



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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY NEW JERSEY

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

**PART I
INDEPENDENT AUDITORS' REPORT
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying basic financial statements – regulatory basis of the Township of South Brunswick (“Township”), County of Middlesex, State of New Jersey, which comprise the comparative balance sheets – regulatory basis of the various funds and account group as of December 31, 2017 and 2016, and the related comparative statements of operations and changes in fund balances – regulatory basis and the related notes to the financial statements for the years then ended, and the related statements of changes in fund balance - regulatory basis, statements of revenue – regulatory basis and statements of expenditures – regulatory basis for the year ended December 31, 2017 as listed in the regulatory basis financial statements section of the accompanying 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 (“Division”). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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 the requirements prescribed by the Division require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinion.

WISS & COMPANY, LLP

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

As described in Note 1, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division.

The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2017 and 2016 or the results of its operations and changes in fund balances for the years then ended.

Basis for Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

As described in Note 18, the financial statements of the Length of Service Award Program (“LOSAP”) have not been audited and were not required by the Division to be audited nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township’s financial statements. The LOSAP financial activities are included in the Township’s Trust Fund, and represent 5.53% and 5.93% of the assets and liabilities, respectively, of the Township’s Other Trust Fund as of December 31, 2017 and 2016, respectively.

Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township’s financial statements, we do not express an opinion on the LOSAP financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects the comparative balance sheets-regulatory basis of the various funds and account group of the Township as of December 31, 2017 and 2016, and the results of its operations and changes in fund balances of such funds – regulatory basis for the years then ended, and the revenues - regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2017 in accordance with the financial reporting provisions of the Division as described in Note 1 to the financial statements.

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

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The accompanying supplementary information, as identified in the table of contents as Schedules A-4 through E-3 and the comments section, are presented for purposes of additional analysis as required by the Division and are not a required part of the 2017 regulatory - basis financial statements of the Township. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to 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 financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2018, 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Scott A. Clelland
Registered Municipal Accountant
No. 455



WISS & COMPANY, LLP

Livingston, New Jersey
August 6, 2018

**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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (“Division”); and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the regulatory basis financial statements of the Township of South Brunswick (“Township”), County of Middlesex, New Jersey as of and for the year ended December 31, 2017 and the related notes to the regulatory basis financial statements, and have issued our report thereon dated August 6, 2018, 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 and a disclaimer opinion since we did not audit and the Division does not require the Length of Service Awards Program (“LOSAP”) to be audited.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the Township’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the regulatory basis 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Scott A. Clelland
Registered Municipal Accountant
No. 455



WISS & COMPANY, LLP

Livingston, New Jersey
August 6, 2018

FINANCIAL STATEMENTS

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT AND GRANT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>	<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>
Current Fund:				Liabilities:			
Cash and Cash Equivalents - Treasurer	A-4	\$ 18,918,346.88	\$ 5,627,552.58	Appropriation Reserves	A-3, A-12	\$ 1,433,638.81	\$ 1,013,093.16
Investments	A-5	<u>3,004,830.00</u>	<u>2,442,252.00</u>	Reserve for Encumbrances	A-3, A-21	475,483.65	530,510.89
		21,923,176.88	8,069,804.58	Accounts Payable	A-16	37,774.23	12,808.40
				Special Emergency Notes Payable	A-24	875,000.00	1,290,000.00
Receivables and Other Assets With Offsetting Reserves:				Prepaid Taxes	A-14	15,164,346.79	2,405,800.99
Taxes Receivable	A-7	872,779.55	1,208,893.81	Due to State of N.J. per Ch. 20,P.L. 1976	A-8	78,181.27	63,681.27
Tax Title Liens	A-9	749,027.94	610,313.73	Tax Overpayments	A-17	36,760.86	149,649.95
Property Acquired for Taxes (At Assessed Valuation)	A-10	771,640.00	771,640.00	Due to State of New Jersey	A-13	111,183.35	72,356.35
Revenue Accounts Receivable	A-11	57,518.29	71,284.65	Interfund Payable - Federal and State Grant Fund	A-28	12,132.50	
Interfund Receivable - Grant Fund	A-28	-	117,440.09	Interfund Payable - Other Trust Fund	A-6	-	70,491.51
Interfund Receivable - Capital Fund	A-6	4,132.90	2,392.94	Interfund Payable - Open Space Trust Fund	A-6	640.00	230.00
Interfund Receivable - Other Trust Fund	A-6	200,001.43	1,019.43	Interfund Payable - Payroll Fund	A-6	32.74	
Interfund Receivable -Animal Control Trust Fund	A-6	<u>5,978.46</u>	<u>10,900.45</u>	Special District Taxes Payable	A-18	270.00	
	A	<u>2,661,078.57</u>	<u>2,793,885.10</u>	Local District School Taxes Payable	A-20	1.50	1.50
				Reserve for Various Deposits	A-15	<u>47,658.82</u>	<u>34,445.92</u>
						18,273,104.52	5,643,069.94
Deferred Charges:				Reserve for Receivables	Reserve	2,661,078.57	2,793,885.10
Overexpenditure of an Appropriation Reserve	A-3, A-23	3,214.88		Fund Balance	A-1	<u>4,528,287.24</u>	<u>3,716,734.64</u>
Special Emergency Authorizations	A-22	<u>875,000.00</u>	<u>1,290,000.00</u>				
Total Current Fund		<u>25,462,470.33</u>	<u>12,153,689.68</u>	Total Current Fund		<u>25,462,470.33</u>	<u>12,153,689.68</u>
Federal and State Grant Fund:				Federal and State Grant Fund:			
Grants Receivable	A-25	1,393,820.81	1,107,867.48	Reserve for State and Federal Grants:			
Interfund Receivable - Current Fund	A-28	<u>12,132.50</u>	<u>-</u>	Appropriated	A-27	1,095,609.59	878,872.89
				Unappropriated	A-26	314,899.68	24,307.00
Deferred Charges:				Interfund Payable - Current Fund	A-28	-	117,440.09
Overexpenditure of Grants	A-23, A-27	<u>65,289.38</u>	<u>-</u>	Reserve for Encumbrances	A-21	<u>60,733.42</u>	<u>87,247.50</u>
Total Federal and State Grant Fund		<u>1,471,242.69</u>	<u>1,107,867.48</u>	Total Federal and State Grant Fund		<u>1,471,242.69</u>	<u>1,107,867.48</u>
		<u>\$ 26,933,713.02</u>	<u>\$ 13,261,557.16</u>			<u>\$ 26,933,713.02</u>	<u>\$ 13,261,557.16</u>

See accompanying notes to the financial statements.

CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>REF.</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
<u>REVENUES AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 3,700,000.00	\$ 3,000,000.00
Miscellaneous Revenues Anticipated	A-2	16,098,265.69	15,677,967.40
Receipts from Delinquent Taxes	A-2	1,031,808.01	1,640,617.35
Receipts from Current Taxes	A-2	186,836,254.13	180,501,540.26
Non-Budget Revenue	A-2	163,704.77	425,931.87
Other Credits to Income:			
Unexpended Balance of Approp. Reserves	A-12	619,996.41	236,586.81
Cancellation of Disputed Funds Held In Reserve			32,798.00
Cancellation of Appropriated Grant Reserves	A-27	9,409.12	
Interfund Loans Returned	A	131,752.91	17,510.99
		<u>208,591,191.04</u>	<u>201,532,952.68</u>
Total Revenues and Other Income			
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	22,926,749.57	23,039,140.60
Other Expenses	A-3	18,234,365.85	16,357,984.47
Capital Improvements	A-3	100,000.00	100,000.00
Municipal Debt Service	A-3	6,200,445.88	5,924,466.38
Def. Charges and Statutory Expend.	A-3	5,675,088.00	5,693,118.49
County Tax	A-7 , A-19	31,971,588.08	31,608,711.35
County Open Space Taxes	A-7 , A-19	2,599,371.07	2,620,311.29
Cty. Share of Added and Omitted Taxes	A-7 , A-19	841,582.06	586,028.63
Local District School Tax	A-7 , A-20	111,326,094.00	108,441,707.00
Special District Taxes	A-7 , A-18	2,281,903.00	2,215,951.00
Municipal Open Space Taxes	A-4 , A-7	1,475,422.00	1,456,525.00
Prior Yr. Sr. Cit. Ded. Disallowed (net)			6,314.38
Refund of Prior Year Revenue	A-4	239,681.02	378,533.30
Cancellation of Grant Receivable	A-25	450.00	
Interfunds Established	A	210,112.79	117,963.42
		<u>204,082,853.32</u>	<u>198,546,755.31</u>
Total Expenditures			

See accompanying notes to the financial statements.

CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>REF.</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Excess in Revenues		<u>\$ 4,508,337.72</u>	<u>\$ 2,986,197.37</u>
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Year -			
Overexpenditure of Appropriations	A, A-3	3,214.88	
Special Emergency Authorization			425,000.00
		<u>3,214.88</u>	<u>425,000.00</u>
Statutory Excess to Fund Balance		4,511,552.60	3,411,197.37
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>3,716,734.64</u>	<u>3,305,537.27</u>
		8,228,287.24	6,716,734.64
Decreased by:			
Utilization as Anticipated Revenue	A-1, A-2	<u>3,700,000.00</u>	<u>3,000,000.00</u>
Balance - December 31	A	<u>\$ 4,528,287.24</u>	<u>\$ 3,716,734.64</u>

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		2017 BUDGET	N.J.S.A. 40A:4-87		
Surplus Anticipated	A-1	\$ 3,700,000.00		\$ 3,700,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-11	55,000.00		59,235.00	\$ 4,235.00
Other	A-11	45,000.00		35,308.82	(9,691.18)
Fees and Permits:					
Other	A-11	626,000.00		724,265.28	98,265.28
Fines and Costs:					
Municipal Court	A-11	850,000.00		872,312.04	22,312.04
Interest and Costs on Taxes	A-11	385,000.00		304,418.81	(80,581.19)
Interest on Investments and Deposits	A-2	58,000.00		113,265.80	55,265.80
Cable TV Franchise Fee	A-11	500,000.00		522,595.25	22,595.25
Energy Receipts Tax	A-11	4,882,235.00		4,882,235.00	
Supplemental Energy Receipts Tax	A-11	281,706.00		281,706.00	
Watershed Moratorium Offset Aid	A-11	987.00		987.00	
Garden State Aid Trust Fund	A-11	26,751.00		26,751.00	
Uniform Construction Code Fees	A-11	2,850,000.00		2,196,951.55	(653,048.45)
Fire District #1 contract	A-11	125,000.00		138,791.77	13,791.77
Fire District #2 contract	A-11	200,000.00		151,212.26	(48,787.74)
Fire District #3 contract	A-11	85,000.00		156,376.49	71,376.49
Spotswood Contract - Data Processing	A-11	17,000.00		18,007.66	1,007.66
Milltown Contract - Data Processing	A-11	12,000.00		13,450.00	1,450.00
Cranbury Contract - Data Processing	A-11	24,000.00		62,673.67	38,673.67
Monroe Contract - Data Processing	A-11	60,000.00		49,193.88	(10,806.12)
Helmetta Contract - Data Processing	A-11	7,500.00		6,000.00	(1,500.00)
Middlesex County College:					
Contract - Data Processing	A-11	9,500.00		16,375.00	6,875.00
Interlocal Cranbury Dispatch	A-11	120,000.00		83,333.34	(36,666.66)
Public and Private Revenues Offset with Approp:					
Distracted Driver	A-25		\$ 5,500.00	5,500.00	
Body Armor Replacement Grant	A-25		6,927.61	6,927.61	
County Recycling	A-25	24,307.00		24,307.00	
Recycling Tonnage Grant	A-25	175,783.34		175,783.34	
Drive Sober or Get Pulled Over	A-25	3,750.00		3,750.00	
NJ Dot Municipal Aid Program	A-25	310,000.00		310,000.00	
Click it or Ticket	A-25		5,500.00	5,500.00	
Safe Corridor	A-25		4,028.90	4,028.90	
EMAA	A-25		7,000.00	7,000.00	
Other Special items:					
Uniform Fire Safety Act - Life Hazard					
Use Fees	A-11	265,000.00		286,673.09	21,673.09
Sale of Recycling Materials	A-11	1,000.00		2,010.25	1,010.25
Site Leasing - Antennae	A-11	275,000.00		274,241.84	(758.16)
PILOT - South Brunswick Community					
Development Corp.	A-11	35,000.00		35,759.70	759.70
PILOT - CIL Woods	A-11	11,000.00		10,090.05	(909.95)
PILOT- Oakwoods	A-11	40,000.00		41,834.56	1,834.56
PILOT- VOA	A-11	1,300.00		4,404.38	3,104.38
Utility Payments for SW Chargebacks	A-11	1,410,020.00		1,410,020.00	
Hotel/Motel Tax	A-11	825,000.00		825,924.15	924.15
Reserve for Quasi Duty - Other Trust Fund	A-11 , B-10	100,000.00		200,000.00	100,000.00
Planning - Land Use Charges	A-11	8,000.00		39,855.20	31,855.20
Prior Year Utility Surplus	A-11	1,500,000.00		1,500,000.00	
School Resource Officer	A-11	100,000.00		209,210.00	109,210.00
Total Miscellaneous Revenues	A-1 , A-2	16,305,839.34	28,956.51	16,098,265.69	(236,530.16)

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		2017 BUDGET	N.J.S.A. 40A:4-87		
Receipts from Delinquent Taxes	A-1 , A-2	\$ 1,250,000.00		\$ 1,031,808.01	\$ (218,191.99)
Subtotal General Revenues		21,255,839.34	\$ 28,956.51	20,830,073.70	(454,722.15)
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Mun. Purposes	A-7	30,864,032.72		35,355,560.18	4,491,527.46
Minimum Library Tax Levy	A-7	2,845,631.00		2,845,631.00	
	A-2	33,709,663.72		38,201,191.18	4,491,527.46
Total Budget Revenues		54,965,503.06	28,956.51	59,031,264.88	4,036,805.31
Non-Budget Revenues	A-1 , A-4, below			163,704.77	163,704.77
GRAND TOTALS		\$ 54,965,503.06	\$ 28,956.51	\$ 59,194,969.65	\$ 4,200,510.08
	REF.	A-3	A-3		

ANALYSIS OF REALIZED REVENUES

Receipts from Delinquent Taxes:					
Cash Receipts - Taxes	A-7			\$ 983,071.34	
Cash Receipts - Tax Title Liens	A-9			48,736.67	
Delinquent Tax Collections	A-1, A-2			\$ 1,031,808.01	
Allocation of Current Tax Collections:					
FY 2017 Cash Collections	A-7			\$ 184,278,312.04	
Prepaid Taxes Applied	A-7 , A-14			2,405,800.99	
State Share for Senior Citizen and Veteran Deductions	A-7 , A-8			152,141.10	
Allocated to:	A-1			186,836,254.13	
School, County, Open Space and Special District Taxes	A-7			150,495,960.21	
				36,340,293.92	
Add: Reserve For Uncollected Taxes	A-3			1,860,897.26	
	A-2			\$ 38,201,191.18	
<u>Analysis of Miscellaneous Revenue Anticipated</u>					
Revenue Accounts Receivable - Cash Received	A-4 , A-11			\$ 15,551,333.95	
Federal and State Grants Receivable	A-25			542,796.85	
Due from General Capital	A-6		\$ 4,132.90		
Due from Animal Control Fund	A-6		1.10		
Due from Other Trust Fund	A-6		0.89		
				4,134.89	
	A-2			\$ 16,098,265.69	
<u>Analysis of Interest Earned on Investments.</u>					
Due from General Capital Fund	A-6			\$ 4,132.90	
Due from Animal Control Fund	A-6			1.10	
Due from Other Trust Fund	A-6			0.89	
Cash Receipts	A-11			109,130.91	
	A-2			\$ 113,265.80	
<u>Analysis of Non-Budget Revenues</u>					
Various Departments	A-2			\$ 71,828.74	
Miscellaneous	A-2			54,869.21	
Veteran Administration Fee	A-2			3,357.82	
PILOT	A-2			4,000.00	
Wellness Rent	A-2			29,649.00	
	Above			\$ 163,704.77	

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	N.J.S.A. 40A:4-87	BUDGET AFTER MODIFICATION	EXPENDED			OVEREXPENDED	UNEXPENDED BALANCE CANCELLED
				PAID OR CHARGED	ENCUMBERED	RESERVED		
OPERATIONS WITHIN "CAPS"								
Township Council								
Salaries and Wages	\$ 45,700.00		\$ 47,200.00	\$ 47,199.21		\$ 0.79		
Other Expenses	23,315.00		24,515.00	19,890.43		4,624.57		
Township Manager								
Salaries and Wages	365,800.00		381,800.00	381,700.38		99.62		
Other Expenses	60,300.00		95,300.00	83,270.89	\$ 428.99	11,600.12		
Township Clerk								
Salaries and Wages	261,000.00		261,000.00	258,419.62		2,580.38		
Other Expenses	32,165.00		32,165.00	22,566.57	6,855.51	2,742.92		
Elections								
Salaries and Wages	4,000.00		5,400.00	5,365.16		34.84		
Other Expenses	17,100.00		18,200.00	17,894.29		305.71		
CATV Advisory Commission (N.J.S.A. 48A:56A-26)								
Salaries and Wages	4,000.00		9,200.00	9,122.39		77.61		
Other Expenses	700.00		700.00	503.29		196.71		
Financial Administration								
Salaries and Wages	476,700.00		451,700.00	450,896.81		803.19		
Other Expenses	24,600.00		24,600.00	21,381.90	1,006.67	2,211.43		
Purchasing								
Salaries and Wages	117,544.69		122,144.69	122,032.52		112.17		
Other Expenses	79,000.00		79,000.00	56,174.34	16,422.96	6,402.70		
Computerized Data Processing Center								
Salaries and Wages	183,500.00		183,500.00	185,625.63			\$ 2,125.63	
Other Expenses	164,200.00		164,200.00	152,581.01	8,559.84	3,059.15		
Collection of Taxes								
Salaries and Wages	221,500.00		227,500.00	224,134.31		3,365.69		
Other Expenses	11,700.00		11,700.00	9,596.26	1,093.00	1,010.74		
Annual Audit								
Other Expenses	15,000.00		15,000.00		15,000.00			
Assessment of Taxes								
Salaries and Wages	252,000.00		258,600.00	257,340.35		1,259.65		
Other Expenses	157,470.00		157,470.00	95,108.51	46,119.45	16,242.04		
Engineering Services								
Other Expenses	5,000.00							
Legal Service and Costs								
Salaries and Wages	60,800.00		60,800.00	60,525.35		274.65		
Other Expenses	52,500.00		52,500.00	39,926.15	5,000.00	7,573.85		
Affordable Housing Agency								
Other Expenses	400,000.00		400,000.00	241,510.72	19,768.93	138,720.35		
Municipal Land Use Law (N.J.S.A. 40:55D-1)								
Board of Adjustments								
Salaries and Wages	13,500.00		13,500.00	10,910.82	1,666.70	922.48		
Other Expenses	12,000.00		20,100.00	7,547.77	7,500.00	5,052.23		
Community Development								
Salaries and Wages	337,350.00		327,350.00	326,833.84		516.16		
Other Expenses	53,600.00		52,600.00	22,379.15	14,230.53	15,990.32		
Industrial Commission (N.J.S.A. 40A:55-56A-5)								
Salaries and Wages	2,000.00		2,240.00	1,683.59		556.41		
Other Expenses	3,000.00							
Environmental Commission (N.J.S.A. 40:56A-10)								
Salaries and Wages	1,000.00		1,000.00	147.30		852.70		
Other Expenses	500.00		500.00	300.00		200.00		
Transportation Advisory Committee								
Salaries and Wages	300.00		300.00			300.00		
Other Expenses	1,000.00		1,000.00			1,000.00		
Public Building and Grounds								
Salaries and Wages	174,500.00		191,000.00	190,047.08		952.92		
Other Expenses	170,015.00		170,015.00	155,283.94	14,073.59	657.47		

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	N.J.S.A. 40A:4-87	BUDGET AFTER MODIFICATION	EXPENDED			OVEREXPENDED	UNEXPENDED BALANCE CANCELLED
				PAID OR CHARGED	ENCUMBERED	RESERVED		
OPERATIONS WITHIN "CAPS"								
Maintenance of Parks								
Salaries and Wages	\$ 859,000.00		\$ 859,000.00	\$ 818,718.66		\$ 40,281.34		
Other Expenses	63,700.00		63,700.00	62,732.68	\$ 951.90	15.42		
Shade Tree								
Salaries and Wages	700.00		700.00	349.05		350.95		
Other Expenses	1,500.00		1,500.00	1,160.00		340.00		
Streets and Roads Maintenance								
Salaries and Wages	1,890,500.00		1,760,300.00	1,721,288.34		39,011.66		
Other Expenses	145,365.00		145,365.00	134,142.34	11,165.24	57.42		
Snow Removal								
Salaries and Wages	100,000.00		100,000.00	100,000.00				
Vehicle Maintenance								
Salaries and Wages	560,500.00		560,500.00	523,580.50		36,919.50		
Other Expenses	171,825.00		180,825.00	140,434.56	29,486.14	10,904.30		
Recycling								
Salaries and Wages	182,500.00		182,500.00	166,597.60		15,902.40		
Other Expenses	7,200.00		7,200.00	6,052.21	120.00	1,027.79		
Transit - Other Public Works Functions								
Salaries and Wages	350,650.00		354,250.00	354,155.00		95.00		
Other Expenses	5,150.00		5,150.00	2,174.41	2,097.16	878.43		
Aid to Volunteer Ambulance Companies								
Other Expenses	135,000.00		135,000.00	135,000.00				
Public Safety								
Fire Prevention Service								
Salaries and Wages	340,000.00		340,000.00	323,834.87		16,165.13		
Other Expenses	20,472.00		20,472.00	16,919.84	1,735.59	1,816.57		
Police								
Salaries and Wages								
Regular Police	9,676,000.00		9,671,000.00	9,672,089.25			\$ 1,089.25	
School Crossing Guards	140,000.00		151,000.00	149,093.68		1,906.32		
Other Expenses								
Regular Police	343,984.00		343,984.00	193,122.19	76,495.18	74,366.63		
School Crossing Guards	2,374.00		2,374.00			2,374.00		
Police Dispatch/911								
Salaries and Wages	938,000.00		956,000.00	945,002.47		10,997.53		
Other Expenses	15,983.00		15,983.00	8,704.69	5,880.04	1,398.27		
Emergency Management Services								
Salaries and Wages	16,500.00		16,500.00	12,604.02		3,895.98		
Other Expenses	2,500.00		2,500.00	383.77		2,116.23		
Municipal Prosecutor								
Salaries and Wages	45,000.00		45,000.00	38,958.26	3,991.66	2,050.08		
Health and Welfare								
Other Expenses	33,300.00		33,300.00		33,300.00			
Board of Health								
Salaries and Wages	339,300.00		305,300.00	304,089.02		1,210.98		
Other Expenses	76,480.00		76,480.00	71,190.87	1,593.18	3,695.95		
Animal Control Regulation								
Salaries and Wages	92,250.00		92,250.00	88,208.98		4,041.02		
Other Expenses	21,675.00		21,675.00	17,446.49	2,114.13	2,114.38		
Recreation Services and Programs								
Salaries and Wages	536,000.00		514,000.00	483,770.85		30,229.15		
Other Expenses	94,450.00		116,450.00	96,878.23	258.01	19,313.76		
Senior Services								
Salaries and Wages	459,500.00		459,500.00	457,160.22		2,339.78		
Other Expenses	61,115.00		61,115.00	56,628.23	2,727.06	1,759.71		
Public Assistance								
Salaries and Wages	85,000.00		85,000.00	75,591.78		9,408.22		
Other Expenses	1,000.00		1,300.00	482.22	228.36	589.42		

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	N.J.S.A. 40A:4-87	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
				PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"							
Celebration of Public events							
Other Expenses	\$ 12,000.00		\$ 12,000.00	\$ 10,143.90		\$ 1,856.10	
Solid Waste Collection							
Other Expenses	2,343,600.00		2,343,600.00	2,204,634.00		138,966.00	
Landfill/Solid Waste Disposal Costs							
Other Expenses	915,000.00		1,065,000.00	868,803.09		196,196.91	
Condominium Services Act							
Other Expenses	162,800.00		162,800.00	151,442.68	\$ 3,575.33	7,781.99	
Municipal Court							
Salaries and Wages	475,000.00		460,000.00	441,941.18		18,058.82	
Other Expenses	20,950.00		20,950.00	20,041.92	826.64	81.44	
Public Defender							
Salaries and Wages	35,000.00		35,000.00	24,016.58	8,983.42	2,000.00	
Insurance							
Group Insurance	8,184,300.00		8,184,300.00	8,175,721.79	1,952.00	6,626.21	
General Liability	428,650.00		422,150.00	416,027.60	5,058.82	1,063.58	
Unemployment Insurance	10,000.00		10,000.00			10,000.00	
Workers Compensation	135,000.00		105,000.00	105,000.00			
Waiver of Health Benefits	110,000.00		118,000.00	117,050.54		949.46	
Construction Official							
Salaries and Wages	1,022,500.00		972,500.00	964,228.85		8,271.15	
Other Expenses	13,600.00		13,600.00	7,392.58	329.12	5,878.30	
Utilities							
Electricity	570,000.00		597,000.00	417,824.96		179,175.04	
Street Lighting	525,000.00		525,000.00	412,728.93		112,271.07	
Telephone	146,500.00		146,500.00	116,462.02	17,690.08	12,347.90	
Water	34,000.00		34,000.00	25,947.02		8,052.98	
Sewerage Disposal	14,000.00		14,000.00	9,880.79		4,119.21	
Natural Gas	1,000.00		1,000.00			1,000.00	
Fuel Oil	73,000.00		73,000.00	65,928.49		7,071.51	
Gasoline	125,000.00		155,000.00	134,597.93		20,402.07	
Fire Hydrant	38,000.00		33,100.00	30,569.49		2,530.51	
Total Operations Within "CAPS"	37,013,732.69		37,054,472.69	35,376,829.20	368,285.23	1,312,573.14	\$ 3,214.88
DETAIL:							
Salaries and Wages	20,665,094.69		20,464,534.69	20,197,263.52	14,641.78	255,844.27	3,214.88
Other Expenses	16,348,638.00		16,589,938.00	15,179,565.68	353,643.45	1,056,728.87	-
STATUTORY EXPENDITURES							
<u>MUNICIPAL WITHIN "CAPS"</u>							
Statutory Expenditures:							
Contribution to:							
Public Employee's Retirement System	1,425,902.00		1,450,712.00	1,450,471.43		240.57	
Social Security System (O.A.S.L)	1,800,000.00		1,725,000.00	1,690,665.32		34,334.68	
Police and Firemen's Retirement System of NJ	2,066,376.00		2,066,376.00	2,066,376.00			
Defined Contribution Retirement Program	18,000.00		18,000.00	16,944.40		1,055.60	
Total Statutory Expenditures							
Municipal Within "CAPS"	5,310,278.00	-	5,260,088.00	5,224,457.15	-	35,630.85	
Total General Appropriations for Municipal Purposes Within "CAPS"	42,324,010.69	-	42,314,560.69	40,601,286.35	368,285.23	1,348,203.99	3,214.88

