

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



REPORT OF AUDIT

YEARS ENDED JUNE 30, 2021 and 2020

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

TABLE OF CONTENTS

	<u>PAGE</u>
<u>PART I</u>	1
Independent Auditors' Report	2 - 4
<u>FINANCIAL STATEMENTS</u>	5
A Current Fund - Comparative Balance Sheets - Regulatory Basis	6
A- 1 Current Fund - Statements of Operations and Change in Fund Balance - Regulatory Basis	7
A- 2 Current Fund - Statement of Revenues - Regulatory Basis	8 - 9
A- 3 Current Fund - Statement of Expenditures - Regulatory Basis	10 - 13
B Trust Fund - Comparative Balance Sheets - Regulatory Basis	14 - 15
C General Capital Fund - Comparative Balance Sheets – Regulatory Basis	16
C- 1 General Capital Fund - Statement of Fund Balance - Regulatory Basis	17
D Water Utility Fund - Comparative Balance Sheets - Regulatory Basis	18 - 19
D- 1 Water Utility Operating Fund - Statements of Operations and Changes in Fund Balance - Regulatory Basis	20
D- 2 Water Utility Capital Fund - Statement of Fund Balance - Regulatory Basis	21
D- 3 Water Utility Assessment Fund - Statement of Fund Balance – Regulatory Basis	22
D- 4 Water Utility Operating Fund - Statement of Revenues – Regulatory Basis	23
D- 5 Water Utility Operating Fund - Statement of Expenditures – Regulatory Basis	24
E Sewer Utility Fund - Comparative Balance Sheets - Regulatory Basis	25
E- 1 Sewer Utility Operating Fund - Statements of Operations and Changes in Fund Balance - Regulatory Basis	26
E- 2 Sewer Utility Capital Fund - Statement of Fund Balance - Regulatory Basis	27
E- 3 Sewer Utility Operating Fund - Statement of Revenues - Regulatory Basis	28
E- 4 Sewer Utility Operating Fund - Statement of Expenditures – Regulatory Basis	29
F Governmental Fixed Assets – Comparative Balance Sheets – Regulatory Basis	30
Notes to Financial Statements	31 - 75

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

TABLE OF CONTENTS

	<u>PAGE</u>
<u>PART II – SINGLE AUDIT SECTION</u>	76
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	77 - 78
Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance As Required by New Jersey OMB Circular 15-08	79 - 80
Schedule of Expenditures of State Financial Assistance	81
Sch. B Schedule of Expenditures of State Financial Assistance	82
Notes to Schedule of Expenditures of State Financial Assistance	83
Sch. C Schedule of Findings and Questioned Costs	84 - 86
Sch. D Summary Schedule of Prior Findings and Questioned Costs	87
<u>PART III - SUPPLEMENTARY SCHEDULES</u>	88
<u>Current and Grant Fund</u>	89
Schedule of:	
A- 4 Cash	90
A- 5 Petty Cash and Change Funds	91
A- 6 Due New Jersey - Sr. Citizens & Veterans Deductions	92
A- 7 Property Taxes Receivable and Levy Analysis	93
A- 8 Non-Budget Revenue	94
A- 9 Changes in Accounts Payable & Reserves	95
A-10 2020 Appropriation Reserves	96 - 97
A-11 Property Tax Overpayments	98
A-12 Taxes Payable	99
A-13 Non-Local Levy Tax Calculation	100
A-14 Due from Grant Fund	101
A-15 Unappropriated Grant Reserves	101
A-16 Grants Receivable	102 - 103
A-17 Appropriated Grant Reserves	104 - 106
A-18 Due to Current Fund	107
<u>Trust Fund</u>	108
Schedule of:	
B- 1 Assessments Receivable	109
B- 2 Cash and Reserve Activity	110 - 111
B- 3 Payroll Liabilities	112

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

TABLE OF CONTENTS

	<u>PAGE</u>
<u>General Capital Fund</u>	113
Schedule of:	
C- 2 Cash	114
C- 3 Analysis of Cash	115
C- 4 Deferred Charges to Future Taxation - Funded	116
C- 5 Deferred Charges to Future Taxation - Unfunded	117
C- 6 Improvement Authorizations	118
C- 7 Serial Bonds Payable	119 - 122
C- 8 Bond Anticipation Notes	123
C- 9 Capital Improvement Fund	124
C-10 Reserve to Retire Debt	125
C-11 Bonds and Notes Authorized but not Issued	126
 <u>Water Utility Fund</u>	 127
Schedule of:	
D- 6 Cash	128
D- 7 Analysis of Cash Balance	129
D- 8 Fixed Capital	130
D- 9 Fixed Capital Authorized but not Completed	130
D-10 2020 Appropriation Reserves/Accounts Payable	131
D-11 Water Charges and Water Liens	132
D-12 Water Overpayments	133
D-13 Accrued Interest on Bonds & Notes	134
D-14 Improvement Authorizations	135
D-15 Serial Bonds Payable	136 - 138
D-16 Bond Anticipation Notes	139
D-17 NJEIT Loan Obligation	140 - 141
D-18 Reserve for Amortization	142
D-19 Capital Improvement Fund	142
D-20 Assessments & Liens Receivable	143
D-21 Reserve for Assessments and Liens	144
D-22 Assessment Serial Bonds Payable	145
D-23 Bonds and Notes Authorized but not Issued	146
 <u>Sewer Utility Fund</u>	 147
Schedule of:	
E- 5 Cash	148
E- 6 Analysis of Cash	149
E- 7 Fixed Capital	150
E- 8 Fixed Capital Authorized but not Completed	150
E- 9 2020 Appropriation Reserves	151
E-10 Sewer Rents Receivable	152
E-11 Sewer Overpayments	153
E-12 Accrued Interest on Bonds & Notes	154
E-13 NJEIT Loan Payable	155

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

TABLE OF CONTENTS

	<u>PAGE</u>
<u>Sewer Utility Fund (Cont'd.)</u>	
Schedule of:	
E-14 Improvement Authorizations	156
E-15 Capital Improvement Fund	157
E-16 Reserve for Amortization & Deferred Amortization	158
E-17 Serial Bonds Payable & Accrued Interest	159 - 161
E-18 Bond Anticipation Notes	162
E-19 Due from New Jersey Infrastructure Bank	163
E-20 Bonds and Notes Authorized but not Issued	164
<u>PART IV - SUPPLEMENTARY DATA</u>	165
Combined Balance Sheets - All Funds	166
Comparative Statements of Operations and Changes in Fund Balance	
- Current Fund	167
Comparative Statements of Operations and Changes in Fund Balance	
- Water Utility Operating Fund	168
Comparative Statements of Operations and Changes in Fund Balance	
- Sewer Utility Operating Fund	169
Comparative Schedule of Tax Rate Information	170 - 171
Comparative Schedule of Fund Balances	172
Officials in Office and Surety Bonds	173
<u>PART V - GENERAL COMMENTS AND RECOMMENDATIONS</u>	174
General Comments	175 - 180
Acknowledgment	180

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

PART I
INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 and
2020

Independent Auditors' Report

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

Report on the Regulatory Basis 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, 2021 and 2020, and the related statements of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended June 30, 2021, and the related notes to the financial statements, 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") as described in Note 2. 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 General of the United States and the 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Page 2

Basis for Adverse Opinions 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 regulatory 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 Opinions 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 the Township as of June 30, 2021 and 2020, the changes in its financial position, and, where applicable, its cash flows for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the various funds and the governmental fixed assets of the Township as of June 30, 2021 and 2020, and the respective results of its operations and changes in fund balance for the years then ended, the statements of change in fund balance, the statements of revenues and statements of expenditures of the various funds for the year ended June 30, 2021 and the related notes to the financial statements in accordance with the financial reporting provisions of the Division, as described in Note 2 to the financial statements.

Report on Supplementary Information as Required by NJ OMB Circular 15-08

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*; and related notes to the schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state financial assistance and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to 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 schedule of expenditures of state financial assistance and related notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Page 3

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 that collectively comprise the Township's basic financial statements. The information included in Part III and Part IV – Supplementary Schedules and Part V – General Comments and Recommendations (collectively, the "Supplementary Information"), as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2022 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
April 30, 2022



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

FINANCIAL STATEMENTS

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND AND GRANT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
JUNE 30, 2021 AND 2020

Assets	Ref.	June 30, 2021	June 30, 2020	Liabilities	Ref.	June 30, 2021	June 30, 2020
<u>Current Fund:</u>				<u>Current Fund:</u>			
Cash.....	A-4	\$ 20,477,821.02	\$ 16,186,587.87	Accounts Payable.....	A-9	\$ 1,856.36	\$ 32,087.45
Change Fund.....	A-5	1,225.00	1,225.00	Encumbrances, Current Budget.....	A-3, A-10	718,134.69	434,071.70
Due New Jersey - Sr Citizens & Veterans Deductions.....	A-6	127,061.83	132,954.28	Appropriation Reserves.....	A-3, A-10	2,597,527.09	2,202,041.85
Total.....		20,606,107.85	16,320,767.15	Due to Sewer Utility Operating Fund.....	A-4		
				Prepaid Taxes.....	A-7	457,448.80	198,387.89
				Tax Overpayments.....	A-11	203,148.24	260,309.23
				Taxes Payable.....	A-12	45,581,642.05	44,452,109.54
				Less Deferred School Taxes.....	A-12	(44,267,758.00)	(43,267,758.00)
				Filing Fees Due State of NJ.....	A-9	14,371.00	10,214.00
Receivable Offset by Reserves:				Reserve, Tax Appeals.....	A-9	376,903.86	375,903.86
Property Tax Receivables.....	A-7	902,910.05	546,821.43	Reserve, Rental Inspections.....	A-9	180.00	180.00
Tax Title Liens Receivables.....	A-7	146,891.61	108,139.19	Reserve, FMBA Health.....	A-9		30,057.29
Property Acquired for Taxes.....	A-7	534,280.68	534,280.68	Reserve, ARP.....	A-9	2,168,261.44	
Due from Animal Control.....	A		6,586.73	Total Cash Liabilities.....		7,851,715.53	4,727,604.81
Total.....	A	1,584,082.34	1,195,828.03	Reserve for Accounts Receivable.....	A	1,584,082.34	1,195,828.03
				Fund Balance.....	A-1	12,754,392.32	11,593,162.34
Total Current Fund.....		\$ 22,190,190.19	\$ 17,516,595.18	Total Current Fund.....		\$ 22,190,190.19	\$ 17,516,595.18
<u>Grant Fund:</u>				<u>Grant Fund:</u>			
Cash.....	A-4	\$ 1,089,065.67	\$ 1,107,334.81	Unappropriated Grant Reserves.....	A-15	\$ 72,136.10	\$ 68,148.91
Grant Accounts Receivable.....	A-16	1,515,152.38	1,173,639.41	Reserve for Encumbrances.....	A-17	1,178,714.38	2,045,818.57
Total Grant Fund.....		\$ 2,604,218.05	\$ 2,280,974.22	Appropriated Grant Reserves.....	A-17	1,353,367.57	167,006.74
Total.....		\$ 24,794,408.24	\$ 19,797,569.40	Total.....		\$ 24,794,408.24	\$ 19,797,569.40

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>Ref.</u>	June 30, 2021	June 30, 2020
<u>Revenue and Other Realized Income</u>			
Surplus Anticipated.....	A-1, A-2	\$ 3,300,000.00	\$ 3,620,000.00
Miscellaneous Revenues Anticipated.....	A-2	13,839,098.38	11,936,839.75
Receipts from Current Taxes.....	A-7	147,858,104.29	144,629,983.52
Receipts from Delinquent Taxes.....	A-7	638,120.93	231,737.72
Non Budget Revenue (MRNA).....	A-8	392,646.96	501,351.89
Accounts Payable Canceled.....	A-9	31,302.81	14,457.72
Unexpended Balance of Appropriation Reserves.....	A-10	1,561,303.63	1,218,978.46
Statutory Excess in Animal Control Fund.....	A-4	6,586.73	
Total Revenue and Realized Income.....		167,627,163.73	162,153,349.06
<u>Expenditures</u>			
Budget Appropriations.....	A-3	51,932,458.96	49,560,805.72
Tax Collections			
County Taxes.....	A-12	19,169,922.25	18,246,114.19
Local School District Taxes.....	A-12	92,292,816.50	90,384,644.50
Less Additional School Taxes Deferred.....	A-12	(1,000,000.00)	(1,000,000.00)
Municipal Open Space Trust Fund.....	A-12	760,470.11	754,874.48
Prepaid Taxes.....			950.25
Refund of Prior Year Revenues.....	A-4	4,888.08	
Over Payments - Adjustment.....	A-11	5,377.85	128.14
Total Expenditures.....		163,165,933.75	157,947,517.28
Excess in Revenues over Expenditures/Statutory Excess.	A-1	4,461,229.98	4,205,831.78
Fund Balance, Beginning of Year.....	A	11,593,162.34	11,007,330.56
Decreased by Surplus Anticipated.....	A-1, A-2	(3,300,000.00)	(3,620,000.00)
Fund Balance, End of Year.....	A	\$ 12,754,392.32	\$ 11,593,162.34

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	Anticipated SFY 2021	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)
Surplus Anticipated.....	A-1	\$ 3,300,000.00		\$ 3,300,000.00	
<u>Miscellaneous Revenues:</u>					
Licenses - Alcoholic Beverages.....		14,650.00		99,670.00	\$ 85,020.00
Licenses - Other.....		207,600.00		202,332.02	(5,267.98)
Fees & Permits.....		302,460.00		387,064.50	84,604.50
Fines & Costs - Municipal Court.....		589,260.26		314,838.25	(274,422.01)
Interest & Costs on Taxes.....		117,000.00		150,422.45	33,422.45
Interest on Investments and Deposits.....		237,500.00		225,147.80	(12,352.20)
Fire Prevention Fines & Fees.....		123,400.00		193,990.96	70,590.96
Cable Television Franchise Fee.....		114,840.07		97,674.00	(17,166.07)
Hotel Tax.....		300,000.00		142,847.00	(157,153.00)
Payments In Lieu of Taxes (PILOT)					
Sr Citizens Housing Complex.....		299,000.00		398,069.00	99,069.00
Technology Center of NJ.....		1,100,000.00		1,143,764.02	43,764.02
Crescent Apartment Complex.....		71,900.00		74,267.92	2,367.92
Uniform Construction Code Fees.....		1,200,000.00		1,269,367.40	69,367.40
Shared Services Agreement - Bd. Of Education.....		300,000.00		434,276.08	134,276.08
Uniform Fire Safety Act.....		128,000.00		115,557.03	(12,442.97)
Open Space Trust Fund.....		1,337,000.00		1,337,000.00	
General Capital Surplus.....		300,000.00		300,000.00	
Library Contribution.....		104,000.00		105,041.74	1,041.74
School Soil Remediation Debt.....				2,752.03	2,752.03
State Aid:					
Energy Receipts Tax.....		4,486,969.00		4,486,968.99	(0.01)
Watershed Moratorium Aid.....		4,653.00		4,653.00	
Sub-total.....		11,338,232.33		11,485,704.19	147,471.86
<u>Public and Private Revenues</u>					
<u>Offset with Appropriations:</u>					
Public Safety:					
Alcohol Education and Enforcement Fund.....		5,084.59		5,084.59	
Drunk Driving Enforcement Fund.....			\$ 8,973.72	8,973.72	
Click it or Ticket.....			6,000.00	6,000.00	
Safe and Secure.....			60,000.00	60,000.00	
Body Armor Grant - State.....			6,024.45	6,024.45	
Drive Sober or Get Pulled Over.....			6,000.00	6,000.00	
Distracted Driving.....			10,500.00	10,500.00	
Pedestrian Safety, Education & Enforcement.....			15,000.00	15,000.00	
Community Development					
NJDOT Ridgewood (Newton to Livingston).....		555,000.00		555,000.00	
NJDOT Evelyn Ave.....			566,900.00	566,900.00	
Parks Recreation & Community Service					
Municipal Alliance.....		15,081.00		15,081.00	
Senior Center Outreach Grant.....			10,500.00	10,500.00	
Senior Center Congregate Meals.....			10,000.00	10,000.00	
Senior Center Transportation Program.....			10,000.00	10,000.00	
Heritage Day (County/Federal).....			6,000.00	6,000.00	
Public Works:					
Recycling Tonnage Grant.....		63,064.32	66,897.39	129,961.71	

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	Anticipated SFY 2021	N.J.S.A. 40A: 4-87	Realized	Excess (Deficit)				
<hr/>									
Other Grants:									
Clean Fleet.....		\$	9,500.00	\$	9,500.00				
Grants In Aide Pre School Property.....			500,000.00		500,000.00				
Middlesex County Helping Hands.....			4,470.72		4,470.72				
Middlesex CARES.....			418,398.00		418,398.00				
<hr/>									
Sub-total.....		\$	638,229.91		1,715,164.28				
<hr/>									
Current Fund Total Miscellaneous.....	A-1	11,976,462.24	1,715,164.28	13,839,098.38	\$	147,471.86			
<hr/>									
Local Purpose Tax.....	A- 7	34,100,000.00		34,791,357.67		691,357.67			
Library Tax.....	A-7	1,573,537.76		1,573,537.76					
<hr/>									
Sub-total.....		35,673,537.76		36,364,895.43		691,357.67			
<hr/>									
Total General Revenues.....	A-1	\$	50,950,000.00	\$	1,715,164.28	\$	53,503,993.81	\$	838,829.53
<hr/>									
	<u>Ref.</u>	A-3	A-3	A-1					
<hr/>									
Federal & State Grants.....			<u>Ref.</u>						
Cash.....			A-14	\$	2,353,394.19				
			A-4		11,485,704.19				
<hr/>									
Total Miscellaneous Revenue.....				\$	13,839,098.38				
<hr/>									

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	SFY 2021 Budget		Modified Budget		Expended		Encumbered		Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses	Canceled	Salaries	Other
General Government:											
Administration	\$ 359,000.00	\$ 31,250.00	\$ 372,000.00	\$ 31,250.00	\$ (367,125.95)	\$ (18,803.58)		\$ (986.27)		\$ 4,874.05	\$ 11,460.15
Municipal Clerk	202,040.00	24,300.00	208,540.00	24,300.00	(207,718.76)	(14,453.71)		(147.00)		821.24	9,699.29
Financial Administration	237,956.00	11,150.00	231,456.00	11,150.00	(221,564.75)	(6,933.73)				9,891.25	4,216.27
Audit		60,000.00		60,000.00				(55,000.00)		-	5,000.00
Information Technology	241,616.00	413,700.00	256,616.00	413,700.00	(253,233.53)	(382,408.13)		(31,291.87)		3,382.47	-
Tax Collection	104,635.00	8,700.00	104,635.00	8,700.00	(102,503.96)	(7,039.75)		(464.00)		2,131.04	1,196.25
Tax Assessment	62,499.00	140,900.00	69,499.00	140,900.00	(68,843.05)	(85,069.46)		(26,599.00)		655.95	29,231.54
Reserve for Tax Appeals		1,000.00		1,000.00		(1,000.00)				-	-
Legal		370,000.00		470,000.00		(390,749.36)		(29,250.64)		-	50,000.00
Insurance:											
Other Insurance		1,294,500.00		1,294,500.00		(1,248,247.60)				-	46,252.40
Employee Group Insurance		4,906,500.00		4,786,500.00		(4,296,573.73)				-	489,926.27
Health Benefit Waiver		135,000.00		135,000.00		(129,650.00)					5,350.00
Community Development											
Engineering	111,599.00	95,850.00	111,599.00	95,850.00	(103,611.17)	(72,138.95)		(21,092.08)		7,987.83	2,618.97
Planning	311,550.00	7,050.00	311,550.00	7,050.00	(307,988.63)	(3,205.47)		(935.00)		3,561.37	2,909.53
Zoning	69,667.00	6,250.00	69,667.00	6,250.00	(68,289.84)	(1,003.76)		(19.12)		1,377.16	5,227.12
Affordable Housing										-	-
Code Enforcement	158,570.00	3,550.00	158,570.00	3,550.00	(154,221.04)	(2,400.65)		(320.90)		4,348.96	828.45
Fire Safety	240,010.00	8,300.00	225,010.00	8,300.00	(206,092.04)	(5,603.02)		(2,696.70)		18,917.96	0.28
Uniform Construction Code	422,321.00	40,500.00	422,321.00	40,500.00	(414,588.87)	(9,125.01)		(4,012.93)		7,732.13	27,362.06
Public Safety:											
Police	14,280,916.00	310,500.00	14,280,916.00	310,500.00	(13,400,388.11)	(161,582.10)		(104,372.50)		880,527.89	44,545.40
Emergency Management	83,285.00	10,000.00	83,285.00	10,000.00	(70,594.31)	(1,863.15)		(1,487.85)		12,690.69	6,649.00
Volunteer Fire Departments		204,000.00		204,000.00		(190,609.42)		(5,375.64)		-	8,014.94
First Aid Organizations		105,000.00		105,000.00		(105,000.00)				-	-
Length of Service Award Program		65,000.00		65,000.00				(38,055.38)		-	26,944.62
Juvenile Aid		8,000.00		8,000.00				(7,064.54)		-	935.46
Municipal Court	518,375.00	41,900.00	500,375.00	36,900.00	(462,121.51)	(5,243.54)		(1,648.05)		38,253.49	30,008.41
Public Defender		15,000.00		15,000.00				(10,000.00)		-	5,000.00

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	SFY 2021 Budget		Modified Budget		Expended		Encumbered		Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses	Canceled	Salaries	Other
Public Works:											
Streets and Roads	\$ 580,823.00	\$ 260,500.00	\$ 560,823.00	\$ 260,500.00	\$ (527,654.66)	\$ (198,456.12)		\$ (43,708.77)		\$ 33,168.34	\$ 18,335.11
Sanitation	555,538.00	458,050.00	555,538.00	458,050.00	(520,292.73)	(429,121.69)		(2,450.00)		35,245.27	26,478.31
Solid Waste Disposal Fees		950,000.00		970,000.00		(880,035.77)		(69,964.23)		-	20,000.00
Recycling		837,100.00		837,100.00		(699,764.23)		(60,878.72)		-	76,457.05
Buildings and Grounds	305,996.00	235,100.00	305,996.00	235,100.00	(265,432.12)	(197,123.46)		(37,676.20)		40,563.88	300.34
Motor Vehicle Maintenance	252,219.00	530,000.00	278,219.00	530,000.00	(271,815.05)	(487,186.22)		(21,282.10)		6,403.95	21,531.68
Muni Service Reimbursement										-	
Condominiums		69,500.00		69,500.00		16,082.70		(69,500.00)		-	16,082.70
NJDEP - Stormwater Permit	328,088.00	10,500.00	328,088.00	10,500.00	(267,471.32)	(9,000.00)		(138.80)		60,616.68	1,361.20
Parks Recreation & Community Services										-	
Board of Health		105,100.00		105,100.00		(50,772.92)				-	54,327.08
Animal Control	1,000.00	90,000.00	1,000.00	90,000.00		(79,227.18)				1,000.00	10,772.82
Environmental Commission		1,375.00		1,375.00		(715.81)				-	659.19
Recreation & Community Services	316,173.00	70,570.00	346,173.00	70,570.00	(333,314.55)	(13,852.44)		(7,073.49)		12,858.45	49,644.07
Senior Services	133,333.00	62,100.00	133,333.00	62,100.00	(118,034.72)	(33,284.63)		(6,839.90)		15,298.28	21,975.47
Parks and Playgrounds	484,089.00	220,000.00	484,089.00	220,000.00	(474,913.11)	(150,974.31)		(30,419.57)		9,175.89	38,606.12
Education - Library		1,573,537.76		1,573,537.76		(1,573,537.76)				-	-
Unclassified										-	
Salary Adjustments		100,000.00		60,000.00						-	60,000.00
Utilities / Facilities Costs		1,634,539.33		1,634,539.33		(1,488,609.61)		(27,383.44)		-	118,546.28
Contingency		100.00		100.00						-	100.00
Statutory Expenditures:										-	
Public Employees Retirement		1,214,000.00		1,214,000.00		(1,210,868.98)				-	3,131.02
Police & Fire Retirement		3,596,000.00		3,596,000.00		(3,595,329.19)				-	670.81
Defined Contribution (DCRP)		10,000.00		10,000.00		(4,286.91)				-	5,713.09
Social Security		1,450,000.00		1,450,000.00		(1,440,028.63)				-	9,971.37
Unemployment Compensation		50,000.00		50,000.00		(50,000.00)				-	-
Interlocal Agreement- Special Law Enforcement Officers		300,000.00		307,000.00		(302,227.00)				-	4,773.00
Matching Funds for Grants		20,000.00		20,000.00		(6,770.25)				-	13,229.75
Sub-Total Operations	\$ 20,361,298.00	\$ 22,165,972.09	\$ 20,399,298.00	\$ 22,127,972.09	\$ (19,187,813.78)	\$ (20,023,794.53)	\$ -	\$ (718,134.69)	\$ -	\$ 1,211,484.22	\$ 1,386,042.87

