18,809.89	50,434.70
			7/15/2021	85,000	3.00%	48,884.70	(18,809.89)	17,853.64	47,928.45
			7/15/2022	90,000	3.00%	46,259.70	(17,853.64)	16,841.14	45,247.20
			7/15/2023	90,000	3.00%	43,559.70	(16,841.14)	15,828.64	42,547.20
			7/15/2024	95,000	3.00%	40,784.70	(15,828.64)	14,759.89	39,715.95
			7/15/2025	95,000	3.00%	37,934.70	(14,759.89)	13,691.14	36,865.95
			7/15/2026	100,000	3.00%	35,009.70	(13,691.14)	12,566.14	33,884.70
			7/15/2027	100,000	3.00%	32,009.70	(12,566.14)	11,441.14	30,884.70
			7/15/2028	105,000	3.00%	28,934.70	(11,441.14)	10,259.89	27,753.45
			7/15/2029	110,000	3.00%	25,709.70	(10,259.89)	9,022.39	24,472.20
			7/15/2030	110,000	3.125%	22,340.95	(9,022.39)	7,733.33	21,051.89
			7/15/2031	115,000	3.125%	18,825.33	(7,733.33)	6,385.67	17,477.68
			7/15/2032	120,000	3.250%	15,078.46	(6,385.67)	4,923.17	13,615.96
			7/15/2033	125,000	3.250%	11,097.21	(4,923.17)	3,399.74	9,573.77
			7/15/2034	130,000	3.375%	6,872.21	(3,399.74)	1,754.42	5,226.90
			7/15/2035	133,670	3.500%	2,339.23	(1,754.42)		584.81

WATER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

SCHEDULE OF SERIAL BOND PAYABLE									
Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			.....INTEREST EXPENSE.....			FY Budget Appropriation Interest
			June 30, 2019			Interest Cash Payments	....Accrued Interest....		
			Date	Principal	Rate		Beginning	Ending	
2017 Refunding Bonds	05/24/17	\$ 1,621,947	8/15/2019			\$ 64,356.84	\$ (24,133.82)	\$ 24,133.82	\$ 64,356.84
			8/15/2020	\$ 30,116	4.000%	63,754.52	(24,133.82)	23,682.08	63,302.78
			8/15/2021	30,333	4.000%	62,545.54	(23,682.08)	23,227.08	62,090.54
			8/15/2022	34,894	4.000%	61,241.00	(23,227.08)	22,703.67	60,717.59
			8/15/2023	186,787	4.000%	56,807.38	(22,703.67)	19,901.87	54,005.58
			8/15/2024	191,429	4.000%	49,243.06	(19,901.87)	17,030.43	46,371.62
			8/15/2025	204,053	4.000%	41,333.42	(17,030.43)	13,969.64	38,272.63
			8/15/2026	213,541	4.000%	32,981.54	(13,969.64)	10,766.52	29,778.42
			8/15/2027	226,296	4.000%	24,184.80	(10,766.52)	7,372.08	20,790.36
			8/15/2028	239,298	4.000%	14,872.92	(7,372.08)	3,782.61	11,283.45
			8/15/2029	252,174	4.000%	5,043.48	(3,782.61)		1,260.87

	<u>Ref.</u>	
June 30, 2018 Balance.....	D	\$ 11,438,591.00
Principal Payments.....	D-16	(1,450,000.00)
June 30, 2019.....	D	<u>\$ 9,988,591.00</u>

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

	Ref.	Total Accrued Interest	Bond Anticipation Notes	Serial Bonds	Belcourt Assessment	Environmental Infrastructure Trust
Accrued Interest June 30, 2018.....	D	\$ (364,149.10)	\$ (74,480.00)	\$ (132,853.47)	\$ (32,878.13)	\$ (123,937.50)
Cash Payments - SFY 2019.....	D-6	841,757.37	79,579.53	411,894.04	85,553.75	264,730.05
Accrued Interest June 30, 2019.....	D	406,245.86	139,706.67	120,067.31	31,284.38	115,187.50
SFY 2019 Budget Expense.....	D-5	<u>\$ 883,854.13</u>	<u>\$ 144,806.20</u>	<u>\$ 399,107.88</u>	<u>\$ 83,960.00</u>	<u>\$ 255,980.05</u>

WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2019			Notes Outstanding June 30, 2018	Increase	Decrease	Notes Outstanding June 30, 2019
		Interest Rate	Issue Date	Maturity Date				
12-14	Water Distribution System.....	3.00%	7/24/18	7/23/19	\$ 990,000.00	\$ 975,000.00	\$ 990,000.00	\$ 975,000.00
13-15	Water Distribution System.....	3.00%	7/24/18	7/23/19	1,000,000.00	985,000.00	1,000,000.00	985,000.00
15-16	Water Distribution System.....	3.00%	7/24/18	7/23/19	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
17-10	Water Distribution System.....	3.00%	7/24/18	7/23/19		1,000,000.00		1,000,000.00
	Total.....				<u>\$ 3,990,000.00</u>	<u>\$ 4,960,000.00</u>	<u>\$ 3,990,000.00</u>	<u>\$ 4,960,000.00</u>
				Ref.	D			D
			Cash Transactions	D-6		\$ 4,960,000.00	\$ 3,960,000.00	
			Paid by Budget Appropriations	D-16			30,000.00	
						<u>\$ 4,960,000.00</u>	<u>\$ 3,990,000.00</u>	

Calculation of Accrued Interest

	Total	Issued Date	
		7/24/2018	7/23/2019
Principal Outstanding.....	\$ 3,990,000.00	\$ 4,960,000.00	
Interest Rate.....	2.00%	3.00%	
Accrued Interest at June 30, 2019			139,706.67
SFY 2019 Budget Expense.....	-	149,740.00	
Memo - Cash Interest at July 23, 2019 Maturity.....		\$ 148,386.67	