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	N.J.S.A. 40A:4-87	BUDGET AFTER MODIFICATION	EXPENDED			OVEREXPENDED	UNEXPENDED BALANCE CANCELLED
				PAID OR CHARGED	ENCUMBERED	RESERVED		
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>								
Maintenance of Free Public Library								
Salaries and Wages	\$ 1,844,000.00		\$ 1,844,000.00	\$ 1,787,483.36		\$ 56,516.64		
Other Expenses	1,051,631.00		1,051,631.00	926,389.60	\$ 107,198.42	18,042.98		
Length of Service Award Program (LOSAP)								
Other Expenses	50,000.00		50,000.00	39,124.80		10,875.20		
Interlocal Municipal Services Agreement								
Fire Services								
Salaries and Wages	365,000.00		365,000.00	365,000.00				
Data Processing								
Salaries and Wages	250,000.00		250,000.00	250,000.00				
Total Other Operations Excluded from "CAPS"	<u>3,560,631.00</u>		<u>3,560,631.00</u>	<u>3,367,997.76</u>	<u>107,198.42</u>	<u>85,434.82</u>		
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>								
<u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</u>								
Distracted Driver								
Other Expenses		\$ 5,500.00	5,500.00	5,500.00				
Drive Sober or Get Pulled Over								
Other Expenses	3,750.00		3,750.00	3,750.00				
Recycling Tonnage Grant								
Other Expenses	175,783.34		175,783.34	175,783.34				
NJ Department of Transportation TTF								
Other Expenses	310,000.00		310,000.00	310,000.00				
Safe Corridors								
Other Expenses		4,028.90	4,028.90	4,028.90				
Body Armor Replacement Grant								
Other Expenses		6,927.61	6,927.61	6,927.61				
EMMA								
Other Expenses		7,000.00	7,000.00	7,000.00				
Click it or Tick it Grant								
Other Expenses		5,500.00	5,500.00	5,500.00				
Unappropriated Grants								
Other Expenses	24,307.00		24,307.00	24,307.00				
Total Public and Private Revenues Offset by Revenues	<u>513,840.34</u>	<u>28,956.51</u>	<u>542,796.85</u>	<u>542,796.85</u>				
Total Operations Excluded from "CAPS"	<u>4,074,471.34</u>	<u>28,956.51</u>	<u>4,103,427.85</u>	<u>3,910,794.61</u>	<u>107,198.42</u>	<u>85,434.82</u>		
<u>DETAIL:</u>								
Salaries and Wages	2,459,000.00	-	2,459,000.00	2,402,483.36	-	56,516.64		
Other Expenses	1,615,471.34	28,956.51	1,644,427.85	1,508,311.25	107,198.42	28,918.18		
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>								
Capital Improvement Fund	<u>100,000.00</u>		<u>100,000.00</u>	<u>100,000.00</u>				
Total Capital Improv. - Excl. from "CAPS"	<u>100,000.00</u>		<u>100,000.00</u>	<u>100,000.00</u>				
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>								
Payment of Bond Principal	4,793,635.00		4,793,635.00	4,793,635.00				
Interest on Bonds	941,156.73		944,256.73	944,233.40			\$ 23.33	
Interest on Notes	48,480.96		48,480.96	48,388.81			92.15	
Capital Lease Obligation - Principal and Interest	<u>407,851.08</u>		<u>414,201.08</u>	<u>414,188.67</u>			<u>12.41</u>	
Total Mun. Debt Service - Exl. from "CAPS"	<u>6,191,123.77</u>		<u>6,200,573.77</u>	<u>6,200,445.88</u>			<u>127.89</u>	

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	N.J.S.A. 40A:4-87	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED			UNEXPENDED BALANCE CANCELLED
					ENCUMBERED	RESERVED	OVEREXPENDED	
DEFERRED CHARGES - MUNICIPAL <u>EXCLUDED FROM "CAPS"</u>								
Deferred Charges:								
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-53)	\$ 415,000.00		\$ 415,000.00	\$ 415,000.00				
Total Deferred Charges - Municipal Excluded from "CAPS"	415,000.00	-	415,000.00	415,000.00	-	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	10,780,595.11	\$ 28,956.51	10,819,001.62	10,626,240.49	\$ 107,198.42	\$ 85,434.82	-	\$ 127.89
Subtotal General Appropriations	53,104,605.80	28,956.51	53,133,562.31	51,227,526.84	475,483.65	1,433,638.81	\$ 3,214.88	127.89
Reserve for Uncollected Taxes	1,860,897.26		1,860,897.26	1,860,897.26				
Total General Appropriations	\$ 54,965,503.06	\$ 28,956.51	\$ 54,994,459.57	\$ 53,088,424.10	\$ 475,483.65	\$ 1,433,638.81	\$ 3,214.88	\$ 127.89
REF.	A-2	A-2	Below	Below	A, A-21	A	A, A-1	A-1
Adopted Budget	A-2		\$ 54,965,503.06					
Approp. By N.J.S.A. 40A:4-87	A-2		28,956.51					
Above			\$ 54,994,459.57					
Cash Disbursed	A-4			\$ 50,269,729.99				
Deferred Charges - Special Emergency	A-22			415,000.00		-		
Reserve for Uncollected Taxes	A-2			1,860,897.26				
Due to Federal and State Grant Fund:								
Reserve for Federal and State Grants Appropriated	A-27			542,796.85				
Above				\$ 53,088,424.10				

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BALANCE DEC. 31, 2016</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BALANCE DEC. 31, 2016</u>
Assessment Fund:				Assessment Fund:			
Deferred Assessment Receivable	B-3	\$ -	\$ 2,151.21	Reserve For Assessments Receivable	B-3	\$ -	\$ 2,151.21
Total Assessment Fund		-	2,151.21	Total Assessment Fund		-	2,151.21
Animal Control Fund:				Animal Control Fund:			
Cash and Cash Equivalents - Treasurer	B-1	49,018.46	47,238.98	Due to State of New Jersey	B-6	90.00	57.00
				Reserve for Encumbrances	B-9	844.80	406.00
				Reserve for Animal Control Expenditures	B-9	42,105.20	35,875.53
				Interfund Payable - Current	B-9	5,978.46	10,900.45
Total Animal Control Fund		49,018.46	47,238.98	Total Animal Control Fund		49,018.46	47,238.98
Other Trust Fund				Other Trust Fund			
Cash and Cash Equivalents - Treasurer	B-1	17,692,047.82	15,628,125.72	Interfund Payable - General Capital	B-4	100,000.00	100,000.00
Interfund Receivable - Current	B-4	640.00	70,721.51	Interfund Payable - CDBG	B	68,319.66	72,782.16
Interfund Receivable - Payroll Trust	B-4	74,714.59	74,714.59	Interfund Payable - Current	B-4	200,001.43	1,019.43
Due from the State of New Jersey	B-5	29,715.61	29,502.08	Reserve for:			
Investments	B-2	325,000.00	198,000.00	Open Space	B-11	48,534.77	323,757.28
Investments in LOSAP (Unaudited)	B-2	1,060,624.60	885,317.14	Other Reserves	B-10	16,571,042.98	15,156,592.14
				Encumbrances	B-10	391,081.18	346,912.89
				Due to Middlesex County-Open Space	B-12	743,138.00	-
				Investment in LOSAP (Unaudited)	B-2	1,060,624.60	885,317.14
Total Other Trust Fund		19,182,742.62	16,886,381.04	Total Other Trust Fund		19,182,742.62	16,886,381.04
Community Development Block Grant Fund:				Community Development Block Grant Fund:			
Interfund Receivable - Other Trust Fund	B	68,319.66	72,782.16	Reserve for Program Expenditures	B-8	135,327.85	147,881.59
Accounts Receivable - Community Development Block Grant	B-7	67,008.19	76,893.27	Reserve for Encumbrances		-	1,793.84
Total Community Development Block Grant Fund		135,327.85	149,675.43	Total Community Development Block Grant Fund		135,327.85	149,675.43
		<u>\$ 19,367,088.93</u>	<u>\$ 17,085,446.66</u>			<u>\$ 19,367,088.93</u>	<u>\$ 17,085,446.66</u>

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>
<u>ASSETS</u>			
Cash and Cash Equivalents - Treasurer	C-2, C-3	\$ 14,539,296.00	\$ 11,175,653.12
Grants Receivable - State of New Jersey	C-10	400,000.00	400,000.00
Investment in Bond Anticipation Notes	C-12	610,000.00	-
Interfund Receivable - Other Trust Fund	C-13	100,000.00	100,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	43,559,000.00	39,506,000.00
Unfunded	C-5	4,325,634.70	13,214,434.70
		<u>\$ 63,533,930.70</u>	<u>\$ 64,396,087.82</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-14	\$ 43,559,000.00	\$ 39,506,000.00
Bond Anticipation Notes	C-16	-	3,940,000.00
Reserve for Encumbrances	C-15	6,682,969.60	1,480,644.76
Improvement Authorizations:			
Funded	C-6	9,245,248.35	10,537,842.60
Unfunded	C-6	2,946,230.52	8,164,328.10
Interfund Payable - Current Fund	C-11	4,132.90	2,392.94
Capital Improvement Fund	C-8	28,223.58	23.58
Reserve for Debt Service	C-7	311,143.40	13,228.45
Reserve for Contributions	C-9	746,167.95	740,812.99
Reserve for Preliminary Costs	C	10,000.00	10,000.00
Fund Balance	C-1	814.40	814.40
		<u>\$ 63,533,930.70</u>	<u>\$ 64,396,087.82</u>

There were Bonds and Notes Authorized but Not Issued at December 31, 2017 and 2016 in the amounts of \$4,325,634.70 and \$9,274,434.70, respectively. See Exhibit C-17.

TOWNSHIP OF SOUTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017 AND 2016

	<u>REF.</u>	
Balance, December 31, 2017 and 2016	C	<u>\$ 814.40</u>

See accompanying notes to the financial statements.

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

**WATER AND SEWER UTILITY FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	REF.	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016		REF.	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016
Assets				Liabilities, Reserves and Fund Balance			
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	D-6	\$ 6,073,067.39	\$ 5,106,591.84	Appropriation Reserves	D-5 , D-13	\$ 1,302,716.88	\$ 914,482.98
Investments			1,268,000.00	Reserve for Encumbrances	D-5 , D-13	821,573.15	379,292.39
Cash - Change Fund	D	128.74		Prepaid Rents	D-25	74,105.44	134,425.30
		6,073,196.13	6,374,591.84	Accrued Interest on Bonds and Notes	D-12	389,655.03	570,784.25
Receivables With Offsetting Reserves						2,588,050.50	1,998,984.92
Consumer Accounts Receivable	D-10	1,250,196.22	1,211,545.52	Reserve for Receivables	Reserve	1,250,196.22	1,211,545.52
Deferred Charges	D-5	120,763.68		Fund Balance	D-1	3,605,911.82	4,380,823.45
Interfund Receivable - Utility Assessment Fund	D-8		15.83			7,444,158.54	7,591,353.89
Interfund Receivable - Utility Capital Fund	D-8	2.51	5,200.70	Total Operating Fund			
Total Operating Fund		7,444,158.54	7,591,353.89	Assessment Trust Fund:			
Assessment Trust Fund:				Reserve for Assessments	D-17	92,453.32	92,453.32
Cash and Cash Equivalents	D-6	124,606.54	124,622.37	Interfund Payable - Utility Operating Fund	D-8		15.83
Deferred Assessments Receivable	D-16	92,453.32	92,453.32	Fund Balance	D-2	124,606.54	124,606.54
Total Assessment Trust Fund		217,059.86	217,075.69	Total Assessment Trust Fund		217,059.86	217,075.69
Capital Fund:				Capital Fund:			
Cash and Cash Equivalents	D-6 , D-7	7,197,597.47	5,997,907.23	Serial Bonds Payable	D-20	37,757,000.00	29,070,000.00
Investments	D-6 , D-7	1,827,550.00	2,725,000.00	Bond Anticipation Notes Payable	D-26	9,134,000.00	18,442,000.00
Fixed Capital	D-18	100,622,267.57	99,672,267.57	Improvement Authorizations:			
Fixed Capital - Authorized and Uncompleted	D-19	41,643,416.10	38,505,416.10	Funded	D-21	802,484.35	907,312.74
Prospective Assessments Funded	D-9	103,000.00	103,000.00	Unfunded	D-21	14,789,153.68	13,650,559.73
		151,393,831.14	147,003,590.90	Capital Improvement Fund	D-24	81,109.68	81,109.68
Total Capital Fund		151,393,831.14	147,003,590.90	Interfund Payable - Utility Operating Fund	D-8	2.51	5,200.70
Total Assets		\$ 159,055,049.54	\$ 154,812,020.48	Reserves for:			
				Encumbrances	D-14	2,552,210.83	2,483,134.68
				Preliminary Engineering Costs	D-15	3,450.00	3,450.00
				Prospective Assessments Funded	D-9	103,000.00	103,000.00
				Debt Service	D-11	498,496.10	44,899.38
				Amortization	D-22	85,548,233.67	82,040,733.67
				Deferred Amortization	D-23	124,000.00	171,500.00
				Fund Balance	D-3	690.32	690.32
				Total Capital Fund		151,393,831.14	147,003,590.90
				Total Liabilities, Reserves and Fund Balance		\$ 159,055,049.54	\$ 154,812,020.48

There were Water and Sewer Utility Bonds and Notes Authorized but not Issued at December 31, 2017 and 2016 in the amounts of \$9,702,450.80 and \$8,453,450.80, respectively. See Exhibit D-27.

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

**WATER AND SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

		<u>Year 2017</u>	<u>Year 2016</u>
<u>REVENUES AND OTHER INCOME</u>			
Fund Balance Utilized	D-4	\$ 1,500,000.00	\$ 1,500,000.00
Rents	D-4 , D-10	25,133,449.04	25,342,181.84
Water and Sewer Connection Fees and Charges	D-4	1,463,932.45	3,031,289.13
Miscellaneous	D-4	229,384.65	213,808.00
Reserve for Debt Service	D-4, D-6	106,000.00	168,394.00
Other Credits to Income:			
Other	D-6	1,340.00	-
Appropriation Reserves Lapsed	D-13	459,082.34	343,270.14
Total Revenues and Other Income		<u>28,893,188.48</u>	<u>30,598,943.11</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations	D-5	21,218,185.00	20,059,549.00
Debt Service	D-5	4,888,678.79	4,798,811.50
Deferred Charges and Statutory Expenditures	D-5	682,000.00	660,000.00
Surplus (General Budget)	D-5	1,500,000.00	1,500,000.00
Total Expenditures		<u>28,288,863.79</u>	<u>27,018,360.50</u>
Excess in Revenues		604,324.69	3,580,582.61
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Year-			
Overexpenditure of an appropriation	D-5	<u>120,763.68</u>	<u>-</u>
Statutory Excess to Fund Balance		725,088.37	3,580,582.61
<u>FUND BALANCE</u>			
Balance - January 1	D	<u>4,380,823.45</u>	<u>2,300,240.84</u>
		5,105,911.82	5,880,823.45
Decreased By:			
Utilization as Anticipated Revenue	D-1, D-4	<u>1,500,000.00</u>	<u>1,500,000.00</u>
Balance - December 31	D	<u>\$ 3,605,911.82</u>	<u>\$ 4,380,823.45</u>

See accompanying notes to the financial statements.

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

**WATER AND SEWER UTILITY ASSESSMENT TRUST FUND
STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2017 and 2016	D	<u>\$ 124,606.54</u>

See accompanying notes to the financial statements.

**WATER AND SEWER UTILITY CAPITAL FUND
STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2017 and 2016	D	<u>\$ 690.32</u>

See accompanying notes to the financial statements.

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

**WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017**

	REF.	2017 BUDGET	REALIZED	EXCESS OR (DEFICIT)
Utility Operating Surplus	D-1	\$ 1,500,000.00	\$ 1,500,000.00	
Water / Sewer Rents	D-1, D-10	24,700,000.00	25,133,449.04	\$ 433,449.04
Water and Sewer Connection Fees	D-1 , D-6	1,889,185.00	1,463,932.45	(425,252.55)
Miscellaneous	D-1 , D-4 , Below		229,384.65	229,384.65
Reserve for Debt Service	D-1 , D-6, D-11	106,000.00	106,000.00	
TOTALS	D-5	\$ 28,195,185.00	\$ 28,432,766.14	\$ 237,581.14
 <u>Analysis of Miscellaneous:</u>				
Other	D-6		\$ 167,057.05	
Interest	D-6		62,327.60	
	Above		<u>\$ 229,384.65</u>	

See accompanying notes to the financial statements.

**TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY**
WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	2017 Budget	Budget After Modification	Expended			Overexpended	Unexpended Balance Cancelled
			Paid or Charged	Encumbered	Reserved		
Operating:							
Salaries and Wages	\$ 4,315,860.00	\$ 4,315,860.00	\$ 4,245,601.20		\$ 70,258.80		
Other Expenses	16,902,325.00	16,902,325.00	14,861,783.35	\$ 821,573.15	1,218,968.50		
Total Operating	<u>21,218,185.00</u>	<u>21,218,185.00</u>	<u>19,107,384.55</u>	<u>821,573.15</u>	<u>1,289,227.30</u>		
Debt Service:							
Payment of Bond Principal	3,460,000.00	3,460,000.00	3,460,000.00				
Interest on Bonds	985,000.00	985,000.00	1,105,763.68			\$ 120,763.68	
Interest on Notes	<u>350,000.00</u>	<u>350,000.00</u>	<u>322,915.11</u>				\$ 27,084.89
Total Debt Service	<u>4,795,000.00</u>	<u>4,795,000.00</u>	<u>4,888,678.79</u>			<u>120,763.68</u>	<u>27,084.89</u>
Deferred Charges and Statutory Expenditures:							
Contribution to:							
Public Employees Retirement System	462,000.00	462,000.00	462,000.00				
Social Security System	<u>220,000.00</u>	<u>220,000.00</u>	<u>206,510.42</u>		13,489.58		
Total Deferred Charges and Statutory Expenditures	<u>682,000.00</u>	<u>682,000.00</u>	<u>668,510.42</u>		<u>13,489.58</u>		
Surplus - General Budget	<u>1,500,000.00</u>	<u>1,500,000.00</u>	<u>1,500,000.00</u>				
	<u>\$ 28,195,185.00</u>	<u>\$ 28,195,185.00</u>	<u>\$ 26,164,573.76</u>	<u>\$ 821,573.15</u>	<u>\$ 1,302,716.88</u>	<u>\$ 120,763.68</u>	<u>\$ 27,084.89</u>
	REF. D-4	D-4	Below	D	D	D, D-1	D-1
Cash Disbursed	D-6		\$ 23,235,894.97				
Utilized in Current Fund Budget	D-6		1,500,000.00				
Accrued Interest on Bonds and Notes	D-12		<u>1,428,678.79</u>				
Above			<u>\$ 26,164,573.76</u>				

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

PAYROLL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>
Cash and Cash Equivalents	E-1	\$ 409,318.91	\$ 320,307.32
Interfund Receivable - Current Fund	E-1	32.74	-
		<u>\$ 409,351.65</u>	<u>\$ 320,307.32</u>
 <u>LIABILITIES</u>			
Payroll Deductions Payable	E-3	\$ 334,637.06	\$ 245,592.73
Interfund Payable - Unemployment Fund	E-2	74,714.59	74,714.59
		<u>\$ 409,351.65</u>	<u>\$ 320,307.32</u>

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

<u>ASSETS</u>	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016
Land	\$ 52,799,808.00	\$ 52,799,808.00
Land Improvements	3,256,487.00	3,256,487.00
Buildings and Improvements	48,119,844.00	48,119,844.00
Infrastructure	3,861,745.00	3,760,723.00
Machinery, Equipment, Furniture and Fixtures and Vehicles	<u>26,897,402.00</u>	<u>25,505,270.00</u>
	<u>\$ 134,935,286.00</u>	<u>\$ 133,442,132.00</u>
 <u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 134,935,286.00</u>	<u>\$ 133,442,132.00</u>

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 1: FORM OF GOVERNMENT

The governing body of the Township of South Brunswick, in the County of Middlesex, New Jersey ("Township") consists of the Mayor and four (4) elected at-large members of the Township Council, each of whom serve a four-year term. Terms are staggered by two-year intervals. The Council serves as a legislative arm of the government and establishes the policies of the Township. The Township Manager is the Chief Executive Officer of the Township and is responsible for carrying out the policies of the Township Council. The responsibilities of the Township Manager include being accountable for all employees, proposing the annual budget and coordinating all activities of all departments within the Township.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

GASB established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services "(Division)" requires the financial statements of the Township of South Brunswick to be reported separately.

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

B. Description of Funds

The accounting policies of the Township of South Brunswick conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of South Brunswick accounts for its financial transactions through the following separate funds and an account group:

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

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Trust Fund – records receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A:4-39, the financial transactions of the Community Development Block Grant fund are reported within the Trust Funds. In addition, the financial transactions of the following funds and accounts are also reported within the Trust Funds:

- Assessment Trust Fund
- Other Trust Fund
- Animal Control Trust Fund

General Capital Fund – records resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current and Utility Funds, including the status of bonds, notes and loans authorized for said purposes. General bonds, notes and loans payable are recorded in this fund offset by deferred charges to future taxation.

Water and Sewer Utility Fund – records resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Water and Sewer Utility.

Payroll Fund – records resources, deposits of gross salaries of municipal and utility operations into bank accounts of the payroll fund, Social Security and other payroll contributions are also deposited therein. Net salaries and remittances to all federal, state and other agencies are paid from this fund.

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

C. Regulatory-Basis Financial Statements

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

D. Basis of Accounting

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

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget.

Receivables for property taxes and water and sewer utility consumer charges are recorded with offsetting reserves within the Current Fund and Water and Sewer Utility Fund, respectively. Other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of utility consumer charges, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves." Paid or charged refers to the Township's "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP. Expenditures for compensated absences, i.e., accumulations of earned but unused vacations and sick leave, are recorded in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Water and Sewer Utility) fund on a full accrual basis.

For the purposes of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets (Deferred Charges) on the balance sheets.

GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based upon the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or the revaluation of assessable real property, would represent the designation of fund balance.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.) requires that certain transfers between funds, such as transfers from the Current Fund or Utility Operating Funds to a Self-insurance Trust Fund, transfers of anticipated operating surpluses among the Current Fund, Water and Sewer Utility Fund, transfers from utility operating funds to capital funds (i.e., finance capital projects) and transfers from the Current Fund to the Trust Funds or General Capital Fund are required to be included in the Township's annual budgets as budget appropriations. Expenditures are recorded upon the adoption of the budget for legally required transfers, and upon the determination of availability of funds for any discretionary transfers. Under GAAP, transfers are not recognized as expenditures.

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

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

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

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

Grants Received - Federal and State Grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's Budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 4 to the financial statements.

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

The Township has developed a general fixed asset accounting and reporting system that utilizes multiple dollar thresholds for the inclusion of certain assets and also utilizes estimated fair values, which are updated annually to reflect current appraisal values, for inventoried structures. Accordingly, a statement of general fixed assets, developed using recognized valuation methods and uniform capitalization rules, which is required pursuant to generally accepted accounting principles and accounting practices prescribed for municipalities by the State of New Jersey, is included in 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. Since the Township does not follow generally accepted accounting principles, the GASBs did not result in a change in the Township's assets, liabilities and contribution requirements. Refer to Note 9 for these disclosures.

E. Comparative Data

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

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Recent Pronouncements

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015. This Statement replaces the requirements of Statement No. 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 30, 2017. Management has not yet determined the impact of the Statement on the financial statements.

H. Reclassification

Certain prior period amounts have been reclassified to conform to the current year presentation. Such reclassifications were limited to the General Capital Fund balance sheet and schedule of improvement authorizations and the Water and Sewer Utility Fund schedule of bond anticipation notes payable and bonds and notes authorized but not issued and did not impact fund balance. Specifically, the Township reclassified amounts from "Improvement Authorizations-Unfunded" to "Improvement Authorizations-Funded" in the General Capital Fund and between improvement authorizations in the Water and Sewer Utility Capital Fund.

I. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred from December 31, 2017 through August 6, 2018, that date that the financial statements were issued, and the effects of those that provided additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

Note 3: DEFERRED COMPENSATION PLAN

The Deferred Compensation Plan was established pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; and P.L. 1980, C. 78 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 program balances are not recorded in the Trust Fund of the Township. The deferred compensation plans are administered by the ICMA Retirement Corporation, the Lincoln National Life Insurance Company, Metlife, Nationwide Mutual Insurance Company and MassMutual. The Township does not make any contributions to the plan and the deferred compensation is not available to employees until termination, retirement, death or unforeseeable hardship.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of the Internal Revenue Code Section 457(g), the Township's plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the plan are held in trust, in annuity contracts or custodial accounts. The plan's assets are not the property of the Township and therefore are not presented in the financial statements.

