



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

**REGULATORY BASIS FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2019 AND 2018**

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY NEW JERSEY
REGULATORY BASIS FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
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**TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY**

**PART I
INDEPENDENT AUDITORS' REPORT
REGULATORY BASIS FINANCIAL STATEMENTS**



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 (the “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, 2019 and 2018, 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 of the various funds for the year ended December 31, 2019 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 (the “Division”) as described in Note 2. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express 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 were based 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 2, 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 described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2019 and 2018 or the results of its operations and changes in fund balances for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, 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, 2019 and 2018, 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, 2019 in accordance with the financial reporting provisions of the Division as described in Note 2.

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

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, 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 2019 regulatory basis financial statements of the Township. Schedules A-4 through E-3 and the comments section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information referred to above is fairly stated, in all material respects, in relation to the regulatory basis 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 July 12, 2021, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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

Florham Park, New Jersey
July 12, 2021



**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 (the "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 (the "Township"), County of Middlesex, State of New Jersey as of and for the year ended December 31, 2019 and the related notes to the regulatory basis financial statements, and have issued our report thereon dated July 12, 2021, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

Internal Control Over Financial Reporting

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

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a material weakness.

WISS & COMPANY, LLP

Compliance and Other Matters

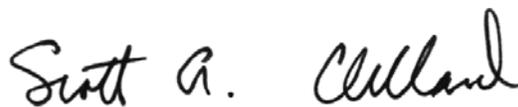
As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Township's Response to Finding

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Florham Park, New Jersey
July 12, 2021

FINANCIAL STATEMENTS

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT AND GRANT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

ASSETS		REF	BALANCE DEC. 31, 2019	BALANCE DEC. 31, 2018	LIABILITIES, RESERVES AND FUND BALANCE	REF	BALANCE DEC. 31, 2019	BALANCE DEC. 31, 2018
Current Fund:								
Cash and Cash Equivalents - Treasurer Investments	A-4 A-5		\$ 10,758,927.55 1,286,753.00	\$ 5,960,696.91 2,688,384.60	Liabilities:	A-3, A-12 A-21 A-16 A-24 A-14 A-8 A-17 A-13 A-6 A-28	\$ 680,017.91 324,308.05 227,577.10 875,000.00 2,735,536.30 81,506.27 206,788.15 29,234.35 2,800,000.00 1,603,483.61	\$ 1,092,348.18 373,822.43 41,871.85 980,000.00 2,690,146.43 80,036.27 215,952.89 172,308.35
Receivables and Other Assets With Offsetting Reserves:	A-7 A-9				Due to State of N.J. per Ch. 20.P.L. 1976	A-8		
Taxes Receivable				1,476,483.67	Tax Overpayments	A-17		
Tax Title Liens				844,490.54	Due to State of New Jersey	A-13		
Property Acquired for Taxes (At Assessed Valuation)	A-10			771,640.00	Interfund Payable - Water Utility Capital Fund	A-6		
Revenue Accounts Receivable	A-11			59,842.93	Interfund Payable - Grant Fund	A-28		
Interfund Receivable - Grant Fund	A-28			125,052.57	Special District Taxes Payable	A-18	270.00	270.00
Interfund Receivable - General Capital Fund	A-6			4,478.93	Reserve for Various Deposits	A-15	33,013.69	33,013.69
Interfund Receivable - Other Trust Fund	A-6			130,309.80				
Interfund Receivable - Animal Control Trust Fund	A-6			16,390.99				
Interfund Receivable - Payroll Fund	A-6			5.10				
	A		3,196,747.74	3,448,674.53			9,598,535.41	5,803,314.21
Deferred Charges:								
Overexpenditure of an Appropriation Reserve	A-12, A-23			3,359.42				
Overexpenditure of Current Appropriations	A-23			28,597.68	Reserve for Receivables	Reserve	3,196,747.74	3,448,674.53
Special Emergency Authorizations	A-22			980,000.00	Fund Balance	A-1	3,328,894.78	3,857,924.40
			16,124,177.93	13,109,913.14	Total Current Fund Liabilities, Reserves and Fund Balance		16,124,177.93	13,109,913.14
Federal and State Grant Fund:								
Grants Receivable	A-25			5,516,395.65	Federal and State Grant Fund:			
Interfund Receivable - Current Fund	A-28			123,524.12	Reserve for State and Federal Grants:			
			5,632,826.65	5,632,826.65	Appropriated	A-27	5,501,674.71	5,439,692.40
Deferred Charges:					Unappropriated	A-26	2,585.00	19,560.00
Overexpenditure of Grants	A-23			8,625.00	Interfund Payable - Current Fund	A-28	92,450.59	125,032.57
					Reserve for Encumbrances	A-21	36,116.35	64,259.80
			5,632,826.65	5,648,544.77	Total Federal and State Grant Fund Liabilities and Reserves		5,632,826.65	5,648,544.77
Total Federal and State Grant Fund Assets					Total liabilities, reserves and fund balance		\$ 21,757,004.58	\$ 18,758,457.91
Total Assets			\$ 21,757,004.58	\$ 18,758,457.91				

CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>REF.</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
<u>REVENUES AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 3,000,000.00	\$ 4,150,000.00
Miscellaneous Revenues Anticipated	A-2	16,114,697.21	21,551,162.14
Receipts from Delinquent Taxes	A-2	1,453,469.90	880,830.16
Receipts from Current Taxes	A-2	198,805,261.64	189,662,277.40
Non-Budget Revenue	A-2	528,535.91	168,085.24
Other Credits to Income:			
Unexpended Balance of Approp. Reserves	A-12	286,444.99	275,746.02
Cancellation of Local District School Tax			1.50
Cancellation of Various Reserves			14,141.36
Cancellation of Appropriated Grant Reserves			399,027.75
Interfund Loans Returned	A	296,217.39	203,112.79
		<u>220,484,627.04</u>	<u>217,304,384.36</u>
Total Revenues and Other Income			
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	24,689,634.00	23,509,614.82
Other Expenses	A-3	19,776,773.66	23,762,768.14
Capital Improvements	A-3	85,000.00	100,000.00
Municipal Debt Service	A-3	6,230,123.98	6,620,201.06
Def. Charges and Statutory Expend.	A-3	6,452,908.10	6,103,804.26
County Tax	A-7 , A-19	36,471,639.26	32,292,393.00
County Open Space Taxes	A-7 , A-19	3,062,315.16	2,639,238.23
Cty. Share of Added and Omitted Taxes	A-7 , A-19	535,766.82	670,747.55
Local District School Tax	A-7 , A-20	116,595,040.00	113,829,247.00
Special District Taxes	A-7 , A-18	2,419,055.00	2,323,890.00
Municipal Open Space Taxes	A-4 , A-7	1,534,000.00	1,505,455.00
Refund of Prior Year Revenue and Tax Appeals			150,726.84
Cancellation of Grants Receivable			524,041.59
Refund of Prior Year Revenue	A-4	84,537.60	
Prior Year Overexpenditure	A-12	6,749.64	
Interfunds Established	A	320,113.44	296,217.39
		<u>218,263,656.66</u>	<u>214,328,344.88</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, 2019 AND 2018

	<u>REF.</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
Excess in Revenues		<u>\$ 2,220,970.38</u>	<u>\$ 2,976,039.48</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		28,597.68
Special Emergency Authorization	A-22	<u>250,000.00</u>	<u>475,000.00</u>
		250,000.00	503,597.68
Statutory Excess to Fund Balance		2,470,970.38	3,479,637.16
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>3,857,924.40</u>	<u>4,528,287.24</u>
		6,328,894.78	8,007,924.40
Decreased by:			
Utilization as Anticipated Revenue	A-1, A-2	<u>3,000,000.00</u>	<u>4,150,000.00</u>
Balance - December 31	A	<u>\$ 3,328,894.78</u>	<u>\$ 3,857,924.40</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, 2019

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		2019 BUDGET	N.J.S.A. 40A:4-87		
Surplus Anticipated	A-1	\$ 3,000,000.00		\$ 3,000,000.00	
Total Surplus Anticipated		3,000,000.00		3,000,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-11	58,000.00		58,847.00	\$ 847.00
Other	A-11	55,000.00		48,233.00	(6,767.00)
Fees and Permits:					
Other	A-11	679,000.00		669,359.94	(9,640.06)
Fines and Costs:					
Municipal Court	A-11	700,000.00		787,730.82	87,730.82
Interest and Costs on Taxes	A-11	272,000.00		188,687.02	(83,312.98)
Interest on Investments and Deposits	A-2	195,000.00		79,781.52	(115,218.48)
Cable TV Franchise Fee	A-11	491,000.00		491,140.76	140.76
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	2,610,000.00		1,491,373.30	(1,118,626.70)
Fire District #1 contract	A-11	144,000.00		143,596.00	(404.00)
Fire District #2 contract	A-11	208,000.00		230,420.05	22,420.05
Fire District #3 contract	A-11	114,000.00		110,553.51	(3,446.49)
Spotswood Contract - Data Processing	A-11	26,175.00		32,735.00	6,560.00
Milltown Contract - Data Processing	A-11	13,100.00		13,100.00	
Cranbury Contract - Data Processing	A-11	24,000.00		27,532.32	3,532.32
Monroe Contract - Data Processing	A-11	60,000.00		63,203.52	3,203.52
Middlesex County College:					
Contract - Data Processing	A-11	16,100.00		12,075.00	(4,025.00)
Interlocal Cranbury Dispatch	A-11	130,000.00		130,050.00	50.00
Public and Private Revenues Offset with Approp:					
Distracted Driver	A-25	5,500.00		5,500.00	
Body Armor Replacement Grant	A-25	7,961.89		7,961.89	
Clean Communities	A-25		\$ 89,247.67	89,247.67	
Recycling Tonnage Grant	A-25	190,633.10		190,633.10	
Middlesex County Recycling Grant	A-25	16,205.00		16,205.00	
Drive Sober or Get Pulled Over	A-25	3,630.00		3,630.00	
NJ DOT Major Road	A-25	276,000.00		276,000.00	
National Crime Statistic	A-25	72,656.00		72,656.00	
Clek it or Ticket	A-25		5,500.00	5,500.00	
NJ Department of Justice - Vest Replacement	A-25		417.45	417.45	
Recreational Opportunities for Individuals with Disabilities (ROIL)	A-25	10,000.00	4,022.00	14,022.00	
Pedestrian Safety	A-25		14,465.00	14,465.00	
Drunk Driving Enforcement	A-25		9,836.55	9,836.55	
NJ Division of Highway Safety - Safe Corridor	A-25	5,600.00		5,600.00	
Cops in Shops	A-25	3,960.00		3,960.00	
Other Special Items:					
Uniform Fire Safety Act - Life Hazard					
Use Fees	A-11	355,000.00		389,127.68	34,127.68
Site Leasing - Antennae	A-11	269,000.00		254,846.21	(14,153.79)
PILOT - South Brunswick Community					
Development Corp.	A-11	37,000.00		35,883.44	(1,116.56)
Contribution from Library Board of Trustees					
PILOT - CIL Woods	A-11	15,800.00		15,202.23	(597.77)
PILOT- Oakwoods	A-11	42,000.00		42,091.80	91.80
Utility Payments for SW Chargebacks	A-11	1,400,000.00		1,400,000.00	
Hotel/Motel Tax	A-11	840,000.00		754,073.36	(85,926.64)
Reserve for Debt Service	A-11	41,533.53		41,533.53	
Reserve for Quasi Duty - Other Trust Fund	A-11	130,000.00		200,000.00	70,000.00
Planning - Land Use Charges	A-11	50,000.00		16,661.54	(33,338.46)
Prior Year Utility Surplus	A-2	2,105,000.00		2,105,000.00	
School Resource Officer	A-11	300,000.00		374,545.00	74,545.00
Total Miscellaneous Revenues	A-1, A-2	17,164,533.52	123,488.67	16,114,697.21	(1,173,324.98)

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, 2019

REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	2019 BUDGET	N.J.S.A. 40A:4-87		
Receipts from Delinquent Taxes	A-1, A-2	\$ 1,250,000.00	\$ 1,453,469.90	\$ 203,469.90
Subtotal General Revenues		21,414,533.52	20,568,167.11	(969,855.08)
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Mun. Purposes	A-7	34,018,610.09	36,546,751.92	2,528,141.83
Minimum Library Tax Levy	A-7	3,327,500.00	3,327,500.00	
	A-2	37,346,110.09	39,874,251.92	2,528,141.83
Total Budget Revenues		58,760,643.61	60,442,419.03	1,558,286.75
Non-Budget Revenues	A-1, A-4, Below		528,535.91	528,535.91
GRAND TOTALS		\$ 58,760,643.61	\$ 60,970,954.94	\$ 2,086,822.66
	REF.	A-3	A-3	

ANALYSIS OF REALIZED REVENUES

Receipts from Delinquent Taxes:

Cash Receipts - Taxes	A-7	\$ 1,443,775.02
Cash Receipts - Tax Title Liens	A-9	9,694.88
Delinquent Tax Collections	A-1, A-2	\$ 1,453,469.90

Allocation of Current Tax Collections:

2019 Cash Collections	A-7	\$ 195,993,251.50
Prepaid Taxes Applied	A-7, A-14	2,690,146.43
State Share for Senior Citizen and Veteran Deductions	A-7, A-8	121,863.71
	A-1	198,805,261.64

Allocated to:

School, County, Open Space and Special District Taxes	A-7	160,617,816.24
		38,187,445.40

Add: Reserve For Uncollected Taxes

	A-3	1,686,806.52
	A-2	\$ 39,874,251.92

Analysis of Miscellaneous Revenue Anticipated

Revenue Accounts Receivable	A-11	\$ 13,255,078.13
Federal and State Grants Receivable	A-25	715,634.66
Due from General Capital	A-6	\$ 38,974.38
Due from Animal Control Fund	A-6	10.04
Due from Utility Capital Fund	A-6	2,105,000.00
		2,143,984.42
	A-2	\$ 16,114,697.21

Analysis of Interest Earned on Investments

Due from General Capital Fund	A-6	\$ 38,974.38
Due from Animal Control Fund	A-6	10.04

Cash Receipts	A-11	\$ 40,797.10
	A-2	\$ 79,781.52

Analysis of Non-Budget Revenues

Various Departments		113,250.90
Miscellaneous		361,893.98
Sr. Citizen and Veteran Administration Fee		2,622.27
PILOT		1,000.00
Wellness Rent		27,962.00
Cash Receipts	A-4	506,729.15
Animal Control Fund Statutory Excess	A-6	21,806.76
	Above	\$ 528,535.91

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
Township Council						
Salaries and Wages	\$ 52,000.00	\$ 52,000.00	\$ 51,487.57	\$	\$ 512.45	
Other Expenses	61,215.00	52,090.00	22,686.90	29,322.03	81.07	
Township Manager						
Salaries and Wages	407,974.00	405,974.00	403,896.41		2,077.59	
Other Expenses	90,600.00	71,200.00	71,144.60		55.40	
Township Clerk						
Salaries and Wages	302,000.00	318,300.00	318,259.70		40.30	
Other Expenses	40,975.00	37,075.00	37,053.85		21.15	
Elections						
Salaries and Wages	4,400.00	3,400.00	3,178.36		221.64	
Other Expenses	17,250.00	22,250.00	22,819.86		430.14	
CATV Advisory Commission (N.J.S.A. 48A:56A-26)						
Salaries and Wages	5,500.00	2,600.00	2,321.99		278.01	
Other Expenses	500.00	2,400.00	2,391.00		9.00	
Financial Administration						
Salaries and Wages	451,250.00	419,250.00	418,449.10		800.90	
Other Expenses	27,950.00	29,700.00	28,647.99		1,052.01	
Purchasing						
Salaries and Wages	128,900.00	135,050.00	134,201.81		828.19	
Other Expenses	78,000.00	49,500.00	46,398.97	2,997.60	103.43	
Computerized Data Processing Center						
Salaries and Wages	324,925.00	311,025.00	310,967.70		57.30	
Other Expenses	180,790.00	165,700.00	151,436.86	12,874.19	1,388.95	
Collection of Taxes						
Salaries and Wages	267,950.00	280,350.00	280,286.56		63.44	
Other Expenses	6,700.00	8,450.00	8,391.57	50.00	8.43	
Annual Audit						
Other Expenses	19,100.00	19,100.00		18,333.32	766.68	
Assessment of Taxes						
Salaries and Wages	279,000.00	277,500.00	276,928.00		572.00	
Other Expenses	99,365.00	165,365.00	115,314.26	16,166.61	33,884.13	
Legal Service and Costs						
Salaries and Wages	65,250.00	65,250.00	64,614.79		635.21	
Other Expenses	43,500.00	66,500.00	32,726.09	26,220.50	7,553.41	

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
Affordable Housing Agency	\$ 275,000.00	\$ 165,500.00	\$ 138,312.04	\$ 1,030.92	\$ 26,157.04	
Other Expenses						
Planning Board	441,672.00	432,672.00	452,337.77		134.23	
Salaries and Wages						
Other Expenses	22,950.00	13,950.00	12,682.04	361.99	905.97	
Zoning Board						
Salaries and Wages	13,500.00	13,000.00	12,807.96		192.04	
Other Expenses	7,100.00	1,600.00	1,569.90		30.10	
Industrial Commission (N.J.S.A. 40A:55-56A-5)						
Salaries and Wages	2,000.00	1,500.00	1,233.96		266.04	
Other Expenses	2,500.00	500.00			500.00	
Environmental Commission (N.J.S.A. 40:56A-10)						
Salaries and Wages	1,000.00	1,000.00	959.20		40.80	
Other Expenses	500.00	500.00	350.00		150.00	
Transportation Advisory Committee						
Salaries and Wages	300.00	300.00			300.00	
Other Expenses	500.00	500.00			500.00	
Public Building and Grounds						
Salaries and Wages	294,300.00	300,600.00	300,491.80		108.20	
Other Expenses	208,500.00	205,060.00	195,311.52	9,741.17	7.31	
Maintenance of Parks						
Salaries and Wages	879,000.00	894,500.00	895,440.40		1,059.60	
Other Expenses	81,200.00	81,200.00	79,125.06	2,050.00	24.94	
Shade Tree						
Salaries and Wages	700.00	700.00	448.68		251.32	
Other Expenses	2,595.00	1,595.00	1,083.00		510.00	
Streets and Roads Maintenance						
Salaries and Wages	2,000,000.00	2,025,000.00	2,024,781.11		218.89	
Other Expenses	150,365.00	157,865.00	148,185.96	1,867.76	7,813.28	
Snow Removal						
Salaries and Wages	150,000.00	150,000.00	150,000.00			
Vehicle Maintenance						
Salaries and Wages	567,700.00	568,900.00	568,835.36		64.64	
Other Expenses	171,825.00	178,325.00	164,811.76	13,266.27	246.97	
Recycling						
Salaries and Wages	174,100.00	199,900.00	198,391.83		1,508.17	
Other Expenses	7,200.00	5,200.00	4,596.67		603.33	

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
Transit - Other Public Works Functions						
Salaries and Wages	\$ 384,150.00	\$ 379,650.00	\$ 379,593.02	\$	\$ 56.98	
Other Expenses	9,250.00	4,250.00	2,397.35	773.15	1,079.50	
Aid to Volunteer Ambulance Companies						
Contractual	105,000.00					
Other Expenses	30,000.00	135,000.00	101,250.00		33,750.00	
Public Safety						
Fire Prevention Service						
Salaries and Wages	229,890.00	266,140.00	266,016.57		123.43	
Other Expenses	7,850.00	8,000.00	7,957.74	25.00	17.26	
Other Fire District Payments	13,122.00	13,122.00	13,122.00			
Police						
Salaries and Wages	10,795,000.00	10,789,500.00	10,731,266.49		58,233.51	
Regular Police	150,000.00	172,200.00	172,123.98		76.02	
School Crossing Guards						
Other Expenses	351,777.00	301,777.00	243,648.58	49,578.84	8,549.58	
Regular Police	3,230.00	1,230.00	783.00	217.05	227.95	
School Crossing Guards						
Police Dispatch/911	881,900.00	1,005,900.00	1,005,854.64	3,222.68	45.36	
Salaries and Wages	18,093.00	13,093.00	7,692.14		2,178.18	
Other Expenses						
Emergency Management Services						
Salaries and Wages	13,000.00	13,000.00	12,604.02		395.98	
Other Expenses	2,500.00	2,000.00	1,596.77		403.23	
Municipal Prosecutor						
Salaries and Wages	45,000.00	43,000.00	38,958.26	3,541.74	500.00	
Health and Welfare						
Contribution to Social Service Agreement						
Other Expenses	50,000.00	50,000.00			50,000.00	
Board of Health						
Salaries and Wages	298,500.00	304,150.00	304,101.17		48.83	
Other Expenses	73,300.00	74,400.00	72,360.19	1,955.88	83.93	
Animal Control Regulation						
Salaries and Wages	77,600.00	76,600.00	75,630.80		969.20	
Other Expenses	22,675.00	15,675.00	15,229.87		445.13	
Recreation Services and Programs						
Salaries and Wages	532,660.00	517,660.00	509,943.51		7,716.49	
Other Expenses	122,450.00	112,450.00	106,373.36	4,201.07	1,875.57	