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	SFY 2021 Budget		Modified Budget		Expended		Encumbered		Balance Canceled	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses		Salaries	Other
<u>Public & Private Programs</u>											
<u>Offset by Revenues:</u>											
Public Safety:											
Alcohol Education and Enforcement Fund	\$	5,084.59	\$	5,084.59	\$	(5,084.59)					
Drunk Driving Enforcement Fund				8,973.72		(8,973.72)					
Distracted Driving				10,500.00		(10,500.00)					
Drive Sober or Get Pulled Over				6,000.00		(6,000.00)					
Safe and Secure				60,000.00		(60,000.00)					
Body Armor Grant				6,024.45		(6,024.45)					
Click it or Ticket				6,000.00		(6,000.00)					
Pedestrian Safety Enforcement		-		15,000.00		(15,000.00)					
Middlesex County Helping Hands				4,470.72		(4,470.72)					
Parks Recreation & Community Service											
Municipal Alliance		15,081.00		15,081.00		(15,081.00)					
Senior Center Outreach Grant				10,500.00		(10,500.00)					
Senior Center Congregate Meals				10,000.00		(10,000.00)					
Senior Center Transportation Program				10,000.00		(10,000.00)					
Heritage Day (County/Federal)				6,000.00		(6,000.00)					
Public Works:											
Recycling Tonnage Grant		63,064.32		129,961.71		(129,961.71)					
Community Development											
NJDOT Ridgewood (Newton to Livingston)		555,000.00		555,000.00		(555,000.00)					
NJDOT - Evelyn Avenue				566,900.00		(566,900.00)					
Other Grants											
Middlesex County CARES				418,398.00		(418,398.00)					
Grants In Aid Pre School Property				500,000.00		(500,000.00)					
Clean Fleet				9,500.00		(9,500.00)					
Public and Private Programs		638,229.91		2,353,394.19		(2,353,394.19)					
Total Operations	\$ 20,361,298.00	\$ 22,804,202.00	\$ 20,399,298.00	\$ 24,481,366.28	\$ (19,187,813.78)	\$ (22,377,188.72)	\$ -	\$ (718,134.69)	\$ -	\$ 1,211,484.22	\$ 1,386,042.87

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	SFY 2021 Budget		Modified Budget		Expended		Encumbered		Balance	Balance Reserved	
	Salaries	Other	Salaries	Other	Salaries	Other	Salary	Other Expenses	Canceled	Salaries	Other
Capital Improvements: Capital Improvement Fund		\$ 230,000.00		\$ 230,000.00		\$ (230,000.00)					
Total Capital Improvements		230,000.00		230,000.00		(230,000.00)					
Debt Service:											
Bond Principal		4,413,500.00		4,413,500.00		(4,413,500.00)					
Interest on Bonds		1,754,000.00		1,754,000.00		(1,753,994.76)			\$ (5.24)		
Interest on Notes		657,000.00		657,000.00		(654,299.92)			(2,700.08)		
Total Debt Service		6,824,500.00		6,824,500.00		(6,821,794.68)			(2,705.32)		
Total Reserve for Uncollected Taxes	\$ 20,361,298.00	29,858,702.00 730,000.00	\$ 20,399,298.00	31,535,866.28 730,000.00	\$ (19,187,813.78)	(29,428,983.40) (730,000.00)	\$ (718,134.69)		(2,705.32)	\$ 1,211,484.22	\$ 1,386,042.87
Total Current Fund Budget	20,361,298.00	30,588,702.00	20,399,298.00	32,265,866.28	(19,187,813.78)	(30,158,983.40)	-	(718,134.69)	(2,705.32)	1,211,484.22	1,386,042.87
Total Current Fund Budget	\$ 20,361,298.00	\$ 30,588,702.00	\$ 20,399,298.00	\$ 32,265,866.28	\$ (19,187,813.78)	\$ (30,158,983.40)	\$ -	\$ (718,134.69)	\$ (2,705.32)	\$ 1,211,484.22	\$ 1,386,042.87
Adopted Budget:											
Salaries	\$ 20,361,298.00				A-4	\$ (46,255,632.74)					
Other Expenses	30,588,702.00				A-7	(730,000.00)	\$ 718,134.69			\$ 1,211,484.22	
Total Adopted Budget	50,950,000.00				A-9	(1,000.00)	-			1,386,042.87	
Budget Amendments-NJSA 40A:4-87	1,715,164.28				A-14	(2,360,164.44)					
Total Modified Budget	\$ 52,665,164.28					\$ (49,346,797.18)	\$ 718,134.69			\$ 2,597,527.09	
							A			A	

A-2

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
JUNE 30, 2021 AND 2020

			2021		2020
<u>ASSETS</u>		<u>Ref.</u>			
Cash.....	B-2	\$	4,210,013.38	\$	4,898,296.25
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
CDBG - FY 2020.....	B-2		34,184.00		22,685.00
CDBG - FY 2021.....	B-2		118,714.00		78,029.00
Total.....		\$	4,433,966.38	\$	5,077,016.25
<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		59.80		21.40
Due to Current Fund - Statutory Excess	B-2		-		6,586.73
Animal Control Reserves.....	B-2		34,580.40		23,048.60
Recreation Programs.....	B-2		798,446.72		821,039.03
Open Space.....	B-2		210,216.29		178,597.83
Finance					
NJ Unemployment.....	B-2		140,621.13		73,239.67
Terminal Leave.....	B-2		467,312.62		386,372.43
Tax Sale, Premium on TTL.....	B-2		419,300.00		1,170,200.00
Payroll Liabilities Payable.....	B-2		20,533.04		78,312.83

TOWNSHIP OF NORTH BRUNSWICK
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
JUNE 30, 2021 AND 2020

		2021	2020
Public Safety	<u>Ref.</u>		
Forfeited Funds.....	B-2	\$ 98,843.80	\$ 84,539.46
Outside Employment.....	B-2	32,133.85	25,675.94
Uniform Fire Code.....	B-2	54,090.56	42,700.56
Municipal Court			
Public Defender.....	B-2	26,317.09	34,430.59
POAA Fines.....	B-2	550.57	540.57
Public Works - Snow Removal.....	B-2	345,298.84	373,530.41
Donations, Gifts, & Bequests.....	B-2	726.80	2,054.02
Community Development Block Grant			
CDBG - FY16.....	B-2		6,951.00
CDBG - FY19.....	B-2		5,638.34
CDBG - FY20.....	B-2	20,761.47	80,002.70
CDBG - FY21.....	B-2	78,714.00	
Community Development Department			
Growth Share Reserve.....	B-2	419,890.68	411,982.92
Third Party UCC Inspections.....	B-2		102.00
Developers' Escrow.....	B-2	1,194,513.72	1,200,394.22
Total.....		<u>\$ 4,433,966.38</u>	<u>\$ 5,077,016.25</u>

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
JUNE 30, 2021 AND 2020

	<u>Ref.</u>	June 30, 2021	June 30, 2020
<u>ASSETS</u>			
Cash.....	C-2	\$ 6,510,532.31	\$ 4,805,108.93
Deferred Charges to Future Taxation:			
Funded.....	C-4	63,763,250.00	56,081,750.00
Unfunded.....	C-5	24,095,750.00	31,820,750.00
Total.....		<u>\$ 94,369,532.31</u>	<u>\$ 92,707,608.93</u>
<u>LIABILITIES, RESERVES, & FUND BALANCE</u>			
Outstanding Debt:			
Bond Anticipation Notes Payable.....	C-8	\$ 18,475,000.00	\$ 21,870,750.00
Serial Bonds Payable.....	C-7	63,763,250.00	56,081,750.00
Improvement Authorizations:			
Funded.....	C-6	268,866.60	50,753.11
Unfunded.....	C-6	3,401,870.93	3,849,709.33
Reserve for Encumbrances.....	C-6	5,290,650.07	7,508,927.79
Reserve to Retire Debt.....	C-10	2,693,097.29	2,860,456.78
Capital Improvement Fund.....	C-9	342.00	342.00
Fund Balance.....	C-1	476,455.42	484,919.92
Total.....		<u>\$ 94,369,532.31</u>	<u>\$ 92,707,608.93</u>
Bonds & Notes Authorized not Issued.....	C-11	<u>\$ 5,620,750.00</u>	<u>\$ 9,950,000.00</u>

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	
Balance June 30, 2020	C	\$ 484,919.92
Increased by Cash Receipts		
Premium on Sale of Notes.....	C-2	<u>291,535.50</u>
		776,455.42
Decreased by Cash Disbursements		
Surplus - Anticipated in Current Fund.....	C-2	<u>(300,000.00)</u>
Balance June 30, 2021	C	<u><u>\$ 476,455.42</u></u>

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
JUNE 30, 2021 AND 2020

Assets	Ref.	June 30, 2021	June 30, 2020	Liabilities	Ref.	June 30, 2021	June 30, 2020
<u>Water Operating</u>				<u>Water Operating</u>			
Cash.....	D-6	\$ 3,365,150.34	\$ 2,314,125.71	Reserve for Encumbrances.....	D-5,D-10	\$ 961,657.62	\$ 549,571.52
				Appropriation Reserves.....	D-5,D-10	54,513.85	121,559.39
		<u>3,365,150.34</u>	<u>2,314,125.71</u>	Accounts Payable.....	D-10	26,114.00	21,004.54
Receivables with Offsetting Reserves				Water Overpayments	D-12	125,893.88	103,574.09
Water Rents Receivable.....	D-11	<u>1,232,421.59</u>	<u>965,217.47</u>	Accrued Interest Payable.....	D-13	<u>290,258.81</u>	<u>408,063.19</u>
				Total Liabilities.....		<u>1,458,438.16</u>	<u>1,203,772.73</u>
		<u>1,232,421.59</u>	<u>965,217.47</u>	Reserve for Receivables.....	Reserve	1,232,421.59	965,217.47
				Fund Balance.....	D-1	<u>1,906,712.18</u>	<u>1,110,352.98</u>
Total Water Operating Fund.....		<u>\$ 4,597,571.93</u>	<u>\$ 3,279,343.18</u>	Total Water Operating Fund.....		<u>\$ 4,597,571.93</u>	<u>\$ 3,279,343.18</u>
<u>Water Assessment</u>				<u>Water Assessment</u>			
Cash.....	D-6	\$ 417,586.70	\$ 438,742.96	Reserve for:			
Assessment Receivable:				Accounts Receivable.....	D-21	\$ 412.00	\$ 40,204.10
Accounts Receivable.....	D-20	1,374,797.86	1,535,204.10	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	1,390,000.00	1,495,000.00
				Fund Balance.....	D-3	<u>401,972.56</u>	<u>438,742.96</u>
Total Water Assessment Fund.....		<u>\$ 1,792,672.56</u>	<u>\$ 1,974,235.06</u>	Total Water Assessment Fund.....		<u>\$ 1,792,672.56</u>	<u>\$ 1,974,235.06</u>

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
JUNE 30, 2021 AND 2020

Assets	Ref.	June 30, 2021	June 30, 2020	Liabilities	Ref.	June 30, 2021	June 30, 2020
<u>Water Capital</u>				<u>Water Capital</u>			
Cash.....	D-6,D-7	\$ 1,281,306.76	\$ 1,188,386.82	Serial Bonds Payable.....	D-15	\$ 11,174,975.00	\$ 8,635,091.00
				Bond Anticipation Notes.....	D-16	3,500,000.00	5,930,000.00
				NJEIT Loan Obligation.....	D-17	7,616,229.47	8,596,979.26
Fixed Capital				Improvement Authorizations:			
Completed.....	D-8	63,082,703.38	61,720,393.32	Unfunded.....	D-14	7,894,392.01	12,242,240.99
Authorized not Completed.....	D-9	12,095,484.21	13,457,794.27	Reserve for Encumbrances.....	D-14	4,201,092.20	1,215,553.28
				Reserve for Amortization.....	D-18	41,886,983.12	39,516,117.33
				Capital Improvement Fund.....	D-19	89,067.59	89,067.59
				Fund Balance.....	D-2	96,754.96	141,524.96
Total Water Capital Fund.....		<u>\$ 76,459,494.35</u>	<u>\$ 76,366,574.41</u>	Total Water Capital Fund.....		<u>\$ 76,459,494.35</u>	<u>\$ 76,366,574.41</u>
Total.....		<u>\$ 82,849,738.84</u>	<u>\$ 81,620,152.65</u>	Total.....		<u>\$ 82,849,738.84</u>	<u>\$ 81,620,152.65</u>

There were Bonds and Notes Authorized but Not Issued at June 30, 2021 and 2020 in the amounts of \$11,000,000.00 and \$12,500,000.00, respectively (Exhibit - D-23).

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED JUNE 30, 2021 AND 2020

	Ref.	June 30, 2021	June 30, 2020
<u>Revenue and Other Realized Income</u>			
Surplus Anticipated.....	D-4	\$ 330,000.00	\$ 800,000.00
Water Rents.....	D-4, D-12	7,336,579.44	6,210,051.24
Connection Fees.....	D-4	44,725.00	356,775.00
Miscellaneous Revenues.....	D-4	709,700.77	510,817.44
Water Utility Capital Surplus.....	D-2, D-4	100,000.00	40,000.00
Water Utility Assessment Trust Fund Interest.....	D-4	76,771.88	81,175.50
Unexpended Balance of Appropriation Reserves.....	D-10	103,942.97	138,021.84
Prior Years' Accounts Payable Canceled.....	D-10	21,004.54	
Total Revenue and Realized Income.....		<u>8,722,724.60</u>	<u>8,136,841.02</u>
<u>Expenditures</u>			
Budget Appropriations.....	D-5	(7,666,683.89)	(7,934,145.63)
Refund of Prior Years' Revenue.....	D-6	(33,255.60)	
Total Expenditures.....		<u>(7,699,939.49)</u>	<u>(7,934,145.63)</u>
Excess in Revenues over Expenditures/Statutory Excess		1,022,785.11	202,695.39
Decreased by Surplus Anticipated.....	D-1	(330,000.00)	(800,000.00)
Fund Balance, Beginning of Year.....	D	<u>1,110,352.98</u>	<u>1,707,657.59</u>
Fund Balance, End of Year.....	D	<u>\$ 1,803,138.09</u>	<u>\$ 1,110,352.98</u>

() Denotes Deficit or Deduction

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	
Balance June 30, 2020	D	\$ 141,524.96
Increased by:		
Premium on BAN Sale	D-6	<u>55,230.00</u>
		196,754.96
Decreased by:		
Use of Surplus in budget	D-1,D-6	<u>(100,000.00)</u>
Balance June 30, 2021	D	<u><u>\$ 96,754.96</u></u>

() Denotes Deficit or Deduction

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY ASSESSMENT FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>		
Balance - June 30, 2020	D	\$	438,742.96
Increased by:			
Collection of Pledged Assessments.....	D-21		<u>39,792.10</u>
			478,535.06
Decrease by:			
Payment to Water Operating Fund as Anticipated Revenue..	D-6		<u>76,562.50</u>
Balance - June 30, 2021	D	\$	<u><u>401,972.56</u></u>

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY OPERATING FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	Anticipated	Realized	Excess (Deficit)
Water Operating Surplus Anticipated	D-1	\$ 330,000.00	\$ 330,000.00	
Water Rents.....	D-1, D-6	6,435,000.00	7,336,579.44	\$ 901,579.44
Connection Fees.....	D-1, D-6	355,000.00	44,725.00	(310,275.00)
Dedicated Water Utility Assessment : Interest.....	D-1, D-6	80,000.00	76,771.88	(3,228.12)
Miscellaneous				
Meter Fees.....	D-1, D-6	450,000.00	682,141.49	232,141.49
Interest on Delinquent Accounts.....	D-1, D-6	45,000.00	18,843.03	(26,156.97)
Other.....	D-1, D-6	5,000.00	8,716.25	3,716.25
Water Utility Capital Surplus.....	D-1, D-6	100,000.00	100,000.00	
Water Utility Operating Fund Total.....		<u>\$ 7,800,000.00</u>	<u>\$ 8,597,777.09</u>	<u>\$ 797,777.09</u>

Ref.

D-5

() Denotes Deficit or Deduction
See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	Budget					
	Original	Modified	Paid/Charged	Encumbrances	Canceled	Reserved
Operating Salaries.....	\$ 200,000.00	\$ 200,000.00	\$ (177,352.85)		\$ (15,000.00)	\$ 7,647.15
Operating Expenses.....	4,543,934.00	4,543,934.00	(3,420,409.68)	\$ (961,657.62)	(115,000.00)	46,866.70
Debt - Bond Principal.....	1,391,116.00	1,391,116.00	(1,390,116.00)		(1,000.00)	
Debt - Interest on Bonds.....	290,000.00	290,000.00	(289,910.39)		(89.61)	
Debt - Interest on Notes.....	80,500.00	80,500.00	(80,377.50)		(122.50)	
Debt - NJEIT.....	1,219,450.00	1,219,450.00	(1,217,346.00)		(2,104.00)	
Water Assessment - Bond Interest.....	75,000.00	75,000.00	(75,000.00)			
Total Water Utility Operating.....	<u>\$ 7,800,000.00</u>	<u>\$ 7,800,000.00</u>	<u>\$ (6,650,512.42)</u>	<u>\$ (961,657.62)</u>	<u>\$ (133,316.11)</u>	<u>\$ 54,513.85</u>
	D-4	D-1		D	D-1	D

Cash.....	D-6	\$ (5,990,321.75)
Accrued Interest.....	D-13	<u>(660,190.67)</u>
Total Paid or Charged.....		<u>\$ (6,650,512.42)</u>

() Denotes deficit or deduction.

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
JUNE 30, 2021 AND 2020

<u>Assets</u>	<u>Ref.</u>	June 30, 2021	June 30, 2020	<u>Liabilities</u>	<u>Ref.</u>	June 30, 2021	June 30, 2020
<u>Sewer Utility Operating:</u>				<u>Sewer Utility Operating:</u>			
Cash.....	E-5	\$ 3,051,670.48	\$ 2,028,945.26	Encumbrances Payable.....	E-4,E-9	\$ 150,630.89	\$ 200,791.84
				Appropriation Reserves.....	E-4,E-9	555,245.49	272,796.10
				Sewer Overpayments.....	E-11	19,930.52	8,337.46
				Accounts Payable.....	E-9	7,738.10	
		3,051,670.48	2,028,945.26	Accrued Interest Payable.....	E-12	195,774.02	295,397.64
Receivables with Offsetting Reserves:				Total Liabilities.....		929,319.02	777,323.04
Sewer Rents Receivable	E-10	815,338.62	1,042,297.73	Reserve for Receivables	Reserve	815,338.62	1,042,297.73
		815,338.62	1,042,297.73	Fund Balance.....	E-1	2,122,351.46	1,251,622.22
Total Sewer Operating Fund.....		\$ 3,867,009.10	\$ 3,071,242.99	Total Sewer Operating Fund.....		\$ 3,867,009.10	\$ 3,071,242.99
<u>Sewer Utility Capital:</u>				<u>Sewer Utility Capital:</u>			
Cash.....	E-5,E-6	\$ 759,859.67	\$ 961,007.60	Debt			
Fixed Capital				NJ EIT Loan Payable.....	E-13	\$ 5,492,028.85	\$ 5,718,646.21
Completed.....	E-7	33,852,203.33	32,137,470.40	Serial Bonds.....	E-17	8,380,025.00	6,719,909.00
Authorized and Uncompleted.....	E-8	11,142,415.67	12,857,148.60	Bond Anticipation Notes.....	E-18	5,500,000.00	7,430,000.00
Due from New Jersey Infrastructure Bank	E-19		476,795.00	Improvement Authorizations:			
				Unfunded	E-14	6,723,142.93	11,138,305.99
				Encumbrances.....	E-14	4,419,272.49	1,718,842.36
				Reserve for:			
				Amortization.....	E-16	14,743,538.15	13,247,036.79
				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	215,277.25	178,487.25
Total Sewer Capital Fund.....		\$ 45,754,478.67	\$ 46,432,421.60	Total Sewer Capital Fund.....		\$ 45,754,478.67	\$ 46,432,421.60
Total Sewer Utility Funds.....		\$ 49,621,487.77	\$ 49,503,664.59	Total Sewer Utility Funds.....		\$ 49,621,487.77	\$ 49,503,664.59

There were Bonds and Notes Authorized but Not Issued at June 30, 2021 and 2020 in the amount of \$10,626,733.00 and \$11,626,733.00 (Exhibit E-20).

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>Ref.</u>	June 30, 2021	June 30, 2020
<u>Revenue and Other Realized Income</u>			
Fund Balance Utilized.....	E-3	\$ 470,000.00	\$ 775,000.00
Sewer Rents.....	E-3, E-11	7,699,683.83	6,576,471.03
Connection Fees.....	E-3	16,750.00	40,200.00
Miscellaneous.....	E-3	17,689.23	39,612.13
Unexpended Balance of Appropriation Reserves.....	E-9	383,054.90	91,309.12
Sewer Capital Fund Balance Utilized.....	E-3	<u>50,000.00</u>	<u>60,000.00</u>
Total Revenue and Realized Income.....		8,637,177.96	7,582,592.28
Budget Appropriations.....	E-4	<u>(7,296,448.72)</u>	<u>(7,394,982.62)</u>
Excess in Revenues over Expenditures/Statutory Exces		1,340,729.24	187,609.66
Fund Balance, Beginning of Year.....	E	1,251,622.22	1,839,012.56
Decreased by:			
Utilized as Anticipated Surplus.....	E-3	<u>(470,000.00)</u>	<u>(775,000.00)</u>
Fund Balance, End of Year.....	E	<u>\$ 2,122,351.46</u>	<u>\$ 1,251,622.22</u>

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	
Balance June 30, 2020.....	E	\$ 178,487.25
Premium on Sale of BANs	E-5	<u>86,790.00</u>
		265,277.25
Surplus Used in Budget.....	E-1, E-5	<u>(50,000.00)</u>
Balance June 30, 2021.....	E	<u><u>\$ 215,277.25</u></u>

() Denotes Deficit or Deduction

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	Anticipated	Realized	Excess (Deficit)
Operating Surplus Anticipated.....	E-1	\$ 470,000.00	\$ 470,000.00	
Sewer Rents.....	E-1, E-5,E-10	6,715,000.00	7,699,683.83	\$ 984,683.83
Connection Fees.....	E-1-E-5	40,000.00	16,750.00	(23,250.00)
Sewer Capital Surplus.....	E-1-E-5	50,000.00	50,000.00	
Miscellaneous Revenue.....	E-1-E-5	25,000.00	17,689.23	(7,310.77)
Sewer Utility Operating Fund Total.....		<u>\$ 7,300,000.00</u>	<u>\$ 8,254,123.06</u>	<u>\$ 954,123.06</u>
	<u>Ref.</u>	E-4	E-1	

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED JUNE 30, 2021

	Original Budget	Modified Budget	Paid or Charged	Encumbrances	Canceled	Reserved
Operating Salaries & Wages..... \$	700,000.00	\$ 700,000.00	\$ (685,175.59)			\$ 14,824.41
Operating Other Expenses.....	4,836,890.00	4,836,890.00	(4,162,838.03)	\$ (150,630.89)		523,421.08
Statutory Expenditures						
PERS Retirement.....	37,000.00	37,000.00	(20,000.00)			17,000.00
Social Security.....	40,000.00	40,000.00	(40,000.00)			
Debt Service:		-				
Debt - Bond Principal.....	1,269,890.00	1,269,890.00	(1,269,884.00)		\$ (6.00)	
Debt - Bond Interest.....	220,200.00	220,200.00	(220,117.73)		(82.27)	
Debt - Note Interest.....	123,100.00	123,100.00	(123,002.50)		(97.50)	
Debt - NJ EIT	72,920.00	72,920.00	(69,554.49)		(3,365.51)	
Total Sewer Utility Operating.....	\$ 7,300,000.00	\$ 7,300,000.00	\$ (6,590,572.34)	\$ (150,630.89)	\$ (3,551.28)	\$ 555,245.49

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

Cash.....	<u>Ref.</u>	
Accrued Interest.....	E-5	\$ (6,226,426.34)
	E-12	<u>(364,146.00)</u>
Total Paid or Charged.....		<u>\$ (6,590,572.34)</u>

() Denotes deficit or deduction.

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK
GOVERNMENTAL FIXED ASSETS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
JUNE 30, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
<u>Governmental Fixed Assets:</u>		
Land	\$ 57,383,700.00	\$ 56,877,700.00
Buildings	17,728,400.00	17,648,400.00
Equipment	7,318,310.90	6,074,571.87
Vehicles	7,123,912.82	6,125,855.75
	<u>\$ 89,554,323.72</u>	<u>\$ 86,726,527.62</u>
<u>RESERVE</u>		
Investment in Governmental Fixed Assets	<u>\$ 89,554,323.72</u>	<u>\$ 86,726,527.62</u>

See Accompanying Notes to Financial Statements

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

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.

2. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting policies of the Township conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), which is another reporting framework other than accounting principles generally accepted in the United States of America ("GAAP"). 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 accounts for its financial transactions through the separate funds, which differ from the fund structure in accordance with GAAP.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments. The GASB establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with GAAP.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by the provisions of N.J.S.A. 40A:5-5.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Township has the following funds and account groups:

Current Fund – Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Fund – The records of receipts, disbursements and custodianship of funds in accordance with the purposes for which each account was created are maintained in Trust Funds. 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 – The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, including Federal and State Grants in aid of construction, other than those acquired through the Current Fund, as well as related long-term debt accounts.

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 – These accounts reflected estimated valuations of land, buildings and certain moveable fixed assets of the Township as discussed under the caption of "Basis of Accounting".

Basis of Accounting

The Township follows the regulatory basis of accounting. Under this method of accounting, revenues, except for Federal and State Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from US GAAP applicable to local government units.

The more significant differences are as follows:

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property Taxes and Other Revenue

Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30 of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April 1 in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the 11th month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. US GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Township budget. GAAP requires such revenue to be recognized in the accounting period when they become subject to accrual.

Expenditures

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Budget appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances

As of January 1, 1986, all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at June 30th are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes

Property acquired for taxes ("Foreclosed Property") is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the capital fixed assets at market value on the date of acquisition.

Interfunds Receivable/Payable

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the corresponding fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies

The cost of inventories for all funds are recorded as expenditures at the time individual items are purchased.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Governmental Fixed Assets

General:

In accordance with the Administrative Code, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Township has developed a fixed asset accounting and reporting system.