SCHEDULE OF WATER LOAN PAYABLE  
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	OUTSTANDING MATURITIES June 30, 2019		INTEREST EXPENSE.....			
				Principal 8/1 Maturities	Rate	Interest Annual Cash Payments	Accrued Interest Beginning	Ending	FY Budget Appropriation Interest
Trust Loan Ordinance 07-20	11/8/2007	\$ 9,700,000							
			2020	\$ 463,000.00		\$ 242,825.00	\$ (115,187.50)	\$ 106,000.00	\$ 233,637.50
			2021	484,000.00		219,150.00	(106,000.00)	96,354.17	209,504.17
			2022	511,000.00		194,275.00	(96,354.17)	86,270.83	184,191.66
			2023	533,000.00		168,175.00	(86,270.83)	75,625.00	157,529.17
			2024	559,000.00		140,875.00	(75,625.00)	64,520.83	129,770.83
			2025	589,000.00		112,175.00	(64,520.83)	52,875.00	100,529.17
			2026	619,000.00		81,975.00	(52,875.00)	40,604.17	69,704.17
			2027	648,000.00		50,300.00	(40,604.17)	27,708.33	37,404.16
			2028	682,000.00		17,050.00	(27,708.33)	14,208.33	3,550.00
Trust Loan June 30, 2019 Balance.....				\$ 5,088,000.00					

SCHEDULE OF WATER LOAN PAYABLE  
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	Annual	Rate	SEMI-ANNUAL PRINCIPAL	
						August 1	February 1
Fund Loan							
Ordinance 07-20	11/8/2007	\$ 8,939,498					
			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, 2019 Balance.....				\$ 4,469,994.39			
<u>Ref.</u>							
June 30, 2018 NJEIT Loan Balance.....			D	\$ 10,496,171.23			
Principal Payments.....			D-16	(938,176.84)			
June 30, 2019 NJEIT Loan Balance.....			D	<u>\$ 9,557,994.39</u>			

WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

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	<u>Ref.</u>		
Balance June 30, 2018	D	\$	34,753,425.36
Principal Payments			
Serial Bonds.....	D-12	1,450,000.00	
NJEIT Loan.....	D-15	938,176.84	
BAN Principal.....	D-14	<u>30,000.00</u>	
Total Principal Payments.....			<u>2,418,176.84</u>
Balance June 30, 2019	D	<u>\$</u>	<u>37,171,602.20</u>

WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

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Balance June 30, 2019 and 2018	D	<u>\$</u>	<u>89,067.59</u>
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WATER ASSESSMENT FUND  
SCHEDULE OF ASSESSMENTS & LIENS RECEIVABLE

Description	Ordinance Number	Confirmation Date	Annual Installments	Due Dates	Balance 06/30/18	Collected	Balance 06/30/19	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 Assoc	07-24/11-04	10/03/11	4	12/1/11-2031	1,901,152.48	203,292.74	1,697,859.74	1,595,000.00	102,859.74
Total Assessments Receivable.....					1,901,564.48	203,292.74	1,698,271.74	1,595,000.00	102,859.74
<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.....					\$ 1,901,852.48	\$ 203,292.74	\$ 1,698,559.74	\$ 1,595,000.00	\$ 102,859.74
<u>Ref.</u>					D	D-6	D	D-20	D-19

STATEMENT OF RESERVES  
FOR ASSESSMENTS AND LIENS  
WATER UTILITY ASSESSMENT FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE JUNE 30, 2018	COLLECTIONS	BALANCE JUNE 30, 2019
	<u>ASSESSMENTS RECEIVABLE</u>			
	Assessment Liens.....	\$ 412.00	\$ -	\$ 412.00
07-24/11-04	Water Improvement - Belcourt at Hidden Lake Condo Ass.....	206,152.48	103,292.74	102,859.74
	Subtotal	206,564.48	103,292.74	103,271.74
	<u>ASSESSMENT LIENS</u>			
	Assessment Liens Interest & Cost.....	288.00	-	288.00
		<u>\$ 206,852.48</u>	<u>\$ 103,292.74</u>	<u>\$ 103,559.74</u>
	<u>Ref.</u>	D	D-3	D

WATER UTILITY ASSESSMENT FUND  
SCHEDULE OF ASSESSMENT SERIAL BONDS PAYABLE

						.....INTEREST EXPENSE.....			
Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			Interest	....Accrued Interest....		FY Budget
			Date	June 30, 2019 Principal	Rate	Cash Payments	Beginning	Ending	Appropriation Interest
Ordinance 07-24/11-04.....	08/10/11	\$ 2,250,000	08/15/19	\$ 100,000.00	4.500%	\$ 81,175.00	\$ (31,284.38)	\$ 29,596.88	\$ 79,487.50
Belcourt Assessment			08/15/20	105,000.00	4.500%	76,562.50	(29,596.88)	27,825.00	74,790.62
			08/15/21	105,000.00	4.750%	71,706.25	(27,825.00)	25,954.69	69,835.94
			08/15/22	110,000.00	5.250%	66,325.00	(25,954.69)	23,789.06	64,159.37
			08/15/23	115,000.00	5.250%	60,418.75	(23,789.06)	21,525.00	58,154.69
			08/15/24	115,000.00	5.250%	54,381.25	(21,525.00)	19,260.94	52,117.19
			08/15/25	120,000.00	5.250%	48,212.50	(19,260.94)	16,898.44	45,850.00
			08/15/26	125,000.00	5.250%	41,781.25	(16,898.44)	14,437.50	39,320.31
			08/15/27	130,000.00	5.500%	34,925.00	(14,437.50)	11,756.25	32,243.75
			08/15/28	135,000.00	5.500%	27,637.50	(11,756.25)	8,971.88	24,853.13
			08/15/29	140,000.00	5.500%	20,075.00	(8,971.88)	6,084.38	17,187.50
			08/15/30	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
June 30, 2018 Balance.....			D	\$ 1,695,000.00					
Principal Payments.....			D-6	<u>(100,000.00)</u>					
June 30, 2019 Balance.....			D	<u>\$ 1,595,000.00</u>					