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
Social Services						
Salaries and Wages	\$ 80,560.00	\$ 80,060.00	\$ 79,786.25		\$ 273.75	
Other Expenses	1,500.00	1,700.00	1,690.27		9.73	
Senior Services						
Salaries and Wages	476,160.00	431,160.00	429,082.30		2,077.70	
Other Expenses	63,970.00	55,970.00	53,741.03	\$ 172.82	2,056.15	
Celebration of Public events						
Other Expenses	15,000.00	15,000.00	15,000.00			
Salary Adjustments						
Salaries and Wages						
Solid Waste Collection						
Other Expenses	2,486,700.00	2,566,700.00	2,566,527.46		172.54	
Landfill/Solid Waste Disposal Costs						
Other Expenses	995,000.00	995,000.00	923,435.84		71,564.16	
Condominium Services Act						
Other Expenses	168,000.00	184,000.00	179,372.81	4,237.64	389.55	
Municipal Court						
Salaries and Wages	519,320.00	519,320.00	498,129.56		21,190.44	
Other Expenses	24,280.00	24,280.00	22,635.76	1,385.15	259.09	
Public Defender						
Other Expenses	35,000.00	35,400.00	29,166.57	5,225.06	1,008.37	
Insurance						
Group Insurance	8,855,000.00	8,916,000.00	8,787,797.43	225.00	127,977.57	
General Liability	478,100.00	478,100.00	473,105.79		4,994.21	
Unemployment Insurance						
Workers Compensation	124,000.00	124,000.00	124,000.00		44.98	
Waiver of Health Benefits	125,000.00	127,800.00	127,755.02			
Construction Official						
Salaries and Wages	932,500.00	939,900.00	939,840.03		59.97	
Other Expenses	13,600.00	10,600.00	10,181.15		418.85	
Rent Leveling Board						
Salaries and Wages						
Accumulated Leave Expenses						
Salaries and Wages		250,000.00	250,000.00			

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	2019 BUDGET	RUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED			
OPERATIONS WITHIN "CAPS"							
Utilities	\$ 475,000.00	\$ 455,000.00	\$ 453,274.64		\$	1,725.36	
Electricity	495,000.00	445,000.00	418,859.19			26,140.81	
Street Lighting	140,000.00	135,000.00	130,572.19	\$	756.53	3,691.28	
Telephone	29,000.00	29,000.00	28,373.93			626.07	
Water	14,000.00	14,000.00	10,464.86			3,535.14	
Sewerage Disposal	90,000.00	80,000.00	76,352.37			3,647.63	
Fuel Oil	183,500.00	173,905.00	152,063.58			21,841.42	
Gasoline	31,000.00	31,330.00	31,325.31			4.69	
Fire Hydrant							
Total Operations Within "CAPS"	39,477,448.00	39,777,898.00	39,014,598.76		209,779.97	553,519.27	
DETAIL:							
Salaries and Wages	22,229,661.00	22,121,259.00	22,016,318.68		3,541.74	101,398.58	
Other Expenses	17,247,787.00	17,656,639.00	16,998,280.08		206,238.23	452,120.69	
STATUTORY EXPENDITURES							
MUNICIPAL WITHIN "CAPS"							
Statutory Expenditures:							
Contribution to:							
Public Employee's Retirement System	1,562,695.00	1,623,945.00	1,623,903.04			41.96	
Social Security System (O.A.S.L)	1,850,000.00	1,864,800.00	1,861,085.47			3,714.53	
Police and Firemen's Retirement System of NJ	2,545,081.00	2,545,081.00	2,545,081.00				
Defined Contribution Retirement Program	20,000.00	23,500.00	23,134.40			365.60	
Total Statutory Expenditures	5,977,776.00	6,057,326.00	6,055,203.91			4,122.09	
Municipal Within "CAPS"							
Total General Appropriations for Municipal Purposes Within "CAPS"	45,455,224.00	45,835,224.00	45,067,802.67		209,779.97	557,641.36	

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
	\$ 1,825,000.00	\$ 1,963,000.00	\$ 1,956,742.63	\$ 102,977.15	\$ 6,257.37	
	1,502,500.00	1,364,500.00	1,173,450.11		88,072.74	
	40,000.00	40,000.00	13,351.44		26,648.56	
	466,000.00	466,000.00	464,602.12		1,397.88	
	139,375.00	139,375.00	139,375.00			
	4,102,875.00	3,972,875.00	3,747,521.30	102,977.15	122,376.55	

OTHER OPERATIONS EXCLUDED FROM "CAPS"

Maintenance of Free Public Library	
Salaries and Wages	
Other Expenses	
Length of Service Award Program (LOSAP)	
Other Expenses	
Interlocal Municipal Services Agreement	
Fire Services	
Salaries and Wages	
Data Processing	
Salaries and Wages	

Total Other Operations Excluded from "CAPS"

OTHER OPERATIONS EXCLUDED FROM "CAPS"
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES

Distracted Driver	
Other Expenses	5,500.00
Drive Sober or Get Pulled Over	
Other Expenses	3,630.00
Drunk Driving Enforcement Fund	
Other Expenses	9,836.55
Recycling Tommage Grant	
Other Expenses	190,633.10
Middlesex County Recycling Grant	
Other Expenses	16,205.00
NI Department of Justice - Vest Replacement	
Other Expenses	417.45
Clean Communities	
Other Expenses	89,247.67
Pedestrian Safety	
Other Expenses	14,465.00
Safe Corridors	
Other Expenses	5,600.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	2019 BUDGET	RUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
OTHER OPERATIONS EXCLUDED FROM "CAPS"						
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES						
Body Armor Replacement Grant	\$ 7,961.89	\$ 7,961.89	\$ 7,961.89			
Other Expenses						
National Crime Statistic Exchange	72,656.00	72,656.00	72,656.00			
Other Expenses						
Recreational Opportunities for Individuals with Disabilities (ROID)	10,000.00	14,022.00	14,022.00			
Other Expenses						
Cops in Shops	3,960.00	3,960.00	3,960.00			
Other Expenses						
New Jersey DOT Trust Fund Authority Act	276,000.00	276,000.00	276,000.00			
Other Expenses						
Click it or Tuck it Grant		5,500.00	5,500.00			
Other Expenses						
Total Public and Private Revenues Offset by Revenues	592,145.99	715,634.66	715,634.66			
Total Operations Excluded from "CAPS"	4,695,020.99	4,688,509.66	4,463,155.96	\$ 102,977.15	\$ 122,376.55	
DETAIL:						
Salaries and Wages	2,430,375.00	2,568,375.00	2,560,719.75		7,655.25	
Other Expenses	2,264,645.99	2,120,134.66	1,902,436.21	102,977.15	114,721.30	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	85,000.00	85,000.00	85,000.00			
Total Capital Improv. - Excl. from "CAPS"	85,000.00	85,000.00	85,000.00			
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	4,947,508.00	4,877,604.54	4,877,508.50			\$ 96.04
Interest on Bonds	917,900.00	987,803.46	987,803.46			298.97
Interest on Notes	160,400.00	160,400.00	160,101.03			120,796.01
Capital Lease Obligation - Principal and Interest	325,507.00	325,507.00	204,710.99			
Total Mun. Debt Service - Excl. from "CAPS"	6,351,315.00	6,351,315.00	6,230,123.98			121,191.02

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"						
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-53)	\$ 355,000.00	\$ 355,000.00	\$ 355,000.00			\$ 91,695.00
Overexpenditure of Grants	100,320.00	100,320.00	8,625.00			
Overexpenditure of Appropriation Reserves	31,957.10	31,957.10	31,957.10			
Total Deferred Charges - Municipal Excluded from "CAPS"	487,277.10	487,277.10	395,582.10			91,695.00
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	11,618,613.09	11,612,101.76	11,173,862.04	\$ 102,977.15	\$ 122,376.55	212,886.02
Subtotal General Appropriations	57,073,837.09	57,447,325.76	56,241,664.71	312,757.12	680,017.91	212,886.02
Reserve for Uncollected Taxes	1,686,806.52	1,686,806.52	1,686,806.52			
Total General Appropriations	\$ 58,760,643.61	\$ 59,134,132.28	\$ 57,928,471.23	\$ 312,757.12	\$ 680,017.91	\$ 212,886.02
REF.	A-2	Below	Below	A-21	A	A-1
A-2	\$ 58,760,643.61	\$ 58,760,643.61	\$ 55,130,447.95			
A-22	250,000.00	250,000.00	355,000.00			
A-2	123,488.67	123,488.67	40,582.10			
Above	\$ 59,134,132.28	\$ 59,134,132.28	1,686,806.52			
A-4						
A-22						
A-23						
A-2						
A-27						
Above						

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

ASSETS	REF.	BALANCE DEC. 31, 2019	BALANCE DEC. 31, 2018	LIABILITIES AND RESERVES	REF.	BALANCE DEC. 31, 2019	BALANCE DEC. 31, 2018
Animal Control Fund:				Animal Control Fund:			
Cash and Cash Equivalents - Treasurer	B-1	\$ 78,318.26	\$ 60,317.39	Due to State of New Jersey	B-6	\$ 37.80	\$ 44.40
Due from State of New Jersey				Reserve for Encumbrances	B-1		286.00
				Reserve for Animal Control Expenditures	B-9	40,082.00	43,596.00
				Interfund Payable - Current	B-2	38,198.46	16,390.99
Total Animal Control Fund		<u>78,318.26</u>	<u>60,317.39</u>	Total Animal Control Fund		<u>78,318.26</u>	<u>60,317.39</u>
Other Trust Fund				Other Trust Fund			
Cash and Cash Equivalents - Treasurer	B-1	19,722,249.54	17,538,341.54	Interfund Payable - General Capital	B-3	100,000.00	100,000.00
Interfund Receivable - Payroll Trust	B-3	74,714.59	74,714.59	Interfund Payable - CDBG	B-5	63,821.95	75,400.29
Due from County of Middlesex	B-4	38,564.17	29,744.16	Interfund Payable - Current	B-3	199,986.78	150,309.80
				Reserve for:			
				Open Space	B-11	342,536.82	35,820.70
				Other Reserves	B-10	18,818,467.86	16,841,523.10
				Encumbrances	B-10	310,714.89	439,744.40
Total Other Trust Fund		<u>19,835,528.30</u>	<u>17,642,800.29</u>	Total Other Trust Fund		<u>19,835,528.30</u>	<u>17,642,800.29</u>
Community Development Block Grant Fund:				Community Development Block Grant Fund:			
Interfund Receivable - Other Trust Fund	B-5	65,821.95	75,400.29	Reserve for Program Expenditures	B-8	80,621.18	146,348.11
Accounts Receivable - Community Development Block Grant	B-7	16,799.23	70,947.82	Total Community Development Block Grant Fund		<u>80,621.18</u>	<u>146,348.11</u>
Total Community Development Block Grant Fund		<u>82,621.18</u>	<u>146,348.11</u>	Total Liabilities and Reserves		<u>\$ 19,994,467.74</u>	<u>\$ 17,849,465.79</u>
Total Assets		<u>\$ 19,994,467.74</u>	<u>\$ 17,849,465.79</u>				

TOWNSHIP OF SOUTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

	<u>REF.</u>	<u>BALANCE DEC. 31, 2019</u>	<u>BALANCE DEC. 31, 2018</u>
<u>ASSETS</u>			
Cash and Cash Equivalents - Treasurer	C-2, C-3	\$ 5,355,502.48	\$ 11,849,714.64
Grants Receivable - State of New Jersey	C-10	133,572.50	207,322.41
Investment in Bond Anticipation Notes	C-12	136,500.00	552,375.00
Interfund Receivable - Other Trust Fund	C-13	100,000.00	100,000.00
Interfund Receivable - Current Fund	C-11	1,605,483.61	
Deferred Charges to Future Taxation:			
Funded	C-4	30,711,000.00	37,221,000.00
Unfunded	C-5	8,873,134.70	6,711,884.70
Total Assets		<u>\$ 46,915,193.29</u>	<u>\$ 56,642,296.75</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-14	\$ 30,711,000.00	\$ 37,221,000.00
Bond Anticipation Notes	C-16	4,530,000.00	4,530,000.00
Reserve for Encumbrances	C-15	3,614,888.60	3,302,271.80
Improvement Authorizations:			
Funded	C-6	5,552,609.60	8,748,983.48
Unfunded	C-6	1,686,986.24	2,022,573.08
Interfund Payable - Current Fund	C-11		4,478.93
Capital Improvement Fund	C-8	723.58	14,473.58
Reserve for Debt Service	C-7	12,955.80	41,533.53
Reserve for Contributions	C-9	795,215.07	746,167.95
Reserve for Preliminary Costs	C	10,000.00	10,000.00
Fund Balance	C-1	814.40	814.40
Total Liabilities, Reserves and Fund Balance		<u>\$ 46,915,193.29</u>	<u>\$ 56,642,296.75</u>

There were Bonds and Notes Authorized but Not Issued at December 31, 2019 and 2018 in the amounts of \$4,343,134.70 and \$2,181,884.70, respectively. See Exhibit C-17.

TOWNSHIP OF SOUTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019 AND 2018

	<u>REF.</u>	
Balance, December 31, 2019 and 2018	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, 2019 AND 2018

		BALANCE DEC. 31, 2019	BALANCE DEC. 31, 2018		
Assets					
Operating Fund:					
Cash and Cash Equivalents	D-6	\$ 3,047,766.67	\$ 4,274,679.90		
Cash - Contingency Fund	D	200.00	194.25		
		<u>3,047,966.67</u>	<u>4,274,874.15</u>		
Receivables With Offsetting Reserves:					
Consumer Accounts Receivable with Offsetting Reserve	D-10	1,198,260.98	1,404,473.79		
Deferred Charges	D	33,481.25	146,423.37		
Interfund Receivable - Utility Capital Fund	D-8	<u>4,279,708.90</u>	<u>5,830,133.74</u>		
Total Operating Fund		<u>8,525,956.55</u>	<u>11,615,981.96</u>		
Assessment Trust Fund:					
Cash and Cash Equivalents	D-6	124,606.54	124,606.54		
Total Assessment Trust Fund		<u>124,606.54</u>	<u>124,606.54</u>		
Capital Fund:					
Cash and Cash Equivalents	D-6, D-7	3,633,397.06	8,478,579.64		
Interfund Receivable - Current Fund	D-9	2,800,000.00	2,800,000.00		
Interfund Receivable - Utility Operating Fund	D-8	437,641.76	437,641.76		
Fixed Capital	D-18	101,752,267.57	100,812,267.57		
Fixed Capital - Authorized and Uncompleted	D-19	46,560,337.10	44,466,537.10		
Total Capital Fund		<u>4,972,698.49</u>	<u>4,565,226.07</u>		
Total Assets		<u>\$ 159,588,158.93</u>	<u>\$ 159,712,124.59</u>		
Liabilities, Reserves and Fund Balance					
Operating Fund:					
Appropriation Reserves	D-5, D-13	\$ 680,790.56	\$ 1,473,339.06		
Reserve for Encumbrances	D-5, D-13	312,347.94	311,383.36		
Accounts Payable	D-25	30,537.67	6,812.15		
Interfund Payable - Utility Capital Fund	D-8	437,641.76	437,641.76		
Prepaid Rents	D-17	76,592.41	96,165.07		
Accrued Interest on Bonds and Notes	D-12	1,857,279.01	2,286,329.31		
Reserve for Receivables	Reserve	1,198,260.98	1,404,473.79		
Fund Balance	D-1	<u>1,224,168.91</u>	<u>2,139,330.64</u>		
Total Operating Fund		<u>4,279,708.90</u>	<u>5,830,133.74</u>		
Assessment Trust Fund:					
Fund Balance	D-2	124,606.54	124,606.54		
Total Assessment Trust Fund		<u>124,606.54</u>	<u>124,606.54</u>		
Capital Fund:					
Serial Bonds Payable	D-20	30,047,000.00	33,942,000.00		
Bond Anticipation Notes Payable	D-24	10,456,000.00	10,783,000.00		
Improvement Authorizations:					
Funded	D-21	582,610.42	648,615.04		
Unfunded	D-21	17,982,835.88	16,643,697.69		
Capital Improvement Fund	D-16	81,109.68	81,109.68		
Interfund Payable - Utility Operating Fund	D-8	<u>4,360.43</u>	<u>4,360.43</u>		
Reserves for:					
Encumbrances	D-14	1,987,933.26	1,674,151.38		
Preliminary Engineering Costs	D-15	3,450.00	3,450.00		
Debt Service	D-11	30,880.26	186,976.10		
Amortization	D-22	93,942,333.67	89,674,833.67		
Deferred Amortization	D-23	69,000.00	114,500.00		
Fund Balance	D-3	<u>690.32</u>	<u>690.32</u>		
Total Capital Fund		<u>155,183,843.49</u>	<u>153,757,384.31</u>		
Total Liabilities, Reserves and Fund Balance		<u>\$ 159,588,158.93</u>	<u>\$ 159,712,124.59</u>		

There were Water and Sewer Utility Bonds and Notes Authorized but not issued at December 31, 2019 and 2018 in the amounts of \$13,798,471.80 and \$10,764,471.80, respectively. See Exhibit D-26.

**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
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

		<u>Year 2019</u>	<u>Year 2018</u>
<u>REVENUES AND OTHER INCOME</u>			
Fund Balance Utilized	D-4	\$ 2,135,000.00	\$ 3,165,000.00
Rents	D-4, D-10	25,887,362.45	25,442,540.64
Water and Sewer Connection Fees and Charges	D-4	2,218,036.00	2,282,835.00
Miscellaneous	D-4	604,575.36	218,322.77
Reserve for Debt Service	D-4, D-6	186,000.00	408,100.00
Other Credits to Income:			
Refunds			4,959.00
Appropriation Reserves Lapsed	D-13	<u>576,285.07</u>	<u>282,465.41</u>
Total Revenues and Other Income		<u>31,607,258.88</u>	<u>31,804,222.82</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations	D-5	21,719,650.00	22,177,575.00
Debt Service	D-5	5,609,826.49	5,603,890.37
Deferred Charges and Statutory Expenditures	D-5	952,944.12	845,764.00
Surplus (General Budget)	D-5	<u>2,105,000.00</u>	<u>1,625,000.00</u>
Total Expenditures		<u>30,387,420.61</u>	<u>30,252,229.37</u>
Excess in Revenues		1,219,838.27	1,551,993.45
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Year-			
Overexpenditure of an appropriation		<u>-</u>	<u>146,425.37</u>
Statutory Excess to Fund Balance		1,219,838.27	1,698,418.82
<u>FUND BALANCE</u>			
Balance - January 1	D	<u>2,139,330.64</u>	<u>3,605,911.82</u>
		3,359,168.91	5,304,330.64
Decreased By:			
Utilization as Anticipated Revenue	D-4	<u>2,135,000.00</u>	<u>3,165,000.00</u>
Balance - December 31	D	<u>\$ 1,224,168.91</u>	<u>\$ 2,139,330.64</u>

See accompanying notes to the financial statements.

Exhibit D-2

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

**WATER AND SEWER UTILITY ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2019 and 2018	D	<u>\$ 124,606.54</u>

See accompanying notes to the financial statements.