Fixed assets used in governmental operations (capital fixed assets) are accounted for in the Capital Fixed Assets. Public domain ("infrastructure") capital fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, are not capitalized.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record. Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Township.

Utilities:

Capital acquisitions, including utility infrastructure costs of the Water and Sewer Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the Utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility, but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole. Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift, as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are as recorded in the records of the Township and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only.

Basic Financial Statements

The GASB also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements, which are required by the Division and differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

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 provided in Note 8 to the financial statements.

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense

The requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements.

Other Post-Employment Benefits Other Than Pensions

The requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the Township does not follow generally accepted accounting principles, GASB Statement No. 75 did not result in a change in the Township's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASB Statement. See Note 10 for these disclosures. The Township maintains a sole-employer OPEB Plan. However, the Township also participates in a special funding situation with the State of New Jersey multiple-employer plan. As it relates to the State of New Jersey multiple-employer plan, the audited financial information related to OPEBs is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Comparative Data

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

4. 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 any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund (the "Fund").

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Governmental Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based on GASB criteria, the Township considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts, short-term investments and cash management money market mutual funds. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of fund investments is generally not required.

In addition, by regulation of the Division, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey (GUDPA), public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five 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 \$25,000,000.00.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

4. DEPOSITS AND INVESTMENTS *(continued)*

Cash and cash equivalents have original maturities of three months or less from the date of purchase. Investments are stated at cost, which approximates fair value.

At June 30, 2021 and 2020, the book values of the deposits of the Township consisted of the following:

	<u>2021</u>	<u>2020</u>
Cash (Demand Accounts)	\$ 41,059,432.24	\$ 33,928,536.21
Change Funds (On-Hand)	<u>1,225.00</u>	<u>1,225.00</u>
Total	<u>\$ 41,060,657.24</u>	<u>\$ 33,929,761.21</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 \$41,059,432.24 and the bank balance was \$41,272,509.53. Of the bank balance, \$250,000.00 was covered by Federal depository insurance and \$41,022,509.53 was covered under the provisions of NJGUDPA.

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.

Custodial Credit Risk - Deposits – Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. Although the Township does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in a public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of June 30, 2021 and 2020, the Township's bank balances were exposed to custodial credit risk.

Concentration of Credit Risk – This is the risk associated with the amount of investments that the Township has with any one issuer that exceeds 5 percent or more of its total investments. Investments 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.

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 obligation. In general, the Township does not have an investment policy regarding Credit Risk except to the extent outlined under the Township's investment policy.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

4. DEPOSITS AND INVESTMENTS *(continued)*

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.

At June 30, 2021, the Township had the following depository accounts. All deposits are carried at cost.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured - FDIC	\$ 250,000.00
Insured - NJGUDPA	<u>41,022,509.53</u>
	<u>\$ 41,272,509.53</u>

5. 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.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

5. ASSESSMENT AND COLLECTION OF PROPERTY TAXES *(continued)*

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 \$902,910.05 for property taxes and \$146,891.61 for tax title liens receivables.

6. FIXED ASSETS

Following is a summary of changes in the Governmental Fixed Assets for the years 2021 and 2020.

	Balance June 30, <u>2020</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	Balance June 30, <u>2021</u>
<u>2021</u>				
Land and Land Improvements	\$ 56,877,700.00	\$ 506,000.00	\$ -	\$57,383,700.00
Buildings and Building Improvements	17,648,400.00	80,000.00		17,728,400.00
Equipment and Improvements	6,074,571.87	1,243,739.03		7,318,310.90
Vehicles	6,125,855.75	998,057.07		7,123,912.82
	<u>\$ 86,726,527.62</u>	<u>\$ 2,827,796.10</u>	<u>\$ -</u>	<u>\$89,554,323.72</u>
	Balance June 30, <u>2019</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	Balance June 30, <u>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>

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

7. 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, 2021, in the amounts of \$1,232,422 for water rents and \$815,339 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, 2021 AND 2020

8. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within 10 years and 5 months or retired by the issuance of bonds.

The Township's debt as of December 31st is summarized as follows:

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2021</u>	<u>Year 2020</u>
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 82,238,250.00	\$ 77,952,500.00
Water Utility:		
Bonds, Notes, and Loans	23,681,204.47	24,657,070.26
Sewer Utility:		
Bonds, Notes, and Loans	19,372,053.85	19,868,555.21
	<u>125,291,508.32</u>	<u>122,478,125.47</u>
 Less:		
Reserve to Pay Debt Service:		
General	<u>2,693,097.29</u>	<u>2,860,456.78</u>
 Net Debt Issued	<u>122,598,411.03</u>	<u>119,617,668.69</u>
 <u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	5,620,750.00	9,950,000.00
Water Utility:		
Bonds and Notes	11,000,000.00	12,500,000.00
Sewer Utility:		
Bonds and Notes	<u>10,626,733.00</u>	<u>11,626,733.00</u>
 Total Authorized But Not Issued	<u>27,247,483.00</u>	<u>34,076,733.00</u>
 Total Bonds and Notes Issued and Authorized but not Issued	<u>\$ 149,845,894.03</u>	<u>\$ 153,694,401.69</u>

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

8. MUNICIPAL DEBT *(continued)*

The summarized statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of 1.45% at June 30, 2021:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 93,795,000.00	\$ 93,795,000.00	\$ -
Water Utility and Sewer Utility Debt	64,679,991.32	64,679,991.32	-
General Debt	<u>91,944,000.00</u>	<u>24,520,373.29</u>	<u>67,423,626.71</u>
	<u>\$ 250,418,991.32</u>	<u>\$ 182,995,364.61</u>	<u>\$ 67,423,626.71</u>

Net debt, \$67,423,626.71 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$4,830,122,835.00 equals 1.40%.

Summary of Statutory Debt Condition - Annual Debt Statement Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 1/2% of Equalized Valuation Basis Municipal	\$ 169,054,299.23
Net Debt	<u>67,423,626.71</u>
Remaining Borrowing Power	<u>\$ 101,630,672.52</u>

School Debt Deductions

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuations of real property for the Local District.

Calculation of "Self-Liquidating Purposes" Water Utility per N.J.S.A. 40A:2-45

Surplus and Cash Receipts from Fees, Rents or Other	
Charges for Year	\$ 8,494,203.00
Deductions:	
Operating & Maintenance Cost	4,613,934.00
Debt Service Per Water Acct.	<u>3,052,749.89</u>
Total Deductions	<u>7,666,683.89</u>
Excess in Revenue	<u>\$ 827,519.11</u>

As there is an excess in revenue, all Water Utility Debt is deductible for Debt Statement purposes.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

8. MUNICIPAL DEBT (continued)

Calculation of "Self-Liquidating Purposes" Sewer Utility per N.J.S.A. 40A:2-45

Surplus and Cash Receipts from Fees, Rents or Other	
Charges for Year	\$ 8,254,123.06
Deductions:	
Operating & Maintenance Cost	5,613,890.00
Debt Service Per Sewer Acct.	<u>1,682,558.72</u>
Total Deductions	<u>7,296,448.72</u>
Excess in Revenue	\$ <u>949,336.88</u>

As there is an excess in revenue, all Sewer Utility Debt is deductible for Debt Statement purposes.

\$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>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 440,000.00	\$ 372,678.26	\$ 812,678.26
2023	485,000.00	310,478.13	795,478.13
2024	525,000.00	264,396.88	789,396.88
2025	575,000.00	214,209.38	789,209.38
2026	625,000.00	159,459.38	784,459.38
2027	685,000.00	99,690.63	784,690.63
2028	750,000.00	34,218.75	784,218.75
	<u>\$ 4,085,000.00</u>	<u>\$ 1,455,131.41</u>	<u>\$ 5,540,131.41</u>

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

8. MUNICIPAL DEBT (continued)

Summarized below are the Township's individual bond and loan issues which were outstanding as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
General Capital Debt		
\$13,455,750 General Obligation Bonds of 2012 due in annual installments of \$690,000 to \$1,030,000 through August 2027, interest at 2.000% to 2.500%.	\$ 6,460,750.00	\$ 7,095,750.00
\$2,960,000 Open Space Refunding Bonds of 2012 due in annual installments of \$185,000 to \$200,000 through August 2028, interest at 2.750% to 4.000%.	1,550,000.00	1,750,000.00
\$4,745,000 General Obligation Refunding Bonds of 2015 due in annual installments of \$455,000 to \$790,000 through August 2022, interest at 2.000% to 2.500%.	1,245,000.00	2,035,000.00
\$15,000,000 General Improvement Bonds of 2015 due in annual installments of \$500,000 to \$1,000,000 through July 2035, interest at 3.000% to 3.500%.	11,665,000.00	12,425,000.00
\$6,530,468 Open Space Refunding Bonds of 2017 due in annual installments of \$149,688 to \$1,000,000 through August 2029, interest at 4.000%.	6,342,276.00	6,487,468.00
\$2,069,532 General Obligation Refunding Bonds of 2017 due in annual installments of \$680,312 to \$712,412 through August 2022, interest at 4.000%.	1,392,724.00	2,047,532.00
\$15,112,500 General Obligation Bonds of 2018 due in annual installments of \$960,000 to \$1,000,000 through July 2034, interest at 2.750% to 3.000%.	13,612,500.00	14,612,500.00
\$9,628,500 General Improvement Bonds of 2019 due in annual installments of \$230,000 to \$450,000 through July 2049, interest at 2.000% to 3.000%.	9,400,000.00	9,628,500.00
\$12,095,000 General Obligation Bonds of 2020 due in annual installments of \$710,000 to \$965,000 through July 2034, interest at 1.000% to 2.000%	12,095,000.00	
\$18,475,000, General Capital Bond Anticipation Notes issued on 07/20/20 due on 07/19/21, interest 2.00%	18,475,000.00	21,870,750.00
	<hr/>	<hr/>
Total General Capital Debt	<u>\$ 82,238,250.00</u>	<u>\$ 77,952,500.00</u>

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

8. MUNICIPAL DEBT *(continued)*

	<u>2021</u>	<u>2020</u>
Utility Debt:		
\$10,252,500, Water Refunding Bonds of 2011A due in annual installments of \$1,145,000 to \$1,202,500 through April 2023, interest at 5.000%.	\$ 2,347,500.00	\$ 3,442,500.00
\$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%.	985,000.00	1,055,000.00
\$1,275,000, Water Refunding Bonds of 2015 due in annual installments of \$120,000 to \$125,000 through August 2026, interest at 2.000% to 5.000%.	730,000.00	845,000.00
\$1,993,670, Water Improvement Bonds of 2015 due in annual installments of \$85,000 to \$133,670 through July 2035, interest at 3.000% to 3.500%.	1,603,670.00	1,683,670.00
\$1,621,947 Water Obligation Refunding Bonds of 2017 due in annual installments of \$30,333 to \$252,174 through August 2029, interest at 4.000%.	1,578,805.00	1,608,921.00
\$3,930,000 Water Obligation Refunding Bonds of 2020 due in annual installments of \$135,000 to \$240,000 through July 2040, interest at 1.000% to 2.125%.	3,930,000.00	
\$2,250,000 Water Assessment Bond due in annual installments of \$105,000 to \$150,000 through August 2031, interest at 4.750% to 5.500%.	1,390,000.00	1,495,000.00
\$3,500,000, General Capital Bond Anticipation Notes issued on 07/20/20 due on 07/19/21, interest 2.00%	3,500,000.00	5,930,000.00
\$9,700,000 State of NJ - Environmental Infrastructure Loan due in annual installments of \$511,000 to \$682,000 through August 2028, interest at 4.250% to 5.000%	4,141,000.00	4,625,000.00
\$8,939,498 State of NJ - Environmental Infrastructure Loan due in annual installments of \$493,709.43 to \$505,143.57 through August 2028, interest at 0.000%	3,475,229.47	3,971,979.26
\$10,252,500, Sewer Refunding Bonds of 2011A due in annual installments of \$1,145,000 to \$1,202,500 through April 2023, interest at 5.000%.	2,347,500.00	3,442,500.00
\$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%.	1,115,000.00	1,195,000.00
\$2,186,330, Sewer Improvement Bonds of 2015 due in annual installments of \$95,000 to \$146,330 through July 2035, interest at 3.000% to 3.500%	1,751,330.00	1,841,330.00
\$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%	236,195.00	241,079.00
\$2,930,000 Sewer Obligation Refunding Bonds of 2020 due in annual installments of \$100,000 to \$180,000 through July 2040, interest at 1.000% to 2.300%	2,930,000.00	
\$5,500,000, Sewer Utility Capital Bond Anticipation Notes issued on 07/21/20 due on 07/19/21, interest 2.00%	5,500,000.00	7,430,000.00
\$570,000 State of NJ - Environmental Infrastructure Loan due in annual installments of \$40,000 to \$45,000 through August 2025, interest at 4.250% to 5.000%	165,000.00	200,000.00
\$1,180,000 State of NJ - Environmental Infrastructure Loan due in annual installments of \$60,000 to \$105,000 through August 2036, interest at 3.000% to 5.000%	1,180,000.00	
\$581,688 State of NJ - Environmental Infrastructure Loan due in annual installments of \$27,829.35 to \$30,331.38 through August 2025, interest at 0.000%	117,078.85	145,379.21
\$5,373,267 State of NJ - Environmental Infrastructure Loan due in annual installments of \$183,179.66 to \$274,769.31 through August 2036, interest at 0.000%	4,029,950.00	5,373,267.00
Total Utility Debt	<u>\$ 43,053,258.32</u>	<u>\$ 44,527,645.47</u>

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

8. MUNICIPAL DEBT (continued)

Changes in Long-Term Municipal Debt

The Township's long-term debt activity for June 30, 2021 and 2020 is as follows:

	Balance, June 30, 2020	Additions	Reductions	Balance, June 30, 2021
Bonds Payable:				
General Capital Fund	\$ 56,081,750.00	\$ 12,095,000.00	\$ 4,413,500.00	\$ 63,763,250.00
Water Utility Capital Fund	8,635,091.00	3,930,000.00	1,390,116.00	11,174,975.00
Water Utility Assessment Fund	1,495,000.00		105,000.00	1,390,000.00
Sewer Utility Capital Fund	6,719,909.00	2,930,000.00	1,269,884.00	8,380,025.00
Total Bonds Payable	\$ 72,931,750.00	\$ 18,955,000.00	\$ 7,178,500.00	\$ 84,708,250.00
Environmental Infrastructure Loans Payable:				
Sewer Utility Capital Fund	\$ 5,718,646.21		\$ 226,617.36	\$ 5,492,028.85
Water Utility Capital Fund	8,596,979.26		980,749.79	7,616,229.47
Total Environmental Infrastructure Loans Payable	\$ 14,315,625.47	-	\$ 1,207,367.15	\$ 13,108,258.32
Total Long-Term Debt	\$ 87,247,375.47	\$ 18,955,000.00	\$ 8,385,867.15	\$ 97,816,508.32
	Balance, June 30, 2019	Additions	Reductions	Balance, June 30, 2020
Bonds Payable:				
General Capital Fund	\$ 50,572,250.00	\$ 9,628,500.00	\$ 4,119,000.00	\$ 56,081,750.00
Water Utility Capital Fund	9,988,591.00		1,353,500.00	8,635,091.00
Water Utility Assessment Fund	1,595,000.00		100,000.00	1,495,000.00
Sewer Utility Capital Fund	7,937,409.00		1,217,500.00	6,719,909.00
Total Bonds Payable	\$ 70,093,250.00	\$ 9,628,500.00	\$ 6,790,000.00	\$ 72,931,750.00
Environmental Infrastructure Loans Payable:				
Water Utility Capital Fund	\$ 9,557,994.39		\$ 961,015.13	\$ 8,596,979.26
Sewer Utility Capital Fund	409,816.94	5,373,267.00	64,437.73	5,718,646.21
Total Environmental Infrastructure Loans Payable	\$ 9,967,811.33	5,373,267.00	\$ 1,025,452.86	\$ 14,315,625.47
Total Long-Term Debt	\$ 80,061,061.33	\$ 15,001,767.00	\$ 7,815,452.86	\$ 87,247,375.47

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

8. MUNICIPAL DEBT (continued)

A schedule of annual debt service for future principal and interest for general bonded debt is as follows:

Year	General		Open Space	
	Principal	Interest	Principal	Interest
2022	\$ 4,405,312.00	\$ 1,093,925.22	\$ 579,688.00	\$ 557,797.28
2023	4,447,412.00	983,795.74	592,588.00	539,001.76
2024	3,290,000.00	893,797.50	1,205,000.00	509,050.00
2025	3,415,000.00	820,510.00	1,190,000.00	468,025.00
2026	3,322,500.00	746,688.13	1,260,000.00	426,212.50
Subtotal	18,880,224.00	4,538,716.59	4,827,276.00	2,500,086.54
2027	3,340,000.00	671,985.00	1,300,000.00	382,475.00
2028	3,215,750.00	596,469.38	1,350,000.00	336,731.25
2029	2,830,000.00	524,577.50	1,400,000.00	287,968.75
2030	2,840,000.00	454,837.50	1,270,000.00	238,400.00
2031	2,855,000.00	383,203.75	280,000.00	210,150.00
Subtotal	15,080,750.00	2,631,073.13	5,600,000.00	1,455,725.00
2032	2,870,000.00	309,385.00	285,000.00	201,675.00
2033	2,810,000.00	234,092.50	290,000.00	193,050.00
2034	2,905,000.00	156,477.50	280,000.00	184,500.00
2035	2,925,000.00	75,925.00	305,000.00	175,725.00
2036	1,000,000.00	17,500.00	315,000.00	166,425.00
Subtotal	12,510,000.00	793,380.00	1,475,000.00	921,375.00
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
2041			355,000.00	116,175.00
Subtotal	-	-	1,695,000.00	684,075.00
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
2046			410,000.00	58,800.00
Subtotal	-	-	1,940,000.00	412,200.00
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
2051				
Subtotal	-	-	1,755,000.00	106,575.00
Totals	\$ 46,470,974.00	\$ 7,963,169.72	\$ 17,292,276.00	\$ 6,080,036.54

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

8. MUNICIPAL DEBT (continued)

A schedule of annual debt service for future principal and interest for bonded debt and environmental infrastructure loans for the Water Utility Fund is as follows:

<u>Year</u>	<u>Serial Bonds</u>		<u>NJEIT Loans</u>		<u>Serial Bonds - Assessment</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,585,333.00	\$ 345,735.56	\$ 1,007,227.84	\$ 194,275.00	\$ 105,000.00	\$ 71,706.25
2023	1,692,394.00	244,294.45	1,038,143.57	168,175.00	110,000.00	66,325.00
2024	651,787.00	201,245.21	1,053,871.14	140,875.00	115,000.00	60,418.75
2025	661,429.00	183,730.89	1,082,709.43	112,175.00	115,000.00	54,381.25
2026	<u>679,053.00</u>	<u>164,005.62</u>	<u>1,113,187.47</u>	<u>81,975.00</u>	<u>120,000.00</u>	<u>48,212.50</u>
Subtotal	<u>5,269,996.00</u>	<u>1,139,011.73</u>	<u>5,295,139.45</u>	<u>697,475.00</u>	<u>565,000.00</u>	<u>301,043.75</u>
2027	698,541.00	143,953.74	1,144,811.42	50,300.00	125,000.00	41,781.25
2028	591,296.00	126,094.50	1,176,278.60	17,050.00	130,000.00	34,925.00
2029	614,298.00	108,638.87			135,000.00	27,637.50
2030	642,174.00	89,590.68			140,000.00	20,075.00
2031	<u>390,000.00</u>	<u>74,959.70</u>			<u>145,000.00</u>	<u>12,237.50</u>
Subtotal	<u>2,936,309.00</u>	<u>543,237.49</u>	<u>2,321,090.02</u>	<u>67,350.00</u>	<u>675,000.00</u>	<u>136,656.25</u>
2032	405,000.00	65,050.33			150,000.00	4,125.00
2033	420,000.00	54,547.20				
2034	330,000.00	45,015.95				
2035	340,000.00	36,640.95				
2036	<u>343,670.00</u>	<u>27,907.98</u>				
Subtotal	<u>1,838,670.00</u>	<u>229,162.41</u>	<u>-</u>	<u>-</u>	<u>150,000.00</u>	<u>4,125.00</u>
2037	215,000.00	21,318.75				
2038	220,000.00	16,968.75				
2039	225,000.00	12,378.13				
2040	230,000.00	7,543.75				
2041	<u>240,000.00</u>	<u>2,550.00</u>				
Subtotal	<u>1,130,000.00</u>	<u>60,759.38</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 11,174,975.00</u>	<u>\$ 1,972,171.01</u>	<u>\$ 7,616,229.47</u>	<u>\$ 764,825.00</u>	<u>\$ 1,390,000.00</u>	<u>\$ 441,825.00</u>

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

8. MUNICIPAL DEBT (continued)

A schedule of annual debt service for future principal and interest for bonded debt and environmental infrastructure loans for the Sewer Utility Fund is as follows:

<u>Year</u>	<u>Serial Bonds</u>		<u>NJEIT Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,424,667.00	\$ 253,227.32	\$ 345,100.69	\$ 41,541.26
2023	1,512,606.00	163,961.81	403,800.84	51,268.76
2024	343,213.00	127,304.81	407,598.66	46,293.76
2025	343,571.00	120,062.88	419,655.90	41,084.38
2026	355,947.00	112,613.14	344,769.31	36,600.00
Subtotal	3,980,004.00	777,169.96	1,920,925.40	216,788.16
2027	366,459.00	104,596.27	349,769.31	32,975.00
2028	373,704.00	96,049.26	354,769.31	29,100.00
2029	385,702.00	86,667.39	359,769.31	24,975.00
2030	397,826.00	76,371.83	359,769.31	20,725.00
2031	375,000.00	66,255.94	364,769.31	16,800.00
Subtotal	1,898,691.00	429,940.69	1,788,846.55	124,575.00
2032	375,000.00	56,562.19	369,769.31	13,575.00
2033	390,000.00	46,452.81	369,769.31	10,725.00
2034	285,000.00	37,496.56	374,769.31	7,800.00
2035	295,000.00	29,890.31	379,769.31	4,725.00
2036	306,330.00	21,817.04	288,179.66	1,575.00
Subtotal	1,651,330.00	192,218.91	1,782,256.90	38,400.00
2037	160,000.00	16,056.26		
2038	165,000.00	12,806.26		
2039	170,000.00	9,350.01		
2040	175,000.00	5,684.38		
2041	180,000.00	1,912.50		
Subtotal	850,000.00	45,809.41	-	-
2042				
2043				
2044				
2045				
2046				
Subtotal	-	-	-	-
2047				
2048				
2049				
2050				
2051				
Subtotal	-	-	-	-
Totals	\$ 8,380,025.00	\$ 1,445,138.97	\$ 5,492,028.85	\$ 379,763.16

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

8. MUNICIPAL DEBT (continued)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

Short-Term Debt

	Balance, June 30, 2020	Additions	Reductions	Balance, June 30, 2021
Bond Anticipation Notes				
General Capital Fund	\$ 21,870,750.00	\$ 18,475,000.00	\$ 21,870,750.00	\$ 18,475,000.00
Water Utility Fund	5,930,000.00	3,500,000.00	5,930,000.00	3,500,000.00
Sewer Utility Fund	7,430,000.00	5,500,000.00	7,430,000.00	5,500,000.00
Total	<u>\$ 35,230,750.00</u>	<u>\$ 27,475,000.00</u>	<u>\$ 35,230,750.00</u>	<u>\$ 27,475,000.00</u>
	Balance, June 30, 2019	Additions	Reductions	Balance, June 30, 2020
Bond Anticipation Notes				
General Capital Fund	\$ 26,700,000.00	\$ 21,870,750.00	\$ 26,700,000.00	\$ 21,870,750.00
Water Utility Fund	4,960,000.00	5,930,000.00	4,960,000.00	5,930,000.00
Sewer Utility Fund	6,460,000.00	7,430,000.00	6,460,000.00	7,430,000.00
Total	<u>\$ 38,120,000.00</u>	<u>\$ 35,230,750.00</u>	<u>\$ 38,120,000.00</u>	<u>\$ 35,230,750.00</u>

Bonds and Notes Authorized but Not Issued

There were Bonds and Notes Authorized but Not Issued in the following amounts:

	Balance June 30, 2021	Balance June 30, 2020
General Capital Fund:		
General Improvements	<u>\$ 5,620,750.00</u>	<u>\$ 9,950,000.00</u>
Water Utility Capital Fund:		
General Improvements	<u>\$ 11,000,000.00</u>	<u>\$ 12,500,000.00</u>
Sewer Utility Capital Fund:		
General Improvements	<u>\$ 10,626,733.00</u>	<u>\$ 11,626,733.00</u>

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. 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 30-year 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.