As of December 31, 2017 and 2016, the amounts held in trust amounted to \$21,108,997.88 and \$18,968,501.43, respectively.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

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

A. Summary of Municipal Debt for Capital Projects

	<u>Year 2017</u>	<u>Year 2016</u>
General:		
Bond Anticipation Notes		\$ 3,940,000.00
Bonds	\$ 43,559,000.00	39,506,000.00
Water and Sewer Utility:		
Bond Anticipation Notes	9,134,000.00	18,442,000.00
Bonds	<u>37,757,000.00</u>	<u>29,070,000.00</u>
Total debt issued	90,450,000.00	90,958,000.00
Less:		
Funds temporarily held to pay		
Bonds and notes	<u>809,639.50</u>	<u>58,127.83</u>
	89,640,360.50	90,899,872.17
Authorized but not issued:		
General:		
Bonds and notes	4,325,634.70	9,274,434.70
Water and Sewer Utility:		
Bonds and notes	<u>9,702,450.80</u>	<u>8,453,450.80</u>
Total authorized but not issued	<u>14,028,085.50</u>	<u>17,727,885.50</u>
Net bonds and notes issued and authorized but not issued	<u>\$ 103,668,446.00</u>	<u>\$ 108,627,757.67</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (Continued)

B. Summary of Statutory Debt Condition - Annual Debt Statement – 2017

The summarized statement of debt condition which follows is reported in accordance with the required method for preparation of the Annual Debt Statement and indicates a statutory net debt of 0.547%.

	Gross Debt	Deductions	Net Debt
Local school district debt	\$ 50,110,000.00	\$ 50,110,000.00	
Water and sewer utility debt	56,593,450.80	56,593,450.80	
General debt	47,884,634.70	809,639.50	\$ 47,074,995.20
	\$ 154,588,085.50	\$ 107,513,090.30	\$ 47,074,995.20

Net Debt \$47,074,995.20 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$8,611,466,597.00 equals 0.547%.

EQUALIZED VALUATION BASIS

2015 Equalized Valuation Basis of Real Property	\$ 8,673,235,492.00
2016 Equalized Valuation Basis of Real Property	8,530,379,254.00
2017 Equalized Valuation Basis of Real Property	8,630,785,045.00
 Average Equalized Valuation	 \$ 8,611,466,597.00

BORROWING POWER UNDER N.J.S.A 40A:2-6 AS AMENDED

3 1/2% of Equalized Valuation Basis Municipal	\$ 301,401,330.90
Net Debt	47,074,995.20
 Remaining Borrowing Power	 \$ 254,326,335.70

The Township's water and sewer utility fund was self-liquidating as of December 31, 2017 and 2016.

The Township of South Brunswick Board of Education is a Type II School District. As such, the members of the Board of Education are elected by the citizens of the Township and school appropriations are set by the Board of Education. Bonds and notes authorized by voter referendum to finance capital expenditures are general obligations of the Board of Education and, as such, are reported on the balance sheet of the Board of Education.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (Continued)

C. Schedule of Annual Debt Service for Principal and Interest for the
Next Five Years and in Five Year Increments Thereafter for Bonded Debt Issued and Outstanding

Fiscal Year	General		Water and Sewer Utility		Total
	Principal	Interest	Principal	Interest	
2018	\$ 6,338,000.00	\$ 1,419,575.83	\$ 3,815,000.00	\$ 1,269,901.43	\$ 12,842,477.26
2019	6,510,000.00	1,206,426.26	3,895,000.00	1,141,597.50	12,753,023.76
2020	6,730,000.00	970,801.26	4,025,000.00	1,001,597.50	12,727,398.76
2021	6,050,000.00	721,910.63	4,120,000.00	850,997.50	11,742,908.13
2022	3,440,000.00	540,645.00	3,185,000.00	715,347.50	7,880,992.50
2023-2027	9,802,000.00	1,538,727.50	11,307,000.00	2,095,117.50	24,742,845.00
2028-2032	4,689,000.00	374,177.50	3,910,000.00	839,075.00	9,812,252.50
2033-2037	-	-	3,500,000.00	315,000.00	3,815,000.00
Total	<u>\$ 43,559,000.00</u>	<u>\$ 6,772,263.98</u>	<u>\$ 37,757,000.00</u>	<u>\$ 8,228,633.93</u>	<u>\$ 96,316,897.91</u>

General Capital Fund

\$3,190,000 2009 Refunding Bonds due in annual installments of \$265,000 to \$280,000 through September 1, 2021 at interest rates ranging from 3.000% to 4.000%.	\$ 1,085,000.00
\$926,000 2010 General Improvement Bonds due with the final annual installment due on October 1, 2018 in the amount of \$86,000 with an interest rate of 2.150%.	86,000.00
\$3,168,000 2010 Open Space Obligation Bonds due in annual installments of \$145,000 to \$200,000 through October 1, 2030 at interest rates ranging from 2.150% to 3.500%.	2,343,000.00
\$6,650,000 2010 Refunding Bonds due in annual installments of \$605,000 to \$640,000 through January 15, 2021 at interest rates ranging from 2.000% to 2.625%.	2,495,000.00
\$9,987,000 2011 Refunding Bonds due in annual installments of \$1,225,000 to \$1,465,000 through July 1, 2021 at interest rates ranging from 3.600% to 4.630%.	5,585,000.00
\$5,101,000 2012 General Improvement Bonds due in annual installments of \$345,000 to \$510,000 through November 15, 2025 at interest rates ranging from 2.000% to 4.000%.	3,616,000.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (Continued)

General Capital Fund (continued)

\$1,438,000.00 2012 Open Space Bonds due in annual installments of \$80,000.00 to \$160,000.00 through November 15, 2025 at interest rates ranging from 2.000% to 4.000%.	\$ 1,038,000.00
\$4,638,000.00 2013 General Improvement Bonds due in annual installments of \$250,000.00 to \$400,000.00 through October 1, 2028 at interest rates ranging from 3.000% to 4.000%.	3,788,000.00
\$361,000.00 2013 Open Space Obligation Bonds due in annual installments of \$25,000.00 to \$26,000.00 through October 1, 2028 at interest rates ranging from 3.000% to 4.000%.	276,000.00
\$8,390,000.00 2014 General Improvement Refunding Bonds due in annual installments of \$290,000.00 to \$970,000.00 through September 1, 2024 at interest rates ranging from 4.000% to 5.000%.	4,890,000.00
\$3,545,000.00 2014 Open Space Refunding Bonds due in annual installments of \$100,000.00 to \$705,000.00 through September 1, 2023 at interest rates ranging from 4.000% to 5.000%.	2,370,000.00
\$5,396,000.00 2015 General Improvement Refunding Bonds due in annual installments of \$650,000.00 to \$1,186,000.00 through March 1, 2022 at interest rates ranging from 3.000% to 4.000%.	5,371,000.00
\$363,000.00 Open Space Refunding Bonds due in annual installments of \$65,000.00 to \$75,000.00 through March 1, 2022 at interest rates ranging from 3.000% to 4.000%.	363,000.00
\$9,837,000.00 2017 General Improvement Bonds due in annual installments of \$377,000.00 to \$750,000.00 through April 1, 2032 at interest rates ranging from 2.000% to 4.000%.	9,837,000.00
\$416,000.00 2017 Open Space Bonds due in annual installments of \$20,000.00 to \$35,000.00 through April 1, 2032 at interest rates ranging from 2.000% to 4.000%.	416,000.00
	\$ 43,559,000.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (Continued)

Water and Sewer Utility Capital Fund

\$124,000.00 2008 Special Assessment Refunding Bonds with the final installment of \$12,000.00 due October 1, 2018 at an interest rate of 2.985%.	\$ 12,000.00
\$3,225,000.00 2008 Refunding Bonds with the final installment of \$15,000.00 due October 1, 2018 at an interest rate of 2.985%.	15,000.00
\$1,370,000.00 2009 Refunding Bonds due in annual installments of \$115,000.00 to \$120,000.00 through July 15, 2021 at interest rates ranging from 3.000% to 4.000%.	465,000.00
\$5,942,000.00 2010 Bonds due in annual installments of \$500,000.00 to \$617,000.00 through October 1, 2025 at interest rates ranging from 2.150% to 3.000%.	4,417,000.00
\$7,608,000.00 2011 Refunding Bonds due in annual installments of \$965,000.00 to \$980,000.00 through July 1, 2021 at interest rates ranging from 3.600% to 4.630%.	3,880,000.00
\$3,000,000.00 2012 Bonds due in annual installments of \$250,000.00 through November 15, 2025 at interest rates ranging from 2.000% to 4.000%.	2,000,000.00
\$7,760,000.00 2013 Bonds due in annual installments of \$500,000.00 to \$600,000.00 through October 1, 2028 at interest rates ranging from 3.000% to 4.000%.	6,350,000.00
\$7,465,000.00 Refunding Bonds due in annual installments pf \$445,000.00 to \$990,000.00 through September 1, 2024 at interest rates ranging from 4.000% to 5.000%.	5,915,000.00
\$2,561,000.00 2015 Refunding Bonds due in annual installments of \$225,000.00 to \$285,000.00 through March 1, 2027 at interest rates ranging from 2.720% to 5.000%.	2,556,000.00
\$12,147,000.00 2017 Bonds due in annual installments of \$352,000.00 to \$700,000.00 through October 1, 2037 at interest rates ranging from 2.000% to 4.000%.	12,147,000.00
	\$ 37,757,000.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (Continued)

During 2017, the Township issued \$22,400,000.00 of General Obligation Bonds, consisting of \$9,837,000.00 General Improvement Bonds, \$12,147,000.00 Water-Sewer Utility Bonds and \$416,000.00 Open Space Bonds. The purpose of the bonds is to refund \$5,366,000.00 of the Township's bond anticipation notes in the amount of \$6,000,000.00 dated October 5, 2016, maturing October 4, 2017, refund \$7,882,000.00 of the Township's bond anticipation notes in the amount of \$16,382,000.00, dated January 26, 2017, maturing October 4, 2017 and permanently finance \$9,152,000.00 of various new capital projects.

For detail of future years serial bonds required debt principal payments see Exhibit C-14 and Exhibit D-20.

D. Notes

As of December 31, 2017, the Township had a special emergency note outstanding in the amount of \$875,000 in the current fund. The note matures on December 14, 2018 with an interest rate of 1.52%.

As of December 31, 2017, the Township has outstanding bond anticipation notes in the water and sewer utility capital fund in the amount of \$9,134,000. The notes mature on October 2, 2018 with an interest rate of 2.25%.

Note 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2017 and 2016 were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending December 31, 2018 and 2017 as follows:

	2018	2017
Current fund	\$ 4,150,000.00	\$ 3,700,000.00
Water and Sewer Utility Operating fund	\$ 3,165,000.00	\$ 1,500,000.00

Note 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years.

The following deferred charges were shown on the December 31, 2017 and 2016 balance sheets of the Township's Current Fund, Grant Fund and Water and Sewer Utility Operating Fund.

	2017	2016
Overexpenditure of Appropriations - Current Fund	\$ 3,214.88	
Overexpenditure of Grants - Grant Fund	65,289.38	
Special Emergency Authorizations (40A:4-53) - Current Fund	875,000.00	\$ 1,290,000.00
Overexpenditure of Appropriation - Water and Sewer Utility Operating Fund	120,763.68	
	\$ 1,064,267.94	\$ 1,290,000.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS (Continued)

The overexpenditures represent budgetary over-expenditures of certain current year budgetary appropriations and grant programs.

The special emergency authorizations consist of \$875,000.00 of appropriations to pay the costs associated with accumulated sick leave payouts due to former employees who retired from the Township. Of these balances, one-fifth of the deferred charges for each year will be raised in the Township's Current Fund budget. The remaining deferred charges from the special emergencies in the current fund will be raised in the Township's 2018-2021 budgets.

Note 7: DEPOSITS AND INVESTMENTS

Deposits

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

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 Government 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 such as Pillar Funds, and are either any direct and general obligation of the United States of America and its agencies or certificates of deposit issued by any bank, savings and loan association or national banking association if qualified to serve as a depository for public funds under the provisions of the Government Unit Depository Protection Act. 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 December 31, 2017 and 2016, the book values of the cash and cash equivalents of the Township consisted of the following:

	Book Balance	
	2017	2016
Cash (Demand Accts)	\$ 61,788,749.41	\$ 39,090,772.60
NJ ARM	4,216,791.07	4,937,226.56
Change Funds (On-Hand)	128.74	-
Total	\$ 66,005,669.22	\$ 44,027,999.16

There was \$409,657.18 and \$320,057.32 of funds held in Township agency accounts at December 31, 2017 and 2016, respectively, that were not covered by GUDPA.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 7: DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The government does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute and to deposit all of its funds in banks covered by FDIC and GUDPA. At least five percent of the Township's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Township. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

The Township of South Brunswick had the following depository accounts:

	Bank Balance	
	2017	2016
Insured-FDIC	\$ 972,662.58	\$ 723,238.31
Insured-NJGUDPA (N.J.S.A. 17:941)	52,471,443.30	38,316,280.26
Total	\$ 53,444,105.88	\$ 39,039,518.57

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located.
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section I of P.L. 1997, c. 281 (C.52:IXA-90G4);
8. Deposits with the New Jersey Asset and Rebate Management Fund ("NJARM"); or
9. Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
 - b. the custody collateralized is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.199-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 7: DEPOSITS AND INVESTMENTS (Continued)

GASB Statement No. 40 - *Deposit and Investment Risk Disclosures* requires the Township to disclose its deposits and investment policies regarding certain types of investment risks.

New Jersey Asset and Rebate Management

The Township also invests funds in the New Jersey Asset and Rebate Management Fund (“NJARM”), which is an investment pool managed by Public Financial Management Company. NJARM allows governments within the state to pool their funds for investment purposes and the Securities and Exchange Commission (SEC) does not restrict the pool. Earnings are allocated to all participants based upon shares held in the pool and distributed on the last day of each month. In addition, the fair value of the Township’s portion of the pool is the same as the value of its shares. Agencies that participate in the NJARM typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJARM on a daily basis without penalty. At December 31, 2017 and 2016, the Township’s balance in NJARM was \$4,216,791.07 and \$4,937,226.58, respectively. NJARM is rated AAAM by Standard & Poors.

GASB Statement No. 72

GASB Statement No. 72 established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement.) The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 7: DEPOSITS AND INVESTMENTS (Continued)

The Township's investments consisted of certificates of deposit and bond anticipation notes purchased by the Township during the year and all investments were held directly by the Township. The investments in certificates of deposit are considered level 1 investments as they are quotes prices for identical assets which are held for less than one year. The Township had investments of \$1,000,000.00 and \$0 in certificates of deposit at December 31, 2017 and 2016, respectively, recorded in the Water and Sewer Utility Capital Fund. The investments in bond anticipation notes are considered level 2 investments as they are in an inactive market and inputs other than quoted prices are observable. The investments are held for one year. The balance of these investments at December 31, 2017 and 2016 were as follows:

Description of Investment	Interest Rates	Amount	
		2017	2016
<u>Current Fund</u>			
City of West Wildwood, NJ			
Bond Anticipation Notes - maturing 5/12/2018	0.70%	\$ 440,000.00	\$ 440,000.00
City of West Wildwood, NJ			
Bond Anticipation Notes - matured 7/21/2017	1.00%		1,254,305.00
City of West Wildwood, NJ			
Bond Anticipation Notes - matured 7/21/2017	1.00%		164,738.00
Town of Seacaucus, NJ			
Bond Anticipation Notes - matured 4/14/2017	0.90%		583,209.00
City of West Wildwood, NJ			
Bond Anticipation Notes - maturing 7/20/2018	1.30%	1,055,460.00	
Township of Kearney, NJ			
Bond Anticipation Notes - maturing 12/14/2018	1.50%	610,000.00	
City of Pleasantville, NJ			
Bond Anticipation Notes - maturing 4/23/2018	1.30%	899,370.00	
Total Current Fund		<u>\$ 3,004,830.00</u>	<u>\$ 2,442,252.00</u>
<u>Open Space Trust Fund</u>			
Township of Lawrence, NJ			
Bond Anticipation Notes - matured 11/17/2017	0.75%		\$ 160,000.00
Township of Barnegat, NJ			
Bond Anticipation Notes - matured 6/16/2017	0.70%		38,000.00
Salem County			
Bond Anticipation Notes - maturing 6/21/2018	1.30%	\$ 325,000.00	
Total Open Space Trust Fund		<u>\$ 325,000.00</u>	<u>\$ 198,000.00</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 7: DEPOSITS AND INVESTMENTS (Continued)

Description of Investment	Interest Rates	Amount	
<u>General Capital Fund</u>			
Township of Kearney, NJ			
Bond Anticipation Notes - maturing 12/14/2018	1.50%	\$ 610,000.00	
Total General Capital Fund		<u>\$ 610,000.00</u>	<u>\$ -</u>
<u>Water and Sewer Utility Operating Fund</u>			
City of Egg Harbor, NJ			
Bond Anticipation Notes - matured 4/12/2017	1.00%		\$ 1,268,000.00
Total Water and Sewer Utility Operating Fund			<u>\$ 1,268,000.00</u>
<u>Water and Sewer Utility Capital Fund</u>			
Township of Port Republic, NJ			
Bond Anticipation Notes - matured 9/21/2017	1.25%		\$ 500,000.00
Township of Egg Harbor, NJ			
Bond Anticipation Notes - matured 1/15/2017	0.80%		2,225,000.00
Borough of Barnegat Light			
Bond Anticipation Notes - maturing 2/23/2018	1.10%	\$ 827,550.00	
Total Water and Sewer Utility Capital Fund		<u>\$ 827,550.00</u>	<u>\$ 2,725,000.00</u>
Grand Total		<u>\$ 4,767,380.00</u>	<u>\$ 6,633,252.00</u>

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from increasing interest rates, the Township generally limits its investment maturities to within two years of the date of purchase.

Credit Risk – As of December 31, 2017, the Township’s various investments with the City of West Wildwood, Township of Kearney, City of Pleasantville, Borough of Barnegat Light and Salem County were not rated by a nationally recognized bond rating agency.

Custodial Credit Risk – For investments, custodial credit risk is the risk that in the event of the failure of the counter-party, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Township. The Township manages custodial credit risk by limiting its investments to the debt of other governmental units within the State of New Jersey.

Concentration of Credit Risk – The Township places no limit on the amount the Township may invest in any one issuer. As of December 31, 2017 the Township had amounts invested with the City of West Wildwood, Township of Kearney, City of Pleasantville, Borough of Barnegat Light and Salem County representing 31.37%, 25.59%, 18.86%, 17.36% and 6.82%, respectively, of the total carrying amount of the Township’s investments.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 8: 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.

Tax bills are prepared and mailed by the Collector of Taxes of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the previous year's tax. The preliminary payments are due and payable on February 1st and May 1st. NJ Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amounts delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 9: PENSION AND RETIREMENT PLANS

Substantially, all Township employees participate in the Public Employees' Retirement System and Police and Firemen's Retirement System. The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments and benefits to plan members and beneficiaries.

The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Township is not available.

The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. In addition, the PERS and PFRS bills the Township annually at an actuarially determined rate for its required contribution. The current rate of required contribution of annual covered payroll is 7.34% for PERS employees and 10.00% for PFRS.

The contribution requirements of plan members and the Township are established and may be amended by the Board of Trustees of the respective plans. The Township's contributions to the PERS for the years ended December 31, 2017, 2016 and 2015 were \$1,810,597.00, \$1,832,347.00, and \$1,725,790.00, respectively. The Township's contributions to the PFRS for the years ended December 31, 2017, 2016 and 2015 were \$1,942,619.00, \$1,972,466.00, and \$1,967,003.00, respectively. In 2009, the State of New Jersey permitted Municipalities to defer up to 50% of their contributions due in 2009. The Township elected this option, resulting in the deferral of their 2009 PERS and PFRS bills in the amounts of \$498,160.50 and

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 9: PENSION AND RETIREMENT PLANS (Continued)

\$814,062.00, respectively. In accordance with state regulations, the Township began repaying this liability in April 2012 over a 15 year period and included in the payments identified above during 2017 for PERS and PFRS were principal payments of \$36,141.00 and \$123,757.00, respectively for repayment of this deferred liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employee's Retirement System (PERS)

At December 31, 2017 and 2016, the Township's liability for its proportionate share of the net pension liability was \$48,129,253.00 and \$60,361,945.00, respectively. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the Township's proportion was 0.2067549716 percent, which was an increase of 0.0029474401 from its proportion measured as of June 30, 2016.

At December 31, 2017, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 9,696,386.00	\$ 9,660,837
Difference between expected and actual experience	1,133,278.00	
Net difference between projected and actual earnings on pension plan investments	327,728.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	901,708.00	61,974.00
Township contributions subsequent to the measurement date	957,682.00	
	\$ 13,016,782.00	\$ 9,722,811.00

At December 31, 2016, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 9: PENSION AND RETIREMENT PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 12,503,771.00	
Difference between expected and actual experience	1,122,549.00	
Net difference between projected and actual earnings on pension plan investments	2,301,656.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	514,744.00	\$ 80,290.00
Township contributions subsequent to the measurement date	943,951.00	
	\$ 17,386,671.00	\$ 80,290.00

\$957,682.00 and \$943,951.00 as of December 31, 2017 and 2016, respectively, are reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. 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 the financial statements were prepared in accordance with GAAP.

Year ended December 31:

2018	\$ 1,354,435.00
2019	1,912,669.00
2020	1,220,020.00
2021	(1,254,053.00)
2022	(896,782.00)
	\$ 2,336,289.00

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation rate	2.25%
Salary increase through 2026	1.65 - 4.15%
Thereafter	based on age 2.65 - 5.15%
Investment rate of return	based on age 7.00%

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
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Note 9: PENSION AND RETIREMENT PLANS (Continued)

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.08%
Salary increase through 2026	1.65 - 4.15%
Thereafter	based on age 2.65 - 5.15%
Investment rate of return	based on age 7.65%

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 9: PENSION AND RETIREMENT PLANS (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
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Note 9: PENSION AND RETIREMENT PLANS (Continued)

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability as of December 31, 2017 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	At 1% decrease (4.00%)	At current discount rate (5.00%)	At 1% increase (6.00%)
Township's proportionate share of the net pension liability	\$ 59,707,604.78	\$ 48,129,253.00	\$ 38,483,051.09

The following presents the Township's proportionate share of the net pension liability as of June 30, 2016 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	At 1% decrease (2.98%)	At current discount rate (3.98%)	At 1% increase (4.98%)
Township's proportionate share of the net pension liability	\$ 23,325,678.00	\$ 60,361,945.00	\$ 15,493,429.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
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Note 9: PENSION AND RETIREMENT PLANS (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2017 are as follows:

Deferred outflows of resources	\$ 6,424,455,842
Deferred inflows of resources	\$ 5,700,625,981
Net pension liability	\$ 23,278,401,588
 Township's Proportion	 0.2067549716%

Collective balances of the Local Group at June 30, 2016 are as follows:

Deferred outflows of resources	\$ 6,135,087,729
Deferred inflows of resources	\$ 870,133,594
Net pension liability	\$ 29,617,131,759
 Township's Proportion	 0.2038075315%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 and 2016 were \$1,694,305,613.00 and \$2,827,610,195.00, respectively.

The average of the expected remaining service lives of all plan members is 5.48 and 5.57 years for 2017 and 2016, respectively.

Police and Firemen's Retirement System (PFRS)

At December 31, 2017 and 2016, the Township's liability for its proportionate share of the net pension liability was \$38,302,231.00 and \$45,513,485.00, respectively. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the Township's proportion was 0.2481025091 percent, which was an increase of 0.0098439192 from its proportion measured as of June 30, 2016.

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MIDDLESEX COUNTY, NEW JERSEY
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Note 9: PENSION AND RETIREMENT PLANS (Continued)

At December 31, 2017, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 4,723,092.00	\$ 6,272,785.00
Differences between expected and actual experience	248,482.00	224,802.00
Net difference between projected and actual earnings on pension plan investments	730,896.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,499,236.00	395,781.00
Township contributions subsequent to the measurement date	1,097,877.00	
	\$ 8,299,583.00	\$ 6,893,368.00

At December 31, 2016, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 6,303,992.00	
Differences between expected and actual experience		\$ 298,348
Net difference between projected and actual earnings on pension plan investments	3,189,038.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	380,277.00	506,335.00
Township contributions subsequent to the measurement date	1,033,188.00	
	\$ 10,906,495	\$ 804,683

\$1,097,877.00 and \$1,033,188.00 as of December 31, 2017 and 2016, respectively were reported as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. 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 the financial statements were prepared in accordance with GAAP.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 9: PENSION AND RETIREMENT PLANS (Continued)

Year ended December 31:

2018	\$	717,428
2019		1,488,219
2020		188,378
2021		(1,493,500)
2022		(592,187)
		\$ 308,338

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate		2.25%
Salary increase through 2026		2.10 - 8.98%
		based on age
Thereafter		3.10 - 9.98%
		based on age
Investment rate of return		7.00%

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate		3.08%
Salary increase through 2026		2.10 - 8.98%
		based on age
Thereafter		3.10 - 9.98%
		based on age
Investment rate of return		7.65%

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 9: PENSION AND RETIREMENT PLANS (Continued)

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using the plan actuary's modified 2014 projection scales. Post retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

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

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 9: PENSION AND RETIREMENT PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability as of December 31, 2017 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14 percent) or 1-percentage-point higher (7.14 percent) than the current rate:

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 9: PENSION AND RETIREMENT PLANS (Continued)

	At 1% decrease (5.14%)	At current discount rate (6.14%)	At 1% increase (7.14%)
Township's proportionate share of the net pension liability	\$ 50,466,343.63	\$ 38,302,231.00	\$ 28,308,029.31

The following presents the Township's proportionate share of the net pension liability as of June 30, 2016 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55 percent) or 1-percentage-point higher (6.55 percent) than the current rate:

	At 1% decrease (4.55%)	At current discount rate (5.55%)	At 1% increase (6.55%)
Township's proportionate share of the net pension liability	\$ 58,686,302.00	\$ 45,513,485.00	\$ 34,771,845.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Police and Firemen's Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2017 are as follows:

Deferred outflows of resources	\$	2,941,952,753
Deferred inflows of resources	\$	3,262,432,093
Net pension liability	\$	17,167,260,198
 Township's Proportion		 0.2481025091%

Collective balances of the Local Group at June 30, 2016 are as follows:

Deferred outflows of resources	\$	4,547,316,543
Deferred inflows of resources	\$	688,197,590
Net pension liability	\$	20,706,699,056
 Township's Proportion		 0.2382585899%

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 9: PENSION AND RETIREMENT PLANS (Continued)

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 and 2016 is \$1,624,455,951 and \$2,248,798,664, respectively.