Exhibit D-3

**WATER AND SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2019 and 2018	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
FOR THE YEAR ENDED DECEMBER 31, 2019**

	REF.	2019 BUDGET	REALIZED	EXCESS (DEFICIENCY)
Utility Operating Surplus	D-1	\$ 2,135,000.00	\$ 2,135,000.00	
Water / Sewer Rents	D-1, D-10	25,441,000.00	25,887,362.45	\$ 446,362.45
Water and Sewer Connection Fees	D-1, D-6	2,282,000.00	2,218,036.00	(63,964.00)
Miscellaneous	D-1, Below	450,594.12	604,575.36	153,981.24
Reserve for Debt Service	D-1, D-6, D-11	186,000.00	186,000.00	
TOTALS	D-5	<u>\$ 30,494,594.12</u>	<u>\$ 31,030,973.81</u>	<u>\$ 536,379.69</u>
 <u>Analysis of Miscellaneous:</u>				
Interest	D-6		\$ 74,660.84	
Other	D-6		529,914.52	
	Above		<u>\$ 604,575.36</u>	

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 Budget	Budget After Modification	Paid or Charged	Expended		Reserved	Cancelled
				Encumbered	Reserved		
Operating:							
Salaries and Wages	\$ 4,670,300.00	\$ 4,670,300.00	\$ 4,666,436.22	\$	\$ 3,863.78		
Other Expenses	17,049,350.00	17,049,350.00	16,073,371.69	\$ 312,347.94	663,630.37		
Total Operating	21,719,650.00	21,719,650.00	20,739,807.91	312,347.94	667,494.15		
Debt Service:							
Payment of Bond Principal	3,895,000.00	3,895,000.00	3,895,000.00				
Payment of Bond Anticipation Notes and Capital Notes	327,000.00	327,000.00	327,000.00				
Interest on Bonds	1,142,000.00	1,142,000.00	1,069,953.99				\$ 72,046.01
Interest on Notes	353,000.00	353,000.00	317,872.50				35,127.50
Total Debt Service	5,717,000.00	5,717,000.00	5,609,826.49				107,173.51
Deferred Charges and Statutory Expenditures:							
Deferred Charge- Prior Year Overexpenditure	112,944.12	112,944.12	112,944.12				
Contribution to:							
Public Employees Retirement System	600,000.00	600,000.00	600,000.00				
Social Security System	240,000.00	240,000.00	226,703.59		13,296.41		
Total Deferred Charges and Statutory Expenditures	952,944.12	952,944.12	939,647.71		13,296.41		
Surplus - General Budget	2,105,000.00	2,105,000.00	2,105,000.00				
Total Appropriations	\$ 30,494,594.12	\$ 30,494,594.12	\$ 29,394,282.11	\$ 312,347.94	\$ 680,790.56	\$ 107,173.51	
REF.	D-4	D-4	Below	D	D	D-1	
Cash Disbursed			\$ 25,788,511.50				
Utilized in Current Fund Budget			2,105,000.00				
Accrued Interest on Bonds and Notes			1,387,826.49				
Deferred Charge			112,944.12				
Above			\$ 29,394,282.11				

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

PAYROLL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DEC. 31, 2019</u>	<u>BALANCE DEC. 31, 2018</u>
Cash and Cash Equivalents	E-1	\$ 338,795.78	\$ 621,409.33
Total Assets		<u>\$ 338,795.78</u>	<u>\$ 621,409.33</u>
 <u>LIABILITIES</u>			
Payroll Deductions Payable	E-3	\$ 264,081.19	\$ 546,689.64
Interfund Payable - Unemployment Fund	E-2	74,714.59	74,714.59
Interfund Payable - Current Fund	E-1	<u>5.10</u>	<u>5.10</u>
Total Liabilities		<u>\$ 338,795.78</u>	<u>\$ 621,409.33</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, 2019 AND 2018

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2019</u>	<u>BALANCE DEC. 31, 2018</u>
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	3,872,930.00	3,872,930.00
Machinery, Equipment, Furniture and Fixtures and Vehicles	<u>28,786,142.00</u>	<u>28,607,620.00</u>
Total General Fixed Assets	<u>\$ 136,835,211.00</u>	<u>\$ 136,656,689.00</u>
 <u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 136,835,211.00</u>	<u>\$ 136,656,689.00</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, 2019 AND 2018

Note 1: FORM OF GOVERNMENT

The governing body of the Township of South Brunswick, in the County of Middlesex, New Jersey (the "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 (the "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 since their activities are administered by separate boards.

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 financial transactions and accounts of the Township are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operations of a specific government activity. As required by the Division, the Township accounts for its financial transactions through the following individual funds and account group:

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 and Measurement Focus

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-

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other more significant differences are as follows:

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 - 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.

Compensated Absences - 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.

Deferred Charges - 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.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Interfund Transfers - 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, 2019 AND 2018

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.

Length of Service Award Program (LOSAP) – the Division does not require the LOSAP to be included as part of the balance sheet of the Trust Fund in the regulatory basis financial statements of the Township. GAAP requires the inclusion of such information to be recorded 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.

Other Post Employment Benefits Other Than Pensions - The requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the Township does not follow generally accepted accounting principles, the GASB did not result in a change in the Township's assets, liabilities and contribution requirements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

However, it did result in additional note disclosures as required by the GASB. The audited financial information related to OPEBs is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. The latest available audited information reported under the regulatory basis of accounting which differs from GAAP is presented in Note 10.

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.

F. Recently Issued Accounting Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2019. Management has not determined the impact of the statement on the financial statements.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021. Management has not determined the impact of the statement on the financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after December 15, 2020. Management has not determined the impact of the statement on the financial statements.

Note 3: DEFERRED COMPENSATION PLAN

The Employee 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

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 3: DEFERRED COMPENSATION PLAN (Continued)

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, 2019 and 2018, the amounts held in trust amounted to \$23,060,111.81 and \$20,038,860.47, respectively.

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. All bonds issued by the Township are general obligations bonds backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds. The Township's municipal debt is summarized as follows:

A. Summary of Municipal Debt for Capital Projects

	<u>Year 2019</u>	<u>Year 2018</u>
General:		
Bond Anticipation Notes	\$ 4,530,000.00	\$ 4,530,000.00
Bonds	30,711,000.00	37,221,000.00
Water and Sewer Utility:		
Bond Anticipation Notes	10,456,000.00	10,783,000.00
Bonds	<u>30,047,000.00</u>	<u>33,942,000.00</u>
Total debt issued	75,744,000.00	86,476,000.00
Less:		
Funds temporarily held to pay		
Bonds and notes	<u>43,836.00</u>	<u>228,509.63</u>
	75,700,164.00	86,247,490.37
Authorized but not issued:		
General:		
Bonds and notes	4,343,134.70	2,181,884.70
Water and Sewer Utility:		
Bonds and notes	<u>13,798,471.80</u>	<u>10,764,471.80</u>
Total authorized but not issued	<u>18,141,606.50</u>	<u>12,946,356.50</u>
Net bonds and notes issued and authorized but not issued	<u>\$ 93,841,770.50</u>	<u>\$ 99,193,846.87</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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

B. Summary of Statutory Debt Condition - Annual Debt Statement – 2019

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 0.419%.

	Gross Debt	Deductions	Net Debt
Local school district debt	\$ 61,375,000.00	\$ 61,375,000.00	
Water and sewer utility debt	53,231,471.80	53,231,471.80	
General debt	<u>39,584,134.70</u>	<u>12,955.80</u>	<u>\$ 39,571,178.90</u>
	<u>\$ 154,190,606.50</u>	<u>\$ 114,619,427.60</u>	<u>\$ 39,571,178.90</u>

Net Debt \$39,571,178.90 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$9,436,976,008.00 equals 0.419%.

EQUALIZED VALUATION BASIS

2017 Equalized Valuation Basis of Real Property	\$ 8,630,785,045.00
2018 Equalized Valuation Basis of Real Property	9,975,717,738.00
2019 Equalized Valuation Basis of Real Property	<u>9,704,425,241.00</u>
Average Equalized Valuation	<u>\$ 9,436,976,008.00</u>

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

3 1/2% of Equalized Valuation Basis Municipal	\$ 330,294,160.28
Net Debt	<u>39,571,178.90</u>
Remaining Borrowing Power	<u>\$ 290,722,981.38</u>

The Township's water and sewer utility fund was self-liquidating as of December 31, 2019 and 2018.

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, 2019 AND 2018

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	
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	2,655,000.00	444,395.00	3,210,000.00	605,347.50	6,914,742.50
2024	2,320,000.00	365,257.50	2,775,000.00	494,035.00	5,954,292.50
2025-2029	7,111,000.00	963,952.50	7,192,000.00	1,396,360.00	16,663,312.50
2030-2034	2,405,000.00	139,300.00	3,440,000.00	627,450.00	6,611,750.00
2035-2037	-	-	2,100,000.00	126,000.00	2,226,000.00
Total	\$ 30,711,000.00	\$ 4,146,261.89	\$ 30,047,000.00	\$ 5,817,135.00	\$ 70,721,396.89

General Capital Fund

\$3,190,000.00 2009 Refunding Bonds due in annual installments of \$265,000.00 to \$270,000 through September 1, 2021 at an interest rate of 4.000%	\$ 535,000.00
\$3,168,000.00 2010 Open Space Obligation Bonds due in annual installments of \$155,000.00 to \$200,000.00 through October 1, 2030 at interest rates ranging from 3.000% to 3.500%.	2,053,000.00
\$6,650,000.00 2010 Refunding Bonds due in annual installments of \$605,000.00 to \$620,000.00 through January 15, 2021 at interest rates ranging from 2.500% to 2.625%.	1,225,000.00
\$9,987,000.00 2011 Refunding Bonds due in annual installments of \$1,440,000.00 to \$1,455,000.00 through July 1, 2021 at interest rates ranging from 3.600% to 4.630%.	2,895,000.00
\$5,101,000.00 2012 General Improvement Bonds due in annual installments of \$420,000.00 to \$510,000.00 through November 15, 2025 at interest rates ranging from 2.000% to 3.000%.	2,901,000.00
\$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 3.000%.	878,000.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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

General Capital Fund (continued)

\$4,638,000.00 2013 General Improvement Bonds due in annual installments of \$300,000.00 to \$400,000.00 through October 1, 2028 at interest rates ranging from 3.000% to 4.000%.	\$ 3,288,000.00
\$361,000.00 2013 Open Space 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%.	226,000.00
\$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%.	3,050,000.00
\$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%.	1,035,000.00
\$5,396,000.00 2015 General Improvement Refunding Bonds due in annual installments of \$650,000.00 to \$1,180,000.00 through March 1, 2022 at an interest rate of 4.000%.	3,005,000.00
\$363,000.00 2015 Open Space Refunding Bonds due in annual installments of \$65,000.00 to \$75,000.00 through March 1, 2022 at an interest rate of 4.000%.	215,000.00
\$9,837,000.00 2017 General Improvement Bonds due in annual installments of \$450,000.00 to \$750,000.00 through April 1, 2032 at interest rates ranging from 2.000% to 4.000%.	9,030,000.00
\$416,000.00 2017 Open Space Bonds due in annual installments of \$25,000.00 to \$35,000.00 through April 1, 2032 at interest rates ranging from 2.000% to 4.000%.	375,000.00
	\$ 30,711,000.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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

Water and Sewer Utility Capital Fund

\$1,370,000.00 2009 Refunding Bonds due in annual installments of \$115,000.00 through July 15, 2021 at an interest rate of 4.000%.	\$ 230,000.00
\$5,942,000.00 2010 Bonds due in annual installments of \$500,000.00 to \$617,000.00 through October 1, 2025 at an interest rate of 3.000%.	3,417,000.00
\$7,608,000.00 2011 Refunding Bonds due in annual installments of \$965,000.00 through July 1, 2021 at interest rates ranging from 3.600% to 4.630%.	1,930,000.00
\$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 3.000%.	1,500,000.00
\$7,760,000.00 2013 Bonds due in annual installments of \$550,000.00 to \$600,000.00 through October 1, 2028 at interest rates ranging from 3.000% to 4.000%.	5,350,000.00
\$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%.	4,135,000.00
\$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 3.480% to 5.000%.	2,090,000.00
\$12,147,000.00 2017 Bonds due in annual installments of \$425,000.00 to \$700,000.00 through October 1, 2037 at interest rates ranging from 2.000% to 4.000%.	11,395,000.00
	<u>\$ 30,047,000.00</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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

The following is a rollforward of debt liabilities and amount due within one year:

	Beginning Balance	Reductions	Ending Balance	Due within One Year
General	\$ 37,221,000.00	\$ 6,510,000.00	\$ 30,711,000.00	\$ 6,730,000.00
Water and Sewer Utility	33,942,000.00	3,895,000.00	30,047,000.00	4,025,000.00
Total Debt	\$ 71,163,000.00	\$ 10,405,000.00	\$ 60,758,000.00	\$ 10,755,000.00

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

D. Notes

As of December 31, 2019, the Township had a special emergency note outstanding in the amount of \$875,000.00 in the current fund. These notes mature on December 13, 2020 with an interest rate of 2.50%.

As of December 31, 2019, the Township had outstanding bond anticipation notes in the general capital fund and water and sewer utility capital fund in the amount of \$4,530,000.00 and \$10,456,000.00, respectively. The notes mature on September 30, 2020 with an interest rate of 1.75%.

The following is an analysis of the increases and decreases to bond anticipation notes payable for the year ended December 31, 2019:

	Beginning Balance	Increase	Decrease	Ending Balance
General	\$ 4,530,000.00	\$ 4,530,000.00	\$ 4,530,000.00	\$ 4,530,000.00
Water and Sewer Utility	10,783,000.00	10,456,000.00	10,783,000.00	10,456,000.00
	\$ 15,313,000.00	\$ 14,986,000.00	\$ 15,313,000.00	\$ 14,986,000.00

Note 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2019 and 2018 were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending December 31, 2020 and 2019 as follows:

	2020	2019
Current fund	\$ 3,000,000.00	\$ 3,000,000.00
Water and Sewer Utility Operating fund	\$ 1,000,000.00	\$ 2,135,000.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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, 2019 and 2018 balance sheets of the Township's Current Fund, Grant Fund and Water and Sewer Utility Operating Fund.

	<u>2019</u>	<u>2018</u>
Overexpenditure of Appropriation Reserves - Current Fund	\$ 6,749.64	\$ 3,359.42
Overexpenditure of Appropriations - Current Fund		28,597.68
Overexpenditure of Grants - Grant Fund		8,625.00
Special Emergency Authorizations (40A:4-53) - Current Fund	875,000.00	980,000.00
Overexpenditure of Appropriation - Water and Sewer Utility Operating Fund	<u>33,481.25</u>	<u>146,425.37</u>
	<u>\$ 915,230.89</u>	<u>\$ 1,167,007.47</u>

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

The special emergency authorizations consist of \$875,000.00 of appropriations to pay the costs associated with accumulated sick leave and severance 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 2020-2022 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.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 7: DEPOSITS AND INVESTMENTS (Continued)

At December 31, 2019 and 2018, the book values of the cash and cash equivalents of the Township consisted of the following:

	Book Balance	
	2019	2018
Cash (Demand Accts)	\$ 40,453,839.83	\$ 43,801,600.57
NJ ARM	2,605,924.02	5,106,745.20
Change Funds (On-Hand)	200.00	194.25
Total	\$ 43,059,963.85	\$ 48,908,540.02

There was \$1,496,684.29 and \$621,161.12 of funds held in Township agency accounts at December 31, 2019 and 2018, respectively, that were not covered by GUDPA.

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	
	2019	2018
Insured-FDIC	\$ 967,548.70	\$ 972,189.76
Insured-NJGUDPA (N.J.S.A. 17:941)	38,015,459.17	41,717,828.15
Total	\$ 38,983,007.87	\$ 42,690,017.91

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;

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 7: DEPOSITS AND INVESTMENTS (Continued)

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.

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, 2019 and 2018, the Township's balance in NJARM was \$2,605,924.02 and \$5,106,745.20, respectively. NJARM is rated AAA 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 Township has the ability to access.

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Note 7: DEPOSITS AND INVESTMENTS (Continued)

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.

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 quoted prices for identical assets which are held for less than one year. The investments are held for one year.

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Note 7: DEPOSITS AND INVESTMENTS (Continued)

The balance of these investments at December 31, 2019 and 2018 were as follows:

Description of Investment	Interest Rates	Amount	
<u>Current Fund</u>		<u>2019</u>	<u>2018</u>
Township of Weymouth, NJ			
Bond Anticipation Notes - matured 6/18/2019	1.50%		\$ 458,000.00
Township of Weymouth, NJ			
Bond Anticipation Notes - matured 6/18/2019	1.50%		463,025.00
Borough of Buena, NJ			
Bond Anticipation Notes - matured 7/10/2019	1.50%		347,514.00
Borough of Buena, NJ			
Bond Anticipation Notes - matured 7/17/2019	1.50%		375,000.00
Borough of West Wildwood, NJ			
Bond Anticipation Notes - matured 3/22/2019	1.30%		134,398.00
Borough of West Wildwood, NJ			
Bond Anticipation Notes - matured 3/22/2019	1.30%		837,827.00
Town of Hammontown, NJ			
Special Emergency Notes - maturing 10/31/2020	2.10%	\$ 72,820.60	72,820.60
Borough of West Wildwood, NJ			
Bond Anticipation Notes - maturing 3/20/2020	2.50%	119,228.00	
Borough of Buena, NJ			
Bond Anticipation Notes - maturing 7/16/2020	2.00%	345,000.00	
Township of Weymouth, NJ			
Bond Anticipation Notes - maturing 6/18/2020	1.50%	822,525.00	
Total Current Fund		<u>\$ 1,359,573.60</u>	<u>\$ 2,688,584.60</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
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Note 7: DEPOSITS AND INVESTMENTS (Continued)

Description of Investment	Interest Rates	Amount	
General Capital Fund		2019	2018
Borough of Pennington, NJ			
Bond Anticipation Notes - matured 8/28/2019	2.60%		\$ 324,000.00
Township of Mullica, NJ			
Bond Anticipation Notes - matured 5/7/2019	1.25%		228,375.00
Township of Mullica, NJ			
Bond Anticipation Notes - maturing 5/6/2020	1.25%	\$ 136,500.00	
Total General Capital Fund		<u>\$ 136,500.00</u>	<u>\$ 552,375.00</u>
Grand Total		<u>\$ 1,496,073.60</u>	<u>\$ 3,882,205.00</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, 2019, the Township’s various investments with the Township of Weymouth, Borough of Buena, Borough of West Wildwood, Town of Hammontown and Township of Mullica 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, 2019, the Township had amounts invested with the Township of Weymouth, Borough of Buena, Borough of West Wildwood, Town of Hammontown and Township of Mullica, representing 54.98%, 23.06%, 7.97, 4.87%, and 9.12%, respectively, of the total carrying amount of the Township’s investments.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
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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.

In addition, the Township has recorded prepaid taxes on its current fund balance sheets of \$2,735,536.30 and \$2,690,146.43 at December 31, 2019 and 2018, respectively.

Note 9: PENSION AND RETIREMENT PLANS

Substantially, all Township employees participate in the Public Employees' Retirement System ("PERS") and Police and Firemen's Retirement System ("PFRS"). 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 7.50% 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, 2019, 2018 and 2017 were \$2,083,700, \$1,915,364.00, and \$1,816,742.00, respectively. The Township's contributions to the PFRS for the years ended December 31, 2019, 2018 and 2017 were \$2,419,509.00, \$2,195,753.00, and \$1,942,619.00, 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

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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 2019 for PERS and PFRS were principal payments of \$70,724.00 and \$125,572.00, 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, 2019 and 2018, the Township's liability for its proportionate share of the net pension liability was \$38,318,025.00 and \$41,090,530.00, respectively. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the Township's proportion was 0.2126595497 percent, which was an increase of 0.10039669597 from its proportion measured as of June 30, 2018.