Public Employees' Retirement System

The Public Employees' Retirement System ("PERS") 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Inactive plan members of beneficiaries currently receiving benefits	182,492	178,748
Inactive plan members entitles to but not yet reeiving benefits	942	609
Active plan members	<u>249,045</u>	<u>252,598</u>
Total	<u>432,479</u>	<u>431,955</u>
Contributing Employers	1,691	1,697
Contributing Nonemployers	1	1

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. PENSION PLANS *(continued)*

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, 2021 and 2020 the Township's total payroll for all employees was \$23,797,695 and \$24,727,001, respectively. Total PERS covered payroll was \$7,156,515 and \$7,595,325, respectively. Covered payroll refers to pensionable compensation, rather than total 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. Members contribute at a uniform rate. The member contribution rate is 7.50% for 2020. Employers' contribution amounts are based on an actuarially determined rate 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 contributions to the Plan for the years ended June 30, 2021 and 2020 were \$1,188,040 and \$1,046,965, 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, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Normal Cost	\$ 135,631	\$ 96,497
Amortization of Accrued Liability	<u>994,985</u>	<u>892,958</u>
Total Pension	1,130,616	989,455
NCGI Premiums	<u>57,424</u>	<u>53,317</u>
Total Pension & NCGI	1,188,040	1,042,772
LTD Expense	<u>-</u>	<u>4,193</u>
Total PERS Payment	<u>\$1,188,040</u>	<u>\$ 1,046,965</u>

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

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

The following represents the membership tiers for PERS:

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

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. PENSION PLANS *(continued)*

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 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 tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members 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 retirement age of his/her 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, 2020, the PERS reported a net pension liability of \$16,435,616,426 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 \$17,709,966 or 0.1086008935%. At June 30, 2019, the PERS reported a liability of \$18,018,482,972 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 \$19,316,310 or 0.1072027524%.

The following presents a summary of the proportionate share of the State of New Jersey's changes in the collective deferred outflows of resources and deferred inflows of resources attributable to the Township for the years ended June 30, 2020 and June 30, 2019, if GASB 68 was recognized:

	2020	
	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 322,469	\$ 62,630
Changes of assumptions	574,531	7,415,330
Net difference between projected and actual investment earnings on pension plan investments	605,341	
Changes in proportion	453,312	82,922
Township contributions subsequent to the measurement date	1,178,633	
	<u>\$ 3,134,286</u>	<u>\$ 7,560,882</u>

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

9. PENSION PLANS (continued)

	2019	
	<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 investment earnings on pension plan investments		304,915
Changes in proportion	356,695	116,096
Township contributions subsequent to the measurement date	<u>1,188,039</u>	
	<u>\$ 3,820,240</u>	<u>\$ 7,210,972</u>

The \$1,178,633 of deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be recognized as a reduction to the net position liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows if GASB 68 were recognized:

Year ended <u>June 30,</u>	<u>Amount</u>
2022	\$ (2,037,973)
2023	(1,948,616)
2024	(1,101,202)
2025	(423,517)
2026	<u>(93,921)</u>
Total	<u>\$ (5,605,229)</u>

Actuarial Assumptions- The total total pension liability for the June 30, 2020 and June 30, 2019 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
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%

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. PENSION PLANS *(continued)*

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 Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experiences will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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. It is likely that future experiences will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 and 2019 are summarized in the following tables:

	2020	
	Target <u>Allocation</u>	Long-Term Expected Real <u>Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

9. PENSION PLANS (continued)

	2019	
	Target Allocation	Long-Term Expected Real Rate of Return
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%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Investment Grade Credit	10.00%	4.25%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Risk Mitigation Strategies	3.00%	4.67%
	100.00%	

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2020 was 7.00% and as of June 30, 2019 was 6.28%. 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 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

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

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
2020			
PERS	\$ 22,293,893.00	\$ 17,709,966.00	\$ 13,820,379.00
	At 1% decrease (5.28%)	At current discount rate (6.28%)	At 1% increase (7.28%)
2019			
PERS	\$ 24,399,638.00	\$ 19,316,310.00	\$ 15,032,886.00

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. PENSION PLANS *(continued)*

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2020 and 2019 was \$29,045,369,302 and \$29,847,947,666, respectively. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2020 and 2019 was \$22,997,176,445 and \$23,347,631,751, respectively.

Additional Information

Collective balances at June 30, 2020 are as follows:

Collective deferred outflows of resources	\$2,347,583,337
Collective deferred inflows of resources	7,849,949,467
Collective net pension liability - Local group	16,435,616,426

Township's Proportion	0.1086008935%
-----------------------	---------------

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 was \$407,705,399. The average of the expected remaining service lives of all plan members is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates

Prior to July 1, 2018 valuation, it is assumed the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2018 valuation, Chapter 83 P.L. 2017 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

Receivable Contributions

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2020 and 2019, were \$1,144,889,253 and \$1,038,892,124, respectively.

Police and Firemen's Retirement System

The Police and Firemen's Retirement System ("PFRS") 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:

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. PENSION PLANS *(continued)*

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police and 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Inactive plan members of beneficiaries currently receiving benefits	45,537	44,567
Inactive plan members entitles to but not yet reeiving benefits	65	42
Active plan members	<u>42,520</u>	<u>42,295</u>
Total	<u><u>88,122</u></u>	<u><u>86,904</u></u>
Contributing Employers	582	584
Contributing Nonemployers	1	1

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, 2021 and 2020 the Township's total payroll for all employees was \$23,797,695 and \$24,727,001, respectively. Total PFRS covered payroll was \$10,856,260 and \$10,999,587, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. PENSION PLANS *(continued)*

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 increased from 8.5% of annual compensation to 10% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits.

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, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Normal Cost	\$ 1,128,683	\$ 1,038,529
Amortization of Accrued Liability	<u>2,345,495</u>	<u>2,038,378</u>
Total Pension	3,474,178	3,076,907
NCGI Premiums	<u>118,868</u>	<u>148,629</u>
Total PFRS Payment	<u><u>\$ 3,593,046</u></u>	<u><u>\$ 3,225,536</u></u>

The Township recognizes liabilities to PFRS 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. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

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.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. PENSION PLANS (continued)

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, 2020, the PFRS reported a net pension liability of \$14,926,648,722 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 \$41,557,559 or 0.3216200984% which was an increase of 0.0022950648% from its proportion, measured as of June 30, 2019.

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, 2020 and 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:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 418,971	\$ 149,145
Changes of assumptions	104,579	11,141,333
Net difference between projected and actual investment earnings and actual earnings on pension plan investments	2,436,714	
Changes in proportion	3,574,007	109,811
Township contributions subsequent to the measurement date	3,540,736	
	<u>\$10,075,007</u>	<u>\$ 11,400,289</u>

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
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 investment earnings and actual earnings on pension plan investments		529,500
Changes in proportion	4,491,220	326,710
Township contributions subsequent to the measurement date	3,593,046	
	<u>\$ 9,753,178</u>	<u>\$ 13,733,410</u>

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. PENSION PLANS *(continued)*

The \$3,540,736 of deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows if GASB 68 were recognized:

Year ended <u>June 30,</u>	<u>Amount</u>
2022	\$ (2,726,830)
2023	(1,532,626)
2024	(315,149)
2025	14,092
2026	<u>(305,505)</u>
Total	<u>\$ (4,866,018)</u>

Actuarial Assumptions - The total pension liability for the June 30, 2020 and 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement :

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

Pre-retirement mortality rates were based on the 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. For healthy annuitants, 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-2020.

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

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.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. PENSION PLANS *(continued)*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 and 2019 are summarized in the following tables:

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

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. PENSION PLANS (continued)

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2020 was 7.00% and as of June 30, 2019 was 6.85%. 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 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability – The following presents the net pension liability of PFRS calculated using the discount rates as discussed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
<u>2020</u>			
PFRS	\$ 22,293,893.00	\$ 17,709,966.00	\$ 13,820,379.00
<u>2019</u>	At 1% decrease (5.85%)	At current discount rate (6.85%)	At 1% increase (7.85%)
PFRS	\$ 24,399,638.00	\$ 19,316,310.00	\$ 15,032,886.00

Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2020 and 2019 was \$27,412,127,895 and \$27,792,420,945, respectively.

Additional Information

Collective Local Group balances at June 30, 2020 are as follows:

Collective deferred outflows of resources	\$1,601,195,680
Collective deferred inflows of resources	4,191,274,402
Collective net pension liability - Local group	14,926,648,722
Township's Proportion	0.3216200984%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 and 2019 was \$949,220,570 and \$1,325,963,796, respectively. The average of the expected remaining service lives of all plan members is 5.90, 5.92, 5.73, 5.59, 5.58 and 6.17 years for the 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. PENSION PLANS *(continued)*

State Contribution Payable Dates

Prior to July 1, 2018 valuation, it is assumed the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2018 valuation, Chapter 83 P.L. 2017 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

Receivable Contributions

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2020 and 2019, were \$1,194,176,430 and \$1,105,874,849, respectively.

Local contributions expected to be paid the April 1st, following the valuation are discounted by the interest rate used at the valuation date.

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. The provisions of GASB Statement No. 68 define this 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, 2020 was \$154,309,000. The portion of that contribution allocated to the Township was \$496,289, or 0.3216200984%. The June 30, 2020 State special funding situation pension expense of \$227,263,993 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 \$2,005,329,818 at June 30, 2020 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, 2020 and its share of the special funding situation NPL at that date were \$730,927 and \$6,449,544, respectively.

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 \$1,923,374,825 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.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

9. PENSION PLANS *(continued)*

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.

Defined Contribution Retirement System

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 Division has selected Prudential Financial to manage the DCRP on its behalf. The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers - Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2020, the membership of DCRP, based on the information within the Division's database, was 60,336.

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.

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 7.20% for PERS, 10.02% for PFRS and 5.50% for DCRP of employees' base wages.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

10. POST-RETIREMENT HEALTH COVERAGE

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing, multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

10. POST-RETIREMENT HEALTH COVERAGE *(continued)*

Contributions

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inactive plan members or beneficiaries currently receiving benefits	24,294	29,812
Active plan members	<u>72,485</u>	<u>66,213</u>
Total	<u>96,779</u>	<u>96,025</u>
Contributing employers	590	590
Contributing nonemployers	1	1

Nonspecial Funding Situation - The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$12,484,309,814 and \$8,020,352,361 at June 30, 2020 and 2019, respectively.

Components of Net OPEB Liability – The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

	<u>2020</u>	<u>2019</u>
Total OPEB Liability	\$ 18,111,475,228	\$ 13,819,244,582
Plan Fiduciary Net Position	<u>164,862,282</u>	<u>273,173,482</u>
Net OPEB Liability	<u>\$ 17,946,612,946</u>	<u>\$ 13,546,071,100</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%	1.98%

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

10. POST-RETIREMENT HEALTH COVERAGE *(continued)*

Actuarial Assumptions and Other Inputs:

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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	2.00% to
2026	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-2020
------	--

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

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

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

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

Health Care Trend Assumptions – For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

10. POST-RETIREMENT HEALTH COVERAGE *(continued)*

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

Sensitivity of the 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, 2020 and 2019, respectively, 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	At Discount Rate	1% Increase
Total Net OPEB Liability - 2020	\$ 21,216,688,254	\$ 17,946,612,946	\$ 15,358,051,000
Total Net OPEB Liability - 2019	\$ 15,662,704,137	\$ 13,546,071,100	\$ 11,826,026,995

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, 2020 and 2019, respectively, 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	At Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability - 2020	\$ 14,850,840,718	\$ 17,946,612,946	\$ 22,000,569,109
Total Net OPEB Liability - 2019	\$ 11,431,214,644	\$ 13,546,071,100	\$ 16,243,926,531

Special Funding Situation – The State of New Jersey's Total OPEB Liability for special funding situation was \$5,462,303,132 and \$5,525,718,739 at June 30, 2020 and 2019, 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.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

10. POST-RETIREMENT HEALTH COVERAGE *(continued)*

The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Township of North Brunswick was \$23,383,519 and \$19,832,689 at June 30, 2020 and 2019, respectively. These allocated liabilities represent 0.428089% and 0.358916% of the State's Total Non-employer OPEB Liability for June 30, 2020 and 2019, respectively. The OPEB expense attributed to the Township was \$(1,164,037) and \$262,887 at June 30, 2020 and 2019, respectively.

11. 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 \$6,463,135 and \$6,829,933 at June 30, 2021 and 2020. 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.

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

12. RISK MANAGEMENT

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, 2020 and 2019, the Fund reported total assets of \$63,089,500 and \$57,285,513, respectively, liabilities and reserves of \$62,738,588 and \$57,856,093, respectively, which includes case reserves of \$41,993,173 and \$38,911,571, respectively, and IBNR of \$20,424,642 and \$18,415,501, respectively and net position of \$350,912 and \$(570,580), respectively.

13. 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.

14. 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.

15. DEFERRED 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>2021</u>	<u>June 30,</u> <u>2020</u>
Balance of Tax	\$ 45,581,642.05	\$ 44,452,109.54
Deferred	44,267,758.00	43,267,758.00
Payable	<u>\$ 1,313,884.05</u>	<u>\$ 1,184,351.54</u>

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

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.

17. FUND BALANCES APPROPRIATED

Fund balances at June 30, 2021 and 2020, which were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending June 30, 2021 and 2020 as follows:

	<u>FUND BALANCE JUNE 30, 2021</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$ 12,754,392.33	\$ 4,600,000.00
Water Utility Fund	1,803,138.09	200,000.00
Sewer Utility Fund	2,122,351.46	440,000.00

	<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

TOWNSHIP OF NORTH BRUNSWICK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

18. GASB 77 TAX ABATEMENTS

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 2021 were \$0.00 and taxes in 2021 that otherwise would have been due on these long-term tax exemptions amounted to \$817,504, based upon the assessed valuations of the long-term tax exemptions properties.

19. CONTINGENT LIABILITIES

a. Federal and State Awards

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, 2021, and the date of this report, the Township does not believe that any material liabilities will result from such audits.

b. Litigation

As of the 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.

c. Tax Appeals

As of June 30, 2021, there were tax appeals pending before the New Jersey Tax Court of an undetermined amount. Judgments favorable to the taxpayers generally extend to two years following the year adjudicated and would also subject the Township to a liability for statutory interest on the amount.

20. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after June 30, 2021 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 Bond Anticipation Notes dated July 15, 2021 with a maturity date of July 14, 2022. The BAN's were issued for \$40,975,000 with an interest rate of 1.00% and at a net interest cost (NIC) of 0.109526%.

The Township adopted a bond ordinance 21-13 on September 13, 2021 providing for Capital Improvements, appropriating \$4,600,000 therefore and authorizing the issuance of \$4,370,000 Bonds or Notes.

TOWNSHIP OF NORTH BRUNSWICK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

20. SUBSEQUENT EVENTS

The Township adopted a bond ordinance 21-17 on September 27, 2021 providing for Improvement of Water Treatment Plant and Distribution System, appropriating \$3,000,000 therefore and authorizing the issuance of \$3,000,000 Bonds or Notes.

The Township adopted a bond ordinance 21-18 on September 27, 2021 providing for Improvement of the Sewer Distribution System, appropriating \$3,000,000 therefore and authorizing the issuance of \$3,000,000 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, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the various funds and governmental fixed assets of the Township of North Brunswick, Middlesex County, New Jersey (the "Township"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated April 30, 2022, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 it 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.

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

Page 2

Compliance and Other Matters

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

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
April 30, 2022



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

**Report on Compliance for Each Major State Program and
Report on Internal Control Over Compliance As Required by the NJ 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's, County of Middlesex, New Jersey (the "Township") compliance with the types of compliance requirements described in the *New Jersey State Aid/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, 2021. The Township's major state programs are identified in the summary of auditors' 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 financial assistance 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; the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards and New Jersey OMB 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 the major state programs. However, our audit does not provide a legal determination of the Township's compliance.

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, 2021.

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 program 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 15-08*, 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 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.

Purpose of this Report

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 Circular 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
April 30, 2022



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

**SCHEDULE OF EXPENDITURES
OF STATE FINANCIAL
ASSISTANCE**

TOWNSHIP OF NORTH BRUNSWICK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021

State Funding		State Account Number	Grant Period		Award Amount	Cash Received	Expenditures	Cumulative Expenditures
Department or Division	Program		From	To				
Community Affairs								
Pass Thru Middlesex County								
	Municipal Alliance on Alcohol and Drug Abuse	082-2000-100-044	01-01-20	12-31-20	\$ 56,852.50	\$ 20,538.11		\$ 32,132.50
	Municipal Alliance on Alcohol and Drug Abuse	082-2000-100-044	01-01-21	12-31-21	18,851.25	7,548.20	\$ 18,151.25	18,151.25
Environmental Protection								
	Clean Communities	042-4900-765-004	01-01-20	12-31-20	69,939.05		2,232.13	28,831.31
	Clean Communities	042-4900-765-004	01-01-21	12-31-21	63,064.32			
	Recycling Tonnage Grant	042-4910-100-224	01-01-21	12-31-21	66,897.39	66,897.39		
Judiciary								
	Alcohol Ed. Rehab. Enforcement Fund	098-9735-760-001	01-01-18	12-31-18	3,538.69		383.22	1,467.37
	Alcohol Ed. Rehab. Enforcement Fund	098-9735-760-001	01-01-19	12-31-19	3,441.93			500.00
	Alcohol Ed. Rehab. Enforcement Fund	098-9735-760-001	01-01-20	12-31-20	3,214.99			
	Alcohol Ed. Rehab. Enforcement Fund	098-9735-760-001	01-01-21	12-31-21	5,084.59			
Law and Public Safety								
	Police Body Armor	066-1020-718-001	01-01-18	12-31-18	7,248.99		5,579.93	7,248.99
	Police Body Armor	066-1020-718-001	01-01-19	12-31-19	8,143.89		4,430.07	4,430.07
	Police Body Armor	066-1020-718-001	01-01-20	12-31-20	8,138.04			
	Police Body Armor	066-1020-718-001	01-01-21	12-31-21	6,024.45	6,024.45		
	Safe and Secure Neighborhoods Program	066-1020-100-232	01-01-20	12-31-21	60,000.00		60,000.00	60,000.00
	Pedestrian Safety Grant	066-1160-100-131	01-01-20	12-31-20	15,000.00			2,035.00
	Pedestrian Safety Grant	066-1160-100-131	01-01-21	12-31-21	15,000.00	14,960.00	14,960.00	14,960.00
	Distracted Driving Crackdown Grant	NA	01-01-21	12-31-21	10,500.00		10,500.00	10,500.00
Division of Highway Traffic Safety								
	Drunk Driving Enforcement Fund	NA	01-01-18	12-31-18	10,833.25		1,495.64	10,833.25
	Drunk Driving Enforcement Fund	NA	01-01-19	12-31-19	10,885.43		6,683.07	8,476.02
	Drunk Driving Enforcement Fund	NA	01-01-20	12-31-20	8,494.13		1,089.50	1,089.50
	Drunk Driving Enforcement Fund	NA	01-01-21	12-31-21	8,973.72	8,973.72	3,300.00	3,300.00
Transportation								
	NJ DOT - Quarry Lane	078-6320-480-AM2	01-01-19	Completion	925,000.00		285,499.87	925,000.00
	NJ DOT - Finnegans Lane	078-6320-480-AMW	01-01-19	Completion	1,050,000.00		451,393.17	451,393.17
	NJ DOT - Raider Road	078-6320-480	01-01-20	Completion	570,200.00	367,659.88	570,200.00	570,200.00
	NJ DOT - Ridge Road (Livingston to Newton)	078-6320-480	01-01-19	Completion	555,000.00	416,250.00		
	NJ DOT - Evelyn Ave	078-6320-480	01-01-20	Completion	566,900.00			
	NJ DOT - Pedestrian / Bicycle Path	078-6320-480	01-01-19	Completion	81,240.45		56,573.01	70,487.76
	Grants in Aid Pre School Property Acquisition	NA	01-01-20	Completion	500,000.00	500,000.00		
Department of Environmental Protection								
	Clean Water State Revolving Fund (CWSRF)	510-042-4860-010	01-01-19	Completion	5,373,267.00		814,406.34	5,373,267.00
Total					\$ 10,081,734.06	\$ 1,408,851.75	\$ 2,306,877.20	\$ 7,594,303.19

See Notes to Schedules of Expenditures of State Financial Assistance

TOWNSHIP OF NORTH BRUNSWICK
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021

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. To the extent identified, the state financial assistance that passed through other governmental agencies is included on the schedule of state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance is presented using the regulatory basis of accounting prescribed or permitted for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Township's financial statements. In addition, the Township has elected not to use the 10 percent de minimis indirect cost rate allowed under NJOMB Circular 15-08.

NOTE 3: RELATIONSHIP TO BASIC REGULATORY BASIS FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements.

NOTE 4: RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedule of state financial assistance agrees with the amounts reported in the related federal and state financial reports, were required.

Schedule C
Page 1 of 3

Financial Statements

Auditee qualified as low-risk auditee?	Yes	No

Schedule C
Page 2 of 3

Dollar threshold used to distinguish between Type A and B programs:		<u>\$750,000.00</u>
Auditee qualified as low-risk auditee?	<u> </u> Yes	<u> X </u> No
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>	
Internal Control over major state programs:		
1) Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
2) Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable?	<u> </u> Yes	<u> X </u> No
Identification of major state programs:		

GMIS Number(s)	Name of State Program or Cluster
078-6320-480-XXX	NJ Department of Transportation - Municipal Aid

TOWNSHIP OF NORTH BRUNSWICK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

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
SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

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

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

CASH
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	Current	Grants
Cash Balance June 30, 2020	A	\$ 16,186,587.87	\$ 1,107,334.81
Increased by Cash Receipts			
Petty Cash.....	A-5	1,050.00	
Interfund Transfers			
Matching Funds For Grants.....	A-18		6,770.25
Due from Animal Control Fund.....	A-1	6,586.73	
NJ Sr Citizens and Vets Deductions.....	A-6	118,147.93	
Revenue Collection			
Misc Anticipated Revenue.....	A-2	11,485,704.19	
Taxes Receivable.....	A-7	147,655,075.08	
Homestead Benefit Rebates.....	A-7	908,403.96	
Misc Revenue Not Anticipated.....	A-8	392,646.96	
Tax Overpayments.....	A-11	17,012.77	
Miscellaneous Reserves.....	A-9	2,274,775.31	
Unappropriated Grant Reserves.....	A-15		72,136.10
Grants Receivable.....	A-16		1,943,732.31
Total Cash Receipts.....		162,859,402.93	2,022,638.66
Decreased by Disbursements			
Petty Cash.....	A-5	(1,050.00)	
Fund Balance			
Refund of Prior Year's Revenue.....	A-1	(200.00)	
Refund of Tax Overpayments.....	A-1	(4,688.08)	
Budget			
Budget Appropriations.....	A-3	(46,255,632.74)	
Appropriation Reserves.....	A-10	(1,074,809.92)	
Appropriated Grant Reserves.....	A-17		(2,040,907.80)
Interfund Transfers			
Matching Funds for Transfer.....	A-14	(6,770.25)	
Tax Collections			
Taxes Payable.....	A-12	(111,093,676.35)	
Miscellaneous Reserves.....	A-9	(131,342.44)	
Total Cash Disbursements.....		(158,568,169.78)	(2,040,907.80)
Cash Balance June 30, 2021	A	\$ 20,477,821.02	\$ 1,089,065.67

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

PETTY CASH AND CHANGE FUNDS
YEAR ENDED JUNE 30, 2021

	Balance June 30, 2020	Advanced	Returned	Balance June 30, 2021
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

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

DUE NJ - SENIOR CITIZENS & VETERANS DEDUCTIONS
YEAR ENDED JUNE 30, 2021

Balance June 30, 2020	<u>Ref.</u> A	\$ 132,954.28
Revenue - Eligible Sr Citizens & Veterans Deductions		
Original SFY 2021 Tax Levy.....	A-6	\$ 115,625.00
Allowed - SFY 2021 Taxes.....	A-6	<u>1,375.00</u>
Total Revenue.....		<u>117,000.00</u>
		249,954.28
Decreased by:		
Cash Received from State of NJ.....	A-4	(118,147.93)
Disallowed - SFY 2021 Taxes.....	A-6	<u>(4,744.52)</u>
		<u>(122,892.45)</u>
Balance June 30, 2021	A	<u><u>\$ 127,061.83</u></u>

Analysis of Realized Revenues for 2021

Sr. Citizen & Veterans Deductions Allowed/Disallowed by:		
Per tax Billings - 2021	A-6	\$ 115,625.00
By Collector - 2021	A-6	<u>(3,369.52)</u>
	A-7	<u><u>\$ 112,255.48</u></u>

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>		FY 2022 Prepaid	FY 2021 Current	FY 2020 Delinquent	Arrears	Tax Liens	Property Acquired for Taxes
Balance June 30, 2020	A	\$	990,853.41	\$ (198,387.89)	\$ 546,821.43	\$	108,139.19	\$ 534,280.68
<u>Levy & Adjustments</u>								
Original Levy.....			147,891,050.80	\$ 147,891,050.80				
Added Omitted & Rollback.....			361,215.81	361,215.81				
Appeals & Canceled Taxes.....			633,176.44	178,823.55	49,318.90	\$ 405,033.99		
Transfers & Tax Lien Sales.....			-	(42,797.74)			42,797.74	
Other Adjustments - by Resolution			(2,565.25)	(2,565.25)				
Overpayment Refund processed in FY 22				4,538.93				
<u>Revenue</u>								
Sr.Citizens & Vets.....	A-6		(112,255.48)	(112,255.48)				
Prepays Applied.....	A-7		-	198,387.89	(198,387.89)			
Overpayments Applied.....	A-11		(79,551.61)	(76,338.92)	(3,212.69)			
Fund Balance	A-1, A-11		3,649.53			3,649.53		
Cash Receipts.....	A-4		(147,655,075.08)	(381,109.88)	(146,635,844.27)	(567,068.08)	(67,007.53)	(4,045.32)
Homestead Benefit Rebates.....	A-4		(908,403.96)	(908,403.96)				
Balance June 30, 2021	A	\$	1,122,094.61	\$ (457,448.80)	\$ 532,161.81	\$ 29,072.25	\$ 341,675.99	\$ 146,891.61
								\$ 534,280.68

.....Analysis of FY 2021 Property Tax Levy.....