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

Ord.	Description	Balance June 30, 2018	SFY 2019 Authorized	New Authorization/ Cancellation	Balance June 30, 2019
17-10	Water Distribution System.....	\$ 1,000,000.00	\$ -	\$ (1,000,000.00)	\$ -
18-13	Water Distribution System.....		1,000,000.00		1,000,000.00
19-10	Water Distribution System.....		1,500,000.00		1,500,000.00
Total Bonds & Notes					
Authorized but not Issued.....		\$ 1,000,000.00	\$ 2,500,000.00	\$ (1,000,000.00)	\$ 2,500,000.00

Ref.

D

SEWER UTILITY OPERATING & CAPITAL FUNDS  
SCHEDULE OF CASH

		Operating	Capital
Cash Balance June 30, 2018	E	\$ 2,366,683.28	\$ 22,491.63
Increased by Cash Receipts			
Premium on BAN issue.....	E-2		81,848.20
Anticipated Revenue.....	E-3	6,423,044.78	
Bond Anticipation Notes.....	E-16		6,460,000.00
Due to Sewer Operating.....	E-17	450,000.00	
Total Cash Receipts.....		6,873,044.78	6,541,848.20
Decreased by Disbursements			
Sewer Capital Fund Balance.....	E-2		(100,000.00)
Due Sewer Capital Fund.....	E		(450,000.00)
Budget Appropriations.....	E-4	(6,370,492.96)	
Appropriation Reserves.....	E-9	(105,816.14)	
Accrued Interest.....	E-11	(390,318.00)	
Improvement Authorizations.....	E-13		(2,145,874.56)
Bond Anticipation Notes.....	E-16		(2,960,000.00)
Due to Current Fund.....	E-17	(150,000.00)	
Total Cash Disbursements.....		(7,016,627.10)	(5,655,874.56)
Cash Balance June 30, 2019.....	E	\$ 2,223,100.96	\$ 908,465.27

SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH BALANCES

Ord.		Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Other	Cash Balance
<u>Improvement Authorizations</u>						
15-15	Improvements to Sewer Distribution.....	\$ -	\$ 0.25	\$ -	\$ -	\$ 0.25
17-05	Improvements to Sewer Distribution.....		287,112.81	680,691.56		967,804.37
18-12	Improvements to Sewer Distribution.....	(1,000,000.00)	786,621.45	8,950.00		(204,428.55)
19-08	Improvements to Sewer Distribution.....	(6,000,000.00)	100,000.00	5,900,000.00		-
	Fund Balance.....				116,189.20	116,189.20
	Capital Improvement Fund.....				28,900.00	28,900.00
Total.....		\$ (7,000,000.00)	\$ 1,173,734.51	\$ 6,589,641.56	\$ 145,089.20	\$ 908,465.27
	<u>Ref.</u>	E-17	E-13	E-13	E-2, E-14	E, E-5

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

Balance - June 30, 2018.....	<u>Ref.</u>	\$ 21,703,653.51
	E	
Increased by:		
Transfer from Fixed Capital Authorized but not Completed	E-8	4,527,589.42
Balance - June 30, 2019.....	E	<u>\$ 26,231,242.93</u>

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED BUT NOT COMPLETED

Ord. Date	Description	Balance June 30, 2018	Improvement Authorizations	Transferred to Fixed Capital/Adjustments	Balance June 30, 2019
08-21	Improve Sanitary Sewer System.....	\$ 3,491.47	\$ -	\$ 3,491.47	\$ -
09-17	Improvement to Sewer Distribution System.....	45,274.76		45,274.76	-
11-17	Improvement to Sewer Distribution System.....	31,863.73		31,863.73	-
12-15	Improvement to Sewer Distribution System.....	143,998.38		143,998.38	-
13-16	Improvement to Sewer Distribution System.....	907,073.90		907,073.90	-
15-15	Improvement to Sewer Distribution System.....	659,263.25		659,263.00	0.25
17-05	Improvement to Sewer Distribution System.....	3,500,000.00		2,532,195.63	967,804.37
18-12	Improvement to Sewer Distribution System.....		1,000,000.00	204,428.55	795,571.45
19-08	Improvement to Sewer Distribution System.....		6,000,000.00		6,000,000.00
Total.....		<u>\$ 5,290,965.49</u>	<u>\$11,527,589.42</u>	<u>\$ 4,527,589.42</u>	<u>\$ 7,763,376.07</u>
	<u>Ref.</u>	E	E-13	E-13	E

SEWER UTILITY OPERATING FUND  
SCHEDULE OF SFY 2018 APPROPRIATION RESERVES

	June 30, 2018	Encumbrances	Paid or Charged	Balance Lapsed
Operating Salaries.....	\$ 32,933.54	\$ -	\$ (1,055.00)	\$ 31,878.54
Operating Expenses.....	816,839.46	114,702.28	(104,761.14)	826,780.60
Total Sewer Utility Operating.....	<u>\$ 849,773.00</u>	<u>\$ 114,702.28</u>	<u>\$ (105,816.14)</u>	<u>\$ 858,659.14</u>
<u>Ref.</u>	E	E	E-5	E-1