The average of the expected remaining service lives of all plan members is 5.59 and 5.58 years for 2017 and 2016, respectively.

Special Funding Situation

Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and the State is treated as a non-employer contributing entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of June 30, 2017 and 2016 for police and fire is 0.2481025091% and 0.2382585899% respectively, and the non-employer contributing entities' contribution for the year ended June 30, 2017 and 2016 for police and fire was \$214,527.00 and \$146,448.00, respectively. The state's proportionate share of the net pension liability attributable to the Township as of June 30, 2017 and 2016 is \$4,290,172.00 and \$3,822,004.00, respectively.

Note 10: POST RETIREMENT HEALTH BENEFITS

In addition to the pension and retirement plans described in Note 9, the Township provides post-retirement health care benefits, in accordance with State statute N.J.S.A. 40A:10-23 to employees who retire with at least 25 years of pension service credit and 15 years of consecutive service with the Township, or go out on disability with 10 years of service or more. The Township does not issue a publicly available financial report for the plan. Benefit provisions for the plan are established and amended with the approval of the Township's governing body and there is no statutory requirement for the Township to continue this plan for future Township employees. The plan is a contributory plan with all payments for plan benefits being funded by the Township.

GASB Statement 45 applied to the Township of South Brunswick starting with the year ended December 31, 2013 (the Township previously participated in the New Jersey State Health Benefits Plan). GASB Statement 45 requires that the Township disclose its annual OPEB cost for the plan which is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

As of December 31 2017, the date of the most recent actuarial valuation, under GASB Statement 45, the Township's annual required contribution for 2017 and 2016 were \$10,130,000.00 and \$7,000,000.00, respectively. The Township's contributions for post-retirement benefits for the years ended December 31, 2017, 2016, and 2015 were \$4,037,779.56, \$3,507,054.35, and \$2,945,051.55, respectively. The Township's net OPEB obligation as of December 31, 2017 was \$20,900,000.00.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 10: POST RETIREMENT HEALTH BENEFITS (Continued)

As of December 31 2017, the actuarial accrued liability for benefits was \$123,870,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$26,940,000.00, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 460% for the same aforementioned period.

The latest actuarial valuation date is December 31, 2017. Actuarial valuations involve estimates of the value reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Township and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

For the December 31, 2017 actuarial valuation, the project unit credit funding method was used. The actuarial assumptions included a 4.50% discount rate and an annual healthcare cost trend rate of 8.5% in the first year (2013), reducing by 0.5% per annum, leveling at 5% per annum in year 8, for medical, dental and prescription. As required by Local Finance Notice 2007-15, the Township's demographic assumptions were selected based on those used by the State Division of Pensions and Benefits calculation from its December 31, 2017 report. The Township has a total of 419 plan members of which 256 are active participants with an average age of 47 years and 163 are retired participants. The cost medical benefits range from \$285 through \$2,984 per month and for dental benefits range from \$18 through \$133 per month.

Note 11: RISK MANAGEMENT

The Township has maintained a limited self-insurance plan for worker's compensation coverage. Claims are paid from a fund provided through the annual budget appropriation. Also, individual stop loss and aggregate stop loss policies are purchased to protect the Township from catastrophic loss. There is a reserve in the Other Trust Fund to pay incurred costs if such were to exceed the annual budget appropriation. The governing body of the Township adopted this plan in accordance with N.J.S.A. 40A:10-36. The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disasters. The Township is a member of the Middlesex County Municipal Joint Insurance Fund ("JIF"). The JIF is a public entity risk pool currently operating as a common risk management and insurance program for municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workers' compensation. While additional assessments on premiums can be levied by the JIF to assure payment of the JIF's obligations, no such additional premiums have been necessary as of December 31, 2017. The JIF is expected to be self-sustaining through member premiums of which the Township portion is reported as expenditure in the Township's financial statements and liabilities of the JIF are based on the estimated ultimate cost of settling the claims. The JIF participates in the AIG Municipal Excess Liability Program, which has a contract for excess liability insurance.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 11: RISK MANAGEMENT (Continued)

The Township is not aware of any claims pending that have a demand in excess of coverages provided under the JIF. In addition, there were no significant reductions in insurance coverage from prior year coverage and there were no amounts settled which exceeded insurance coverage for each of the past three years.

Note 12: ACCRUED SICK AND VACATION BENEFITS

The Township has established policies, which set forth the terms under which an employee may accumulate unused benefits. The Township's general policy is as follows:

Vacations - Vacation pay for permanent employees is accumulated in accordance with the approved schedules for their respective units. Vacation days shall be taken during the current year and shall not accumulate, except that vacation time may be carried over to the next succeeding year only. This carryover provision is not applicable to Police and Fire Officers. An employee who has separated his/her employment in good standing is entitled to time or pay for any earned vacation accumulated and not previously used.

The payroll office maintains up-to-date records of each employee's status relating to earned and unused sick and vacation pay. At December 31, 2017 and 2016, the total value of accumulated compensated absences, based upon the current pay rates, was \$5,370,272.26 and \$5,392,267.83, respectively. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which the payments are made. Additionally, at December 31, 2017 and 2016, the Township has reserved funds in the Other Trust Fund of \$34,257.73 and \$247,721.56, respectively to help offset future costs incurred.

Note 13: LEASE COMMITMENTS

The Township has entered into lease/purchase agreements with TD Bank for the acquisition of equipment and other capital items.

The final lease payment and the present value of net minimum lease payment at December 31, 2017 is as follows:

Year Ended December 31	
2018	\$ 160,000.36
Less: Amount representing interest / fees	4,023.41
Present value of net minimum lease payment	\$ 155,976.95

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 14: TAX APPEALS

At December 31, 2017, there are several tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for 2017 and prior years. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from the Township's tax levy or through the issuance of refunding bonds per N.J.S. 40A:2-51. In accordance with the National Council on Governmental Accounting Statement 4, "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences," the Township charges current fund operations for all State Board Judgments rendered during the year which will be paid from expendable available financial resources.

The Township's share of the County taxes paid on any successful tax appeal would result in appropriate reductions applied against the County tax levy of the following year.

Note 15: CONTINGENT LIABILITIES

At December 31, 2017, the Township had litigation pending. The majority of this litigation involves claims against the Township relating to matters that traditionally would be covered through the procurement of workers' compensation and liability insurance policy coverages. As more fully described in Note 11, the Township has participated in a joint insurance fund for general liability and is partially self-insured for workers compensation. Management indicates the Township is not involved in any pending or threatened litigation nor are there any unasserted claims or assessments requiring disclosure in the financial statements.

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 December 31, 2017, the Township does not believe that any material liabilities will result from such audits.

On May 1, 2013, the Council on Affordable Housing ("COAH"), State of New Jersey passed a resolution authorizing the COAH to begin the process of seizing "uncommitted" municipal affordable housing trust funds. The COAH issued letters to all municipalities in the State of New Jersey requesting them to certify the amount of funds held in trust that are committed and uncommitted and submit the information to COAH. On May 13, 2013, the Appellate Court of the State of New Jersey issued an injunction regarding the resolution passed by the COAH on May 1, 2013 no longer requiring local municipalities to certify the amount of committed and uncommitted funds held in trust. On May 28, 2013, the New Jersey Supreme Court kept in place the portion of the stay ordered by the Appellate Division, thereby enjoining the State from seeking the transfer of any affordable housing trust funds. However, the Court lifted the portion of the stay which prohibited the State from its administrative process of gathering and evaluating municipal submissions. On June 25, 2013, municipalities with affordable housing trust funds were issued a letter from the COAH giving all municipalities until August 2, 2013 to confirm or challenge the figures of funds that the COAH records indicate are being held by local municipalities for affordable housing. On September 26, 2013, the New Jersey Supreme Court again affirmed, in part, the Appellate Division Court decision passed on May 1, 2013 and also gave the COAH five months through February 26, 2014 to promulgate new regulations which would comply with the Fair Housing Act. On February 26, 2014, COAH filed an extension requesting to extend that time frame until May 1, 2014 which was granted by the New Jersey Supreme Court on March 14, 2014, subject to certain provisions, including the COAH to propose new regulations by May 1, 2014 and adopt such regulations on or before October 22, 2014. In October 2014,

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 15: CONTINGENT LIABILITIES (Continued)

the COAH failed to meet the deadline established by the New Jersey Supreme Court. In March 2015, the New Jersey Supreme Court made a determination that affordable housing obligations would be administered by the Court. As of December 31, 2017 and 2016, the Township held \$4,765,092.13 and \$2,947,376.88, respectively, of funds for the Council on Affordable Housing.

Note 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances, which represent short term loans between funds or interest due to other funds, remained on the balance sheets as of December 31, 2017:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 210,112.79	\$ 12,805.24
State and Federal Grant Fund	12,132.50	
Other Trust Fund	75,354.59	368,321.09
Animal Control Trust Fund		5,978.46
Community Development Block Grant Trust Fund	68,319.66	
General Capital Fund	100,000.00	4,132.90
Water and Sewer Utility Operating Fund	2.51	
Water and Sewer Utility Capital Fund		2.51
Payroll Fund	32.74	74,714.59
Total	<u>\$ 465,954.79</u>	<u>\$ 465,954.79</u>

All interfunds are expected to be liquidated within one year.

Note 17: UNEMPLOYMENT COMPENSATION INSURANCE

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Township has elected to provide a self-insured plan whereby the municipal costs and employee contributions are deposited into a trust fund from which claims, if any, will be paid. All funds collected from employees are transmitted to the state for this period. The Reserve for Unemployment Compensation Insurance at December 31, 2017 and 2016 totaled \$75,054.54 and \$66,156.00, respectively.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 18: LOSAP PROGRAM (Unaudited)

The Township has established a Length of Service Award Program (LOSAP) Deferred Compensation Plan. The LOSAP is an incentive award program for volunteers who meet specified service criteria and is a qualified plan under Internal Revenue Code Section 457(e). Funding for the plan is provided via Township budget appropriations and the Township has authorized Lincoln National Life Insurance, as the plan provider. As of December 31, 2017 and 2016, the cumulative balance of the Length of Service Award Program was \$1,060,624.60 and \$885,317.14, respectively and is recorded in the Other Trust Fund of the Township.

In accordance with N.J.A.C. 5:30-14, the funds held in the LOSAP remain the assets of the Township until they are distributed and as such are subject to the claims of the Township's general creditors.

Note 19: GASB 77 TAX ABATEMENTS

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality.

The Township has entered into several property tax abatement agreements in order to provide incentives to redevelop areas that are in need for improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. The following represent the Township's tax abatement agreements for the years ended December 31, 2017 and 2016:

2017

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes if Billed in Full	Abated Taxes
Oak Woods	1997	2037	\$ 42,965.00	\$ 94,812.10	\$ 51,847.10
CIL Woods	1998	2038	8,106.00	33,191.60	25,085.60
South Brunswick VOA	2005	2040	9,630.00	73,723.65	64,093.65
ARC - 9 Helen Drive	2013	2043	4,000.00	8,715.25	4,715.25
ARC - 24 Palmer Road	2013	2043	4,000.00	8,420.62	4,420.62
ARC - 125 Kendall Road	2013	2043	4,000.00	7,978.75	3,978.75
ARC - 24 Kindlsey Road	2013	2043	4,000.00	7,340.45	3,340.45
			<u>\$ 76,701.00</u>	<u>\$ 234,182.42</u>	<u>\$ 157,481.42</u>

2016

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes if Billed in Full	Abated Taxes
Oak Woods	1997	2037	\$ 42,965.00	\$ 93,788.67	\$ 50,823.67
CIL Woods	1998	2038	8,106.00	32,833.32	24,727.32
South Brunswick VOA	2005	2040	9,630.00	72,927.86	63,297.86
ARC - 9 Helen Drive	2013	2043	4,000.00	8,621.18	4,621.18
ARC - 24 Palmer Road	2013	2043	4,000.00	8,329.76	4,329.76
ARC - 125 Kendall Road	2013	2043	4,000.00	7,892.63	3,892.63
ARC - 24 Kindlsey Road	2013	2043	4,000.00	7,261.22	3,261.22
			<u>\$ 76,701.00</u>	<u>\$ 231,654.64</u>	<u>\$ 154,953.64</u>

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

PART II

SUPPLEMENTARY DATA AND SCHEDULES

CURRENT AND GRANT FUNDS

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

**CURRENT FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 5,627,552.58
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	163,704.77
Taxes Receivable	A-7	185,261,383.38
Tax Title Liens Receivable	A-9	48,736.67
State of New Jersey (Ch. 20, P.L. 1976)	A-8	166,641.10
Revenue Accounts Receivable	A-11	15,551,333.95
Due to State of New Jersey	A-13	259,736.00
Prepaid Taxes	A-14	15,026,847.30
Reserve for Various Deposits	A-15	230,443.42
Refund of Appropriations - prior year	A-12	22,293.76
Tax Overpayments	A-17	318,046.16
Investments Redeemed	A-5	946,792.00
Special Emergency Notes Issued	A-24	875,000.00
Cash Receipts from Other Funds	A-6	53,643,933.21
Cash Received on-behalf of Federal and State Grant Fund	A-28	546,986.20
		<u>273,061,877.92</u>
		278,689,430.50
Decreased by Disbursements:		
2017 Budget Appropriations	A-3	50,269,729.99
2016 Appropriation Reserves	A-12	918,791.28
Special Emergency Notes Paid	A-24	1,290,000.00
Cash Disbursed on-behalf of Federal and State Grant Fund	A-28	408,454.49
Purchase of Investments	A-5	1,509,370.00
Accounts Payable	A-16	2,144.29
Cash Disbursed to Other Funds	A-6	53,905,647.06
Due to State of New Jersey	A-13	220,909.00
Reserve for Various Deposits	A-15	217,230.52
Refund of Prior Year Tax Appeal	A-1	239,681.02
Tax Overpayments	A-17	293,435.76
Municipal Open Space Taxes	A-1, A-7	1,475,422.00
Special District Taxes	A-18	2,281,633.00
Local District School Taxes	A-20	111,326,094.00
County Taxes	A-19	35,412,541.21
		<u>259,771,083.62</u>
Balance, December 31, 2017	A	<u>\$ 18,918,346.88</u>

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

**CURRENT FUND
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ 2,442,252.00
Increased by:		
Investments Purchased	A-4	<u>1,509,370.00</u>
		3,951,622.00
Decreased by:		
Investments Redeemed	A-4	<u>946,792.00</u>
Balance - December 31, 2017	A	<u><u>\$ 3,004,830.00</u></u>

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

**CURRENT FUND
SCHEDULE OF INTERFUNDS (PAYABLE) RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

REF.	Total	General Capital Fund	Water and Sewer Utility Operating Fund	Water and Sewer Utility Capital Fund	Payroll Fund	Animal Control Trust Fund	Other Trust Fund
Balance, December 31, 2016	A \$ (56,408.69)	\$ 2,392.94	\$ -	\$ -	\$ -	\$ 10,900.45	\$ (69,702.08)
Increased by:							
Interest Earned on Investments	A-2 4,134.89	4,132.90				1.10	0.89
Cash Disbursed to Other Funds	A-4 53,905,647.06	24,782,877.42	11,597,043.00	4,140,000.00		5,977.36	13,379,749.28
	<u>53,909,781.95</u>	<u>24,787,010.32</u>	<u>11,597,043.00</u>	<u>4,140,000.00</u>	-	5,978.46	13,379,750.17
Decreased by:							
Cash Receipts							
From Other Funds	A-4 53,643,933.21	24,785,270.36	11,597,043.00	4,140,000.00	32.74	10,900.45	13,110,686.66
	<u>53,643,933.21</u>	<u>24,785,270.36</u>	<u>11,597,043.00</u>	<u>4,140,000.00</u>	<u>32.74</u>	<u>10,900.45</u>	<u>13,110,686.66</u>
Balance, December 31, 2017	A \$ 209,440.05	\$ 4,132.90	\$ -	\$ -	\$ (32.74)	\$ 5,978.46	\$ 199,361.43
							Below
Detail of Other Trust Fund Interfund:							
Interfund Receivable - Other Trust Fund	A						\$ 200,001.43
Interfund Payable - Open Space Trust Fund	A						<u>(640.00)</u>
	Above						<u>\$ 199,361.43</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2017

Year	Balance, December 31, 2016	2017 Levy	Collections by Collector		St. Share Sr. Citizen Deductions	Remitted and Cancelled	Transfer to Tax Title Liens	Balance, December 31, 2017
			2016	2017				
Prior to 2015	\$ 114,455.93					\$ 114,455.93		
2015	2,103.15					2,103.15		
2016	<u>1,092,334.73</u>			\$ 983,071.34		<u>47,070.59</u>	\$ 59,955.33	\$ 2,237.47
	1,208,893.81			983,071.34		163,629.67	59,955.33	2,237.47
2017		\$ 187,883,736.18	\$ 2,405,800.99	184,278,312.04	\$ 152,141.10	64,522.85	112,417.12	870,542.08
	<u>\$ 1,208,893.81</u>	<u>\$ 187,883,736.18</u>	<u>\$ 2,405,800.99</u>	<u>\$ 185,261,383.38</u>	<u>\$ 152,141.10</u>	<u>\$ 228,152.52</u>	<u>\$ 172,372.45</u>	<u>\$ 872,779.55</u>
REF.	A	Below	A-2, A-14	A-2, A-4	A-2, A-8	Reserved	A-9	A
<u>Analysis of 2017 property tax levy</u>								
Tax yield:								
		\$ 181,119,290.08						
		2,281,903.00						
		<u>4,482,543.10</u>						
	Above		\$ 187,883,736.18					
Tax levy:								
Local District School Tax:								
		\$ 111,326,094.00						
	A-1 , A-20		\$ 111,326,094.00					
County Tax:								
		31,971,588.08						
	A-1 , A-19	2,599,371.07						
	A-1 , A-19	<u>841,582.06</u>						
			35,412,541.21					
Special District Taxes:								
		2,281,903.00						
	A-1 , A-18		2,281,903.00					
Local Tax for Municipal Purposes								
		30,864,032.72						
	A-2	2,845,631.00						
	A-1 , A-4	1,475,422.00						
		<u>3,678,112.25</u>						
			38,863,197.97					
	Above		\$ 187,883,736.18					

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

**CURRENT FUND
SCHEDULE OF DUE TO THE STATE OF NEW JERSEY
SENIOR CITIZENS AND VETERANS DEDUCTIONS
PER CHAPTER 20, P.L.1976
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ 63,681.27
Increased by:		
Deductions Disallowed by Collector - 2017	Below	\$ 6,358.90
Cash Receipts	A-4	<u>166,641.10</u>
		<u>173,000.00</u>
		236,681.27
Decreased by:		
Deductions Allowed Per Tax Billings - 2017	Below	157,750.00
Deductions Allowed by Collector - 2017	Below	<u>750.00</u>
		<u>158,500.00</u>
Balance - December 31, 2017	A	<u><u>\$ 78,181.27</u></u>
Analysis of Senior Citizens, Veterans and Disability Deductions Realized <u>as Revenues in FY 2017</u>		
Deductions Allowed Per Tax Billings	Above	\$ 157,750.00
Plus:		
Deductions Allowed by Collector	Above	<u>750.00</u>
		158,500.00
Less:		
Deductions Disallowed by Collector	Above	<u>6,358.90</u>
Amount Realized as Revenue - 2017	A-2 , A-7	<u><u>\$ 152,141.10</u></u>

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

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ 610,313.73
Increased by:		
Transfers from Taxes Receivable	A-7	\$ 172,372.45
Miscellaneous	Reserved	<u>15,078.43</u>
		187,450.88
		<u>797,764.61</u>
Decreased By:		
Cash Receipts	A-2 , A-4	<u>48,736.67</u>
Balance - December 31, 2017	A	<u><u>\$ 749,027.94</u></u>

**CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2017 and 2016	A	<u><u>\$ 771,640.00</u></u>

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

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Ref.	Balance Dec 31, 2016	Accrued 2017	Cash Receipts	Balance Dec 31, 2017
Miscellaneous Revenues Anticipated:					
Alcoholic Beverage Licenses	A-2		\$ 59,235.00	\$ 59,235.00	
Licenses - Other	A-2		35,308.82	35,308.82	
Fees and Permits	A-2		724,265.28	724,265.28	
Municipal Court Fines & Costs	A-2	\$ 71,284.65	858,545.68	872,312.04	\$ 57,518.29
Interest and Costs on Taxes	A-2		304,418.81	304,418.81	
Interest on Investments and Deposits	A-2		109,130.91	109,130.91	
Cable TV Franchise Fee	A-2		522,595.25	522,595.25	
Energy Receipts Tax	A-2		4,882,235.00	4,882,235.00	
Supplemental Energy Receipts Tax	A-2		281,706.00	281,706.00	
Watershed Moratorium Offset Aid	A-2		987.00	987.00	
Garden State Aid Trust Fund	A-2		26,751.00	26,751.00	
Uniform Construction Code Fees	A-2		2,196,951.55	2,196,951.55	
Fire District #1 contract	A-2		138,791.77	138,791.77	
Fire District #2 contract	A-2		151,212.26	151,212.26	
Fire District #3 contract	A-2		156,376.49	156,376.49	
Spotswood Contract - Data Processing	A-2		18,007.66	18,007.66	
Milltown Contract - Data Processing	A-2		13,450.00	13,450.00	
Cranbury Contract - Data Processing	A-2		62,673.67	62,673.67	
Monroe Contract - Data Processing	A-2		49,193.88	49,193.88	
Middlesex County College Contract - Data Processing	A-2		16,375.00	16,375.00	
Helmetta Contract - Data Processing	A-2		6,000.00	6,000.00	
Cranbury Contract - Dispatch	A-2		83,333.34	83,333.34	
Uniform Fire Safety Act - Life Hazard Use Fees	A-2		286,673.09	286,673.09	
Sale of Recycling Materials	A-2		2,010.25	2,010.25	
Site Leasing - Antennae	A-2		274,241.84	274,241.84	
PILOT - South Brunswick Community Development Corp.	A-2		35,759.70	35,759.70	
PILOT - CIL Woods	A-2		10,090.05	10,090.05	
PILOT - Oakwoods	A-2		41,834.56	41,834.56	
PILOT - VOA	A-2		4,404.38	4,404.38	
Utility Payments for SW Chargebacks	A-2		1,410,020.00	1,410,020.00	
Hotel / Motel Tax	A-2		825,924.15	825,924.15	
Reserve for Quasi Duty - Other Trust Fund	A-2		200,000.00	200,000.00	
Planning - Land Use Charges	A-2		39,855.20	39,855.20	
Prior Year Utility Surplus	A-2		1,500,000.00	1,500,000.00	
School Resource Officer	A-2		209,210.00	209,210.00	
		<u>\$ 71,284.65</u>	<u>\$ 15,537,567.59</u>	<u>\$ 15,551,333.95</u>	<u>\$ 57,518.29</u>
Ref.		A		A-4	A

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

**CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	Reserved for Encumbrances Dec 31, 2016	Balance After Modification	Paid or Charged	Transferred to Reserve for Encumbrances	Balance Lapsed
OPERATIONS WITHIN "CAPS"						
Township Council						
Salaries and Wages	\$ 0.92		\$ 0.92			\$ 0.92
Other Expenses	4,009.96		6,209.96	\$ 6,149.52		60.44
Township Manager						
Salaries and Wages	4.51		4.51			4.51
Other Expenses	2,282.59		3,782.59	3,689.05		93.54
Township Clerk						
Salaries and Wages	769.58		769.58			769.58
Other Expenses	3,787.38	\$ 787.50	4,574.88	2,071.08		2,503.80
Elections						
Salaries and Wages	3.70		3.70			3.70
Other Expenses	58.37		16,058.37	15,954.24		104.13
CATV Advisory Commission (N.J.S.A. 48A:56A-26)						
Salaries and Wages	1,351.09		1,351.09			1,351.09
Other Expenses	268.11		268.11			268.11
Financial Administration						
Salaries and Wages	17,152.79		17,152.79			17,152.79
Other Expenses	16.55	62.74	279.29	259.14		20.15
Purchasing						
Salaries and Wages	2,134.02		2,134.02			2,134.02
Other Expenses	10,050.02	3,481.70	13,531.72	2,888.09		10,643.63
Computerized Data Processing Center						
Salaries and Wages	0.61		0.61			0.61
Other Expenses	119.15	392.41	511.56	153.53		358.03
Collection of Taxes						
Salaries and Wages	0.21		.21			0.21
Other Expenses	26.04	1,141.00	1,167.04	1,127.00		40.04
Annual Audit						
Other Expenses		15,000.00	15,000.00	15,000.00		
Assessment of Taxes						
Salaries and Wages	854.47		854.47			854.47
Other Expenses	36,735.86	48,959.26	85,695.12	27,745.34		57,949.78
Legal Service and Costs						
Salaries and Wages	2.93		2.93			2.93
Other Expenses	6,796.80	10,365.26	17,162.06	7,814.25	\$ 7,951.01	1,396.80