At December 31, 2019, 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	\$ 3,826,195.00	\$ 13,300,065
Difference between expected and actual experience	687,758.00	169,272.00
Net difference between projected and actual earnings on pension plan investments		604,865.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,398,314.00	25,342.00
Township contributions subsequent to the measurement date	1,037,882.00	
	\$ 6,950,149.00	\$ 14,099,544.00

At December 31, 2018, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 6,771,039.00	\$ 13,138,567.00
Difference between expected and actual experience	783,603.00	211,876.00
Net difference between projected and actual earnings on pension plan investments		385,431.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,005,471.00	43,658.00
Township contributions subsequent to the measurement date	1,041,850.00	
	\$ 9,601,963.00	\$ 13,779,532.00

\$1,037,882.00 and \$1,041,850.00 as of December 31, 2019 and 2018, 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:

2020	\$ (708,932.00)
2021	(3,183,006.00)
2022	(2,825,733.00)
2023	(1,345,410.00)
2024	(124,196.00)
	\$ (8,187,277.00)

Actuarial Assumptions

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

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increase through all future years	3.25 - 15.25% based on years of service
Investment rate of return	7.00%

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

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

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

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Mortality Rates

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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, 2019 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 (5.28 percent) or 1-percentage-point higher (7.28percent) than the current rate:

	At 1% decrease (5.28%)	At current discount rate (6.28%)	At 1% increase (7.28%)
Township's proportionate share of the net pension liability	\$ 48,401,892.00	\$ 38,318,025.00	\$ 29,820,938.00

The following presents the Township's proportionate share of the net pension liability as of December 31, 2018 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 (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	At 1% decrease (4.66%)	At current discount rate (5.66%)	At 1% increase (6.66%)
Township's proportionate share of the net pension liability	\$ 51,666,607.00	\$ 41,090,530.00	\$ 32,217,878.00

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 Public Employees Retirement System.

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

Additional Information

Collective balances of the Local Group at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 3,149,522,616.00
Deferred inflows of resources	\$ 7,645,087,574.00
Net pension liability	\$ 18,143,832,135.00
 Township's Proportion	 0.2126595497%

Collective balances of the Local Group at June 30, 2018 are as follows:

Deferred outflows of resources	\$ 4,684,852,302.00
Deferred inflows of resources	\$ 7,646,736,226.00
Net pension liability	\$ 19,689,501,539.00
 Township's Proportion	 0.2086925900%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 and June 30, 2018 were \$974,471,686.00 and \$1,099,708,157.00, respectively.

The average of the expected remaining service lives of all plan members is 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

Police and Firemen's Retirement System (PFRS)

At December 31, 2019 and 2018, the Township's liability for its proportionate share of the net pension liability was \$30,406,366.00 and \$33,488,503.00, respectively. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the Township's proportion was 0.2474828006 percent, which was a decrease of 0.0006197085 from its proportion measured as of June 30, 2018.

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Note 9: PENSION AND RETIREMENT PLANS (Continued)

At December 31, 2019, 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	\$ 1,041,888.00	\$ 9,827,059.00
Differences between expected and actual experience	256,669.00	192,508.00
Net difference between projected and actual earnings on pension plan investments		\$ 411,996.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	864,915.00	238,244.00
Township contributions subsequent to the measurement date	1,254,872.00	
	<u>\$ 3,418,344.00</u>	<u>\$ 10,669,807.00</u>

At December 31, 2018, 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	\$ 2,874,537.00	\$ 8,582,525.00
Differences between expected and actual experience	340,702.00	138,583.00
Net difference between projected and actual earnings on pension plan investments		\$ 183,212.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,117,642.00	365,841.00
Township contributions subsequent to the measurement date	1,209,754.50	
	<u>\$ 5,542,635.50</u>	<u>\$ 9,270,161.00</u>

\$1,254,872.00 and \$1,209,754.50 as of December 31, 2019 and 2018, 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
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Note 9: PENSION AND RETIREMENT PLANS (Continued)

Year ended December 31:

2020	\$	(1,411,530.00)
2021		(3,093,408.00)
2022		(2,192,094.00)
2023		(1,170,096.00)
2024		(639,207.00)
	<u>\$</u>	<u>(8,506,335.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate		
Price		2.75%
Wage		3.25%
Salary increase through all future years		3.25 - 15.25% based on years of service
Investment rate of return		7.00%

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

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

Inflation 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

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

Mortality Rates

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

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, 2019) 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 PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.70%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
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YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 9: PENSION AND RETIREMENT PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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, 2019 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 (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

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

	At 1% decrease (5.85%)	At current discount rate (6.85%)	At 1% increase (7.85%)
Township's proportionate share of the net pension liability	\$ 41,098,327.00	\$ 30,406,366.00	\$ 21,557,228.00

The following presents the Township's proportionate share of the net pension liability as of December 31, 2018 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 (5.51 percent) or 1-percentage-point higher (7.51 percent) than the current rate:

	At 1% decrease (5.51%)	At current discount rate (6.51%)	At 1% increase (7.51%)
Township's proportionate share of the net pension liability	\$ 44,820,206.00	\$ 33,488,503.00	\$ 24,141,913.00

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, 2019 are as follows:

Deferred outflows of resources	\$ 1,198,936,924.00
Deferred inflows of resources	\$ 4,874,748,912.00
Net pension liability	\$ 14,170,193,618.00

Township's Proportion 0.2484622981%

Collective balances of the Local Group at June 30, 2018 are as follows:

Deferred outflows of resources	\$ 1,988,215,695.00
Deferred inflows of resources	\$ 4,286,994,294.00
Net pension liability	\$ 15,369,699,278.00

Township's Proportion 0.2474828006%

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Note 9: PENSION AND RETIREMENT PLANS (Continued)

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 is \$1,270,762,352.00.

The average of the expected remaining service lives of all plan members is 5.92, 5.73, 5.59, 5.58, 5.53, and 6.17 years for 2019, 2018, 2017, 2016, 2015 and 2014, 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, 2019 and 2018 for police and fire is 0.2484622981% and 0.2474828006% respectively, and the non-employer contributing entities' contribution for the year ended June 30, 2019 and 2018 for police and fire was \$323,503.00 and \$269,402.00, respectively. The state's proportionate share of the net pension liability attributable to the Township as of June 30, 2019 and 2018 is \$4,801,223.00 and \$4,548,859.00, respectively.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description – Township Plan

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 75 requires that the Township disclose its annual OPEB expense, liability and related changes in the liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actual amounts paid for the OPEB medical benefits, accounted for on the pay-as-you-go basis, for retired Township employees and their spouses during 2019, 2018 and 2017 totaled \$4,605,834.00, \$4,517,427.00 and \$4,037,779.56, respectively.

The Township hired an actuary to perform the calculation as of December 31, 2019 for the Township and the required information is presented on the following pages.

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Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Employees Covered by Benefit Terms

At December 31, 2019, there were one-hundred and sixty-three retired employees and two-hundred and fifty-six active employees covered by the plan.

Total and Net OPEB Liability

The total and net OPEB liability from the Township's plan as of December 31, 2019 and 2018 is \$159,968,051.00 and \$161,855,277.00, respectively.

Actuarial assumptions and other inputs

The total OPEB liability of \$159,968,051.00 was reported in the December 31, 2019 actuarial valuation prepared by the Township's actuary, Danziger and Markhoff LLP, which was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.26%
Healthcare cost trend rates	8.00% decrease to 5.00% increase

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of January 1, 2019.

Changes in the total OPEB liability reported for the year ended December 31, 2019 is as follows:

	<u>Total OPEB Liability</u>
Balance at January 1	\$ 161,855,277.00
Changes for the year:	
Service cost	2,809,031.00
Interest	5,807,706.00
Benefit payments	(4,605,834.00)
Effect of economic/demographic gains or losses	(5,958,129.00)
Net changes	<u>(1,887,226.00)</u>
Balance at December 31	<u>\$ 159,968,051.00</u>

Changes of assumptions and other inputs reflect a discount rate of 3.26% in 2019.

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MIDDLESEX COUNTY, NEW JERSEY
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Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of the total and net OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Township for retirees, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current discount rate:

	At 1% Decrease (2.26%)	At Current Discount Rate (3.26%)	At 1% Increase (4.26%)
Net OPEB liability	\$ 186,192,024.00	\$ 159,968,051.00	\$ 133,744,077.00

Sensitivity of the total OPEB liability to changes in the healthcare trend rates

The following presents the total OPEB liability of the Township for Township retirees, as well as what the Township's total OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	At 1% Decrease	At Current Healthcare Trend Rate	At 1% Increase
Net OPEB liability	\$ 132,863,390.00	\$ 159,968,051.00	\$ 192,224,795.00

Funding Status and Funding Progress

As of December 31, 2019, the date of the most recent actuarial valuation, the plan is currently unfunded. The expense for the year ended December 31, 2019 was \$7,960,906.00.

The projection of future benefit payments for an ongoing plan involves estimates of the value or reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members

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MIDDLESEX COUNTY, NEW JERSEY
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Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Retirement age for active employees – 100% of Police Officers and Firefighters are assumed to retire at age 65 (which is mandated under New Jersey State Law), regardless of service and 100%.

Mortality – Life expectancies were based on the RF-2014 Mortality Table with MP-2016 Projection.

The cost of medical benefits range from \$285 through \$2,984 per month and for dental benefits range from \$18 through \$133 per month.

Plan Description – State Plan

Plan description and benefits provided

The Township participates in the State Health Benefit Local Government Retired Employees Plan (Plan), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the State of New Jersey Division of Pension and Benefits. The Plan covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan provides medical and prescription drug coverage to retirees and their covered dependents. Rules governing the operation and administration of the program are found in Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999. Additional information about the Plan is available from the State of New Jersey, Division of Pensions and Benefits Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions.financial-reports.shtml>.

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

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

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MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
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Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

Inflation rate	2.50%
Salary increase through 2026	1.65 - 8.98%
	based on age
Thereafter	2.65% - 9.98%
	based on age

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 "General" and "Safety" Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" and "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" and "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is 5.7% and decreases to a 4.5% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after seven years.

Police and Fire - Special Funding Situation

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

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MIDDLESEX COUNTY, NEW JERSEY
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Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net OPEB liability that is associated with the local participating employer. The State's proportionate share of the net OPEB liability associated with the Township as of June 30, 2019 was \$15,198,876.00. The Township's proportionate share was \$0. The State's proportionate share of the net OPEB liability associated with the Township as of June 30, 2018 was \$17,275,233.00. The Township's proportionate share was \$0.

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the net OPEB liability associated with the Township was based on a projection of the State's long-term contributions to the OPEB plan associated with the Township relative to the projected contributions by the State associated with all participating entities, actuarially determined. At June 30, 2019, the State's proportionate share of the net OPEB liability associated with the Township was 0.275057 percent and included 82 plan members. At June 30, 2018, the State's proportionate share of the net OPEB liability associated with the Township was 0.278012 percent and included 79 plan members.

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, 2019. 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.

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.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
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Note 12: COMPENSATED ABSENCES

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, 2019 and 2018, the total value of accumulated compensated absences, based upon the current pay rates, was \$6,364,506.74 and \$5,857,366.02, 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, 2019 and 2018, the Township has reserved funds in the Other Trust Fund of \$5,842.93 and \$32,905.74, respectively to help offset future costs incurred.

Note 13: LEASE COMMITMENTS

The Township has entered into lease/purchase agreements with TD Bank and First Constitution Bank for the acquisition of equipment and police vehicles.

The final lease payments and the present value of net minimum lease payment at December 31, 2019 is as follows:

Year Ended December 31		
2020	\$	104,670.96
2021		52,335.48
		157,006.44
Less: Amount representing interest / fees		3,664.80
Present value of net minimum lease payment	\$	153,341.64

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
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Note 14: TAX APPEALS

At December 31, 2019, there are several tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for 2019 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, 2019, 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, 2019, 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,

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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, 2019 and 2018, the Township held \$7,588,282.55 and \$6,486,660.25, respectively, of funds for the Council on Affordable Housing.

The Fair Housing Center filed two claims against the Township seeking orders to have the Township reimburse its Affordable Housing Trust Fund and payment of attorney's fees and costs. The Court has ruled and directed the Township to reimburse its Affordable Housing Trust Fund \$1,354,642.78 and to pay attorney's fees and costs to the Fair Share Housing Center in the amount of \$602,259.00. These funds are required to be paid out of the Township's Current Fund and/or through bonding. A refunding bond ordinance has recently been adopted by Township Council to pay these amounts and is submitting a Local Finance Board application to obtain approval to pay off the bonds over at least a two-year period commencing in the 2022 fiscal year. The Bond is pending approval from the Local Finance Board.

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, 2019:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 330,635.83	\$ 4,405,483.61
State and Federal Grant Fund		92,450.59
Other Trust Fund	74,714.59	299,986.78
Payroll Trust Fund		74,714.59
Animal Control Trust Fund		38,198.46
General Capital Fund	1,705,483.61	
Water and Sewer Utility Operating Fund		437,641.76
Water and Sewer Utility Capital Fund	3,237,641.76	
Total	<u>\$ 5,348,475.79</u>	<u>\$ 5,348,475.79</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, 2019 and 2018 totaled \$74,761.86 and \$74,955.36, respectively.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
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Note 18: LOSAP PROGRAM

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, 2019 and 2018, the cumulative balance of the Length of Service Award Program was \$1,158,163.64 and \$942,925.58, respectively.

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, 2019 and 2018:

2019

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes if Billed	
				in Full	Abated Taxes
Oak Woods	1997	2037	\$ 42,965.00	\$ 98,191.35	\$ 55,226.35
CIL Woods	1998	2038	8,106.00	34,374.60	26,268.60
South Brunswick VOA	2005	2040	9,630.00	76,351.28	66,721.28
ARC - 9 Helen Drive	2013	2043	4,000.00	9,025.88	5,025.88
ARC - 24 Palmer Road	2013	2043	4,000.00	8,720.78	4,720.78
ARC - 125 Kendall Road	2013	2043	4,000.00	8,263.13	4,263.13
ARC - 24 Kindlsey Road	2013	2043	4,000.00	7,602.08	3,602.08
			<u>\$ 76,701.00</u>	<u>\$ 242,529.10</u>	<u>\$ 165,828.10</u>

2018

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes if Billed	
				in Full	Abated Taxes
Oak Woods	1997	2037	\$ 42,965.00	\$ 94,947.27	\$ 51,982.27
CIL Woods	1998	2038	8,106.00	33,238.92	25,132.92
South Brunswick VOA	2005	2040	9,630.00	73,828.76	64,198.76
ARC - 9 Helen Drive	2013	2043	4,000.00	8,727.68	4,727.68
ARC - 24 Palmer Road	2013	2043	4,000.00	8,432.66	4,432.66
ARC - 125 Kendall Road	2013	2043	4,000.00	7,990.13	3,990.13
ARC - 24 Kindlsey Road	2013	2043	4,000.00	7,350.92	3,350.92
			<u>\$ 76,701.00</u>	<u>\$ 234,516.34</u>	<u>\$ 157,815.34</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 20: LIQUIDITY, MANAGEMENT PLANS AND INTENTIONS

In March 2020, the World Health Organization declared a novel strain of coronavirus (“COVID-19”) a global pandemic which caused substantial economic volatility on a global scale. As a result, the Township of South Brunswick’s economically sensitive revenues (i.e. property taxes, interest earnings, fees, state and federal aid, hotel tax, and Municipal Court Fines) might be negatively impacted. Collection rates on real property taxes might be slowed as unemployment rates are expected to spike. Meanwhile, the Township of South Brunswick’s expenditures for public safety and health service functions and pension benefits (due to stock market declines) would all be expected to increase sharply. Credit markets may tighten and interest rates could fluctuate. Those factors were taken into consideration in the development of the 2020 adopted budget. Federal and State assistance to mitigate this volatility has been established. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the actual impact on the Township of South Brunswick’s financial position at this time.

Due to the COVID-19 Pandemic, the Township had to adjust its operations on March 16, 2020 to continue to provide services for its taxpayers. The Pandemic did not have a significant impact on the financial statements of the Township for the year ended December 31, 2019. However, the Pandemic did result in the State of New Jersey taking steps to award additional grant monies to help offset some of the additional costs incurred related to public health. Additionally, the Township has prepared a balanced 2020 budget and considered the potential impact the Pandemic could have on Township operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the actual impact on the Township of South Brunswick’s financial position at this time. Management believes that the fund balance available as of December 31, 2019, and the anticipated revenues from taxes, grants, and other revenues will be sufficient to meet the Township’s financial needs for one year from the date of the issuance of this report. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the actual impact on the Township of South Brunswick’s financial position at this time.

Note 21: SUBSEQUENT EVENTS

The Township has reviewed and evaluated all events and transactions from December 31, 2019 through July 12, 2021, the date that the financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at December 31, 2019 have been recognized in the accompanying financial statements.

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, 2019**

	<u>REF.</u>	
Balance, December 31, 2018	A	\$ 5,960,696.91
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	506,729.15
Taxes Receivable	A-7	197,437,026.52
Tax Title Liens Receivable	A-9	9,694.88
State of New Jersey (Ch. 20, P.L. 1976)	A-8	123,113.71
Revenue Accounts Receivable	A-11	13,213,544.60
Due to State of New Jersey	A-13	129,955.00
Prepaid Taxes	A-14	2,735,536.30
Tax Overpayments	A-17	86,176.83
Investments Redeemed	A-5	2,761,405.20
Other	A-4	3,772.39
Special Emergency Notes Issued	A-24	875,000.00
Cash Receipts from Other Funds	A-6	14,420,485.24
Cash Received on-behalf of Federal and State Grant Fund	A-28	582,228.66
		<u>232,884,668.48</u>
		238,845,365.39
Decreased by Disbursements:		
2019 Budget Appropriations	A-3	55,130,447.95
2018 Appropriation Reserves	A-12	987,573.83
Special Emergency Notes Paid	A-24	980,000.00
Cash Disbursed on-behalf of Federal and State Grant Fund	A-28	681,795.80
Purchase of Investments	A-5	1,359,573.60
Accounts Payable	A-16	1,645.25
Cash Disbursed to Other Funds	A-6	7,874,676.98
Due to State of New Jersey	A-13	273,029.00
Refunds of Prior Year Revenues	A-1	84,537.60
Tax Overpayments	A-17	95,341.59
Municipal Open Space Taxes	A-1, A-7	1,534,000.00
Special District Taxes	A-18	2,419,055.00
Local District School Taxes	A-20	116,595,040.00
County Taxes	A-19	40,069,721.24
		<u>228,086,437.84</u>
Balance, December 31, 2019	A	<u>\$ 10,758,927.55</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ 2,688,584.60
Increased by:		
Investments Purchased	A-4	<u>1,359,573.60</u> 4,048,158.20
Decreased by:		
Investments Redeemed	A-4	<u>2,761,405.20</u>
Balance - December 31, 2019	A	<u>\$ 1,286,753.00</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF INTERFUNDS (PAYABLE) RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019

REF.	Total	General Capital Fund	Water Utility Operating Fund	Water Utility Capital Fund	Payroll Fund	Animal Control Trust Fund	Other Trust Fund
Balance, December 31, 2018	\$ 171,184.82	\$ 4,478.93	\$ -	\$ -	\$ 5.10	\$ 16,390.99	\$ 150,309.80
Increased by:							
Interest Earned on Investments	38,984.78	38,974.38				10.40	
Miscellaneous Revenue not Anticipated							
Statutory Excess due to Current Fund	21,806.76					21,806.76	
Cash Disbursed to Other Funds	7,874,676.98			7,825,000.00			49,676.98
Anticipated as Revenue in Current Fund	2,146,533.53	41,533.53	2,105,000.00				
	10,082,002.05	80,507.91	2,105,000.00	7,825,000.00	-	21,817.16	49,676.98
Decreased by:							
Cash Receipts From Other Funds	14,420,485.24	1,690,470.45	2,105,000.00	10,625,000.00	5.10	9.69	
	14,420,485.24	1,690,470.45	2,105,000.00	10,625,000.00	5.10	9.69	
Balance, December 31, 2019	\$ (4,167,298.37)	\$ (1,605,483.61)	\$ -	\$ (2,800,000.00)	\$ -	\$ 38,198.46	\$ 199,986.78

