

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



**FINANCIAL STATEMENTS FOR
THE YEARS ENDED
JUNE 30, 2020 and 2019**

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

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MIDDLESEX COUNTY, NEW JERSEY

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MIDDLESEX COUNTY, NEW JERSEY

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MIDDLESEX COUNTY, NEW JERSEY

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

PART I

INDEPENDENT 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 June 30, 2020 and 2019, 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, 2020 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.

PKF O'CONNOR DAVIES, LLP
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**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 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, 2020 and 2019 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, 2020 and 2019 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, 2020, 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.

Other Information

Supplementary Information as Required by Uniform Guidance and NJ OMB Circular 15-08

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise of the basic financial statements of the Township of North Brunswick, County of Middlesex, New Jersey. The information included in Part II – the schedule of expenditures of state financial assistance as required by New Jersey OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is not a required part of the financial statements. The information included in Part II – the accompanying schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates 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.

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

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

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of North Brunswick, County of Middlesex, New Jersey. The information included in Part III – Supplementary Schedules and Part IV – Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of North Brunswick, County of Middlesex, New Jersey. The information included in Part III – Supplementary Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements – regulatory basis taken as a whole. The schedules and information contained in Part IV - Supplementary Data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 25, 2021 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies
Certified Public Accountants
Registered Municipal Accountants



Andrew G. Hodulik
Registered Municipal Accountant, No. 406
Cranford, New Jersey
March 25, 2021

FINANCIAL STATEMENTS

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND AND GRANT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2020 AND 2019

Assets	Ref.	June 30, 2020	June 30, 2019	Liabilities	Ref.	June 30, 2020	June 30, 2019
<u>Current Fund:</u>				<u>Current Fund:</u>			
Cash.....	A-4	\$ 16,186,587.87	\$ 15,119,560.61	Accounts Payable.....	A-9	\$ 32,087.45	\$ 20,985.51
Change Fund.....	A-5	1,225.00	1,225.00	Encumbrances, Current Budget.....	A-3, A-10	434,071.70	641,974.03
Due New Jersey - Sr Citizens & Veterans Deductions.....	A-6	132,954.28	132,530.67	Appropriation Reserves.....	A-3, A-10	2,202,041.85	1,942,616.48
Total.....		<u>16,320,767.15</u>	<u>15,253,316.28</u>	Due to Sewer Utility Operating Fund.....	A-4		150,000.00
				Prepaid Taxes.....	A-7	198,387.89	158,477.00
Receivable Offset by Reserves:				Tax Overpayments.....	A-11	260,309.23	192,686.17
Property Tax Receivables.....	A-7	546,821.43	210,605.21	Taxes Payable.....	A-12	44,452,109.54	42,971,684.00
Tax Title Liens Receivables.....	A-7	108,139.19	78,916.93	Less Deferred School Taxes.....	A-12	(43,267,758.00)	(42,267,758.00)
Property Acquired for Taxes.....	A-7	534,280.68	534,280.68	Filing Fees Due State of NJ.....	A-9	10,214.00	21,360.00
Due from Animal Control.....	A	6,586.73		Reserve, Tax Appeals.....	A-9	375,903.86	375,803.86
Total.....	A	<u>1,195,828.03</u>	<u>823,802.82</u>	Reserve, Rental Inspections.....	A-9	180.00	180.00
				Reserve, FMBA Health.....	A-9	30,057.29	37,976.67
				Total Cash Liabilities.....		<u>4,727,604.81</u>	<u>4,245,985.72</u>
				Reserve for Accounts Receivable.....	A	1,195,828.03	823,802.82
				Fund Balance.....	A-1	<u>11,593,162.34</u>	<u>11,007,330.56</u>
Total Current Fund.....		<u>\$ 17,516,595.18</u>	<u>\$ 16,077,119.10</u>	Total Current Fund.....		<u>\$ 17,516,595.18</u>	<u>\$ 16,077,119.10</u>
<u>Grant Fund:</u>				<u>Grant Fund:</u>			
Cash.....	A-4	\$ 1,107,334.81	\$ 246,032.21	Unappropriated Grant Reserves.....	A-15	\$ 68,148.91	\$ 73,154.04
Grant Accounts Receivable.....	A-16	1,173,639.41	2,156,510.67	Reserve for Encumbrances.....	A-17	2,045,818.57	208,167.43
Total Grant Fund.....		<u>\$ 2,280,974.22</u>	<u>\$ 2,402,542.88</u>	Appropriated Grant Reserves.....	A-17	167,006.74	2,121,221.41
				Total Grant Fund.....		<u>\$ 2,280,974.22</u>	<u>\$ 2,402,542.88</u>
Total.....		<u>\$ 19,797,569.40</u>	<u>\$ 18,479,661.98</u>	Total.....		<u>\$ 19,797,569.40</u>	<u>\$ 18,479,661.98</u>

See Accompanying 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, 2020 AND 2019

	<u>Ref.</u>	June 30, 2020	June 30, 2019
<u>Revenue and Other Realized Income</u>			
Surplus Anticipated.....	A-1, A-2	\$ 3,620,000.00	\$ 3,343,830.00
Miscellaneous Revenues Anticipated.....	A-2	11,936,839.75	14,300,089.18
Receipts from Current Taxes.....	A-7	144,629,983.52	142,180,920.61
Receipts from Delinquent Taxes	A-7	231,737.72	512,305.73
Non Budget Revenue (MRNA).....	A-8	501,351.89	471,055.44
Accounts Payable Canceled	A-9	14,457.72	
Unexpended Balance of Appropriation Reserves.....	A-10	1,218,978.46	1,053,589.76
Total Revenue and Realized Income.....		<u>162,153,349.06</u>	<u>161,861,790.72</u>
<u>Expenditures</u>			
Budget Appropriations.....	A-3	49,560,805.72	50,646,225.03
Tax Collections			
County Taxes.....	A-12	18,246,114.19	18,621,715.15
Local School District Taxes.....	A-12	90,384,644.50	87,023,910.00
Less Additional School Taxes Deferred.....	A-12	(1,000,000.00)	(850,000.00)
Municipal Open Space Trust Fund.....	A-12	754,874.48	749,319.54
Prior Year Senior Citizens & Vet Adjustment.....		-	194.52
Prepaid Taxes	A-7	950.25	
Over Payments Refunded - Adjustment	A-4	128.14	
Total Expenditures.....		<u>157,947,517.28</u>	<u>156,191,364.24</u>
Excess in Revenues over Expenditures/Statutory Excess.	A-1	4,205,831.78	5,670,426.48
Fund Balance, Beginning of Year.....	A	11,007,330.56	8,680,734.08
Decreased by Surplus Anticipated.....	A-1, A-2	(3,620,000.00)	(3,343,830.00)
Fund Balance, End of Year.....	A	<u>\$ 11,593,162.34</u>	<u>\$ 11,007,330.56</u>

See Accompanying 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, 2020

	Ref.	Anticipated SFY 2020	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Surplus Anticipated.....	A-1	\$ 3,620,000.00	\$ -	\$ 3,620,000.00	\$ -
<u>Miscellaneous Revenues:</u>					
Licenses - Alcoholic Beverages.....		58,000.00		14,650.00	(43,350.00)
Licenses - Other.....		193,364.20		208,585.79	15,221.59
Fees & Permits.....		336,050.00		319,043.00	(17,007.00)
Fines & Costs - Municipal Court.....		1,040,000.00		677,948.33	(362,051.67)
Interest & Costs on Taxes.....		140,000.00		117,446.36	(22,553.64)
Interest on Investments and Deposits.....		240,000.00		237,610.30	(2,389.70)
Fire Prevention Fines & Fees.....		143,700.00		123,670.96	(20,029.04)
Cable Television Franchise Fee.....		121,255.00		114,840.07	(6,414.93)
Hotel Tax.....		241,000.00		304,616.87	63,616.87
Payments In Lieu of Taxes (PILOT)					
Sr Citizens Housing Complex.....		278,000.00		299,652.00	21,652.00
Technology Center of NJ.....		1,000,000.00		1,167,886.19	167,886.19
Crescent Apartment Complex.....		84,600.00		71,900.48	(12,699.52)
Uniform Construction Code Fees.....		1,100,000.00		1,267,485.00	167,485.00
Shared Services Agreement - Bd. Of Education.....		400,000.00		395,283.09	(4,716.91)
Uniform Fire Safety Act.....		132,050.00		128,092.63	(3,957.37)
Open Space Trust Fund.....		751,852.83		751,852.83	-
General Capital Surplus.....		300,000.00		300,000.00	-
Library Contribution.....		98,000.00		104,567.93	6,567.93
School Soil Remediation Debt.....				3,218.91	3,218.91
State Aid:					
Energy Receipts Tax.....		4,486,969.00		4,486,969.00	-
Watershed Moratorium Aid.....		4,653.00		4,653.00	-
Sub-total.....		11,149,494.03		11,099,972.74	(49,521.29)
<u>Public and Private Revenues</u>					
<u>Offset with Appropriations:</u>					
Public Safety:					
Alcohol Education and Enforcement Fund.....		3,214.99		3,214.99	
Drunk Driving Enforcement Fund.....			8,494.13	8,494.13	
Bullet Proof Vests.....			7,246.81	7,246.81	
Body Armor Grant - State.....			8,138.04	8,138.04	
Drive Sober or Get Pulled Over.....			11,000.00	11,000.00	
Pedestrian Safety, Education & Enforcement.....		15,000.00		15,000.00	
Community Development					
NJDOT Raider Road.....		570,200.00		570,200.00	
Parks Recreation & Community Service					
Municipal Alliance.....		45,482.00		45,482.00	
Senior Center Outreach Grant.....			15,000.00	15,000.00	
Senior Center Congregate Meals.....			14,000.00	14,000.00	
Senior Center Transportation Program.....			10,000.00	10,000.00	
Heritage Day (County/Federal).....			6,000.00	6,000.00	
Public Works:					
Recycling Tonnage Grant.....			45,771.99	45,771.99	
Clean Communities.....		69,939.05		69,939.05	

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
 STATEMENT OF REVENUE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Ref.</u>	Anticipated SFY 2020	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Other Grants:					
Middlesex County DWI Checkpoint.....		\$ -	\$ 7,380.00	\$ 7,380.00	\$ -
Sub-total.....		703,836.04	133,030.97	836,867.01	
Current Fund Total Miscellaneous.....	A-1	11,853,330.07	133,030.97	11,936,839.75	(49,521.29)
Local Purpose Tax.....	A- 7	33,350,000.00		34,437,680.42	1,087,680.42
Library Tax.....	A-7	1,526,669.93		1,526,669.93	
Sub-total.....		34,876,669.93		35,964,350.35	1,087,680.42
Total General Revenues.....	A-1	\$ 50,350,000.00	\$ 133,030.97	\$ 51,521,190.10	\$ 1,038,159.13
	<u>Ref.</u>	A-3	A-3	A-1	
			<u>Ref.</u>		
Federal & State Grants.....			A-14	\$ 836,867.01	
Cash.....			A-4	11,099,972.74	
Total Miscellaneous Revenue.....				<u>\$ 11,936,839.75</u>	

See Accompanying Notes to Financial Statements

MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SFY 2020 Budget		Modified Budget		Expended		Encumbered		Balance Canceled	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses		Salaries	Other
General Government:											
Administration	\$ 460,017.00	\$ 30,250.00	\$ 478,017.00	\$ 35,250.00	\$ (475,107.03)	\$ (29,591.55)	\$ -	\$ -	\$ -	\$ 2,909.97	\$ 5,658.45
Municipal Clerk	194,165.00	29,200.00	197,165.00	26,200.00	(195,967.04)	(5,763.53)		(650.00)		1,197.96	19,786.47
Financial Administration	245,277.00	22,650.00	245,277.00	20,650.00	(240,742.42)	(12,215.86)		(340.00)		4,534.58	8,094.14
Audit		55,000.00	-	55,000.00				(55,000.00)		-	-
Information Technology	221,875.00	403,400.00	164,875.00	418,400.00	(142,861.86)	(403,536.58)		(4,311.14)		22,013.14	10,552.28
Tax Collection	75,103.00	8,700.00	105,103.00	8,700.00	(101,173.43)	(4,652.65)		(480.00)		3,929.57	3,567.35
Tax Assessment	169,668.00	121,400.00	113,668.00	121,400.00	(96,068.67)	(79,743.35)		(29,327.60)		17,599.33	12,329.05
Reserve for Tax Appeals		100.00		100.00		(100.00)				-	-
Legal		375,000.00		375,000.00		(289,167.22)		(61,517.57)		-	24,315.21
Insurance:											
Other Insurance		1,140,000.00		1,140,000.00		(1,136,354.51)		(3,009.00)		-	636.49
Employee Group Insurance		5,238,000.00		4,938,000.00		(4,222,229.28)		(484.16)	(200,000.00)	-	515,286.56
Health Benefit Waiver		140,000.00		135,000.00		(131,666.00)				-	3,334.00
Community Development											
Engineering	104,979.00	95,850.00	106,979.00	95,850.00	(106,046.75)	(50,320.27)		(37,495.25)		932.25	8,034.48
Planning	291,138.00	7,050.00	304,138.00	7,050.00	(302,809.26)	(4,305.21)		(872.24)		1,328.74	1,872.55
Zoning	119,287.00	6,250.00	120,287.00	6,250.00	(119,739.62)	(1,712.90)		(3,250.00)		547.38	1,287.10
Affordable Housing	1,800.00		1,800.00		(1,800.00)					-	-
Code Enforcement	133,207.00	3,550.00	146,207.00	3,550.00	(144,956.80)	(2,794.18)		(207.50)		1,250.20	548.32
Fire Safety	228,545.00	8,300.00	229,545.00	8,300.00	(229,166.58)	(2,078.22)		(5,265.92)		378.42	955.86
Uniform Construction Code	469,229.00	40,900.00	424,229.00	40,900.00	(413,906.13)	(22,496.83)		(29.99)		10,322.87	18,373.18
Public Safety:											
Police	14,322,601.00	308,000.00	14,322,601.00	308,000.00	(13,748,533.46)	(275,349.81)		(25,271.78)		574,067.54	7,378.41
Emergency Management	75,939.00	13,050.00	90,939.00	13,050.00	(87,449.89)	(8,804.47)		(1,285.64)		3,489.11	2,959.89
Volunteer Fire Departments		204,000.00		204,000.00		(194,807.62)		(1,009.00)		-	8,183.38
First Aid Organizations		105,000.00		105,000.00		(105,000.00)				-	-
Length of Service Award Program		70,000.00		70,000.00				(30,629.94)		-	39,370.06
Juvenile Aid		10,000.00		10,000.00		(4,337.54)		(2,001.88)		-	3,660.58
Municipal Court	502,455.00	44,700.00	505,455.00	44,700.00	(504,573.45)	(28,889.23)		(1,106.25)		881.55	14,704.52
Public Defender		5,000.00		5,000.00				(5,000.00)		-	-

MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SFY 2020 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	\$ 635,613.00	\$ 265,000.00	\$ 563,613.00	\$ 265,000.00	\$ (507,444.19)	\$ (126,696.35)	\$ -	\$ (40,039.33)	\$ -	\$ 56,168.81	\$ 98,264.32
Sanitation	533,300.00	423,300.00	539,300.00	423,300.00	(534,732.55)	(416,833.91)		(72.67)		4,567.45	6,393.42
Solid Waste Disposal Fees		900,000.00		900,000.00		(819,792.52)		(5,423.48)		-	74,784.00
Recycling		423,500.00		468,500.00		(434,688.67)		(29,035.20)		-	4,776.13
Buildings and Grounds	287,941.00	201,300.00	307,941.00	236,300.00	(304,258.33)	(219,654.10)	-	(13,946.95)		3,682.67	2,698.95
Motor Vehicle Maintenance	325,504.00	475,000.00	295,504.00	530,000.00	(283,504.70)	(520,613.98)		(9,185.25)		11,999.30	200.77
Muni Service Reimbursement											
Condominiums		69,500.00		69,500.00		6,592.34		(2,400.00)		-	73,692.34
NJDEP - Stormwater Permit	312,548.00	12,500.00	312,548.00	12,500.00	(271,165.50)	(564.20)		(9,000.00)		41,382.50	2,935.80
Parks Recreation & Community Services											
Board of Health		100,100.00		100,100.00		(98,673.71)				-	1,426.29
Animal Control	1,000.00	86,000.00	1,000.00	86,000.00		(79,824.65)				1,000.00	6,175.35
Environmental Commission		1,860.00		1,860.00		(480.00)		(143.50)		-	1,236.50
Recreation & Community Services	307,842.00	70,100.00	337,842.00	80,100.00	(331,229.29)	(79,056.28)		(93.45)		6,612.71	950.27
Senior Services	142,900.00	60,450.00	142,900.00	60,450.00	(124,361.82)	(54,308.18)		(2,262.18)		18,538.18	3,879.64
Parks and Playgrounds	484,642.00	231,000.00	490,642.00	225,000.00	(489,451.16)	(183,438.16)		(38,685.69)		1,190.84	2,876.15
Education - Library		1,526,669.93		1,526,669.93		(1,526,669.93)				-	-
Unclassified											
Salary Adjustments		110,000.00		40,000.00						-	40,000.00
Utilities / Facilities Costs		1,754,185.03		1,754,185.03		(1,458,186.28)		(15,239.14)		-	280,759.61
Contingency		100.00		100.00						-	100.00
Statutory Expenditures:											
Public Employees Retirement		1,047,000.00		1,047,000.00		(1,046,267.54)				-	732.46
Police & Fire Retirement		3,225,550.00		3,225,550.00		(3,225,536.00)				-	14.00
Defined Contribution (DCRP)		10,000.00		10,000.00		(7,358.16)				-	2,641.84
Social Security		1,410,000.00		1,530,000.00		(1,520,375.04)				-	9,624.96
Unemployment Compensation		30,000.00		30,000.00		(30,000.00)				-	-
Interlocal Agreement- Special Law Enforcement Officers		400,000.00		400,000.00		(319,163.85)				-	80,836.15
Matching Funds for Grants		8,629.50		8,629.50		(3,000.00)				-	5,629.50
Sub-Total Operations	20,646,575.00	21,327,094.46	20,547,575.00	21,226,094.46	(19,757,049.93)	(19,180,505.98)	-	(434,071.70)	(200,000.00)	790,525.07	1,411,516.78

MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SFY 2020 Budget		Modified Budget		Expended		Encumbered		Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses	Canceled	Salaries	Other
<u>Public & Private Programs</u>											
<u>Offset by Revenues:</u>											
Public Safety:											
Alcohol Education and Enforcement Fund	\$ -	\$ 3,214.99	\$ -	\$ 3,214.99	\$ -	\$ (3,214.99)	\$ -	\$ -	\$ -	\$ -	\$ -
Drunk Driving Enforcement Fund	-	-	-	8,494.13	-	(8,494.13)	-	-	-	-	-
Drive Sober or Get Pulled Over				11,000.00		(11,000.00)					
Bullet Proof Vests				7,246.81		(7,246.81)					
Body Armor Grant				8,138.04		(8,138.04)					
Pedestrian Safety Enforcement		15,000.00		15,000.00		(15,000.00)					
Middlesex County DWI Checkpoint				7,380.00		(7,380.00)					
Parks Recreation & Community Service											
Municipal Alliance		56,852.50		56,852.50		(56,852.50)					
Senior Center Outreach Grant				15,000.00		(15,000.00)					
Senior Center Congregate Meals				14,000.00		(14,000.00)					
Senior Center Transportation Program				10,000.00		(10,000.00)					
Heritage Day (County/Federal)				6,000.00		(6,000.00)					
Public Works:											
Recycling Tonnage Grant				45,771.99		(45,771.99)					
Clean Communities		69,939.05		69,939.05		(69,939.05)					

MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SFY 2020 Budget		Modified Budget		Expended		Encumbered		Balance Canceled	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses		Salaries	Other
Community Development NJDOT Raider Road Public and Private Programs	\$ -	\$ 570,200.00	\$ -	\$ 570,200.00	\$ -	\$ 570,200.00	\$ -	\$ -	\$ -	\$ -	\$ -
		715,206.54		848,237.51		(848,237.51)					
Total Operations	20,646,575.00	22,042,301.00	20,547,575.00	22,074,331.97	(19,757,049.93)	(20,028,743.49)	-	(434,071.70)	(200,000.00)	790,525.07	1,411,516.78
Capital Improvements: Capital Improvement Fund		300,000.00	-	500,000.00		(500,000.00)					
Total Capital Improvements	-	300,000.00	-	500,000.00	-	(500,000.00)			-		
Debt Service:											
Bond Principal		4,119,000.00		4,119,000.00		(4,119,000.00)			-		
Interest on Bonds		1,494,899.00		1,494,899.00		(1,494,899.77)			(0.23)		
Note Principal		226,225.00		226,225.00		(226,225.00)			-		
Interest on Notes		801,000.00		801,000.00		(798,774.98)			(2,225.02)		
Total Debt Service	-	6,641,124.00	-	6,641,124.00	-	(6,638,898.75)			-	(2,225.25)	
Total Reserve for Uncollected Taxes	20,646,575.00	28,983,425.00	20,547,575.00	29,215,455.97	(19,757,049.93)	(27,167,642.24)	-	(434,071.70)	(202,225.25)	790,525.07	1,411,516.78
		720,000.00		720,000.00		(720,000.00)					
Total Current Fund Budget	20,646,575.00	29,703,425.00	20,547,575.00	29,935,455.97	(19,757,049.93)	(27,887,642.24)	-	(434,071.70)	(202,225.25)	790,525.07	1,411,516.78
Total Current Fund Budget	\$ 20,646,575.00	\$ 29,703,425.00	\$ 20,547,575.00	\$ 29,935,455.97	\$ (19,757,049.93)	\$ (27,887,642.24)	\$ -	\$ (434,071.70)	\$ (202,225.25)	\$ 790,525.07	\$ 1,411,516.78

Adopted Budget:			Cash Disbursed.....	A-4	\$ (46,073,354.66)						
Salaries	\$ 20,646,575.00		Reserve for Uncollected Taxes.....	A-7	(720,000.00)	\$ 434,071.70		\$ 790,525.07			
Other Expenses	29,703,425.00		Reserve for Tax Appeals.....	A-9	(100.00)	-		1,411,516.78			
Total Adopted Budget	50,350,000.00		State & Federal Grants.....	A-14	(851,237.51)	\$ 434,071.70		\$ 2,202,041.85			
Budget Amendments-NJSA 40A:4-87	133,030.97		Total Paid or Charged.....		\$ (47,644,692.17)						
Total Modified Budget	\$ 50,483,030.97						A			A	