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

**CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	Reserved for Encumbrances Dec 31, 2016	Balance After Modification	Paid or Charged	Transferred to Reserve for Encumbrances	Balance Lapsed
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Board of Adjustments						
Salaries and Wages	\$ 200.62	\$ 1,666.70	\$ 1,867.32	\$ 1,666.66		\$ 200.66
Other Expenses	3,983.63	3,721.50	7,705.13	3,581.27	\$ 188.63	3,935.23
Community Development						
Salaries and Wages	805.32	4,165.00	4,970.32			4,970.32
Other Expenses	25.51	20,675.73	20,701.24	1,981.41	2,137.62	16,582.21
Industrial Commission (N.J.S.A. 40A:55-56A-5)						
Salaries and Wages	12.60		12.60			12.60
Other Expenses	1,171.47		1,171.47			1,171.47
Environmental Commission (N.J.S.A. 40:56A-10)						
Salaries and Wages	964.39		964.39			964.39
Other Expenses	500.00		500.00			500.00
Transportation Advisory Committee						
Salaries and Wages	300.00		300.00			300.00
Other Expenses	182.08		182.08			182.08
Public Building and Grounds						
Salaries and Wages	1.36		1.36			1.36
Other Expenses	1,743.81	9,165.72	10,909.53	10,697.22		212.31
Maintenance of Parks						
Salaries and Wages	2.24		2.24			2.24
Other Expenses	1,154.17	6,314.86	7,469.03	6,911.80		557.23
Shade Tree						
Salaries and Wages	220.92		220.92			220.92
Other Expenses	1,195.00		1,195.00			1,195.00
Streets and Roads Maintenance						
Salaries and Wages	5,136.52		5,136.52			5,136.52
Other Expenses	2,608.30	10,555.31	13,163.61	7,458.35		5,705.26
Vehicle Maintenance						
Salaries and Wages	4.19		4.19			4.19
Other Expenses	1,185.97	11,276.01	12,461.98	9,837.94		2,624.04
Recycling						
Salaries and Wages	17,790.45		17,790.45	(3,586.04)		21,376.49
Other Expenses	1,029.57	836.38	1,865.95	1,220.94		645.01
Transit - Other Public Works Functions						
Salaries and Wages	19,501.06		19,501.06			19,501.06
Other Expenses	3,261.92	571.18	3,833.10	645.24		3,187.86
Public Safety						
Fire Prevention Service						
Other Expenses	2,458.25	1,055.14	3,513.39	1,055.14		2,458.25

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

**CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	Reserved for Encumbrances Dec 31, 2016	Balance After Modification	Paid or Charged	Transferred to Reserve for Encumbrances	Balance Lapsed
Police						
Salaries and Wages						
Regular Police	\$ 4.38		\$ 4.38	\$ (2,914.80)		\$ 2,919.18
School Crossing Guards	10,977.15		10,977.15			10,977.15
Other Expenses						
Regular Police	56,643.99	\$ 54,854.50	111,498.49	71,637.01		39,861.48
School Crossing Guards	187.71	847.48	1,035.19	847.48		187.71
Police Dispatch/911						
Salaries and Wages	18.59		18.59			18.59
Other Expenses	1,305.33	2,267.10	3,572.43	2,302.35		1,270.08
Emergency Management Services						
Salaries and Wages	4,380.75		4,380.75			4,380.75
Other Expenses	1,776.42		1,776.42			1,776.42
Municipal Prosecutor						
Salaries and Wages		3,541.74	3,541.74	3,541.66		0.08
Health and Welfare						
Other Expenses	33,300.00		33,300.00	33,300.00		
Board of Health						
Salaries and Wages	18,184.98		18,184.98			18,184.98
Other Expenses	5,038.39	621.75	5,660.14	879.37		4,780.77
Animal Control Regulation						
Salaries and Wages	1,143.61		1,143.61			1,143.61
Other Expenses	3,797.12	1,207.16	5,004.28	4,093.56		910.72
Recreation Services and Programs						
Salaries and Wages	50,100.42		26,825.42	(15,792.92)		42,618.34
Other Expenses	12.98	3,078.74	3,691.72	2,625.60		1,066.12
Senior Services						
Salaries and Wages	13,762.90		13,762.90			13,762.90
Other Expenses	2,219.94		2,219.94	870.85		1,349.09
Public Assistance						
Salaries and Wages	16,208.26		16,208.26			16,208.26
Other Expenses	683.24		683.24			683.24
Celebration of Public events						
Other Expenses	612.96		612.96			612.96
Sick Payouts / Salary Adjustments	7,753.41		53,753.41	46,559.82		7,193.59
Solid Waste Collection						
Other Expenses	9,744.73	130,620.31	140,365.04	132,895.54		7,469.50
Landfill/Solid Waste Disposal Costs						
Other Expenses	36,676.90	50,363.61	87,040.51	87,040.51		
Condominium Services Act						
Other Expenses	135.63	16,091.70	22,227.33	21,837.53		389.80

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

**CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	Reserved for Encumbrances Dec 31, 2016	Balance After Modification	Paid or Charged	Transferred to Reserve for Encumbrances	Balance Lapsed
Municipal Court						
Salaries and Wages	\$ 10,400.69		\$ 10,400.69			\$ 10,400.69
Other Expenses	3,051.50	\$ 3,412.11	6,463.61	\$ 3,716.06		2,747.55
Public Defender						
Other Expenses		6,233.43	6,233.43	6,233.31		0.12
Insurance						
Group Insurance		519.50	519.50	502.75		16.75
General Liability	2,090.01	356.19	2,446.20	2,356.19		90.01
Waiver of Health Benefits	3.03		3.03			3.03
Construction Official						
Salaries and Wages	1,206.80		1,206.80			1,206.80
Other Expenses	3,609.34	338.42	3,947.76	338.42		3,609.34
Utilities						
Electricity	161,039.38		161,039.38	89,002.10		72,037.28
Street Lighting	79,086.03	8,400.60	87,486.63	87,486.63		
Telephone	474.58	10,392.65	19,367.23	18,424.24		942.99
Water	237.57		237.57			237.57
Sewerage Disposal	86.78		86.78			86.78
Natural Gas	1,476.89		1,476.89			1,476.89
Fuel Oil	79,510.07		79,510.07			79,510.07
Gasoline	30,006.52		30,006.52	5,277.83		24,728.69
Fire Hydrant	7,140.25		7,140.25	1,222.83		5,917.42
Total Operations Within "CAPS"	805,954.24	443,340.39	1,307,019.63	728,605.09	\$ 10,277.26	568,137.28
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
<u>MUNICIPAL WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
Public Employee's Retirement System	0.76		0.76			0.76
Social Security System (O.A.S.L.)	60,596.81		896.81			896.81
Police and Firemen's Retirement System of NJ	0.62		0.62			0.62
Defined Contribution Retirement Program			725.00	710.58		14.42
Total Deferred Charges and Statutory Expenditures						
Municipal Within "CAPS"	60,598.19		1,623.19	710.58		912.61
Total General Appropriations for Municipal						
Purposes Within "CAPS"	866,552.43	443,340.39	1,308,642.82	729,315.67	10,277.26	569,049.89

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

**CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	Reserved for Encumbrances Dec 31, 2016	Balance After Modification	Paid or Charged	Transferred to Reserve for Encumbrances	Balance Lapsed
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>						
Insurance						
Group Insurance Other Expenses	\$ 859.19		\$ 859.19	\$ 831.50		\$ 27.69
Maintenance of Free Public Library						
Salaries and Wages	60,734.61		61,984.61	61,954.61		30.00
Other Expenses	34,064.40	\$ 70,337.64	104,402.04	104,395.74		6.30
Length of Service Award Program (LOSAP)						
Other Expenses	24,373.20		24,373.20			24,373.20
Interlocal Municipal Services Agreement						
Fire Services						
Salaries and Wages	26,509.33		26,509.33			26,509.33
Total Operations Excluded from "CAPS"	146,540.73	70,337.64	218,128.37	167,181.85		50,946.52
	<u>\$ 1,013,093.16</u>	<u>\$ 513,678.03</u>	<u>\$ 1,526,771.19</u>	<u>\$ 896,497.52</u>	<u>\$ 10,277.26</u>	<u>\$ 619,996.41</u>
<u>REF.</u>	A	A-21		Below	A-21	A-1
			<u>REF.</u>			
Cash Disbursements			A-4	\$ 918,791.28		
Refunds of 2016 Budget Appropriatio			A-4	(22,293.76)		
			Above	<u>\$ 896,497.52</u>		

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

**CURRENT FUND
SCHEDULE OF DUE TO THE STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	<u>Total</u>	<u>Marriage License Fees</u>	<u>Health Burials</u>	<u>Building Permits Surcharge Fees</u>
Balance - December 31, 2016	A	\$ 72,356.35	\$ 9,895.00	\$ 1,389.00	\$ 61,072.35
Increased by:					
Cash Receipts	A-4	259,736.00	3,705.00		256,031.00
		<u>332,092.35</u>	<u>13,600.00</u>	<u>1,389.00</u>	<u>317,103.35</u>
Decreased by:					
Cash Disbursements	A-4	220,909.00			220,909.00
Balance - December 31, 2017	A	<u>\$ 111,183.35</u>	<u>\$ 13,600.00</u>	<u>\$ 1,389.00</u>	<u>\$ 96,194.35</u>

**CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ 2,405,800.99
Increased by:		
Collection of 2018 Taxes	A-4	15,026,847.30
Transfer from Tax Overpayments	A-17	137,499.49
		<u>17,570,147.78</u>
Decreased by:		
Applied to 2017 Taxes	A-2 , A-7	<u>2,405,800.99</u>
Balance - December 31, 2017	A	<u>\$ 15,164,346.79</u>

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

**CURRENT FUND
SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ 34,445.92
Increased by:		
Cash Receipts	A-4	230,443.42
		<u>264,889.34</u>
Decreased by:		
Cash Disbursements	A-4	217,230.52
		<u>217,230.52</u>
Balance - December 31, 2017	A , Below	<u>\$ 47,658.82</u>

Analysis of Balance as of December 31, 2017

Security Deposits		\$ 16,798.00
Property / Evidence		15,265.69
Insurance Reimbursements		14,645.13
Bid Deposit		950.00
Above		<u>\$ 47,658.82</u>

Exhibit A-16

**CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance - December 31, 2016	A	\$ 12,808.40
Increased by:		
Transferred from Reserve for Encumbrances	A-21	27,110.12
		<u>39,918.52</u>
Decreased by:		
Cash Disbursements	A-4	2,144.29
		<u>2,144.29</u>
Balance - December 31, 2017	A	<u>\$ 37,774.23</u>

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

**CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>		
Balance - December 31, 2016	A	\$	149,649.95
Increased by:			
Cash Receipts	A-4		318,046.16
			<u>467,696.11</u>
Decreased by:			
Transfer to Prepaid Taxes	A-14	\$	137,499.49
Cash Disbursements - Refunds	A-4		293,435.76
			<u>430,935.25</u>
Balance - December 31, 2017	A	\$	<u><u>36,760.86</u></u>

Exhibit A-18

**CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Balance</u> <u>Dec 31, 2016</u>	<u>2017</u> <u>Levy</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>Dec 31, 2017</u>
Fire District:				
No. 1		\$ 809,249.00	\$ 809,249.00	
No. 2		940,745.00	940,475.00	\$ 270.00
No. 3		531,909.00	531,909.00	
		<u>\$ -</u>	<u>\$ 2,281,633.00</u>	<u>\$ 270.00</u>
	<u>REF.</u>	A	A-1, A-7	A-4
				A

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

**CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ -
Increased by:		
2017 Levy:		
County Taxes	A-1, A-7	\$ 31,971,588.08
County Open Space Taxes	A-1, A-7	2,599,371.07
Added and Omitted Taxes	A-1, A-7	<u>841,582.06</u>
		<u>35,412,541.21</u>
		35,412,541.21
Decreased by:		
Cash Disbursements	A-4	<u>35,412,541.21</u>
Balance - December 31, 2017	A	<u><u>\$ -</u></u>

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	A	\$ 1.50
Increased by:		
Levy - 2017	A-1, A-7	<u>111,326,094.00</u>
		111,326,095.50
Decreased by:		
Cash Disbursements	A-4	<u>111,326,094.00</u>
Balance - December 31, 2017	A	<u><u>\$ 1.50</u></u>

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

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	REF.	Current Fund	Grant Fund
Balance - December 31, 2016	A	\$ 530,510.89	\$ 87,247.50
Increased by:			
Charges to:			
2017 Budget Appropriations	A-3	475,483.65	
2016 Appropriation Reserves	A-12	10,277.26	
Federal and State Grant Appropriations	A-27		60,733.42
		<u>1,016,271.80</u>	<u>147,980.92</u>
Decreased by:			
Transferred to 2016 Appropriation Reserves	A-12	513,678.03	
Due to Current Fund	A-28		87,247.50
Transferred to Accounts Payable	A-16	27,110.12	
		<u>540,788.15</u>	<u>87,247.50</u>
Balance - December 31, 2017	A	<u>\$ 475,483.65</u>	<u>\$ 60,733.42</u>

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

**CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
SPECIAL EMERGENCY AUTHORIZATIONS N.J.S. 40A:4-53
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance December 31, 2016</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
10/9/2012	Accumulated Absence Liabilities	\$ 225,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	
9/24/2013	Accumulated Absence Liabilities	550,000.00	110,000.00	220,000.00	110,000.00	\$ 110,000.00
10/15/2014	Accumulated Absence Liabilities	500,000.00	100,000.00	300,000.00	100,000.00	200,000.00
11/15/2015	Severance Liabilities	375,000.00	75,000.00	300,000.00	75,000.00	225,000.00
10/11/2016	Severance Liabilities	425,000.00	85,000.00	425,000.00	85,000.00	340,000.00
		<u>\$ 2,075,000.00</u>	<u>\$ 415,000.00</u>	<u>\$ 1,290,000.00</u>	<u>\$ 415,000.00</u>	<u>\$ 875,000.00</u>
	<u>REF.</u>			A	A-3	A

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

**CURRENT AND GRANT FUNDS
SCHEDULE OF DEFERRED CHARGES
OVEREXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec 31, 2016	2017 Deferred Charges	Balance Dec 31, 2017
Overexpenditure of Grants - Federal and State Grant Fund		\$ 65,289.38	\$ 65,289.38
Overexpenditure of Appropriations - Current Fund		3,214.88	3,214.88
	\$ -	\$ 68,504.26	\$ 68,504.26
<u>Ref.</u>	A	A-3, A-27	A

Exhibit A-24

**CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec 31, 2016	Increased	Decreased	Balance Dec 31, 2017
12/28/2010	12/19/2016	12/15/2017	1.19%	\$ 1,290,000.00		\$ 1,290,000.00	
12/28/2010	12/15/2017	12/14/2018	1.52%		\$ 875,000.00		\$ 875,000.00
				\$ 1,290,000.00	\$ 875,000.00	\$ 1,290,000.00	\$ 875,000.00
<u>Ref.</u>				A	A-4	A-4	A

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017

Program	Balance Dec 31, 2016	Budget Revenue	Decreased by: Cash Receipts and Transfers From Unappropriated Reserves	Canceled	Balance Dec 31, 2017
DOT - Municipal Aid Program - Ridge Road - 2002/2003	\$ 52,031.01				\$ 52,031.01
DOT - Municipal Aid Program - Ridge Road - 2006	100,000.00				100,000.00
DOT - Municipal Aid Program - Ridge Road - 2010	275,940.60				275,940.60
DOT - Discretionary Aid Program Freedom Trail Bikeway - 2007	33,395.60				33,395.60
DOT - Discretionary Aid Program Freedom Trail Bikeway - 2010	260,000.00				260,000.00
DOT - Municipal Aid Program - Beekman Road		\$ 310,000.00			310,000.00
Middlesex County Cultural Heritage Grant	2,040.00		\$ 2,040.00		
Recycling Tonnage Grant		175,783.34	175,783.34		
Middlesex County Recycling Grant		24,307.00	24,307.00		
Garden State Historic Preservation Trust Fund - Princeton Nurseries	290,000.00				290,000.00
NJ Department of Law & Safety - COPS in Shops	2,400.00		2,400.00		
NJ Dept of Health & Human Services - Public Health Priority Funding	70.00				70.00
NJ Division of Highway Safety - Drive Sober or Get Pulled Over		3,750.00	3,750.00		
NJ Division of Highway Safety - Distracted Driver		5,500.00	5,500.00		
Clean Communities Program	893.73				893.73
Division of Highway Safety - Click it or Tickit	450.00	5,500.00	5,500.00	\$ 450.00	
NJ Division of Highway Safety - Safe Corridor	19,394.04	4,028.90	23,185.57		237.37
NJ Board of Public Utilities - Energy Audit Program	17,752.50				17,752.50
Body Armor Replacement Fund		6,927.61	6,927.61		
Hazardous Mitigation	43,500.00				43,500.00
NJ Forestry	10,000.00				10,000.00
EMAA		7,000.00	7,000.00		
	<u>\$ 1,107,867.48</u>	<u>\$ 542,796.85</u>	<u>\$ 256,393.52</u>	<u>\$ 450.00</u>	<u>\$ 1,393,820.81</u>
<u>REF.</u>	<u>A</u>	<u>A-2, A-27</u>	<u>Below</u>	<u>A-1, A-28</u>	<u>A</u>
		<u>REF.</u>			
Due from Current Fund		A-28	\$ 232,086.52		
Transferred from Unappropriated Grant Reserves		A-26	24,307.00		
		Above	<u>\$ 256,393.52</u>		

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

**GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS-UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Program	Balance Dec 31, 2016	Increases	Decreases	Balance Dec 31, 2017
County Recycling	\$ 24,307.00	\$ 26,307.00	\$ 24,307.00	\$ 26,307.00
Body Armor Replacement Fund		417.45		417.45
State Recycling		191,149.92		191,149.92
Clean Communities		84,829.93		84,829.93
Drive Sober or Get Pulled Over		4,675.00		4,675.00
Cultural Heritage		960.00		960.00
Drunk Driving Enforcement Fund		6,560.38		6,560.38
	<u>\$ 24,307.00</u>	<u>\$ 314,899.68</u>	<u>\$ 24,307.00</u>	<u>\$ 314,899.68</u>
<u>REF.</u>	A	A-28	A-25	A

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

**GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS-APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Program	Balance Dec 31, 2016	Transferred from 2017 Budget	Paid or Charged	Canceled	Overexpenditure Transferred to Deferred Charge	Balance Dec 31, 2017
DOT - Municipal Aid Program - Ridge Road - 2011	\$ 196,945.14					\$ 196,945.14
DOT - Discretionary Aid Program - Freedom Trail Bikeway - 2011	195,572.45					195,572.45
DOT - Municipal Aid Program - Beekman Road		\$ 310,000.00				310,000.00
County Practice, Preparedness Response	3,000.00					3,000.00
Body Armor Replacement Fund	16,579.05	6,927.61	\$ 5,844.30			17,662.36
Federal Vest Replacement	7,196.50					7,196.50
NJ Division of Highway Safety - Drive Sober or Get Pulled Over	3,800.00	3,750.00	7,425.00			125.00
NJ Division of Highway Safety - Click it or Ticket	850.00	5,500.00	5,500.00	\$ 450.00		400.00
NJ Division of Highway Safety - Distracted Driver Clean Communities Program	7,827.82	5,500.00	13,327.82			
County of Middlesex - Cultural Heritage Grant	31,012.39		88,873.77		\$ 57,861.38	
County Recycling Reimbursement		24,307.00	4,173.00		4,173.00	
County Open Space - Mapleton Preserve	49,955.28		24,307.00			49,955.28
Garden State Historic Preservation Trust Fund - Princeton Nurseries	164,863.00			8,959.12		155,903.88
NJ Forestry			(2,055.00)			2,055.00
County of Middlesex Youth Development	200.97					200.97
Drunk Driving Enforcement Fund	14,169.64		9,165.00			5,004.64
NJ Division of Highway Safety - Safe Corridors		4,028.90	6,283.90		2,255.00	
NJ Department of Law & Safety - COPS in Shops	1,600.00		2,600.00		1,000.00	
Pandemic Influenza - Hepatitis B	11,830.00					11,830.00
Handicapped Recreation Opportunities Grant (State Share)	48,571.23		720.00			47,851.23
Tobacco Enforcement Grant (SFY2007)	795.91					795.91
(SFY 2008)	1,260.00					1,260.00
(SFY 2009)	1,310.00					1,310.00
Health Community Grant	262.00					262.00
Recycling Tonnage Grant	108,159.79	175,783.34	215,775.62			68,167.51
Ebola Monitoring	2,100.00					2,100.00
H1N1	480.00					480.00
EMAA	10,000.00	7,000.00				17,000.00
Alcohol Education Rehab Grant	531.72					531.72
	<u>\$ 878,872.89</u>	<u>\$ 542,796.85</u>	<u>\$ 381,940.41</u>	<u>\$ 9,409.12</u>	<u>\$ 65,289.38</u>	<u>\$ 1,095,609.59</u>
REF.	A	A-3 , A-25	Below	A-1, A-28	A, A-23	A
		REF.				
Due to Current Fund		A-28	\$ 321,206.99			
Reserved for Encumbrances		A-21	60,733.42			
		Above	<u>\$ 381,940.41</u>			

**TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
GRANT FUND**

**SCHEDULE OF INTERFUND RECEIVABLE (PAYABLE) - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>		
Balance - December 31, 2016	A		\$ (117,440.09)
Increased by:			
Cancellation of Grant Receivable	A-1, A-25		450.00
Cash Received by Current Fund On-Behalf of the State and Federal Grant Fund:			
Grants Receivable	A-25	\$ 232,086.52	
Unappropriated Grant Reserves	A-26	<u>314,899.68</u>	
	A-4		<u>546,986.20</u>
			429,996.11
Decreased by:			
Cancellation of Appropriated Grant Reserve	A-1, A-27		9,409.12
Cash Disbursed by Current Fund On-Behalf of the Federal and State Grant Fund:			
Appropriated Grant Reserves	A-27	321,206.99	
Reserved For Encumbrances	A-21	<u>87,247.50</u>	
	A-4		<u>408,454.49</u>
Balance - December 31, 2017	A		<u>\$ 12,132.50</u>

TRUST FUNDS

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

**TRUST FUNDS
SCHEDULE OF CASH AND CASH EQUIVALENTS-TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

			ANIMAL CONTROL FUND	OTHER TRUST FUND
	REF.			
Balance - December 31, 2016	B	\$ 47,238.98		\$ 15,628,125.72
Increased by Receipts:				
Due to / from the State of NJ	B-5, B-6	\$ 2,704.20		\$ 43,027.47
Investments Redeemed	B-2			198,000.00
Interest on Investments	B-11	24.53		3,481.07
Cash Received On-Behalf of County of Middlesex	B-12			743,138.00
Cash Received On-Behalf of Community				
Development Block Grant Fund	B-7			77,409.08
Animal Control Fees	B-9	20,205.00		
Other Reserves	B-10			12,825,328.85
Other Open Space Receipts	B-11			17,281.71
Open Space Tax	B-11			1,475,422.00
Cash Received from Current Fund	B-4			13,379,750.17
			22,933.73	28,762,838.35
			70,172.71	44,390,964.07
Decreased by Disbursements:				
Reserve for Encumbrances	B	406.00		
Investments Purchased	B-2			325,000.00
Animal Control Expenditures	B-9	7,152.07		
Cash Disbursed On-Behalf of Community				
Development Block Grant Fund	B-8			80,077.74
Other Reserves	B-10			11,063,037.83
Reserve for Open Space:				
General Open Space Disbursements	B-11			6,438.90
Open Space Debt - Interest	B-11			392,392.03
Open Space Debt - Principal	B-11			1,406,365.00
Due to State of New Jersey	B-6	2,671.20		
Prior year CDBG Encumbrances	B			1,793.84
Cash Disbursed to Current Fund	B, B-4	10,924.98		13,110,686.66
Cash Disbursed on Prior Year Encumbrances	B-1			313,124.25
			21,154.25	26,698,916.25
Balance - December 31, 2017	B	\$ 49,018.46		\$ 17,692,047.82

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

**TRUST FUND - OTHER TRUST FUND
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ 1,083,317.14
Increased by:		
Investments Purchased	B-1	\$ 325,000.00
Contributions, Interest Income and Appreciation, Net of Account Charges and Withdrawals	Reserve	<u>175,307.46</u>
		<u>500,307.46</u>
		1,583,624.60
Decreased by:		
Investments Redeemed	B-1	<u>198,000.00</u>
Balance - December 31, 2017	Below	<u><u>\$ 1,385,624.60</u></u>
 <u>Analysis of Investments</u>		
Investments - Other Trust Fund	B	\$ 325,000.00
Investments in Length of Service Award Program (Unaudited)	B	<u>1,060,624.60</u>
	Above	<u><u>\$ 1,385,624.60</u></u>

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

**TRUST FUND - ASSESSMENT FUND
SCHEDULE OF DEFERRED ASSESSMENT RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Improvement Description	Date of Confirmation	Balance Dec. 31 2016	Cancelled	Balance Dec. 31 2017
24-74	Construction of Jamesburg Sewer Line	04/03/84	\$ 2,151.21	\$ 2,151.21	\$ -
		<u>REF.</u>	B		B