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

Purpose	Issue Date	Original Issue	OUTSTANDING MATURITIES				INTEREST EXPENSE			
			Date	June 30, 2019		Rate	Interest Annual Cash Payments	Accrued Interest		FY Budget Appropriation Interest
				Principal				Beginning	Ending	
Ordinance 5-17	08/15/09	\$ 300,000	08/15/19	\$ 5,000		4.000%	\$ 100.00	\$ (75.00)	\$ -	\$ 25.00
2011 Refunding Bond	12/22/11	10,252,500	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
General Obligation Bond Ordinance 05-17; 08-21	08/08/12	1,700,000	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	09/12/12	480,000	08/15/18	95,000		4.000%	1,900.00	(1,425.00)		475.00

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

OUTSTANDING MATURITIES						INTEREST EXPENSE			
Purpose	Issue Date	Original Issue	June 30, 2019			Interest	Accrued Interest		FY Budget
			Date	Principal	Rate	Annual Cash Payments	Beginning	Ending	Appropriation Interest
2015 Bonds	07/30/15	\$ 2,186,330	07/15/19	\$ 85,000	2.750%	\$ 58,415.30	\$ (27,309.36)	\$ 26,238.01	\$ 57,343.95
			07/15/20	90,000	2.750%	56,009.05	(26,238.01)	25,103.63	54,874.68
			07/15/21	95,000	3.000%	53,346.55	(25,103.63)	23,797.38	52,040.30
			07/15/22	95,000	3.000%	50,496.55	(23,797.38)	22,491.13	49,190.30
			07/15/23	100,000	3.000%	47,571.55	(22,491.13)	21,116.13	46,196.55
			07/15/24	100,000	3.000%	44,571.55	(21,116.13)	19,741.13	43,196.55
			07/15/25	105,000	3.000%	41,496.55	(19,741.13)	18,297.38	40,052.80
			07/15/26	110,000	3.000%	38,271.55	(18,297.38)	16,784.88	36,759.05
			07/15/27	110,000	3.000%	34,971.55	(16,784.88)	15,272.38	33,459.05
			07/15/28	115,000	3.000%	31,596.55	(15,272.38)	13,691.13	30,015.30
			07/15/29	120,000	3.000%	28,071.55	(13,691.13)	12,041.13	26,421.55
			07/15/30	125,000	3.125%	24,318.43	(12,041.13)	10,250.76	22,528.06
			07/15/31	125,000	3.125%	20,412.18	(10,250.76)	8,460.40	18,621.82
			07/15/32	130,000	3.250%	16,346.55	(8,460.40)	6,523.94	14,410.09
			07/15/33	135,000	3.250%	12,040.30	(6,523.94)	4,513.01	10,029.36
			07/15/34	140,000	3.375%	7,484.05	(4,513.01)	2,347.38	5,318.43
			07/15/35	146,330	3.500%	2,560.78	(2,347.38)		213.40
2017 Refunding	05/24/17	243,053	08/15/19			9,643.16	(3,616.19)	3,616.19	9,643.16
			08/15/20	4,884	4.000%	9,545.48	(3,616.19)	3,542.93	9,472.22
			08/15/21	4,667	4.000%	9,354.46	(3,542.92)	3,472.92	9,284.46
			08/15/22	5,106	4.000%	9,159.00	(3,472.92)	3,396.33	9,082.41
			08/15/23	28,213	4.000%	8,492.62	(3,396.33)	2,973.14	8,069.43
			08/15/24	28,571	4.000%	7,356.94	(2,973.14)	2,544.57	6,928.37
			08/15/25	30,947	4.000%	6,166.58	(2,544.57)	2,080.37	5,702.38
			08/15/26	31,459	4.000%	4,918.46	(2,080.37)	1,608.48	4,446.57
			08/15/27	33,704	4.000%	3,615.20	(1,608.48)	1,102.92	3,109.64
			08/15/28	35,702	4.000%	2,227.08	(1,102.92)	567.39	1,691.55
			08/15/29	37,826	4.000%	756.52	(567.39)		189.13
						Ref.			
June 30, 2018 Balance.....			E	\$ 9,207,409.00					
Principal Payments.....			E-4, E-15	(1,270,000.00)					
June 30, 2019 Balance.....			E	\$ 7,937,409.00					

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

	Ref.	Total Accrued Interest	Bond Anticipation Notes	Serial Bonds	Environmental Infrastructure Trust
Accrued Interest June 30, 2018.....	E	\$ (166,414.41)	\$ (55,813.33)	\$ (105,218.26)	\$ (5,382.82)
Cash Payments - SFY 2019.....	E-5	390,318.00	59,637.08	322,164.72	8,516.20
Accrued Interest June 30, 2019.....	E	281,101.25	181,956.67	94,490.93	4,653.65
SFY 2019 Budget Expense.....	E-4	<u>\$ 505,004.84</u>	<u>\$ 185,780.42</u>	<u>\$ 311,437.39</u>	<u>\$ 7,787.03</u>

SCHEDULE OF SEWER LOAN PAYABLE  
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	OUTSTANDING MATURITIES		INTEREST EXPENSE			
				June 30, 2019 Principal 8/1 Maturities	Rate	Interest Annual Cash Payments	Accrued Interest Beginning	Accrued Interest Ending	FY Budget Appropriation Interest
Trust Loan									
Ordinance 97-25	11/4/2004	\$ 570,000	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, 2019 Balance.....				\$ 235,000.00					

Purpose	Drawdown Date	Original Issue	Fiscal Year	Annual	Rate	SEMI-ANNUAL PRINCIPAL	
						August 1	February 1
Fund Loan							
Ordinance 97-25	11/4/2004	\$ 581,688	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, 2019 Balance.....				\$ 174,816.94			