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, 2019

Year	Balance, December 31, 2018	2019 Levy	2018 Collections by Collector	2019 Collections by Collector	St. Share St. Citizen Deductions	Remitted and Cancelled	Transfer to Tax Title Liens	Balance, December 31, 2019
2018	\$ 1,476,483.67		\$ 1,443,775.02	\$ 1,443,775.02		\$ 32,138.65		\$ 570.00
2019	\$ 1,476,483.67	\$ 200,132,075.01	\$ 2,690,146.43	\$ 195,993,251.50	\$ 121,863.71	\$ 125,477.62	\$ 145,108.47	\$ 1,056,227.28
	A	Below	A-2, A-14	A-2, A-4	A-2, A-3	Reserved	A-9	A
REF.								
Analysis of 2019 property tax levy								
Tax yield:								
General purpose tax		\$ 195,009,104.51						
Special district taxes		2,438,520.89						
Added Taxes (54:4-63:1 et seq.)		2,684,449.61	\$ 200,132,075.01					
	Above							
Tax levy:								
Local District School Tax		\$ 116,595,040.00	\$ 116,595,040.00					
Levy (Abstract)	A-1, A-20							
Total Local District School Tax								
County Tax:								
County Tax (Abstract)	A-1, A-19	36,471,639.26						
County Open Space Preservation	A-1, A-19	3,062,315.16						
Due Cty. For Added & Omitted Taxes	A-1, A-19	535,766.82						
Total County Tax		40,069,721.24						
Special District Taxes:								
Fire District Taxes	A-1, A-18	2,419,055.00	2,419,055.00					
Total Special District Taxes								
Local Tax for Municipal Purposes								
Local Tax for Library Purposes	A-2	34,018,610.09						
Municipal Open Space	A-2	3,327,500.00						
Additional Taxes Levied	A-1, A-4	1,534,000.00						
Total Local Tax for Mun. Purposes		2,168,148.68						
Total Local Tax for Mun. Purposes	Above	41,048,258.77						
		\$ 200,132,075.01						

**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, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ 80,056.27
Increased by:		
Deductions Disallowed by Collector - 2019	Below	\$ 15,386.29
Cash Receipts	A-4	<u>123,113.71</u>
		<u>138,500.00</u>
		218,556.27
Decreased by:		
Deductions Allowed Per Tax Billings - 2019	Below	135,750.00
Deductions Allowed by Collector - 2019	Below	<u>1,500.00</u>
		<u>137,250.00</u>
Balance - December 31, 2019	A	<u><u>\$ 81,306.27</u></u>
Analysis of Senior Citizens, Veterans and Disability Deductions Realized as Revenues in FY 2019		
Deductions Allowed Per Tax Billings	Above	\$ 135,750.00
Plus:		
Deductions Allowed by Collector	Above	<u>1,500.00</u>
		137,250.00
Less:		
Deductions Disallowed by Collector	Above	<u>15,386.29</u>
Amount Realized as Revenue - 2019	A-2 , A-7	<u><u>\$ 121,863.71</u></u>

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

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ 844,490.54
Increased by:		
Transfers from Taxes Receivable	A-7	\$ 145,108.47
Miscellaneous	Reserved	<u>5,459.01</u>
		<u>150,567.48</u>
		995,058.02
Decreased By:		
Cash Receipts	A-2 , A-4	<u>9,694.88</u>
Balance - December 31, 2019	A	<u><u>\$ 985,363.14</u></u>

**CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2019 and 2018	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, 2019

	Ref.	Balance Dec 31, 2018	Accrued 2019	Decreases	Balance Dec 31, 2019
Miscellaneous Revenues Anticipated:					
Licenses:					
Alcoholic Beverages	A-2		\$ 58,847.00	\$ 58,847.00	
Other	A-2		48,233.00	48,233.00	
Fees and Permits:					
Other	A-2		669,359.94	669,359.94	
Fines and Costs:					
Municipal Court	A-2	\$ 59,842.93	780,199.38	787,730.82	\$ 52,311.49
Interest and Costs on Taxes	A-2		188,687.02	188,687.02	
Interest on Investments and Deposits	A-2		40,797.10	40,797.10	
Cable TV Franchise Fee	A-2		491,140.76	491,140.76	
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		1,491,373.30	1,491,373.30	
Fire District #1 contract	A-2		143,596.00	143,596.00	
Fire District #2 contract	A-2		230,420.05	230,420.05	
Fire District #3 contract	A-2		110,553.51	110,553.51	
Spotswood Contract - Data Processing	A-2		32,735.00	32,735.00	
Milltown Contract - Data Processing	A-2		13,100.00	13,100.00	
Cranbury Contract - Data Processing	A-2		27,532.32	27,532.32	
Monroe Contract - Data Processing	A-2		63,203.52	63,203.52	
Middlesex County College:					
Contract - Data Processing	A-2		12,075.00	12,075.00	
Interlocal Cranbury Dispatch	A-2		130,050.00	130,050.00	
Uniform Fire Safety Act - Life Hazard Use Fees	A-2		389,127.68	389,127.68	
Site Leasing - Antennae	A-2		254,846.21	254,846.21	
PILOT - South Brunswick Community Development Corp.	A-2		35,883.44	35,883.44	
Contribution from Library Board of Trustees	A-2				
PILOT - CIL Woods	A-2		15,202.23	15,202.23	
PILOT- Oakwoods	A-2		42,091.80	42,091.80	
Utility Payments for SW Chargebacks	A-2		1,400,000.00	1,400,000.00	
Hotel/Motel Tax	A-2		754,073.36	754,073.36	
Reserve for Debt Service	A-2		41,533.53	41,533.53	
Reserve for Quasi Duty - Other Trust Fund	A-2		200,000.00	200,000.00	
Planning - Land Use Charges	A-2		16,661.54	16,661.54	
School Resource Officer	A-2		374,545.00	374,545.00	
		<u>\$ 59,842.93</u>	<u>\$ 13,247,546.69</u>	<u>\$ 13,255,078.13</u>	<u>\$ 52,311.49</u>
	REF.	A		Below	A
			REF.		
Interfund			A-6	\$ 41,533.53	
Cash receipts			A-4	13,213,544.60	
			Above, A-2	<u>\$ 13,255,078.13</u>	

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance Dec 31, 2018	Reserved for Encumbrances Dec 31, 2018	Balance After Modification	Charged (Refunds)	Transferred to Reserve for Encumbrances	Overexpended	Balance Lapsed
OPERATIONS WITHIN "CAPS"							
Township Council	\$ 9,101.34	\$ 9,101.54	\$ 18,202.88	\$ 19,909.67	\$ (10,808.13)		\$ 9,101.34
Other Expenses							
Township Manager	852.16		852.16				852.16
Salaries and Wages	7,432.07		7,432.07	6,423.56			1,008.51
Other Expenses							
Township Clerk	194.41		194.41				194.41
Salaries and Wages	2,466.14	2,362.73	4,828.87	3,470.45			1,358.42
Other Expenses							
Elections	1,360.55		1,360.55				1,360.55
Salaries and Wages	1,295.89	42.27	1,338.16				1,338.16
Other Expenses							
CATV Advisory Commission (N.J.S.A. 48A:56A-26)	3,739.52		39.52				39.52
Salaries and Wages	187.00		187.00				187.00
Other Expenses							
Financial Administration	963.68		963.68				963.68
Salaries and Wages	771.55	31.61	1,813.16	1,812.06			1.10
Other Expenses							
Purchasing	1,065.35		15.35				15.35
Salaries and Wages	9,149.96	5,159.24	14,309.20	11,466.11			2,843.09
Other Expenses							
Computerized Data Processing Center	4.72	14,245.54	14,350.26	13,404.86			945.40
Other Expenses							
Collection of Taxes	262.95		262.95				262.95
Salaries and Wages	4,612.72	1,224.40	5,837.12	1,388.60			4,448.52
Other Expenses							
Annual Audit		16,500.00	16,500.00	13,050.00	3,450.00		
Other Expenses							
Assessment of Taxes	61,478.13	5,885.50	15,653.63	3,089.58			8,889.05
Other Expenses							
Legal Service and Costs	6,565.59		6,565.59				6,565.59
Salaries and Wages	615.67	113.00	728.67	113.00			615.67
Other Expenses							

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance Dec 31, 2018	Reserved for Encumbrances Dec 31, 2018	Balance After Modification	Paid or Charged (Refunds)	Transferred to Reserve for Encumbrances	Overexpended	Balance Lapsed
Industrial Commission (N.J.S.A. 40A:55-56A-5)	\$ 688.41		\$ 688.41				\$ 688.41
Salaries and Wages	776.06		776.06				776.06
Other Expenses							
Environmental Commission (N.J.S.A. 40:56A-10)	631.08		631.08				631.08
Salaries and Wages	500.00		500.00				500.00
Other Expenses							
Transportation Advisory Committee	300.00		300.00				300.00
Salaries and Wages	666.89	\$ 144.24	\$ 811.13	\$ 144.24			666.89
Other Expenses							
Public Building and Grounds	2,113.88		28,113.88	26,829.22			1,284.66
Other Expenses							
Maintenance of Parks	16,905.21		(8,094.79)	(10,800.00)			2,705.21
Salaries and Wages	228.42	890.00	1,118.42	728.42	\$ 390.00		
Other Expenses							
Shade Tree	124.80		124.80				124.80
Salaries and Wages	375.00	10,000.00	10,375.00		10,000.00		375.00
Other Expenses							
Streets and Roads Maintenance	580.04	13,915.74	14,495.78	14,280.43			215.35
Salaries and Wages							
Other Expenses	26,612.87	28,770.30	35,683.17	26,975.31	2,143.92		6,563.94
Vehicle Maintenance							
Other Expenses							
Recycling							
Salaries and Wages	2,273.88		(3,226.12)	(3,503.58)			277.46
Other Expenses	328.68	600.00	928.68	481.01			447.67
Transit - Other Public Works Functions							
Salaries and Wages	310.07		310.07	2,356.17	33.44		310.07
Other Expenses	2,318.86	2,567.86	2,886.72				497.11
Aid to Volunteer Ambulance Companies		30,737.00	30,737.00	30,737.00			
Other Expenses							
Public Safety							
Fire Prevention Service	99.28	569.81	669.09	244.81	325.00		99.28
Salaries and Wages							

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance Dec 31, 2018	Reserved for Encumbrances Dec 31, 2018	Balance After Modification	Paid or Charged (Refunds)	Transferred to Reserve for Encumbrances	Overexpended	Balance Lapsed
Police							
Salaries and Wages	\$ 21,892.30		\$ 892.30				\$ 892.30
Regular Police	470.16		470.16				470.16
School Crossing Guards							
Other Expenses							
Regular Police	33,748.91	\$ 65,283.22	93,532.13	\$ 92,174.12	\$ 1,187.00		171.01
School Crossing Guards	142.75	1,919.67	2,062.42	1,919.67			142.75
Police Dispatch/911							
Other Expenses	1,143.74	496.24	1,639.98	527.55			1,112.43
Emergency Management Services							
Salaries and Wages	880.75		880.75				880.75
Other Expenses	215.59		215.59				215.59
Municipal Prosecutor							
Salaries and Wages	50.00	7,083.40	7,133.40	7,083.32			50.08
Health and Welfare							
Contribution to Social Service Agreement							
Other Expenses	50,000.00		50,000.00	50,000.00			
Board of Health							
Salaries and Wages	4,397.51		397.51				397.51
Other Expenses	7,859.69	920.78	8,780.47	1,864.43			6,916.04
Animal Control Regulation							
Salaries and Wages	1,117.18	9,151.17	10,268.35	10,155.17			113.18
Recreation Services and Programs							
Salaries and Wages	5,418.84		418.84				418.84
Other Expenses	1,697.85	520.66	2,218.51	2,204.50			14.01
Social Services							
Salaries and Wages	628.62		628.62				628.62
Other Expenses	139.47	47.65	187.12	47.65			139.47
Senior Services							
Salaries and Wages	267.89		267.89				267.89
Other Expenses	3,607.13	890.96	3,438.09	1,145.51	18.96		2,273.62
Celebration of Public events							
Other Expenses	15.00		15.00				15.00
Solid Waste Collection							
Other Expenses	12,246.16		136,246.16	135,656.05			590.11
Landfill/Solid Waste Disposal Costs							
Other Expenses	132,611.55		132,611.55	132,611.55			
Condominium Services Act							
Other Expenses	206.05		206.05				206.05

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance Dec 31, 2018	Reserved for Encumbrances Dec 31, 2018	Balance After Modification	Paid or Charged (Refunds)	Transferred to Reserve for Encumbrances	Overexpended	Balance Lapsed
Municipal Court	\$ 8,377.36		\$ 8,377.36				\$ 8,377.36
Salaries and Wages	1,688.36	\$ 2,626.38	4,314.74	\$ 4,171.30	\$ 11.86		131.58
Other Expenses	2,000.00	6,233.43	8,233.43	6,233.31			2,000.12
Public Defender	9,512.21	1,137.61	10,649.82	1,144.57	228.00		9,277.25
Planning Board	1,226.25	1,666.70	2,892.95	1,666.66			1,226.29
Other Expenses	3,648.01		3,648.01				3,648.01
Zoning Board	13,520.30	13,768.00	15,288.30	17,565.50		\$ 2,277.20	1,000.00
Salaries and Wages	392.56	1,000.00	1,502.56	5,975.00		4,472.44	4,190.77
Other Expenses	1,000.00		1,000.00				1,000.00
Insurance	4,190.77		4,190.77				4,190.77
Group Insurance	1,178.22		1,178.22				1,178.22
General Liability	4,334.26	833.02	5,167.28	815.12			4,332.16
Unemployment Insurance	136,815.99	193.73	137,009.72	75,666.42	193.73		61,149.57
Waiver of Health Benefits	106,962.44		106,962.44	72,188.47			34,773.97
Construction Official	2,069.95	12,188.00	14,257.95	10,786.24			3,471.71
Salaries and Wages	7.04		7.04				7.04
Other Expenses	147.75		147.75				147.75
Utilities	36,712.79		36,712.79	8,281.32			28,431.47
Electricity	7,616.97		7,616.97	7,616.97			
Street Lighting	1,538.24		1,538.24	1,538.24			
Telephone	789,649.44	268,821.40	1,052,470.84	811,639.56	10,848.78	6,749.64	236,732.14
Water							
Sewerage Disposal							
Fuel Oil							
Gasoline							
Fire Hydrant							
Total Operations Within "CAPS"							
DEFERRED CHARGES AND STATUTORY EXPENDITURES							
MUNICIPAL WITHIN "CAPS"							
Statutory Expenditures:							
Contribution to:							
Public Employee's Retirement System	184.87		184.87				184.87
Social Security System (O.A.S.L.)	11,903.67		903.67				903.67
Police and Firemen's Retirement System of NJ	1.00		1.00				1.00
Defined Contribution Retirement Program	1,052.95		1,052.95				1,052.95
Total Deferred Charges and Statutory Expenditures	13,142.49	-	2,142.49				2,142.49
Municipal Within "CAPS"							
Total General Appropriations for Municipal Purposes Within "CAPS"	802,791.93	268,821.40	1,054,613.33	811,639.56	10,848.78	6,749.64	238,874.63

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance Dec 31, 2018	Reserved for Encumbrances Dec 31, 2018	Balance After Modification	Paid or Charged (Refunds)	Transferred to Reserve for Encumbrances	Overexpended	Balance Lapsed
Operations Excluded from "CAPS"							
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>							
Maintenance of Free Public Library	\$ 61,836.71		\$ 61,836.71	\$ 61,836.71			
Salaries and Wages	144,344.33	\$ 54,012.42	198,356.75	197,654.60	\$ 702.15		
Other Expenses							
Affordable Housing	2,884.78	50,988.61	70,873.39	66,507.50			\$ 4,365.89
Other Expenses							
Length of Service Award Program (LOSAP)	40,000.00		40,000.00	37,285.96			2,714.04
Other Expenses							
Interlocal Municipal Services Agreement							
Fire Services	40,490.43		40,490.43				40,490.43
Salaries and Wages							
Total Operations Excluded from "CAPS"	289,556.25	105,001.03	411,557.28	363,284.77	702.15		47,570.36
	\$ 1,092,348.18	\$ 373,822.43	\$ 1,466,170.61	\$ 1,174,924.33	\$ 11,550.93	\$ 6,749.64	\$ 286,444.99
	A	A-21		Below	A-21	A, A-1, A-23	A-1
REF							
Cash disbursed				\$ 987,573.83			
A-4				187,350.50			
Transfer to accounts payable				1,174,924.33			
A-16							
Above							

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, 2019

	<u>REF.</u>	<u>Total</u>	<u>Marriage License Fees</u>	<u>Health Burials</u>	<u>Building Permits Surchage Fees</u>
Balance - December 31, 2018	A	\$ 172,308.35	\$ 17,200.00	\$ 1,389.00	\$ 153,719.35
Increased by:					
Cash Receipts	A-4	<u>129,955.00</u>	<u>3,300.00</u>		<u>126,655.00</u>
		302,263.35	20,500.00	1,389.00	280,374.35
Decreased by:					
Cash Disbursements	A-4	<u>273,029.00</u>	<u>14,975.00</u>		<u>258,054.00</u>
Balance - December 31, 2019	A	<u>\$ 29,234.35</u>	<u>\$ 5,525.00</u>	<u>\$ 1,389.00</u>	<u>\$ 22,320.35</u>

CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ 2,690,146.43
Increased by:		
Collection of 2020 Taxes	A-4	<u>2,735,536.30</u>
		5,425,682.73
Decreased by:		
Applied to 2019 Taxes	A-2 , A-7	<u>2,690,146.43</u>
Balance - December 31, 2019	A	<u>\$ 2,735,536.30</u>

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

**CURRENT FUND
SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2019 and 2018	A , Below	<u>\$ 33,013.69</u>
<u>Analysis of Balance as of December 31, 2019</u>		
	Security Deposits	\$ 16,798.00
	Property / Evidence	15,265.69
	Bid Deposit	<u>950.00</u>
Above		<u>\$ 33,013.69</u>

Exhibit A-16

**CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ 41,871.85
Increased By:		
Transferred from Appropriation Reserves	A-12	<u>187,350.50</u>
		229,222.35
Decreased by:		
Cash Disbursements	A-4	<u>1,645.25</u>
Balance - December 31, 2019	A	<u>\$ 227,577.10</u>

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

**CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ 215,952.89
Increased by:		
Cash Receipts	A-4	86,176.83
		<u>302,129.72</u>
Decreased by:		
Cash Disbursements - Refunds	A-4	95,341.59
		<u>95,341.59</u>
Balance - December 31, 2019	A	<u>\$ 206,788.13</u>

Exhibit A-18

**CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Balance Dec 31, 2018</u>	<u>2019 Levy</u>	<u>Cash Disbursements</u>	<u>Balance Dec 31, 2019</u>
Fire District:				
No. 1	\$ 270.00	\$ 841,399.00	\$ 841,399.00	\$ 270.00
No. 2		997,221.00	997,221.00	
No. 3		580,435.00	580,435.00	
		<u>580,435.00</u>	<u>580,435.00</u>	
	<u>\$ 270.00</u>	<u>\$ 2,419,055.00</u>	<u>\$ 2,419,055.00</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, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ -
Increased by:		
2019 Levy:		
County Taxes	A-1, A-7	\$ 36,471,639.26
County Open Space Taxes	A-1, A-7	3,062,315.16
Added and Omitted Taxes	A-1, A-7	<u>535,766.82</u>
		<u>40,069,721.24</u>
		40,069,721.24
Decreased by:		
Cash Disbursements	A-4	<u>40,069,721.24</u>
Balance - December 31, 2019	A	<u>\$ -</u>

Exhibit A-20

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ -
Increased by:		
Levy - 2019	A-1, A-7	<u>116,595,040.00</u>
		116,595,040.00
Decreased by:		
Cash Disbursements	A-4	<u>116,595,040.00</u>
Balance - December 31, 2019	A	<u>\$ -</u>

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

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	<u>Current Fund</u>	<u>Grant Fund</u>
Balance - December 31, 2018	A, A-12	\$ 373,822.43	\$ 64,259.80
Increased by:			
Charges to:			
2019 Budget Appropriations	A-3	312,757.12	
2018 Appropriation Reserves	A-12	11,550.93	
Federal and State Grant Appropriations	A-27		36,116.35
		<u>698,130.48</u>	<u>100,376.15</u>
Decreased by:			
Transferred to 2018 Appropriation Reserves	A-12	373,822.43	
Due to Current Fund	A-28		64,259.80
		<u>373,822.43</u>	<u>64,259.80</u>
Balance - December 31, 2019	A	<u>\$ 324,308.05</u>	<u>\$ 36,116.35</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, 2019

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance December 31, 2018	Increased	Decreased	Balance December 31, 2019
10/15/2014	Accumulated Absence Liabilities	\$ 500,000.00	\$ 100,000.00	\$ 100,000.00		\$ 100,000.00	
11/15/2015	Severance Liabilities	375,000.00	75,000.00	150,000.00		75,000.00	\$ 75,000.00
10/11/2016	Severance Liabilities	425,000.00	85,000.00	255,000.00		85,000.00	170,000.00
12/21/2018	Severance Liabilities	475,000.00	95,000.00	475,000.00		95,000.00	380,000.00
	Severance Liabilities	250,000.00	50,000.00		\$ 250,000.00		250,000.00
		<u>\$ 2,025,000.00</u>	<u>\$ 405,000.00</u>	<u>\$ 980,000.00</u>	<u>\$ 250,000.00</u>	<u>\$ 355,000.00</u>	<u>\$ 875,000.00</u>
				A	A-1, A-3	A-3	A