<u>Tax Yield:</u>		<u>Ref.</u>		<u>Tax Levy:</u>	<u>Ref.</u>	
General Purpose Tax.....	A-7	\$	147,891,050.80	Non-Municipal Taxes.....	A-12	\$ 112,223,208.86
Added by Tax Appeals.....	A-7		178,823.55	Municipal Purpose Tax.....	A-2	34,100,000.00
Added Taxes.....	A-7		361,215.81	Municipal Library Tax.....	A-2	1,573,537.76
Total Levy.....		\$	148,431,090.16	Total Tax Levy.....		147,896,746.62
				Added Taxes.....		534,343.55
<u>Current Taxes Realized</u>		<u>Ref.</u>		Total Amount to be Raised.....		\$ 148,431,090.16
Sr. Citizens & Veterans Deductions.....	A-6, A-7	\$	112,255.48			
Cash Receipts.....	A-7		146,635,844.27			
Prepaid Taxes Applied.....	A-7		198,387.89			
Overpayments Applied.....	A-11		3,212.69			
Homestead Benefits Credits.....	A-7		908,403.96			
Subtotal - Revenue Realized including Adjustments....	A-1		147,858,104.29			
Reserve for Uncollected Taxes.....	A-3		730,000.00			
Total Revenue, Current Taxes.....			148,588,104.29			
Non-Municipal Taxes Payable.....	A-12		(112,223,208.86)			
Revenue, Local Purpose Tax.....	A-2	\$	36,364,895.43			

% of Tax Levy Collected

Total Tax Revenue.....	147,858,104.29
Total Tax Levy.....	148,431,090.16
% of Tax Levy Collected.....	99.614%

Delinquent Taxes Realized

Taxes Received	\$ 634,075.61
Tax Title Liens Received	4,045.32
	\$ 638,120.93
	A-1

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

NON-BUDGET REVENUE
YEAR ENDED JUNE 30, 2021

	<u>Ref</u>	June 30, 2021	June 30, 2020
<hr/>			
Other Miscellaneous Revenues Not Anticipated:			
NSF Fees.....	\$	758.98	\$ 780.99
Cellular Tower Lease.....		70,127.70	64,140.09
Cellular Franchise Fee.....		82,963.50	83,958.83
Inspection Fees - State of NJ.....		1,932.00	15,279.43
Miscellaneous.....		1,994.52	43,575.13
Admin Fee Sr. Ctr. & Vet Deduction.....		2,362.96	2,419.49
Church & Dwight - Lease Agreement.....		100.00	100.00
Auction - Sale of Assets.....		54,341.58	11,481.22
Bail Returned.....		500.00	5,600.00
Public Works			
Sanitation Bins / Automated Carts.....		8,220.00	4,379.00
Refuse Container Rental.....		23,200.00	13,660.00
Police - Admin Fee, Off-Duty Police.....		146,145.72	255,977.71
Total.....	A-1, A-4	<u>\$ 392,646.96</u>	<u>\$ 501,351.89</u>

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

CHANGES IN ACCOUNTS PAYABLE & RESERVES
YEAR ENDED JUNE 30, 2021

	June 30, 2020	Transfer from (to) Budget	Cash Receipts	Cash Disbursements	Adjustments	June 30, 2021
Accounts Payable:						
Filing Fees Due State of NJ:						
Marriage Licenses.....	\$ 625.00		\$ 4,075.00	\$ (3,275.00)		\$ 1,425.00
DCA - UCC Training.....	9,489.00		101,146.00	(97,789.00)		12,846.00
EDA Pilot Payment	100.00					100.00
Total Filing Fees Due NJ.....	10,214.00		105,221.00	(101,064.00)		14,371.00
Vendor Accounts Payable.....	32,087.45			1,071.72	\$ (31,302.81)	1,856.36
Total Payable.....	42,301.45		105,221.00	(99,992.28)	(31,302.81)	16,227.36
Reserves:						
Reserve for Tax Appeals.....	375,903.86	\$ 1,000.00				376,903.86
Reserve for Rental Inspections - Crescent.....	180.00					180.00
Reserve for ARP.....			2,168,261.44			2,168,261.44
Reserve for FMBA Health.....	30,057.29		1,292.87	(31,350.16)		-
Total Reserves.....	406,141.15	1,000.00	2,169,554.31	(31,350.16)		2,545,345.30
Total.....	\$ 448,442.60	\$ 1,000.00	\$ 2,274,775.31	\$ (131,342.44)	\$ (31,302.81)	\$ 2,561,572.66
<u>Ref.</u>	A	A-3, A-10	A-4	A-4	A-1	A

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

2020 APPROPRIATION RESERVES
YEAR ENDED JUNE 30, 2021

	June 30, 2020 Balance		Encumbrances	Transfers	Expended		Balance Lapsed
	Salaries	Other			Salaries	Other	
General Government:							
Administration.....	\$ 2,909.97	\$ 5,658.45			\$ (2,909.97)	\$ (56.49)	\$ 5,601.96
Municipal Clerk.....	1,197.96	19,786.47	\$ 650.00		(758.40)		20,876.03
Financial Administration.....	4,534.58	8,094.14	340.00		(3,719.80)	(190.00)	9,058.92
Audit.....			55,000.00			(55,000.00)	-
Information Technology.....	22,013.14	10,552.28	4,311.14		(13,546.94)	(14,761.34)	8,568.28
Tax Collection.....	3,929.57	3,567.35	480.00		(3,000.00)	(1,598.60)	3,378.32
Tax Assessment.....	17,599.33	12,329.05	29,327.60	\$ (10,000.00)	(3,000.00)	(21,944.00)	24,311.98
Legal.....		24,315.21	61,517.57			(37,096.33)	48,736.45
Insurance:							
Other Insurance		636.49	3,009.00	30,000.00		(33,009.02)	636.47
Employee Group Insurance.....		515,286.56	484.16			29,673.59	545,444.31
Health Benefit Waiver.....		3,334.00					3,334.00
Community Development							
Engineering.....	932.25	8,034.48	37,495.25			(14,456.25)	32,005.73
Planning.....	1,328.74	1,872.55	872.24		(1,328.74)	(1,350.40)	1,394.39
Zoning.....	547.38	1,287.10	3,250.00			119.90	5,204.38
Code Enforcement.....	1,250.20	548.32	207.50		448.54	(194.50)	2,260.06
Fire Safety.....	378.42	955.86	5,265.92		(333.11)	(5,162.92)	1,104.17
Uniform Construction Code.....	10,322.87	18,373.18	29.99	(5,000.00)	(5,151.26)	(29.99)	18,544.79
Public Safety:							
Police.....	574,067.54	7,378.41	25,271.78		(470,453.84)	(13,324.40)	122,939.49
Emergency Management.....	3,489.11	2,959.89	1,285.64		26,633.05	2,781.10	37,148.79
Volunteer Fire Departments.....		8,183.38	1,009.00			(949.00)	8,243.38
Length of Service Award Program.....		39,370.06	30,629.94			(30,629.94)	39,370.06
Juvenile Aid.....		3,660.58	2,001.88			(2,197.18)	3,465.28
Municipal Court.....	881.55	14,704.52	1,106.25		(881.55)	224.81	16,035.58
Public Defender.....			5,000.00				5,000.00

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

2020 APPROPRIATION RESERVES
YEAR ENDED JUNE 30, 2021

	June 30, 2020 Balance		Encumbrances	Transfers	Expended		Balance Lapsed
	Salaries	Other			Salaries	Other	
Public Works:							
Streets and Roads.....	\$ 56,168.81	\$ 98,264.32	\$ 40,039.33	(52,000.00)	\$ (18,966.80)	\$ (69,847.95)	\$ 53,657.71
Sanitation.....	4,567.45	6,393.42	72.67		(4,562.96)		6,470.58
Solid Waste Disposal Fees.....		74,784.00	5,423.48	12,000.00		(90,734.76)	1,472.72
Recycling.....		4,776.13	29,035.20	15,000.00		(28,901.17)	19,910.16
Buildings and Grounds.....	3,682.67	2,698.95	13,946.95	10,000.00	(3,482.96)	(25,305.81)	1,539.80
Motor Vehicle Maintenance.....	11,999.30	200.77	9,185.25	30,000.00		(30,863.35)	20,521.97
Muni Service Reimbursement							
Condominiums.....		73,692.34	2,400.00			(52,022.59)	24,069.75
NJDEP - Stormwater Permit.....	41,382.50	2,935.80	9,000.00		(8,000.00)	(9,000.00)	36,318.30
Parks Recreation & Community Services							
Board of Health.....		1,426.29				24,888.69	26,314.98
Animal Control.....	1,000.00	6,175.35					7,175.35
Environmental Commission.....		1,236.50	143.50			(518.50)	861.50
Recreation & Community Services.....	6,612.71	950.27	93.45		(4,253.46)	(84.65)	3,318.32
Senior Services.....	18,538.18	3,879.64	2,262.18	(10,000.00)	(7,884.63)	(2,816.03)	3,979.34
Parks and Playgrounds.....	1,190.84	2,876.15	38,685.69		(91.43)	(38,993.24)	3,668.01
Unclassified							
Salary Adjustments.....		40,000.00		(20,000.00)	(20,000.00)		-
Utilities / Facilities Costs.....		280,759.61	15,239.14			(15,692.36)	280,306.39
Contingency.....		100.00					100.00
Statutory Expenditures:							
Public Employees Retirement.....		746.46				1,877.62	2,624.08
DCRP.....		2,641.84				1,877.62	4,519.46
Social Security.....		9,624.96				5,721.78	15,346.74
Interlocal Agreements:							
Special Law Enforcement Officers.....		80,836.15					80,836.15
Matching Funds for Grants.....		5,629.50					5,629.50
Total Operations	\$ 790,525.07	\$ 1,411,516.78	\$ 434,071.70	\$ -	\$ (545,244.26)	\$ (529,565.66)	\$ 1,561,303.63

	<u>Ref.</u>	A	A-1
Salaries.....		\$ 790,525.07	\$ (545,244.26)
Other Expenses.....		<u>1,411,516.78</u>	<u>(529,565.66)</u>
Total.....	A	<u>\$ 2,202,041.85</u>	<u>\$ (1,074,809.92)</u>
	<u>Ref.</u>	A-4	

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

PROPERTY TAX OVERPAYMENTS
YEAR ENDED JUNE 30, 2021

Balance June 30, 2020	A	\$ 260,309.23
Increased by:		
Overpayments Received in 2021.....	A-4	17,012.77
Adjustment to Prior Year Overpayments	A-1	<u>5,377.85</u>
		282,699.85
Decreased by:		
Transferred to Taxes Receivable.....	A-7	<u>79,551.61</u>
Balance June 30, 2021	A	<u><u>\$ 203,148.24</u></u>

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

TAXES PAYABLE
YEAR ENDED JUNE 30, 2021

	Ref.	June 30, 2020	Taxes Levied	Cash Disbursements	June 30, 2021
County - General.....		\$ 0.01	\$ 17,660,690.54	\$ (17,660,690.54)	\$ 0.01
County - Open Space.....		(0.01)	1,462,601.69	(1,462,601.68)	
County - Added & Omitted.....			46,630.02	(46,630.02)	
Local School District Taxes.....		44,452,109.54	92,292,816.50	(91,163,284.00)	45,581,642.04
Local Open Space.....			760,470.11	(760,470.11)	
Sub-Total.....	A-7	44,452,109.54	112,223,208.86	(111,093,676.35)	45,581,642.05
School Taxes Deferred.....	A	(43,267,758.00)	(1,000,000.00)		(44,267,758.00)
Total Taxes Payable.....		\$ 1,184,351.54	\$ 111,223,208.86	\$ (111,093,676.35)	\$ 1,313,884.05
	<u>Ref.</u>	A	A-1, A-7	A-4	A

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

NON-LOCAL TAX LEVY CALCULATION
YEAR ENDED JUNE 30, 2021

.....County Lax Levy.....								
Ref.	Total	General	Open Space	Added & Omitted	Local School Taxes	Local Open Space	Library	
Calendar Year 2020 Tax Levy.....	\$ 110,741,907.54	\$ 17,375,693.40	\$ 1,445,332.46	\$ -	\$ 91,163,284.00	\$ 757,597.68	\$ 1,573,537.76	
1/1-6/30/2020 Levy (1/2 CY19).....	53,936,282.49	8,402,849.57	705,397.01	-	44,452,109.50	375,926.42	763,334.97	
7/1-12/31/2020 Levy.....	56,805,625.05	8,972,843.84	739,935.45	-	46,711,174.50	381,671.27	810,202.80	
1/1-6/30/2021 Levy (1/2 CY20).....	55,370,953.79	8,687,846.71	722,666.24	-	45,581,642.00	378,798.85	786,768.88	
SFY 2021 Tax Levy..... A-12	\$ 112,176,578.84	\$ 17,660,690.54	\$ 1,462,601.69	\$ -	\$ 92,292,816.50	\$ 760,470.11	\$ 1,596,971.68	

	CY 2019		CY 2020		CY 2021	
	Rate	Levy	Rate	Levy	Rate	Levy
County General Tax.....	\$ 0.671	\$ 16,805,699.13	\$ 0.689	\$ 17,375,693.40	\$ 0.759	\$ 19,258,153.44
County Open Space.....	0.057	1,410,794.02	0.058	1,445,332.46	0.063	1,584,190.00
Local School Tax.....	3.548	88,904,219.00	3.610	91,163,284.00	3.610	91,701,700.00
Municipal Open Space.....	0.030	751,852.83	0.030	757,597.68	0.030	762,073.74
Library.....	0.060	1,526,669.93	0.062	1,573,537.76	0.068	1,729,910.31
Total - Non Municipal.....	4.366	109,399,234.91	4.449	112,315,445.30	4.530	115,036,027.49
Local Purpose Municipal Tax.....	1.302	32,637,584.00	1.337	33,781,377.64	1.337	33,981,375.86
Total CY Tax Levy.....	\$ 5.668	\$ 142,036,818.91	\$ 5.786	\$ 146,096,822.94	\$ 5.867	\$ 149,017,403.35
Net Valuation Taxable.....	\$ 2,506,176,100.00		\$ 2,525,325,600.00		\$ 2,540,245,800.00	

TOWNSHIP OF NORTH BRUNSWICK
CURRENT FUND

DUE FROM GRANT FUND
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	
Interfund Balance - June 30, 2020	A	\$ -
Increased by:		
Local Match Requirement		
Appropriated.....	A-3	2,360,164.44
Less Grant Revenues.....	A-2	(2,353,394.19)
Decreased by:		
Cash Disbursements.....	A-4	(6,770.25)
Interfund Balance (Due from Grant Fund) June 30, 2021	A	\$ -

TOWNSHIP OF NORTH BRUNSWICK
STATE AND FEDERAL GRANT FUND

UNAPPROPRIATED GRANT RESERVES
YEAR ENDED JUNE 30, 2021

Grant Name	June 30, 2020	Appropriated	Cash Receipts	June 30, 2021
<u>Fiscal Year 2020</u>				
Clean Communities.....	\$ 63,064.32	\$ 63,064.32		
Alcohol Ed. Rehab. Enforcement Fund.....	5,084.59	5,084.59		
<u>Fiscal Year 2021</u>				
Recycling Tonage			\$ 67,137.72	\$ 67,137.72
Alcohol Ed. Rehab. Enforcement Fund.....			4,998.38	4,998.38
Total	\$ 68,148.91	\$ 68,148.91	\$ 72,136.10	\$ 72,136.10
Ref.	A	A-16	A-4	A

TOWNSHIP OF NORTH BRUNSWICK
STATE AND FEDERAL GRANT FUND

GRANTS RECEIVABLE
YEAR ENDED JUNE 30, 2021

	June 30, 2020	.....Budget..... Adopted	NJSA 40A:4-87	Cash	Unappropriated Realized	June 30, 2021
<u>STATE GRANTS</u>						
Grants In Aide Pre School Property Acquisition.....			\$ 500,000.00	\$ (500,000.00)		
Community Development:						
NJ DOT - Evelyn Avenue.....			566,900.00			\$ 566,900.00
NJ DOT - Schmidt Lane.....						
NJ DOT - Quarry Lane.....	\$ 245,294.53					245,294.53
NJ DOT - Finnegans Lane Improvements.....	262,500.00					262,500.00
NJ DOT - Raider Road Improvements.....	570,200.00			(367,659.88)		202,540.12
NJ DOT - Ridgewood (Livingston to Newton).....		\$ 555,000.00		(416,250.00)		138,750.00
Public Safety:						
Drunk Driving Enforcement.....			8,973.72	(8,973.72)		
Body Armor Grant - State.....			6,024.45	(6,024.45)		
Distracted Driving						-
Pedestrian Safety, Education and Enforcement.....			15,000.00	(14,960.00)		40.00
Pedestrian Safety, Education and Enforcement.....	12,965.00					12,965.00
Pedestrian Safety, Education and Enforcement.....	0.40					0.40
Parks Recreation & Community Service						
Municipal Alliance.....	40,011.45			(20,530.45)		19,481.00
Municipal Alliance.....		15,081.00		(7,548.20)		7,532.80
Public Works:						
Clean Communities.....		63,064.32			\$ (63,064.32)	
E-Waste.....						
Municipal Court						
Alcohol Education & Enforce Fund.....		5,084.59			(5,084.59)	
Total - State Grants.....	\$ 1,130,971.38	\$ 638,229.91	\$ 1,174,295.56	\$ (1,408,844.09)	\$ (68,148.91)	\$ 1,466,503.85

TOWNSHIP OF NORTH BRUNSWICK
STATE AND FEDERAL GRANT FUND

GRANTS RECEIVABLE
YEAR ENDED JUNE 30, 2021

	June 30, 2020	.....Budget..... Adopted	NJSA 40A:4-87	Cash	Unappropriated Realized	June 30, 2021
<u>FEDERAL GRANTS</u>						
Public Safety:						
Bullet Proof Vest Grant - Federal.....	\$ 7,246.81			\$ (6,001.28)		\$ 1,245.53
Bullet Proof Vest Grant - Federal.....	2,507.22			(2,507.22)		
Safe and Secure.....			\$ 60,000.00	(60,000.00)		
Click it or ticket.....			6,000.00			6,000.00
Drive Sober or Get Pulled Over.....	275.00					275.00
Drive Sober or Get Pulled Over.....			6,000.00	(6,000.00)		
Parks Recreation & Community Service						
Heritage Day (County/Federal).....	1,500.00			(1,500.00)		
Heritage Day (County/Federal).....	1,375.00					1,375.00
Heritage Day (County/Federal).....			6,000.00			6,000.00
Senior Center Meal Program.....	9,264.00			(9,000.00)		264.00
Senior Center Meal Program.....			10,000.00			10,000.00
Senior Center Transportation.....	10,000.00			(2,131.00)		7,869.00
Senior Center Transportation.....			10,000.00			10,000.00
Senior Center Outreach Grant.....	10,500.00			(10,500.00)		
Senior Center Outreach Grant.....			10,500.00	(4,880.00)		5,620.00
Emergency Management						
Middlesex County CARES ACT Grant.....			418,398.00	(418,398.00)		
Total - Federal Grants.....	42,668.03		526,898.00	(520,917.50)		48,648.53
Middlesex County DWI Checkpoint.....						
Middlesex Helping Hands.....			4,470.72	(4,470.72)		
Clean Fleet.....			9,500.00	(9,500.00)		
Total - Other Grants.....			13,970.72	(13,970.72)		
Total - All Grants.....	\$ 1,173,639.41	\$ 638,229.91	\$ 1,715,164.28	\$ (1,943,732.31)	\$ (68,148.91)	\$ 1,515,152.38

	Ref.	A	A-4	A-15	A
Adopted Budget.....	A-2	\$ 638,229.91			
Amended (NJSA 40A:4-87).....	A-2	1,715,164.28			
Total.....	A-2, A-18	\$ 2,353,394.19			

TOWNSHIP OF NORTH BRUNSWICK
STATE AND FEDERAL GRANT FUND

APPROPRIATED GRANT RESERVES
YEAR ENDED JUNE 30, 2021

		.....Budget.....						
		June 30, 2020	Adopted	NJSA 40A:4-87	June 30, 2020 Encumbrances	Paid or Charged	June 30, 2021 Encumbrances	June 30, 2021
<u>STATE GRANTS</u>								
Community Development:								
NJ DOT - Pedestrian/Bicycle Path.....	FY09				\$ 67,325.70	\$ (56,573.01)	\$ (10,752.69)	
NJ DOT - Evelyn Ave.....	FY21			\$ 566,900.00				\$ 566,900.00
NJ DOT - RidgeRoad (Livingston to Newton).....	FY21		\$ 555,000.00				(555,000.00)	
NJ DOT - Raider Road.....	FY20				570,200.00	(570,200.00)		
NJ DOT - Quarry Lane.....	FY19				285,499.87	(285,499.87)		
NJ DOT - Finnegans Lane.....	FY19				1,050,000.00	(451,393.17)	(598,606.83)	
Public Safety:								
Drunk Driving Enforcement Fund.....	FY21			8,973.72		(3,300.00)		5,673.72
Drunk Driving Enforcement Fund.....	FY20	\$ 8,494.13				(1,089.50)	(615.50)	6,789.13
Drunk Driving Enforcement Fund.....	FY19	8,972.48			120.00	(6,683.07)		2,409.41
Drunk Driving Enforcement Fund.....	FY18	1,316.64			179.00	(1,495.64)		
Body Armor Grant - State.....	FY21			6,024.45				6,024.45
Body Armor Grant - State.....	FY20	8,138.04					(8,138.04)	
Body Armor Grant - State.....	FY19	8,143.89				(4,430.07)	(3,713.82)	
Body Armor Grant - State.....	FY18	4,578.93			1,001.00	(5,579.93)		
Safe & Secure.....	FY21			60,000.00		(60,000.00)		
Pedestrian Safety, Education and Enforcement.....	FY21			15,000.00		(14,960.00)		40.00
Pedestrian Safety, Education and Enforcement.....	FY20	12,965.00						12,965.00
Pedestrian Safety, Education and Enforcement.....	FY19	0.40						0.40
Distracted Driving Crackdown U Text.....	FY21			10,500.00		(10,500.00)		
Parks Recreation & Community Service								
Clean Communities.....	FY21		63,064.32					63,064.32
Clean Communities.....	FY20	41,859.87			1,480.00	(2,232.13)		41,107.74
Municipal Alliance.....	FY21		18,851.25			(18,151.25)	(700.00)	
Municipal Alliance.....	FY20	24,712.34				7.66		24,720.00

TOWNSHIP OF NORTH BRUNSWICK
STATE AND FEDERAL GRANT FUND

APPROPRIATED GRANT RESERVES
YEAR ENDED JUNE 30, 2021

		.....Budget.....							
		June 30, 2020	Adopted	NJSA 40A:4-87	June 30, 2020 Encumbrances	Paid or Charged	June 30, 2021 Encumbrances	June 30, 2021	
<hr/>									
Public Works:									
Recycling Tonnage Grant.....	FY21			66,897.39					66,897.39
Municipal Court									
Alcohol Education Enforcement.....	FY21		5,084.59						5,084.59
Alcohol Education Enforcement.....	FY20	3,214.99							3,214.99
Alcohol Education Enforcement.....	FY19	2,941.93							2,941.93
Alcohol Education & Enforce Fund.....	FY18	2,454.54				(383.22)			2,071.32
Administration									
Grants In Aide Pre-School Property.....	FY21			500,000.00					500,000.00
<hr/>									
Total - State Grants.....		127,793.18	642,000.16	1,234,295.56	1,975,805.57	(1,492,463.20)	(1,177,526.88)		1,309,904.39
<hr/>									
<u>FEDERAL GRANTS</u>									
Public Safety:									
Bullet Proof Vest Grant - Federal.....	FY20	\$ 7,246.81				\$ (7,246.81)			
Bullet Proof Vest Grant - Federal.....	FY19	1,506.22			\$ 1,001.00	(2,507.22)			
Click it or Ticket.....	FY21			\$ 6,000.00		(5,970.00)		\$ 30.00	
Drive Sober or Get Pulled Over.....	FY21			6,000.00		(6,000.00)			
Drive Sober or Get Pulled Over.....	FY20	275.00							275.00
Parks Recreation & Community Service									
Fed/County - Senior Center Congregate MealsGrant.....	FY21			10,000.00					10,000.00
Fed/County - Senior Center Congregate MealsGrant.....	FY20	6,632.85				(6,368.85)			264.00
Fed/County - Senior Center TransportationGrant.....	FY21			10,000.00					10,000.00
Fed/County - Senior Center TransportationGrant.....	FY20	7,869.00							7,869.00
Fed/County - Senior Outreach Program.....	FY21			10,500.00		(4,880.00)			5,620.00
Fed/County - Senior Outreach Program.....	FY20	4,228.00				(4,228.00)			
Emergency Management									
Fed/County - Middlesex County CARES.....	FY21			418,398.00		(418,398.00)			
<hr/>									
Total - Federal Grants.....		27,757.88	-	460,898.00	1,001.00	(455,598.88)	-		34,058.00
<hr/>									

TOWNSHIP OF NORTH BRUNSWICK
STATE AND FEDERAL GRANT FUND

APPROPRIATED GRANT RESERVES
YEAR ENDED JUNE 30, 2021

		June 30, 2020	Adopted	Budget..... NJSA 40A:4-87	June 30, 2020 Encumbrances	Paid or Charged	June 30, 2021 Encumbrances	June 30, 2021
Other/County/Local Grants:								
County - Heritage Day.....	FY21			\$ 9,000.00		\$ (875.00)	\$ (1,187.50)	\$ 6,937.50
County - Heritage Day.....	FY20	\$ 9,000.00				(9,000.00)		
Open Space - Recreation Pedestrian/Bicycle.....	FY07				\$ 69,012.00	(69,000.00)		12.00
E-Waste.....	FY16	2,455.68						2,455.68
Middlesex County Helping Hands	FY21			4,470.72		(4,470.72)		
Clean Fleet.....	FY21			9,500.00		(9,500.00)		
Total - Other/County/Local Grants.....		11,455.68	-	22,970.72	69,012.00	(92,845.72)	(1,187.50)	9,405.18
<hr/>								
TOTAL - ALL Grants		\$ 167,006.74	\$ 642,000.16	\$ 1,718,164.28	\$ 2,045,818.57	\$ (2,040,907.80)	\$ (1,178,714.38)	\$ 1,353,367.57
<hr/>								
	<u>Ref.</u>	A			A	A-4	A	A
Adopted Budget.....				642,000.16				
Amended (NJSA 40A:4-87).....				<u>1,718,164.28</u>				
Total.....			A-18	<u>\$ 2,360,164.44</u>				