A-2

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2020 AND 2019

		June 30, 2020	June 30, 2019
<u>ASSETS</u>			
	<u>Ref.</u>		
Cash.....	B-2	\$ 4,898,296.25	\$ 5,524,688.01
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
CDBG - FY 2018.....	B-2	-	40,000.00
CDBG - FY 2019.....	B-2	22,685.00	50,951.00
CDBG - FY 2020.....	B-2	78,029.00	
Total.....		<u>\$ 5,077,016.25</u>	<u>\$ 5,694,053.00</u>
<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	21.40	1.00
Due to Current Fund - Statutory Excess	B-2	6,586.73	
Animal Control Reserves.....	B-2	23,048.60	19,154.07
Recreation Programs.....	B-2	821,039.03	966,014.03
Open Space.....	B-2	178,597.83	139,591.18
Finance			
NJ Unemployment.....	B-2	73,239.67	85,100.97
Terminal Leave.....	B-2	386,372.43	988,387.78
Tax Sale, Premium on TTL.....	B-2	1,170,200.00	1,184,500.00
Payroll Liabilities Payable.....	B-2	78,312.83	77,665.37

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2020 AND 2019

		June 30, 2020	June 30, 2019
Public Safety			
Forfeited Funds.....	B-2	\$ 84,539.46	\$ 65,508.11
Outside Employment.....	B-2	25,675.94	73,347.52
Uniform Fire Code.....	B-2	42,700.56	66,992.61
Municipal Court			
Public Defender.....	B-2	34,430.59	18,612.59
POAA Fines.....	B-2	540.57	487.57
Public Works - Snow Removal.....	B-2	373,530.41	327,482.78
Donations, Gifts, & Bequests.....	B-2	2,054.02	2,632.90
Community Development Block Grant			
CDBG - FY16.....	B-2	6,951.00	6,951.00
CDBG - FY19.....	B-2	5,638.34	37,658.75
CDBG - FY20.....	B-2	80,002.70	
Community Development Department			
Growth Share Reserve.....	B-2	411,982.92	379,154.97
Third Party UCC Inspections.....	B-2	102.00	15,346.14
Developers' Escrow.....	B-2	1,200,394.22	1,168,408.66
Total.....		<u>\$ 5,077,016.25</u>	<u>\$ 5,694,053.00</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, 2020 AND 2019

	<u>Ref.</u>	June 30, 2020	June 30, 2019
<u>ASSETS</u>			
Cash.....	C-2	\$ 4,805,108.93	\$ 6,408,470.06
Deferred Charges to Future Taxation:			
Funded.....	C-4	56,081,750.00	50,572,250.00
Unfunded.....	C-5	31,820,750.00	32,175,500.00
Total.....		<u>\$ 92,707,608.93</u>	<u>\$ 89,156,220.06</u>
<u>LIABILITIES, RESERVES, & FUND BALANCE</u>			
Outstanding Debt:			
Bond Anticipation Notes Payable.....	C-8	\$ 21,870,750.00	\$ 26,700,000.00
Serial Bonds Payable.....	C-7	56,081,750.00	50,572,250.00
Improvement Authorizations:			
Funded.....	C-6	50,753.11	890,698.33
Unfunded.....	C-6	3,849,709.33	1,954,664.73
Reserve for Encumbrances.....	C-6	7,508,927.79	5,639,459.77
Reserve to Retire Debt.....	C-10	2,860,456.78	2,973,877.86
Capital Improvement Fund.....	C-9	342.00	342.00
Fund Balance.....	C-1	484,919.92	424,927.37
Total.....		<u>\$ 92,707,608.93</u>	<u>\$ 89,156,220.06</u>
Bonds & Notes Authorized not Issued.....	C-11	<u>\$ 9,950,000.00</u>	<u>\$ 5,475,500.00</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, 2020

	<u>Ref.</u>	
Balance June 30, 2019	C	\$ 424,927.37
Increased by Cash Receipts		
Premium on Sale of Bonds.....	C-2	<u>359,992.55</u>
		784,919.92
Decreased by Cash Disbursements		
Surplus - Anticipated in Current Fund.....	C-2	<u>(300,000.00)</u>
Balance June 30, 2020	C	<u>\$ 484,919.92</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, 2020 AND 2019

Assets	Ref.	June 30, 2020	June 30, 2019	Liabilities	Ref.	June 30, 2020	June 30, 2019
<u>Water Operating</u>				<u>Water Operating</u>			
Cash.....	D-6	\$ 2,314,125.71	\$ 3,077,721.51	Reserve for Encumbrances.....	D-5,D-10	\$ 549,571.52	\$ 795,494.43
		<u>2,314,125.71</u>	<u>3,077,721.51</u>	Appropriation Reserves.....	D-5,D-10	121,559.39	154,299.63
Receivables with Offsetting Reserves				Accounts Payable.....	D-10	21,004.54	14,024.00
Water Rents Receivable.....	D-11	<u>965,217.47</u>	<u>847,872.68</u>	Water Overpayments.....	D-12	103,574.09	
		<u>965,217.47</u>	<u>847,872.68</u>	Accrued Interest Payable.....	D-13	<u>408,063.19</u>	<u>406,245.86</u>
				Total Liabilities.....		<u>1,203,772.73</u>	<u>1,370,063.92</u>
				Reserve for Receivables.....	Reserve	965,217.47	847,872.68
				Fund Balance.....	D-1	<u>1,110,352.98</u>	<u>1,707,657.59</u>
Total Water Operating Fund.....		<u>\$ 3,279,343.18</u>	<u>\$ 3,925,594.19</u>	Total Water Operating Fund.....		<u>\$ 3,279,343.18</u>	<u>\$ 3,925,594.19</u>
<u>Water Assessment</u>				<u>Water Assessment</u>			
Cash.....	D-6	\$ 438,742.96	\$ 456,850.32	Reserve for:			
Assessment Receivable:				Accounts Receivable.....	D-21	\$ 40,204.10	\$ 103,271.74
Accounts Receivable.....	D-20	1,535,204.10	1,698,271.74	Liens Interest & Costs.....	D-21	288.00	288.00
Liens Interest & Costs.....	D-20	<u>288.00</u>	<u>288.00</u>	Serial Bonds Payable.....	D-22	1,495,000.00	1,595,000.00
				Fund Balance.....	D-3	<u>438,742.96</u>	<u>456,850.32</u>
Total Water Assessment Fund.....		<u>\$ 1,974,235.06</u>	<u>\$ 2,155,410.06</u>	Total Water Assessment Fund.....		<u>\$ 1,974,235.06</u>	<u>\$ 2,155,410.06</u>

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2020 AND 2019

Assets	Ref.	June 30, 2020	June 30, 2019	Liabilities	Ref.	June 30, 2020	June 30, 2019
<u>Water Capital</u>				<u>Water Capital</u>			
Cash.....	D-6,D-7	\$ 1,188,386.82	\$ 1,782,942.79	Serial Bonds Payable.....	D-15	\$ 8,635,091.00	\$ 9,988,591.00
				Bond Anticipation Notes.....	D-16	5,930,000.00	4,960,000.00
				NJEIT Loan Obligation.....	D-17	8,596,979.26	9,557,994.39
				Improvement Authorizations:			
Fixed Capital				Unfunded.....	D-14	12,242,240.99	2,258,797.18
Completed.....	D-8	61,720,393.32	60,068,229.55	Reserve for Encumbrances.....	D-14	1,215,553.28	1,851,160.86
Authorized not Completed.....	D-9	13,457,794.27	4,109,958.04	Reserve for Amortization.....	D-18	39,516,117.33	37,171,602.20
				Capital Improvement Fund.....	D-19	89,067.59	89,067.59
				Fund Balance.....	D-2	141,524.96	83,917.16
Total Water Capital Fund.....		<u>\$ 76,366,574.41</u>	<u>\$ 65,961,130.38</u>	Total Water Capital Fund.....		<u>\$ 76,366,574.41</u>	<u>\$ 65,961,130.38</u>
Total.....		<u>\$ 81,620,152.65</u>	<u>\$ 72,042,134.63</u>	Total.....		<u>\$ 81,620,152.65</u>	<u>\$ 72,042,134.63</u>

There were Bonds and Notes Authorized but Not Issued at June 30, 2020 and 2019 in the amounts of \$12,500,000.00 and \$2,500,000.00, respectively (Exhibit - D-23).

See Accompanying 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, 2020 AND 2019

	Ref.	June 30, 2020	June 30, 2019
<u>Revenue and Other Realized Income</u>			
Surplus Anticipated.....	D-4	\$ 800,000.00	\$ 624,000.00
Water Rents.....	D-4	6,210,051.24	6,314,282.62
Connection Fees.....	D-4	356,775.00	65,550.00
Developer Contribution.....			157,350.00
Miscellaneous Revenues.....	D-4	510,817.44	578,308.49
Water Utility Capital Surplus.....	D-4	40,000.00	40,000.00
Water Utility Assessment Trust Fund Interest.....	D-4	81,175.50	85,553.75
Unexpended Balance of Appropriation Reserves.....	D-10	138,021.84	99,874.54
SREC Sales.....			17,636.58
Prior Years' Accounts Payable Canceled.....			8,000.00
Total Revenue and Realized Income.....		<u>8,136,841.02</u>	<u>7,990,555.98</u>
<u>Expenditures</u>			
Budget Appropriations.....	D-5	<u>(7,934,145.63)</u>	<u>(7,730,878.97)</u>
Total Expenditures.....		<u>(7,934,145.63)</u>	<u>(7,730,878.97)</u>
Statutory Excess.....		202,695.39	259,677.01
Decreased by Surplus Anticipated.....	D-1	(800,000.00)	(624,000.00)
Fund Balance, Beginning of Year.....	D	<u>1,707,657.59</u>	<u>2,071,980.58</u>
Fund Balance, End of Year.....	D	<u>\$ 1,110,352.98</u>	<u>\$ 1,707,657.59</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, 2020

	<u>Ref.</u>	
Balance June 30, 2019	D	\$ 83,917.16
Increased by:		
Premium on BAN Sale	D-6	<u>97,607.80</u>
		181,524.96
Decreased by:		
Use of Surplus in budget	D-1,D-6	<u>(40,000.00)</u>
Balance June 30, 2020	D	<u><u>\$ 141,524.96</u></u>

() Denotes Deficit or Deduction

See Accompanying 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, 2020

	<u>Ref.</u>		
Balance - June 30, 2019	D	\$	456,850.32
Increased by:			
Collection of Pledged Assessments.....	D-21		<u>63,067.64</u>
			519,917.96
Decrease by:			
Payment to Water Operating Fund as Anticipated Revenue..	D-6		<u>81,175.00</u>
Balance - June 30, 2020	D	\$	<u><u>438,742.96</u></u>

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, 2020

	<u>Ref.</u>	Anticipated	Realized	Excess (Deficit)
Water Operating Surplus Anticipated	D-1	\$ 800,000.00	\$ 800,000.00	\$ -
Water Rents.....	D-1, D-6	6,650,000.00	6,210,051.24	(439,948.76)
Connection Fees.....	D-1, D-6	65,000.00	356,775.00	291,775.00
Dedicated Water Utility Assessment : Interest.....	D-1, D-6	81,175.00	81,175.50	0.50
Miscellaneous				
Meter Fees.....	D-1, D-6	495,000.00	454,733.10	(40,266.90)
Interest on Delinquent Accounts.....	D-1, D-6	41,825.00	47,499.17	5,674.17
Other.....	D-1, D-6	27,000.00	8,585.17	(18,414.83)
Water Utility Capital Surplus.....	D-1, D-6	40,000.00	40,000.00	-
Water Utility Operating Fund Total.....		<u>\$ 8,200,000.00</u>	<u>\$ 7,998,819.18</u>	<u>\$ (201,180.82)</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, 2020

	Budget		Paid/Charged	Encumbrances	Canceled	Reserved
	Original	Modified				
Operating Salaries.....	\$ 220,000.00	\$ 220,000.00	\$ (202,629.25)	\$ -	\$ (10,000.00)	\$ 7,370.75
Operating Expenses.....	4,785,254.00	4,785,254.00	(3,881,493.84)	(549,571.52)	(240,000.00)	114,188.64
Debt - Bond Principal.....	1,354,000.00	1,354,000.00	(1,353,500.00)	-	(500.00)	
Debt - Interest on Bonds.....	357,760.00	357,760.00	(343,869.71)	-	(13,890.29)	
Debt - Note Principal.....	30,000.00	30,000.00	(30,000.00)	-	-	
Debt - Interest on Notes.....	149,740.00	149,740.00	(149,738.32)	-	(1.68)	
Debt - NJEIT.....	1,223,756.00	1,223,756.00	(1,222,295.60)	-	(1,460.40)	
Water Assessment - Bond Interest.....	79,490.00	79,490.00	(79,488.00)	-	(2.00)	
Total Water Utility Operating.....	\$ 8,200,000.00	\$ 8,200,000.00	\$ (7,263,014.72)	\$ (549,571.52)	\$ (265,854.37)	\$ 121,559.39
	D-4	D-1		D	D-1	D
Cash.....	D-6		\$ (6,433,455.72)			
Accrued Interest.....	D-13		<u>(829,559.00)</u>			
Total Paid or Charged.....			<u>\$ (7,263,014.72)</u>			

() Denotes deficit or deduction.

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2020 AND 2019

<u>Assets</u>	<u>Ref.</u>	June 30, 2020	June 30, 2019	<u>Liabilities</u>	<u>Ref.</u>	June 30, 2020	June 30, 2019
<u>Sewer Utility Operating:</u>				<u>Sewer Utility Operating:</u>			
Cash.....	E-5	\$ 2,028,945.26	\$ 2,223,100.96	Encumbrances Payable.....	E-4,E-9	\$ 200,791.84	\$ 96,361.94
Due from Current Fund.....	E-19		150,000.00	Appropriation Reserves.....	E-4,E-9	272,796.10	156,625.21
		<u>2,028,945.26</u>	<u>2,373,100.96</u>	Sewer Overpayments	E-11	8,337.46	
				Accrued Interest Payable.....	E-12	<u>295,397.64</u>	<u>281,101.25</u>
Receivables with Offsetting Reserves:				Total Liabilities.....		777,323.04	534,088.40
Sewer Rents Receivable	E-10	<u>1,042,297.73</u>	<u>1,008,588.35</u>	Reserve for Receivables	Reserve	1,042,297.73	1,008,588.35
		<u>1,042,297.73</u>	<u>1,008,588.35</u>	Fund Balance.....	E-1	<u>1,251,622.22</u>	<u>1,839,012.56</u>
Total Sewer Operating Fund.....		<u>\$ 3,071,242.99</u>	<u>\$ 3,381,689.31</u>	Total Sewer Operating Fund.....		<u>\$ 3,071,242.99</u>	<u>\$ 3,381,689.31</u>
<u>Sewer Utility Capital:</u>				<u>Sewer Utility Capital:</u>			
Cash.....	E-5,E-6	\$ 961,007.60	\$ 908,465.27	Debt			
Fixed Capital				NJ EIT Loan Payable.....	E-13	\$ 5,718,646.21	\$ 409,816.94
Completed.....	E-7	32,137,470.40	26,231,242.93	Serial Bonds.....	E-17	6,719,909.00	7,937,409.00
Authorized and Uncompleted.....	E-8	12,857,148.60	7,763,376.07	Bond Anticipation Notes.....	E-18	7,430,000.00	6,460,000.00
Due from New Jersey Infrastructure Bank	E-20	476,795.00		Improvement Authorizations:			
				Unfunded	E-14	11,138,305.99	1,173,734.51
				Encumbrances.....	E-14	1,718,842.36	6,589,641.56
				Reserve for:			
				Amortization.....	E-16	13,247,036.79	11,935,099.06
				Deferred Amortization.....	E-16	252,294.00	252,294.00
				Capital Improvement Fund.....	E-15	28,900.00	28,900.00
				Fund Balance.....	E- 2	<u>178,487.25</u>	<u>116,189.20</u>
Total Sewer Capital Fund.....		<u>\$46,432,421.60</u>	<u>\$ 34,903,084.27</u>	Total Sewer Capital Fund.....		<u>\$ 46,432,421.60</u>	<u>\$ 34,903,084.27</u>
Total Sewer Utility Funds.....		<u>\$49,503,664.59</u>	<u>\$ 38,284,773.58</u>	Total Sewer Utility Funds.....		<u>\$ 49,503,664.59</u>	<u>\$ 38,284,773.58</u>

There were Bonds and Notes Authorized but Not Issued at June 30, 2020 and 2019 in the amount of \$11,626,733.00 and \$7,000,000.00 (Exhibit E-21).

See Accompanying 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, 2020 AND 2019

	<u>Ref.</u>	June 30, 2020	June 30, 2019
<u>Revenue and Other Realized Income</u>			
Fund Balance Utilized.....	E-3	\$ 775,000.00	\$ 837,000.00
Sewer Rents.....	E-3	6,576,471.03	6,274,623.88
Connection Fees.....	E-3	40,200.00	16,750.00
Miscellaneous.....	E-3	39,612.13	31,670.90
Unexpended Balance of Appropriation Reserves.....	E-9	91,309.12	858,659.14
Sewer Capital Fund Balance Utilized.....	E-3	60,000.00	100,000.00
Total Revenue and Realized Income.....		7,582,592.28	8,118,703.92
Budget Appropriations.....	E-4	(7,394,982.62)	(7,128,484.95)
Excess in Revenues over Expenditures/Statutory Excess		187,609.66	990,218.97
Fund Balance, Beginning of Year.....	E	1,839,012.56	1,685,793.59
Decreased by:			
Utilized as Anticipated Surplus.....	E-3	(775,000.00)	(837,000.00)
Fund Balance, End of Year.....	E	<u>\$ 1,251,622.22</u>	<u>\$1,839,012.56</u>

See Accompanying 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, 2020

	<u>Ref.</u>	
Balance June 30, 2019.....	E	\$ 116,189.20
Premium on Sale of BANs	E-5	122,297.80
Canceled Improvement Authorizations	E-14	<u>0.25</u>
		238,487.25
Surplus Used in Budget	E-5	<u>(60,000.00)</u>
Balance June 30, 2020.....	E	<u><u>\$ 178,487.25</u></u>

() Denotes Deficit or Deduction
 See Accompanying 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, 2020

	<u>Ref.</u>	Anticipated	Realized	Excess (Deficit)
Operating Surplus Anticipated.....	E-1	\$ 775,000.00	\$ 775,000.00	\$ -
Sewer Rents.....	E-1, E-5,E-10	6,720,000.00	6,576,471.03	(143,528.97)
Connection Fees.....	E-1-E-5	15,000.00	40,200.00	25,200.00
Sewer Capital Surplus.....	E-1-E-5	60,000.00	60,000.00	-
Miscellaneous Revenue.....	E-1-E-5	30,000.00	39,612.13	9,612.13
Sewer Utility Operating Fund Total.....		<u>\$ 7,600,000.00</u>	<u>\$ 7,491,283.16</u>	<u>\$ (108,716.84)</u>
	<u>Ref.</u>	E-4	E-1	

See Accompanying 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, 2020

	Original Budget	Modified Budget	Cash Disbursed	Encumbrances	Canceled	Reserved
Operating Salaries & Wages..... \$	700,000.00	\$ 700,000.00	\$ (671,130.54)	\$ -	\$ (20,000.00)	\$ 8,869.46
Operating Other Expenses.....	5,025,739.00	5,025,739.00	(4,406,020.52)	(200,791.84)	(155,000.00)	263,926.64
Statutory Expenditures						
PERS Retirement.....	37,000.00	37,000.00	(12,000.00)	-	(25,000.00)	-
Social Security.....	40,000.00	40,000.00	(40,000.00)	-	-	-
Debt Service:		-				
Debt - Bond Principal.....	1,217,500.00	1,217,500.00	(1,217,500.00)	-	-	
Debt - Bond Anticipation Notes.....	30,000.00	30,000.00	(30,000.00)	-	-	
Debt - Bond Interest.....	269,446.00	269,446.00	(267,749.87)	-	(1,696.13)	
Debt - Note Interest.....	204,600.00	204,600.00	(204,598.32)	-	(1.68)	
Debt - NJ EIT	75,715.00	75,715.00	(72,395.43)	-	(3,319.57)	
Total Sewer Utility Operating.....	\$ 7,600,000.00	\$ 7,600,000.00	\$ (6,921,394.68)	\$ (200,791.84)	\$ (205,017.38)	\$ 272,796.10

<u>Ref.</u>	E-3	E-1	E	E-1	E
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Cash.....	<u>Ref.</u> E-5	\$ (6,423,496.90)
Accrued Interest.....	E-12	<u>(497,897.78)</u>
Total Paid or Charged.....		<u>\$ (6,921,394.68)</u>

() Denotes deficit or deduction.
 See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS - REGULATORY BASIS
JUNE 30, 2020 AND JUNE 30, 2019

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<u>GOVERNMENTAL FIXED ASSETS</u>		
Land	\$ 56,877,700.00	\$ 56,517,700.00
Buildings	17,648,400.00	17,648,400.00
Equipment	6,074,571.87	5,643,127.52
Vehicles	<u>6,125,855.75</u>	<u>5,006,975.50</u>
Total Governmental Fixed Assets	<u>\$ 86,726,527.62</u>	<u>\$ 84,816,203.02</u>

See Accompanying Notes to Financial Statements

**TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX, COUNTY, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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, 2020 AND 2019**

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, 2020 AND 2019**

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, 2020 AND 2019**

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, 2020 AND 2019**

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. 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.

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

C. Basis of Accounting (Cont'd.)

Recent Accounting Standards (Cont'd.) - GASB issued Statement No. 92, *Omnibus 2020* in January 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020.

GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* in March 2020. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged.

GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* in March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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

C. Basis of Accounting (Cont'd.)

Recent Accounting Standards (Cont'd.) - GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* in June 2020. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The 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, particularly given the significant and economic disruptions and uncertainties associated with the ongoing COVID-19 (“Coronavirus”) pandemic and the mitigation responses and such differences may be material.