REF.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019

Program	Balance Dec 31, 2018	Budget Revenue	Decreased by: Cash Receipts and Transfers From Unappropriated Reserves	Balance Dec 31, 2019
DOT - Municipal Aid Program - Ridge Road - 2010	\$ 106,250.00			\$ 106,250.00
DOT - Municipal Aid Program - Ridge Road - 2018	650,000.00			650,000.00
DOT - Discretionary Aid Program Freedom Trail Bikeway - 2010	97,823.15			97,823.15
DOT - Municipal Aid Program - Beekman Road	310,000.00		\$ 232,500.00	77,500.00
DOT - Local Freight	4,000,000.00			4,000,000.00
DOT - Major Road		\$ 276,000.00		276,000.00
Recycling Tonnage Grant		190,633.10	190,633.10	
Middlesex County Recycling Grant		16,205.00	16,205.00	
Recycling Enhancement	1,000.00			1,000.00
Garden State Historic Preservation Trust Fund - Princeton Nurseries	290,000.00			290,000.00
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		3,630.00	3,630.00	
NJ Division of Highway Safety - Distracted Driver		5,500.00	5,225.00	275.00
NJ Division of Highway Safety - Safe Corridor		5,600.00	5,600.00	
Cops in Shops		3,960.00	3,960.00	
NJ Board of Public Utilities - Energy Audit Program	17,752.50			17,752.50
Body Armor Replacement Fund		7,961.89	7,961.89	
National Crimes Statistics		72,656.00		72,656.00
Hazardous Mitigation	43,500.00			43,500.00
ROID		14,022.00	14,022.00	
Division of Highway Safety - Click it or Tickit		5,500.00	5,500.00	
NJ Department of Justice - Vest Replacement		417.45	417.45	
Pedestrian Safety		14,465.00	14,465.00	
Clean Communities Program		89,247.67	89,247.67	
Drunk Driving Enforcement		9,836.55	9,836.55	
	<u>\$ 5,516,395.65</u>	<u>\$ 715,634.66</u>	<u>\$ 599,203.66</u>	<u>\$ 5,632,826.65</u>
REF.	A	A-2, A-27, Below	Below	A
		<u>REF.</u>		
Due from Current Fund		A-28	\$ 579,643.66	
Transferred from Unappropriated Grant Reserves		A-26	<u>19,560.00</u>	
		Above	<u>\$ 599,203.66</u>	
		Revenues	\$ 592,145.99	
		Chapter 159s	<u>123,488.67</u>	
		Above	<u>\$ 715,634.66</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, 2019

Program	Balance Dec 31, 2018	Increases	Decreases	Balance Dec 31, 2019
Cops in Shops	\$ 3,960.00	\$ 2,585.00	\$ 3,960.00	\$ 2,585.00
ROID	10,000.00		10,000.00	
Safe Corridors	5,600.00		5,600.00	
	<u>\$ 19,560.00</u>	<u>\$ 2,585.00</u>	<u>\$ 19,560.00</u>	<u>\$ 2,585.00</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, 2019**

Program	Balance Dec 31, 2018	Transferred from 2019 Budget	Paid or Charged	Balance Dec 31, 2019
DOT - Municipal Aid Program - Ridge Road - 2018	\$ 650,000.00			\$ 650,000.00
DOT - Municipal Aid Program - Beekman Road	310,000.00		\$ 310,000.00	
DOT - Local Freight	4,000,000.00			4,000,000.00
DOT - Major Road		\$ 276,000.00		276,000.00
County Practice, Preparedness Response	3,000.00			3,000.00
Body Armor Replacement Fund	8,061.01	7,961.89	15,457.35	565.55
NJ Division of Highway Safety - Drive Sober or Get Pulled Over	4,360.00	3,630.00	3,300.00	4,690.00
NJ Division of Highway Safety - Distracted Driver		5,500.00	5,225.00	275.00
County of Middlesex - Cultural Heritage Grant	960.00			960.00
County Recycling Reimbursement	26,307.00	16,205.00	26,307.00	16,205.00
County Open Space - Mapleton Preserve	49,955.28			49,955.28
Garden State Historic Preservation Trust Fund - Princeton Nurseries	164,873.00			164,873.00
NJ Forestry	2,055.00			2,055.00
County of Middlesex Youth Development	200.97			200.97
NJ Division of Highway Safety - Safe Corridors		5,600.00	1,505.00	4,095.00
NJ Department of Law & Safety - COPS in Shops		3,960.00	3,025.00	935.00
Pandemic Influenza - Hepatitis B	11,830.00			11,830.00
Handicapped Recreation Opportunities Grant (State Share)	46,677.23	14,022.00	6,791.75	53,907.48
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	60,206.56	190,633.10	154,825.23	96,014.43
Recycling Enhancement	1,000.00			1,000.00
Ebola Monitoring	2,100.00			2,100.00
H1N1	480.00			480.00
EMAA	26,400.00			26,400.00
National Crime Statistics		72,656.00	28,205.82	44,450.18
Alcohol Education Rehab Grant	531.72			531.72
NJ Division of Highway Safety - Click it or Ticket	400.00	5,500.00	5,900.00	
Pedestrian Safety		14,465.00	13,860.00	605.00
Federal Vest Replacement	3,022.00	417.45		3,439.45
Clean Communities Program	57,250.79	89,247.67	71,477.81	75,020.65
Drunk Driving Enforcement Fund	6,393.93	9,836.55	7,772.39	8,458.09
	<u>\$ 5,439,692.40</u>	<u>\$ 715,634.66</u>	<u>\$ 653,652.35</u>	<u>\$ 5,501,674.71</u>
REF.	A	A-3, A-25, Below	Below	A
		REF.		
Due to Current Fund		A-28	\$ 617,536.00	
Reserved for Encumbrances		A-21	36,116.35	
		Above	<u>\$ 653,652.35</u>	
	Budget	A-3	\$ 592,145.99	
	Chapter 159	A-3	123,488.67	
		Above	<u>\$ 715,634.66</u>	

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
FEDERAL AND STATE GRANT FUND

SCHEDULE OF INTERFUND RECEIVABLE (PAYABLE) - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>		
Interfund Receivable at December 31, 2018	A	\$ 125,032.57	
Interfund Payable at December 31, 2018	A	<u>(123,524.12)</u>	
Balance - December 31, 2018	A		\$ 1,508.45
Increased by:			
Cash Disbursed by Current Fund On-Behalf of the Federal and State Grant Fund:			
Appropriated Grant Reserves	A-27	\$ 617,536.00	
Reserved For Encumbrances	A-21	<u>64,259.80</u>	
	A-4		<u>681,795.80</u>
			<u>683,304.25</u>
Decreased by:			
Cash Received by Current Fund On-Behalf of the State and Federal Grant Fund:			
Grants Receivable	A-4, A-25	579,643.66	
Unappropriated Grant Reserves	A-4, A-26	2,585.00	
Budget Appropriation for Overexpenditure of Grants	A-23	<u>8,625.00</u>	
			<u>590,853.66</u>
Balance - December 31, 2019	Below		<u>\$ 92,450.59</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, 2019**

	REF.	ANIMAL CONTROL FUND	OTHER TRUST FUND
Balance - December 31, 2018	B	\$ 60,317.39	\$ 17,538,341.54
Increased by Receipts:			
Due from the State	B-6	\$ 2,411.40	
Due from the County of Middlesex	B-4		\$ 55,420.99
Interest on Investments	B-2, B-11	10.40	2,006.96
Cash Received On-Behalf of Community Development Block Grant Fund	B-5, B-7		54,148.59
Animal Control Fees	B-9	23,489.40	
Other Reserves	B-10		12,199,855.78
Other Open Space Receipts - Refund of Prior Year Expense	B-11		303,652.81
Other Open Space Receipts	B-11		425,100.86
Open Space Tax	B-11		1,534,000.00
Cash Received from Current Fund	B-3		49,676.98
		<u>25,911.20</u>	<u>14,623,862.97</u>
		86,228.59	32,162,204.51
Decreased by Disbursements:			
Animal Control Expenditures	B-9	5,196.64	
Cash Disbursed On-Behalf of Community Development Block Grant Fund	B-5, B-7		65,726.93
Other Reserves	B-10		9,976,439.13
Reserve for Open Space:			
Open Space Debt - Interest	B-11		325,553.01
Open Space Debt - Principal	B-11		1,632,491.50
Reserved for Encumbrances	B	286.00	439,744.40
Due to State of New Jersey	B-6	2,418.00	
Cash Disbursed to Other Funds	B-2	9.69	
		<u>7,910.33</u>	<u>12,439,954.97</u>
Balance - December 31, 2019	B	<u>\$ 78,318.26</u>	<u>\$ 19,722,249.54</u>

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

**TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>		
Balance - December 31, 2018	B		\$ 16,390.99
Increased by:			
Interest Earned	B-1	10.40	
Statutory Excess Due to Current Fund	B-9	<u>21,806.76</u>	
			<u>21,817.16</u>
			38,208.15
Decreased by:			
Cash Disbursed to Other Funds	B-1		<u>9.69</u>
Balance - December 31, 2019	B		<u><u>\$ 38,198.46</u></u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUND - OTHER TRUST FUND
SCHEDULE OF INTERFUNDS (PAYABLE) RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019

	REF.	Total	Payroll Fund	Current Fund	General Fund
Balance - December 31, 2018	B	\$ (175,595.21)	\$ 74,714.59	\$ (150,309.80)	\$ (100,000.00)
Increased by:					
Cash Receipts from Other Funds	B-1	49,676.98	-	49,676.98	-
		<u>49,676.98</u>	<u>-</u>	<u>49,676.98</u>	<u>-</u>
Balance - December 31, 2019	B	<u>\$ (225,272.19)</u>	<u>\$ 74,714.59</u>	<u>\$ (199,986.78)</u>	<u>\$ (100,000.00)</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

Exhibit B-4

TRUST FUND - OTHER TRUST FUND
SCHEDULE OF DUE FROM COUNTY OF MIDDLESEX
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - December 31, 2018	B	\$ 29,744.16
Increased by:		
Grant Awards	B-10	<u>64,241.00</u>
		93,985.16
Decreased by:		
Cash Receipts	B-1	<u>55,420.99</u>
Balance - December 31, 2019	B	<u><u>\$ 38,564.17</u></u>

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

**TRUST FUND - OTHER TRUST FUND
SCHEDULE OF INTERFUND PAYABLE - CDBG
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	B	\$ 75,400.29
Increased by:		
Cash Received in Other Trust Fund Due to Community Development Block Grant Fund	B-1 , B-7	<u>54,148.59</u>
		129,548.88
Decreased by:		
Cash Disbursed by Other Funds On-Behalf of Community Development Block Grant Fund: Other Trust Fund	B-1 , B-8	<u>65,726.93</u>
Balance - December 31, 2019	B	<u><u>\$ 63,821.95</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, 2019**

	<u>REF.</u>		
Balance - December 31, 2018	B	\$	44.40
Increased by:			
State Dog License Fees Collected	B-1		<u>2,411.40</u>
			2,455.80
Decreased by:			
Payments to State of New Jersey	B-1		<u>2,418.00</u>
Balance - December 31, 2019	B	\$	<u><u>37.80</u></u>

Exhibit B-7

**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, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	B	\$ 70,947.82
Decreased by:		
Cash Received in Other Trust Fund Due to Community Development Block Grant Fund	B-1, B-5	<u>54,148.59</u>
Balance - December 31, 2019	B	<u>\$ 16,799.23</u>

Exhibit B-8

**TRUST FUND - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF RESERVE FOR PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	B	\$ 146,348.11
Decreased by:		
Cash Disbursed by Other Funds On-Behalf of Community Development Block Grant Fund: Other Trust Fund	B-1, B-5	<u>65,726.93</u>
Balance - December 31, 2019	B	<u>\$ 80,621.18</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, 2019**

	<u>REF.</u>		
Balance - December 31, 2018	B		\$ 43,596.00
Increased by:			
Dog License Fees Collected	B-1		18,432.00
Cats License Fees Collected	B-1		5,057.40
			<u>67,085.40</u>
Decreased by:			
Cash Disbursements	B-1	\$ 5,196.64	
Due to Current Fund	B-2	<u>21,806.76</u>	
			<u>27,003.40</u>
Balance - December 31, 2019	B		<u><u>\$ 40,082.00</u></u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2018	\$ 19,877.00
2017	20,205.00
	<u>40,082.00</u>
	<u><u>\$ 40,082.00</u></u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUND - OTHER TRUST FUND
SCHEDULE OF OTHER RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019

PURPOSE	BALANCE DEC. 31, 2018	INCREASES	DECREASES	BALANCE DEC. 31, 2019
Accumulated Sick Leave	\$ 32,905.74	\$ 250,000.00	\$ 277,062.81	\$ 5,842.93
Affordable Housing Contributions	20,000.00			20,000.00
Celebration of Public Events	1,240.02	10,975.00	12,119.00	96.02
Construction of Recreation Facilities - Weiner Homes	1,064.13			1,064.13
Council on Affordable Housing	6,486,660.25	2,002,825.57	901,203.27	7,588,282.55
Detention Basin	1,094,616.82	7,509.52	17,489.46	1,084,636.88
Developers Uncompleted Obligations	892,979.87	198,622.00	88,779.23	1,002,822.64
Development, Maintenance and Preservation of Flemer's Property	65,743.29		10,881.00	54,862.29
Legal Fees Escrow COAH	14,750.00			14,750.00
Employee Benefit Plan	273.82	25,165.96	25,165.96	273.82
Federal Forfeiture	59,025.18	284.14	18,862.76	40,446.56
Forfeited Funds	44,980.60	12,130.78	5,627.96	51,483.42
Health Plan	256,337.54	135,470.05		391,807.59
Emergency Assistance Trust Fund	77,333.38	84,790.34	97,525.34	64,598.38
Mayor's Task Force	7,309.08	12,000.00	6,072.84	13,236.24
Municipal Court Alcohol Fund	-	1,481.72	347.76	1,133.96
Off Track Road Improvements	490,331.78	8,640.00		498,971.78
Parking Offense Adjudication Act	732.72	122.00	531.72	323.00
Performance Deposits	5,957,505.36	5,300,316.55	4,459,212.51	6,798,609.40
Public Defender	113,083.25	7,800.00		120,883.25
Quasi-duty Police Department	43,634.34	1,115,176.00	1,111,912.50	46,897.84
Resident Task Force on Arts	17,371.68	10,496.25	10,617.08	17,250.85
Senior Citizen Contributions	20,248.29	1,927.62	1,425.00	20,750.91
Snow Removal	32,516.75	250,000.00	281,862.33	654.42
Substance Abuse Task Force	28,456.28	64,241.00	67,277.37	25,419.91
Tax Collector's Trust	593,706.58	2,623,970.27	2,695,812.88	521,863.97
Tax Sale Premiums	1,371.00		325.00	1,046.00
Township Landfill Closure	81,500.80	3,686.85	1,000.00	84,187.65
Traffic and Environmental Studies	132,438.34		13,800.00	118,638.34
Unemployment Benefits	74,955.36	11,718.07	11,911.57	74,761.86
Uniform Fire Safety	157,590.36	123,468.06	161,721.73	119,336.69
Workers Compensation	40,862.49	1,279.03	8,606.94	33,534.58
	<u>\$ 16,841,525.10</u>	<u>\$ 12,264,096.78</u>	<u>\$ 10,287,154.02</u>	<u>\$ 18,818,467.86</u>
	REF. B	Below	Below	B
	REF.			
Grant Awards	B-4	\$ 64,241.00		
Cash Receipts	B-1	<u>12,199,855.78</u>		
	Above	<u>\$ 12,264,096.78</u>		
Cash Disbursements	B-1		\$ 9,976,439.13	
Reserved for Encumbrances	B		<u>310,714.89</u>	
	Above		<u>\$ 10,287,154.02</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, 2019**

	<u>REF.</u>		
Balance - December 31, 2018	B		\$ 35,820.70
Increased by:			
Open Space Tax - 2019	B-1, A-7	\$ 1,534,000.00	
Refund of Prior Year Expense	B-1	303,652.81	
Other Receipts	B-1	425,100.86	
Interest Earned	B-1	<u>2,006.96</u>	
			<u>2,264,760.63</u>
			2,300,581.33
Decreased by:			
Cash Disbursements:			
Disbursements for Payment of Interest on Debt	B-1	325,553.01	
Disbursements for Payment of Principal on Debt	B-1, C-14	<u>1,632,491.50</u>	
			<u>1,958,044.51</u>
Balance - December 31, 2019	B		<u>\$ 342,536.82</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, 2019**

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 11,849,714.64
Increased by Receipts:		
Premium on Bond Sale	C-7	12,955.80
Budget Appropriation - Capital Improvement Fund	C-8	85,000.00
Bond Anticipation Note Proceeds	C-16	4,530,000.00
Investments Matured	C-12	552,375.00
Contributions	C-9	49,047.12
Open Space Trust Fund contribution	C-6	15,000.00
Interest Earned on Investments	C-11	<u>38,974.38</u>
		<u>5,283,352.30</u>
		17,133,066.94
Decreased by Disbursements:		
Reserve for Encumbrances	C-15	5,420,594.01
Investment in Bond Anticipation Notes	C-12	136,500.00
Notes Paid	C-16	4,530,000.00
Disbursed to Current Fund	C-11	<u>1,690,470.45</u>
		<u>11,777,564.46</u>
Balance, December 31, 2019	C	<u><u>\$ 5,355,502.48</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, 2019 and 2018

	Balance Dec 31, 2019	Balance Dec 31, 2018
Fund Balance	\$ 814.40	\$ 814.40
Capital Improvement Fund	723.58	14,473.58
Reserve for Contributions	795,215.07	746,167.95
Reserve for Encumbrances	3,614,888.60	3,302,271.80
Reserve for Preliminary Costs	10,000.00	10,000.00
Reserve for Debt Service	12,955.80	41,533.53
Due from NJ Department of Transportation	(133,572.50)	(207,322.41)
Due to Current Fund	(1,605,483.61)	4,478.93
Due from Other Trust Fund	(100,000.00)	(100,000.00)
Investment in Bond Anticipation Notes	(136,500.00)	(552,375.00)

ORD.
NO.

