

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

**REGULATORY BASIS FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2021**

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY NEW JERSEY

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

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

**The Honorable Mayor and Members
of the Township Council
Township of South Brunswick**

Report on the Audit of the Regulatory Basis Financial Statements

Opinions on Regulatory Basis Financial Statements

We have audited the regulatory basis financial statements of the various funds and the governmental fixed assets of the Township of South Brunswick, New Jersey ("Township"), which comprise the balance sheets as of December 31, 2021, and the related statements of operations and changes in fund balance for the year then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents. The regulatory basis financial statements of the Township as of and for the year ended December 31, 2020 were not audited by other auditors who were engaged to audit those financial statements and whose report dated July 26, 2022 disclaimed an opinion on those regulatory basis financial statements due to the inability to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the Township as of December 31, 2021, and the regulatory basis revenues, expenditures, and changes in fund balances for the year then ended, the statements of revenues and statements of expenditures for the year ended December 31, 2021 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Department of Community Affairs, Division of Local Government, State of New Jersey ("Division") described in Note 1.

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 section of our report, the financial statements 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, 2021, or its revenues, expenditures and changes in fund balance thereof for the year then ended.

**The Honorable Mayor and Members
of the Township Council
Township of South Brunswick**

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Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”), requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards and requirements are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

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

As described in Note 1 of the financial statements, 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 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Township’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud

**The Honorable Mayor and Members
of the Township Council
Township of South Brunswick**

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may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The information included in Part II – Supplementary Information Required by the Division and Part III – Roster and Letter of Comments and Recommendations - Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**The Honorable Mayor and Members
of the Township Council
Township of South Brunswick**

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Report on Supplementary Information as Required by the Uniform Guidance

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and related notes to the schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance and related notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2023 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
April 25, 2023

Scott A. Clelland

Scott A. Clelland, CPA
Registered Municipal Accountant, No. 455

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT AND GRANT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>REF.</u>	<u>DEC. 31, 2021</u>	<u>DEC. 31, 2020</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>DEC. 31, 2021</u>	<u>DEC. 31, 2020</u>
Current Fund:				Liabilities:			
Cash and Cash Equivalents - Treasurer	A-4	\$ 11,254,441.33	\$ 11,088,847.76	Appropriation Reserves	A-3, A-12	\$ 942,233.65	\$ 1,847,382.07
Investments	A-5	<u>300,000.00</u>	<u>1,153,253.00</u>	Reserve for Encumbrances	A-21	843,366.19	459,875.17
		<u>11,554,441.33</u>	<u>12,242,100.76</u>	Accounts Payable	A-16	975,133.86	48,172.37
				Special Emergency Notes Payable	A-24	790,000.00	820,000.00
Other Assets	A	37,090.00	517,896.55	Prepaid Taxes	A-14	2,462,610.26	3,287,085.04
Receivables and Other Assets With Offsetting Reserves:				Due to State of N.J. per Ch. 20,P.L. 1976	A-8	74,047.85	73,797.85
Taxes Receivable	A-7	862,210.70	1,321,695.36	Tax Overpayments	A-17	1,179.50	173,695.99
Tax Title Liens	A-9	1,130,813.11	1,039,016.73	Due to State of New Jersey	A-13	68,400.00	34,999.35
Property Acquired for Taxes (At Assessed Valuation)	A-10	771,640.00	771,640.00	Interfund Payable - Water Utility Capital Fund	A-6	130,004.20	2,930,004.20
Revenue Accounts Receivable	A-11	23,927.54	6,265.31	Interfund Payable - General Capital Fund	A-6	926,704.86	4,208,066.23
Interfund Receivable - Grant Fund	A-6	321,504.88	463,775.44	Interfund Payable - Payroll Trust Fund	A-6		232.56
Interfund Receivable - Utility Operating Fund	A-6		4,335,432.32	Interfund Payable - Other Trust Fund	A-6		3,238,607.06
Interfund Receivable - Other Trust Fund	A-6	116,079.49		Reserve for Tax Sale Premiums	A-4	821,100.00	
Interfund Receivable - Open Space Trust Fund	A-6	400,000.00		Reserve for Various Deposits	A-15	<u>34,122.44</u>	<u>33,934.73</u>
Interfund Receivable - Animal Control Trust Fund	A-6	<u>36,625.79</u>	<u>57,697.18</u>			<u>8,068,902.81</u>	<u>17,155,852.62</u>
	A	<u>3,662,801.51</u>	<u>7,995,522.34</u>				
Deferred Charges:							
Overexpenditure of an Appropriation Reserve	A-23	285,892.12	372,216.58				
Deficit in Operations	A-23		1,786,085.15				
Special Emergency - COVID-19 Ch. 74	A-22	1,422,663.00	1,257,797.00				
Overexpenditure of Current Appropriations	A-23	671,568.25	488,651.36	Reserve for Receivables	Reserve	3,662,801.51	7,995,522.34
Special Emergency Authorizations	A-22	<u>790,000.00</u>	<u>820,000.00</u>	Fund Balance	A-1	<u>6,692,751.89</u>	<u>328,894.78</u>
Total Current Fund Assets		<u>18,424,456.21</u>	<u>25,480,269.74</u>	Total Current Fund Liabilities, Reserves and Fund Balance		<u>18,424,456.21</u>	<u>25,480,269.74</u>
Federal and State Grant Fund:				Federal and State Grant Fund:			
Grants Receivable	A-25	6,347,732.21	5,957,833.27	Reserve for State and Federal Grants:			
				Appropriated	A-27	5,839,848.20	5,408,282.53
Deferred Charges:				Unappropriated	A	8,179.77	2,585.00
Overexpenditure of Grant	A-23, A-27	<u>11,277.63</u>	<u>13,285.82</u>	Interfund Payable - Current Fund	A-26	321,504.88	463,775.44
				Reserve for Encumbrances	A-21	<u>189,476.99</u>	<u>96,476.12</u>
Total Federal and State Grant Fund Assets		<u>6,359,009.84</u>	<u>5,971,119.09</u>	Total Federal and State Grant Fund Liabilities and Reserves		<u>6,359,009.84</u>	<u>5,971,119.09</u>
Total Assets		<u>\$ 24,783,466.05</u>	<u>\$ 31,451,388.83</u>	Total Liabilities, Reserves and Fund balance		<u>\$ 24,783,466.05</u>	<u>\$ 31,451,388.83</u>