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 2019 financial statements to conform to classifications used in fiscal year 2020. 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, 2020 AND 2019

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

	SFY 2020	SFY 2019
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 77,952,500.00	\$ 77,272,250.00
Water Utility:		
Bonds, Notes, and Loans	24,657,070.26	26,101,585.39
Sewer Utility:		
Bonds, Notes, and Loans	19,868,555.21	14,807,225.94
Total Issued	122,478,125.47	118,181,061.33
Net Issued	122,478,125.47	118,181,061.33
 <u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	9,950,000.00	5,475,500.00
Water Utility:		
Bonds and Notes	12,500,000.00	2,500,000.00
Sewer Utility:		
Bonds and Notes	11,626,733.00	7,000,000.00
Total Authorized But Not Issued	34,076,733.00	14,975,500.00
Total Bonds and Notes Issued and Authorized but not Issued	\$ 156,554,858.47	\$ 133,156,561.33

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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, 2020 and 2019:

	<u>SFY 2020</u>	<u>SFY 2019</u>
<u>General Debt:</u>		
\$7,811,435 General Obligation Bonds of 2010 with final installment of \$654,000 in August 2019, interest of 4.00%	\$ -	\$ 654,000.00
\$8,045,565 Open Space Bonds of 2010 with final installment of \$145,000 in August 2019, interest at 4.000%		145,000.00
\$13,455,750 General Obligation Bonds of 2012 due in annual installments of \$635,000 to \$1,030,000 through August 2027, interest at 2.000% to 2.500%.	7,095,750.00	8,155,750.00
\$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%.	1,750,000.00	1,950,000.00
\$4,745,000 General Obligation Refunding Bonds of 2015 due in annual installments of \$790,000 to \$455,000 through August 2022, interest at 2.000% to 2.500%.	2,035,000.00	2,820,000.00
\$15,000,000 General Improvement Bonds of 2015 due in annual installments of \$500,000 to \$1,000,000 through July 2035, interest at 2.750% to 3.500%.	12,425,000.00	13,200,000.00
\$6,530,468 Open Space Refunding Bonds of 2017 due in annual installments of \$145,192 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 \$1,000,000 to \$960,000 through July 2034, interest at 2.750% to 3.000%.	14,612,500.00	15,112,500.00
\$9,628,500 General Improvement Bonds of 2019 due in annual installments of \$228,500 to \$450,000 through July 2049, interest at 2.000% to 3.000%.	9,628,500.00	
\$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
\$21,870,750, General Capital Bond Anticipation Notes issued on 07/22/19 due on 07/21/20, interest 3.00%	<u>21,870,750.00</u>	
Total General Capital Debt	<u>\$ 77,952,500.00</u>	<u>\$ 77,272,250.00</u>

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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

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

	<u>SFY 2020</u>	<u>SFY 2019</u>
<u>Utility Debt:</u>		
\$2,000,000, Ordinance 5-16/6-16 with final annual installments of \$36,000 in August 2019, interest at 4.000%	\$ -	\$ 36,000.00
\$10,252,500, Water Refunding Bonds of 2011A due in annual installments of \$1,095,000 to \$1,202,500 through April 2023, interest at 4.000% to 5.000%.	3,442,500.00	4,495,000.00
\$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%.	1,055,000.00	1,125,000.00
\$1,275,000, Water Refunding Bonds of 2015 due in annual installments of \$115,000 to \$120,000 through August 2026, interest at 5.000% to 2.000%.	845,000.00	960,000.00
\$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%.	1,683,670.00	1,763,670.00
\$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
\$2,250,000 Water Assessment Bond due in annual installments of \$105,000 to \$150,000 through August 2031, interest at 4.500% to 5.500%.	1,495,000.00	1,595,000.00
\$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
\$5,930,000, General Capital Bond Anticipation Notes issued on 07/22/19 due on 07/21/20, interest 3.00%	5,930,000.00	
\$9,700,000 State of NJ - Environmental Infrastructure Loan Nov. 8, 2007, interest at 4.000% to 5.000%	4,625,000.00	5,088,000.00
\$8,939,498 State of NJ - Environmental Infrastructure Loan Nov. 8, 2007, interest at 0%	3,971,979.26	4,469,994.39

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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

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

	<u>SFY 2020</u>	<u>SFY 2019</u>
<u>Utility Debt (cont'd.):</u>		
\$300,000, Ordinance 5-17 with final annual installment of \$5,000 in August 2019, interest at 4.000%	\$ -	\$ 5,000.00
\$10,252,500, Sewer Refunding Bonds of 2011A due in annual installments of \$1,095,000 to \$1,202,500 through April 2023, interest at 4.000% to 5.000%.	3,442,500.00	4,495,000.00
\$1,700,000, Ordinance 5-17/8-21 due in annual installments of \$80,000 to \$110,000 through August 2032, interest at 2.000% to 3.000%.	1,195,000.00	1,270,000.00
\$2,186,330, Sewer Improvement Bonds of 2015 due in annual installments of \$90,000 to \$146,330 through July 2035, interest at 2.750% to 3.500%	1,841,330.00	1,926,330.00
\$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
\$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
\$7,430,000, General Capital Bond Anticipation Notes issued on 07/22/19 due on 07/21/20, interest 3.00%	7,430,000.00	
\$570,000 State of NJ - Environmental Infrastructure Loan Nov. 4, 2004, interest at 4.250% to 5.000%	200,000.00	235,000.00
\$581,688 State of NJ - Environmental Infrastructure Loan Nov. 4, 2004, interest at 0%	145,379.21	174,816.94
\$5,373,267 State of NJ - Environmental Infrastructure Loan (This represents the amount of drawdown, debt payment schedule has not been established at balance sheet date)	<u>5,373,267.00</u>	
Total Utility Debt	<u>44,525,625.47</u>	<u>40,908,811.33</u>
Total Debt Issued and Outstanding	<u>\$ 122,478,125.47</u>	<u>\$ 118,181,061.33</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, 2020 AND 2019**

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 2020</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 100,053,000.00	\$ 100,053,000.00	\$ -
Water Utility and Sewer Utility Debt *	69,129,153.47	69,129,153.47	
General Debt**	<u>87,902,500.00</u>	<u>18,315,968.00</u>	<u>69,586,532.00</u>
	<u>\$ 257,084,653.47</u>	<u>\$ 187,498,121.47</u>	<u>\$ 69,586,532.00</u>

Net Debt \$69,586,532.00 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$ 4,602,377,520.00 = 1.51%

* 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 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).

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

	<u>2020</u>	<u>2019</u>
3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$ 161,083,213.20	\$ 158,000,671.48
	<u>69,586,532.00</u>	<u>64,536,782.00</u>
Remaining Borrowing Power	<u>\$ 91,496,681.20</u>	<u>\$ 93,463,889.48</u>

SFY 2020 Equalized Valuation Basis

2017 Equalized Valuation Basis of Real Property	\$ 4,506,500,183.00
2018 Equalized Valuation Basis of Real Property	4,580,014,370.00
2019 Equalized Valuation Basis of Real Property	4,720,618,007.00
Average Equalized Valuation	<u>\$ 4,602,377,520.00</u>

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

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

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	\$	4,514,304,899.33

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>2020</u>	<u>2019</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 7,998,819.18	\$ 7,882,681.44
Deductions:		
Operating & Maintenance Cost	4,755,254.00	4,274,748.00
Debt Service Per Water Acct.	3,178,891.63	3,331,130.97
Total Deductions	7,934,145.63	7,605,878.97
Excess/(Deficit) in Revenue	\$ 64,673.55	\$ 276,802.47

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

	<u>2020</u>	<u>2019</u>
Excess/(Deficit) in Revenues - Cash Basis (D-1)	\$ 202,695.39	\$ 259,677.01
Add: Revenue in Municipal Budget		125,000.00
	202,695.39	384,677.01
Less: Unexpended Balance of Appropriation Reserves	138,021.84	99,874.54
Prior Years' Accounts Payable Cancelled		8,000.00
Excess/(Deficit) in Revenue	\$ 64,673.55	\$ 276,802.47

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

	<u>2020</u>	<u>2019</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 7,491,283.16	\$ 7,260,044.78
Deductions:		
Operating & Maintenance Cost	5,602,739.00	4,781,195.00
Debt Service Per Sewer Acct.	1,792,243.62	1,872,289.95
Total Deductions	7,394,982.62	6,653,484.95
Excess/(Deficit) in Revenue	\$ 96,300.54	\$ 606,559.83

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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>2020</u>	<u>2019</u>
Excess/(Deficit) in Revenues - Cash Basis (E-1)	\$ 187,609.66	\$ 990,218.97
Add: Revenue in Municipal Budget	187,609.66	475,000.00
	187,609.66	1,465,218.97
Less: Unexpended Balance of Appropriation Reserves	91,309.12	858,659.14
	91,309.12	858,659.14
Excess/(Deficit) in Revenue	\$ 96,300.54	\$ 606,559.83

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>
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
	\$ 4,490,000.00	\$ 1,846,367.79	\$ 6,336,367.79

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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
2021	\$ 3,829,808.00	\$ 1,048,430.12	\$ 573,692.00	\$ 705,727.13
2022	3,710,312.00	932,440.22	579,688.00	557,797.28
2023	3,642,412.00	829,660.74	592,588.00	539,001.76
2024	2,470,000.00	747,837.50	1,205,000.00	509,050.00
2025	2,590,000.00	682,825.00	1,190,000.00	468,025.00
Subtotal	16,242,532.00	4,241,193.58	4,140,968.00	2,779,601.17
2026	2,482,500.00	617,328.13	1,260,000.00	426,212.50
2027	2,490,000.00	552,137.50	1,300,000.00	382,475.00
2028	2,355,750.00	487,309.38	1,350,000.00	336,731.25
2029	1,960,000.00	426,012.50	1,400,000.00	287,968.75
2030	1,960,000.00	367,212.50	1,270,000.00	238,400.00
Subtotal	11,248,250.00	2,450,000.01	6,580,000.00	1,671,787.50
2031	1,960,000.00	307,787.50	280,000.00	210,150.00
2032	1,960,000.00	247,737.50	285,000.00	201,675.00
2033	1,885,000.00	188,281.25	290,000.00	193,050.00
2034	1,960,000.00	128,200.00	280,000.00	184,500.00
2035	1,960,000.00	66,275.00	305,000.00	175,725.00
Subtotal	9,725,000.00	938,281.25	1,440,000.00	965,100.00
2036	1,000,000.00	17,500.00	315,000.00	166,425.00
2037			320,000.00	156,900.00
2038			330,000.00	147,150.00
2039			340,000.00	137,100.00
2040			350,000.00	126,750.00
Subtotal	1,000,000.00	17,500.00	1,655,000.00	734,325.00
2041			355,000.00	116,175.00
2042			365,000.00	105,375.00
2043			375,000.00	94,275.00
2044			390,000.00	82,800.00
2045			400,000.00	70,950.00
Subtotal	-	-	1,885,000.00	469,575.00
2046			410,000.00	58,800.00
2047			425,000.00	46,275.00
2048			435,000.00	33,375.00
2049			445,000.00	20,175.00
2050			450,000.00	6,750.00
Subtotal	-	-	2,165,000.00	165,375.00
Totals	\$ 38,215,782.00	\$ 7,646,974.84	\$ 17,865,968.00	\$ 6,785,763.67

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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
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
2025	481,429.00	121,237.14	1,082,709.43	112,175.00	115,000.00	54,381.25
Subtotal	5,316,059.00	986,858.76	5,162,701.77	834,650.00	550,000.00	329,393.75
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
2030	452,174.00	40,021.93			140,000.00	20,075.00
Subtotal	2,300,362.00	353,739.66	3,434,277.49	149,325.00	650,000.00	172,631.25
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				
2035	130,000.00	6,872.20				
Subtotal	885,000.00	86,870.38	-	-	295,000.00	16,362.50
2036	133,670.00	2,339.23				
Subtotal	133,670.00	2,339.23	-	-	-	-
Totals	\$ 8,635,091.00	\$ 1,429,808.03	\$ 8,596,979.26	\$ 983,975.00	\$ 1,495,000.00	\$ 518,387.50

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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	
2021	\$ 1,269,884.00	\$ 232,942.03	\$ 63,300.36	\$ 8,543.76	\$ 10,808,782.41
2022	1,324,667.00	177,963.51	70,331.38	6,668.76	10,433,902.98
2023	1,382,606.00	114,630.55	69,031.53	4,668.76	10,252,912.61
2024	213,213.00	79,273.55	67,829.35	2,818.76	7,278,950.51
2025	213,571.00	73,331.62	74,886.59	984.38	7,260,555.41
Subtotal	4,403,941.00	678,141.26	345,379.21	23,684.42	46,035,103.92
2026	220,947.00	67,206.88			7,039,934.35
2027	231,459.00	60,708.76			6,977,530.17
2028	238,704.00	53,849.25			6,656,662.98
2029	245,702.00	46,711.13			5,013,650.00
2030	257,826.00	39,215.57			4,784,925.00
Subtotal	1,194,638.00	267,691.59	-	-	30,472,702.50
2031	230,000.00	31,949.68			3,406,315.63
2032	230,000.00	25,155.93			3,336,825.01
2033	240,000.00	17,996.55			3,050,906.25
2034	135,000.00	12,040.30			2,835,837.50
2035	140,000.00	7,484.05			2,791,356.25
Subtotal	975,000.00	94,626.51	-	-	15,421,240.64
2036	146,330.00	2,560.78			1,783,825.01
2037					476,900.00
2038					477,150.00
2039					477,100.00
2040					476,750.00
Subtotal	146,330.00	2,560.78	-	-	3,691,725.01
2041					471,175.00
2042					470,375.00
2043					469,275.00
2044					472,800.00
2045					470,950.00
Subtotal	-	-	-	-	2,354,575.00
2046					468,800.00
2047					471,275.00
2048					468,375.00
2049					465,175.00
2050					456,750.00
Subtotal	-	-	-	-	2,330,375.00
Totals	\$ 6,719,909.00	\$ 1,043,020. ⁴⁷ ₁₄	\$ 345,379.21	\$ 23,684.42	\$ 100,305,722.07

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

Note 4: FUND BALANCES APPROPRIATED

Fund balances at June 30, 2020 and 2019, which were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending June 30, 2020 and 2019 as follows:

	<u>FUND BALANCE JUNE 30, 2020</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>	
Current Fund	\$ 11,593,162.34	\$ 3,300,000.00	
Water Utility Fund	1,110,352.98	330,000.00	
Sewer Utility Fund	1,251,622.22	470,000.00	

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

Note 5: FIXED ASSETS

Following is a summary of changes in the Governmental Fixed Assets for the years 2020 and 2019.

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance June 30, 2020</u>
<u>2020</u>				
Land and Land Improvements	\$ 56,517,700.00	\$ 360,000.00	\$ -	\$ 56,877,700.00
Buildings and Building Improvements	17,648,400.00			17,648,400.00
Equipment and Improvements	5,643,127.52	431,444.35		6,074,571.87
Vehicles	5,006,975.50	1,118,880.25		6,125,855.75
	<u>\$ 84,816,203.02</u>	<u>\$ 1,910,324.60</u>	<u>\$ -</u>	<u>\$ 86,726,527.62</u>
	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Adjustments/ 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 Improvements	17,648,400.00			17,648,400.00
Equipment and Improvements	4,999,378.25	643,749.27		5,643,127.52
Vehicles	5,401,350.79	543,448.38	937,823.67	5,006,975.50
	<u>\$ 84,566,829.04</u>	<u>\$ 1,187,197.65</u>	<u>\$ 937,823.67</u>	<u>\$ 84,816,203.02</u>

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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, 2020 and 2019 the cash and cash equivalents and investments of the Township consisted of the following:

	<u>2020</u>	<u>2019</u>
Cash (Demand Accounts)	\$ 33,928,596.21	\$ 35,747,831.73
Change Funds (On-Hand)	<u>1,225.00</u>	<u>1,225.00</u>
Total	<u>\$ 33,929,821.21</u>	<u>\$ 35,749,056.73</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 \$33,928,596.21 and the bank balance was \$34,342,142.25. Of the bank balance, \$250,000.00 was covered by Federal depository insurance and \$34,092,142.25 was covered under the provisions of NJGUDPA.

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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 no 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, 2020, 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	<u>34,092,142.25</u>
	<u>\$ 34,342,142.25</u>

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

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 prescribed 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 \$546,821 for property taxes and \$108,139 for tax title liens receivables.

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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, 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 Employees' 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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Inactive plan members of beneficiaries currently receiving benefits	178,748	174,904
Inactive plan members entitles to but not yet reeiving benefits	609	589
Active plan members	252,598	254,780
 Total	 431,955	 430,273
 Contributing Employers	 1,697	 1,708
Contributing Nonemployers	1	-

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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, 2020 and 2019 the Township's total payroll for all employees was \$24,727,001 and \$23,923,704, respectively. Total PERS covered payroll was \$7,595,325 and \$7,740,949, respectively. Covered payroll refers to pensionable or base 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 P.L. 2011, C. 78, 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% in State fiscal year 2018 and 7.50% for State fiscal year 2019, commencing July 1, 2018. The most recent increase completed the phase-in referred to above. 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, 2020 and 2019 were \$1,046,965 and \$1,076,665, respectively. Township Contributions are due and payable on April 1st 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, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Normal Cost	\$ 96,497	\$ 133,991
Amortization of Accrued Liability	<u>892,958</u>	<u>889,485</u>
Total Pension	989,455	1,023,476
NCGI Premiums	<u>53,317</u>	<u>48,755</u>
Total Pension & NCGI	1,042,772	1,072,231
LTD Expense	<u>4,193</u>	<u>4,434</u>
Total PERS Payment	<u>\$ 1,046,965</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, 2020 AND 2019

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.

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, 2019, the PERS reported a net pension liability of \$18,018,482,972 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 Employer Group that is attributable to the Township was \$19,316,310 or 0.1072027524%. At June 30, 2018, the PERS reported a liability of \$9,689,501,539 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 0.1077969100%.

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.25%
Wage	3.25%
Salary Increases:	2.00-6.00%
Through 2026	Based on years of service
Thereafter	3.00-7.00%
	Based on years of service
Investment rate of return	7.00%

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) 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.

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 8. PENSION PLANS (CONT'D.)

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

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

	Target <u>Allocation</u>	Long-Term Expected Real <u>Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

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

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 8. PENSION PLANS (CONT'D.)

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate – The following presents the collective net pension liability of the participating employers as of June 30, 2019, 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 (5.28%)	At current discount rate (6.28%)*	At 1% increase (7.28%)
State	\$ 26,475,719,181	\$ 23,012,420,340	\$ 20,102,167,445
Local	<u>22,918,608,260</u>	<u>18,143,832,135</u>	<u>14,120,406,763</u>
 PERS Plan Total	 <u>\$ 49,394,327,441</u>	 <u>\$ 41,156,252,475</u>	 <u>\$ 34,222,574,208</u>
 Township's proportionate share of the net pension liability (Local)	 <u>\$ 24,399,638</u>	 <u>\$ 19,316,310</u>	 <u>\$ 15,032,886</u>

*- Local Share includes \$125,349,163 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 PERS, including the State of New Jersey, at June 30, 2019 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 29,512,766,255	\$ 41,491,463,886	\$ 71,004,230,141
Plan Fiduciary Net Position	<u>6,500,345,915</u>	<u>23,347,631,751</u>	<u>29,847,977,666</u>
Net PERS Pension Liability	<u>\$ 23,012,420,340</u>	<u>\$ 18,143,832,135</u>	<u>\$ 41,156,252,475</u>

At June 30, 2019, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 346,702	\$ 85,331
Changes of assumptions	1,928,804	6,704,630
Net difference between projected and actual earnings on pension plan investments		304,915
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>356,695</u>	<u>116,096</u>
	<u>\$ 2,632,201</u>	<u>\$ 7,210,972</u>

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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 would be recognized in pension expense as follows if GASB 68 was recognized:

<u>Year ending</u>	<u>Amount</u>
2020	\$ (440,721)
2021	(1,714,046)
2022	(1,586,032)
2023	(754,806)
2024	<u>(83,166)</u>
Total	<u>\$ (4,578,771)</u>

Additional Information

Collective balances at June 30, 2019 - PERS Local Group

Collective deferred outflows of resources	\$ 3,149,522,616
Collective deferred inflows of resources	7,645,087,574
Collective net pension liability - Local group	18,143,832,135

Township's Proportion 0.1072027524%

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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Inactive plan members of beneficiaries currently receiving benefits	44,567	43,755
Inactive plan members entitles to but not yet reeiving benefits	42	39
Active plan members	<u>42,295</u>	<u>41,517</u>
Total	<u>86,904</u>	<u>85,311</u>
Contributing Employers	584	586
Contributing Nonemployers	1	-

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 8. PENSION PLANS (CONT'D.)

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

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

The State Legislature adopted L. 2018, c. 55 in July 2018, which transferred management of PFRS from the New Jersey Department of Treasury, Division of Pensions and Benefits to a newly constituted twelve-member PFRS Board of Trustees. The new PFRS Board, which was established in February 2019 per the legislation, has more power and authority as compared to the former PFRS Board of Trustees. In addition to overseeing the management of PFRS, the new PFRS Board will also have the authority to direct investment decisions, to adjust current benefit levels and to change member and employer contribution rates. With regard to changes in current benefit provisions, such changes can only be made with the approval of a supermajority of eight (8) of the twelve (12) members of the new PFRS Board. Also, benefit enhancement can only be made if an independent actuary certifies that the benefit enhancements will not jeopardize the long-term viability of PFRS. Under prior law, benefit enhancements, including the reinstatement of COLA for retirees, could only be considered when the funded level of the pension fund reaches 80%. An actuarial certification was also required that the funded levels would remain at or above 80% over a 30-year period following the benefit enhancement.

In accordance with L. 2018, c. 55, the new PFRS Board will also have the authority to formulate investment policies and direct the investment activities of the PFRS. The PFRS Board has proposed regulations for adoption governing the methods, practices, and procedures for investment or reinvestments of money of PFRS.

For the year ended June 30, 2020 and 2019 the Township's total payroll for all employees was \$24,727,001 and \$23,923,704, respectively. Total PFRS covered payroll was \$10,999,587 and \$10,995,392, respectively. Covered payroll refers to pensionable or base 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. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was 10% in State fiscal year 2019. 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, 2020 and 2019 were \$3,225,536 and \$2,938,123, respectively. Township Contributions are due and payable on April 1st 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, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Normal Cost	\$ 1,038,529	\$ 922,191
Amortization of Accrued Liability	<u>2,038,378</u>	<u>1,904,324</u>
Total Pension	3,076,907	2,826,515
NCGI Premiums	<u>148,629</u>	<u>111,608</u>
Total PERS Payment	<u>\$3,225,536</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.

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 8. PENSION PLANS (CONT'D.)