IMPROVEMENT AUTHORIZATIONS

General Improvements:

01-84	East New Road Landfill Closure		20.97
26-96, 7-99, 63-98	Route 522 - Section 5A	16,272.35	16,272.35
42-01	Development of Open Space		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	(0.30)	366.96
08-05	Payments of Amounts Owning to Others for Taxes Levied in and by the Township	(250,000.00)	(250,000.00)
80-05	Construction of Route 522 section I-A Route 130 to Cranbury South River Road		209,354.71
45-03	Various Park Development	35,000.00	35,000.00
47-08	Various Capital Improvements	(620.00)	(620.00)
52-08	Purchase Ambulance - Kendall Park	(2.40)	(2.40)
12-10	Purchase of Open Space Riya Finnegans Property	(334,832.62)	(378,214.74)

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND CASH EQUIVALENTS
DECEMBER 31, 2019 and 2018

ORD NO.	IMPROVEMENT AUTHORIZATIONS	Balance Dec 31, 2019	Balance Dec 31, 2018
<u>General Improvements:</u>			
05-11	Purchase 911 Equipment		\$ 522.99
12-14	Various Road Improvements	\$ 4,775,574.81	7,674,777.93
12-22	Various Capital Improvements		3.98
12-33	Farmland Preservation	(14.41)	(14.41)
13-09	Turf Fields	(200.00)	8,850.00
13-21	Various Capital Improvements	42,768.27	37,963.80
14-24	Various Capital Improvements	(5,102.40)	(979.22)
15-24	Various Capital Improvements	(83,678.61)	(10,497.70)
15-26	Open Space Improvements	30,301.07	42,301.07
15-31	Open Space Acquisitions	(285,000.00)	15,000.00
16-00	Route 522 Improvements		65,000.00
16-17	Various Capital Improvements	31,024.22	31,024.22
17-27	Various Capital Improvements	(263,978.64)	(157,797.50)
18-22	Various Capital Improvements	(188,535.56)	663,814.35
18-23	Purchase of Book Mobile	(25,000.00)	(25,000.00)
19-23	Acquisition of 124 Kingston	12,797.19	
19-24	Various Capital Improvements	(1,219,183.52)	
		<u>\$ 5,355,502.48</u>	<u>\$ 11,849,714.64</u>
		REF. 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, 2019

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 37,221,000.00
Decreased by:		
General Serial Bonds Paid:		
By Current Fund	C-14	\$ 4,877,508.50
By Open Space Trust Fund	C-14	<u>1,632,491.50</u>
		<u>6,510,000.00</u>
Balance, December 31, 2019	C	<u>\$ 30,711,000.00</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, 2019

Ord. No.	Improvement Description	Increased By		Balance Dec 31, 2019	Bond Anticipation Notes	Expenditures	Analysis of	
		Balance Dec 31, 2018	2019 Authorizations				Balance - December 31, 2019	Unexpended Balance of Improv. Auth.
86-04	Design and Construction of 911 Memorial	\$	\$	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	2.40		2.40		2.40		
12-10	Improvements to Senior Center / Reichler Park	788,750.00		788,750.00	\$ 260,000.00	334,832.62	\$ 193,917.38	
12-14	Various Road Improvements	71,385.00		71,385.00			71,385.00	
12-33	Farmland Preservation	50,250.00		50,250.00		14.41	50,235.59	
13-09	Turf Fields	200.00		200.00		200.00		
14-24	Various Capital Improvements	400,000.00		400,000.00	355,000.00	5,102.40	39,897.60	
15-24	Various Capital Improvements	1,066,197.00		1,066,197.00	815,000.00	83,678.61	167,518.39	
15-26	Open Space Improvements	49,030.00		49,030.00			49,030.00	
15-31	Open Space Acquisitions	285,000.00		285,000.00		285,000.00		
17-27	Various Capital Improvements	1,364,200.00		1,364,200.00	1,100,000.00	263,978.64	221.36	
18-22	Various Capital Improvements	2,161,250.00		2,161,250.00	1,800,000.00	188,535.56	172,714.44	
18-23	Purchase of Book Mobile	225,000.00		225,000.00	200,000.00	25,000.00		
19-23	Acquisition of 124 Kingston		\$ 285,000.00	285,000.00			285,000.00	
19-24	Various Capital Improvements		1,876,250.00	1,876,250.00		1,219,183.52	657,066.48	
		\$ 6,711,884.70	\$ 2,161,250.00	\$ 8,873,134.70	\$ 4,530,000.00	\$ 2,656,148.46	\$ 1,686,986.24	

REF.

C-6

C-3

C-16

C

C-6, C-17

C

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 41,533.53
Increased by:		
Premium on Bond Anticipation Note Sale	C-2	<u>12,955.80</u>
		54,489.33
Decreased by:		
Revenue Recognized in the Current Fund Budget	A-2, C-11	<u>41,533.53</u>
Balance - December 31, 2019	C	<u>\$ 12,955.80</u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	C	\$ 14,473.58
Increased by:		
Cash Received from 2019 Budget Appropriation	C-2	<u>85,000.00</u>
		99,473.58
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-6	<u>98,750.00</u>
Balance - December 31, 2019	C	<u><u>\$ 723.58</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 746,167.95
Increased by cash received	C-2	<u>49,047.12</u>
Balance, December 31, 2019	C, Below	<u>\$ 795,215.07</u>

Analysis of Balance at December 31, 2019

	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
	Harvest Woods improvements	49,047.12
	Major Road - DOT	<u>250,000.00</u>
	Above	<u>\$ 795,215.07</u>

**GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM THE STATE OF
NEW JERSEY-GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 207,322.41
Decreased By:		
Cancelled balance	C-6	<u>73,749.91</u>
Balance - December 31, 2019	C	<u>\$ 133,572.50</u>

Analysis of Balance

Ord. 15-24 \$ 133,572.50

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

**GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND PAYABLE (RECEIVABLE)- CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	C	\$ 4,478.93
Increased By:		
Anticipated as revenue in the Current Fund Budget	C-7	41,533.53
Interest Earned on Investments	C-2	<u>38,974.38</u>
		84,986.84
Decreased by:		
Cash Disbursed to Current Fund	C-2	<u>1,690,470.45</u>
Balance - December 31, 2019	C	<u>\$ (1,605,483.61)</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, 2019

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 552,375.00
Increased By:		
Investment in Bond Anticipation Notes	C-2	<u>136,500.00</u>
		688,875.00
Increased By:		
Redemption of Bond Anticipation Notes	C-2	<u>552,375.00</u>
Balance - December 31, 2019	C	<u>\$ 136,500.00</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, 2019

	<u>REF.</u>	
Balance - December 31, 2019 and 2018	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, 2019**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding - Dec 31, 2019 Date	Interest Rate	Balance Dec 31, 2018	Decreased	Balance Dec 31, 2019
Refunding Bonds	09/10/09	\$ 3,190,000	09/01/20 09/01/21	4.000% 4.000%	\$ 805,000.00	\$ 270,000.00	\$ 535,000.00
Open Space Bonds	09/23/10	3,168,000	10/01/20 10/01/21 10/01/22 10/01/23 10/01/24 10/01/25 10/01/26 10/01/27 10/01/28 10/01/29 10/01/30	3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.125% 3.250% 3.250% 3.350% 3.500%	155,000 170,000 180,000 180,000 185,000 183,000 200,000 200,000 200,000 200,000 200,000		2,198,000.00
Refunding Bonds	09/23/10	6,650,000	01/15/20 01/15/21	2.500% 2.625%	1,855,000.00	630,000.00	1,225,000.00
Refunding Bonds	09/15/11	9,987,000	07/01/20 07/01/21	4.650% 3.600%	4,360,000.00	1,465,000.00	2,895,000.00
General Improvement Bonds	11/05/12	5,101,000	11/15/20 11/15/21 11/15/22 11/15/23 11/15/24 11/15/25	3.000% 3.000% 2.000% 2.125% 2.250% 2.250%	420,000 450,000 505,000 510,000 510,000 506,000		3,271,000.00
Open Space Bonds	11/05/12	1,438,000	11/15/20 11/15/21 11/15/22 11/15/23 11/15/24 11/15/25	3.000% 3.000% 2.000% 2.125% 2.250% 2.250%	80,000 160,000 160,000 160,000 160,000 158,000	80,000.00	878,000.00

**TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec 31, 2018	Decreased	Balance Dec 31, 2019
			Outstanding - Dec 31, 2019	Amount				
General Improvement Bonds	10/23/13	\$ 4,638,000	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%			
						\$ 3,538,000.00	\$ 250,000.00	\$ 3,288,000.00
Open Space Bonds	10/23/13	361,000	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%	251,000.00	25,000.00	226,000.00
General Improvement Refunding Bonds	09/01/14	8,390,000	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%	3,935,000.00	885,000.00	3,050,000.00
Open Space Refunding Bonds	09/01/14	3,545,000	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%	1,720,000.00	685,000.00	1,035,000.00
General Improvement Refunding Bonds	10/22/15	5,396,000	03/01/20	1,180,000	4.000%			
			03/01/21	1,175,000	4.000%			
			03/01/22	650,000	4.000%			
						4,185,000.00	1,180,000.00	3,005,000.00
Open Space Refunding Bonds	10/22/15	363,000	03/01/20	75,000	4.000%			
			03/01/21	75,000	4.000%			
			03/01/22	65,000	4.000%			
						290,000.00	75,000.00	215,000.00

**TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec 31, 2018	Decreased	Balance Dec 31, 2019
			Outstanding - Dec 31, 2019	Amount				
General Improvement Bonds	09/20/17	\$ 9,837,000	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	750,000	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%	\$ 9,460,000.00	\$ 430,000.00	\$ 9,030,000.00
	Open Space Bonds	09/20/17	416,000	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%			
						395,000.00	20,000.00	375,000.00
						\$ 37,221,000.00	\$ 6,510,000.00	\$ 30,711,000.00
					C	Below	C	
				REF.				
				A-3, C-4		\$ 4,877,508.50		
				B-11, C-4		1,632,491.50		
				Above		\$ 6,510,000.00		

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

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	C	\$ 3,302,271.80
Increased by:		
Charges to Improvement Authorizations	C-6	<u>5,834,140.73</u>
		9,136,412.53
Decreased by:		
Cash Disbursements	C-2	\$ 5,420,594.01
Prior Year Cancelled Encumbrances	C-6	<u>100,929.92</u>
		<u>5,521,523.93</u>
Balance - December 31, 2019	C	<u><u>\$ 3,614,888.60</u></u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2019

Ordinance Number	Improvement Description	Original Amount	Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2018	Increased	Decreased	Balance December 31, 2019
12-10	Improvements to Senior Center / Reichler Park	\$ 260,000.00	10/2/2018	10/1/2019	9/30/2020	1.75%	\$ 260,000.00	\$ 260,000.00	\$ 260,000.00	\$ 260,000.00
14-24	Various Capital Improvements	355,000.00	10/2/2018	10/1/2019	9/30/2020	1.75%	355,000.00	355,000.00	355,000.00	355,000.00
15-24	Various Capital Improvements	815,000.00	10/2/2018	10/1/2019	9/30/2020	1.75%	815,000.00	815,000.00	815,000.00	815,000.00
17-27	Various Capital Improvements	1,100,000.00	10/2/2018	10/1/2019	9/30/2020	1.75%	1,100,000.00	1,100,000.00	1,100,000.00	1,100,000.00
18-22	Various Capital Improvements	1,800,000.00	10/2/2018	10/1/2019	9/30/2020	1.75%	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00
18-23	Purchase of Book Mobile	200,000.00	10/2/2018	10/1/2019	9/30/2020	1.75%	200,000.00	200,000.00	200,000.00	200,000.00
							<u>\$ 4,530,000.00</u>	<u>\$ 4,530,000.00</u>	<u>\$ 4,530,000.00</u>	<u>\$ 4,530,000.00</u>
							C	C-2	C-2	C-C-3
							REF.			

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, 2019

Ord. No.	Improvement Description	Balance		2019 Authorized	Balance Dec 31, 2019
		Dec 31, 2018	\$		
86-04	Design and Construction of 911 Memorial	\$ 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
47-08	General Capital Improvements	620.00			620.00
52-08	Kendall Park Ambulance	2.40			2.40
12-10	Improvements to Senior Center / Reichler Park	528,750.00			528,750.00
12-14	Various Road Improvements	71,385.00			71,385.00
12-33	Farmland Preservation	50,250.00			50,250.00
13-09	Turf Fields	200.00			200.00
14-24	Various Capital Improvements	45,000.00			45,000.00
15-24	Various Capital Improvements	251,197.00			251,197.00
15-26	Open Space Improvements	49,030.00			49,030.00
15-31	Open Space Acquisitions	285,000.00			285,000.00
17-27	Various Capital Improvements	264,200.00			264,200.00
18-22	Various Capital Improvements	361,250.00			361,250.00
18-23	Purchase of Book Mobile	25,000.00		\$ 285,000.00	25,000.00
19-23	Acquisition of 124 Kingston			1,876,250.00	285,000.00
19-24	Various Capital Improvements				1,876,250.00
		\$ 2,181,884.70	\$	2,161,250.00	\$ 4,343,134.70
	REF.	C		C-5, C-6	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 CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

	REF.	OPERATING FUND	ASSESSMENT TRUST FUND	CAPITAL FUND
Balance - December 31, 2018	D	\$ 4,274,679.90	\$ 124,606.54	\$ 8,478,579.64
Increased by Receipts:				
Consumer Accounts Receivable	D-10	\$ 25,791,197.58		\$ 23,991.00
Prepaid Rents	D-17	76,592.41		10,456,000.00
Miscellaneous Revenue Not Anticipated	D-4	529,914.52		29,904.16
Water and Sewer Connection Fees	D-4	2,218,036.00		8,063,313.30
Interest on Investments	D-4, D-8	74,660.84		
Proceeds from Bond Anticipation Notes	D-24			
Reserve for Debt Service	D-1, D-4, D-11	186,000.00		
Cash Receipts from Other Funds	D-8, D-9	704,306.49		
		<u>29,580,707.64</u>	<u>124,606.54</u>	<u>18,573,208.46</u>
		33,855,387.54		27,051,788.10
Decreased by Disbursements:				
2019 Budget Appropriations	D-5	25,788,511.50		
2018 Appropriation Reserves	D-13	1,186,711.83		1,447,084.55
Reserve for Encumbrances	D-14			
Accrued Interest on Bonds and Notes	D-12	1,465,087.49		186,000.00
Reserve for Debt Service	D-11			10,456,000.00
Investments in Bond Anticipation Notes	D-24			10,625,000.00
Cash Disbursed to Current Fund	D-5, D-9	2,105,000.00		
Change Fund	D	5.75		
Cash Disbursed to Other Funds	D-8	<u>262,304.30</u>		<u>704,306.49</u>
		30,807,620.87		23,418,391.04
Balance - December 31, 2019	D	\$ 3,047,766.67	\$ 124,606.54	\$ 3,633,397.06

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

**WATER AND SEWER UTILITY FUNDS
SCHEDULE OF ANALYSIS OF WATER AND SEWER UTILITY CAPITAL CASH AND CASH EQUIVALENTS
DECEMBER 31, 2019 and 2018**

	<u>BALANCE</u> DEC. 31, 2019	<u>BALANCE</u> DEC. 31, 2018
Fund Balance	\$ 690.32	\$ 690.32
Capital Improvement Fund	81,109.68	81,109.68
Interfund Payable - Utility Operating Fund		4,360.43
Interfunds Receivable	(3,237,641.76)	
Reserve for:		
Preliminary Engineering Costs	3,450.00	3,450.00
Encumbrances Payable	1,987,933.26	1,674,151.38
Debt Service	30,880.26	186,976.10
Ord. No.	<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	7,563.14
52-97	Pump Station #10	3,632.15
53-01	Water Main Cleaning and Lining	
56-01	Route 1 Sewer Line	82,086.73
48-03	Water Main Replacements at Various Locations	1,405.00
46-07	Radium Remediation	14,650.00
50-08	Deans Pond Lane Water Improvements	66,900.63
36-09	Kendall Park Phase #9	92,899.40
21-11	Various Capital Improvements	541.50
16-12	Various Capital Improvements	162,444.49
23-12	Various Capital Improvements	(93,095.16)
22-13	Various Capital Improvements	109,970.02
14-23	Various Capital Improvements	5,970.24
15-25	Various Capital Improvements	6,019,958.61
18-16	Various Capital Improvements	(2,566.07)
17-28	Various Capital Improvements	(599,916.76)
18-24	Various Capital Improvements	(669,397.04)
19-25	Various Utility Improvements	(471,660.20)
	<u>\$ 3,633,397.06</u>	<u>\$ 8,478,579.64</u>
	<u>REF.</u>	D
	D	D

**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, 2019**

	<u>REF.</u>	<u>Utility Capital Fund</u>
Balance - December 31, 2018	D	\$ 4,630.43
Increased by:		
Interest Earned to Other Funds	D-6	23,991.00
Loans to Other Funds	D-6	<u>238,313.30</u>
	D-6	<u>262,304.30</u>
Decreased by:		
Cash Received from Other Funds	D-6	<u>704,306.49</u>
Balance - December 31, 2019	D	<u>\$ (437,371.76)</u>

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ -
Increased by:		
Loans from Other Funds	D-6	<u>7,825,000.00</u>
		7,825,000.00
Decreased by:		
Cash Disbursements to Other Funds	D-6	<u>10,625,000.00</u>
Balance - December 31, 2019	D	<u><u>\$ 2,800,000.00</u></u>

**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, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 1,404,473.79
Increased by:		
2019 Rents Levied	Reserve	<u>25,681,149.64</u>
		27,085,623.43
Decreased by:		
Cash Receipts	D-1, D-4, D-6	\$ 25,791,197.38
Prepaid Rents Applied	D-1, D-4, D-17	<u>96,165.07</u>
		<u>25,887,362.45</u>
Balance - December 31, 2019	D	<u>\$ 1,198,260.98</u>

Exhibit D-11

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 186,976.10
Increased By:		
Premium on Note Sale	D-6	<u>29,904.16</u>
		216,880.26
Decreased By:		
Utilized as Revenue in Water and Sewer Utility Operating Fund Budget	D-4, D-6	<u>186,000.00</u>
Balance - December 31, 2019	D	<u>\$ 30,880.26</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, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 396,629.67
Increased by:		
Budget Appropriations:		
Interest on Bonds and Notes	D-5	<u>1,387,826.49</u>
		1,784,456.16
Decreased by:		
Cash Disbursements	D-6	<u>1,465,087.49</u>
Balance - December 31, 2019	D, Below	<u><u>\$ 319,368.67</u></u>

Analysis of Accrued Interest:

<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Principal Outstanding December 31, 2019</u>	<u>Accrual Period</u>	<u>Accrual</u>
<u>General Serial Bonds</u>				
2009	4.000%	\$ 230,000.00	7/15/19-12/31/19	\$ 4,216.67
2010	3.000%	3,417,000.00	10/1/19-12/31/19	25,627.50
2011	4.630%	1,930,000.00	7/1/19-12/31/19	44,679.50
2012	3.000%	1,500,000.00	11/15/19-12/31/19	5,625.00
2013	4.000%	5,350,000.00	10/1/19-12/31/19	53,500.00
2014	4.000%	4,135,000.00	9/1/19-12/31/19	55,133.33
2015	4.000%	2,090,000.00	9/1/19-12/31/19	27,866.67
2017	2.000%	11,395,000.00	10/1/19-12/31/19	56,975.00
		<u>\$ 30,047,000.00</u>		<u>273,623.67</u>
		D-20		
<u>Bond Anticipation Notes</u>				
2019	1.750%	\$ 10,456,000.00	10/1/19-12/31/19	45,745.00
		D-24		
Total accrued interest				<u><u>\$ 319,368.67</u></u> Above

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019

	BALANCE DECEMBER 31, 2018		BALANCE AFTER TRANSFERS	PAYD OR CHARGED	BALANCE LAPSED
	APPROPRIATION RESERVES	RESERVE FOR ENCUMBRANCES			
Operations:	\$ 71,980.14	\$ 311,383.36	\$ 71,980.14		\$ 71,980.14
Salaries and Wages	1,400,559.82		1,711,943.18	\$1,210,437.35	501,505.83
Other Expenses					
Deferred Charges and Statutory Expenditures	0.32		0.32		0.32
Deferred Charge - Prior Year Overexpenditure					
Contribution to:	2,798.78		2,798.78		2,798.78
Social Security System					
	\$ 1,475,339.06	\$ 311,383.36	\$ 1,786,722.42	\$1,210,437.35	\$ 576,285.07
REF.	D	D		Below	D-1
		Cash disbursed	REF.		
		Accounts payable	D-6	\$1,186,711.83	
			D-25	23,725.52	
			Above	\$1,210,437.35	

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

**WATER AND SEWER CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>		
Balance - December 31, 2018	D		\$ 1,674,151.38
Increased by:			
Charged to Improvement Authorizations	D-21		1,803,781.43
			<u>3,477,932.81</u>
Decreased by:			
Cancellation of Prior Year Encumbrances	D-21	\$ 42,915.00	
Cash Disbursements	D-6	<u>1,447,084.55</u>	<u>1,489,999.55</u>
Balance - December 31, 2019	D		<u><u>\$ 1,987,933.26</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, 2019**

<u>PURPOSE</u>	<u>BALANCE DEC. 31, 2019</u>	<u>BALANCE DEC. 31, 2018</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>	D	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, 2019**

	<u>REF.</u>	
Balance - December 31, 2019 and 2018	D	<u>\$ 81,109.68</u>

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID RENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 96,165.07
Increased by:		
Cash Receipts	D-6	<u>76,592.41</u>
		172,757.48
Decreased by:		
Applied to Consumer Accounts Receivable	D-10	<u>96,165.07</u>
Balance - December 31, 2019	D	<u>\$ 76,592.41</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019

ACCOUNT	ORDINANCE NUMBER	BALANCE DEC 31, 2018	TRANSFERRED FROM FIXED CAPITAL AUTHORIZED AND UNCOMPLETED	BALANCE DEC 31, 2019
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, 2019

ACCOUNT	ORDINANCE NUMBER	BALANCE DEC 31, 2018	TRANSFERRED FROM FIXED CAPITAL AUTHORIZED AND UNCOMPLETED	BALANCE DEC 31, 2019
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
Water Main Cleaning and Lining	52-03		\$ 940,000.00	940,000.00
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
Update Wastewater Master Plan, Computer Upgrades and Related Improvements	46-05	190,000.00		190,000.00
		<u>\$100,812,267.57</u>	<u>\$ 940,000.00</u>	<u>\$101,752,267.57</u>

D

D-19

D

REF.