TOWNSHIP OF NORTH BRUNSWICK
STATE & FEDERAL GRANT FUND

DUE TO CURRENT FUND
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>		
Interfund Balance (Due Current Fund) June 30, 2020		\$	-
Increased by			
Local Match Requirement			
Appropriated Reserves.....	A-17	\$	2,360,164.44
Less Grant Revenues.....	A-16	<u>(2,353,394.19)</u>	
Total Increases.....			6,770.25
Decreased by			
Cash Received from Current Fund to Grant Fund.....	A-4	<u>(6,770.25)</u>	
Total Decreases.....		\$	(6,770.25)
Interfund Balance (Due Current Fund) June 30, 2021	A	<u><u>\$</u></u>	<u>-</u>

TRUST FUND

TOWNSHIP OF NORTH BRUNSWICK
TRUST FUND

ASSESSMENTS RECEIVABLE
YEAR ENDED JUNE 30, 2021

Description	Confirmation Date	Installments	Due Dates	Balance 06/30/20 & 06/30/21
<u>Assessments Receivable</u>				
Georges Road / Route #1 - Water.....	12/08/81	10	12/8/1981-1990	\$ 371.00
Total Assessments Receivable.....				<u>\$ 371.00</u>
<u>Assessment Liens</u>				
Maple Meade - Sewer.....	11/12/72			\$ 255.00
Maple Meade/Church Lane - Sewer.....	08/21/74			396.00
East Adams - Sewer.....	11/15/76			13,763.00
Adams Lane - Water.....	07/07/75			34,791.00
East Adams - Water.....	12/18/77			3,659.00
Linder, Evelyn & Thomas.....	06/19/78			3,666.00
Aaron Road - Section 1.....	12/03/83			1,278.00
Marigold - LaRose.....	12/28/77			2,654.00
Interest & Costs on Assessment Liens.....				<u>10,222.00</u>
Total Assessment Liens Receivable.....				<u>70,684.00</u>
Total Assessments & Assessment Liens Receivable.....				<u>\$ 71,055.00</u>
<u>Ref.</u>				B

TOWNSHIP OF NORTH BRUNSWICK
TRUST FUND

CASH AND RESERVE ACTIVITY
YEAR ENDED JUNE 30, 2021

	Balance June 30, 2020	Cash..... Receipts	Disbursements	Adjustments	Balance June 30, 2021
Animal Control Trust Fund					
Due NJ - Animal License Fees.....	\$ 21.40	\$ 2,185.20	\$ (2,146.80)		\$ 59.80
Due to Current Fund.....	6,586.73		(6,586.73)		
Animal Control Reserves.....	23,048.60	12,257.80	(726.00)		34,580.40
Payroll					
Deductions Payable.....	75,425.69	23,879,128.29	(23,935,222.52)		19,331.46
Miscellaneous.....	2,887.14	222.50	(1,908.06)		1,201.58
Recreation Trust.....	821,039.03	133,518.73	(156,111.04)		798,446.72
Developers' Escrow					
Inspections.....	215,228.00	380,319.89	(324,743.18)		270,804.71
Technical Review.....	207,675.57	177,456.16	(210,622.14)		174,509.59
Performance Bonds.....	777,490.65	54,818.06	(83,109.29)		749,199.42
Growth Share Reserve.....	411,982.92	7,907.76			419,890.68
Other Trust Funds					
Finance					
NJ Unemployment.....	73,239.67	86,644.81	(19,263.35)		140,621.13
Terminal Leave.....	386,372.43	659,799.17	(578,858.98)		467,312.62
Tax Sale - Premium on TTL.....	1,170,200.00		(750,900.00)		419,300.00
Open Space					
Dedicated Tax Levy - Open Space.....	18,806.26	760,470.11	(750,000.00)		29,276.37
Tree Preservation.....	59,576.66	43,666.67	(31,313.32)		71,930.01
Program Income.....	100,214.91	8,895.00	(100.00)		109,009.91
Public Safety					
Forfeited Funds.....	84,539.46	18,833.11	(4,528.77)		98,843.80
Miscellaneous - Off Duty.....	25,675.94	911,256.91	(904,799.00)		32,133.85
Uniform Fire Code.....	42,700.56	23,402.00	(12,012.00)		54,090.56

TOWNSHIP OF NORTH BRUNSWICK
TRUST FUND

CASH AND RESERVE ACTIVITY
YEAR ENDED JUNE 30, 2021

	Balance June 30, 2020	Cash..... Receipts	Disbursements	Adjustments	Balance June 30, 2021
Municipal Court					
Public Defender.....	\$ 34,430.59	\$ 3,686.50	\$ (11,800.00)		\$ 26,317.09
POAA Fines.....	540.57	10.00			550.57
Public Works - Snow Removal.....	373,530.41	208,856.78	(237,088.35)		345,298.84
Donations, Gifts, & Bequests.....	2,054.02	7,700.00	(9,027.22)		726.80
Community Development Department					
FY16 - Library Transit Shelter.....	6,951.00		(6,951.00)		
FY16 - Due Middlesex County.....	(6,951.00)	6,951.00			
FY19- Individual Housing Rehabilitation.....	5,638.34		(5,638.34)		
FY19 - Due Middlesex County.....	(22,685.00)	22,685.00			
FY20- Individual Housing Rehabilitation.....	55,002.70		(34,241.23)		20,761.47
FY20 - Code Enforcement.....					
FY20 - Senior Transportation.....	25,000.00		(25,000.00)		
FY20 - Due Middlesex County.....	(78,029.00)	43,845.00			(34,184.00)
FY21- Individual Housing Rehabilitation.....				\$ 45,000.00	45,000.00
FY21 - Code Enforcement.....			(40,000.00)	40,000.00	
FY21 - Sr Citizen Handicap Bldg Improvement.....				33,714.00	33,714.00
FY21 - Due Middlesex County.....				(118,714.00)	(118,714.00)
Third Party UCC Inspections.....	102.00		(102.00)		
Total - All Trust Funds.....	\$ 4,898,296.25	\$ 27,454,516.45	\$ (28,142,799.32)	\$ -	\$ 4,210,013.38
Ref.	B				B

TOWNSHIP OF NORTH BRUNSWICK
TRUST FUND

PAYROLL LIABILITIES
YEAR ENDED JUNE 30, 2021

	Balance June 30, 2020	.....Cash..... Receipts	Disbursements	Balance June 30, 2021
Miscellaneous.....	\$ 2,887.14	\$ 222.50	\$ (1,908.06)	\$ 1,201.58
Federal and State Taxes				
Federal Withholding.....		2,937,855.89	(2,937,855.89)	
Social Security/Medicare.....		2,986,841.65	(2,986,841.65)	
NJ State Withholding.....		981,349.39	(981,349.38)	0.01
NJ Unemployment.....	462.36	78,903.73	(79,366.09)	
PA State Tax.....		3,150.65	(3,150.65)	
Pension				
Police & Fire Pension.....	7,820.62	1,373,693.05	(1,373,689.48)	7,824.19
Public Employees Pension.....	3,591.72	671,906.98	(670,195.44)	5,303.26
Deferred Compensation (IRS 457).....	0.02	571,826.75	(571,826.76)	0.01
Garnishments - Wage Attachments.....	(4.14)	51,725.80	(51,721.66)	
Union Dues.....	37.60	93,554.50	(93,592.10)	
Employee Medical Premium Cost Sharing.....	63,262.01	591,857.88	(655,119.89)	
Voluntary Deductions.....	0.84	48,091.78	(48,091.44)	1.18
Life & Disability Insurance.....	254.66	74,948.51	(69,000.36)	6,202.81
Flexible Spending Plan.....		65,849.47	(65,849.47)	
Net Pay.....		13,347,572.26	(13,347,572.26)	
Total - Payroll Liabilities.....	75,425.69	23,879,128.29	(23,935,222.52)	19,331.46
Total - Payroll Trust Fund.....	\$ 78,312.83	\$ 23,879,350.79	\$ (23,937,130.58)	\$ 20,533.04
	B, B-2	B-2	B-2	B, B-2

GENERAL CAPITAL FUND

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

CASH
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>		
Balance June 30, 2020.....	C	\$	4,805,108.93
Increased by Receipts:			
Capital Improvement Fund.....	C-9	\$	230,000.00
Proceeds from Issuing Debt:			
Sale of Bond Anticipation Notes.....	C-8	18,475,000.00	
Bond Issue.....	C-5	12,095,000.00	
Premium on Sale of Notes.....	C-1	291,535.50	
Reserve to Retire Debt - State Green Acres Grant.....	C-10	750,000.00	
Interest Earned - Soil Remediation.....	C-10	5,076.21	
			<u>31,846,611.71</u>
Total Receipts.....			
Decreased by Disbursements:			
Redemption of Bond Anticipation Notes.....	C-8	(21,870,750.00)	
Improvement Authorizations.....	C-6	(7,048,002.63)	
Surplus Anticipated in Current Fund.....	C-1	(300,000.00)	
Reserve to Retire Debt.....	C-10	(922,435.70)	
			<u>(30,141,188.33)</u>
Total Disbursements.....			
Balance June 30, 2021.....	C	\$	<u><u>6,510,532.31</u></u>

Analysis of Cash Balance

Soil Remediation Account.....	\$	1,045,066.78
General Account.....		<u>5,465,465.53</u>
Total Cash.....	\$	<u><u>6,510,532.31</u></u>

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

ANALYSIS OF CASH
YEAR ENDED JUNE 30, 2021

Ord.	Description	Ref	Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Notes Outstanding	Other	Cash Balance
00-27	Acquisition of Lands.....		\$ (450,000.00)	\$ 339,005.38	\$ 5,875.48			\$ (105,119.14)
04-05	High School/Vets Park Soil Remediation	C-10			34,431.25		\$ 574,897.78	609,329.03
09-16	Various Capital Improvements.....				(830.00)			(830.00)
10-06	Capital Items.....				15,116.42			15,116.42
15-14	Various Capital Improvements.....		(250.00)					(250.00)
16-15	Various Capital Improvements.....			269,116.60	36,648.84			305,765.44
17-09	Various Capital Improvements		(4,750,000.00)	314,203.78		\$ 4,750,000.00		314,203.78
18-14	Various Capital Improvements		(5,025,500.00)	207,475.20	12,973.49	5,025,000.00		219,948.69
19-23	Various Capital Improvements.....		(5,700,000.00)	93,979.23	1,642,152.78	5,700,000.00		1,736,132.01
20-06	Various Capital Improvements.....		(3,800,000.00)		1,526,676.00	3,000,000.00		726,676.00
20-17	Various Capital Improvements.....		(4,370,000.00)	2,446,957.34	2,017,605.81			94,563.15
Capital Improvement Fund.....		C-9					342.00	342.00
Reserve to Retire Debt.....		C-10					2,118,199.51	2,118,199.51
Fund Balance.....		C-1					476,455.42	476,455.42
Total.....			\$ (24,095,750.00)	\$ 3,670,737.53	\$ 5,290,650.07	\$ 18,475,000.00	\$ 3,169,894.71	\$ 6,510,532.31
		<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

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	Total Funded Deferred Charges	Serial Bonds
Balance - June 30, 2020.....	C	\$ 56,081,750.00	\$ 56,081,750.00
Increased by:			
Bond Issue.....	C-7	<u>12,095,000.00</u>	<u>12,095,000.00</u>
		68,176,750.00	68,176,750.00
Decreased by:			
Budget Appropriation.....	C-7	<u>(4,413,500.00)</u>	<u>(4,413,500.00)</u>
Balance - June 30, 2021.....	C	<u><u>\$ 63,763,250.00</u></u>	<u><u>\$ 63,763,250.00</u></u>

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED JUNE 30, 2021

Ord.	Description	Balance June 30, 2020	Authorizations	Reduced	Balance June 30, 2021	Financed by Bond Anticipation Notes	Cash Expended (Deficit)	Unfunded Balance of Improvement Authorization
00-27	Acquisition of Lands.....	\$ 450,000.00			\$ 450,000.00		\$ (110,994.62)	\$ (339,005.38)
15-14	Various Capital Improvements.....	6,062,750.00		\$ (6,062,500.00)	250.00			(250.00)
16-15	Various Capital Improvements.....	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	(5,025,000.00)		
19-23	Various Capital Improvements.....	5,700,000.00			5,700,000.00	(5,700,000.00)		
20-06	Various Capital Improvements.....	3,800,000.00			3,800,000.00	(3,000,000.00)		
20-17	Various Capital Improvements.....		\$ 4,370,000.00		4,370,000.00		(1,923,042.66)	(2,446,957.34)
Total.....		<u>\$ 31,820,750.00</u>	<u>\$ 4,370,000.00</u>	<u>\$ (12,095,000.00)</u>	<u>\$ 24,095,750.00</u>	<u>\$ (18,475,000.00)</u>	<u>\$ (2,034,037.28)</u>	<u>\$ (2,786,212.72)</u>
	<u>Ref.</u>	C	C-6	C-2	C	C-8		
Unexpended Balances of Unfunded Improv. Authors.		C-6						\$ 3,401,870.93
Less: Unexpended Proceeds of Bond Anticipation Notes								
Ordinance 17-09								(314,203.78)
Ordinance 18-14								(207,475.20)
Ordinance 19-23								(93,979.23)
								<u>\$ 2,786,212.72</u>

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED JUNE 30, 2021

Ord.	Description	June 30, 2020		Authorized	Encumbrance June 30, 2020	Paid or Charged	Encumbrance June 30, 2021	June 30, 2021	
		Funded	Unfunded					Funded	Unfunded
00-27	Acquisition of Land.....		\$ 362,115.65		\$ 5,875.48	\$ (23,110.27)	\$ (5,875.48)		\$ 339,005.38
04-05	High School / Vets Park Soil Remediation.....	\$ 13,599.97			43,106.53	(22,275.25)	(34,431.25)		
09-16	Various Capital Improvements...				(830.00)		830.00		
10-06	Capital Items.....	37,153.14			27,335.12	(49,371.84)	(15,116.42)		
12-13	Various Capital Improvements...								
15-14	Various Capital Improvements....		42,403.15		2,502.50	(44,905.65)			
16-15	Various Capital Improvements.....		366,472.42		15,801.53	(76,508.51)	(36,648.84)	\$ 268,866.60	250.00
17-09	Various Capital Improvements.....		210,827.14		476,122.14	(372,745.50)			314,203.78
18-14	Various Capital Improvements.....		309,675.43		838,997.25	(928,223.99)	(12,973.49)		207,475.20
19-23	Various Capital Improvements.....		287,495.07		4,371,187.71	(2,922,550.77)	(1,642,152.78)		93,979.23
20-06	Various Capital Improvements.....		2,270,720.47		1,728,829.53	(2,472,874.00)	(1,526,676.00)		
20-17	Various Capital Improvements.....			\$ 4,600,000.00		(135,436.85)	(2,017,605.81)		2,446,957.34
Total.....		\$ 50,753.11	\$ 3,849,709.33	\$ 4,600,000.00	\$ 7,508,927.79	\$ (7,048,002.63)	\$ (5,290,650.07)	\$ 268,866.60	\$ 3,401,870.93
	<u>Ref.</u>	C	C		C	C-2	C	C	C
Capital Improvement Fund.....	C-9			\$ 230,000.00					
Deferred Chgs Unfunded.....	C-5			4,370,000.00					
Total.....				<u>\$ 4,600,000.00</u>					

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

C-7
Page 1 of 4

SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2021

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/21		Rate	June 30, 2020	Bonds Issued	Budget Appropriation	June 30, 2021
			Amount						
General Obligation.....	08/08/12	\$ 13,455,750	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%	\$ 7,095,750		\$ (635,000)	\$ 6,460,750
Open Space Refunding	09/12/12	2,960,000	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%	1,750,000.00		(200,000.00)	1,550,000.00
General Obligation Refunding.....	06/02/15	4,745,000	08/15/21	790,000	2.500%				
			08/15/22	455,000	2.000%	2,035,000.00		(790,000.00)	1,245,000.00

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

C-7
Page 2 of 4

SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2021

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/21		Amount	Rate	June 30, 2020	Bonds Issued	Budget Appropriation	June 30, 2021
General Obligation Bonds.....	07/30/15	\$ 15,000,000	07/15/21	\$	535,000	3.000%				
			07/15/22		550,000	3.000%				
			07/15/23		555,000	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	3.125%				
			07/15/31		1,000,000	3.125%				
			07/15/32		925,000	3.250%				
			07/15/33		1,000,000	3.250%				
			07/15/34		1,000,000	3.375%				
			07/15/35		1,000,000	3.500%	\$ 12,425,000		\$ (760,000)	\$ 11,665,000
2017 Refunding - Open Space -2009.....	05/24/17	6,530,468	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		(145,192)	6,342,276
2017 Refunding - GO Bonds- 2009 Bonds.....	05/24/17	2,069,532	08/15/21		680,312	4.000%				
			08/15/22		712,412	4.000%	2,047,532		(654,808)	1,392,724

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

C-7
Page 3 of 4

SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2021

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/21		June 30, 2020	Bonds Issued	Budget Appropriation	June 30, 2021
			Amount	Rate				
2018 General Obligation Bonds.....	07/24/18	\$ 15,112,500	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%	\$ 14,612,500	\$ (1,000,000)	\$ 13,612,500
2019 Open Space - Pulda Farms	07/22/19	9,628,500	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	(228,500)	9,400,000

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

C-7
Page 4 of 4

SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2021

Purpose	Issue Date	Original Issue	Outstanding Maturities - 06/30/21		June 30, 2020	Bonds Issued	Budget Appropriation	June 30, 2021
			Amount	Rate				
General Obligation Bonds.....	07/20/20	\$ 12,095,000	07/15/21	710,000	1.000%			
			07/15/22	805,000	1.000%			
			07/15/23	815,000	1.000%			
			07/15/24	825,000	1.000%			
			07/15/25	840,000	1.000%			
			07/15/26	850,000	1.250%			
			07/15/27	860,000	1.250%			
			07/15/28	870,000	1.200%			
			07/15/29	880,000	1.300%			
			07/15/30	895,000	1.450%			
			07/15/31	910,000	1.600%			
			07/15/32	925,000	1.850%			
			07/15/33	945,000	1.900%			
			07/15/34	965,000	2.000%	\$ 12,095,000.00		\$ 12,095,000.00
Total.....						\$ 56,081,750.00	\$ 12,095,000.00	\$ (4,413,500.00) \$ 63,763,250.00
						Ref.	C	C-4 C-4 C

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED JUNE 30, 2021

Ord.	Description	Outstanding Maturities			Notes		BAN's Issued	BAN's Redeemed	Notes	
		Interest Rate	Issue Date	Maturity Date	Outstanding June 30, 2020				Outstanding June 30, 2021	
2015-14	Various Capital Improvements				\$ 6,062,750.00			\$ (6,062,750.00)		
2016-15	Various Capital Improvements				6,032,500.00			(6,032,500.00)		
2017-09	Various Capital Improvements	2.00%	07/20/20	07/19/21	4,750,000.00	\$	4,750,000.00	(4,750,000.00)	\$	4,750,000.00
2018-14	Various Capital Improvements	2.00%	07/20/20	07/19/21	5,025,500.00		5,025,000.00	(5,025,500.00)		5,025,000.00
2019-23	Various Capital Improvements	2.00%	07/20/20	07/19/21			5,700,000.00			5,700,000.00
2020-06	Various Capital Improvements	2.00%	07/20/20	07/19/21			3,000,000.00			3,000,000.00
Total.....					\$ 21,870,750.00	\$	18,475,000.00	\$ (21,870,750.00)	\$	18,475,000.00
					<u>Ref.</u>	C	C-2	C-2		C

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	
Balance June 30, 2020.....	C	\$ 342.00
Increased by Receipts:		
Current Fund Budget Appropriation.....	C-2	<u>230,000.00</u>
		230,342.00
Decreased by:		
Appropriated to Fund Improvement Authorizations.....	C-6	<u>(230,000.00)</u>
Balance June 30, 2021.....	C	<u><u>\$ 342.00</u></u>

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

RESERVE TO RETIRE DEBT
YEAR ENDED JUNE 30, 2021

	Ordinance Number	Balance June 30, 2020	Increases Cash Receipts	Decreases Cash Disbursements	Balance June 30, 2021
<hr/>					
Reserve to Retire Debt					
High School/Vets Park Soil Remediation.....	2004-05	\$ 905,257.27	\$ 5,076.21	\$ (335,435.70)	\$ 574,897.78
Land Acquisition.....	2000-27	72,106.42			72,106.42
Land Acquisition.....	2009-22	1,883,093.09	750,000.00	(587,000.00)	2,046,093.09
Total.....		<u>\$ 2,860,456.78</u>	<u>\$ 755,076.21</u>	<u>\$ (922,435.70)</u>	<u>\$ 2,693,097.29</u>
<hr/>					
	<u>Ref.</u>	C	C-2	C-2	C
2004-05	Interest Earned - Soil Remediation.....	C-2	\$ 5,076.21		
2009-22	State Green Acres Grant.....	C-2	750,000.00		
2004-05	Payments made - Soil Remediation Expenses.....	C-2		\$ (335,435.70)	
2009-22	Bond Payment.....	C-2		(587,000.00)	
Total.....			<u>\$ 755,076.21</u>	<u>\$ (922,435.70)</u>	

TOWNSHIP OF NORTH BRUNSWICK
GENERAL CAPITAL FUND

BONDS & NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED JUNE 30, 2021

Ord.	Description	Balane June 30, 2020	FY 2021 Authorizaions	Notes Redeemed	Notes Issued	Bonds Issued	Balance June 30, 2021
2000-27	Acquisition of Lands.....	\$ 450,000.00					\$ 450,000.00
2016-15	Various Capital Improvements.....			\$ 6,062,750.00		\$ (6,062,500.00)	250.00
2018-14	Various Capital Improvements.....			5,025,500.00	\$ (5,025,000.00)		500.00
2019-23	Various Capital Improvements.....	5,700,000.00			(5,700,000.00)		
2020-06	Various Capital Improvements.....	3,800,000.00			(3,000,000.00)		800,000.00
2020-17	Various Capital Improvements.....		\$ 4,370,000.00				4,370,000.00
Total.....		<u>\$ 9,950,000.00</u>	<u>\$ 4,370,000.00</u>	<u>\$ 11,088,250.00</u>	<u>\$ (13,725,000.00)</u>	<u>\$ (6,062,500.00)</u>	<u>\$ 5,620,750.00</u>
	<u>Ref.</u>	C	C-5	C-8	C-8	C-7	C

WATER UTILITY FUND

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY OPERATING AND CAPITAL FUNDS

CASH
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	Operating	Capital	Assessment
Cash Balance June 30, 2020	D	\$ 2,314,125.71	\$ 1,188,386.82	\$ 438,742.96
Increased by Cash Receipts				
Premium on BAN Sale.....	D-2		55,230.00	
Revenues Collected.....	D-4	8,164,203.00		
Water Overpayments.....	D-12	125,893.88		
Bond Proceeds.....	D-15		3,930,000.00	
Bond Anticipation Notes.....	D-16		3,500,000.00	
Collector.....	D-20			160,406.24
Total Cash Receipts.....		8,290,096.88	7,485,230.00	160,406.24
Decreased by Disbursements				
Surplus to Water Operating.....	D-2		(100,000.00)	
Refund of Prior Years' Revenue.....	D-2	(33,255.60)		
Assessment Trust Fund Surplus to Operating Budget.....	D-3			(76,562.50)
Budget Appropriations.....	D-5	(5,990,321.75)		
Appropriation Reserves.....	D-10	(541,073.94)		
Accrued Interest Payable.....	D-13	(777,995.05)		
Improvement Authorizations.....	D-14		(1,362,310.06)	
Bond Anticipation Notes.....	D-16		(5,930,000.00)	
Assessment Serial Bonds.....	D-22			(105,000.00)
Total Cash Disbursements.....		(7,342,646.34)	(7,392,310.06)	(181,562.50)
Cash Balance June 30, 2021.....	D	\$ 3,261,576.25	\$ 1,281,306.76	\$ 417,586.70

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY CAPITAL FUND

ANALYSIS OF CASH BALANCE
YEAR ENDED JUNE 30, 2021

		Deferred Charges	Improvement Authorizations	Reserve for Encumbrances	Other	Balance June 30, 2021
<u>Improvement Authorizations</u>						
17-10	Water Distribution System.....			\$ 54,374.98		\$ 54,374.98
18-13	Water Distribution System.....			101,592.67		101,592.67
19-10	Water Distribution System.....	\$ (500,000.00)		1,340,519.55		840,519.55
19-21	Water Distribution System.....	(500,000.00)		604,605.00		104,605.00
20-07	Water Distribution System.....	(10,000,000.00)	\$ 7,894,392.01	2,100,000.00		(5,607.99)
Capital Improvement Fund.....					\$ 89,067.59	89,067.59
Fund Balance.....					96,754.96	96,754.96
Total.....		\$ (11,000,000.00)	\$ 7,894,392.01	\$ 4,201,092.20	\$ 185,822.55	\$ 1,281,306.76
	<u>Ref.</u>	D, D-23	D, D-14	D, D-14	D, D-2, D-19	D