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

The following represents the membership tiers for PFRS:

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

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

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, 2019, the PFRS reported a net pension liability of \$12,237,818,793 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 \$39,078,419 or 0.3193250336%. 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%.

Actuarial Assumptions- The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25-15.25%
	Based on years of service
Investment rate of return	7.00%

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 8. PENSION PLANS (CONT'D.)

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

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and a 102.5% adjustment for females, with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females, with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and a 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

	Target <u>Allocation</u>	Long-Term Expected Real <u>Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 8. PENSION PLANS (CONT'D.)

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

Discount Rate – The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. 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 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount – The following presents the collective net pension liability of the participating employers as of June 30, 2019, 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 (5.85%)	At current discount rate (6.85%)*	At 1% increase (7.85%)
State	\$ 4,914,378,549	\$ 4,201,687,763	\$ 3,612,283,063
Local	<u>19,152,938,066</u>	<u>14,170,193,618</u>	<u>10,046,254,662</u>
PERS Plan Total	<u>\$ 24,067,316,615</u>	<u>\$ 18,371,881,381</u>	<u>\$ 13,658,537,725</u>
Township's proportionate share of the net pension liability (Local)	<u>\$ 52,819,782</u>	<u>\$ 39,078,419</u>	<u>\$ 27,705,461</u>

*- Local Share includes \$1,932,374,825 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, 2019 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 5,682,770,577	\$ 40,481,531,749	\$ 46,164,302,326
Plan Fiduciary Net Position	<u>1,481,082,814</u>	<u>26,311,338,131</u>	<u>27,792,420,945</u>
Net PERS Pension Liability	<u>\$ 4,201,687,763</u>	<u>\$ 14,170,193,618</u>	<u>\$ 18,371,881,381</u>

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 8. PENSION PLANS (CONT'D.)

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

At June 30, 2019, 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>
Differences between expected and actual experience	\$ 329,872	\$ 247,413
Changes of assumptions	1,339,040	12,629,787
Net difference between projected and actual earnings on pension plan investments		529,500
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>4,491,220</u>	<u>326,710</u>
	<u>\$ 6,160,132</u>	<u>\$ 13,733,410</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 would be recognized in pension expense as follows if GASB 68 was recognized:

<u>Year ending</u>	<u>Amount</u>
2020	\$(1,106,457)
2021	(3,203,407)
2022	(2,009,207)
2023	(791,725)
2024	<u>(462,482)</u>
Total	<u>\$(7,573,278)</u>

Additional Information

Collective balances at June 30, 2019 - PERS Local Group	
Collective deferred outflows of resources	\$ 1,198,936,924
Collective deferred inflows of resources	4,874,748,912
Collective net pension liability - Local group	14,170,193,618
Township's Proportion	0.3193250336%

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, 2020 AND 2019**

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, 2019 was \$130,202,000. The portion of that contribution allocated to the Township was \$415,768, or 0.3193250336%. The June 30, 2019 State special funding situation pension expense of \$224,526,138 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 \$1,932,374,825 at June 30, 2019 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, 2019 and its share of the special funding situation NPL at that date were \$716,968 and \$6,170,557, 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.

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, 2020 and 2019 the Township's total payroll for all employees was \$24,727,001 and \$23,923,704, respectively. Total DCRP covered payroll was \$272,478 for 2020 and \$254,116 for 2019. Covered payroll refers to pensionable or base 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, 2020 were \$7,358 and \$12,646, respectively and for the year ended June 30, 2019 were \$7,528 and \$13,770, respectively.

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 8. PENSION PLANS (CONT'D.)

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

	Net Pension <u>Liability</u>	Deferred <u>Outflows</u>	Deferred <u>Inflows</u>	Total Pension <u>Expense</u>
PERS	\$ 19,316,310	\$ 2,632,201	\$ 7,210,972	\$ 1,046,965
PFRS	<u>39,078,419</u>	<u>6,160,132</u>	<u>13,733,410</u>	<u>3,225,536</u>
Total	<u>\$ 58,394,729</u>	<u>\$ 8,792,333</u>	<u>\$ 20,944,382</u>	<u>\$ 4,272,501</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, 2020 and 2019, sixty-six (66) and forty-nine (49) retirees were receiving postretirement health care benefits in which the Township was billed \$1,090,297.82 and \$1,223,184, 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, 2020 AND 2019**

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 \$5,525,718,739 and \$6,213,844,492 at June 30, 2019 and 2018, 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 \$19,832,689 and \$23,179,442 at June 30, 2019 and 2018, respectively.

Nonspecial Funding Situation:

The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$8,020,352,361 and \$9,452,773,649 at June 30, 2019 and 2018, 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 \$22,166,655 and \$28,439,925 at June 30, 2019 and 2018, respectively. These allocated liabilities represent 0.164% and 0.181% of the State's Total Non-employer OPEB Liability for June 30, 2019 and 2018, 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, 2019 is as follows:

	<u>2019</u>	<u>2018</u>
Total OPEB Liability	\$ 13,819,244,582	\$ 15,981,103,227
Plan Fiduciary Net Position	<u>273,173,482</u>	<u>314,485,086</u>
 Net OPEB Liability	 <u>\$ 13,546,071,100</u>	 <u>\$ 15,666,618,141</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 1.98%	 1.97%

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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

Actuarial Assumptions and Other Inputs:

The total OPEB liability as of June 30, 2019 and 2018 was determined by an actuarial valuation as of June 30, 2018 and 2017, which was rolled forward to June 30, 2019 and 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increase*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemens' Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%
Mortality	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

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

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

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

Healthcare Trend Assumptions:

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

Discount Rate:

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, 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, 2019, 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>(2.50%)</u>	At Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
Total Net OPEB Liability	\$ 15,662,704,137	\$ 13,546,071,100	\$ 11,826,026,995
Township's Share	\$ 25,630,292.09	\$ 22,166,655	\$ 19,351,992.06

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, 2019, 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	\$ 11,431,214,644	\$ 13,546,071,100	\$ 16,243,926,531
Township's Share	\$ 18,705,925.09	\$ 22,166,655	\$ 26,581,398.59

At June 30, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources had GASB 75 been followed:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,482,394
Changes of assumptions		7,855,370
Changes in proportion	726,844	4,677,492
Net difference between projected and actual earnings on pension plan investments	18,259	
	\$ 745,103	\$ 19,015,256

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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 would be recognized in OPEB expense as follows had GASB 75 been followed:

<u>Year ending</u>	<u>Amount</u>
2020	\$ (2,970,393)
2021	(2,970,393)
2022	(2,971,944)
2023	(2,974,538)
2024	(2,976,382)
Thereafter	<u>(3,406,503)</u>
Total	<u>\$ (18,270,153)</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 8.05, 8.14 and 8.04 years for the 2019, 2018 and 2017 amounts, respectively.

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, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Total Non-employer OPEB Liability Balance beginning of year	\$ 15,666,618,141	\$ 20,415,788,739
Changes During the Current Year:		
Service Cost	666,574,660	896,235,148
Interest on the Total OPEB Liability	636,082,461	764,082,232
Changes of Benefit Terms	(1,903,958)	
Differences Between Expected and Actual Experience	(1,399,921,930)	(3,626,384,047)
Changes in Assumptions	(1,635,760,217)	(2,314,240,675)
Contributions from the Employer	(346,415,056)	(421,194,662)
Contributions from Non-Employer Contributing Entities	(43,854,500)	(53,548,285)
Net Investment Income	(4,826,936)	(2,320,422)
Administrative Expenses	<u>9,478,435</u>	<u>8,200,113</u>
Net Changes	(2,120,547,041)	(4,749,170,598)
Total Non-employer OPEB Liability Balance end of year	<u>\$ 13,546,071,100</u>	<u>\$ 15,666,618,141</u>

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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 \$6,829,933 and \$6,888,457 at June 30, 2020 and 2019. 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, 2019 and 2018, the Fund reported total assets of \$57,285,513 and \$52,967,800, respectively, liabilities and reserves of \$57,856,093 and \$52,340,543, respectively, which includes case reserves of \$38,911,571 and \$33,177,829, respectively, and IBNR of \$18,415,501 and \$18,867,897, respectively and net position of \$(570,580) and \$627,257, respectively.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

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, 2020, in the amounts of \$965,217 for water rents and \$1,042,298 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, 2020 AND 2019

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>2020</u>	<u>June 30</u> <u>2019</u>
Balance of Tax	\$ 44,452,109.54	\$ 42,971,684.00
Deferred	<u>43,267,758.00</u>	<u>42,267,758.00</u>
Payable	<u>\$ 1,184,351.54</u>	<u>\$ 703,926.00</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 follows:

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 \$770,595.66, based upon the assessed valuations of the long-term tax exemptions properties.

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

Note 18: COMMITMENTS AND CONTINGENCIES

I. PENDING LITIGATION

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, 2020, 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.

II. INFECTIOUS DISEASE OUTBREAK - COVID-19

COVID-19 a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the United States and, on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy declared a state of emergency on March 9, 2020, and has since issued multiple Executive Orders regarding the Pandemic. The Township expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of the Pandemic. The Pandemic has negatively affected travel, commerce and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide.

The Township cannot reasonably predict how long the Pandemic in New Jersey is expected to last, how the outbreak may impact the financial condition or operations of the Township, any unexpected deferrals of tax payments, and/or state or federal aid to the Township or the costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs of the Township.

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 19: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2020.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 6,586.73	\$ -
Animal Control Fund	<u> </u>	<u>6,586.73</u>
	<u>\$ 6,586.73</u>	<u>\$ 6,586.73</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, 2020 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 2020, dated July 20, 2020, in the amount of \$18,955,000 with interest rates ranging from 1.000% to 2.125% and a true interest cost (TIC) of 1.839302%. The bonds were issued with serial bond maturities from 2021 through to 2040.

The Township issued Bond Anticipation Notes dated July 20, 2020 with a maturity date of July 19, 2021. The BAN's were issued for \$27,475,000 with an interest rate of 2.00% and at a net interest cost (NIC) of 0.41760%

The Township adopted a bond ordinance 20-17 on September 8, 2020 providing for Capital Improvements, appropriating \$4,600,000 therefore and authorizing the issuance of \$4,370,000 Bonds or Notes.

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

**PART II
SINGLE AUDIT SECTION**



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
County of Middlesex, 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 (the "Township") as of and for the year ended June 30, 2020, 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 March 25, 2021. 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'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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township'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 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.

PKF O'CONNOR DAVIES, LLP
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**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's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* 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 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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies
Certified Public Accountants
Registered Municipal Accountants



Andrew G. Hodulik
Registered Municipal Accountant, No. 406

Cranford, New Jersey
March 25, 2021



REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major State Program

We have audited the Township of North Brunswick, County of Middlesex, New Jersey (the "Township") compliance with the types of compliance requirements described in the New Jersey Compliance Manual "State Grant Compliance Supplement" that could have a direct and material effect on each of the Township's major state programs for the year ended June 30, 2020. The Township's major state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; audit requirements as prescribed by New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants and State Aid". Those standards and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

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Opinion on Each Major State Program

In our opinion, the Township, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with *New Jersey OMB 15-0*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies
Certified Public Accountants
Registered Municipal Accountants
Cranford, New Jersey
March 25, 2021

**SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE**

TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Funding <u>Department or Division</u>	State Account <u>Number</u>	<u>Grant Period</u>		Award <u>Amount</u>	Cash <u>Received</u>	<u>Expenditures</u>	Cumulative <u>Expenditures</u>
<u>Program</u>		<u>From</u>	<u>To</u>				
Community Affairs							
Pass Thru Middlesex County							
Municipal Alliance on Alcohol and Drug Abuse	082-2000-100-044	01-01-19	12-31-19	\$ 61,227.50	\$ 47,726.50	\$ 4,554.00	\$ 61,227.50
Municipal Alliance on Alcohol and Drug Abuse	082-2000-100-044	01-01-20	12-31-20	56,852.50	5,470.55	32,140.16	32,140.16
Environmental Protection							
Clean Communities	042-4900-765-004	01-01-19	12-31-19	62,605.56		33,798.78	62,605.56
Clean Communities	042-4900-765-004	01-01-20	12-31-20	69,939.05	69,939.05	26,599.18	26,599.18
Recycling Tonnage Grant	042-4910-100-224	01-01-20	12-31-20	45,771.99	45,771.99	45,771.99	45,771.99
Judiciary							
Alcohol Ed. Rehab. Enforcement Fund	098-9735-760-001	01-01-18	12-31-18	3,538.69			1,084.15
Alcohol Ed. Rehab. Enforcement Fund	098-9735-760-001	01-01-19	12-31-19	3,441.93		500.00	500.00
Alcohol Ed. Rehab. Enforcement Fund	098-9735-760-001	01-01-20	12-31-20	3,214.99	3,214.99		
Law and Public Safety							
Police Body Armor	066-1020-718-001	01-01-16	12-31-16	7,319.73		181.50	7,319.73
Police Body Armor	066-1020-718-001	01-01-17	12-31-17	6,915.89		3,158.84	6,915.89
Police Body Armor	066-1020-718-001	01-01-18	12-31-18	7,248.99		1,669.06	1,669.06
Police Body Armor	066-1020-718-001	01-01-19	12-31-19	8,143.89			
Police Body Armor	066-1020-718-001	01-01-20	12-31-20	8,138.04	8,138.04		
Safe and Secure Neighborhoods Program	066-1020-100-232	01-01-19	12-31-19	60,000.00	30,000.00	30,000.00	60,000.00
Pedestrian Safety Grant	066-1160-100-131	01-01-19	12-31-19	15,000.00	7,849.60		14,999.60
Pedestrian Safety Grant	066-1160-100-131	01-01-20	12-31-20	15,000.00	2,035.00	2,035.00	2,035.00
Division of Highway Traffic Safety							
Drunk Driving Enforcement Fund	NA	01-01-17	12-31-17	8,937.07		2,209.51	8,937.07
Drunk Driving Enforcement Fund	NA	01-01-18	12-31-18	10,833.25		7,947.88	9,337.61
Drunk Driving Enforcement Fund	NA	01-01-19	12-31-19	10,885.43		1,792.95	1,792.95
Drunk Driving Enforcement Fund	NA	01-01-20	12-31-20	8,494.13	8,494.13		
Transportation							
NJ DOT - Quarry Lane	078-6320-480-AM2	01-01-19	Completion	925,000.00	679,705.47	639,500.13	639,500.13
NJ DOT - Finnegans Lane	078-6320-480-AMW	01-01-19	Completion	1,050,000.00	787,500.00		
NJ DOT - Raider Road	078-6320-480	01-01-20	Completion	570,200.00			
NJ DOT - Bicycle Path Safety	078-6320-480	01-01-19	Completion	81,240.45		13,914.75	13,914.75
Department of Environmental Protection							
Clean Water State Revolving Fund (CWSRF)	510-042-4860-010	01-01-19	Completion	5,373,267.00	4,896,472.00	4,896,472.00	4,896,472.00
Total				\$ 8,473,216.08	\$ 6,592,317.32	\$ 5,742,245.73	\$ 5,892,822.33

See Notes to Schedules of Expenditures of State Financial Assistance

TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1: GENERAL

The accompanying schedule of expenditures of state financial assistance presents the activity of all state financial assistance programs of the Township of North Brunswick. The Township of North Brunswick is defined in Note 1(A) to the financial statements. All state awards received directly from state agencies, as well as state awards passed through other government agencies is included on the schedule of expenditures of state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance is presented using the modified accrual basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Township of North Brunswick's financial statements. In addition, the Township has elected not to use the 10 percent de minis indirect cost rate under NJOMB Circular 15-08, which requires adherence to federal Uniform Guidance, and has not charged any indirect costs to its funded programs.

NOTE 3: RELATIONSHIP TO GENERAL FINANCIAL STATEMENTS

Unless specifically noted, the amounts reported in the accompanying schedules agree with amounts reported in the Township of North Brunswick's financial statements.

NOTE 4: RELATIONSHIP TO STATE FINANCIAL REPORTS

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

TOWNSHIP OF NORTH BRUNSWICK
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section 1 - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on the financial statements: Unmodified (OCBOA)

Internal Control over financial reporting:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to basic financial statements noted? _____ Yes X No

Federal Awards - NOT APPLICABLE, FEDERAL SINGLE AUDIT NOT REQUIRED

Internal Control over major federal programs:

1) Material weakness(es) identified? _____ Yes _____ No

2) Significant deficiency(ies) identified? _____ Yes _____ None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes _____ No

Identification of major federal programs:

CFDA Number

Name of Federal Program or Cluster

Dollar threshold used to distinguish between Type A and B programs: _____

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

TOWNSHIP OF NORTH BRUNSWICK
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Financial Assistance

Dollar threshold used to distinguish between Type A and B programs: \$750,000.00

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

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

Internal Control over major state programs:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiency(ies) identified? _____ Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? _____ Yes X No

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
510-042-4860-010	NJ DEP- Clean Water State Revolving Fund (CWSRF) - Water Meter Replacement
_____	_____
_____	_____
_____	_____

TOWNSHIP OF NORTH BRUNSWICK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Schedule C
Page 3 of 3

Section II - Financial Statement Findings

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

Significant Deficiency(ies)/Material Weaknesses

None noted.

Noncompliances

None noted.

Section III - State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major state programs, as required by NJ OMB Circular 15-08.

State Financial Assistance Programs:

Significant Deficiency(ies)/Material Weaknesses:

None noted.

Noncompliance:

None noted.

TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section 1 – Summary of Prior Year State Findings

SUMMARY OF PRIOR YEAR FINDINGS

None

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



**PART III
SUPPLEMENTARY SCHEDULES**

CURRENT FUND

CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	Current	Grants
Cash Balance June 30, 2019	A	\$ 15,119,560.61	\$ 246,032.21
Increased by Cash Receipts			
Petty Cash.....	A-5	1,050.00	
Interfund Transfers			
Matching Funds For Grants.....	A-18		14,370.50
NJ Sr Citizens and Vets Deductions.....	A-6	120,974.32	
Revenue Collection			
Misc Anticipated Revenue.....	A-2	11,099,972.74	
Taxes Receivable.....	A-7	144,137,879.06	
Homestead Benefit Rebates.....	A-7	447,125.33	
Misc Revenue Not Anticipated.....	A-8	501,351.89	
Tax Overpayments.....	A-11	261,902.62	
Miscellaneous Reserves.....	A-9	140,009.76	
Unappropriated Grant Reserves.....	A-15		68,148.91
Grants Receivable.....	A-16		1,746,584.23
Total Cash Receipts.....		156,710,265.72	1,829,103.64
Decreased by Disbursements			
Petty Cash.....	A-5	(1,050.00)	
Fund Balance			
Over Payments Refunded - Adjustment	A-1	(128.14)	
Budget			
Budget Appropriations.....	A-3	(46,073,354.66)	
Appropriation Reserves.....	A-10	(1,340,052.39)	
Appropriated Grant Reserves.....	A-17		(967,801.04)
Interfund Transfers			
Matching Funds for Transfer.....	A-14	(14,370.50)	
Due to Sewer Utility Operating Fund.....	A	(150,000.00)	
Tax Collections			
Taxes Payable.....	A-12	(107,905,207.63)	
Miscellaneous Reserves.....	A-9	(159,075.14)	
Total Cash Disbursements.....		(155,643,238.46)	(967,801.04)
Cash Balance June 30, 2020	A	\$ 16,186,587.87	\$ 1,107,334.81

CURRENT FUND
SCHEDULE OF PETTY CASH AND CHANGE FUNDS

	Balance June 30, 2019	Advanced	Returned	Balance June 30, 2020
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

	<u>Ref.</u>	
Balance June 30, 2019	A	\$ 132,530.67
Revenue - Eligible Sr Citizens & Veterans Deductions		
Original SFY 2020 Tax Levy.....	A-6	\$ 122,000.00
Allowed - SFY 2020 Taxes.....	A-6	<u>2,750.00</u>
Total Revenue.....		<u>124,750.00</u>
		257,280.67
Decreased by:		
Cash Received from State of NJ.....	A-4	(120,974.32)
Disallowed - SFY 2020 Taxes.....	A-6	<u>(3,352.07)</u>
		<u>(124,326.39)</u>
Balance June 30, 2020	A	<u><u>\$ 132,954.28</u></u>
 <u>Analysis of Realized Revenues for 2020</u>		
Sr. Citizen & Veterans Deductions Allowed/Disallowed by:		
Per tax Billings - 2020	A-6	\$ 122,000.00
By Collector - 2020	A-6	<u>(602.07)</u>
	A-7	<u><u>\$ 121,397.93</u></u>

CURRENT FUND
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

	<u>Ref.</u>		FY 2021 Prepaid		FY 2020 Current	FY 2019 Delinquent	Arrears	Tax Liens	Property Acquired for Taxes
Balance June 30, 2019	A	\$	665,325.82	\$	(158,477.00)	\$	-	\$	144,365.56 \$ 66,239.65 \$ 78,916.93 \$ 534,280.68
Levy & Adjustments									
Original Levy.....			143,862,749.32		143,862,749.32				
Added Omitted & Rollback.....			652,036.90		643,708.90	8,328.00			
Appeals & Canceled Taxes.....			710,637.89		710,637.89				
Cost & Interest on Taxes.....			2,032.25		(2,392.64)		4,424.89		
Transfers & Tax Lien Sales.....			-		(37,601.88)		37,601.88		
Other Adjustments - by Resolution			(296.64)		(296.64)				
Revenue									
Sr. Citizens & Vets.....	A-6		(121,397.93)		(121,397.93)				
Prepays Applied.....	A-7		-	158,477.00	(158,477.00)				
Overpayments Applied.....	A-11		(194,279.56)		(194,279.56)				
Fund Balance	A-1		(950.25)	(950.25)					
Cash Receipts.....	A-4		(144,137,879.06)	(197,437.64)	(143,708,703.70)	(152,693.56)	(66,239.65)	(12,804.51)	
Homestead Benefit Rebates.....	A-4		(447,125.33)		(447,125.33)				
Balance June 30, 2020	A	\$	990,853.41	\$	(198,387.89)	\$	546,821.43	\$	- \$ - \$ 108,139.19 \$ 534,280.68

.....Analysis of FY 2020 Property Tax Levy.....