Exhibit B-4

**TRUST FUND - OTHER TRUST FUND
SCHEDULE OF INTERFUNDS (PAYABLE) RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	Total	Payroll Trust Fund	Current Fund	General Capital Fund
Balance - December 31, 2016	B	\$ 44,416.67	\$ 74,714.59	\$ 69,702.08	\$ (100,000.00)
Increased by:					
Cash Receipts from Other Funds	B-1	13,379,750.17		13,379,750.17	
		<u>13,379,750.17</u>	<u>-</u>	<u>13,379,750.17</u>	<u>-</u>
		(13,335,333.50)	74,714.59	(13,310,048.09)	(100,000.00)
Decreased by:					
Interest earned due to Current Fund					
Cash Disbursements to Other Funds	B-1	13,110,686.66		13,110,686.66	
		<u>13,110,686.66</u>	<u>-</u>	<u>13,110,686.66</u>	<u>-</u>
Balance - December 31, 2017	B, Below	\$ (224,646.84)	\$ 74,714.59	\$ (199,361.43)	\$ (100,000.00)

Analysis of Balance

Due from Current Fund	B	\$ 640.00
Due to Current Fund	B	(200,001.43)
	Above	<u>\$ (199,361.43)</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUND - OTHER TRUST FUND
SCHEDULE OF DUE FROM THE STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ 29,502.08
Increased by:		
Grant Award	B-10	<u>43,241.00</u>
		72,743.08
Decreased by:		
Cash Receipts	B-1	<u>43,027.47</u>
Balance - December 31, 2017	B	<u><u>\$ 29,715.61</u></u>

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

**TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE DEPARTMENT OF HEALTH
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ 57.00
Increased by:		
State Dog License Fees Collected	B-1	<u>2,704.20</u>
		2,761.20
Decreased by:		
Payments to State of New Jersey	B-1	<u>2,671.20</u>
Balance - December 31, 2017	B	<u><u>\$ 90.00</u></u>

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

**TRUST FUND - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ 76,893.27
Increased by:		
2017 Grant Allotment	B-8	67,524.00
		<u>144,417.27</u>
Decreased by:		
Cash Received in Other Trust Fund Due to Community Development Block Grant Fund	B-1	77,409.08
		<u>77,409.08</u>
Balance - December 31, 2017	B	<u><u>\$ 67,008.19</u></u>

**TRUST FUND - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF RESERVE FOR PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ 147,881.59
Increased by:		
2017 Grant Allotment	B-7	67,524.00
		<u>67,524.00</u>
		215,405.59
Decreased by:		
Cash Disbursed by Other Funds On-Behalf of Community Development Block Grant Fund: Other Trust Fund	B-1	80,077.74
		<u>80,077.74</u>
Balance - December 31, 2017	B	<u><u>\$ 135,327.85</u></u>

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

**TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>		
Balance - December 31, 2016	B		\$ 35,875.53
Increased by:			
Dog License Fees Collected	B-1		<u>20,205.00</u>
			56,080.53
Decreased by:			
Cash Disbursements	B-1	\$ 7,152.07	
Reserve for Encumbrances	B	844.80	
Due to Current Fund	B	<u>5,978.46</u>	
			<u>13,975.33</u>
Balance - December 31, 2017	B		<u><u>\$ 42,105.20</u></u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2016	\$ 23,391.00
2015	<u>18,714.20</u>
	<u>\$ 42,105.20</u>

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

**TRUST FUND - OTHER TRUST FUND
SCHEDULE OF OTHER RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	BALANCE DEC. 31, 2016	INCREASES	DECREASES	BALANCE DEC. 31, 2017
Accumulated Sick Leave	\$ 247,721.56		\$ 213,463.83	\$ 34,257.73
Affordable Housing Contributions	20,000.00			20,000.00
Celebration of Public Events		\$ 3,450.00	3,073.98	376.02
Construction of Recreation Facilities - Weiner Homes	1,064.13			1,064.13
Council on Affordable Housing	2,947,376.88	2,161,329.22	343,613.97	4,765,092.13
Detention Basin	1,141,865.76		28,791.29	1,113,074.47
Developers Uncompleted Obligations	1,264,606.81	82,876.00	250,428.30	1,097,054.51
Development, Maintenance and Preservation of Flemer's Property	95,450.00		20,461.71	74,988.29
Legal Fees Escrow COAH	14,750.00			14,750.00
Employee Benefit Plan	273.82	16,915.84	16,915.84	273.82
Federal Forfeiture	6,067.46	23.21	2,285.49	3,805.18
Forfeited Funds	52,217.32	2,871.14	4,720.38	50,368.08
Health Plan	387,129.00	148,298.70		535,427.70
Human Intervention Charitable Trust	71,729.92	93,345.51	73,497.23	91,578.20
Mayor's Task Force	5,588.59	10,800.00	9,894.52	6,494.07
Off Track Road Improvements	474,306.78	10,168.00		484,474.78
Parking Offense Adjudication Act	910.00	96.00		1,006.00
Performance Deposits	5,612,301.87	5,603,378.02	4,931,764.01	6,283,915.88
Public Defender	100,388.25	7,135.00		107,523.25
Quasi-duty Police Department	74,777.23	268,965.25	281,687.39	62,055.09
Resident Task Force on Arts	5,811.27	15,622.54	6,384.74	15,049.07
Senior Citizen Contributions	15,584.55	2,588.17		18,172.72
Snow Removal	228,820.89	209,288.26	371,870.79	66,238.36
Substance Abuse Task Force	24,292.47	43,241.00	41,926.73	25,606.74
Tax Collector's Trust	1,971,306.08	4,133,692.35	4,813,852.91	1,291,145.52
Tax Sale Premiums	1,371.00			1,371.00
Township Landfill Closure	79,676.85	1,052.03	1,000.00	79,728.88
Traffic and Environmental Studies	151,438.34			151,438.34
Unemployment Benefits	66,156.00	23,278.00	14,379.46	75,054.54
Uniform Fire Safety	50,047.85	30,155.61	23,652.21	56,551.25
Workers Compensation	43,561.46		454.23	43,107.23
	<u>\$ 15,156,592.14</u>	<u>\$ 12,868,569.85</u>	<u>\$ 11,454,119.01</u>	<u>\$ 16,571,042.98</u>
<u>REF.</u>	B	Below	Below	B
	<u>REF.</u>			
Grant Award	B-5	\$ 43,241.00		
Cash Receipts	B-1	<u>12,825,328.85</u>		
	Above	<u>\$ 12,868,569.85</u>		
	Cash Disbursements Reserved for Encumbrances	B-1 B	\$ 11,063,037.83 <u>391,081.18</u>	
		Above	<u>\$ 11,454,119.01</u>	

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

**TRUST FUND - OTHER TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2017**

REF.

Balance - December 31, 2016	B	\$ 323,757.28
Increased by:		
Open Space Tax - 2017	B-1, A-7	\$ 1,475,422.00
Other Receipts	B-1	17,281.71
Cancelled Encumbrances	B	33,788.64
Interest Earned	B-1	<u>3,481.07</u>
		<u>1,529,973.42</u>
		1,853,730.70
Decreased by:		
Cash Disbursements:		
General Disbursements	B-1	6,438.90
Disbursements for Payment of Interest on Debt	B-1	392,392.03
Disbursements for Payment of Principal on Debt	B-1 , C-14	<u>1,406,365.00</u>
		<u>1,805,195.93</u>
Balance - December 31, 2017	B	<u><u>\$ 48,534.77</u></u>

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

**TRUST FUND - OTHER TRUST FUND
SCHEDULE OF DUE TO MIDDLESEX COUNTY OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	B	\$ -
Increased by:		
Cash receipts	B-1	<u>743,138.00</u>
Balance - December 31, 2017	B	<u><u>\$ 743,138.00</u></u>

GENERAL CAPITAL FUND

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

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH AND CASH EQUIVALENTS-TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>		
Balance, December 31, 2016	C		\$ 11,175,653.12
Increased by Receipts:			
Proceeds from Sale of Bonds	C-14	\$ 10,253,000.00	
Premium on Bond Sale	C-7	297,914.95	
Receipts from Current Fund	C-11	24,782,850.00	
Contributions	C-9	5,354.96	
Interest Earned on Investments	C-11	<u>36,136.11</u>	
			<u>35,375,256.02</u>
			46,550,909.14
Decreased by Disbursements:			
Reserve for Encumbrances	C-15	2,744,366.99	
Bond Anticipation Notes Paid with Bond Proceeds	C-16	3,940,000.00	
Investment in Bond Anticipation Notes	C-12	610,000.00	
Disbursed to Current Fund	C-11	<u>24,717,246.15</u>	
			<u>32,011,613.14</u>
Balance, December 31, 2017	C		<u><u>\$ 14,539,296.00</u></u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND CASH EQUIVALENTS
DECEMBER 31, 2017 and 2016

		Balance Dec 31, 2017	Balance Dec 31, 2016
	Fund Balance	\$ 814.40	\$ 814.40
	Capital Improvement Fund	28,223.58	23.58
	Reserve for Contributions	746,167.95	740,812.99
	Reserve for Encumbrances	6,682,969.60	1,480,644.76
	Reserve for Preliminary Costs	10,000.00	10,000.00
	Reserve for Debt Service	311,143.40	13,228.45
	Due from NJ Department of Transportation	(400,000.00)	(400,000.00)
	Due to Current Fund	4,132.90	2,392.94
	Due from Other Trust Fund	(100,000.00)	(100,000.00)
	Investment in Bond Anticipation Notes	(610,000.00)	-
ORD. NO.	IMPROVEMENT AUTHORIZATIONS		
<u>General Improvements:</u>			
01-84	East New Road Landfill Closure	6,010.97	18,117.57
26-96, 7-99, 63-98	Route 522 - Section 5A	16,272.35	16,272.35
16-00	Sections 2 and 4 of Route 522 Acquisition and Construction	-	715,382.73
42-01	Development of Open Space	3,652.81	3,652.81
08-02	Library Construction	9,741.96	9,741.96
24-02	PRK Development	15,771.16	15,771.16
40-03	Kendall Park Road Improvements	2,511.29	2,511.29
18-04	Improvements to Various Parks	580,847.28	580,847.28
86-04	Design and Construction of 911 Memorial	366.96	366.96
08-05	Payments of Amounts Owing to Others for Taxes Levied in and by the Township	(250,000.00)	(250,000.00)
80-05	Construction of Route 522 section 1-A Route 130 to Cranbury South River Road	295,404.61	5,692,153.09
45-03	Various Park Development	35,000.00	35,000.00
47-08	Various Capital Improvements	65,684.34	65,684.34
52-08	Purchase Ambulance - Kendall Park	(2.40)	(502.40)
12-10	Purchase of Open Space Riya Finnegans Propety	(214,582.24)	(529.83)

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

**GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND CASH EQUIVALENTS
DECEMBER 31, 2017 and 2016**

ORD NO.	IMPROVEMENT AUTHORIZATIONS	Balance Dec 31, 2017	Balance Dec 31, 2016
	<u>General Improvements:</u>		
05-11	Purchase 911 Equipment	\$ 522.99	\$ 522.99
12-14	Various Road Improvements	7,865,124.63	2,888,316.57
12-22	Various Capital Improvements	3.98	3.98
12-33	Farmland Preservation	(14.41)	(14.41)
13-09	Turf Fields	13,850.00	13,100.00
13-21	Various Capital Improvements	107,819.46	465,397.52
14-24	Various Capital Improvements	(359,117.83)	(1,041,180.84)
15-24	Various Capital Improvements	(258,300.87)	(478,131.07)
15-26	Open Space Improvements	44,829.22	87,042.22
15-31	Open Space Acquisitions	15,000.00	15,000.00
16-17	Various Capital Improvements	166,834.34	573,209.73
17-27	Various Capital Improvements	(297,386.43)	-
		<u>\$ 14,539,296.00</u>	<u>\$ 11,175,653.12</u>
		<u>REF.</u>	
		C	C

() Denotes Cash Deficit

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

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 39,506,000.00
Increased by:		
Bonds Issued	C-5, C-14	<u>10,253,000.00</u>
		49,759,000.00
Decreased by:		
General Serial Bonds Paid	C-14	<u>6,200,000.00</u>
Balance, December 31, 2017	C	<u><u>\$ 43,559,000.00</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ord. No.	Improvement Description	Balance Dec 31, 2016	Increased By		Balance Dec 31, 2017	Analysis of Balance - December 31, 2017	
			2017 Authorizations	Bonds Issued		Expenditures	Unexpended Balance of Improv. Auth.
86-04	Design and Construction of 911 Memorial	\$ 0.30			\$ 0.30		\$ 0.30
08-05	Payment of Amounts Owing to Others for Taxes Levied in and by the Township	250,000.00			250,000.00	\$ 250,000.00	
47-08	Various Capital Improvements	620.00			620.00		620.00
52-08	Kendall Park Ambulance	29,502.40		\$ 29,500.00	2.40	2.40	
12-10	Improvements to Senior Center / Reichler Park	888,750.00		100,000.00	788,750.00	214,582.24	574,167.76
12-14	Various Road Improvements	5,071,385.00		5,000,000.00	71,385.00		71,385.00
12-33	Farmland Preservation	261,250.00		211,000.00	50,250.00	14.41	50,235.59
13-09	Turf Fields	950.00		750.00	200.00		200.00
14-24	Various Capital Improvements	1,650,150.00		1,250,150.00	400,000.00	359,117.83	40,882.17
15-24	Various Capital Improvements	2,311,197.00		1,245,000.00	1,066,197.00	258,300.87	807,896.13
15-26	Open Space Improvements	254,030.00		205,000.00	49,030.00		49,030.00
15-31	Open Space Acquisitions	285,000.00			285,000.00		285,000.00
16-17	Various Capital Improvements	2,211,600.00		2,211,600.00			
17-27	Various Capital Improvements		\$ 1,364,200.00		1,364,200.00	297,386.43	1,066,813.57
		<u>\$ 13,214,434.70</u>	<u>\$ 1,364,200.00</u>	<u>\$ 10,253,000.00</u>	<u>\$ 4,325,634.70</u>	<u>\$ 1,379,404.18</u>	<u>\$ 2,946,230.52</u>
<u>REF.</u>	C		C-6 , C-17	C-4, C-14	C	C-3	C-6

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

Ord. No.	Improvement Description	Ordinance		Balance - Dec 31, 2016		2017 Authorization	Paid or Charged	Balance - Dec 31, 2017	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
	General Improvements:								
1-84	East New Road Landfill Closure	02/07/84	\$ 1,980,000.00	\$ 18,117.57			\$ 12,106.60	\$ 6,010.97	
63-98	Construction of Route 1			16,272.35				16,272.35	
16-00	Sections 2 and 4 of Route 522 - Acquisition and Construction	04/18/00	12,500,000.00	715,382.73			715,382.73		
42-01	Development of Open Space	06/19/01	2,060,000.00	3,652.81				3,652.81	
08-02	Library Construction	02/19/02	4,250,000.00	9,741.96				9,741.96	
40-03	Kendall Park Road Improvements	05/20/03	2,100,000.00	2,511.29				2,511.29	
18-04	Improvements to Various Parks	04/07/04	1,200,000.00	580,847.28				580,847.28	
86-04	Design and Construction of 911 Memorial	12/14/04	250,000.00	366.96	\$ 0.30			366.96	\$ 0.30
80-05	Construction of Route 522 Section 1-A Route 130 to Cranbury South River Road	12/13/05	8,000,000.00	5,692,153.09			5,396,748.48	295,404.61	
24-02	Park Development			15,771.16				15,771.16	
45-03	Various Park Development			35,000.00				35,000.00	
47-08	Various Capital Improvements	07/22/08	2,361,700.00	65,684.34	620.00			65,684.34	620.00
05-11	Purchase 911 Equipment	02/22/11	1,500,000.00	522.99				522.99	
12-10	Improvements to Senior Center / Reichler Park	04/24/12	2,950,000.00		788,220.17		214,052.41		574,167.76
12-14	Various Road Improvements	05/08/12	11,250,000.00	2,888,316.57	5,071,385.00		23,191.94	7,865,124.63	71,385.00
12-22	Various Capital Improvements	08/14/12	1,038,000.00	3.98				3.98	
12-33	Farmland Preservation	10/09/12	275,000.00		50,235.59				50,235.59
13-09	Turf Fields	03/26/13	760,000.00	13,100.00	950.00			13,850.00	200.00
13-21	Various Capital Improvements	06/25/13	1,800,000.00	465,397.52			357,578.06	107,819.46	
14-24	Various Capital Improvements	07/24/14	1,737,000.00		208,969.16		168,086.99		40,882.17
15-24	Various Capital Improvements	07/14/15	2,818,050.00		833,065.93		25,169.80		807,896.13
15-26	Open Space Improvements	07/14/15	267,400.00		141,072.22		47,213.00	44,829.22	49,030.00
15-31	Open Space Acquisitions	10/13/15	300,000.00	15,000.00	285,000.00			15,000.00	285,000.00
16-17	Various Capital Improvements	07/26/16	2,328,000.00		784,809.73		617,975.39	166,834.34	
17-27	Various Capital Improvements	10/10/17	1,436,000.00			\$ 1,436,000.00	369,186.43		1,066,813.57
				\$ 10,537,842.60	\$ 8,164,328.10	\$ 1,436,000.00	\$ 7,946,691.83	\$ 9,245,248.35	\$ 2,946,230.52
		REF.		C	C	Below	C-15	C	C, C-5
	Deferred Charges - Unfunded Capital Improvement Fund		C-5, C-17			\$ 1,364,200.00			
			C-8			71,800.00			
			Above			\$ 1,436,000.00			

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

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 13,228.45
Increased by:		
Premium on Bond Sale	C-2	<u>297,914.95</u>
Balance - December 31, 2017	C	<u>\$ 311,143.40</u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	C	\$ 23.58
Increased by:		
Cash Received from 2017 Budget Appropriation	C-11	<u>100,000.00</u>
		100,023.58
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-6	<u>71,800.00</u>
Balance - December 31, 2017	C	<u><u>\$ 28,223.58</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 740,812.99
Increased By:		
Cash Received	C-2	<u>5,354.96</u>
Balance, December 31, 2017	C, Below	<u>\$ 746,167.95</u>

Analysis of Balance at December 31, 2017

4-71	Other than Whispering Woods - Realignment of Ridge Road	\$ 81,595.83
46-78	Old Road Water and Road Improvements	80,917.61
	Library Construction	463.01
	Mapleton Preserve	290,887.50
	Sale of Property - Monmouth Drive	42,304.00
	Major Road - DOT	<u>250,000.00</u>
	Above	<u>\$ 746,167.95</u>

**GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM THE STATE OF
NEW JERSEY-GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance, December 31, 2017 and 2016	C	<u>\$ 400,000.00</u>
		<u><u>Analysis of Balance</u></u>
		Ord. 15-24 \$ 400,000.00

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

**GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND PAYABLE- CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>		
Balance - December 31, 2016	C		\$ 2,392.94
Increased By:			
Cash Received from Current Fund	A-4 , C-2	\$ 24,782,850.00	
Interest Earned on Investments	C-2	<u>36,136.11</u>	
			<u>24,818,986.11</u>
			24,821,379.05
Decreased by:			
Capital Improvement Fund Appropriation	A-3 , C-8	100,000.00	
Cash Disbursed to Current Fund	A-4, C-2	<u>24,717,246.15</u>	
			<u>24,817,246.15</u>
Balance - December 31, 2017	C		<u><u>\$ 4,132.90</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF INVESTMENT IN BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ -
Increased By:		
Investment in Bond Anticipation Notes	C-2	<u>610,000.00</u>
Balance - December 31, 2017	C	<u>\$ 610,000.00</u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND RECEIVABLE - OTHER TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2017 and 2016	C	<u>\$ 100,000.00</u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec 31, 2016	Increased	Decreased	Balance Dec 31, 2017
			Outstanding - Dec 31, 2017						
			Date	Amount					
General Improvement Bonds	03/01/07	\$ 14,182,000				\$ 1,100,000.00		\$ 1,100,000.00	\$ -
Open Space Bonds	03/01/07	919,000				75,000.00		75,000.00	-
Refunding Bonds	09/10/09	3,190,000	09/01/18	\$ 280,000	3.000%				
			09/01/19	270,000	4.000%				
			09/01/20	270,000	4.000%				
			09/01/21	265,000	4.000%	1,370,000.00		285,000.00	1,085,000.00
General Improvement Bonds	09/23/10	926,000	10/01/18	86,000	2.150%	176,000.00		90,000.00	86,000.00
Open Space Obligation Bonds	09/23/10	3,168,000	10/01/18	145,000	2.150%				
			10/01/19	145,000	3.000%				
			10/01/20	155,000	3.000%				
			10/01/21	170,000	3.000%				
			10/01/22	180,000	3.000%				
			10/01/23	180,000	3.000%				
			10/01/24	185,000	3.000%				
			10/01/25	183,000	3.000%				
			10/01/26	200,000	3.125%				
			10/01/27	200,000	3.250%				
			10/01/28	200,000	3.250%				
			10/01/29	200,000	3.350%				
			10/01/30	200,000	3.500%	2,488,000.00		145,000.00	2,343,000.00
Refunding Bonds	09/23/10	6,650,000	01/15/18	640,000	2.000%				
			01/15/19	630,000	2.500%				
			01/15/20	620,000	2.500%				
			01/15/21	605,000	2.625%	3,145,000.00		650,000.00	2,495,000.00

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

**GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding - Dec 31, 2017		Interest Rate	Balance Dec 31, 2016	Increased	Decreased	Balance Dec 31, 2017
			Date	Amount					
Refunding Bonds	09/15/11	\$ 9,987,000	07/01/18	\$ 1,225,000	3.694%				
			07/01/19	1,465,000	3.969%				
			07/01/20	1,455,000	4.630%				
			07/01/21	1,440,000	3.600%	\$ 6,820,000.00		\$ 1,235,000.00	\$ 5,585,000.00
General Improvement Bonds	11/05/12	5,101,000	11/15/18	345,000	4.000%				
			11/15/19	370,000	3.000%				
			11/15/20	420,000	3.000%				
			11/15/21	450,000	3.000%				
			11/15/22	505,000	2.000%				
			11/15/23	510,000	2.125%				
			11/15/24	510,000	2.250%				
			11/15/25	506,000	2.250%	3,936,000.00		320,000.00	3,616,000.00
Open Space Bonds	11/05/12	1,438,000	11/15/18	80,000	4.000%				
			11/15/19	80,000	3.000%				
			11/15/20	80,000	3.000%				
			11/15/21	160,000	3.000%				
			11/15/22	160,000	2.000%				
			11/15/23	160,000	2.125%				
			11/15/24	160,000	2.250%				
			11/15/25	158,000	2.250%	1,118,000.00		80,000.00	1,038,000.00
General Improvement Bonds	10/23/13	4,638,000	10/01/18	250,000	4.000%				
			10/01/19	250,000	4.000%				
			10/01/20	300,000	4.000%				
			10/01/21	325,000	3.000%				
			10/01/22	350,000	3.000%				
			10/01/23	350,000	3.000%				
			10/01/24	375,000	3.000%				
			10/01/25	390,000	3.000%				
			10/01/26	400,000	3.250%				
			10/01/27	400,000	3.250%				
			10/01/28	398,000	3.500%	4,013,000.00		225,000.00	3,788,000.00

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

**GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec 31, 2016	Increased	Decreased	Balance Dec 31, 2017		
			Outstanding - Dec 31, 2017								
			Date	Amount							
Open Space Bonds	10/23/13	\$ 361,000	10/01/18	\$ 25,000	4.000%						
			10/01/19	25,000	4.000%						
			10/01/20	25,000	4.000%						
			10/01/21	25,000	3.000%						
			10/01/22	25,000	3.000%						
			10/01/23	25,000	3.000%						
			10/01/24	25,000	3.000%						
			10/01/25	25,000	3.000%						
			10/01/26	25,000	3.250%						
			10/01/27	25,000	3.250%						
			10/01/28	26,000	3.500%			\$ 301,000.00		\$ 25,000.00	\$ 276,000.00
			General Improvement Refunding Bonds	09/01/14	8,390,000	09/01/18	955,000	4.000%			
09/01/19	885,000	4.000%									
09/01/20	970,000	4.000%									
09/01/21	620,000	4.000%									
09/01/22	615,000	5.000%									
09/01/23	555,000	5.000%									
09/01/24	290,000	5.000%						6,240,000.00		1,350,000.00	4,890,000.00
Open Space Refunding Bonds	09/01/14	3,545,000	09/01/18	650,000	4.000%						
			09/01/19	685,000	4.000%						
			09/01/20	705,000	4.000%						
			09/01/21	115,000	4.000%						
			09/01/22	115,000	5.000%						
			09/01/23	100,000	5.000%			2,990,000.00		620,000.00	2,370,000.00
General Improvement Refunding Bonds	10/22/15	5,396,000	03/01/18	1,186,000	3.000%						
			03/01/19	1,180,000	4.000%						
			03/01/20	1,180,000	4.000%						
			03/01/21	1,175,000	4.000%						
			03/01/22	650,000	4.000%			5,371,000.00			5,371,000.00