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, 2019

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DEC. 31, 2018	AMOUNT AUTHORIZED	TRANSFER TO FIXED CAPITAL	BALANCE DEC. 31, 2019
		DATE	AMOUNT				
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
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
18-24	Various Capital Improvements	07/24/18	3,013,121.00	3,013,121.00			3,013,121.00
19-25	Various Utility Improvements	07/23/19	3,034,000.00	3,034,000.00	\$ 3,034,000.00		3,034,000.00
				\$ 44,466,537.10	\$ 3,034,000.00	\$ 940,000.00	\$ 46,560,537.10

REF.

D

D-21, D-26

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, 2019

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2019	INTEREST RATE	BALANCE DEC. 31, 2018	DECREASED	BALANCE DEC. 31, 2019
Water/Sewer Utility Refunding Bonds	9/10/2009	\$ 1,370,000.00	\$ 115,000.00	4.000%	\$ 345,000.00	\$ 115,000.00	\$ 230,000.00
			07/15/20				
			07/15/21				
Water/Sewer Utility Bonds	9/23/2010	5,942,000.00	500,000.00	3.000%			
			10/01/20				
			10/01/21				
			10/01/22				
			10/01/23				
			10/01/24				
			10/01/25		3,917,000.00	500,000.00	3,417,000.00
Water/Sewer Utility Refunding Bonds	09/15/11	7,608,000.00	965,000.00	4.630%	2,900,000.00	970,000.00	1,930,000.00
			07/01/21				
Water/Sewer Utility Bonds	11/05/12	3,000,000.00	250,000.00	3.000%			
			11/15/20				
			11/15/21				
			11/15/22				
			11/15/23				
			11/15/24				
			11/15/25		1,750,000.00	250,000.00	1,500,000.00
Water/Sewer Utility Bonds	10/23/13	7,760,000.00	550,000.00	4.000%			
			10/01/20				
			10/01/21				
			10/01/22				
			10/01/23				
			10/01/24				
			10/01/25				
			10/01/26				
			10/01/27				
			10/01/28		5,850,000.00	500,000.00	5,350,000.00
Water/Sewer Utility Refunding Bonds	9/1/2014	7,465,000.00	990,000.00	4.000%			
			09/01/20				
			09/01/21				
			09/01/22				
			09/01/23				
			09/01/24		5,065,000.00	930,000.00	4,135,000.00
Water/Sewer Utility Refunding Bonds	10/22/2015	2,561,000.00	230,000.00	4.000%			
			03/01/20				
			03/01/21				
			03/01/22				
			03/01/23				
			03/01/24				
			03/01/25				
			03/01/26				
			03/01/27		2,320,000.00	230,000.00	2,090,000.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS

FOR THE YEAR ENDED DECEMBER 31, 2019

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2019	INTEREST RATE	BALANCE	
					DEC. 31, 2018	DEC. 31, 2019
Water/Sewer Utility Bonds	9/20/2017	\$ 12,147,000.00	\$ 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%			
					\$ 11,795,000.00	\$ 11,395,000.00
					\$ 33,942,000.00	\$ 30,047,000.00
					D	D, D-12
					D-5, D-22	D, D-12

REF.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

Ordinance No.	Improvement Description	Date	Ordinance Amount	Balance Dec 31, 2018		Cancellation of Prior Year Encumbrances	Paid or Charged	Balance Dec 31, 2019	
				Funded	Unfunded			Funded	Unfunded
22-84	Construction Route 130		\$ 950,000.00	\$ 36,447.82			\$ 1,405.00	\$ 36,447.82	
48-03	Water Main Replacements at Various Locations	05/20/03	\$ 950,000.00	1,405.00					
55-90	Various Water and Sewer Improvements	09/18/90	3,160,000.00	13,017.35				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	3,132.15	\$ 500.00			3,132.15	\$ 500.00
53-01	Water Main Cleaning and Lining	06/19/01	940,000.00	3,135.16			3,135.16		
56-01	Route 1 Sewer Line	06/19/01	1,430,000.00	82,086.73				82,086.73	
46-07	Radium Remediation			14,650.00			14,650.00		
50-06	Various Utility Improvements	07/25/06	2,407,000.00	17,631.64			10,068.50	7,563.14	
36-09	Kendall Park Phase 9	8/25/2009	2,000,000.00	92,899.40				92,899.40	
08-50	Deans Pond Lane Water Improvements	8/26/2008	1,050,000.00	66,900.63				66,900.63	580,000.00
11-21	Various Capital Improvements	6/28/2011	5,660,000.00	500,521.50		\$ 20.00			500,541.50
12-16	Various Capital Improvements	5/8/2012	3,560,000.00	162,444.49				162,444.49	
12-23	Various Capital Improvements	8/14/2012	10,110,000.00	12,882.33			105,977.49		466,904.84
13-22	Various Capital Improvements	6/25/2013	1,666,500.00	133,833.65			23,863.65	109,970.02	166,500.00
14-23	Various Capital Improvements	7/22/2014	1,807,000.00	5,970.24				5,970.24	
15-25	Various Capital Improvements	7/14/2015	10,409,200.00	7,551,209.61			256,051.00		7,295,158.61
16-18	Various Utility Improvements	7/26/2016	2,532,000.00	1,461,593.43		30,000.00	32,509.50		1,429,083.93
17-28	Various Utility Improvements	10/10/2017	4,088,000.00	3,119,693.70		12,895.00	524,505.46		2,608,083.24
18-24	Various Capital Improvements	7/24/2018	3,013,121.00	2,703,679.45			359,955.49		2,343,723.96
19-25	Various Utility Improvements	7/23/2019	3,034,000.00				471,660.20		2,562,339.80
				\$ 648,615.04	\$ 16,643,697.69		\$ 1,803,781.43	\$ 582,610.42	\$ 17,982,835.88
			REF.	D	D	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, 2019

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 89,674,833.67
Increased by:		
Payment of Bond Principal	D-20	\$3,895,000.00
Payment of Note Principal	D-24	327,000.00
Transferred from Deferred Reserve for Amortization	D-23	<u>45,500.00</u>
		<u>4,267,500.00</u>
Balance - December 31, 2019	D	<u>\$ 93,942,333.67</u>

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORD.</u>	<u>BALANCE DEC. 31, 2018</u>	<u>Transferred to Reserve for Amortization</u>	<u>BALANCE DEC. 31, 2019</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
			<u>\$ 114,500.00</u>	<u>\$ 45,500.00</u>	<u>\$ 69,000.00</u>
		<u>REF.</u>	D	D-22	D

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2019

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Change		Balance Dec. 31, 2019
							Increased	Decreased	
25-15	Various Capital Improvements	1/30/2015	10/1/2019	9/30/2020	1.75%	\$ 8,831,900.00	\$ 8,504,900.00	\$ 8,831,900.00	\$ 8,504,900.00
52-97	Various Capital Improvements	10/2/2018	10/1/2019	9/30/2020	1.75%	500.00	500.00	500.00	500.00
35-07	Various Capital Improvements	10/2/2018	10/1/2019	9/30/2020	1.75%	250.00	250.00	250.00	250.00
21-11	Various Capital Improvements	10/2/2018	10/1/2019	9/30/2020	1.75%	400,000.00	400,000.00	400,000.00	400,000.00
18-16	Various Capital Improvements	10/2/2018	10/1/2019	9/30/2020	1.75%	670,350.00	670,350.00	670,350.00	670,350.00
28-17	Various Capital Improvements	10/2/2018	10/1/2019	9/30/2020	1.75%	880,000.00	880,000.00	880,000.00	880,000.00
						<u>\$ 10,783,000.00</u>	<u>\$ 10,456,000.00</u>	<u>\$ 10,783,000.00</u>	<u>\$ 10,456,000.00</u>
					<u>REF.</u>	<u>D</u>	<u>Below</u>	<u>Below</u>	<u>D, D-12</u>
					Renewals	<u>REF.</u>			
					Paydown of Bond Anticipation Notes	<u>D-6</u>	\$ 10,456,000.00	\$ 10,456,000.00	
						<u>D-5, D-22</u>		<u>327,000.00</u>	
						<u>Above</u>	<u>\$ 10,456,000.00</u>	<u>\$ 10,783,000.00</u>	

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

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 6,812.15
Increased by:		
Transfer from appropriation reserves	D-13	<u>23,725.52</u>
Balance - December 31, 2019	D	<u>\$ 30,537.67</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, 2019**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	Balance Dec. 31, 2018	Amount Authorized	Balance Dec. 31, 2019
50-08	Deans Pond Lane Water Improvements	\$ 580,000.00		\$ 580,000.00
21-11	Various Capital Improvements	500,000.00		500,000.00
23-12	Various Capital Improvements	560,000.00		560,000.00
22-13	Various Capital Improvements	166,500.80		166,500.80
25-15	Various Capital Improvements	1,275,200.00		1,275,200.00
16-18	Various Capital Improvements	1,461,650.00		1,461,650.00
17-28	Various Capital Improvements	3,208,000.00		3,208,000.00
18-24	Various Capital Improvements	3,013,121.00		3,013,121.00
19-25	Various Utility Improvements		\$ 3,034,000.00	3,034,000.00
		<u>\$ 10,764,471.80</u>	<u>\$ 3,034,000.00</u>	<u>\$ 13,798,471.80</u>

D

D-19, D-21

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PAYROLL FUND

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

**PAYROLL FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance - December 31, 2018	<u>REF.</u> E		\$ 621,409.33
Increased by Cash Receipts:			
Payroll Deductions Payable	E-3		32,259,200.03
			<u>32,880,609.36</u>
Decreased by Cash Disbursements:			
Payroll Deductions Payable	E-3	\$ 32,541,808.48	
Paid to Current Fund	E	<u>5.10</u>	<u>32,541,813.58</u>
Balance - December 31, 2019	E		<u>\$ 338,795.78</u>

**PAYROLL FUND
SCHEDULE OF INTERFUND PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance - December 31, 2019 and 2018	<u>REF.</u> E		<u>\$ 74,714.59</u>
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TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

PAYROLL FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019

Program	Balance Dec 31, 2018	Increases	Decreases	Balance Dec 31, 2019
Federal Withholding Tax	\$ (666.90)	\$ 3,099,889.13	\$ 3,099,889.23	\$ (667.00)
FICA and Medicare	353.54	4,175,663.60	4,175,735.52	281.62
NJ State Withholding Tax	516.53	1,133,847.49	1,133,784.66	579.36
PA State Withholding Tax		4,232.42	4,232.42	
State Unemployment Tax	36,660.94	59,242.31	36,375.47	59,527.78
Net Payroll	(973.71)	17,824,265.49	17,824,265.49	(973.71)
CWA Dues	(45.00)	15,677.19	15,632.19	
CDA		278,836.29	278,836.29	
DCRP		48,554.44	48,554.44	
Deferred Compensation-Pa	(51.00)	1,047,215.49	1,047,165.49	(1.00)
PERS	118,561.02	1,486,847.99	1,481,216.42	124,192.59
PERS Contributory Group Insurance	6,233.81	76,536.96	76,287.19	6,483.58
PFRS	79,365.40	1,046,513.30	1,043,923.90	81,954.80
PBA Dues		63,270.00	63,270.00	
Supervisors Dues		4,200.00	4,200.00	
PFRS Supplemental Annuity	0.02			0.02
DPW Union Dues	(650.00)	8,180.00	8,180.00	(650.00)
FMBA Dues		9,984.00	9,984.00	
AFSCME Dues		33,502.74	33,497.74	5.00
Disability Insurance	(2,683.61)	16,948.37	16,948.34	(2,683.58)
Garnishment	712.01	69,797.71	69,589.71	920.01
Employee Insurance - AFLAC	7,418.16	48,826.20	55,674.80	569.56
Employee Health Benefits	294,475.74	1,481,905.85	1,776,381.59	
Employee Health Benefits - AFLAC	(7,520.14)	32,014.16	25,165.96	(671.94)
Employee Dental Benefits	14,982.83	80,880.90	95,863.73	
Life Insurance - Group Term		5,997.61	5,997.61	
Life Insurance - MassMutual		63,024.00	67,809.90	(4,785.90)
Life Insurance - Trustmark		43,346.39	43,346.39	
	<u>\$ 546,689.64</u>	<u>\$ 32,259,200.03</u>	<u>\$ 32,541,808.48</u>	<u>\$ 264,081.19</u>
REF.	E	E-1	E-1	E

COMMENTS SECTION

**TOWNSHIP OF SOUTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2019
GENERAL COMMENTS**

An audit of the financial accounts and transactions of the Township of South Brunswick, County of Middlesex, New Jersey (the "Township"), for the year ended December 31, 2019, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Township.

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

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, 2019.

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 or 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 8, 2019, 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 April 24, 2019 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:

Years	Tax Title Liens
2019	29
2018	29
2017	28

The Township maintains a foreclosure program for tax title liens that become subject to 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, 2019 to December 31, 2019. Earnings from the investments are shown as revenue in the various accounts of the Township as of December 31, 2019. 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, 2019.

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 2019. 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 2019. 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 2019, 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 2019 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, 2019, 2018 AND 2017**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate:	\$ <u>5.084</u>	\$ <u>4.917</u>	\$ <u>4.909</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$ 0.887	\$ 0.847	\$ 0.836
Municipal Library	0.087	0.076	0.077
Municipal Open Space	0.040	0.039	0.040
County	0.950	0.859	0.867
County Open Space	0.080	0.071	0.071
Local School	3.040	3.025	3.018
<u>Fire District Tax Rates:</u>			
Fire District 1	\$ 0.084	\$ 0.083	\$ 0.082
Fire District 2	0.045	0.045	0.045
Fire District 3	0.099	0.091	0.089
<u>Assessed Valuation (Taxable):</u>			
2019	<u>\$ 3,835,451,507.00</u>		
2018		<u>\$ 3,772,660,700.00</u>	
2017			<u>\$ 3,696,152,800.00</u>

**COMPARATIVE SCHEDULE OF TAX LEVIES AND COLLECTIONS
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017**

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>
2019	\$ 200,132,075.01	\$ 198,805,261.64	99.34%
2018	191,348,197.50	190,497,027.57	99.56%
2017	187,883,736.00	186,836,254.00	99.44%

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

**DELINQUENT TAXES AND TAX TITLE LIENS
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, and 2017**

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
2019	\$ 985,363.14	\$ 1,056,797.28	\$ 2,042,160.42	1.02%
2018	844,490.54	1,476,483.67	2,320,975.21	1.21%
2017	749,027.94	872,779.55	1,621,808.49	0.86%

**PROPERTY ACQUIRED FOR TAX TITLE LIEN LIQUIDATION
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, and 2017**

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
2019	\$ 771,640.00
2018	771,640.00
2017	771,640.00

**COMPARATIVE SCHEDULE OF WATER AND SEWER UTILITY LEVIES AND COLLECTIONS
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, and 2017**

Year	Levies	Collections*
2019	\$ 25,681,149.64	\$ 25,887,362.45
2018	25,596,818.21	25,442,540.64
2017	25,172,100.00	25,133,449.00

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

**COMPARATIVE SCHEDULE OF FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018, and 2017**

	Year Ended	Balance	Utilized in Budget of Succeeding Year
Current Fund	2019	\$ 3,477,191.64	\$ 3,000,000.00
	2018	3,857,924.40	3,000,000.00
	2017	4,528,287.24	4,150,000.00
Water and Sewer Utility Operating Fund	2019	\$ 1,224,168.91	\$ 1,000,000.00
	2018	2,139,330.64	2,135,000.00
	2017	3,605,911.02	3,165,000.00

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

**SCHEDULE OF OFFICIALS IN OFFICE AND SURETY BONDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

The following officials were in office on December 31, 2019:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Charles Carley	- Mayor	
Joe Camarota	- Deputy Mayor	
Ken Bierman	- Councilman	
Ann Grover	- Councilwoman	
Josephine Hochman	- Councilwoman	
Bernard Hvozdovic	- Township Manager	
John Bolcato	- Chief Financial Officer 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
Debra Johnson	- Judge	\$ 1,000,000.00
Kathryn Coffey	- Court Administrator	\$ 1,000,000.00
Heather Sinclair	- Deputy Court Director	\$ 1,000,000.00
Odalys Pineiro	- Deputy Court Administrator	\$ 1,000,000.00

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

COMMENTS AND RECOMMENDATIONS

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

Schedule of Findings and Responses

Year ended December 31, 2019

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified – Regulatory Basis
Adverse – U.S. GAAP

Internal control over financial reporting:

Material weakness(es) identified?

 X Yes No

Significant deficiency(ies) identified?

 Yes X None
Reported

Noncompliance material to financial statements noted?

 Yes X No

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

Schedule of Findings and Responses

Year ended December 31, 2019

Schedule of Financial Statement Findings

This section identified any significant deficiencies, material weaknesses and instances of noncompliance related to financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Finding 2019-001 - Material Weakness in Financial Statement Close Process

Criteria:

A properly functioning financial statement close process provides an adequate internal control system to ensure that appropriate month and year-end internal controls are in place to ensure that financial statements are produced on a timely basis and are materially accurate.

Condition:

The Township's accounting office personnel perform certain financial statement close process procedures on a monthly basis and at year end which include the posting of journal entries and other various accruals and reconciliations. We noted that there is no formalized process that requires account balances to be reconciled and reviewed in totality to ensure the timeliness of the close process.

Context:

A new Chief Financial Officer was hired during the 2019 year and worked diligently with the business office in performing the year-end financial statement close process. During the audit process, we identified significant audit adjustments and account balances that were not always reconciled to the subsidiary ledgers and underlying records and schedules.

The following are specific items that warrant consideration related to the financial statement close process:

- Certain Township bank statements were not reconciled on a timely basis.
- The Township's general ledger accounts receivable balances did not always reconcile to the subsidiary ledger.
- Interfund balances were not liquidated timely.
- Chapter 159 budget revenues were not recorded in the financial records.
- The Township's general ledger had certain year end balances that were not supported.
- Numerous journal entries were required as part of the audit to materially state the financial statements at December 31, 2019.

Cause and Effect:

An appropriately designed financial statement close process reduces the risk of errors in the financial statements. In addition, audit adjustments were proposed during preparation of the financial statements that could be avoided if the Township had a more structured year end close-out process.

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

Schedule of Findings and Responses

Year ended December 31, 2019

Recommendation:

In order to better document the monthly and year end close processes, we suggest that the Township develop a formal financial statement close process document identifying the various procedures performed along with timelines for the procedures and use this document to capture the signatures or initials of the individuals performing and reviewing/approving the various closing procedures. We suggest the Township strengthen the controls surrounding the reconciliation procedures of the Township's trial balance accounts to ensure all accounts are in agreement with supporting documentation and that the year-end financial statement close process is completed in a more timely manner.

Views of Responsible Officials and Planned Corrective Actions:

Township management concurs with the finding, as there was turnover of key employees during the current fiscal year which had a significant effect on specific functions and fiscal operations. Remote operations resulting from the effects of Covid-19, hampered work flows of the audit process and fiscal operations during the year too. The Township will develop a corrective action plan in response to the recommendation above. Township management has already commenced the process of developing and implementing a more formal financial close process that includes, but is not limited to, monthly account reconciliations, reports and controls addressing the reconciliation and account analysis of the general ledger to corroborative records

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF SOUTH BRUNSWICK
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2019

Other Matters

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 (*).

2019-002 Water and Sewer Utility Fund Balance

During our testing of the Water and Sewer Utility Fund, we noted the fund balance has continued to decline over the past few years.

We suggest the Township consider having a rate study performed by an independent third party in order to increase revenues to support its appropriations.

2019-003 Interfunds *

During our testing of 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.

2019-004 Funded Improvement Authorizations

During our testing of the General Capital Fund, we noted several funded improvement authorizations with large remaining balances.

We suggest the Township review all funded improvement authorization balances that exceed five years and take appropriate action to cancel the remaining unused balances.