Tax Yield:	<u>Ref.</u>			Tax Levy:	<u>Ref.</u>	
General Purpose Tax.....	A-7	\$	143,862,749.32	Non-Municipal Taxes.....	A-12	\$ 109,385,633.17
Added by Tax Appeals.....	A-7		710,637.89	Municipal Purpose Tax.....	A-2	33,350,000.00
Added Taxes.....	A-7		643,708.90	Municipal Library Tax.....	A-2	1,526,669.93
Total Levy.....		\$	145,217,096.11	Total Tax Levy.....		144,262,303.10
				Added Taxes.....		954,793.01

Current Taxes Realized	<u>Ref.</u>		
Sr. Citizens & Veterans Deductions.....	A-6, A-7	\$	121,397.93
Cash Receipts.....	A-7		143,708,703.70
Prepaid Taxes Applied.....	A-7		158,477.00
Overpayments Applied.....	A-11		194,279.56
Homestead Benefits Credits.....	A-7		447,125.33
Subtotal - Revenue Realized including Adjustments...	A-1		144,629,983.52
Reserve for Uncollected Taxes.....	A-3		720,000.00
Total Revenue, Current Taxes.....			145,349,983.52
Non-Municipal Taxes Payable.....	A-12		(109,385,633.17)
Revenue, Local Purpose Tax.....	A-2	\$	35,964,350.35

Total Amount to be Raised..... \$ 145,217,096.11

% of Tax Levy Collected

Total Tax Revenue.....	144,629,983.52
Total Tax Levy.....	145,217,096.11
% of Tax Levy Collected.....	<u>99.596%</u>

Delinquent Taxes Realized

Taxes Received	\$ 218,933.21
Tax Title Liens Received	12,804.51
	<u>\$ 231,737.72</u>

CURRENT FUND
SCHEDULE OF NON-BUDGET REVENUE

	<u>Ref</u>	June 30, 2020	June 30, 2019
Other Miscellaneous Revenues Not Anticipated:			
NSF Fees.....	\$	780.99	\$ 934.90
Cellular Tower Lease.....		64,140.09	66,102.03
Cellular Franchise Fee.....		83,958.83	
Inspection Fees - State of NJ.....		15,279.43	9,352.00
Miscellaneous.....		43,575.13	6,161.19
Buildings - Variations.....			336.00
Admin Fee Sr. Ctr. & Vet Deduction.....		2,419.49	2,692.92
Collector - Lot Clean -up Fees.....			231.20
Church & Dwight - Lease Agreement.....		100.00	
Prior Year Voided Checks.....			79,530.04
Auction - Sale of Assets.....		11,481.22	69,159.52
Bail Returned.....		5,600.00	8,304.00
Public Works			
Sanitation Bins / Automated Carts.....		4,379.00	4,347.00
Refuse Container Rental.....		13,660.00	15,600.00
Police - Admin Fee, Off-Duty Police.....		255,977.71	208,304.64
Total.....	A-1, A-4	<u>\$ 501,351.89</u>	<u>\$ 471,055.44</u>

CURRENT FUND
SCHEDULE OF CHANGES IN ACCOUNTS PAYABLE & RESERVES

	June 30, 2019	Transfer from (to) Budget	Cash Receipts	Cash Disbursements	Adjustments	June 30, 2020
Accounts Payable:						
Filing Fees Due State of NJ:						
Marriage Licenses.....	\$ 25.00	\$ -	\$ 4,725.00	\$ (4,125.00)	\$ -	\$ 625.00
DCA - UCC Training.....	21,260.00		132,290.00	(144,061.00)		9,489.00
EDA Pilot Payment	75.00		25.00			100.00
Total Filing Fees Due NJ.....	21,360.00		137,040.00	(148,186.00)		10,214.00
Vendor Accounts Payable.....	20,985.51	25,559.66			(14,457.72)	32,087.45
Total Payable.....	42,345.51	25,559.66	137,040.00	(148,186.00)	(14,457.72)	42,301.45
Reserves:						
Reserve for Tax Appeals.....	375,803.86	100.00				375,903.86
Reserve for Rental Inspections - Crescent.....	180.00					180.00
Reserve for FMBA Health.....	37,976.67		2,969.76	(10,889.14)		30,057.29
Total Reserves.....	413,960.53	100.00	2,969.76	(10,889.14)		406,141.15
Total.....	\$ 456,306.04	\$ 25,659.66	\$ 140,009.76	\$ (159,075.14)	\$ (14,457.72)	\$ 448,442.60
<u>Ref.</u>	A	A-3, A-10	A-4	A-4	A-1	A

CURRENT FUND
SCHEDULE OF FY 2019 APPROPRIATION RESERVES

	June 30, 2019 Balance		Encumbrances	Expended		Transferred to Accounts Payable	Balance Lapsed
	Salaries	Other		Salaries	Other		
General Government:							
Administration.....	\$ 15,872.00	\$ 4,405.25	\$ 763.42	\$ (11,670.53)	\$ (1,507.92)	\$ -	\$ 7,862.22
Municipal Clerk.....	1,963.43	13,419.95	100.00	(1,555.46)	(20,025.03)		2,902.89
Financial Administration.....	1,502.40	5,622.56			(1,162.50)		5,962.46
Audit.....			55,000.00		(55,000.00)		-
Information Technology.....	20,853.76	1,056.87	59,910.53	(20,000.00)	(48,402.13)		13,419.03
Tax Collection.....	1,047.99	4,498.19	349.00		(1,589.50)		4,305.68
Tax Assessment.....	1,199.45	795.62	20,382.00		(21,170.00)		1,207.07
Legal.....			45,295.80		(24,255.89)	(8,448.21)	12,591.70
Insurance:							
Employee Group Insurance.....		528,645.88	3,609.13		(5,405.14)	(173.23)	476,676.64
Community Development							
Engineering.....	5,780.70	4,264.31	41,073.74	(5,267.65)	(5,280.74)	(2,793.00)	37,777.36
Planning.....	2,450.41	4,003.45	3,883.08	(1,128.28)	(135.96)		9,072.70
Zoning.....	946.17	258.89	2,542.55	(822.56)	(1,492.55)		1,432.50
Code Enforcement.....	22,442.35	406.38	376.78	(22,336.48)	(376.78)		512.25
Fire Safety.....	11,854.38	1,348.36	824.81	(3,678.31)	(1,011.80)		9,337.44
Uniform Construction Code.....	13,125.18	2,662.67	3,885.00	(3,962.24)		(3,885.00)	11,825.61
Public Safety:							
Police.....	533,569.78	43,080.75	80,240.46	(408,759.28)	(73,509.65)	(8,161.60)	166,460.46
Emergency Management.....	3,071.10	10,235.43	2,796.06		(7,242.06)		8,860.53
Volunteer Fire Departments.....		8,526.96	240.00		(240.00)		8,526.96
First Aid Organizations.....		50,000.00					50,000.00
Length of Service Award Program.....		35,591.00	2,784.54			(2,784.54)	35,591.00
Juvenile Aid.....		1,281.02	6,233.13		(6,233.13)		1,281.02
Municipal Court.....	12,050.26	13,542.38	777.38	(4,816.14)	(3,551.49)		18,002.39
Public Defender.....		600.00	9,000.00		(5,800.00)		3,800.00

CURRENT FUND
SCHEDULE OF FY 2019 APPROPRIATION RESERVES

	June 30, 2019 Balance		Encumbrances	Expended		Transferred to	Balance Lapsed
	Salaries	Other		Salaries	Other	Accounts Payable	
Public Works:							
Streets and Roads.....	\$ 37,043.42	\$ 12,122.68	\$ 23,713.25	\$ (36,486.53)	\$ (35,099.21)	\$ -	\$ 1,293.61
Sanitation.....	42,531.66	5,847.78	35,580.10	(35,513.56)	(34,280.10)		14,165.88
Solid Waste Disposal Fees.....		1,640.84	103,145.90		(79,367.39)		25,419.35
Recycling.....		1,665.22	37,078.45		(49,673.31)		70.36
Buildings and Grounds.....	10,431.90	12,245.17	29,002.59	(3,387.76)	(40,063.53)		8,228.37
Motor Vehicle Maintenance.....	19,863.92	31,562.86	13,953.36	(6,281.12)	(36,491.38)		22,607.64
Muni Service Reimbursement							
Condominiums.....		76,092.34			(68,700.55)		7,391.79
NJDEP - Stormwater Permit.....	12,961.64	4,755.71		(2,984.57)			14,732.78
Parks Recreation & Community Services							
Board of Health.....		1,359.23					1,359.23
Animal Control.....		8,888.13	1.00		(34,623.51)		4,265.62
Environmental Commission.....		143.47					143.47
Recreation & Community Services.....	7,958.12	2,743.61	712.95	(3,371.00)	(4,617.22)		3,426.46
Senior Services.....	8,708.45	1,893.17	1,876.65	1,763.86	(1,589.33)	1,760.92	14,413.72
Parks and Playgrounds.....	5,719.52	20,579.17	25,256.01		(39,390.86)		12,163.84
Unclassified							
Salary Adjustments.....		90,000.00			(13,810.13)		76,189.87
Utilities / Facilities Costs.....		26,334.10	20,592.61		(29,400.91)	(1,075.00)	16,450.80
Contingency.....		100.00					100.00
Statutory Expenditures:							
Public Employees Retirement.....		143.25	10,993.75		(11,137.00)		-
DCRP.....		7,472.41					7,472.41
Social Security.....		15,923.93			(8,158.08)		7,765.85
Interlocal Agreements:							
Special Law Enforcement Officers.....		89,155.00					89,155.00
Matching Funds for Grants.....		4,754.50					4,754.50
<hr/>							
Total Operations	\$ 792,947.99	\$ 1,149,668.49	\$ 641,974.03	\$ (570,257.61)	\$ (769,794.78)	\$ (25,559.66)	\$ 1,218,978.46
	<u>Ref.</u>		<u>A</u>			<u>A-9</u>	<u>A-1</u>
Salaries.....		\$ 792,947.99			\$ (570,257.61)		
Other Expenses.....		<u>1,149,668.49</u>			<u>(769,794.78)</u>		
Total.....	<u>A</u>	<u>\$ 1,942,616.48</u>			<u>\$ (1,340,052.39)</u>		
				<u>Ref.</u>	<u>A-4</u>		

CURRENT FUND
 SCHEDULE OF PROPERTY TAX OVERPAYMENTS

Balance June 30, 2019	A	\$	192,686.17
Increased by:			
Overpayments Received.....	A-4		<u>261,902.62</u>
			454,588.79
Decreased by:			
Transferred to Taxes Receivable.....	A-7		<u>194,279.56</u>
Balance June 30, 2020	A	\$	<u><u>260,309.23</u></u>

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

	Ref.	June 30, 2019	Taxes Levied	Cash Disbursements	June 30, 2020
County - General.....		\$ 0.01	\$ 16,739,004.29	\$ (16,739,004.30)	\$ -
County - Open Space.....		(0.01)	1,423,919.52	(1,423,919.51)	-
County - Added & Omitted.....		-	83,190.38	(83,190.38)	-
Local School District Taxes.....		42,971,684.00	90,384,644.50	(88,904,218.96)	44,452,109.54
Local Open Space.....		-	754,874.48	(754,874.48)	-
Sub-Total.....	A-7	42,971,684.00	109,385,633.17	(107,905,207.63)	44,452,109.54
School Taxes Deferred.....	A	(42,267,758.00)	(1,000,000.00)	-	(43,267,758.00)
Total Taxes Payable.....		\$ 703,926.00	\$ 108,385,633.17	\$ (107,905,207.63)	\$ 1,184,351.54
	<u>Ref.</u>	A	A-1, A-7	A-4	A

CURRENT FUND
NON-LOCAL TAX LEVY CALCULATION

Ref.	Total	County Lax Levy.....			Local School Taxes	Local Open Space	Library
		General	Open Space	Added & Omitted			
Calendar Year 2019 Tax Levy.....	\$ 107,872,564.98	\$ 16,805,699.13	\$ 1,410,794.02	\$ -	\$ 88,904,219.00	\$ 751,852.83	\$ 1,526,669.93
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
7/1-12/31/2019 Levy.....	55,366,160.29	8,336,154.72	718,522.51	-	45,932,535.00	378,948.06	775,089.99
1/1-6/30/2020 Levy (1/2 CY19).....	53,936,282.51	8,402,849.57	705,397.02	-	44,452,109.50	375,926.42	763,334.97
SFY 2020 Tax Levy.....	A-12 \$ 109,302,442.79	\$ 16,739,004.29	\$ 1,423,919.52	\$ -	\$ 90,384,644.50	\$ 754,874.48	\$ 1,538,424.96

	CY 2018		CY 2019		CY 2020	
	Rate	Levy	Rate	Levy	Rate	Levy
County General Tax.....	\$ 0.682	\$ 16,939,088.82	\$ 0.671	\$ 16,805,699.13	\$ 0.689	\$ 17,375,693.40
County Open Space.....	0.056	1,384,543.03	0.057	1,410,794.02	0.058	1,445,332.46
Local School Tax.....	3.458	85,943,368.00	3.548	88,904,219.00	3.610	91,163,284.00
Municipal Open Space.....	0.030	745,809.54	0.030	751,852.83	0.030	757,597.68
Library.....	0.060	1,503,159.88	0.060	1,526,669.93	0.062	1,573,537.76
Total - Non Municipal.....	4.286	106,515,969.27	4.366	109,399,234.91	4.449	112,315,445.30
Local Purpose Municipal Tax.....	1.266	31,497,577.54	1.302	32,637,584.00	1.337	33,781,377.64
Total CY Tax Levy.....	\$ 5.552	\$ 138,013,546.81	\$ 5.668	\$ 142,036,818.91	\$ 5.786	\$ 146,096,822.94
Net Valuation Taxable.....		\$ 2,486,031,800.00		\$ 2,506,176,100.00		\$ 2,525,325,600.00

CURRENT FUND
SCHEDULE OF INTERFUNDS

	<u>Ref.</u>	
Interfund Balance - June 30, 2019	A	\$ -
Increased by:		
Local Match Requirement		
Appropriated.....	A-3	851,237.51
Less Grant Revenues.....	A-2	(836,867.01)
Decreased by:		
Cash Disbursements.....	A-4	(14,370.50)
Interfund Balance (Due from Grant Fund) June 30, 2020	A	<u>\$ -</u>

STATE AND FEDERAL GRANT FUND
SCHEDULE OF UNAPPROPRIATED GRANT RESERVES

Grant Name	June 30, 2019	Appropriated	Cash Receipts	June 30, 2020
<u>Fiscal Year 2019</u>				
Clean Communities.....	\$ 69,939.05	\$ 69,939.05	\$ -	\$ -
Alcohol Ed. Rehab. Enforcement Fund.....	3,214.99	3,214.99		-
<u>Fiscal Year 2020</u>				
Recycling Tonage			63,064.32	63,064.32
Alcohol Ed. Rehab. Enforcement Fund.....			5,084.59	5,084.59
Total	<u>\$ 73,154.04</u>	<u>\$ 73,154.04</u>	<u>\$ 68,148.91</u>	<u>\$ 68,148.91</u>
Ref.	A	A-16	A-4	A

STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2019	.....Budget.....		Cash	Unappropriated Realized	June 30, 2020
		Adopted	NJSA 40A:4-87			
<u>STATE GRANTS</u>						
Community Development:						
NJ DOT - Schmidt Lane.....	\$ 57,500.00	\$ -	\$ -	\$ (57,500.00)	\$ -	\$ -
NJ DOT - Quarry Lane.....	925,000.00			(679,705.47)		245,294.53
NJ DOT - Finnegans Lane Improvements.....	1,050,000.00			(787,500.00)		262,500.00
NJ DOT - Raider Road Improvements.....		570,200.00				570,200.00
Public Safety:						
Drunk Driving Enforcement.....			8,494.13	(8,494.13)		-
Body Armor Grant - State.....			8,138.04	(8,138.04)		-
Pedestrian Safety, Education and Enforcement.....		15,000.00		(2,035.00)		12,965.00
Pedestrian Safety, Education and Enforcement.....	7,850.00			(7,849.60)		0.40
Parks Recreation & Community Service						
Municipal Alliance.....		45,482.00		(5,470.55)		40,011.45
Municipal Alliance.....	47,726.50			(47,726.50)		-
Public Works:						
Clean Communities.....		69,939.05			(69,939.05)	
Recycling Tonnage Grant.....			45,771.99	(45,771.99)		
Municipal Court						
Alcohol Education & Enforce Fund.....		3,214.99			(3,214.99)	
Total - State Grants.....	\$ 2,088,076.50	\$ 703,836.04	\$ 62,404.16	\$ (1,650,191.28)	\$ (73,154.04)	\$ 1,130,971.38

STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	June 30, 2019	.....Budget.....		Cash	Unappropriated	June 30, 2020
		Adopted	NJSA 40A:4-87		Realized	
<u>FEDERAL GRANTS</u>						
Public Safety:						
Bullet Proof Vest Grant - Federal.....	\$ -		7,246.81			7,246.81
Bullet Proof Vest Grant - Federal.....	7,099.17			(4,591.95)		2,507.22
Safe and Secure.....	30,000.00			(30,000.00)		-
Click it or ticket.....	5,500.00			(5,500.00)		-
Drive Sober or Get Pulled Over.....			11,000.00	(10,725.00)		275.00
Parks Recreation & Community Service						
Heritage Day (County/Federal).....			6,000.00	(4,500.00)		1,500.00
Heritage Day (County/Federal).....	1,375.00					1,375.00
Heritage Day (County/Federal).....	1,500.00			(1,500.00)		-
Senior Center Meal Program.....	-		14,000.00	(4,736.00)		9,264.00
Senior Center Meal Program.....	7,485.00			(7,485.00)		-
Senior Center Transportation.....	-		10,000.00			10,000.00
Senior Center Transportation.....	7,520.00			(7,520.00)		-
Senior Center Outreach Grant.....	-		15,000.00	(4,500.00)		10,500.00
Senior Center Outreach Grant.....	7,955.00			(7,955.00)		-
<u>Other Grants</u>						
Middlesex County DWI Checkpoint.....			7,380.00	(7,380.00)		
Total - Federal Grants.....	68,434.17		70,626.81	(96,392.95)		42,668.03
Total - All Grants.....	\$ 2,156,510.67	\$ 703,836.04	\$ 133,030.97	\$ (1,746,584.23)	\$ (73,154.04)	\$ 1,173,639.41
	Ref.	A		A-4	A-15	A
Adopted Budget.....	A-2		\$ 703,836.04			
Amended (NJSA 40A:4-87).....	A-2		133,030.97			
Total.....	A-2, A-18		\$ 836,867.01			

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

		June 30, 2019	Budget Adopted	NJSA 40A:4-87	June 30, 2019 Encumbrances	Paid or Charged	June 30, 2020 Encumbrances	June 30, 2020
STATE GRANTS								
Community Development:								
NJ DOT - Pedestrian/Bicycle Path.....	FY09	\$ -	\$ -	\$ -	\$ 81,240.45	\$ (13,914.75)	\$ (67,325.70)	\$ -
NJ DOT - Raider Road.....	FY19		570,200.00				(570,200.00)	-
NJ DOT - Quarry Lane.....	FY19	925,000.00				(639,500.13)	(285,499.87)	-
NJ DOT - Finnegans Lane.....	FY 19	1,050,000.00					(1,050,000.00)	-
Public Safety:								
Drunk Driving Enforcement Fund.....	FY20			8,494.13				8,494.13
Drunk Driving Enforcement Fund.....	FY19	10,885.43				(1,792.95)	(120.00)	8,972.48
Drunk Driving Enforcement Fund.....	FY18	9,443.52				(7,947.88)	(179.00)	1,316.64
Drunk Driving Enforcement Fund.....	FY17	1,697.51			512.00	(2,209.51)		-
Body Armor Grant - State.....	FY20			8,138.04				8,138.04
Body Armor Grant - State.....	FY19	8,143.89						8,143.89
Body Armor Grant - State.....	FY18	5,162.48			2,086.51	(1,669.06)	(1,001.00)	4,578.93
Body Armor Grant - State.....	FY17				3,158.84	(3,158.84)		
Body Armor Grant - State.....	FY16				181.50	(181.50)		
Safe & Secure.....	FY19	30,000.00				(30,000.00)		-
Pedestrian Safety, Education and Enforcement.....	FY20		15,000.00			(2,035.00)		12,965.00
Pedestrian Safety, Education and Enforcement.....	FY19	0.40						0.40
Parks Recreation & Community Service								
Clean Communities.....	FY20		69,939.05			(26,599.18)	(1,480.00)	41,859.87
Clean Communities.....	FY19				33,798.78	(33,798.78)		-
Municipal Alliance.....	FY20		56,852.50			(32,140.16)		24,712.34
Municipal Alliance.....	FY19				4,554.00	(4,554.00)		-

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

		June 30, 2019	Budget Adopted	NJSA 40A:4-87	June 30, 2019 Encumbrances	Paid or Charged	June 30, 2020 Encumbrances	June 30, 2020
Public Works:								
Recycling Tonnage Grant.....	FY20			45,771.99		(45,771.99)		
Municipal Court								
Alcohol Education Enforcement.....	FY20		3,214.99					3,214.99
Alcohol Education Enforcement.....	FY19	3,441.93				(500.00)		2,941.93
Alcohol Education & Enforce Fund.....	FY18	2,454.54						2,454.54
Total - State Grants.....		2,046,229.70	715,206.54	62,404.16	125,532.08	(845,773.73)	(1,975,805.57)	127,793.18
<u>FEDERAL GRANTS</u>								
Public Safety:								
Bullet Proof Vest Grant - Federal.....	FY20	\$ -	\$ -	\$ 7,246.81	\$ -	\$ -	\$ -	\$ 7,246.81
Bullet Proof Vest Grant - Federal.....	FY18	1,254.87	-		5,426.85	(4,174.50)	(1,001.00)	1,506.22
Click it or Ticket.....	FY19	440.00				(440.00)		-
Drive Sober or Get Pulled Over.....	FY20			11,000.00		(10,725.00)		275.00
Highway Safety Safe Corridors.....	FY18							
Parks Recreation & Community Service								
Fed/County - Senior Center Congregate MealsGrant.....	FY20			14,000.00		(7,367.15)		6,632.85
Fed/County - Senior Center Congregate MealsGrant.....	FY19	1,213.52				(1,213.52)		-
Fed/County - Senior Center TransportationGrant.....	FY20			10,000.00		(2,131.00)		7,869.00
Fed/County - Senior Center TransportationGrant.....	FY19	7,520.00				(7,520.00)		-
Fed/County - Senior Outreach Program.....	FY20	-		15,000.00		(10,772.00)		4,228.00
Fed/County - Senior Outreach Program.....	FY19	7,955.00				(7,955.00)		-
Total - Federal Grants.....		18,383.39	-	57,246.81	5,426.85	(52,298.17)	(1,001.00)	27,757.88