See accompanying notes to the financial statements.

CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>REF.</u>	<u>YEAR 2021</u>	<u>YEAR 2020</u>
<u>REVENUES AND OTHER INCOME</u>			
Fund Balance Utilized			\$ 3,000,000.00
Miscellaneous Revenues Anticipated	A-2	\$ 20,529,832.85	15,783,840.75
Receipts from Delinquent Taxes	A-2	1,273,727.81	1,107,062.91
Receipts from Current Taxes	A-2	213,304,198.02	203,027,958.71
Non-Budget Revenue	A-2	246,839.99	140,882.86
Other Credits to Income:			
Unexpended Balance of Approp. Reserves	A-12	1,181,405.55	428,399.39
Refunds			270.00
Interfund Loans Returned	A	1,888,268.06	330,635.83
		<hr/>	<hr/>
Total Revenues and Other Income		238,424,272.28	223,819,050.45
		<hr/>	<hr/>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations within CAPs	A-3	52,350,401.27	48,145,396.00
Operations Excluded from CAPS	A-3	4,307,253.08	4,517,690.58
Capital Improvements	A-3	710,650.00	100,000.00
Municipal Debt Service	A-3	6,165,052.98	6,305,902.35
Def. Charges and Statutory Expend.	A-3	280,000.00	305,000.00
County Tax	A-7 , A-19	35,644,207.69	36,204,736.52
County Open Space Taxes	A-7 , A-19	2,945,326.27	3,014,334.48
Cty. Share of Added and Omitted Taxes	A-7 , A-19	1,451,236.33	408,237.43
Local District School Tax	A-7 , A-20	121,850,164.00	119,459,077.00
Special District Taxes	A-7 , A-18	2,501,516.00	2,457,686.00
Municipal Open Space Taxes	A-4 , A-7	1,633,630.00	1,582,418.88
Refund of Prior Year Revenue	A-4	135,564.43	250.00
Cancellation of Prior Year Assets	A	1,251,921.55	243,949.78
Interfunds Established	A	1,889,258.94	4,856,904.94
		<hr/>	<hr/>
Total Expenditures		233,116,182.54	227,601,583.96
		<hr/>	<hr/>