	<u>Ref.</u>	
June 30, 2018 Balance.....	E	\$ 475,392.05
Principal Payments.....	E-4, E-15	(65,575.11)
June 30, 2019 Balance.....	E	<u>\$ 409,816.94</u>

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord	Original	Description	June 30, 2018		Authorized	Encumbrances 06/30/18	Paid	Encumbrances 06/30/19	June 30, 2019	
			Funded	Unfunded					Funded	Unfunded
12-15	\$ 1,000,000	Improve Sanitary Sewer System...	\$ -	\$ 120.50	\$ -	\$ -	\$ (120.50)	\$ -	\$ -	\$ -
13-16	1,000,000	Improve Sanitary Sewer System...	-	60,888.25			(60,888.25)			-
15-15	1,000,000	Improve Sanitary Sewer System...	-	0.25						0.25
17-05	3,500,000	Improve Sanitary Sewer System...		1,058,924.91		1,789,316.72	(1,880,437.26)	(680,691.56)		287,112.81
18-12	1,000,000	Improve Sanitary Sewer System...			1,000,000.00		(204,428.55)	(8,950.00)		786,621.45
19-08	6,000,000	Improve Sanitary Sewer System.....			6,000,000.00			(5,900,000.00)		100,000.00
	<u>\$ 13,500,000</u>	Total.....	<u>\$ -</u>	<u>\$ 1,119,933.91</u>	<u>\$ 7,000,000.00</u>	<u>\$ 1,789,316.72</u>	<u>\$ (2,145,874.56)</u>	<u>\$ (6,589,641.56)</u>	<u>\$ -</u>	<u>\$ 1,173,734.51</u>
		<u>Ref.</u>	E	E	E-8	E	E-5	E	E	E

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

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	<u>Ref.</u>	
Balance - June 30, 2019 and June 30, 2018	E	<u>\$ 28,900.00</u>

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

	<u>Ref.</u>	Amortization	Deferred Amortization
Balance June 30, 2018.....	E	\$ (10,569,523.95)	\$ (252,294.00)
Principal Payments.....	E-10, E-12, E-16	(1,365,575.11)	-
Balance June 30, 2019.....	E	<u>\$ (11,935,099.06)</u>	<u>\$ (252,294.00)</u>

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2019			Notes Outstanding June 30, 2018	BAN's Issued	BAN's Redeemed	Notes Outstanding June 30, 2019
		Interest Rate	Issue Date	Maturity Date				
12-15	Improve Sanitary Sewer System.....	3.00%	07/24/18	07/23/19	\$ 990,000.00	\$ 975,000.00	\$ 990,000.00	\$ 975,000.00
13-16	Improve Sanitary Sewer System.....	3.00%	07/24/18	07/23/19	1,000,000.00	985,000.00	1,000,000.00	985,000.00
15-15	Improve Sanitary Sewer System.....	3.00%	07/24/18	07/23/19	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
17-05	Improve Sanitary Sewer System.....	3.00%	07/24/18	07/23/19		3,500,000.00		3,500,000.00
	Total.....				<u>\$ 2,990,000.00</u>	<u>\$ 6,460,000.00</u>	<u>\$ 2,990,000.00</u>	<u>\$ 6,460,000.00</u>
				<u>Ref.</u>	<u>E</u>			<u>E</u>
				Cash Transactions		\$ 6,460,000.00	\$ 2,960,000.00	
				Paid by Budget Appropriations			30,000.00	
						<u>\$ 6,460,000.00</u>	<u>\$ 2,990,000.00</u>	
<u>Calculation of Accrued Interest</u>								
		<u>Total</u>	<u>Issued Date</u>					
			<u>07/26/18</u>	<u>07/25/19</u>				
	Principal Outstanding.....	\$ 2,990,000		\$ 6,460,000				
	Interest Rate.....	3.00%						
	Accrued Interest at June 30, 2019			181,956.67				
	SFY 2019 Budget Expense.....	-	-	\$ 185,780.42				
	Cash Payment			<u>\$ 193,261.67</u>				

SEWER UTILITY OPERATING FUND  
SCHEDULE OF INTERFUNDS RECEIVABLE  
RESERVE FOR AMORTIZATION & DEFERRED AMORTIZATION

	<u>Ref.</u>	<u>Total</u>	<u>Due from Current Fund</u>	<u>Due from Sewer Utility Capital Fund</u>
Balance June 30, 2018.....	E	\$ 450,000.00	\$ -	\$ 450,000.00
Increased by:				-
Cash Disbursements	E-5	<u>150,000.00</u>	<u>150,000.00</u>	
		600,000.00	150,000.00	450,000.00
Decreased by:				
Cash Receipts	E-5	<u>450,000.00</u>		<u>450,000.00</u>
Balance June 30, 2019.....	E	<u><u>\$ 150,000.00</u></u>	<u><u>\$ 150,000.00</u></u>	<u><u>\$ -</u></u>

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

Ord.	Description	June 30, 2018	SFY19 Authorized	BANs Issued	June 30, 2019
2017-05	Improvements to Sanitary Sewerage System.....	\$ 3,500,000.00	\$ -	\$ (3,500,000.00)	\$ -
2018-12	Improvements to Sanitary Sewerage System.....		1,000,000.00		1,000,000.00
2019-08	Improvements to Sanitary Sewerage System.....		6,000,000.00		6,000,000.00
	Total Bonds & Notes Authorized but not Issued.....	<u>\$ 3,500,000.00</u>	<u>\$ 7,000,000.00</u>	<u>\$ (3,500,000.00)</u>	<u>\$ 7,000,000.00</u>

Ref.