STATE AND FEDERAL GRANT FUND
SCHEDULE OF APPROPRIATED GRANT RESERVES

		June 30, 2019	Budget Adopted	NJSA 40A:4-87	June 30, 2019 Encumbrances	Paid or Charged	June 30, 2020 Encumbrances	June 30, 2020
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	33,751.64				(33,751.64)		-
County - Heritage Day.....	FY20			9,000.00				9,000.00
County - Heritage Day.....	FY19	6,601.00			1,399.00	(8,000.00)		-
Open Space - Recreation Pedestrian/Bicycle.....	FY07				75,809.50	(6,797.50)	(69,012.00)	-
E-Waste.....	FY16	2,455.68						2,455.68
Middlesex County DWI Checkpoint.....	FY20			7,380.00		(7,380.00)		-
Total - Other/County/Local Grants.....		56,608.32	-	16,380.00	77,208.50	(69,729.14)	(69,012.00)	11,455.68
TOTAL - ALL Grants		\$ 2,121,221.41	\$ 715,206.54	\$ 136,030.97	\$ 208,167.43	\$ (967,801.04)	\$ (2,045,818.57)	\$ 167,006.74
	<u>Ref.</u>	A			A	A-4	A	A
Adopted Budget.....				715,206.54				
Amended (NJSA 40A:4-87).....				120,785.47				
Amended (NJSA 40A:4-87) - Match.....				<u>15,245.50</u>				
Total.....			A-18	<u>\$ 851,237.51</u>				

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

	<u>Ref.</u>	
Interfund Balance (Due Current Fund) June 30, 2019		\$ -
Increased by		
Local Match Requirement		
Appropriated Reserves.....	A-17	\$ 851,237.51
Less Grant Revenues.....	A-16	<u>(836,867.01)</u>
Total Increases.....		14,370.50
Decreased by		
Cash Received from Current Fund to Grant Fund.....	A-4	<u>(14,370.50)</u>
Total Decreases.....		\$ (14,370.50)
<hr/>		
Interfund Balance (Due Current Fund) June 30, 2020	A	<u><u>\$ -</u></u>

TRUST FUND

TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE

Description	Confirmation Date	Installments	Due Dates	Balance 06/30/19 & 06/30/20
<u>Assessments Receivable</u>				
Georges Road / Route #1 - Water.....	12/08/81	10	12/8/1981-1990	\$ 371.00
				\$ 371.00
<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.....				10,222.00
Total Assessment Liens Receivable.....				70,684.00
Total Assessments & Assessment Liens Receivable.....				\$ 71,055.00
<u>Ref.</u>				B

TRUST FUND
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2019	.....Cash.....		Adjustments	Balance June 30, 2020
		Receipts	Disbursements		
Animal Control Trust Fund					
Due NJ - Animal License Fees.....	\$ 1.00	\$ 2,268.60	\$ (2,248.20)		\$ 21.40
Due to Current Fund.....				\$ 6,586.73	6,586.73
Animal Control Reserves.....	19,154.07	12,315.40	(1,834.14)	(6,586.73)	23,048.60
Payroll					
Deductions Payable.....	71,950.29	26,392,268.18	(26,388,792.78)		75,425.69
Miscellaneous.....	5,715.08	13,742.22	(16,570.16)		2,887.14
Recreation Trust.....	966,014.03	929,489.42	(1,074,464.42)		821,039.03
Developers' Escrow					
Inspections.....	259,747.10	279,998.97	(324,518.07)		215,228.00
Technical Review.....	193,913.76	159,597.26	(145,835.45)		207,675.57
Performance Bonds.....	714,747.80	148,971.31	(86,228.46)		777,490.65
Growth Share Reserve.....	379,154.97	32,827.95			411,982.92
Other Trust Funds					
Finance					
NJ Unemployment.....	85,100.97	79,555.09	(91,416.39)		73,239.67
Terminal Leave.....	988,387.78	450,000.00	(1,052,015.35)		386,372.43
Tax Sale - Premium on TTL.....	1,184,500.00	893,500.00	(907,800.00)		1,170,200.00
Open Space					
Dedicated Tax Levy - Open Space.....	15,784.61	754,874.48	(751,852.83)		18,806.26
Tree Preservation.....	27,266.66	32,310.00			59,576.66
Program Income.....	96,539.91	3,875.00	(200.00)		100,214.91
Public Safety					
Forfeited Funds.....	65,508.11	30,436.15	(11,404.80)		84,539.46
Miscellaneous - Off Duty.....	73,347.52	1,592,721.69	(1,640,393.27)		25,675.94
Uniform Fire Code.....	66,992.61	17,325.00	(41,617.05)		42,700.56

TRUST FUND
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance June 30, 2019	.....Cash.....		Adjustments	Balance June 30, 2020
		Receipts	Disbursements		
Municipal Court					
Public Defender.....	\$ 18,612.59	\$ 19,418.00	\$ (3,600.00)	-	\$ 34,430.59
POAA Fines.....	487.57	328.00	(275.00)		540.57
Public Works - Snow Removal.....	327,482.78	90,000.00	(43,952.37)		373,530.41
Donations, Gifts, & Bequests.....	2,632.90	1,100.00	(1,678.88)		2,054.02
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- Due Middlesex County.....	(40,000.00)	40,000.00			-
FY19- Individual Housing Rehabilitation.....	37,658.75	2,537.46	(34,557.87)		5,638.34
FY19 - Due Middlesex County.....	(50,951.00)	28,266.00			(22,685.00)
FY20- Individual Housing Rehabilitation.....		1,973.70		53,029.00	55,002.70
FY20 - Code Enforcement.....			(40,000.00)	40,000.00	-
FY20 - Senior Transportation.....				25,000.00	25,000.00
FY20 - Due Middlesex County.....		40,000.00		(118,029.00)	(78,029.00)
Third Party UCC Inspections.....	15,346.14	102.00	(15,346.14)		102.00
Total - All Trust Funds.....	\$ 5,524,688.01	\$ 32,050,209.87	\$ (32,676,601.63)	-	\$ 4,898,296.25
	<u>Ref.</u>	<u>B</u>			<u>B</u>

TRUST FUND
SCHEDULE OF PAYROLL LIABILITIES

	Balance June 30, 2019	.....Cash.....		Balance June 30, 2020
		Receipts	Disbursements	
Miscellaneous.....	\$ 5,715.08	\$ 13,742.22	\$ (16,570.16)	\$ 2,887.14
Federal and State Taxes				
Federal Withholding.....	(87,841.56)	3,372,270.65	(3,284,429.09)	-
Social Security/Medicare.....	87,682.42	3,154,386.03	(3,242,068.45)	-
NJ State Withholding.....	37.75	1,073,104.96	(1,073,142.71)	-
NJ Unemployment.....	24,182.17	57,195.39	(80,915.20)	462.36
Pension				
Police & Fire Pension.....	7,086.18	1,384,129.42	(1,383,394.98)	7,820.62
Public Employees Pension.....	3,258.52	757,943.31	(757,610.11)	3,591.72
Deferred Compensation (IRS 457).....	0.01	595,016.28	(595,016.27)	0.02
Garnishments - Wage Attachments.....	-	48,656.53	(48,660.67)	(4.14)
Union Dues.....	37.60	100,779.50	(100,779.50)	37.60
Employee Medical Premium Cost Sharing.....	30,816.85	696,205.23	(663,760.07)	63,262.01
Voluntary Deductions.....		59,918.67	(59,917.83)	0.84
Life & Disability Insurance.....	6,358.06	78,254.09	(84,357.49)	254.66
Flexible Spending Plan.....	332.29	37,013.21	(37,345.50)	-
Net Pay.....	-	14,977,394.91	(14,977,394.91)	-
Total - Payroll Liabilities.....	71,950.29	26,392,268.18	(26,388,792.78)	75,425.69
Total - Payroll Trust Fund.....	\$ 77,665.37	\$ 26,406,010.40	\$ (26,405,362.94)	\$ 78,312.83
	B, B-2	B-2	B-2	B, B-2

GENERAL CAPITAL FUND

GENERAL CAPITAL FUND
SCHEDULE OF CASH AND INVESTMENTS

	<u>Ref.</u>		
Balance June 30, 2019.....	C		\$ 6,408,470.06
Increased by Receipts:			
Capital Improvement Fund.....	C-9	\$ 500,000.00	
Deferred Charges - Other.....	C-5	25.00	
Retired Notes.....	C-5	226,225.00	
Proceeds from Issuing Debt			
Sale of Bond Anticipation Notes.....	C-8	21,870,750.00	
Bond Issue.....	C-5	9,628,500.00	
Premium on Sale of Notes.....	C-1	359,992.55	
Interest Earned + Squibb Settlement - Soil Remediation.....	C-10	<u>7,104.97</u>	
Total Receipts.....			32,592,597.52
Decreased by Disbursements:			
Redemption of Bond Anticipation Notes.....	C-8	(26,700,000.00)	
Improvement Authorizations.....	C-6	(7,075,432.60)	
Surplus Anticipated in Current Fund.....	C-1	(300,000.00)	
Reserve to Retire Debt - Current Fund Revenue.....	C-10	<u>(120,526.05)</u>	
Total Disbursements.....			<u>(34,195,958.65)</u>
Balance June 30, 2020	C		<u>\$ 4,805,108.93</u>

Analysis of Cash Balance

Soil Remediation Account.....	\$ 1,375,426.27
General Account.....	<u>3,429,682.66</u>
Total Cash.....	<u>\$ 4,805,108.93</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)	\$ 362,115.65	\$ 5,875.48	\$ -	\$ -	\$ (82,008.87)
04-05	High School/Vets Park Soil Remediation	C-10	-	13,599.97	43,106.53		905,257.27	961,963.77
09-16	Various Capital Improvements.....		-	-	(830.00)			(830.00)
10-06	Capital Items.....		-	37,153.14	27,335.12			64,488.26
15-14	Various Capital Improvements.....		(6,062,750.00)	42,403.15	2,502.50	6,062,750.00		44,905.65
16-15	Various Capital Improvements.....		(6,032,500.00)	366,472.42	15,801.53	6,032,500.00		382,273.95
17-09	Various Capital Improvements		(4,750,000.00)	210,827.14	476,122.14	4,750,000.00		686,949.28
18-14	Various Capital Improvements		(5,025,500.00)	309,675.43	838,997.25	5,025,500.00		1,148,672.68
19-23	Various Capital Improvements.....		(5,700,000.00)	287,495.07	4,371,187.71			(1,041,317.22)
20-06	Various Capital Improvements.....		(3,800,000.00)	2,270,720.47	1,728,829.53			199,550.00
	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			-		484,919.92	484,919.92
Total.....			\$ (31,820,750.00)	\$ 3,900,462.44	\$ 7,508,927.79	\$ 21,870,750.00	\$ 3,345,718.70	\$ 4,805,108.93
	<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, 2019.....	C	\$ 50,572,250.00	\$ 50,572,250.00
Increased by:			
Bond Issue.....	C-7	<u>9,628,500.00</u>	<u>9,628,500.00</u>
		60,200,750.00	60,200,750.00
Decreased by:			
Budget Appropriation.....	C-7	<u>(4,119,000.00)</u>	<u>(4,119,000.00)</u>
Balance - June 30, 2020.....	C	<u>\$ 56,081,750.00</u>	<u>\$ 56,081,750.00</u>

GENERAL CAPITAL
SCHEDULE OF DEFERRED CHARGES - UNFUNDED

Ord.	Description	Balance June 30, 2019	Authorizations	Reduced	Cash Receipts	Balance June 30, 2020	Financed by Bond Anticipation Notes	Cash Expended (Deficit)	Unfunded Balance of Improvement Authorization
00-27	Acquisition of Lands.....	\$ 450,000.00	\$ -	\$ -	\$ -	\$ 450,000.00	\$ -	\$ (87,884.35)	\$ (362,115.65)
09-22	Acquisition of Pulda Farm.....	9,628,500.00		(9,628,500.00)		-			
15-14	Various Capital Improvements.....	6,289,000.00		(226,225.00)	(25.00)	6,062,750.00	(6,062,750.00)		
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	(5,025,500.00)		
19-23	Various Capital Improvements.....		5,700,000.00			5,700,000.00		(5,412,504.93)	(287,495.07)
20-06	Various Capital Improvements.....		3,800,000.00			3,800,000.00		(1,529,279.53)	(2,270,720.47)
Total.....		\$ 32,175,500.00	\$ 9,500,000.00	\$ (9,854,725.00)	\$ (25.00)	\$ 31,820,750.00	\$ (21,870,750.00)	\$ (7,029,668.81)	\$ (2,920,331.19)
	<u>Ref.</u>	C	C-6		C-2	C	C-8		
Bonds Issued.....	C-2			\$ 9,628,500.00					
Current Fund Appropriations.....	C-2			<u>226,225.00</u>					
Total.....				<u>\$ 9,854,725.00</u>					
Unexpended Balances of Unfunded Improv. Authors.	C-6								\$ 3,849,709.33
Less: Unexpended Proceeds of Bond Anticipation Notes									
Ordinance 15-14									(42,403.15)
Ordinance 16-15									(366,472.42)
Ordinance 17-09									(210,827.14)
Ordinance 18-14									<u>(309,675.43)</u>
									<u>\$ 2,920,331.19</u>

GENERAL CAPITAL
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Description	June 30, 2019		Authorized	Encumbrance June 30, 2019	Paid or Charged	Encumbrance June 30, 2020	June 30, 2020	
		Funded	Unfunded					Funded	Unfunded
00-27	Acquisition of Land.....	\$ 785,792.54	\$ 450,000.00	\$ -	\$ 1,750.00	\$ (869,551.41)	\$ (5,875.48)	\$ -	\$ 362,115.65
04-05	High School / Vets Park Soil Remediation.....	66,752.65	-		69,531.90	(79,578.05)	(43,106.53)	13,599.97	-
09-16	Various Capital Improvements...	1,000.00	-		(830.00)	(1,000.00)	830.00	-	-
10-06	Capital Items.....	37,153.14	-		50,000.00	(22,664.88)	(27,335.12)	37,153.14	-
12-13	Various Capital Improvements...	-	-		5,912.00	(5,912.00)		-	-
15-14	Various Capital Improvements....	-	50,048.18		8,223.70	(13,366.23)	(2,502.50)	-	42,403.15
16-15	Various Capital Improvements.....		406,472.42		74,990.70	(99,189.17)	(15,801.53)		366,472.42
17-09	Various Capital Improvements.....		510,789.91		1,154,529.86	(978,370.49)	(476,122.14)		210,827.14
18-14	Various Capital Improvements.....		537,354.22		4,275,351.61	(3,664,033.15)	(838,997.25)		309,675.43
19-23	Various Capital Improvements.....			6,000,000.00		(1,341,317.22)	(4,371,187.71)		287,495.07
20-06	Various Capital Improvements.....			4,000,000.00		(450.00)	(1,728,829.53)		2,270,720.47
Total.....		\$ 890,698.33	\$ 1,954,664.73	\$ 10,000,000.00	\$ 5,639,459.77	\$ (7,075,432.60)	\$ (7,508,927.79)	\$ 50,753.11	\$ 3,849,709.33
	<u>Ref.</u>	C	C		C	C-2	C	C	C
	Capital Improvement Fund.....	C-9		\$ 500,000.00					
	Deferred Chgs Unfunded.....	C-5		9,500,000.00					
	Total.....			<u>\$ 10,000,000.00</u>					

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/20		June 30, 2019	Bonds Issued	Budget Appropriation	June 30, 2020	
			Amount	Rate					
General Obligation.....	08/14/09	\$ 7,811,435			\$ 654,000.00	\$ -	\$ (654,000.00)	\$ -	
Open Space.....	08/14/09	8,045,565			145,000.00		(145,000.00)	-	
General Obligation.....	08/08/12	13,455,750	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%	8,155,750.00	(1,060,000.00)	7,095,750.00	
Open Space Refunding	09/12/12	2,960,000	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%	1,950,000.00	(200,000.00)	1,750,000.00	
General Obligation Refunding.....	06/02/15	4,745,000	08/15/20	790,000	2.000%				
			08/15/21	790,000	2.500%				
			08/15/22	455,000	2.000%	2,820,000.00	-	(785,000.00)	2,035,000.00

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/20		June 30, 2019	Bonds Issued	Budget Appropriation	June 30, 2020
			Amount	Rate				
General Obligation Bonds.....	07/30/15	\$ 15,000,000	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%	\$ 13,200,000.00	\$ -	\$ (775,000.00)	$ 12,425,000.00
2017 Refunding - Open Space -2009.....	05/24/17	6,530,468	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- 2009 Bonds.....	05/24/17	2,069,532	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 - 06/30/20		June 30, 2019	Bonds Issued	Budget		
			Amount	Rate			Appropriation	June 30, 2020	
2018 General Obligation Bonds.....	07/24/18	\$ 15,112,500	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	\$ -	\$ (500,000.00)	\$ 14,612,500.00

GENERAL CAPITAL
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/20		June 30, 2019	Bonds Issued	Budget Appropriation	June 30, 2020
			Amount	Rate				
2019 Open Space - Pulda Farms	07/22/19	\$ 9,628,500	07/15/20	\$ 228,500	2.000%			
			07/15/21	230,000	2.000%			
			07/15/22	235,000	2.000%			
			07/15/23	265,000	2.000%			
			07/15/24	225,000	2.000%			
			07/15/25	250,000	2.000%			
			07/15/26	255,000	2.000%			
			07/15/27	260,000	2.000%			
			07/15/28	265,000	3.000%			
			07/15/29	270,000	3.000%			
			07/15/30	280,000	3.000%			
			07/15/31	285,000	3.000%			
			07/15/32	290,000	3.000%			
			07/15/33	280,000	3.000%			
			07/15/34	305,000	3.000%			
			07/15/35	315,000	3.000%			
			07/15/36	320,000	3.000%			
			07/15/37	330,000	3.000%			
			07/15/38	340,000	3.000%			
			07/15/39	350,000	3.000%			
			07/15/40	355,000	3.000%			
			07/15/41	365,000	3.000%			
			07/15/42	375,000	3.000%			
			07/15/43	390,000	3.000%			
			07/15/44	400,000	3.000%			
			07/15/45	410,000	3.000%			
			07/15/46	425,000	3.000%			
			07/15/47	435,000	3.000%			
07/15/48	445,000	3.000%						
07/15/49	450,000	3.000%						
					\$ -	\$ 9,628,500.00	\$ -	\$ 9,628,500.00
Total.....					\$ 50,572,250.00	\$ 9,628,500.00	\$ (4,119,000.00)	\$ 56,081,750.00
				<u>Ref.</u>	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
		Interest Rate	Issue Date	Maturity Date	Outstanding June 30, 2019			Outstanding June 30, 2020
2009-22	Land Acquisition	3.00%	07/24/18	07/23/19	\$ 9,628,500.00	\$ -	\$ (9,628,500.00)	\$ -
2015-14	Various Capital Improvements	3.00%	07/22/19	07/21/20	6,289,000.00	6,062,750.00	(6,289,000.00)	6,062,750.00
2016-15	Various Capital Improvements	3.00%	07/22/19	07/21/20	6,032,500.00	6,032,500.00	(6,032,500.00)	6,032,500.00
2017-09	Various Capital Improvements	3.00%	07/22/19	07/21/20	4,750,000.00	4,750,000.00	(4,750,000.00)	4,750,000.00
2018-14	Various Capital Improvements	3.00%	07/22/19	07/21/20		5,025,500.00		5,025,500.00
Total.....					<u>\$ 26,700,000.00</u>	<u>\$ 21,870,750.00</u>	<u>\$ (26,700,000.00)</u>	<u>\$ 21,870,750.00</u>
				<u>Ref.</u>	C	C-2	C-2	C

GENERAL CAPITAL
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance June 30, 2019.....	C	\$ 342.00
Increased by Receipts:		
Current Fund Budget Appropriation.....	C-2	<u>500,000.00</u>
		500,342.00
Decreased by:		
Appropriated to Fund Improvement Authorizations.....	C-6	<u>(500,000.00)</u>
Balance June 30, 2020.....	C	<u><u>\$ 342.00</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE TO RETIRE DEBT

	Ordinance Number	Balance June 30, 2019	Increases Cash Receipts	Decreases	Balance June 30, 2020
Reserve to Retire Debt					
High School/Vets Park Soil Remediation.....	2004-05	\$ 1,018,678.35	\$ 7,104.97	\$ (120,526.05)	\$ 905,257.27
Land Acquisition.....	2000-27	72,106.42			72,106.42
Land Acquisition.....	2009-22	1,883,093.09		-	1,883,093.09
Total.....		\$ 2,973,877.86	\$ 7,104.97	\$ (120,526.05)	\$ 2,860,456.78
	<u>Ref.</u>	C	C-2	C-2	C

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

Ord.	Description	Balane June 30, 2019	FY 2020 Authorizaions	Notes Issued	Balance June 30, 2020
2000-27	Acquisition of Lands.....	\$ 450,000.00	\$ -	\$ -	\$ 450,000.00
2018-14	Various Capital Improvements.....	5,025,500.00		(5,025,500.00)	-
2019-23	Various Capital Improvements.....		5,700,000.00		5,700,000.00
2020-06	Various Capital Improvements.....		3,800,000.00		3,800,000.00
	Total.....	<u>\$ 5,475,500.00</u>	<u>\$ 9,500,000.00</u>	<u>\$ (5,025,500.00)</u>	<u>\$ 9,950,000.00</u>
	<u>Ref.</u>	C			C

WATER UTILITY FUND

WATER UTILITY OPERATING AND CAPITAL FUNDS
SCHEDULE OF CASH

	<u>Ref.</u>	Operating	Capital	Assessment
Cash Balance June 30, 2019	D	<u>\$ 3,077,721.51</u>	<u>\$ 1,782,942.79</u>	<u>\$ 456,850.32</u>
Increased by Cash Receipts				
Premium on BAN Sale.....	D-2		97,607.80	
Revenues Collected.....	D-4	7,198,819.18		
Water Overpayments.....	D-12	103,574.09		
Bond Anticipation Notes.....	D-16		5,930,000.00	
Collector.....	D-20			163,067.64
Total Cash Receipts.....		<u>7,302,393.27</u>	<u>6,027,607.80</u>	<u>163,067.64</u>
Decreased by Disbursements				
Surplus to Water Operating.....	D-2		(40,000.00)	
Assessment Trust Fund Surplus to Operating Budget.....	D-3			(81,175.00)
Budget Appropriations.....	D-5	(6,433,455.72)		
Appropriation Reserves.....	D-10	(804,791.68)		
Accrued Interest Payable.....	D-13	(827,741.67)		
Improvement Authorizations.....	D-14		(1,652,163.77)	
Bond Anticipation Notes.....	D-16		(4,930,000.00)	
Assessment Serial Bonds.....	D-22			(100,000.00)
Total Cash Disbursements.....		<u>(8,065,989.07)</u>	<u>(6,622,163.77)</u>	<u>(181,175.00)</u>
Cash Balance June 30, 2020.....	D	<u>\$ 2,314,125.71</u>	<u>\$ 1,188,386.82</u>	<u>\$ 438,742.96</u>