D-8

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY CAPITAL FUND

FIXED CAPITAL
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	
Balance - June 30, 2020.....	D	\$ 61,720,393.32
Increased by:		
Transfer from Fixed Capital Authorized but not Completed.....	D-9	<u>1,362,310.06</u>
Balance - June 30, 2021.....	D	<u><u>\$ 63,082,703.38</u></u>

D-9

WATER UTILITY CAPITAL FUND

FIXED CAPITAL AUTHORIZED BUT NOT COMPLETED
YEAR ENDED JUNE 30, 2021

Ord.	Improvement Description	Balance June 30, 2020	Transfer to Fixed Capital	Balance June 30, 2021
15-16	Water Distribution System.....	\$ 1,534.46	\$ 1,534.46	
17-10	Water Distribution System.....	225,437.64	171,062.66	\$ 54,374.98
18-13	Water Distribution System.....	733,835.77	632,243.10	101,592.67
19-10	Water Distribution System.....	1,499,288.40	158,768.85	1,340,519.55
19-21	Water Distribution System.....	997,698.00	393,093.00	604,605.00
20-07	Water Distribution System.....	10,000,000.00	5,607.99	9,994,392.01
	Total.....	<u>\$ 13,457,794.27</u>	<u>\$ 1,362,310.06</u>	<u>\$ 12,095,484.21</u>
	<u>Ref.</u>	D	D-8	D

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY OPERATING FUND

2020 APPROPRIATION RESERVES/ACCOUNTS PAYABLE
YEAR ENDED JUNE 30, 2021

	June 30, 2020	June 30, 2020 Encumbrances	Paid or Charged	Lapsed
Operating - S & W.....	\$ 7,370.75		\$ (1,428.75)	\$ 5,942.00
Operating - Other Expenses.....	114,188.64	\$ 549,571.52	(565,759.19)	98,000.97
Total Water Utility Operating.....	\$ 121,559.39	\$ 549,571.52	\$ (567,187.94)	\$ 103,942.97

<u>Ref.</u>	D	D	D-1
-------------	---	---	-----

Cash Disbursements.....	<u>Ref.</u> D-6	\$ (541,073.94)
June 30, 2021 Accounts Payable.....	D-10	<u>(26,114.00)</u>
Total Paid or Charged.....		<u>\$ (567,187.94)</u>

Accounts Payable Analysis

Balance June 30, 2020.....	D	\$ 21,004.54
Transfer from Appropriation Reserves.....	D-10	26,114.00
Prior Year's Payable Canceled.....	D-1	<u>(21,004.54)</u>
Balance June 30, 2021	D	<u>\$ 26,114.00</u>

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY OPERATING FUND

WATER CHARGES AND WATER LIENS
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	<u>Water Charges</u>
Balance - June 30, 2020	D	\$ 965,217.17
Increased by:		
Water Charges Levied	Reserve	<u>7,603,662.26</u>
		8,568,879.43
Decreased by:		
Collection - Treasurer	D-5	7,232,883.75
Over payments Applied	D-12	<u>103,574.09</u>
		7,336,457.84
Balance - June 30, 2021	D	<u><u>\$ 1,232,421.59</u></u>

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY OPERATING FUND

WATER OVERPAYMENTS
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	
Balance - June 30, 2020	D	\$ 103,574.09
Increased by:		
Overpayments Collected	D-5	<u>125,893.88</u>
		229,467.97
Decreased by:		
Overpayments Applied	D-1, D-11	<u>103,574.09</u>
Balance - June 30, 2021	D	<u><u>\$ 125,893.88</u></u>

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY OPERATING AND CAPITAL FUNDS

ACCRUED INTEREST ON BONDS & NOTES
YEAR ENDED JUNE 30, 2021

	Ref.	Total Accrued Interest	Bond Anticipation Notes	Serial Bonds	Belcourt Assessment	Environmental Infrastructure Trust
Accrued Interest June 30, 2020.....	D	\$ (408,063.19)	\$ (167,028.33)	\$ (105,437.98)	\$ (29,596.88)	\$ (106,000.00)
Cash Payments - SFY 2021.....	D-6	777,995.05	177,405.83	304,876.72	76,562.50	219,150.00
Accrued Interest June 30, 2021.....	D	290,258.81	70,000.00	96,079.64	27,825.00	96,354.17
SFY 2021 Budget Expense.....	D-5	<u>\$ 660,190.67</u>	<u>\$ 80,377.50</u>	<u>\$ 295,518.38</u>	<u>\$ 74,790.62</u>	<u>\$ 209,504.17</u>

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED JUNE 30, 2021

Ord.	Original Appropriation	Description	June 30, 2020 Unfunded	Encumbrances June 30, 2020	Paid or Charged	Encumbrances June 30, 2021	June 30, 2021 Unfunded
15-16	\$ 2,000,000	Water Distribution System		\$ 1,534.46	\$ (1,534.46)		
17-10	1,000,000	Water Distribution System		225,437.64	(171,062.66)	\$ (54,374.98)	
18-13	1,000,000	Water Distribution System	\$ 66,083.18	667,752.59	(632,243.10)	(101,592.67)	
19-10	1,500,000	Water Distribution System	1,281,688.40	217,600.00	(158,768.85)	(1,340,519.55)	
19-21	1,000,000	Water Distribution System	894,469.41	103,228.59	(393,093.00)	(604,605.00)	
20-07	10,000,000	Water Distribution System	10,000,000.00		(5,607.99)	(2,100,000.00)	\$ 7,894,392.01
<u>\$ 25,500,000 Total.....</u>			<u>\$ 12,242,240.99</u>	<u>\$ 1,215,553.28</u>	<u>\$ (1,362,310.06)</u>	<u>\$ (4,201,092.20)</u>	<u>\$ 7,894,392.01</u>
		<u>Ref.</u>	D	D	D-6	D	D

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY CAPITAL FUND

SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2021

Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			.....INTEREST EXPENSE.....			FY Budget Appropriation Interest
			June 30, 2021			Interest Cash Payments	....Accrued Interest....		
			Date	Principal	Rate		Beginning	Ending	
2011 Refunding Bond.....	12/22/11	\$ 10,252,500	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.....	08/08/12	1,500,000	08/01/21	70,000	2.000%	23,450.00	(10,062.50)	9,479.17	22,866.67
Ordinance 5-16/6-16			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	08/15/21	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

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY CAPITAL FUND

SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2021

Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			.....INTEREST EXPENSE.....			FY Budget Appropriation Interest
			June 30, 2021			Interest Cash Payments	....Accrued Interest....		
			Date	Principal	Rate		Beginning	Ending	
2015 Bonds.....	07/30/15	\$ 1,993,670	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	08/15/21	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

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY CAPITAL FUND

SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2021

.....INTEREST EXPENSE.....									
Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			Interest			FY Budget
			June 30, 2021			Cash	....Accrued Interest....		Appropriation
			Date	Principal	Rate	Payments	Beginning	Ending	Interest
2020 General Obligation Bonds	07/20/20	\$ 3,930,000	7/15/2021	\$ 135,000	1.000%	\$ 100,742.80	\$ (5,607.99)	\$ 30,659.64	\$ 125,794.45
			7/15/2022	175,000	1.000%	66,018.76	(30,659.64)	29,857.56	65,216.68
			7/15/2023	175,000	1.000%	64,268.76	(29,857.56)	29,055.47	63,466.68
			7/15/2024	180,000	1.000%	62,493.76	(29,055.47)	28,230.47	61,668.76
			7/15/2025	180,000	1.000%	60,693.76	(28,230.47)	27,405.47	59,868.76
			7/15/2026	185,000	1.250%	58,637.51	(27,405.47)	26,345.58	57,577.61
			7/15/2027	185,000	1.250%	56,325.01	(26,345.58)	25,285.68	55,265.11
			7/15/2028	185,000	2.000%	53,318.76	(25,285.68)	23,589.85	51,622.93
			7/15/2029	190,000	2.000%	49,568.76	(23,589.85)	21,848.18	47,827.09
			7/15/2030	190,000	2.000%	45,768.76	(21,848.18)	20,106.52	44,027.09
			7/15/2031	195,000	2.000%	41,918.76	(20,106.52)	18,319.02	40,131.26
			7/15/2032	200,000	2.000%	37,968.76	(18,319.02)	16,485.68	36,135.43
			7/15/2033	205,000	2.000%	33,918.76	(16,485.68)	14,606.51	32,039.58
			7/15/2034	210,000	2.000%	29,768.76	(14,606.51)	12,681.52	27,843.77
			7/15/2035	210,000	2.000%	25,568.76	(12,681.52)	10,756.52	23,643.76
			7/15/2036	215,000	2.300%	21,318.76	(10,756.52)	8,785.68	19,347.93
			7/15/2037	220,000	2.000%	16,968.76	(8,785.68)	6,769.02	14,952.09
			7/15/2038	225,000	2.125%	12,378.13	(6,769.02)	4,577.60	10,186.72
			7/15/2039	230,000	2.125%	7,543.75	(4,577.60)	2,337.50	5,303.65
			7/15/2040	240,000	2.125%	2,550.00	(2,337.50)		212.50
June 30, 2020 Balance.....			D	\$ 8,635,091.00					
Principal Payments.....			D-5,D-18	<u>(1,390,116.00)</u>					
Bonds Issued.....			D-6	<u>3,930,000.00</u>					
June 30, 2021.....			D	<u>\$ 11,174,975.00</u>					

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED JUNE 30, 2021

Ord.	Description	Outstanding Maturities 06/30/2021			Notes Outstanding June 30, 2020	Increase	Decrease	Notes Outstanding June 30, 2021
		Interest Rate	Issue Date	Maturity Date				
12-14	Water Distribution System.....				\$ 960,000.00		\$ 960,000.00	
13-15	Water Distribution System.....				970,000.00		970,000.00	
15-16	Water Distribution System.....				2,000,000.00		2,000,000.00	
17-10	Water Distribution System.....	2.00%	7/20/20	7/19/21	1,000,000.00	\$ 1,000,000.00	1,000,000.00	\$ 1,000,000.00
18-13	Water Distribution System.....	2.00%	7/20/20	7/19/21	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
19-10	Water Distribution System.....	2.00%	7/20/20	7/19/21		1,000,000.00		1,000,000.00
19-21	Water Distribution System.....	2.00%	7/20/20	7/19/21		500,000.00		500,000.00
	Total.....				<u>\$ 5,930,000.00</u>	<u>\$ 3,500,000.00</u>	<u>\$ 5,930,000.00</u>	<u>\$ 3,500,000.00</u>
				<u>Ref.</u>	D	D-6	D-6	D

Calculation of Accrued Interest

<u>Calculation of Accrued Interest</u>	<u>Issued Date</u>	
<u>Total</u>	<u>7/22/2019</u>	<u>7/20/2020</u>
Principal Outstanding.....	\$ 5,930,000.00	\$ 3,500,000.00
Interest Rate.....	3.00%	2.00%
Accrued Interest at June 30, 2019 and 2020	167,028.33	65,722.22
SFY 2020 Budget Expense.....		\$ 76,099.71
Memo - Cash Interest at July 21, 2020 Maturity.....	\$ 177,405.83	
Memo - Cash Interest at July 19, 2021 Maturity.....		\$ 69,805.56

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY CAPITAL FUND

NJEIT LOAN OBLIGATION
YEAR ENDED JUNE 30, 2021

Purpose	Drawdown Date	Original Issue	Fiscal Year	OUTSTANDING MATURITIES June 30, 2021		INTEREST EXPENSE.....			
				Principal 8/1 Maturities	Rate	Interest Annual Cash Payments	Accrued Interest Beginning	Accrued Interest Ending	FY Budget Appropriation Interest
Trust Loan Ordinance 07-20	11/8/2007	\$ 9,700,000							
			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	682,000.00	4.25%	17,050.00	(27,708.33)	14,208.33	3,550.00
Trust Loan June 30, 2021 Balance.....				\$ 4,141,000.00					

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY CAPITAL FUND

NJEIT LOAN OBLIGATION

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					
			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, 2021 Balance.....				\$ 3,475,229.47			
<u>Ref.</u>							
June 30, 2020 NJEIT Loan Balance.....			D	\$ 8,596,979.26			
Principal Payments.....			D-18	(980,749.79)			
June 30, 2021 NJEIT Loan Balance.....			D	<u>\$ 7,616,229.47</u>			

D-18

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY CAPITAL FUND

RESERVE FOR AMORTIZATION
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>		
Balance June 30, 2020	D	\$	39,516,117.33
Principal Payments			
Serial Bonds.....	D-15	\$	1,390,116.00
NJEIT Loan.....	D-17		<u>980,749.79</u>
Total Principal Payments.....			<u>2,370,865.79</u>
Balance June 30, 2021	D	\$	<u><u>41,886,983.12</u></u>

D-19

WATER UTILITY CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2021

Balance June 30, 2021 and 2020	D	\$	<u><u>89,067.59</u></u>
--------------------------------	---	----	-------------------------

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY ASSESSMENT FUND

ASSESSMENTS & LIENS RECEIVABLE
YEAR ENDED JUNE 30, 2021

Description	Ordinance Number	Confirmation Date	Annual Installments	Due Dates	Balance 06/30/20	Collected	Balance 06/30/21	Balance Pledged To	
								Assessment Bonds	Reserve
<u>Assessment Receivables</u>									
Prior Year Assessment Receivables					\$ 412.00		\$ 412.00		\$ 412.00
Water Improvement - Belcourt at Hidden Lakes Condo Assoc	07-24/11-04	10/03/11	4	12/1/11-2031	1,534,792.10	\$ 160,406.24	1,374,385.86	\$ 1,374,385.86	
Total Assessments Receivable.....					1,535,204.10	160,406.24	1,374,797.86	1,374,385.86	\$ 412.00
<u>Assessment Liens</u>									
Interest & Costs on Assessment Liens.....					288.00		288.00		288.00
Total Assessment Liens Receivable.....					288.00	-	288.00	-	288.00
Total Assessments & Assessment Liens Receivable.....					\$ 1,535,492.10	\$ 160,406.24	\$ 1,375,085.86	\$ 1,374,385.86	\$ 700.00
<u>Ref.</u>					D	D-6	D	D-22	D-21

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY ASSESSMENT FUND

RESERVES FOR ASSESSMENTS AND LIENS
YEAR ENDED JUNE 30, 2021

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE JUNE 30, 2020	COLLECTIONS	BALANCE JUNE 30, 2021
	<u>ASSESSMENTS RECEIVABLE</u>			
	Assessment Liens.....	\$ 412.00		\$ 412.00
07-24/11-04	Water Improvement - Belcourt at Hidden Lake Condo Assoc.....	39,792.10	\$ 39,792.10	
	Subtotal	40,204.10	39,792.10	412.00
	<u>ASSESSMENT LIENS</u>			
	Assessment Liens Interest & Cost.....	288.00		288.00
		<u>\$ 40,492.10</u>	<u>\$ 39,792.10</u>	<u>\$ 700.00</u>
	<u>Ref.</u>	D	D-3	D

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY ASSESSMENT FUND

ASSESSMENT SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2021

						.....INTEREST EXPENSE.....			
Purpose	Issue Date	Original Issue	.....OUTSTANDING MATURITIES.....			Interest Cash Payments	....Accrued Interest....		FY Budget Appropriation Interest
			Date	June 30, 2021 Principal	Rate		Beginning	Ending	
Ordinance 07-24/11-04..... Belcourt Assessment	08/10/11	\$ 2,250,000	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, 2020 Balance.....			D	\$ 1,495,000.00					
Principal Payments.....			D-6	<u>(105,000.00)</u>					
June 30, 2021 Balance.....			D	<u>\$ 1,390,000.00</u>					

TOWNSHIP OF NORTH BRUNSWICK
WATER UTILITY CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED JUNE 30, 2021

Ord.	Description	Balance June 30, 2020	Bond Anticipation Note Issued	Balance June 30, 2021
19-10	Water Distribution System.....	\$ 1,500,000.00	\$ (1,000,000.00)	\$ 500,000.00
19-21	Water Distribution System.....	1,000,000.00	(500,000.00)	500,000.00
20-07	Water Distribution System.....	10,000,000.00		10,000,000.00
Total Bonds & Notes				
Authorized but not Issued.....		\$ 12,500,000.00	\$ (1,500,000.00)	\$ 11,000,000.00
	<u>Ref.</u>	D	D-16	D

SEWER UTILITY FUND

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY OPERATING & CAPITAL FUNDS

CASH
YEAR ENDED JUNE 30, 2021

		Operating	Capital
Cash Balance June 30, 2020	E	\$ 2,028,945.26	\$ 961,007.60
Increased by Cash Receipts			
Premium on BAN issue.....	E-2		86,790.00
Anticipated Revenue.....	E-3	7,775,785.60	
Sewer Overpayments.....	E-11	19,930.52	
Bond Anticipation Notes.....	E-18		5,500,000.00
Bond Proceeds.....	E-10		2,930,000.00
NJIB Loans Received.....	E-19		476,795.00
Total Cash Receipts.....		7,795,716.12	8,993,585.00
Decreased by Disbursements			
Sewer Capital Fund Balance.....	E-2		(50,000.00)
Budget Appropriations.....	E-4	(6,226,426.34)	
Appropriation Reserves.....	E-9	(82,794.94)	
Accrued Interest.....	E-12	(463,769.62)	
Improvement Authorizations.....	E-14		(1,714,732.93)
Bond Anticipation Notes.....	E-18		(7,430,000.00)
Total Cash Disbursements.....		(6,772,990.90)	(9,194,732.93)
Cash Balance June 30, 2021.....	E	\$ 3,051,670.48	\$ 759,859.67

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUND

ANALYSIS OF CASH
YEAR ENDED JUNE 30, 2021

Ord.		Deferred Charges	Ordinance Balance	Reserve for Encumbrances	Other	Cash Balance
<u>Improvement Authorizations</u>						
18-12	Improvements to Sewer Distribution.....			\$ 156,236.90		\$ 156,236.90
19-08	Improvements to Sewer Distribution.....	\$ (626,733.00)		190,796.71		(435,936.29)
19-22	Improvements to Sewer Distribution.....			808,589.99		808,589.99
20-08	Improvements to Sewer Distribution.....	(10,000,000.00)	\$ 6,723,142.93	3,263,648.89		(13,208.18)
	Fund Balance.....				\$ 215,277.25	215,277.25
	Capital Improvement Fund.....				28,900.00	28,900.00
Total.....		\$ (10,626,733.00)	\$ 6,723,142.93	\$ 4,419,272.49	\$ 244,177.25	\$ 759,859.67
	<u>Ref.</u>	E-20	E-14	E-14	E-2, E-15	E, E-5

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUND

FIXED CAPITAL
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	
Balance - June 30, 2020.....	E	\$ 32,137,470.40
Increased by:		
Transfer from Fixed Capital Authorized but not Completed.....	E-8	<u>1,714,732.93</u>
Balance - June 30, 2021.....	E	<u><u>\$ 33,852,203.33</u></u>

SEWER UTILITY CAPITAL FUND

FIXED CAPITAL AUTHORIZED BUT NOT COMPLETED
YEAR ENDED JUNE 30, 2021

Ord. Date	Description	Balance June 30, 2020	Transferred to Fixed Capital/Adjustments	Balance June 30, 2021
15-15	Improvement to Sewer Distribution System.....	\$ 0.25		\$ 0.25
17-05	Improvement to Sewer Distribution System.....	336,704.35	\$ 336,704.35	
18-12	Improvement to Sewer Distribution System.....	420,249.33	264,012.43	156,236.90
19-08	Improvement to Sewer Distribution System.....	1,100,194.67	909,397.96	190,796.71
19-22	Improvement to Sewer Distribution System.....	1,000,000.00	191,410.01	808,589.99
20-08	Improvement to Sewer Distribution System.....	10,000,000.00	13,208.18	9,986,791.82
	Total.....	<u>\$ 12,857,148.60</u>	<u>\$ 1,714,732.93</u>	<u>\$ 11,142,415.67</u>
	<u>Ref.</u>	E	E-7	E

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY OPERATING FUND

2020 APPROPRIATION RESERVES
YEAR ENDED JUNE 30, 2021

	June 30, 2020	Encumbrances	Paid or Charged	Balance Lapsed
Operating Salaries.....	\$ 8,869.46		\$ 3,240.85	\$ 12,110.31
Operating Expenses.....	263,926.64	\$ 200,791.84	(93,773.89)	370,944.59
Total Sewer Utility Operating.....	<u>\$ 272,796.10</u>	<u>\$ 200,791.84</u>	<u>\$ (90,533.04)</u>	<u>\$ 383,054.90</u>

Ref.

E

E

E-1

	<u>Ref.</u>	
Cash Disbursements.....	E-5	\$ (82,794.94)
June 30, 2021 Accounts Payable.....	E	<u>(7,738.10)</u>
Total Paid or Charged.....		<u>\$ (90,533.04)</u>

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY OPERATING FUND

SEWER RENTS RECEIVABLE
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	<u>Sewer Rents</u>
Balance June 30, 2020.....	E	\$ 1,042,297.73
Increased by:		
Sewer Rents Levied.....	Reserve	<u>7,472,724.72</u>
		8,515,022.45
Decreased by:		
Cash Receipts.....	E-3	7,691,346.37
Overpayments Applied.....	E-11	<u>8,337.46</u>
		<u>7,699,683.83</u>
Balance June 30, 2021.....	E	<u><u>\$ 815,338.62</u></u>

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY OPERATING FUND

SEWER OVERPAYMENTS
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	
Balance - June 30, 2020	E	\$ 8,337.46
Increased by:		
Overpayments Collected	E-5	<u>19,930.52</u>
		103,574.09
Decreased by:		
Overpayments Applied	E-1, E-10	<u>8,337.46</u>
Balance - June 30, 2021	E	<u><u>\$ 19,930.52</u></u>

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY OPERATING AND CAPITAL FUNDS

ACCRUED INTEREST ON BONDS & NOTES
YEAR ENDED JUNE 30, 2021

	Ref.	Total Accrued Interest	Bond Anticipation Notes	Serial Bonds	Environmental Infrastructure Trust
Accrued Interest June 30, 2020.....	E	\$ (295,397.64)	\$ (209,278.33)	\$ (82,194.83)	\$ (3,924.48)
Cash Payments - SFY 2021.....	E-5	463,769.62	222,280.83	232,945.03	8,543.76
Accrued Interest June 30, 2021.....	E	195,774.02	110,000.00	73,559.95	12,214.07
SFY 2021 Budget Expense.....	E-4	<u>\$ 364,146.00</u>	<u>\$ 123,002.50</u>	<u>\$ 224,310.15</u>	<u>\$ 16,833.35</u>

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUND

NJIT LOAN PAYABLE
YEAR ENDED JUNE 30, 2021

Purpose	Drawdown Date	Original Issue	Fiscal Year	OUTSTANDING MATURITIES		INTEREST EXPENSE.....			
				June 30, 2021	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	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
Ordinance 19-08	6/11/2025	1,180,000	2022			34,872.50	(9,018.75)	20,041.67	45,895.42
			2023	60,000.00	5.000%	46,600.00	(20,041.67)	18,791.67	45,350.00
			2024	65,000.00	5.000%	43,475.00	(18,791.67)	17,437.50	42,120.83
			2025	70,000.00	5.000%	40,100.00	(17,437.50)	15,979.17	38,641.67
			2026	70,000.00	5.000%	36,600.00	(15,979.17)	14,520.83	35,141.67
			2027	75,000.00	5.000%	32,975.00	(14,520.83)	12,958.33	31,412.50
			2028	80,000.00	5.000%	29,100.00	(12,958.33)	11,291.67	27,433.33
			2029	85,000.00	5.000%	24,975.00	(11,291.67)	9,520.83	23,204.17
			2030	85,000.00	5.000%	20,725.00	(9,520.83)	7,750.00	18,954.17
			2031	90,000.00	4.000%	16,800.00	(7,750.00)	6,250.00	15,300.00
			2032	95,000.00	3.000%	13,575.00	(6,250.00)	5,062.50	12,387.50
			2033	95,000.00	3.000%	10,725.00	(5,062.50)	3,875.00	9,537.50
			2034	100,000.00	3.000%	7,800.00	(3,875.00)	2,625.00	6,550.00
			2035	105,000.00	3.000%	4,725.00	(2,625.00)	1,312.50	3,412.50
			2036	105,000.00	3.000%	1,575.00	(1,312.50)	-	262.50

Trust Loan June 30, 2021 Balance..... \$ 1,345,000.00

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	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							
Ordinance 19-08	6/11/2025	\$ 4,029,950	2022	274,769.31	0.00%	183,179.54	91,589.70
			2023	274,769.31	0.00%	183,179.54	91,589.70
			2024	274,769.31	0.00%	183,179.54	91,589.70
			2025	274,769.31	0.00%	183,179.54	91,589.70
			2026	274,769.31	0.00%	183,179.54	91,589.70
			2027	274,769.31	0.00%	183,179.54	91,589.70
			2028	274,769.31	0.00%	183,179.54	91,589.70
			2029	274,769.31	0.00%	183,179.54	91,589.70
			2030	274,769.31	0.00%	183,179.54	91,589.70
			2031	274,769.31	0.00%	183,179.54	91,589.70
			2032	274,769.31	0.00%	183,179.54	91,589.70
			2033	274,769.31	0.00%	183,179.54	91,589.70
			2034	274,769.31	0.00%	183,179.54	91,589.70
			2035	274,769.31	0.00%	183,179.54	91,589.70
			2036	183,179.66	0.00%	183,179.54	-