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

**GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding - Dec 31, 2017		Interest Rate	Balance Dec 31, 2016	Increased	Decreased	Balance Dec 31, 2017
			Date	Amount					
Open Space Refunding Bonds	10/22/15	\$ 363,000	03/01/18	\$ 73,000	3.000%	\$ 363,000.00			\$ 363,000.00
			03/01/19	75,000	4.000%				
			03/01/20	75,000	4.000%				
			03/01/21	75,000	4.000%				
			03/01/22	65,000	4.000%				
General Improvement Bonds	09/20/17	9,837,000	04/01/18	377,000	2.000%				
			04/01/19	430,000	2.000%				
			04/01/20	450,000	2.000%				
			04/01/21	600,000	2.000%				
			04/01/22	750,000	2.000%				
			04/01/23	750,000	2.000%				
			04/01/24	750,000	2.000%				
			04/01/25	750,000	4.000%				
			04/01/26	750,000	4.000%				
			04/01/27	730,000	4.000%				
			04/01/28	700,000	2.375%				
			04/01/19	700,000	2.500%				
			04/01/30	700,000	3.000%				
			04/01/31	700,000	3.000%				
			04/01/32	700,000	3.000%				
			Open Space Bonds	09/20/17	416,000				
04/01/19	20,000	2.000%							
04/01/20	25,000	2.000%							
04/01/21	25,000	2.000%							
04/01/22	25,000	2.000%							
04/01/23	25,000	2.000%							
04/01/24	25,000	2.000%							
04/01/25	25,000	4.000%							
04/01/26	25,000	4.000%							
04/01/27	35,000	4.000%							
04/01/28	30,000	2.375%							
04/01/19	30,000	2.500%							
04/01/30	35,000	3.000%							
04/01/31	35,000	3.000%							
04/01/32	35,000	3.000%							
							416,000.00		416,000.00
						<u>\$ 39,506,000.00</u>	<u>\$ 10,253,000.00</u>	<u>\$ 6,200,000.00</u>	<u>\$ 43,559,000.00</u>
						C	Below	Below	C
						REF.			
Paid by Current Fund						A-3, C-4		\$ 4,793,635.00	
Paid by Open Space Trust Fund						B-11, C-4		1,406,365.00	
						Above, C-4		<u>\$ 6,200,000.00</u>	
Bonds Proceeds Utilized to Pay Off Notes						C-16	\$ 3,940,000.00		
Bond Proceeds to Fund Improvement Authorizations						C-17	<u>6,313,000.00</u>		
						C-2,C-4, Above	<u>10,253,000.00</u>		

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

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	C	\$ 1,480,644.76
Increased by:		
Charges to Improvement Authorizations	C-6	<u>7,946,691.83</u>
		9,427,336.59
Decreased by:		
Cash Disbursements	C-2	<u>2,744,366.99</u>
Balance - December 31, 2017	C	<u><u>\$ 6,682,969.60</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Date of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
08-52	Kendall Park Ambulance	10/5/2016	10/5/2016	10/4/2017	0.94%	\$ 29,000.00	\$ 29,000.00	\$ -
12-10	Improvements to Senior Center / Reichler Park	10/5/2016	10/5/2016	10/4/2017	0.94%	100,000.00	100,000.00	-
12-33	Farmland Preservation	10/5/2016	10/5/2016	10/4/2017	0.94%	211,000.00	211,000.00	-
14-24	Various Capital Improvements	10/5/2016	10/5/2016	10/4/2017	0.94%	400,000.00	400,000.00	-
15-24	Various Capital Improvements	10/5/2016	10/5/2016	10/4/2017	0.94%	1,000,000.00	1,000,000.00	-
15-26	Open Space Improvements	10/5/2016	10/5/2016	10/4/2017	0.94%	200,000.00	200,000.00	-
16-17	Various Capital Improvements	10/5/2016	10/5/2016	10/4/2017	0.94%	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>-</u>
						<u>\$ 3,940,000.00</u>	<u>\$ 3,940,000.00</u>	<u>\$ -</u>
					<u>REF.</u>	<u>C</u>	<u>C-2, C-14</u>	<u>C</u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ord. No.	Improvement Description	Balance Dec 31, 2016	2017 Authorized	Bonds Issued	Balance Dec 31, 2017
86-04	Design and Construction of 911 Memorial	\$ 0.30			\$ 0.30
08-05	Payment of Amounts Owning to Others for Taxes Levied in and by the Township	250,000.00			250,000.00
47-08	General Capital Improvements	620.00			620.00
52-08	Kendall Park Ambulance	502.40		\$ 500.00	2.40
12-10	Improvements to Senior Center / Reichler Park	788,750.00			788,750.00
12-14	Various Road Improvements	5,071,385.00		5,000,000.00	71,385.00
12-33	Farmland Preservation	50,250.00			50,250.00
13-09	Turf Fields	950.00		750.00	200.00
14-24	Various Capital Improvements	1,250,150.00		850,150.00	400,000.00
15-24	Various Capital Improvements	1,311,197.00		245,000.00	1,066,197.00
15-26	Open Space Improvements	54,030.00		5,000.00	49,030.00
15-31	Open Space Acquisitions	285,000.00			285,000.00
16-17	Various Capital Improvements	211,600.00		211,600.00	
17-27	Various Capital Improvements		\$ 1,364,200.00		1,364,200.00
		<u>\$ 9,274,434.70</u>	<u>\$ 1,364,200.00</u>	<u>\$ 6,313,000.00</u>	<u>\$ 4,325,634.70</u>
	<u>REF.</u>	C	C-5, C-6	C-14	C

WATER AND SEWER UTILITY FUNDS

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

**WATER AND SEWER UTILITY FUNDS
SCHEDULE OF WATER AND SEWER UTILITY CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	REF.	OPERATING FUND	ASSESSMENT TRUST FUND	CAPITAL FUND
Balance - December 31, 2016	D	\$ 6,374,591.84	\$ 124,622.37	\$ 8,722,907.23
Increased by Receipts:				
Consumer Accounts Receivable	D-10	\$ 24,999,023.74		
Prepaid Rents	D-25	74,105.44		
Interest on Investments	D-4, D-8	62,327.60	\$ 37.89	\$ 3,174.20
Water and Sewer Connection Fees	D-4	1,463,932.45		
Miscellaneous Revenue Not Anticipated	D-4	167,057.05		
Proceeds from Sale of Bonds	D-22			2,839,000.00
Reserve for Debt Service	D-1, D-4, D-11	106,000.00		559,596.72
Bond Anticipation Notes	D-26			8,500,000.00
Other	D-1	1,340.00		
Cash Receipts from Other Funds	D-8	18,763,109.73		
		<u>45,636,896.01</u>	<u>120,037.89</u>	<u>30,536,454.54</u>
		52,011,487.85	244,660.26	39,259,361.77
Decreased by Disbursements:				
2017 Budget Appropriations	D-5	23,235,894.97		
2016 Appropriation Reserves	D-13	834,693.03		
Reserve for Encumbrances	D-14			2,985,158.29
Accrued Interest on Bonds and Notes	D-12	1,609,808.01		
Reserve for Debt Service	D-11			106,000.00
Investments in Bond Anticipation Notes	D-26			8,500,000.00
Cash Disbursed to Current Fund	D-5	1,500,000.00		
Change Fund	D-6	128.74		
Cash Disbursed to Other Funds	D-8	18,757,895.71		
		<u>45,938,420.46</u>	<u>120,053.72</u>	<u>18,643,056.01</u>
		30,234,214.30		
Balance - December 31, 2017	Below	<u>\$ 6,073,067.39</u>	<u>\$ 124,606.54</u>	<u>\$ 9,025,147.47</u>
<u>Balance Comprised of</u>				
Cash and Cash Equivalents	D	\$ 6,073,067.39	\$ 124,606.54	\$ 7,197,597.47
Investments:				
Other Government Obligations - Bond Anticipation Notes	D			1,827,550.00
	Above	<u>\$ 6,073,067.39</u>	<u>\$ 124,606.54</u>	<u>\$ 9,025,147.47</u>

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

**WATER AND SEWER UTILITY FUNDS
SCHEDULE OF ANALYSIS OF WATER AND SEWER UTILITY CAPITAL CASH AND INVESTMENTS
DECEMBER 31, 2017 and 2016**

	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016
	<u> </u>	<u> </u>
Fund Balance	\$ 690.32	\$ 690.32
Capital Improvement Fund	81,109.68	81,109.68
Interfund Payable - Utility Operating Fund	2.51	5,200.70
Reserve for:		
Preliminary Engineering Costs	3,450.00	3,450.00
Encumbrances Payable	2,552,210.83	2,483,134.68
Debt Service	498,496.10	44,899.38
Ord.		
<u>No.</u>	<u>Improvement Authorizations</u>	
22-84	Construction Route 130	36,447.82
55-90	Various Water and Sewer Improvements	13,017.35
67-95	Construction of P.S. 2A	2,178.45
50-06	Various Capital Improvements	17,631.64
52-97	Pump Station #10	3,132.15
53-01	Water Main Cleaning and Lining	3,135.16
56-01	Route 1 Sewer Line	82,086.73
48-03	Water Main Replacements at Various Locations	-
46-05	Update of the Wastewater Master Plan, Computer Upgrades and Related Improvements	79,130.31
46-07	Radium Remediation	14,650.00
35-07	Various Improvements	(250.00)
50-08	Deans Pond Lane Water Improvements	66,900.63
36-09	Kendall Park Phase #9	92,899.40
21-11	Various Capital Improvements	(523,226.56)
16-12	Various Capital Improvements	190,344.49
23-12	Various Capital Improvements	61,916.21
22-13	Various Capital Improvements	133,833.65
23-14	Various Capital Improvements	5,180.36
25-15	Various Capital Improvements	6,451,780.63
16-18	Various Capital Improvements	(397,555.52)
17-28	Various Capital Improvements	(444,044.87)
	<u>\$ 9,025,147.47</u>	<u>\$ 8,722,907.23</u>
	<u>REF.</u>	Below
	Below	Below
Detail:		
Cash and Cash Equivalents	\$ 7,197,597.47	\$ 5,997,907.23
Investments	1,827,550.00	2,725,000.00
Above	<u>\$ 9,025,147.47</u>	<u>\$ 8,722,907.23</u>

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

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF INTERFUND RECEIVABLE (PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	<u>Total</u>	<u>Utility Assessment Fund</u>	<u>Utility Capital Fund</u>
Balance - December 31, 2016	D	\$ 5,216.53	\$ 15.83	\$ 5,200.70
Increased by:				
Interest Earned on Investments	D-6	3,212.09	37.89	3,174.20
Loans from Other Funds	D-4 , D-6	18,754,683.62	120,000.00	18,634,683.62
		<u>18,757,895.71</u>	<u>120,037.89</u>	<u>18,637,857.82</u>
Decreased by:				
Cash Disbursements to Other Funds	D-6	18,763,109.73	120,053.72	18,643,056.01
Balance - December 31, 2017	D	<u>\$ 2.51</u>	<u>\$ -</u>	<u>\$ 2.51</u>

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BALANCE DEC. 31, 2016</u>
55-01	Sanitary Sewer and Water System	\$ 23,500.00	\$ 23,500.00
56-01	Route 1 Sewer Line	69,000.00	69,000.00
57-01	Old Road Sewer Line	10,500.00	10,500.00
		<u>\$ 103,000.00</u>	<u>\$ 103,000.00</u>
	<u>REF.</u>	D	D

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

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 1,211,545.52
Increased by:		
2017 Rents Levied	Reserve	<u>25,172,099.74</u>
		26,383,645.26
Decreased by:		
Cash Receipts	D-1, D-4, D-6	\$ 24,999,023.74
Prepaid Rents Applied	D-1, D-4, D-25	<u>134,425.30</u>
		<u>25,133,449.04</u>
Balance - December 31, 2017	D	<u><u>\$ 1,250,196.22</u></u>

Exhibit D-11

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 44,899.38
Increased By:		
Premium on Bond Sale	D-6	\$ 349,000.00
Premium on Note Sale	D-6	<u>210,596.72</u>
		604,496.10
Decreased By:		
Utilized as Revenue in Water and Sewer Utility Operating Fund Budget	D-4, D-6	<u>106,000.00</u>
Balance - December 31, 2017	D	<u><u>\$ 498,496.10</u></u>

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

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 570,784.25
Increased by:		
Budget Appropriations:		
Interest on Bonds and Notes	D-5	<u>1,428,678.79</u>
		1,999,463.04
Decreased by:		
Cash Disbursements	D-6	<u>1,609,808.01</u>
Balance - December 31, 2017	D, Below	<u>\$ 389,655.03</u>

Analysis of Accrued Interest:

<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Principal Outstanding December 31, 2017</u>	<u>Accrual Period</u>	<u>Accrual</u>
<u>General Serial Bonds</u>				
2008	2.985%	\$ 12,000.00	10/1/17-12/31/17	\$ 89.55
2008	2.985%	15,000.00	10/1/17-12/31/17	111.94
2009	3.000%	465,000.00	7/15/17-12/31/17	6,393.75
2010	2.150%	4,417,000.00	10/1/17-12/31/17	23,741.38
2011	3.694%	3,880,000.00	7/1/17-12/31/17	71,663.60
2012	4.000%	2,000,000.00	11/15/17-12/31/17	10,000.00
2013	4.000%	6,350,000.00	10/1/17-12/31/17	63,500.00
2014	4.000%	5,915,000.00	9/1/17-12/31/17	78,866.67
2015	2.720%	2,556,000.00	9/1/17-12/31/17	23,174.40
2017	various	<u>12,147,000.00</u>	9/20/17-12/31/17	<u>60,735.00</u>
		<u>\$ 37,757,000.00</u>		<u>\$ 338,276.28</u>
		D-20		
<u>Bond Anticipation Notes</u>				
2017	2.250%	<u>\$ 9,134,000.00</u>	10/3/17-12/31/17	<u>\$ 51,378.75</u>
		D-26		
Total accrued interest				<u>\$ 389,655.03</u>
				Above

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

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016		BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
	APPROPRIATION RESERVES	RESERVE FOR ENCUMBRANCES			
Operations:					
Salaries and Wages	\$ 93,767.73		\$ 93,767.73	\$ 14,362.41	\$ 79,405.32
Other Expenses	809,456.16	\$ 379,292.39	1,194,378.04	820,330.62	374,047.42
Deferred Charges and Statutory Expenditures					
Contribution to:					
Social Security System	11,259.09		5,629.60		5,629.60
	<u>\$ 914,482.98</u>	<u>\$ 379,292.39</u>	<u>\$ 1,293,775.37</u>	<u>\$ 834,693.03</u>	<u>\$ 459,082.34</u>
<u>REF.</u>	D	D		D-6	D-1

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

**WATER AND SEWER CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>		
Balance - December 31, 2016	D		\$ 2,483,134.68
Increased by:			
Charged to Improvement Authorizations	D-21		<u>3,321,318.73</u>
			5,804,453.41
Decreased by:			
Cancellation of Prior Year Encumbrances	D-21	\$ 267,084.29	
Cash Disbursements	D-6	<u>2,985,158.29</u>	<u>3,252,242.58</u>
Balance - December 31, 2017	D		<u><u>\$ 2,552,210.83</u></u>

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PRELIMINARY ENGINEERING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>PURPOSE</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BALANCE DEC. 31, 2016</u>
Route #1 Sewer	\$ 950.00	\$ 950.00
Municipal Well	500.00	500.00
Black Horse Sewer Line Study	<u>2,000.00</u>	<u>2,000.00</u>
	<u>\$ 3,450.00</u>	<u>\$ 3,450.00</u>
	<u>REF.</u>	<u>D</u>

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

**WATER AND SEWER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF DEFERRED ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE CONFIRMED	Balance Dec. 31, 2017	Balance Dec. 31, 2016	Balance Pledged to Reserve
24-74,20-76	Jamesburg Road Sewer	12/07/79	\$ 2,150.35	\$ 2,150.35	\$ 2,150.35
29-74	Route 130 - Georges Road - Broadway Road Water Line	12/07/76	27,214.39	27,214.39	27,214.39
30-74, 18-76	Deans Rhode Hall Road	06/26/78	2,832.20	2,832.20	2,832.20
7-74,21-71	Georges Road and Route 130 Sewer Line	06/21/77	53,789.76	53,789.76	53,789.76
18-76,10-77	Route 1 Water Line	12/18/79	339.88	339.88	339.88
20-90	Upper Major Road	05/20/97	6,126.74	6,126.74	6,126.74
			<u>\$ 92,453.32</u>	<u>\$ 92,453.32</u>	<u>\$ 92,453.32</u>
		<u>REF.</u>	D	D	D , D-17

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

**WATER AND SEWER UTILITY ASSESSMENT FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Account Description	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016
24-74,20-76	Jamesburg Road Sewer	\$ 2,150.35	\$ 2,150.35
29-74	Route 130 - Georges Road	27,214.39	27,214.39
30-74,18-76	Deans Rhode Hall Road	2,832.20	2,832.20
18-76, 10-77	Route 1 Water Line	339.88	339.88
7-74, 21-71	Georges Road and Route 130 Sewer Line	53,789.76	53,789.76
20-90	Upper Major Road	6,126.74	6,126.74
		<u>\$ 92,453.32</u>	<u>\$ 92,453.32</u>
	<u>REF.</u>	D , D-16	D , D-16

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

ACCOUNT	ORDINANCE NUMBER	BALANCE DEC 31, 2016	TRANSFERRED FROM	
			FIXED CAPITAL AUTHORIZED AND UNCOMPLETED	BALANCE DEC 31, 2017
Purchase of Water and Sewer System of the South Brunswick Municipal Utilities Authority		\$ 8,488,000.00		\$ 8,488,000.00
Vehicles		108,000.00		108,000.00
Purchase of Equipment and Improvements to Water and Sewer Utility System		23,951,549.00		23,951,549.00
Route 130 Sewer Extension	22-84,41-86	3,975,000.00		3,975,000.00
Various Water and Sewer Improvements	16-85	2,689,324.00		2,689,324.00
Elizabethtown Water Connection	37-85	198,215.00		198,215.00
Water arid Sewer Extension - Henderson Road	24-88	295,000.00		295,000.00
Georges Road Sanitary Sewer	54-90,46-91	233,000.00		233,000.00
Construction of Pump Station #2A, Phase I	14-92	251,359.90		251,359.90
Improvement to Pump Station #9 and #10	15-92	885,000.00		885,000.00
Various Water Improvements	18-92	1,925,000.00		1,925,000.00
Removal of Storage Tanks	1-93	225,000.00		225,000.00
Various Radio Equipment Improvements	50-93	250,000.00		250,000.00
Sandhill Sewer Line	17-92,47-94	2,728,500.00		2,728,500.00
Purchase of Water and Sewer Equipment	45-94	255,000.00		255,000.00
Construction of Route 27 Water Line	46-94	1,250,000.00		1,250,000.00
Sewer Pipe Replacement - Kendall Park	47-94	963,943.00		963,943.00
Water Line Replacement - Kendall Park	48-94	1,508,185.00		1,508,185.00
Construction of Route 130 Water and Sewer Lines	49-94	3,000,000.00		3,000,000.00
Construction of Route I Water Line	50-94	236,974.00		236,974.00
Aerial Topographic Survey	57-95	205,000.00		205,000.00
Purchase of Water Meters	53-95	550,000.00		550,000.00
Various Water and Sewer Improvements	55-90	3,160,000.00		3,160,000.00
Purchase of Equipment	55-95	93,000.00		93,000.00
Construction of Wells #16 &17	56-95	375,000.00		375,000.00
Water and Sewer Master Plan	58-95	122,300.06		122,300.06
Construction of Pump Station #2A	67-95	3,200,000.00		3,200,000.00
Rehabilitation - Major Road Water Tank	68-95	231,331.00		231,331.00
Route #522 Utility Line Extension	12-96	280,000.00		280,000.00
Beckman Road Utility Extension	63-96	496,138.00		496,138.00
Infiltration and Inflow	45-97	110,000.00		110,000.00
Rehab - Kendall Park Water Line - Phase II	46-97	588,867.00		588,867.00
Water Line - Haypress Railroad Crossing	47-97	55,000.00		55,000.00
Water Tower Removal	48-97	55,000.00		55,000.00
Major Road Booster Station I	49-97	55,000.00		55,000.00
Route 130 Sewer Line	50-97	110,000.00		110,000.00
Acquisition of Property for Well #17	51-97	87,042.00		87,042.00
Pump Station #10	52-97	1,650,000.00		1,650,000.00
Beekman Road	53-97	434,790.00		434,790.00
Construction of Well #17	54-97	1,100,000.00		1,100,000.00
Purchase of Service Van	58-97	22,500.00		22,500.00
Purchase of Utility Tractor	59-97	36,000.00		36,000.00
Fresh Ponds Road Water Main Extension	72-97	137,650.00		137,650.00
Purchase and Installation of Water Meters	51-98	412,500.00		412,500.00
Construction and Installation of a Water Main Ext.	53-98	81,564.00		81,564.00
Replacement and Reconstruction of the Kendall Park Water Main	55-98	597,651.00		597,651.00
Design and Construction of a Sanitary Sewer Line	56-98	225,784.14		225,784.14
Design of Ridge Road Regional Sewer Line	58-98	104,500.00		104,500.00
Construction of the Dow Jones/Route 522 Sanitary Sewer Line	60-98	86,400.00		86,400.00
Purchase of Pump Station Flow Meters	61-98	257,000.00		257,000.00

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

ACCOUNT	ORDINANCE NUMBER	BALANCE DEC 31, 2016	TRANSFERRED FROM	
			FIXED CAPITAL AUTHORIZED AND UNCOMPLETED	BALANCE DEC 31, 2017
Construction of Elizabethtown Water Main	2-99	\$ 1,234,216.00		\$ 1,234,216.00
Acquisition of Radio System Equipment	25-99	130,000.00		130,000.00
Design and Construction of Fluoridation Facilities at Existing Township Water Supply Wells	39-99	550,000.00		550,000.00
Design and Construction of Ongoing Water Line Rehabilitation Program in Kendall Park Area	40-99	900,000.00		900,000.00
Design and Construction of Water System Improvements to Reinforce the Township's Existing Water Distribution System	41-99	550,000.00		550,000.00
Acquisition of Supervisory Control and Data Acquisition Equipment	42-99	54,999.00		54,999.00
Purchase of Utility Truck	40-00	39,299.90		39,299.90
Pump Station Electrical Improvements	41-00	105,000.00		105,000.00
Water System Improvements	42-00	1,048,776.88		1,048,776.88
Water Main Repair - Kendall Park IV	43-00	949,300.00		949,300.00
Utility Building Construction	44-00,57-02	3,697,945.27		3,697,945.27
Beekman Road	64-00	300,000.00		300,000.00
Inflows and Infiltration Repairs	49-01	257,000.00		257,000.00
Pump Station #5	50-01	204,000.00		204,000.00
Sewer Pipe Kendall Park	51-01	370,730.00		370,730.00
Upgrade of SCADA	52-01	54,750.00		54,750.00
Purchase Water Meters	54-01	210,000.00		210,000.00
Sanitary Sewer and Water System - Circle Drive	55-01	287,153.15		287,153.15
Water Main Rehabilitation	29-02	916,000.00		916,000.00
Overhaul of Truck	30-02	78,195.00		78,195.00
Fresh Ponds Road Water Main Extension	31-02 / 79-03	1,094,414.84		1,094,414.84
Sewer Line Replacement	32-02	156,000.00		156,000.00
Pump Station #5 - Control Building Reconstruction	75-02	100,000.00		100,000.00
Various Capital Improvements	49-03,99-03	153,000.00		153,000.00
Sewer Line Replacements at Cambridge and Nassau	50-03	485,000.00		485,000.00
Construction of Force Main for Pump Station #4 and Monmouth Junction and Kingston Trunkline	51-03	183,000.00		183,000.00
Various Capital Improvements	52-03	148,968.27		148,968.27
Improvements to Water and Sewer Utilities	24-04	1,366,693.06		1,366,693.06
Acquisition of Various Equipment and Vehicles	45-05	116,931.70		116,931.70
Various Improvements	35-07	3,145,750.00		3,145,750.00
WII #16 Radionuclides	46-07	2,994,593.50		2,994,593.50
Kendall Park Section VIII	34-08	1,600,000.00		1,600,000.00
Various Capital Improvements	45-08	233,200.00		233,200.00
Various Capital Improvements	53-08	1,414,000.00		1,414,000.00
Kendall Park Phase 9	36-09	2,000,000.00		2,000,000.00
Various Capital Improvements	56-06	2,399,283.90		2,399,283.90
Various Capital Improvements	23-14	1,807,000.00		1,807,000.00
Water Main Replacements at Various Locations	48-03		\$ 950,000.00	950,000.00
		<u>\$ 99,672,267.57</u>	<u>\$ 950,000.00</u>	<u>\$100,622,267.57</u>

REF.