WATER CAPITAL UTILITY FUND
ANALYSIS OF CASH BALANCE

	Deferred Charges	Improvement Authorizations	Reserve for Encumbrances	Other	Balance June 30, 2020
<u>Improvement Authorizations</u>					
15-16 Water Distribution System.....	\$ -	\$ -	\$ 1,534.46	\$ -	\$ 1,534.46
17-10 Water Distribution System.....	-	-	225,437.64		225,437.64
18-13 Water Distribution System.....	-	66,083.18	667,752.59		733,835.77
19-10 Water Distribution System.....	(1,500,000.00)	1,281,688.40	217,600.00		(711.60)
19-21 Water Distribution System.....	(1,000,000.00)	894,469.41	103,228.59		(2,302.00)
20-07 Water Distribution System.....	(10,000,000.00)	10,000,000.00	-		-
Capital Improvement Fund.....				89,067.59	89,067.59
Fund Balance.....				141,524.96	141,524.96
Total.....	\$ (12,500,000.00)	\$ 12,242,240.99	\$ 1,215,553.28	\$ 230,592.55	\$ 1,188,386.82
<u>Ref.</u>	D, D-23	D, D-14	D, D-14	D, D-2, D-19	D

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance - June 30, 2019.....	D	\$ 60,068,229.55
Increased by:		
Transfer from Fixed Capital Authorized but not Completed.....	D-9	<u>1,652,163.77</u>
Balance - June 30, 2020.....	D	<u>\$ 61,720,393.32</u>

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

Ord.	Improvement Description	Balance June 30, 2019	Improvement Authorizations	Transfer to Fixed Capital	Balance June 30, 2020
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.....	467,046.88		465,512.42	1,534.46
17-10	Water Distribution System.....	885,126.11		659,688.47	225,437.64
18-13	Water Distribution System.....	1,000,000.00		266,164.23	733,835.77
19-10	Water Distribution System.....	1,500,000.00		711.60	1,499,288.40
19-21	Water Distribution System.....		1,000,000.00	2,302.00	997,698.00
20-07	Water Distribution System.....		10,000,000.00		10,000,000.00
	Total.....	<u>\$ 4,109,958.04</u>	<u>\$ 11,000,000.00</u>	<u>\$ 1,652,163.77</u>	<u>\$ 13,457,794.27</u>
	<u>Ref.</u>	D	D-14	D-8	D

WATER UTILITY OPERATING FUND
SCHEDULE OF SFY 2019 APPROPRIATION RESERVES/ACCOUNTS PAYABLE

	June 30, 2019	June 30, 2019 Encumbrances	Paid or Charged	Lapsed
Operating - S & W.....	\$ 3,458.47	\$ -	\$ (982.12)	\$ 2,476.35
Operating - Other Expenses.....	150,841.16	795,494.43	(810,790.10)	135,545.49
Total Water Utility Operating.....	\$ 154,299.63	\$ 795,494.43	\$ (811,772.22)	\$ 138,021.84

	<u>Ref.</u>	D	D	D-1
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	<u>Ref.</u>	
Cash Disbursements.....	D-6	\$ (804,791.68)
June 30, 2020 Accounts Payable.....	D-10	<u>(6,980.54)</u>
Total Paid or Charged.....		<u>\$ (811,772.22)</u>

Accounts Payable Analysis

	<u>Ref.</u>	
Balance June 30, 2019.....	D	\$ 14,024.00
Transfer from Appropriation Reserves.....	D-10	<u>6,980.54</u>
Balance June 30, 2020	D	<u>\$ 21,004.54</u>

SCHEDULE OF WATER CHARGES AND WATER LIENS
WATER UTILITY OPERATING FUND

	<u>Ref.</u>	<u>Water Charges</u>
Balance - June 30, 2019	D	\$ 847,872.68
Increased by:		
Water Charges Levied	Reserve	<u>6,327,396.03</u>
		7,175,268.71
Decreased by:		
Collection - Treasurer	D-5	<u>6,210,051.24</u>
Balance - June 30, 2020	D	<u><u>\$ 965,217.47</u></u>

SCHEDULE OF WATER OVERPAYMENTS
WATER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - June 30, 2019	D	\$ -
Increased by:		
Overpayments Collected	D-5	<u>103,574.09</u>
Balance - June 30, 2020	D	<u><u>\$ 103,574.09</u></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, 2019.....	D	\$ (406,245.86)	\$ (165,676.67)	\$ (120,067.31)	\$ (29,596.88)	\$ (90,905.00)
Cash Payments - SFY 2020.....	D-6	827,741.67	148,386.66	358,499.04	79,488.00	241,367.97
Accrued Interest June 30, 2020.....	D	408,063.19	167,028.33	105,437.98	29,596.88	106,000.00
SFY 2020 Budget Expense.....	D-5	<u>\$ 829,559.00</u>	<u>\$ 149,738.32</u>	<u>\$ 343,869.71</u>	<u>\$ 79,488.00</u>	<u>\$ 256,462.97</u>

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.	Original Appropriation	Description	June 30, 2019		SFY 2020 Authorizations	Encumbrances June 30, 2019	Paid or Charged	Encumbrances June 30, 2020	June 30, 2020	
			Funded	Unfunded					Funded	Unfunded
07-20	\$ 19,000,000	Water Treatment Plant	\$ -	\$ -	\$ -	\$ 242,468.70	\$ (242,468.70)	\$ -	\$ -	
13-15	1,000,000	Water Distribution System	-	-		15,316.35	(15,316.35)	-	-	
15-16	2,000,000	Water Distribution System	-	32.75		467,014.13	(465,512.42)	(1,534.46)	-	
17-10	1,000,000	Water Distribution System	-	16,364.43		868,761.68	(659,688.47)	(225,437.64)	-	
18-13	1,000,000	Water Distribution System	-	960,000.00		40,000.00	(266,164.23)	(667,752.59)	66,083.18	
19-10	1,500,000	Water Distribution System	-	1,282,400.00		217,600.00	(711.60)	(217,600.00)	1,281,688.40	
19-21	1,000,000	Water Distribution System			1,000,000.00		(2,302.00)	(103,228.59)	894,469.41	
20-07	10,000,000	Water Distribution System			10,000,000.00				10,000,000.00	
\$ 25,500,000 Total.....			\$ -	\$ 2,258,797.18	\$ 11,000,000.00	\$ 1,851,160.86	\$ (1,652,163.77)	\$ (1,215,553.28)	\$ -	\$ 12,242,240.99
		<u>Ref.</u>	D	D	D-9	D	D-6	D	D	D

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			.....INTEREST EXPENSE.....			FY Budget Appropriation Interest
			Date	June 30, 2020		Interest Cash Payments	....Accrued Interest....		
				Principal	Rate		Beginning	Ending	
2011 Refunding Bond.....	12/22/11	\$ 10,252,500	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
2012 Improvement Bond.. Ordinance 5-16/6-16	08/08/12	1,500,000	08/01/20	70,000	2.000%	24,850.00	(10,645.83)	10,062.50	24,266.67
			08/01/21	70,000	2.000%	23,450.00	(10,062.50)	9,479.17	22,866.67
			08/01/22	70,000	2.000%	22,050.00	(9,479.17)	8,895.83	21,466.67
			08/01/23	75,000	2.125%	20,553.13	(8,895.83)	8,231.78	19,889.07
			08/01/24	75,000	2.125%	18,959.38	(8,231.78)	7,567.69	18,295.30
			08/01/25	75,000	2.250%	17,318.75	(7,567.69)	6,864.58	16,615.64
			08/01/26	80,000	2.375%	15,525.00	(6,864.58)	6,072.92	14,733.33
			08/01/27	80,000	2.500%	13,575.00	(6,072.92)	5,239.58	12,741.67
			08/01/28	85,000	2.500%	11,512.50	(5,239.58)	4,354.17	10,627.08
			08/01/29	90,000	2.625%	9,268.75	(4,354.17)	3,369.79	8,284.38
			08/01/30	90,000	2.750%	6,850.00	(3,369.79)	2,338.54	5,818.75
08/01/31	95,000	2.750%	4,306.25	(2,338.54)	1,250.00	3,217.71			
08/01/32	100,000	3.000%	1,500.00	(1,250.00)		250.00			
Refunding Bonds.....	06/02/15	1,275,000	08/15/20	115,000	5.00%	25,737.50	(10,729.69)	8,573.44	23,581.25
			08/15/21	120,000	2.00%	21,362.50	(8,573.44)	7,448.44	20,237.50
			08/15/22	120,000	2.00%	18,662.50	(7,448.44)	6,548.44	17,762.50
			08/15/23	125,000	2.25%	16,056.25	(6,548.44)	5,493.75	15,001.56
			08/15/24	120,000	4.00%	12,250.00	(5,493.75)	3,693.75	10,450.00
			08/15/25	125,000	5.00%	6,725.00	(3,693.75)	1,350.00	4,381.25
			08/15/26	120,000	3.00%	1,800.00	(1,350.00)		450.00

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			.....INTEREST EXPENSE.....			FY Budget Appropriation Interest
			Date	June 30, 2020		Interest Cash Payments	....Accrued Interest....		
				Principal	Rate		Beginning	Ending	
2015 Bonds.....	07/30/15	\$ 1,993,670	07/15/20	\$ 80,000	2.75%	\$ 51,259.70	\$ (19,634.89)	\$ 18,809.89	\$ 50,434.70
			07/15/21	85,000	3.00%	48,884.70	(18,809.89)	17,853.64	47,928.45
			07/15/22	90,000	3.00%	46,259.70	(17,853.64)	16,841.14	45,247.20
			07/15/23	90,000	3.00%	43,559.70	(16,841.14)	15,828.64	42,547.20
			07/15/24	95,000	3.00%	40,784.70	(15,828.64)	14,759.89	39,715.95
			07/15/25	95,000	3.00%	37,934.70	(14,759.89)	13,691.14	36,865.95
			07/15/26	100,000	3.00%	35,009.70	(13,691.14)	12,566.14	33,884.70
			07/15/27	100,000	3.00%	32,009.70	(12,566.14)	11,441.14	30,884.70
			07/15/28	105,000	3.00%	28,934.70	(11,441.14)	10,259.89	27,753.45
			07/15/29	110,000	3.00%	25,709.70	(10,259.89)	9,022.39	24,472.20
			07/15/30	110,000	3.125%	22,340.95	(9,022.39)	7,733.33	21,051.89
			07/15/31	115,000	3.125%	18,825.33	(7,733.33)	6,385.67	17,477.68
			07/15/32	120,000	3.250%	15,078.46	(6,385.67)	4,923.17	13,615.96
			07/15/33	125,000	3.250%	11,097.21	(4,923.17)	3,399.74	9,573.77
			07/15/34	130,000	3.375%	6,872.21	(3,399.74)	1,754.42	5,226.90
			07/15/35	133,670	3.500%	2,339.23	(1,754.42)		584.81
			2017 Refunding Bonds	05/24/17	1,621,947	08/15/20	30,116	4.000%	63,754.52	(24,133.82)	23,682.08	63,302.78
08/15/21	30,333	4.000%				62,545.54	(23,682.08)	23,227.08	62,090.54
08/15/22	34,894	4.000%				61,241.00	(23,227.08)	22,703.67	60,717.59
08/15/23	186,787	4.000%				56,807.38	(22,703.67)	19,901.87	54,005.58
08/15/24	191,429	4.000%				49,243.06	(19,901.87)	17,030.43	46,371.62
08/15/25	204,053	4.000%				41,333.42	(17,030.43)	13,969.64	38,272.63
08/15/26	213,541	4.000%				32,981.54	(13,969.64)	10,766.52	29,778.42
08/15/27	226,296	4.000%				24,184.80	(10,766.52)	7,372.08	20,790.36
08/15/28	239,298	4.000%				14,872.92	(7,372.08)	3,782.61	11,283.45
08/15/29	252,174	4.000%				5,043.48	(3,782.61)		1,260.87
			<u>Ref.</u>						
June 30, 2019 Balance.....			D	\$ 9,988,591.00					
Principal Payments.....			D-5,D-18	(1,353,500.00)					
June 30, 2020.....			D	<u>\$ 8,635,091.00</u>					

WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Outstanding Maturities 06/30/2020								
Ord.	Description	Interest Rate	Issue Date	Maturity Date	Notes Outstanding June 30, 2019	Increase	Decrease	Notes Outstanding June 30, 2020
12-14	Water Distribution System.....	3.00%	07/22/19	07/21/20	\$ 975,000.00	\$ 960,000.00	\$ 975,000.00	\$ 960,000.00
13-15	Water Distribution System.....	3.00%	07/22/19	07/21/20	985,000.00	970,000.00	985,000.00	970,000.00
15-16	Water Distribution System.....	3.00%	07/22/19	07/21/20	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
17-10	Water Distribution System.....	3.00%	07/22/19	07/21/20	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
18-13	Water Distribution System.....	3.00%	07/22/19	07/21/20		1,000,000.00		1,000,000.00
Total.....					<u>\$ 4,960,000.00</u>	<u>\$ 5,930,000.00</u>	<u>\$ 4,960,000.00</u>	<u>\$ 5,930,000.00</u>
					Ref.	D		D
						\$ 5,930,000.00	\$ 4,930,000.00	
							<u>30,000.00</u>	
						<u>\$ 5,930,000.00</u>	<u>\$ 4,960,000.00</u>	

Calculation of Accrued Interest

	Total	Issued Date	
		7/22/2019	7/21/2020
Principal Outstanding.....	\$ 4,960,000.00	\$ 5,930,000.00	
Interest Rate.....	3.00%	3.00%	
Accrued Interest at June 30, 2019 and 2020	<u>139,706.67</u>	<u>167,028.33</u>	
SFY 2020 Budget Expense.....		<u>\$ 175,708.32</u>	
Memo - Cash Interest at July 23, 2019 Maturity.....	<u>\$ 148,386.67</u>		
Memo - Cash Interest at July 21, 2020 Maturity.....		<u>\$ 177,405.83</u>	

SCHEDULE OF WATER LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	OUTSTANDING MATURITIES June 30, 2020		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							
			2021	\$ 484,000.00	4.00%	\$ 219,150.00	\$ (106,000.00)	\$ 96,354.17	\$ 209,504.17
			2022	511,000.00	5.00%	194,275.00	(96,354.17)	86,270.83	184,191.66
			2023	533,000.00	5.00%	168,175.00	(86,270.83)	75,625.00	157,529.17
			2024	559,000.00	4.25%	140,875.00	(75,625.00)	64,520.83	129,770.83
			2025	589,000.00	4.50%	112,175.00	(64,520.83)	52,875.00	100,529.17
			2026	619,000.00	4.50%	81,975.00	(52,875.00)	40,604.17	69,704.17
			2027	648,000.00	4.50%	50,300.00	(40,604.17)	27,708.33	37,404.16
			2028	<u>682,000.00</u>	4.25%	17,050.00	(27,708.33)	14,208.33	3,550.00
Trust Loan June 30, 2020 Balance.....				\$	4,625,000.00				

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					
			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, 2020 Balance.....				\$	3,971,979.26		
			<u>Ref.</u>				
June 30, 2019 NJEIT Loan Balance.....			D	\$	9,557,994.39		
Principal Payments.....			D-18		(961,015.13)		
June 30, 2020 NJEIT Loan Balance.....			D	<u>\$</u>	<u>8,596,979.26</u>		

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance June 30, 2019	D	\$ 37,171,602.20
Principal Payments		
Serial Bonds.....	D-15	\$ 1,353,500.00
BAN Principal.....	D-16	30,000.00
NJEIT Loan.....	D-17	<u>961,015.13</u>
Total Principal Payments.....		<u>2,344,515.13</u>
Balance June 30, 2020	D	<u><u>\$ 39,516,117.33</u></u>

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance June 30, 2020 and 2019	D	\$ <u><u>89,067.59</u></u>
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WATER ASSESSMENT FUND
SCHEDULE OF ASSESSMENTS & LIENS RECEIVABLE

Description	Ordinance Number	Confirmation Date	Annual Installments	Due Dates	Balance 06/30/19	Collected	Balance 06/30/20	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	1,697,859.74	163,067.64	1,534,792.10	1,495,000.00	39,792.10	
Total Assessments Receivable.....					<u>1,698,271.74</u>	<u>163,067.64</u>	<u>1,535,204.10</u>	<u>1,495,000.00</u>	<u>39,792.10</u>	
<u>Assessment Liens</u>										
Interest & Costs on Assessment Liens.....					288.00	-	288.00	-	-	
Total Assessment Liens Receivable.....					<u>288.00</u>	<u>-</u>	<u>288.00</u>	<u>-</u>	<u>-</u>	
Total Assessments & Assessment Liens Receivable.....					<u>\$ 1,698,559.74</u>	<u>\$ 163,067.64</u>	<u>\$ 1,535,492.10</u>	<u>\$ 1,495,000.00</u>	<u>\$ 39,792.10</u>	
<u>Ref.</u>					D	D-6	D	D-22	D-21	

STATEMENT OF RESERVES
FOR ASSESSMENTS AND LIENS
WATER UTILITY ASSESSMENT FUND

<u>ORD.</u> <u>NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>	<u>COLLECTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
<u>ASSESSMENTS RECEIVABLE</u>				
	Assessment Liens.....	\$ 412.00	\$ -	\$ 412.00
07-24/11-04	Water Improvement - Belcourt at Hidden Lake Condo Assoc.....	102,859.74	63,067.64	39,792.10
	Subtotal	103,271.74	63,067.64	40,204.10
<u>ASSESSMENT LIENS</u>				
	Assessment Liens Interest & Cost.....	288.00	-	288.00
		<u>\$ 103,559.74</u>	<u>\$ 63,067.64</u>	<u>\$ 40,492.10</u>
	<u>Ref.</u>	D	D-3	D

WATER UTILITY ASSESSMENT FUND
SCHEDULE OF ASSESSMENT SERIAL BONDS PAYABLE

Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			.....INTEREST EXPENSE.....			FY Budget Appropriation Interest
			Date	June 30, 2020 Principal	Rate	Interest Cash Payments	....Accrued Interest.... Beginning	Ending	
Ordinance 07-24/11-04..... Belcourt Assessment	08/10/11	\$ 2,250,000	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
						<u>Ref.</u>				
June 30, 2019 Balance.....			D	\$ 1,595,000.00						
Principal Payments.....			D-6	<u>(100,000.00)</u>						
June 30, 2020 Balance.....			D	<u>\$ 1,495,000.00</u>						

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

Ord.	Description	Balance June 30, 2019	SFY 2020 Authorized	Bond Anticipation Note Issued	Balance June 30, 2020
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
19-21	Water Distribution System.....		1,000,000.00		1,000,000.00
20-07	Water Distribution System.....		10,000,000.00		10,000,000.00
Total Bonds & Notes					
	Authorized but not Issued.....	\$ 2,500,000.00	\$ 11,000,000.00	\$ (1,000,000.00)	\$ 12,500,000.00

Ref.