Fund Loan June 30, 2021 Balance..... \$ 4,147,028.85

	Ref.	
June 30, 2020 Balance.....	E	\$ 5,718,646.21
Loans Adjustment.....	E-16	(163,317.00) (1)
Principal Payments.....	E-16	(63,300.36)
June 30, 2021 Balance.....	E	<u>\$ 5,492,028.85</u>

- (1) A Principal and Interest payment schedule has been provided as of June 30, 2021

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED JUNE 30, 2021

Ord	Original	Description	June 30, 2020 Unfunded	Encumbrances 06/30/20	Paid	Encumbrances 06/30/21	June 30, 2021 Unfunded
17-05	\$ 3,500,000	Improve Sanitary Sewer System.....	\$ 52.50	\$ 336,651.85	\$ (336,704.35)		
18-12	1,000,000	Improve Sanitary Sewer System.....	238,931.00	181,318.33	(264,012.43)	\$ (156,236.90)	
19-08	6,000,000	Improve Sanitary Sewer System.....	81,168.60	1,019,026.07	(909,397.96)	(190,796.71)	
19-22	1,000,000	Improve Sanitary Sewer System.....	818,153.89	181,846.11	(191,410.01)	(808,589.99)	
20-08	10,000,000	Improve Sanitary Sewer System.....	10,000,000.00		(13,208.18)	(3,263,648.89)	\$ 6,723,142.93
	<u>\$ 22,500,000</u>	Total.....	<u>\$ 11,138,305.99</u>	<u>\$ 1,718,842.36</u>	<u>\$ (1,714,732.93)</u>	<u>\$ (4,419,272.49)</u>	<u>\$ 6,723,142.93</u>
		<u>Ref.</u>	E	E	E-5	E	E

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUNDCAPITAL IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	
Balance - June 30, 2021 and June 30, 2020	E	<u>\$ 28,900.00</u>

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUND

RESERVE FOR AMORTIZATION & DEFERRED AMORTIZATION
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	Amortization	Deferred Amortization
Balance June 30, 2020.....	E	\$ (13,247,036.79)	\$ (252,294.00)
Principal Payments.....			
NJEIT Loans Adjustment	E-13	(163,317.00)	
NJEIT Loans	E-13	(63,300.36)	
Bonds	E-17	(1,269,884.00)	
		<u>(1,496,501.36)</u>	
Balance June 30, 2021.....	E	<u>\$ (14,743,538.15)</u>	<u>\$ (252,294.00)</u>

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUND

E-17
Page 1 of 3

SERIAL BONDS PAYABLE & ACCRUED INTEREST
YEAR ENDED JUNE 30, 2021

Purpose	Issue Date	Original Issue	OUTSTANDING MATURITIES			.....INTEREST EXPENSE.....			
			Date	June 30, 2021		Interest Annual Cash Payments	Accrued Interest		FY Budget Appropriation Interest
				Principal	Rate		Beginning	Ending	
2011 Refunding Bond	12/22/11	\$ 10,252,500	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	08/01/21	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

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUND

E-17
Page 2 of 3

SERIAL BONDS PAYABLE & ACCRUED INTEREST
YEAR ENDED JUNE 30, 2021

Purpose	Issue Date	Original Issue	OUTSTANDING MATURITIES			.....INTEREST EXPENSE.....			
			June 30, 2021			Interest Annual Cash Payments	Accrued Interest		FY Budget Appropriation Interest
			Date	Principal	Rate		Beginning	Ending	
2015 Bonds	07/30/15	\$ 2,186,330	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	08/15/21	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

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUND

E-17
Page 3 of 3

SERIAL BONDS PAYABLE & ACCRUED INTEREST
YEAR ENDED JUNE 30, 2021

Purpose	Issue Date	Original Issue	OUTSTANDING MATURITIES			.....INTEREST EXPENSE.....			
			Date	June 30, 2021		Interest Annual Cash Payments	Accrued Interest		FY Budget Appropriation Interest
				Principal	Rate		Beginning	Ending	
2020 General Obligation Bonds	07/21/24	\$ 2,930,000	07/15/21	\$ 100,000	1.000%	\$ 75,263.81	\$ (4,189.43)	\$ 22,908.08	\$ 93,982.46
			07/15/22	130,000	1.000%	49,331.26	(22,908.08)	22,312.24	48,735.43
			07/15/23	130,000	1.000%	48,031.26	(22,312.24)	21,716.41	47,435.43
			07/15/24	130,000	1.000%	46,731.26	(21,716.41)	21,120.58	46,135.43
			07/15/25	135,000	1.000%	45,406.26	(21,120.58)	20,501.83	44,787.51
			07/15/26	135,000	1.250%	43,887.51	(20,501.83)	19,728.39	43,114.07
			07/15/27	135,000	1.250%	42,200.01	(19,728.39)	18,954.95	41,426.57
			07/15/28	140,000	2.000%	39,956.26	(18,954.95)	17,671.62	38,672.93
			07/15/29	140,000	2.000%	37,156.26	(17,671.62)	16,388.29	35,872.93
			07/15/30	145,000	2.000%	34,306.26	(16,388.29)	15,059.12	32,977.09
			07/15/31	145,000	2.000%	31,406.26	(15,059.12)	13,729.95	30,077.09
			07/15/32	150,000	2.000%	28,456.26	(13,729.95)	12,354.95	27,081.26
			07/15/33	150,000	2.000%	25,456.26	(12,354.95)	10,979.95	24,081.26
			07/15/34	155,000	2.000%	22,406.26	(10,979.95)	9,559.00	20,985.31
			07/15/35	160,000	2.000%	19,256.26	(9,559.00)	8,092.45	17,789.71
			07/15/36	160,000	2.300%	16,056.26	(8,092.45)	6,625.79	14,589.59
			07/15/37	165,000	2.000%	12,806.26	(6,625.79)	5,113.29	11,293.76
			07/15/38	170,000	2.125%	9,350.01	(5,113.29)	3,457.56	7,694.28
			07/15/39	175,000	2.125%	5,684.38	(3,457.56)	1,753.13	3,979.95
			07/15/40	180,000	2.125%	1,912.50	(1,753.13)		159.38

	<u>Ref.</u>	
June 30, 2020 Balance.....	E	\$ 6,719,909.00
Principal Payments.....	E-16	(1,269,884.00)
Bonds Issued.....	E-5	2,930,000.00
June 30, 2021 Balance.....	E	<u>\$ 8,380,025.00</u>

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED JUNE 30, 2021

		Outstanding Maturities 06/30/2021						
Ord.	Description	Interest Rate	Issue Date	Maturity Date	Notes Outstanding June 30, 2020	BAN's Issued	BAN's Redeemed	Notes Outstanding June 30, 2021
12-15	Improve Sanitary Sewer System.....				\$ 960,000.00		\$ 960,000.00	
13-16	Improve Sanitary Sewer System.....				970,000.00		970,000.00	
15-15	Improve Sanitary Sewer System.....				1,000,000.00		1,000,000.00	
17-05	Improve Sanitary Sewer System.....	2.00%	07/21/20	07/19/21	3,500,000.00	\$ 3,500,000.00	3,500,000.00	\$ 3,500,000.00
18-12	Improve Sanitary Sewer System.....	2.00%	07/21/20	07/19/21	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
19-22	Improve Sanitary Sewer System.....	2.00%	07/21/20	07/19/21		1,000,000.00		1,000,000.00
	Total.....				<u>\$ 7,430,000.00</u>	<u>\$ 5,500,000.00</u>	<u>\$ 7,430,000.00</u>	<u>\$ 5,500,000.00</u>
				<u>Ref.</u>	E	E-5	E-5	E

Calculation of Accrued Interest

		Issued Date	
		<u>07/22/19</u>	<u>07/21/20</u>
Principal Outstanding.....	\$	7,430,000	\$ 5,500,000
Interest Rate.....		3.00%	2.00%
Accrued Interest at June 30, 2020 and 2021		<u>209,278.33</u>	<u>103,277.78</u>
SFY 2021 Budget Expense.....	\$	<u>116,280.28</u>	

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUND

DUE FROM NEW JERSEY INFRASTRUCTURE BANK
YEAR ENDED JUNE 30, 2021

	<u>Ref.</u>	
Balance June 30, 2020.....	E	\$ 476,795.00
Decreased by:		
Cash Receipts.....	E-5	<u>476,795.00</u>
Balance June 30, 2021.....	E	<u><u>\$ -</u></u>

TOWNSHIP OF NORTH BRUNSWICK
SEWER UTILITY CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED JUNE 30, 2021

Ord.	Description	June 30, 2020	BANs Issued	June 30, 2021
2019-08	Improvements to Sanitary Sewerage System.....	\$ 626,733.00		\$ 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>\$ 11,626,733.00</u>	<u>\$ (1,000,000.00)</u>	<u>\$ 10,626,733.00</u>
		<u>Ref.</u>	E	E-18
				E

TOWNSHIP OF NORTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

PART IV
SUPPLEMENTARY DATA

TOWNSHIP OF NORTH BRUNSWICK
COMBINED BALANCE SHEETS - ALL FUNDS
June 30, 2021

ASSETS	CURRENT AND GRANT FUND	TRUST FUND	GENERAL CAPITAL FUND	WATER UTILITY FUND	SEWER UTILITY FUND	GOVERNMENTAL FIXED ASSETS	MEMORANDUM ONLY TOTALS	
							JUNE 30, 2021	JUNE 30, 2020
Cash and Investments	\$ 21,568,111.69	\$ 4,210,013.38	\$ 6,510,532.31	\$ 4,960,469.71	\$ 3,811,530.15		\$ 41,060,657.24	\$ 33,929,821.21
Accounts Receivable:								
State & Federal Grants Receivable	1,515,152.38	152,898.00					1,668,050.38	1,281,244.41
Due from State of New Jersey	127,061.83						127,061.83	609,749.28
Taxes, Assessments, Liens & Utility Charges	1,049,801.66	71,055.00		2,607,507.45	815,338.62		4,543,702.73	4,269,022.92
Property Acquired for Taxes at Assessed Valuation	534,280.68						534,280.68	534,280.68
Fixed Assets - General						\$ 89,554,323.72	89,554,323.72	86,726,527.62
Fixed Capital - Utility				63,082,703.38	33,852,203.33		96,934,906.71	93,857,863.72
Fixed Capital - Authorized and Uncompleted - Utility				12,095,484.21	11,142,415.67		23,237,899.88	26,314,942.87
Deferred Charges to Future Taxation: General Capital Fund			87,859,000.00				87,859,000.00	87,902,500.00
	<u>\$ 24,794,408.24</u>	<u>\$ 4,433,966.38</u>	<u>\$ 94,369,532.31</u>	<u>\$ 82,746,164.75</u>	<u>\$ 49,621,487.77</u>	<u>\$ 89,554,323.72</u>	<u>\$ 345,519,883.17</u>	<u>\$ 335,432,539.44</u>
LIABILITIES, RESERVES AND FUND BALANCE	CURRENT FUND	TRUST FUND	CAPITAL FUND	WATER UTILITY FUND	SEWER UTILITY FUND	GENERAL FIXED ASSETS	TOTALS	
							JUNE 30, 2021	JUNE 30, 2020
Bonds and Notes Payable			\$ 82,238,250.00	\$ 16,064,975.00	\$ 13,880,025.00		\$ 112,183,250.00	\$ 108,162,500.00
Loans Payable				7,616,229.47	5,492,028.85		13,108,258.32	14,315,625.47
Taxes Payable	\$ 1,313,884.05						1,313,884.05	1,184,351.54
Prepaid Taxes, Assessments, Utility Charges and Licenses	457,448.80						457,448.80	198,387.89
Tax, Assessment, Lien, License and Utility Charge Overpayments	203,148.24	\$ 71,055.00		126,593.88	19,930.52		420,727.64	483,767.88
Appropriation Reserves	3,950,894.66			54,513.85	555,245.49		4,560,654.00	2,763,404.08
Reserve for Encumbrances/ Accounts Payable	1,898,705.42			1,278,030.43	354,143.01		3,530,878.86	3,986,806.45
Other Liabilities	14,371.00	59.80					14,430.80	10,235.40
Amts. Pledged to Specific Purposes	2,617,481.40	3,168,337.86	2,693,439.29	89,067.59	28,900.00		8,597,226.14	7,252,015.33
Escrow Funds		1,194,513.72					1,194,513.72	1,200,394.22
Improvement Authorizations			8,961,387.60	12,095,484.21	11,142,415.42		32,199,287.23	37,724,333.10
Investments in General Fixed Assets						\$ 89,554,323.72	89,554,323.72	86,726,527.62
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				41,886,983.12	14,995,832.15		56,882,815.27	53,015,448.12
Reserve for Certain Assets Acquired or Receivables & Inventories	1,584,082.34			1,232,421.59	815,338.62		3,631,842.55	3,203,343.23
Fund Balance	<u>12,754,392.33</u>		<u>476,455.42</u>	<u>2,301,865.61</u>	<u>2,337,628.71</u>		<u>17,870,342.07</u>	<u>15,198,812.38</u>
	<u>\$ 24,794,408.24</u>	<u>\$ 4,433,966.38</u>	<u>\$ 94,369,532.31</u>	<u>\$ 82,746,164.75</u>	<u>\$ 49,621,487.77</u>	<u>\$ 89,554,323.72</u>	<u>\$ 345,519,883.17</u>	<u>\$ 335,432,539.44</u>

TOWNSHIP OF NORTH BRUNSWICK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
CURRENT FUND
YEARS ENDED JUNE 30, 2021 AND 2020

<u>Revenue and Other Income Realized</u>	2021		2020	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated	\$ 3,300,000.00	1.97	\$ 3,620,000.00	2.23
Miscellaneous Revenues Anticipated	13,839,098.38	8.26	11,936,839.75	7.36
Receipts from Current Taxes	147,858,104.29	88.20	144,629,983.52	89.20
Other Miscellaneous Revenue	2,629,961.06	1.57	1,966,525.79	1.21
	<u>167,627,163.73</u>	<u>100.00</u>	<u>162,153,349.06</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	51,932,458.96	31.83	49,560,805.72	31.38
Tax Collections				
County Taxes	19,169,922.25	11.75	18,246,114.19	11.55
Local School District Taxes	91,292,816.50	55.95	89,384,644.50	56.59
Municipal Open Space Trust Fund	760,470.11	0.46	754,874.48	0.48
Other Miscellaneous Expenditures	10,265.93	0.01	1,078.39	0.00
	<u>163,165,933.75</u>	<u>100.00</u>	<u>157,947,517.28</u>	<u>100.00</u>
Excess in Revenue	4,461,229.98		4,205,831.78	
Fund Balance - Beginning	<u>11,593,162.34</u>		<u>11,007,330.56</u>	
	16,054,392.32		15,213,162.34	
Utilized as Anticipated Revenue	<u>(3,300,000.00)</u>		<u>(3,620,000.00)</u>	
Fund Balance - Ending	<u>\$ 12,754,392.32</u>		<u>\$ 11,593,162.34</u>	

TOWNSHIP OF NORTH BRUNSWICK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
WATER UTILITY OPERATING FUND
YEARS ENDED JUNE 30, 2021 AND 2020

	2021		2020	
<u>Revenue and Other Income Realized</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated	\$ 330,000.00	3.78	\$ 800,000.00	9.83
Water Rents	7,336,579.44	84.11	6,210,051.24	76.32
Miscellaneous Revenues	709,700.77	8.14	510,817.44	6.28
Connection Fees	44,725.00	0.51	356,775.00	4.38
Water Utility Capital Surplus	100,000.00	1.15	40,000.00	0.49
Unexpended Balance of Appropriation Reserve	103,942.97	1.19	138,021.84	1.70
Water Utility Assessment Trust Fund Interest	76,771.88	0.88	81,175.50	1.00
Prior Year's Accounts Payable Canceled	21,004.54	0.24		0.00
	<u>8,722,724.60</u>	<u>100.00</u>	<u>8,136,841.02</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	7,666,683.89	99.57	7,934,145.63	100.00
Refund of Prior Year Revenue	33,255.60	0.43		0.00
	<u>7,699,939.49</u>	<u>100.00</u>	<u>7,934,145.63</u>	<u>100.00</u>
Total Expenditures				
Excess in Revenue	1,022,785.11		202,695.39	
Decreased by Surplus Anticipated				
Water Utility Operating Fund	(330,000.00)		(800,000.00)	
Fund Balance - Beginning	<u>1,110,352.98</u>		<u>1,707,657.59</u>	
Fund Balance - Ending	<u>\$ 1,803,138.09</u>		<u>\$ 1,110,352.98</u>	

TOWNSHIP OF NORTH BRUNSWICK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
SEWER UTILITY OPERATING FUND
YEARS ENDED JUNE 30, 2021 AND 2020

	2021		2020	
<u>Revenue and Other Income Realized</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Surplus Anticipated	\$ 470,000.00	5.44	\$ 775,000.00	10.22
Sewer Rents	7,699,683.83	89.15	6,576,471.03	86.72
Connection Fees	16,750.00	0.19	40,200.00	0.53
Miscellaneous	17,689.23	0.20	39,612.13	0.52
Unexpended Balance of Appropriation Reserve	383,054.90	4.44	91,309.12	1.20
Sewer Capital Fund Balance Utilized	50,000.00	0.58	60,000.00	0.79
	<u>8,637,177.96</u>	<u>100.00</u>	<u>7,582,592.28</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Appropriations	<u>7,296,448.72</u>	<u>100.00</u>	<u>7,394,982.62</u>	<u>100.00</u>
	<u>7,296,448.72</u>	<u>100.00</u>	<u>7,394,982.62</u>	<u>100.00</u>
Excess in Revenue	1,340,729.24		187,609.66	
Decreased by Surplus Anticipated	(470,000.00)		(775,000.00)	
Fund Balance - Beginning	<u>1,251,622.22</u>		<u>1,839,012.56</u>	
Fund Balance - Ending	<u>\$ 2,122,351.46</u>		<u>\$ 1,251,622.22</u>	

TOWNSHIP OF NORTH BRUNSWICK
COMPARATIVE SCHEDULE OF TAX RATE INFORMATION*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate:</u>	<u>\$5.867</u>	<u>\$5.786</u>	<u>\$5.668</u>
<u>Apportionment of Tax Rate:</u>			
Municipal:	<u>\$1.337</u>	<u>\$1.337</u>	<u>\$1.302</u>
Municipal Open Space:	<u>\$0.030</u>	<u>\$0.030</u>	<u>\$0.030</u>
County:	<u>\$0.759</u>	<u>\$0.689</u>	<u>\$0.671</u>
County Open Space:	<u>\$0.063</u>	<u>\$0.058</u>	<u>\$0.057</u>
Local School:	<u>\$3.610</u>	<u>\$3.610</u>	<u>\$3.548</u>
Municipal Library:	<u>\$0.068</u>	<u>\$0.062</u>	<u>\$0.060</u>
<u>Assessed Valuation:</u>			
2021	<u>\$ 2,540,245,800.00</u>		
2020		<u>\$ 2,525,325,600.00</u>	
2019			<u>\$ 2,506,176,100.00</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 2021 to be \$115,625.

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>
2021	\$	148,431,090.16	\$ 147,858,104.29	99.61%
2020		145,217,096.11	144,629,983.52	99.60%
2019		141,256,541.39	142,180,726.09	100.65%

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>
2021	\$ 146,891.61	\$ 902,910.05	\$ 1,049,801.66	0.71%
2020	108,139.19	546,821.43	654,960.62	0.45%
2019	78,916.93	210,605.21	289,522.14	0.20%

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>
2021	\$ 534,280.68
2020	534,280.68
2019	534,280.68

TOWNSHIP OF NORTH BRUNSWICK
COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year Ended</u>	<u>Balance</u>	Utilized in Budget of Succeeding <u>Year</u>
Current Fund	2021	\$ 12,754,392.33	\$ 4,600,000.00
	2020	11,593,162.34	3,300,000.00
	2019	11,007,330.56	3,620,000.00
	2018	8,680,734.08	3,343,830.00
	2017	7,912,256.62	3,350,000.00
Water Utility Operating Fund	2021	\$ 1,803,138.09	\$ 200,000.00
	2020	1,110,352.98	330,000.00
	2019	1,707,657.59	800,000.00
	2018	2,071,980.58	624,000.00
	2017	1,882,638.63	400,000.00
Sewer Utility Operating Fund	2021	\$ 2,122,351.46	\$ 440,000.00
	2020	1,251,622.22	470,000.00
	2019	1,839,012.56	775,000.00
	2018	1,685,793.59	837,000.00
	2017	2,160,163.65	1,000,000.00

TOWNSHIP OF NORTH BRUNSWICK
OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as of June 30, 2021:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	
Francis Womack	- Mayor		
Ralph Andrews	- Councilperson		
Rajesh Mehta	- Councilperson		
Robert Davis	- Councilperson		
Amanda Guadagnino	- Councilperson		
Dr. William Lopez	- Councilperson		
Carlo Socio	- Council President		
Justine Progebin	- Business Administrator		
Cavel Gallimore	- Chief Financial Officer	\$1,000,000.00	(A)
Richard Lorentzen	- Tax Collector	\$1,000,000.00	(A)
Justine Progebin	- Purchasing Agent		
Lisa Russo	- Township Clerk		
Alaina Wysocke	- Deputy Tax Assessor		
Kim Molnar	- 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		
Joseph Battaglia	- Acting Chief of Police		

(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 ACKNOWLEDGEMENT

TOWNSHIP OF NORTH BRUNSWICK
GENERAL COMMENTS
YEAR ENDED JUNE 30, 2021

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, 2021, has been completed. The results of the audit are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Tax Collector and Treasurer, the activities of the Mayor and City Council and records of various outside departments.

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 on a test basis.

Our audit was made in accordance with auditing standards generally accepted in the United States and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

N.J.S.A. 40A:11-4, as amended, states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to (N.J.S.A. 40A:11-3c), except by contract or agreement."

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

The bidding threshold for the period under audit is \$44,000.00 from July 1, 2020 through June 30, 2021.

Notwithstanding N.J.S.A. 40A:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the Pay to Play Law", provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006 to a business entity that made certain reportable contributions to any municipal committee or a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

The minutes indicate that bids were requested by public advertising for all required purchases. The minutes also 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.

TOWNSHIP OF NORTH BRUNSWICK
GENERAL COMMENTS
YEAR ENDED JUNE 30, 2021

Inasmuch as the system of records did not provide for an accumulation of payments for categories of materials and supplies or related work or labor, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Purchases, Contracts or Agreements Not Required to be Advertised (N.J.S.A. 40A:11-6.1)

N.J.S.A. 40A:11-6.1 states, "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds fifteen percent of the bid threshold or \$6,600 from July 1, 2020 through June 30, 2021, at least two quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder."

Reference is made to the Local Public Contract Guidelines and Local Public Contract Regulations (1977) promulgated by the New Jersey Division of Local Government Services in the Department of Community Affairs.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.A. 54:4-47, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

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

"Not to exceed 8% per annum on the first \$1,500 of the delinquency and 18% on any amount in excess of \$1,500."

"The City Council by resolution instructed the Tax Collector to permit a ten (10) day grace period in the collection of taxes before a charge of interest is made."

"Be it further resolved that an additional 6% penalty be charged for delinquencies in excess of \$10,000 remaining unpaid at the end of the calendar year in accordance with the amended provisions of N.J.S.A. 54:4-67."

It appears from the examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

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. Per council resolution, there was not a tax sale completed in the current year.

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>
2021	33
2020	37
2019	29

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary.

TOWNSHIP OF NORTH BRUNSWICK
GENERAL COMMENTS
YEAR ENDED JUNE 30, 2021

Purchase Order System and Encumbrance System

The Township's budgetary operation is on a full encumbrance system with the exception of payrolls and other direct costs. All purchases are made directly by the purchasing department or subsequently confirmed on an emergency basis. Tests of the system disclosed some exceptions as noted below. Blanket orders and other outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

Corrective Action Plan

In accordance with regulations promulgated by the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received.

Cybersecurity

As part of its overall risk management, the City 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 utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

Miscellaneous

A separate report summarizing collections of Dog License Fees and remittances of State Registration Fees was also prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court was prepared as part of our examination and copies were filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

A separate report on the operations of the Uniform Construction Code office was also prepared and filed with the New Jersey Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions for pensions, withholding tax, social security and other purposes from individual employee salaries was not verified as part of this examination.

Activity of the State Unemployment Compensation Insurance Trust Fund, established for the accumulation of pertinent payroll deductions, municipal contributions and interest on deposits, appears in Section "B" of the report.

A copy of this report was filed with the New Jersey Division of Local Government Services. A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

TOWNSHIP OF NORTH BRUNSWICK
GENERAL COMMENTS
YEAR ENDED JUNE 30, 2021

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, 2021, 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.

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 April 30, 2022. 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:

2021-1 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.

TOWNSHIP OF NORTH BRUNSWICK
GENERAL COMMENTS
YEAR ENDED JUNE 30, 2021

Investments

During SFY 2021, 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".

Surety Bonds

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverages in effect at June 30, 2021. A review of surety bond coverage as of June 30, 2021, disclosed compliance with requirements, as promulgated by the Local Finance Board, State of New Jersey, for the Municipal Court and Collector.

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 eleven 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. The turnover exceptions were noted to be caused by the COVID-19 pandemic altering office hours and the employee's ability to make a timely disbursement.

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 that for the fiscal year ended June 30, 2021, all offices were in compliance with 48-hour deposit requirement (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.

TOWNSHIP OF NORTH BRUNSWICK
GENERAL COMMENTS
YEAR ENDED JUNE 30, 2021

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.

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, please do not hesitate to contact us.

Very truly yours,

PKF O'Connor Davies



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