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D-19

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE	AMOUNT	TRANSFER	BALANCE
		DATE	AMOUNT	DEC. 31, 2016	AUTHORIZED	TO FIXED CAPITAL	DEC. 31, 2017
53-01	Water Main Cleaning and Lining	06/19/01	\$ 940,000.00	\$ 940,000.00			\$ 940,000.00
56-01	Route 1 Sewer Line	06/19/01	1,430,000.00	1,430,000.00			1,430,000.00
48-03	Water Main Replacements at Various Locations	05/20/03	950,000.00	950,000.00		\$ 950,000.00	
46-05	Update Wastewater Master Plan, Computer Upgrades and Related Improvements	07/26/05	190,000.00	190,000.00			190,000.00
50-06	Various Utility Improvements	07/25/06	2,407,000.00	7,716.10			7,716.10
50-08	Deans Pond Lane Water Improvements	08/26/08	1,050,000.00	1,050,000.00			1,050,000.00
21-11	Various Capital Improvements	06/28/11	5,660,000.00	5,660,000.00			5,660,000.00
16-12	Various Capital Improvements	05/08/12	3,560,000.00	3,560,000.00			3,560,000.00
23-12	Various Capital Improvements	08/14/12	10,110,000.00	10,110,000.00			10,110,000.00
22-13	Various Capital Improvements	06/25/13	1,666,500.00	1,666,500.00			1,666,500.00
25-15	Various Capital Improvements	07/14/15	10,409,200.00	10,409,200.00			10,409,200.00
16-18	Various Capital Improvements	01/29/16	2,532,000.00	2,532,000.00			2,532,000.00
17-28	Various Capital Improvements	10/10/17	4,088,000.00		\$ 4,088,000.00		4,088,000.00
				<u>\$ 38,505,416.10</u>	<u>\$ 4,088,000.00</u>	<u>\$ 950,000.00</u>	<u>\$ 41,643,416.10</u>
			<u>REF.</u>	D	D-21 , D-27	D-18	D

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2017		INTEREST RATE	BALANCE DEC. 31, 2016	INCREASED	DECREASED	BALANCE DEC. 31, 2017
			DATE	AMOUNT					
Water/Sewer Utility Bonds	03/01/07	\$ 4,618,000.00				\$ 250,000.00		\$ 250,000.00	
Special Assessment Refunding Bonds	05/09/08	124,000.00	10/01/18	\$ 12,000.00	2.985%	27,000.00		15,000.00	\$ 12,000.00
Water/Sewer Utility Refunding Bonds	05/09/08	3,225,000.00	10/01/18	15,000.00	2.985%	50,000.00		35,000.00	15,000.00
Water/Sewer Utility Refunding Bonds	9/10/2009	1,370,000.00	07/15/18	120,000.00	3.000%				
			07/15/19	115,000.00	4.000%				
			07/15/20	115,000.00	4.000%				
			07/15/21	115,000.00	4.000%	580,000.00		115,000.00	465,000.00
Water/Sewer Utility Bonds	9/23/2010	5,942,000.00	10/01/18	500,000.00	2.150%				
			10/01/19	500,000.00	3.000%				
			10/01/20	500,000.00	3.000%				
			10/01/21	500,000.00	3.000%				
			10/01/22	600,000.00	3.000%				
			10/01/23	600,000.00	3.000%				
			10/01/24	600,000.00	3.000%				
			10/01/25	617,000.00	3.000%	4,917,000.00		500,000.00	4,417,000.00
Water/Sewer Utility Refunding Bonds	09/15/11	7,608,000.00	07/01/18	980,000.00	3.694%				
			07/01/19	970,000.00	3.969%				
			07/01/20	965,000.00	4.630%				
			07/01/21	965,000.00	3.600%	4,870,000.00		990,000.00	3,880,000.00
Water/Sewer Utility Bonds	11/05/12	3,000,000.00	11/15/18	250,000.00	4.000%				
			11/15/19	250,000.00	3.000%				
			11/15/20	250,000.00	3.000%				
			11/15/21	250,000.00	3.000%				
			11/15/22	250,000.00	2.000%				
			11/15/23	250,000.00	2.125%				
			11/15/24	250,000.00	2.250%				
			11/15/25	250,000.00	2.250%	2,250,000.00		250,000.00	2,000,000.00

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2017		INTEREST RATE	BALANCE DEC. 31, 2016	INCREASED	DECREASED	BALANCE DEC. 31, 2017			
			DATE	AMOUNT								
Water/Sewer Utility Bonds	10/23/13	\$ 7,760,000.00	10/01/18	\$ 500,000.00	4.000%							
			10/01/19	500,000.00	4.000%							
			10/01/20	550,000.00	4.000%							
			10/01/21	600,000.00	3.000%							
			10/01/22	600,000.00	3.000%							
			10/01/23	600,000.00	3.000%							
			10/01/24	600,000.00	3.000%							
			10/01/25	600,000.00	3.000%							
			10/01/26	600,000.00	3.250%							
			10/01/27	600,000.00	3.250%							
			10/01/28	600,000.00	3.500%		\$ 6,760,000.00		\$ 410,000.00	\$ 6,350,000.00		
			Water/Sewer Utility Refunding Bonds	9/1/2014	7,465,000.00	09/01/18	850,000.00	4.000%				
						09/01/19	930,000.00	4.000%				
09/01/20	990,000.00	4.000%										
09/01/21	910,000.00	4.000%										
09/01/22	910,000.00	5.000%										
09/01/23	880,000.00	5.000%										
09/01/24	445,000.00	5.000%					6,810,000.00		895,000.00	5,915,000.00		
Water/Sewer Utility Refunding Bonds	10/22/2015	2,561,000.00	03/01/18	236,000.00	2.720%							
			03/01/19	230,000.00	4.000%							
			03/01/20	230,000.00	4.000%							
			03/01/21	230,000.00	3.480%							
			03/01/22	225,000.00	4.000%							
			03/01/23	280,000.00	5.000%							
			03/01/24	280,000.00	5.000%							
			03/01/25	280,000.00	5.000%							
			03/01/26	285,000.00	5.000%							
			03/01/27	280,000.00	4.000%		2,556,000.00			2,556,000.00		
			Water/Sewer Utility Bonds	9/20/2017	12,147,000.00	10/01/18	352,000.00	2.000%				
10/01/19	400,000.00	2.000%										
10/01/20	425,000.00	2.000%										
10/01/21	550,000.00	2.000%										
10/01/22	600,000.00	2.000%										
10/01/23	600,000.00	2.000%										
10/01/24	600,000.00	2.000%										
10/01/25	600,000.00	4.000%										
10/01/26	600,000.00	4.000%										
10/01/27	610,000.00	4.000%										
10/01/28	620,000.00	2.375%										
10/01/29	650,000.00	2.500%										
10/01/30	665,000.00	3.000%										
10/01/31	675,000.00	3.000%										
10/01/32	700,000.00	3.000%										
10/01/33	700,000.00	3.000%										
10/01/34	700,000.00	3.000%										
10/01/35	700,000.00	3.000%										
10/01/36	700,000.00	3.000%										
10/01/37	700,000.00	3.000%										
						\$ 12,147,000.00		12,147,000.00				
						<u>\$ 29,070,000.00</u>	<u>\$ 12,147,000.00</u>	<u>\$ 3,460,000.00</u>	<u>\$ 37,757,000.00</u>			
REF.						D	Below	D-5, D-22	D, D-12			
REF.												
						Notes paid	D-26	\$ 9,308,000.00				
						Bonds issued	D-27	<u>2,839,000.00</u>				
						Above	<u>\$ 12,147,000.00</u>					

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance No.	Improvement Description	Ordinance		Balance Dec 31, 2016		2017 Authorizations	Cancellation of Prior Year Encumbrances	Paid or Charged	Balance Dec 31, 2017	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
22-84	Construction Route 130			\$ 36,447.82					\$ 36,447.82	
55-90	Various Water and Sewer Improvements	09/18/90	\$ 3,160,000.00	751.85			\$ 12,265.50		13,017.35	
67-95	Construction of Pump Station #2A	06/20/95	3,200,000.00	2,178.45					2,178.45	
52-97	Pump Station #10	07/15/97	1,650,000.00	1,126.15	\$ 500.00		2,006.00		3,132.15	\$ 500.00
53-01	Water Main Cleaning and Lining	06/19/01	940,000.00	78,064.48				\$ 74,929.32	3,135.16	
56-01	Route I Sewer Line	06/19/01	1,430,000.00	127,377.39				45,290.66	82,086.73	
48-03	Water Main Replacements at Various Locations	05/20/03	950,000.00	36,292.54				36,292.54		
46-05	Update Wastewater Master Plan. Computer Upgrades and Related Improvements	07/26/05	190,000.00	79,130.31					79,130.31	
46-07	Radium Remediation			14,650.00					14,650.00	
50-06	Various Utility Improvements	07/25/06	2,407,000.00	7,716.10			9,915.54		17,631.64	
36-09	Kendall Park Phase 9	8/25/2009	2,000,000.00	92,899.40					92,899.40	
50-08	Deans Pond Lane Water Improvements	8/26/2008	1,050,000.00		579,359.87		67,540.76		66,900.63	580,000.00
21-11	Various Capital Improvements	6/28/2011	5,660,000.00		1,388,867.10			1,012,093.66		376,773.44
16-12	Various Capital Improvements	5/8/2012	3,560,000.00		74,933.86		170,176.13	54,765.50	190,344.49	
23-12	Various Capital Improvements	8/14/2012	10,110,000.00		709,800.64			87,884.43	61,916.21	560,000.00
22-13	Various Capital Improvements	6/25/2013	1,666,500.00	430,678.25	166,500.00			296,844.60	133,833.65	166,500.00
23-14	Various Capital Improvements	7/22/2014	1,807,000.00				5,180.36		5,180.36	
25-15	Various Capital Improvements	7/14/2015	10,409,200.00		8,755,455.47			1,028,474.84		7,726,980.63
16-18	Various Capital Improvements	7/26/2016	2,532,000.00		1,975,142.79			240,698.31		1,734,444.48
17-28	Various Capital Improvements	10/10/2017	4,088,000.00			\$ 4,088,000.00		444,044.87		3,643,955.13
				\$ 907,312.74	\$ 13,650,559.73	\$ 4,088,000.00	\$ 267,084.29	\$ 3,321,318.73	\$ 802,484.35	\$ 14,789,153.68
		<u>REF.</u>		D	D	D-19, D-27	D-14	D-14	D	D

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>		
Balance - December 31, 2016	D		\$ 82,040,733.67
Increased by:			
Payment of Bond Principal	D-20	\$3,460,000.00	
Transferred from Deferred Reserve for Amortization	D-23	<u>47,500.00</u>	
			<u>3,507,500.00</u>
Balance - December 31, 2017	D		<u>\$ 85,548,233.67</u>

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORD.</u>	<u>BALANCE DEC. 31, 2016</u>	<u>Transferred to Reserve for Amortization</u>	<u>BALANCE DEC. 31, 2017</u>
53-01	Water Main Cleaning and Lining	06/19/01	\$ 45,500.00		\$ 45,500.00
56-01	Route 1 Sewer Line	06/19/01	69,000.00		69,000.00
48-03	Water Main Replacements at Various Locations	05/20/03	47,500.00	\$ 47,500.00	
46-05	Update Wastewater Master Plan, Computer Upgrades and Related Improvements	07/26/05	<u>9,500.00</u>		<u>9,500.00</u>
			<u>\$ 171,500.00</u>	<u>\$ 47,500.00</u>	<u>\$ 124,000.00</u>
		<u>REF.</u>	D	D-22	D

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2017 and 2016	D	\$ <u>81,109.68</u>

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID RENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 134,425.30
Increased by:		
Cash Receipts	D-6	<u>74,105.44</u>
		208,530.74
Decreased by:		
Applied	D-10	<u>134,425.30</u>
Balance - December 31, 2017	D	\$ <u>74,105.44</u>

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>Original Date of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
21-11	Various Capital Improvements	12/31/2014	1/18/2017	10/4/2017	2.00%	\$ 1,900,000.00		\$ 1,900,000.00	
16-12	Various Capital Improvements	1/30/2015	1/18/2017	10/4/2017	2.00%	225,000.00		225,000.00	
23-12	Various Capital Improvements	1/30/2015	1/18/2017	10/4/2017	2.00%	5,050,000.00		5,050,000.00	
23-14	Various Capital Improvements	1/30/2015	1/18/2017	10/4/2017	2.00%	1,733,000.00		1,733,000.00	
25-15	Various Capital Improvements	1/30/2015	10/3/2017	10/2/2018	2.25%	9,134,000.00	\$ 8,500,000.00	8,500,000.00	\$ 9,134,000.00
16-18	Various Capital Improvements	10/5/2016	10/3/2017	10/2/2018	2.25%	400,000.00		400,000.00	
						<u>\$ 18,442,000.00</u>	<u>\$ 8,500,000.00</u>	<u>\$ 17,808,000.00</u>	<u>\$ 9,134,000.00</u>
					<u>REF.</u>	<u>D</u>	<u>Below</u>	<u>Below</u>	<u>D, D-12</u>
						<u>REF.</u>			
					Renewals	D-6	\$ 8,500,000.00	\$ 8,500,000.00	
					Notes Paid by Bond Proceeds	D-20		9,308,000.00	
						<u>Above</u>	<u>\$ 8,500,000.00</u>	<u>\$ 17,808,000.00</u>	

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	Balance Dec. 31, 2016	Amount Authorized	Bonds Issued	Balance Dec. 31, 2017
52-97	Pump Station #10	\$ 500.00			\$ 500.00
35-07	Various Improvements	250.00			250.00
50-08	Deans Pond Lane Water Improvements	580,000.00			580,000.00
21-11	Various Capital Improvements	965,000.00		\$ 65,000.00	900,000.00
16-12	Various Capital Improvements	200,000.00		200,000.00	
23-12	Various Capital Improvements	3,060,000.00		2,500,000.00	560,000.00
22-13	Various Capital Improvements	166,500.80			166,500.80
23-14	Various Capital Improvements	74,000.00		74,000.00	
25-15	Various Capital Improvements	1,275,200.00			1,275,200.00
16-18	Various Capital Improvements	2,132,000.00			2,132,000.00
17-28	Various Capital Improvements		\$ 4,088,000.00		4,088,000.00
		<u>\$ 8,453,450.80</u>	<u>\$ 4,088,000.00</u>	<u>\$ 2,839,000.00</u>	<u>\$ 9,702,450.80</u>
		D	D-19 , D-21	D-20	D

PAYROLL FUND

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

**PAYROLL FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2016	E	\$ 320,307.32
Increased by Cash Receipts:		
Payroll Deductions Payable	E-3	29,146,421.07
		<u>29,466,728.39</u>
Decreased by Cash Disbursements:		
Payroll Deductions Payable	E-3	\$ 29,057,376.74
Interfund - Current Fund	E-2	<u>32.74</u>
		<u>29,057,409.48</u>
Balance - December 31, 2017	E	<u>\$ 409,318.91</u>

**PAYROLL FUND
SCHEDULE OF INTERFUND PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance - December 31, 2017 and 2016	E	<u>\$ 74,714.59</u>

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

**PAYROLL FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Program	Balance Dec 31, 2016	Increases	Decreases	Balance Dec 31, 2017
Federal Withholding Tax		\$ 3,164,349.75	\$ 3,164,222.87	\$ 126.88
FICA and Medicare		3,793,875.92	3,793,488.58	387.34
NJ State Withholding Tax	\$ 222.47	968,924.27	968,887.50	259.24
PA State Withholding Tax		3,788.16	3,788.16	
State Unemployment Tax	1,566.11	58,427.52	48,987.82	11,005.81
Net Payroll	52.86	15,863,672.41	15,864,699.18	(973.91)
CWA Dues		15,176.54	15,176.54	
CDA		182,517.72	182,517.72	
DCRP		37,105.58	37,105.58	
Deferred Compensation-Pa		878,298.07	878,298.07	
PERS	105,029.29	1,307,542.16	1,300,568.84	112,002.61
PERS Contributory Group Insurance	5,834.22	71,332.56	71,154.65	6,012.13
PFRS	77,923.70	970,209.86	968,492.94	79,640.62
PBA Dues		58,915.00	58,915.00	
Supervisors Dues		4,112.50	4,112.50	
PFRS Supplemental Annuity	370.36		370.34	0.02
Clerical Union Dues		31,164.38	31,086.38	78.00
DPW Union Dues		7,910.00	7,910.00	
FMBA Dues		9,386.00	9,386.00	
Disability Insurance		12,459.60	16,484.63	(4,025.03)
Garnishment	92.00	85,364.05	84,986.05	470.00
Employee Insurance - AFLAC		43,148.70	42,951.50	197.20
Employee Health Benefits	50,539.86	1,415,762.82	1,344,042.54	122,260.14
Employee Health Benefits - AFLAC		16,616.66	16,915.84	(299.18)
Employee Dental Benefits	3,961.86	88,713.58	85,180.25	7,495.19
Life Insurance - Trustmark		57,647.26	57,647.26	
	<u>\$ 245,592.73</u>	<u>\$ 29,146,421.07</u>	<u>\$ 29,057,376.74</u>	<u>\$ 334,637.06</u>
<u>REF.</u>	E	E-1	E-1	E

COMMENTS SECTION

**TOWNSHIP OF SOUTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2017
GENERAL COMMENTS**

An audit of the financial accounts and transactions of the Township of South Brunswick, County of Middlesex, New Jersey, for the year ended December 31, 2017, has been completed. The General Comments are herewith set forth:

Scope of Audit

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

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash on hand was confirmed and cash and investment balances were reconciled with independent certifications obtained directly from the depositories.

Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

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. 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.

OTHER MATTERS

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

N.J.S.A. 40A: 11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3: of this act, shall be made or awarded only after public advertising for bids and bidding 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 bid threshold as set forth in N.J.S.A. 40A:11-4." The amount of \$40,000.00 is the threshold set forth in the aforementioned Statute for the year ended December 31, 2017.

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

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts and agreements for "Professional Services" per N.J.S.A. 40A:11-5. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.A. 54:4-67 provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body, on January 3, 2017, adopted a resolution authorizing interest to be charged on delinquent taxes and assessments, as follows:

8% Interest on Amounts up to \$1,500 on Delinquent Tax and Assessment Accounts

18% Interest on Amounts from \$1,500 and above on Delinquent Tax and Assessment Accounts

Ten (10) Day Grace Period

This resolution was subsequently amended pursuant to revisions to N.J.S.A. 54:4-67 to include a penalty of 6% to be charged to delinquencies in excess of \$10,000 at the end of the calendar year.

An examination of the collector's records indicated that interest on delinquencies was calculated in accordance with the foregoing resolution, for items tested.

Delinquent Taxes and Tax Title Liens

A tax sale was held on October 26, 2017 and was complete. Properties that were in bankruptcy proceedings were excluded from the sale. The status of these properties should be monitored to assure that the Township protects its right to collect delinquent taxes and that these properties are exposed to tax sale proceedings at the earliest legal date.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Years</u>	<u>Tax Title Liens</u>
2017	28
2016	22
2015	22

The Township maintains a foreclosure program for tax title liens that become subject to In Rem Foreclosure. Subject liens have been assigned to attorneys and are in process of foreclosure.

Investment of Funds

The Chief Financial Officer had most of the idle funds of the Township invested in interest-bearing accounts or investments in bond anticipation notes from January 1, 2017 to December 31, 2017. Earnings from the investments are shown as revenue in the various accounts of the Township as of December 31, 2017. The investment program instituted by the finance officer was complete with minimal balances remaining in demand accounts. This policy complied with N.J.S.A. 40A.4: 5-14 in all respects.

All cash, cash equivalents and investments held by the Township were directly confirmed, or alternate procedures were performed, as of December 31, 2017.

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 no exceptions during 2017. 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.

Condition of Records - Tax Collector Office

The records maintained by the Tax Collector were audited. 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 testing of computerized real estate tax billings and billing adjustments for real estate taxes.

Condition of Records - Finance Department

The Finance Department utilized a computerized general ledger accounting system during 2017. General ledgers were maintained for all funds. The Township is currently in compliance with New Jersey Administrative Code 5:30-5.7, establishment and maintenance of a general ledger.

Payment of Claims

The examination did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Authorization for payment of claims is delegated to the Chief Financial Officer and bill lists are submitted to the Township Council for approval and recorded as a supplement to the official minutes.

Claims were examined on a test basis for the year under audit and no exceptions were noted.

Budgetary Records

The Township maintains a detailed, computerized subsidiary ledger for each of its budgets.

Administration and Accounting for State Grant Programs

During 2017, the Township operated programs, which were funded in whole or in part by state or federal grant awards. As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. The examination of these grant programs, on a test basis, indicated that the Township has expended grant funds during 2017 for the purposes authorized.

Municipal Open Space Budget

The Township utilizes current year open space revenues from amounts to be raised by taxation as well as surplus on hand to fund the annual required municipal open space budget. The use of this surplus on an annual basis has and will continue to decrease the available surplus in the Municipal Open Space Trust Fund and eventually will become unavailable to the Township to use to offset future required appropriations. The Township is currently pursuing funding through the New Jersey Green Acres program for past open space purchases to provide additional resources for future budgets.

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

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Tax Rate:</u>	\$ <u>4.909</u>	\$ <u>4.857</u>	\$ <u>4.709</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$ 0.836	\$ 0.819	\$ 0.809
Municipal Library	0.077	0.072	0.072
Municipal Open Space	0.040	0.039	0.040
County	0.867	0.869	0.808
County Open Space	0.071	0.079	0.066
Local School	3.018	2.979	2.914
<u>Fire District Tax Rates:</u>			
Fire District 1	\$ 0.082	\$ 0.082	\$ 0.080
Fire District 2	0.045	0.046	0.044
Fire District 3	0.089	0.081	0.059
<u>Assessed Valuation (Taxable):</u>			
2017	\$ <u>3,696,152,800.00</u>		
2016		\$ <u>3,641,317,612.00</u>	
2015			\$ <u>3,623,964,916.00</u>

**COMPARATIVE SCHEDULE OF TAX LEVIES AND COLLECTIONS
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015**

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>
2017	\$ 187,883,736.00	\$ 186,836,254.00	99.44%
2016	182,247,838.00	180,465,008.00	99.02%
2015	174,120,125.49	172,365,520.85	98.99%

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

**DELINQUENT TAXES AND TAX TITLE LIENS
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016, and 2015**

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.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2017	\$ 749,027.94	\$ 872,779.55	\$ 1,621,808.49	0.86%
2016	610,313.73	1,208,893.81	1,819,207.54	1.00%
2015	540,441.30	1,744,993.22	2,285,434.52	1.31%

**PROPERTY ACQUIRED FOR TAX TITLE LIEN LIQUIDATION
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016, and 2015**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties was as follows:

Year	Amount
2017	\$ 771,640.00
2016	771,640.00
2015	771,640.00

**COMPARATIVE SCHEDULE OF WATER AND SEWER UTILITY LEVIES AND COLLECTIONS
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016, and 2015**

Year	Levies	Collections*
2017	\$ 25,172,100.00	\$ 25,133,449.00
2016	25,399,477.46	25,342,181.84
2015	24,606,660.66	24,592,012.46

*Includes collections against prior year balances and realization of prior year prepaid balances.

**COMPARATIVE SCHEDULE OF FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016, and 2015**

	Year Ended	Balance	Utilized in Budget of Succeeding Year
Current Fund	2017	\$ 4,528,287.00	\$4,150,000.00
	2016	3,716,734.64	3,700,000.00
	2015	3,305,537.00	3,000,000.00
Water and Sewer Utility Operating Fund	2017	\$ 3,605,912.00	\$3,165,000.00
	2016	4,380,823.45	1,500,000.00
	2015	2,300,240.84	1,500,000.00

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

**SCHEDULE OF OFFICIALS IN OFFICE AND SURETY BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

The following officials were in office on December 31, 2017:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Chris Killmurray	- Mayor	
Charles Carley	- Deputy Mayor	
Ken Bierman	- Councilman	
Joseph J. Camarota Jr.	- Councilman	
Josephine Hochman	- Councilwoman	
Bernard Hvozdovic	- Township Manager	
Joseph P. Monzo	- Chief Financial Officer, Deputy Township Manager and Utility Collector	\$ 1,000,000.00
Barbara Nyitrai	- Township Clerk	
Katherine Gilliland	- Tax Collector	\$ 1,000,000.00
Speros Kalambakas	- Judge	\$ 1,000,000.00
Michael Dowgin	- Judge	\$ 1,000,000.00
Kathryn Coffey	- Court Administrator	\$ 1,000,000.00
Heather Sinclair	- Deputy Court Director	\$ 1,000,000.00

All of the above bonds were examined and found to be properly executed.

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF SOUTH BRUNSWICK
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2017

Prior Year Findings

Corrective actions have been taken on all of the prior year's findings and recommendations with the exception of the following findings and recommendations marked with an asterisk (*).

*** Cash Deficits**

The following bond ordinances in the General Capital Fund and Water Sewer Utility Capital Fund have had cash deficits for more than five years:

General Capital Fund – Ordinance 2008-05 - \$250,000.00
General Capital Fund – Ordinance 2008-52 - \$2.40
General Capital Fund – Ordinance 2012-10 - \$214,582.24
General Capital Fund – Ordinance 2012-33 - \$14.41
Water Sewer Utility Capital Fund – Ordinance 2007-35 - \$250.00
Water Sewer Utility Capital Fund – Ordinance 2011-21 - \$1,523,226.56

The Township raised some of the above amounts in the 2018 budget and for the remaining amounts we suggest that the Township issue either bonds or bond anticipation notes or raise an appropriation in the next annual budget to provide cash funding for these bond ordinances that currently have cash deficits associated with them.

Interfunds

During our testing over interfund balances, we noted that the Township did not liquidate all interfund balances at the end of the year.

We suggest that the Township liquidate its interfunds on a timely basis, at least within one year of advancement.

Purchasing

Local Public Contracts Law

During our review of the Township's purchasing process, we noted two instances where vendors were paid in excess of the \$6,000 quote threshold without soliciting quotes for routine pump maintenance and fireworks. The routine pump maintenance was the result of departmental oversight. The department procuring the fireworks considered the fireworks show an extraordinary item since it is artistic in nature as the show is timed to a musical performance, but the Township lacked sufficient documentation that supported that the purchase qualified as an extraordinary item under N.J.S.A. 40A:11-5(1)(a)(ii).

We suggest the Township strengthen controls over the purchasing process to ensure that at least two quotes are obtained prior to the purchase for all items subject to the Local Public Contracts Law.

Payroll

Health Benefit Deductions

During our review of the Townships payroll process of health benefit deductions under the Chapter 78, P.L. 2011 provisions; we noted two instances where the employee's contributions were based upon inaccurate health benefit election information. In one case, an employee was not charged the correct contribution for a high deductible dental plan and the other employee was charged a member-spouse rate for dental rather than the single rate. As a result of additional testing procedures over the health benefit deductions, we noted an additional 8 instances where individuals were charged for the incorrect elections. In all 8 instances, the employee's benefit contribution was calculated using the incorrect coverage.

We suggest the Township strengthen controls over the health benefit deduction process to ensure employee contributions are calculated based upon the actual health benefit elections.

Retroactive Salary Payments

During our audit of the Township's payroll process, we noted instances where individuals were overpaid retroactive payroll upon settlement of the new contract. This was due to a calculation error, however, the total overpaid amount was not material to the financial statements. The Township has already commenced the process to rectify these overpayments by withholding these amounts from paychecks during 2018.

We suggest that the Township incorporate an additional level of review for payroll related transactions that are outside of the regular contractual salary pay process to ensure that when these types of calculations occur they are done correctly.

Inactive Accounts

Water and Sewer Utility Capital Fund

During our audit, we noted accounts in the Water and Sewer Utility Capital Fund that have not had any activity in several years. These accounts include prospective assessments funds (Schedule D-9), deferred assessments receivable (Schedule D-16) and the reserve for assessments (Schedule D-17).

We suggest these accounts be reviewed and action taken to consider closing the accounts.