D

SEWER UTILITY FUND

SEWER UTILITY OPERATING & CAPITAL FUNDS
SCHEDULE OF CASH

		Operating	Capital
Cash Balance June 30, 2019	E	\$ 2,223,100.96	\$ 908,465.27
Increased by Cash Receipts			
Premium on BAN issue.....	E-2		122,297.80
Anticipated Revenue.....	E-3	6,716,283.16	
Sewer Overpayments	E-11	8,337.46	
Bond Anticipation Notes.....	E-18		7,430,000.00
Due from Current Fund.....	E-19	150,000.00	
NJIB Loans Received	E-20		4,896,472.00
Total Cash Receipts.....		6,874,620.62	12,448,769.80
Decreased by Disbursements			
Sewer Capital Fund Balance.....	E-2		(60,000.00)
Budget Appropriations.....	E-4	(6,423,496.90)	
Appropriation Reserves.....	E-9	(161,678.03)	
Accrued Interest.....	E-12	(483,601.39)	
Improvement Authorizations.....	E-14		(5,906,227.47)
Bond Anticipation Notes.....	E-18		(6,430,000.00)
Total Cash Disbursements.....		(7,068,776.32)	(12,396,227.47)
Cash Balance June 30, 2020.....	E	\$ 2,028,945.26	\$ 961,007.60

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.....	\$ -	\$ -	\$ -	\$ -	\$ -
17-05	Improvements to Sewer Distribution.....		52.50	336,651.85		336,704.35
18-12	Improvements to Sewer Distribution.....	-	238,931.00	181,318.33		420,249.33
19-08	Improvements to Sewer Distribution.....	(626,733.00)	81,168.60	1,019,026.07	(476,795.00)	(3,333.33)
19-22	Improvements to Sewer Distribution.....	(1,000,000.00)	818,153.89	181,846.11		-
20-08	Improvements to Sewer Distribution.....	(10,000,000.00)	10,000,000.00			-
	Fund Balance.....				178,487.25	178,487.25
	Capital Improvement Fund.....				28,900.00	28,900.00
Total.....		\$ (11,626,733.00)	\$ 11,138,305.99	\$ 1,718,842.36	\$ (269,407.75)	\$ 961,007.60
	<u>Ref.</u>	E-21	E-14	E-14	E-2, E-15	E, E-5

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance - June 30, 2019.....	E	\$ 26,231,242.93
Increased by:		
Transfer from Fixed Capital Authorized but not Completed	E-8	<u>5,906,227.47</u>
Balance - June 30, 2020.....	E	<u>\$ 32,137,470.40</u>

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

Ord. Date	Description	Balance June 30, 2019	Improvement Authorizations	Transferred to Fixed Capital/Adjustments	Balance June 30, 2020
15-15	Improvement to Sewer Distribution System.....	\$ 0.25	\$ -	\$ -	\$ 0.25
17-05	Improvement to Sewer Distribution System.....	967,804.37		631,100.02	336,704.35
18-12	Improvement to Sewer Distribution System.....	795,571.45		375,322.12	420,249.33
19-08	Improvement to Sewer Distribution System.....	6,000,000.00		4,899,805.33	1,100,194.67
19-22	Improvement to Sewer Distribution System.....		1,000,000.00		1,000,000.00
20-08	Improvement to Sewer Distribution System.....		10,000,000.00		10,000,000.00
	Total.....	<u>\$ 7,763,376.07</u>	<u>\$ 11,000,000.00</u>	<u>\$ 5,906,227.47</u>	<u>\$ 12,857,148.60</u>
	<u>Ref.</u>	E	E-14	E-7	E

SEWER UTILITY OPERATING FUND
SCHEDULE OF SFY 2019 APPROPRIATION RESERVES

	June 30, 2019	Encumbrances	Paid or Charged	Balance Lapsed
Operating Salaries.....	\$ 4,270.99	\$ -	\$ (1,496.12)	\$ 2,774.87
Operating Expenses.....	152,354.22	96,361.94	(160,181.91)	88,534.25
Total Sewer Utility Operating.....	\$ 156,625.21	\$ 96,361.94	\$ (161,678.03)	\$ 91,309.12
<u>Ref.</u>	E	E	E-5	E-1

SEWER UTILITY OPERATING FUND
 SCHEDULE OF SEWER RENTS RECEIVABLE

	<u>Ref.</u>	Sewer Rents
Balance June 30, 2019.....	E	\$ 1,008,588.35
Increased by:		
Sewer Rents Levied	Reserve	<u>6,637,732.83</u>
		7,646,321.18
Decreased by:		
Cash Receipts	E-3	6,576,471.03
Canceled	Reserve	<u>27,552.42</u>
		<u>6,604,023.45</u>
Balance June 30, 2020.....	E	<u><u>\$ 1,042,297.73</u></u>

SCHEDULE OF SEWER OVERPAYMENTS
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - June 30, 2019	E	\$ -
Increased by:		
Overpayments Collected	E-5	<u>8,337.46</u>
Balance - June 30, 2020	E	<u>\$ 8,337.46</u>

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, 2019.....	E	\$ (281,101.25)	\$ (181,956.67)	\$ (94,490.93)	\$ (4,653.65)
Cash Payments - SFY 2020.....	E-5	483,601.39	193,261.66	280,045.97	10,293.76
Accrued Interest June 30, 2020.....	E	295,397.64	209,278.33	82,194.83	3,924.48
SFY 2020 Budget Expense.....	E-4	<u>\$ 497,897.78</u>	<u>\$ 220,583.32</u>	<u>\$ 267,749.87</u>	<u>\$ 9,564.59</u>

SCHEDULE OF SEWER LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Purpose	Drawdown Date	Original Issue	Fiscal Year	OUTSTANDING MATURITIES		INTEREST EXPENSE			
				June 30, 2020	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	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, 2020 Balance.....				\$ 200,000.00					

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	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, 2020 Balance.....				\$ 145,379.21			

June 30, 2019 Balance.....	<u>Ref.</u>	
Loans Issued.....	E	\$ 409,816.94
Principal Payments.....	E-20	5,373,267.00 (1)
June 30, 2020 Balance.....	E-16	(64,437.73)
	E	<u>\$ 5,718,646.21</u>

- (1) A Principal and Interest payment schedule has not been provided as of June 30, 2020

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord	Original	Description	June 30, 2019 Unfunded	SFY 2020 Authorized	Encumbrances 06/30/19	Paid	Encumbrances 06/30/20	Cancelled	June 30, 2020 Unfunded
15-15	\$ 1,000,000	Improve Sanitary Sewer System....	\$ 0.25	\$ -	\$ -	\$ -	\$ -	\$ (0.25)	\$ -
17-05	3,500,000	Improve Sanitary Sewer System....	287,112.81		680,691.56	(631,100.02)	(336,651.85)		52.50
18-12	1,000,000	Improve Sanitary Sewer System....	786,621.45		8,950.00	(375,322.12)	(181,318.33)		238,931.00
19-08	6,000,000	Improve Sanitary Sewer System....	100,000.00		5,900,000.00	(4,899,805.33)	(1,019,026.07)		81,168.60
19-22	1,000,000	Improve Sanitary Sewer System.....		1,000,000.00			(181,846.11)		818,153.89
20-08	10,000,000	Improve Sanitary Sewer System.....		10,000,000.00					10,000,000.00
	<u>\$ 22,500,000</u>	Total.....	<u>\$ 1,173,734.51</u>	<u>\$ 11,000,000.00</u>	<u>\$ 6,589,641.56</u>	<u>\$ (5,906,227.47)</u>	<u>\$ (1,718,842.36)</u>	<u>\$ (0.25)</u>	<u>\$ 11,138,305.99</u>
		<u>Ref.</u>	E	E-8	E	E-5	E	E-2	E

SEWER UTILITY CAPITAL FUND
 SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance - June 30, 2020 and June 30, 2019	E	<u>\$ 28,900.00</u>

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

	<u>Ref.</u>	Amortization	Deferred Amortization
Balance June 30, 2019.....	E	\$(11,935,099.06)	\$ (252,294.00)
Principal Payments.....			
NJEIT Loans	E-13	(64,437.73)	
Bonds	E-17	(1,217,500.00)	
BANs	E-18	(30,000.00)	
		<u>(1,311,937.73)</u>	
Balance June 30, 2020.....	E	<u><u>\$(13,247,036.79)</u></u>	<u><u>\$ (252,294.00)</u></u>

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

Purpose	Issue Date	Original Issue	OUTSTANDING MATURITIES				INTEREST EXPENSE			
			June 30, 2020		Annual Cash Payments	Accrued Interest		FY Budget Appropriation Interest		
			Date	Principal		Rate	Beginning		Ending	
2011 Refunding Bond	12/22/11	\$ 10,252,500	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	08/01/20	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			

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

Purpose	Issue Date	Original Issue	OUTSTANDING MATURITIES				INTEREST EXPENSE			
			June 30, 2020		Annual Cash Payments	Accrued Interest		FY Budget Appropriation Interest		
			Date	Principal		Rate	Beginning		Ending	
2015 Bonds	07/30/15	\$ 2,186,330	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	08/15/20	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	
			<u>Ref.</u>							
June 30, 2019 Balance.....			E	\$	7,937,409.00					
Principal Payments.....			E-16		(1,217,500.00)					
June 30, 2020 Balance.....			E	\$	<u>6,719,909.00</u>					

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord.	Description	Outstanding Maturities 06/30/2020			Notes Outstanding June 30, 2019	BAN's Issued	BAN's Redeemed	Notes Outstanding June 30, 2020
		Interest Rate	Issue Date	Maturity Date				
12-15	Improve Sanitary Sewer System.....	3.00%	07/22/19	07/21/20	\$ 975,000.00	\$ 960,000.00	\$ 975,000.00	\$ 960,000.00
13-16	Improve Sanitary Sewer System.....	3.00%	07/22/19	07/21/20	985,000.00	970,000.00	985,000.00	970,000.00
15-15	Improve Sanitary Sewer System.....	3.00%	07/22/19	07/21/20	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
17-05	Improve Sanitary Sewer System.....	3.00%	07/22/19	07/21/20	3,500,000.00	3,500,000.00	3,500,000.00	3,500,000.00
18-12	Improve Sanitary Sewer System.....	3.00%	07/22/19	07/21/20		1,000,000.00		1,000,000.00
	Total.....				<u>\$ 6,460,000.00</u>	<u>\$ 7,430,000.00</u>	<u>\$ 6,460,000.00</u>	<u>\$ 7,430,000.00</u>
				<u>Ref.</u>	E			E
				Cash Transactions		\$ 7,430,000.00	\$ 6,430,000.00	
				Paid by Budget Appropriations	E-5 E-16		<u>30,000.00</u>	
						<u>\$ 7,430,000.00</u>	<u>\$ 6,460,000.00</u>	

Calculation of Accrued Interest

	Issued Date	
	<u>07/22/19</u>	<u>07/21/20</u>
Principal Outstanding.....	\$ 6,460,000	\$ 7,430,000
Interest Rate.....	<u>3.00%</u>	<u>3.00%</u>
Accrued Interest at June 30, 2019 and 2020	<u>181,956.67</u>	<u>209,278.33</u>
SFY 2020 Budget Expense.....		<u>\$ 220,583.33</u>
Memo - Cash Interest at July 23, 2019 Maturity.....	<u>\$ 193,261.67</u>	

SEWER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS RECEIVABLE

	<u>Ref.</u>	<u>Total</u>	<u>Due from Current Fund</u>
Balance June 30, 2019.....	E	\$ 150,000.00	\$ 150,000.00
Decreased by:			
Cash Receipts.....	E-5	<u>150,000.00</u>	<u>150,000.00</u>
Balance June 30, 2020.....	E	<u>\$ -</u>	<u>\$ -</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DUE FROM NEW JERSEY INFRASTRUCTURE BANK

	<u>Ref.</u>	
Balance June 30, 2019.....	E	\$ -
Increased by:		
NJIB Loan Issued	E-13	<u>5,373,267.00</u>
		5,373,267.00
Decreased by:		
Cash Receipts	E-5	<u>4,896,472.00</u>
Balance June 30, 2020.....	E	<u>\$ 476,795.00</u>

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

Ord.	Description	June 30, 2019	SFY20 Authorized	BANs Issued	NJEIT Loans	June 30, 2020
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			(5,373,267.00)	626,733.00
2019-22	Improvements to Sanitary Sewerage System....		1,000,000.00			1,000,000.00
2020-08	Improvements to Sanitary Sewerage System....		10,000,000.00			10,000,000.00
	Total Bonds & Notes Authorized but not Issued.	<u>\$ 7,000,000.00</u>	<u>\$ 11,000,000.00</u>	<u>\$ (1,000,000.00)</u>	<u>\$ (5,373,267.00)</u>	<u>\$ 11,626,733.00</u>

Ref.

E

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

**PART IV
SUPPLEMENTARY DATA**

MIDDLESEX COUNTY, NEW JERSEY

COMBINED BALANCE SHEET - ALL FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2020

ASSETS	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	WATER UTILITY FUND	SEWER UTILITY FUND	GENERAL FIXED ASSETS	MEMORANDUM ONLY TOTALS	
							JUNE 30, 2020	JUNE 30, 2019
Cash and Investments	\$ 17,295,207.68	\$ 4,898,296.25	\$ 4,805,108.93	\$ 3,941,255.49	\$ 2,989,952.86	\$	\$ 33,929,821.21	\$ 35,749,056.74
Accounts Receivable:								
State & Federal Grants Receivable	1,173,579.41	107,665.00					1,281,244.41	2,254,820.66
Due from State of New Jersey	132,954.28				476,795.00		609,749.28	132,530.67
Taxes, Assessments, Liens & Utility Charges	654,960.62	71,055.00		2,500,709.57	1,042,297.73		4,269,022.92	3,915,597.91
Interfund Loans	6,586.73						6,586.73	150,000.00
Property Acquired for Taxes at Assessed Valuation	534,280.68						534,280.68	534,280.68
Fixed Assets - General						86,726,527.62	86,726,527.62	84,816,203.02
Fixed Capital - Utility				61,720,393.32	32,137,470.40		93,857,863.72	86,299,472.48
Fixed Capital - Authorized and Uncompleted - Utility				13,457,794.27	12,857,148.60		26,314,942.87	11,873,334.11
Deferred Charges to Future Taxation: General Capital Fund			87,902,500.00				87,902,500.00	82,747,750.00
	<u>\$ 19,797,569.40</u>	<u>\$ 5,077,016.25</u>	<u>\$ 92,707,608.93</u>	<u>\$ 81,620,152.65</u>	<u>\$ 49,503,664.59</u>	<u>\$ 86,726,527.62</u>	<u>\$ 335,432,539.44</u>	<u>\$ 308,473,046.27</u>
LIABILITIES, RESERVES AND FUND BALANCE	CURRENT FUND	TRUST FUND	CAPITAL FUND	WATER UTILITY FUND	SEWER UTILITY FUND	GENERAL FIXED ASSETS	TOTALS	
							JUNE 30, 2020	JUNE 30, 2019
Bonds and Notes Payable	\$	\$	\$ 77,952,500.00	\$ 16,060,091.00	\$ 14,149,909.00	\$	\$ 108,162,500.00	\$ 108,213,250.00
Loans Payable				8,596,979.26	5,718,646.21		14,315,625.47	9,967,811.33
Taxes Payable	1,184,351.54						1,184,351.54	703,926.00
Prepaid Taxes, Assessments, Utility Charges and Licenses	198,387.89						198,387.89	351,163.17
Tax, Assessment, Lien, License and Utility Charge Overpayments	260,309.23	71,055.00		144,066.19	8,337.46		483,767.88	174,614.74
Appropriation Reserves	2,369,048.59			121,559.39	272,796.10		2,763,404.08	4,374,762.73
Reserve for Encumbrances/ Accounts Payable	2,511,977.72			978,639.25	496,189.48		3,986,806.45	2,464,354.45
Other Liabilities	10,214.00	21.40					10,235.40	21,361.00
Interfund Payable		6,586.73					6,586.73	150,000.00
Amts. Pledged to Specific Purposes	474,290.06	3,798,958.90	2,860,798.78	89,067.59	28,900.00		7,252,015.33	8,033,890.36
Escrow Funds		1,200,394.22					1,200,394.22	1,168,408.66
Improvement Authorizations			11,409,390.23	13,457,794.27	12,857,148.60		37,724,333.10	20,358,156.94
Investments in General Fixed Assets						86,726,527.62	86,726,527.62	84,816,203.02
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				39,516,117.33	13,499,330.79		53,015,448.12	49,358,995.26
Reserve for Certain Assets Acquired or Receivables & Inventories	1,195,828.03			965,217.47	1,042,297.73		3,203,343.23	2,680,263.85
Fund Balance	<u>11,593,162.34</u>		<u>484,919.92</u>	<u>1,690,620.90</u>	<u>1,430,109.22</u>		<u>15,198,812.38</u>	<u>15,635,884.76</u>
	<u>\$ 19,797,569.40</u>	<u>\$ 5,077,016.25</u>	<u>\$ 92,707,608.93</u>	<u>\$ 81,620,152.65</u>	<u>\$ 49,503,664.59</u>	<u>\$ 86,726,527.62</u>	<u>\$ 335,432,539.44</u>	<u>\$ 308,473,046.27</u>

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

<u>Revenue and Other Income Realized</u>	SFY 2020		SFY 2019	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated	\$ 3,620,000.00	2.23	\$ 3,343,830.00	2.07
Miscellaneous Revenues Anticipated	11,936,839.75	7.36	14,300,089.18	8.83
Receipts from Current Taxes	144,629,983.52	89.20	142,180,920.61	87.84
Other Miscellaneous Revenue	1,966,525.79	1.21	2,036,950.93	1.26
Total Income	162,153,349.06	100.00	161,861,790.72	100.00
<u>Expenditures</u>				
Budget Appropriations	49,560,805.72	31.38	50,646,225.03	32.43
Tax Collections				
County Taxes	18,246,114.19	11.55	18,621,715.15	11.92
Local School District Taxes	89,384,644.50	56.59	86,173,910.00	55.17
Other Miscellaneous Expenditures	755,952.87	0.48	749,514.06	0.48
Total Expenditures	157,947,517.28	100.00	156,191,364.24	100.00
Excess in Revenue	4,205,831.78		5,670,426.48	
Fund Balance - Beginning	11,007,330.56		8,680,734.08	
	15,213,162.34		14,351,160.56	
Utilized as Anticipated Revenue	(3,620,000.00)		(3,343,830.00)	
Fund Balance - Ending	\$ 11,593,162.34		\$ 11,007,330.56	

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

	SFY 2020		SFY 2019	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Surplus Anticipated	\$ 800,000.00	9.83	\$ 624,000.00	7.81
Water Rents	6,210,051.24	76.32	6,314,282.62	79.02
Developer Contribution			157,350.00	1.97
Miscellaneous Revenues	510,817.44	6.28	578,308.49	7.24
Connection Fees	356,775.00	4.38	65,550.00	0.82
Water Utility Capital Surplus	40,000.00	0.49	40,000.00	0.50
Unexpended Balance of Appropriation Reserve	138,021.84	1.70	99,874.54	1.25
Water Utility Assessment Trust Fund Interest	81,175.50	1.00	85,553.75	1.07
SREC Sales			17,636.58	0.22
Prior Year's Accounts Payable Canceled			8,000.00	0.10
	<u>8,136,841.02</u>	<u>100.00</u>	<u>7,990,555.98</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	<u>7,934,145.63</u>	<u>100.00</u>	<u>7,730,878.97</u>	<u>100.00</u>
	<u>7,934,145.63</u>	<u>100.00</u>	<u>7,730,878.97</u>	<u>100.00</u>
Excess in Revenue	202,695.39		259,677.01	
Decreased by Surplus Anticipated Water Utility Operating Fund	(800,000.00)		(624,000.00)	
Fund Balance - Beginning	<u>1,707,657.59</u>		<u>2,071,980.58</u>	
Fund Balance - Ending	<u>\$ 1,110,352.98</u>		<u>\$ 1,707,657.59</u>	

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

	SFY 2020		SFY 2019	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Surplus Anticipated	\$ 775,000.00	10.22	\$ 837,000.00	10.31
Sewer Rents	6,576,471.03	86.73	6,274,623.88	77.28
Connection Fees	40,200.00	0.53	16,750.00	0.21
Miscellaneous	39,612.13	0.52	31,670.90	0.39
Unexpended Balance of Appropriation Reserve	91,309.12	1.21	858,659.14	10.58
Sewer Capital Fund Balance Utilized.....	60,000.00	0.79	100,000.00	1.23
 Total Income	 7,582,592.28	 100.00	 8,118,703.92	 100.00
 <u>Expenditures</u>				
Budget Appropriations	7,394,982.62	100.00	7,128,484.95	100.00
 Total Expenditures	 7,394,982.62	 100.00	 7,128,484.95	 100.00
Excess in Revenue	187,609.66		990,218.97	
Decreased by Surplus Anticipated	(775,000.00)		(837,000.00)	
Fund Balance - Beginning	1,839,012.56		1,685,793.59	
Fund Balance - Ending	\$ 1,251,622.22		\$ 1,839,012.56	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Tax Rate:</u>	<u>\$5.786</u>	<u>\$5.668</u>	<u>\$5.552</u>
<u>Apportionment of Tax Rate:</u>			
Municipal:	<u>\$1.337</u>	<u>\$1.302</u>	<u>\$1.266</u>
Municipal Open Space:	<u>\$0.030</u>	<u>\$0.030</u>	<u>\$0.030</u>
County:	<u>\$0.689</u>	<u>\$0.671</u>	<u>\$0.682</u>
County Open Space:	<u>\$0.058</u>	<u>\$0.057</u>	<u>\$0.056</u>
Local School:	<u>\$3.610</u>	<u>\$3.548</u>	<u>\$3.458</u>
Municipal Library:	<u>\$0.062</u>	<u>\$0.060</u>	<u>\$0.060</u>
<u>Assessed Valuation:</u>			
2020	<u>\$ 2,525,325,600.00</u>		
2018		<u>\$ 2,506,176,100.00</u>	
2018			<u>\$ 2,486,031,800.00</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 2020 to be \$122,000.

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 2020	\$ 145,217,096.11	\$ 144,629,983.52	99.60%
SFY 2019	141,256,541.39	142,180,726.09	100.65%
SFY 2018	136,252,491.89	136,556,445.92	100.22%

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 2020	\$ 108,139.19	\$ 546,821.43	\$ 654,960.62	0.45%
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%

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 2020	\$ 534,280.68
SFY 2019	534,280.68
SFY 2018	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 2020	\$ 11,593,162.34	\$ 3,300,000.00
	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
Water Utility Operating Fund	SYF 2020	\$ 1,110,352.98	\$ 330,000.00
	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
Sewer Utility Operating Fund	SYF 2020	\$ 1,251,622.22	\$ 470,000.00
	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

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as of June 30, 2020:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Francis Womack	- Mayor	
Ralph Andrews	- Council President	
Claribel Cortes	- Councilperson	
Robert Davis	- Councilperson	
Amanda Guadagnino	- Councilperson	
Dr. William Lopez	- Councilperson	
Carlo Socio	- Councilperson	
Justine Progebin	- Interim 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	
Alaina Wyscoke	- Deputy Tax Assessor	
Sheral Rossmann	- Court Administrator	\$1,000,000.00 (A)
Christine Heitman	- Municipal Court Judge	\$1,000,000.00 (A)
Joseph Lombardi	- Municipal Court Judge	\$1,000,000.00 (A)
Spero Kalambakas	- Municipal Court Judge	
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**

**PART V
GENERAL COMMENTS AND RECOMMENDATIONS**

TOWNSHIP OF NORTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
FISCAL YEAR ENDED JUNE 30, 2020

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, 2020, 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, 2020, 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 March 25, 2021. 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:

2020-1 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.

2020-2 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 Counsel's 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, 2020, 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:

Replacement Parts for Automated Refuse Truck Bodies

Service, Rentals, Construction and Repairs:

Maintenance and Repair of Sewer Lift Stations, Remediation and Road Restoration, Road Improvements, Walking Trail Project, Website Design Services, Sewer Jet Vac Services, Snow Removal 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, 2020, 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 29, 2020. 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 2020	37
SFY 2019	29
SFY 2018	10

Investments

During SFY 2020, 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. Purchase orders were available for all cash disbursement transactions selected by us for testing. Tests of the system disclosed that compliance was in generally good order during the year, however we did note six confirming order exceptions.

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, 2020. 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 15th 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. It was noted that the judges' terms had expired on 5/20/20. As of 6/30/20 they had not been renewed and are holdovers.

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, 2020: 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 \$7,998,819.18 for Water and \$7,491,283.16 for Sewer. Expenditures amounted to \$7,934,145.63 for Water and \$7,394,982.62 for Sewer. This resulted in excess revenues of \$64,673.55 for Water and \$96,300.54 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 \$64,673.55, which allows for the total deduction of Water Utility Debt in the calculation of the statutory net debt of the Township at June 30, 2020. 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 \$96,300.54, which allows for the total deduction of Sewer Utility Debt in the calculation of the statutory net debt of the Township at June 30, 2020. During the prior fiscal year, the Township initiated the process of in-house billings and collections for both utilities. This is the first full year that the process is entirely within the realm of the Township. 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 2020, 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 in 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.

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,

PKF O'Connor Davies

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

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