E

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

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**PART III  
SUPPLEMENTARY DATA**

TOWNSHIP OF NORTH BRUNSWICK  
MIDDLESEX COUNTY, NEW JERSEY

COMBINED BALANCE SHEET - ALL FUNDS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

ASSETS	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	WATER UTILITY FUND	SEWER UTILITY FUND	GENERAL FIXED ASSETS	MEMORANDUM ONLY TOTALS	
							JUNE 30, 2019	JUNE 30, 2018
Cash and Investments	\$ 15,366,817.82	\$ 5,524,688.01	\$ 6,408,470.06	\$ 5,317,514.62	\$ 3,131,566.23	\$	\$ 35,749,056.74	\$ 30,600,866.39
Accounts Receivable:								
State & Federal Grants Receivable	2,156,510.67	98,309.99					2,254,820.66	396,740.85
Due from State of New Jersey	132,530.67						132,530.67	139,646.77
Taxes, Assessments, Liens & Utility Charges	289,522.14	71,055.00		1,698,559.74			2,059,136.88	2,028,812.74
Interfund Loans					150,000.00		150,000.00	450,000.00
Property Acquired for Taxes at Assessed Valuation	534,280.68						534,280.68	534,280.68
Fixed Assets - General						84,816,203.02	84,816,203.02	84,566,829.04
Fixed Capital - Utility				60,068,229.55	26,231,242.93		86,299,472.48	80,245,740.62
Fixed Capital - Authorized and Uncompleted - Utility				4,109,958.04	7,763,376.07		11,873,334.11	8,427,065.97
Deferred Charges to Future Taxation: General Capital Fund			82,747,750.00				82,747,750.00	81,450,750.00
	<u>\$ 18,479,661.98</u>	<u>\$ 5,694,053.00</u>	<u>\$ 89,156,220.06</u>	<u>\$ 71,194,261.95</u>	<u>\$ 37,276,185.23</u>	<u>\$ 84,816,203.02</u>	<u>\$ 306,616,585.24</u>	<u>\$ 288,840,733.06</u>
LIABILITIES, RESERVES AND FUND BALANCE	CURRENT FUND	TRUST FUND	CAPITAL FUND	WATER UTILITY FUND	SEWER UTILITY FUND	GENERAL FIXED ASSETS	TOTALS	
							JUNE 30, 2019	JUNE 30, 2018
Bonds and Notes Payable	\$	\$	\$ 77,272,250.00	\$ 16,543,591.00	\$ 14,397,409.00	\$	\$ 108,213,250.00	\$ 105,355,750.00
Loans Payable				9,557,994.39	409,816.94		9,967,811.33	10,971,563.28
Taxes Payable	703,926.00						703,926.00	473,383.98
Prepaid Taxes, Assessments, Utility Charges and Licenses	351,163.17						351,163.17	984,055.59
Tax, Assessment, Lien, License and Utility Charge Overpayments		71,055.00		103,559.74			174,614.74	277,907.48
Appropriation Reserves	4,063,837.89			154,299.63	156,625.21		4,374,762.73	2,626,208.29
Reserve for Encumbrances/ Accounts Payable	871,126.97			1,215,764.29	377,463.19		2,464,354.45	2,118,505.20
Other Liabilities	21,360.00	1.00					21,361.00	32,657.40
Interfund Payable	150,000.00						150,000.00	450,000.00
Amts. Pledged to Specific Purposes	487,114.57	4,454,588.34	2,974,219.86	89,067.59	28,900.00		8,033,890.36	6,439,352.59
Escrow Funds		1,168,408.66					1,168,408.66	1,259,555.44
Improvement Authorizations			8,484,822.83	4,109,958.04	7,763,376.07		20,358,156.94	13,537,873.76
Investments in General Fixed Assets						84,816,203.02	84,816,203.02	84,566,829.04
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				37,171,602.20	12,187,393.06		49,358,995.26	45,575,243.31
Reserve for Certain Assets Acquired or Receivables & Inventories	823,802.82						823,802.82	590,185.94
Fund Balance	<u>11,007,330.56</u>		<u>424,927.37</u>	<u>2,248,425.07</u>	<u>1,955,201.76</u>		<u>15,635,884.76</u>	<u>13,581,661.76</u>
	<u>\$ 18,479,661.98</u>	<u>\$ 5,694,053.00</u>	<u>\$ 89,156,220.06</u>	<u>\$ 71,194,261.95</u>	<u>\$ 37,276,185.23</u>	<u>\$ 84,816,203.02</u>	<u>\$ 306,616,585.24</u>	<u>\$ 288,840,733.06</u>

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

	SFY 2019		SFY 2018	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Surplus Anticipated	\$ 3,343,830.00	2.07	\$ 3,350,000.00	2.17
Miscellaneous Revenues Anticipated	14,300,089.18	8.83	12,719,628.08	8.25
Receipts from Current Taxes	142,180,920.61	87.84	136,556,445.92	88.61
Other Miscellaneous Revenue	<u>2,036,950.93</u>	<u>1.26</u>	<u>1,478,734.35</u>	<u>0.96</u>
Total Income	<u>161,861,790.72</u>	<u>100.00</u>	<u>154,104,808.35</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	50,646,225.03	32.43	47,178,328.90	31.46
Tax Collections				
County Taxes	18,621,715.15	11.92	18,165,253.57	12.11
Local School District Taxes	86,173,910.00	55.17	83,899,763.50	55.94
Other Miscellaneous Expenditures	<u>749,514.06</u>	<u>0.48</u>	<u>742,984.92</u>	<u>0.50</u>
Total Expenditures	<u>156,191,364.24</u>	<u>100.00</u>	<u>149,986,330.89</u>	<u>100.00</u>
Excess in Revenue	5,670,426.48		4,118,477.46	
Fund Balance - Beginning	<u>8,680,734.08</u>		<u>7,912,256.62</u>	
	14,351,160.56		12,030,734.08	
Utilized as Anticipated Revenue	<u>(3,343,830.00)</u>		<u>(3,350,000.00)</u>	
Fund Balance - Ending	<u>\$ 11,007,330.56</u>		<u>\$ 8,680,734.08</u>	

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

	SFY 2019		SFY 2018	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Surplus Anticipated	\$ 624,000.00	7.81	\$ 400,000.00	4.92
Water Rents	6,314,282.62	79.02	6,263,205.17	77.07
Developer Contribution	157,350.00	1.97	148,965.00	1.83
Miscellaneous Revenues	578,308.49	7.24	743,665.96	9.15
Connection Fees	65,550.00	0.82	89,700.00	1.10
Water Utility Capital Surplus	40,000.00	0.50	75,000.00	0.92
Unexpended Balance of Appropriation Reserve	99,874.54	1.25	296,804.17	3.65
Water Utility Assessment Trust Fund Interest	85,553.75	1.07	89,575.00	1.10
SREC Sales	17,636.58	0.22	20,041.00	0.25
Prior Year's Accounts Payable Canceled	8,000.00	0.10		0.00
	<u>7,990,555.98</u>	<u>100.00</u>	<u>8,126,956.30</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	<u>7,730,878.97</u>	<u>100.00</u>	<u>7,537,614.35</u>	<u>100.00</u>
	<u>7,730,878.97</u>	<u>100.00</u>	<u>7,537,614.35</u>	<u>100.00</u>
Excess in Revenue	259,677.01		589,341.95	
Decreased by Surplus Anticipated				
Water Utility Operating Fund	(624,000.00)		(400,000.00)	
Fund Balance - Beginning	<u>2,071,980.58</u>		<u>1,882,638.63</u>	
Fund Balance - Ending	<u>\$ 1,707,657.59</u>		<u>\$ 2,071,980.58</u>	

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

	SFY 2019		SFY 2018	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Surplus Anticipated	\$ 837,000.00	10.31	\$ 1,000,000.00	12.02
Sewer Rents	6,274,623.88	77.29	6,721,730.08	80.77
Connection Fees	16,750.00	0.21	7,046.00	0.08
Miscellaneous	31,670.90	0.39		
Prior Year's Accounts Payable Canceled	100,000.00	1.23	190,000.00	2.28
Unexpended Balance of Appropriation Reserve	858,659.14	10.58	403,587.97	4.85
	<u>8,118,703.92</u>	<u>100.00</u>	<u>8,322,364.05</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	<u>7,128,484.95</u>	<u>100.00</u>	<u>7,796,734.11</u>	<u>100.00</u>
	<u>7,128,484.95</u>	<u>100.00</u>	<u>7,796,734.11</u>	<u>100.00</u>
Total Expenditures	<u>7,128,484.95</u>	<u>100.00</u>	<u>7,796,734.11</u>	<u>100.00</u>
Excess in Revenue	990,218.97		525,629.94	
Decreased by Surplus Anticipated	(837,000.00)		(1,000,000.00)	
Fund Balance - Beginning	<u>1,685,793.59</u>		<u>2,160,163.65</u>	
Fund Balance - Ending	<u>\$ 1,839,012.56</u>		<u>\$ 1,685,793.59</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Tax Rate:</u>	<u>\$5.668</u>	<u>\$5.552</u>	<u>\$5.454</u>
<u>Apportionment of Tax Rate:</u>			
Municipal:	<u>\$1.302</u>	<u>\$1.266</u>	<u>\$1.232</u>
Municipal Open Space:	<u>\$0.030</u>	<u>\$0.030</u>	<u>\$0.030</u>
County:	<u>\$0.671</u>	<u>\$0.682</u>	<u>\$0.675</u>
County Open Space:	<u>\$0.057</u>	<u>\$0.056</u>	<u>\$0.055</u>
Local School:	<u>\$3.548</u>	<u>\$3.458</u>	<u>\$3.402</u>
Municipal Library:	<u>\$0.060</u>	<u>\$0.060</u>	<u>\$0.060</u>
<u>Assessed Valuation:</u>			
2019	<u>\$2,506,176,100.00</u>		
2018		<u>\$2,486,031,800.00</u>	
2017			<u>\$2,462,631,767.00</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 2019 to be \$125,000.

#### 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 2019	\$141,256,541.39	\$142,180,726.09	100.65%
SFY 2018	136,252,491.89	136,556,445.92	100.22%
SFY 2017	133,808,210.40	133,726,337.12	99.94%

#### 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 2019	\$78,916.93	\$210,605.21	\$289,522.14	0.20%
SFY 2018	46,814.68	9,090.58	55,905.26	0.04%
SFY 2017	37,569.02	113,066.49	150,635.51	0.11%

#### 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 2019	\$534,280.68
SFY 2018	534,280.68
SFY 2017	534,280.68

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year Ended</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	SYF 2019	\$ 11,007,330.56	\$ 3,620,000.00
	SYF 2018	8,680,734.08	3,343,830.00
	SYF 2017	7,912,256.62	3,350,000.00
	SYF 2016	6,074,124.43	3,000,000.00
	SYF 2015	5,539,848.38	2,850,000.00
Water Utility Operating Fund	SYF 2019	\$ 1,707,657.59	\$ 800,000.00
	SYF 2018	2,071,980.58	624,000.00
	SYF 2017	1,882,638.63	400,000.00
	SYF 2016	1,873,149.69	400,000.00
	SYF 2015	1,830,257.90	300,000.00
Sewer Utility Operating Fund	SYF 2019	\$ 1,839,012.56	\$ 775,000.00
	SYF 2018	1,685,793.59	837,000.00
	SYF 2017	2,160,163.65	1,000,000.00
	SYF 2016	2,507,840.76	1,050,000.00
	SYF 2015	2,590,085.41	475,000.00

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at June 30, 2019:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Francis Womack	- Mayor	
Amanda Guadagnino	- Council President	
Ralph Andrews	- Councilperson	
Robert Corbin	- Councilperson	
Robert Davis	- Councilperson	
Dr. William Lopez	- Councilperson	
Carlo Socio	- Councilperson	
Kathryn Monzo	- Business Administrator	
Justine Progebin	- Assistant Business Administrator	
Cavel Gallimore	- Chief Financial Officer	\$1,000,000.00 (A)
Laurie Hammerstrom	- Tax Collector	\$1,000,000.00 (A)
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)
William Feingold	- Municipal Court Judge	\$1,000,000.00 (A)
Ron Gordon, Esq.	- Township Attorney	
Lisa Russo	- Registrar of Vital Statistics	
Lou Ann Benson	- Director of Parks and Recreation/ Community Services	
Michael Hritz	- Director of Community Development	
Eric Chaszar	- 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**

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**PART IV**  
**GENERAL COMMENTS AND RECOMMENDATIONS**

TOWNSHIP OF NORTH BRUNSWICK  
COUNTY OF MIDDLESEX, NEW JERSEY  
FISCAL YEAR ENDED JUNE 30, 2019

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, 2019, 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, 2019, 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 May 1, 2020. 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:

##### 2019-1 Segregation of Duties – Other Offices/Departments Collecting Municipal Fees

Conditions exist whereby the same person may collect, record 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.

##### 2019-2 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 awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidder therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D)

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

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 Counsels opinion should be sought before a commitment is made.

On September 28, 2015, the Local Public Contracts Law was amended, effective on July 1, 2015. The amendment addresses the bid threshold (Section 7, N.J.S.A. 40A:11-3), thereby increasing the amount from \$36,000.00 to \$40,000.00 under which a contract may be awarded without public advertising for those municipalities that have appointed a Qualified Purchasing Agent.

The maximum bid threshold remains at \$17,500.00 for those municipalities that do not have a Qualified Purchasing Agent. As June 30, 2018, the Township has a Qualified Purchasing Agent.

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:

Vehicles, Cable Studio Upgrade Project, Ticketing Software for DPW, Front Load Refuse Packer, Installation of Water Meters

#### Service, Rentals, Construction and Repairs:

Landscaping Maintenance, Manhole Rehabilitation Services, Maintenance and Repair of Under Ground Storage Tanks, HVAC Maintenance, Tree Trimming Services,

Examination for items tested revealed no individual payments over the \$40,000 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.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D.)

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

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.

#### 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, 2019, 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.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D)

#### Delinquent Taxes and Tax Title Liens

The last accelerated tax sale was held in June 2019. 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 2019	29
SFY 2018	10
SFY 2017	8

#### Investments

During SFY 2019, 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".

#### 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, 2015. A review of surety bond coverage as of June 30, 2018, 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.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D.)

#### 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 15<sup>th</sup> day of the following month for disbursements to the Township's Current Fund. Bank reconciliations were completed within acceptable time frame for both the bail and general accounts and cash bail on account was 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.

#### 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.

#### 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, 2019: 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.

#### Animal Control Information Processing System

The financial records maintained for the Animal Control Fund during the period under review was found to be in good condition. The examination of the account indicated that deposits were properly recorded, cash was reconciled monthly and disbursements were made to the appropriate agencies on a timely basis.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D.)

#### 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 \$7,990,555.98 for Water and \$8,118,703.92 for Sewer. Expenditures amounted to \$7,730,878.97 for Water and \$7,128,484.95 for Sewer. This resulted in excess revenues of \$259,677.01 for Water and \$990,218.97 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 \$276,802.47, which allows for the total deduction of Water Utility Debt in the calculation of the statutory net debt of the Township at June 30, 2019. 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 \$606,559.83, which allows for the total deduction of Sewer Utility Debt in the calculation of the statutory net debt of the Township at June 30, 2019. During the fiscal year under review, the Township initiated the process of in-house billings and collections for both utilities. Adjustments were necessary to reconcile the subsidiary information with respect to the billing and collections for agreement with control accounts. We suggest the Township review its procedures with respect to the reconciliation of utility billing and collection control accounts with the related subsidiary information.

#### 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.

#### Administration and Accounting of State & Federal Grants

During SFY 2019, 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.

It was noted in the previous and current audit that there are certain grant receivables recorded within the Township's financial statements where no recent activity has occurred. We suggest that the Township review older receivable balances, including grants receivables, for their proper disposition within all Township funds, and in particular the Grant Fund and General Capital Fund.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D.)

#### Administration and Accounting of State & Federal Grants (Cont'd.)

The grant administration process also requires the Township to prepare schedule(s) of financial assistance. 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. Matters related to the inclusion of and classification of certain grants with respect to the financial assistance schedules were noted in our review. We suggest the Township review its procedures over the preparation of the financial assistance schedules for proper reporting.

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

#### Cybersecurity

As part of its overall risk management, the Township reviews security measures in place relating to its Information Technology (IT), including the use of specialized assessments. With the ever increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with the utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

#### 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.

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.

#### Compliance with Local Finance Notices

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.

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## 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.  
a division of PKF O'Connor Davies

A handwritten signature in black ink, appearing to read 'A. G. Hodulik', with a long horizontal flourish extending to the right.

Andrew G. Hodulik, CPA  
Registered Municipal Accountant, No. 406