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, 2021

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		2021 BUDGET	N.J.S.A. 40A:4-87		
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-11	\$ 57,950.00		\$ 215,508.00	\$ 157,558.00
Other	A-11	44,800.00		40,531.00	(4,269.00)
Fees and Permits:					
Other	A-11	606,000.00		639,010.57	33,010.57
Fines and Costs:					
Municipal Court	A-11	591,000.00		264,273.48	(326,726.52)
Interest and Costs on Taxes	A-11	348,000.00		313,534.01	(34,465.99)
Interest on Investments and Deposits	A-11	83,500.00		40,277.34	(43,222.66)
Cable TV Franchise Fee	A-11	445,498.42		445,498.42	
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		41,195.00	14,444.00
Uniform Construction Code Fees	A-11	1,905,000.00		1,563,874.95	(341,125.05)
Fire District #1 contract	A-11	132,500.00		130,731.78	(1,768.22)
Fire District #2 contract	A-11	220,000.00		225,432.74	5,432.74
Fire District #3 contract	A-11	118,000.00		161,200.55	43,200.55
Spotswood Contract - Data Processing	A-11	20,000.00		29,200.00	9,200.00
Milltown Contract - Data Processing	A-11	13,000.00		13,100.00	100.00
Cranbury Contract - Data Processing	A-11	30,000.00		30,000.00	
Monroe Contract - Data Processing	A-11	66,000.00		72,254.82	6,254.82
Middlesex College:					
Contract - Data Processing	A-11	20,000.00		16,100.00	(3,900.00)
Interlocal Cranbury Dispatch	A-11	130,000.00		135,304.00	5,304.00
Public and Private Revenues Offset with Approp:					
Distracted Driver	A-25	12,000.00		12,000.00	
Body Cameras	A-25		\$ 205,838.00	205,838.00	
Clean Communities	A-25	86,643.59		86,643.59	
Recycling Tonnage Grant	A-25	243,868.45		243,868.45	
NJDOT New Road	A-25	378,449.00		378,449.00	
NJDOT Williams Rd.	A-25	524,500.00		524,500.00	
Library in Your Living Room	A-25		38,294.00	38,294.00	
Library Spokes	A-25		24,034.04	24,034.04	
Other Special items:					
Uniform Fire Safety Act - Life Hazard					
Use Fees	A-11	337,500.00		360,574.54	23,074.54
Site Leasing - Antennae	A-11	293,000.00		345,662.22	52,662.22
CARES	A-11	600,000.00		600,000.00	
PILOT - South Brunswick Community					
Development Corp.	A-11	39,500.00		38,103.74	(1,396.26)
PILOT - VOA	A-11	2,500.00		3,186.02	686.02
PILOT - CIL Woods	A-11	10,500.00		8,180.85	(2,319.15)
PILOT- Oakwoods	A-11	41,500.00		43,605.15	2,105.15
PILOT - Car Sense	A-11	548,800.00			(548,800.00)
Interfund Realized	A-11	2,968,636.88		2,968,636.88	
General Capital Fund Balance	A-11	924,000.00		674,291.04	(249,708.96)
Utility Payments for SW Chargebacks	A-11	500,000.00		500,000.00	
Hotel/Motel Tax	A-11	630,000.00		814,633.21	184,633.21
Reserve for Debt Service	A-11	217,000.00		217,000.00	
Reserve for Quasi Duty - Other Trust Fund	A-11	100,000.00		97,000.00	(3,000.00)
American Rescue Plan	A-11	2,390,891.46		2,390,891.46	
Reserve for Workers' Compensation	A-11	32,000.00		25,000.00	(7,000.00)
School Resource Officer	A-11	310,000.00		387,486.00	77,486.00
Total Miscellaneous Revenues	A-1 , A-2	<u>21,214,216.80</u>	<u>268,166.04</u>	<u>20,529,832.85</u>	<u>(952,549.99)</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, 2021

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		2021 BUDGET	N.J.S.A. 40A:4-87		
Receipts from Delinquent Taxes	A-1 , A-2	\$ 1,280,000.00		\$ 1,273,727.81	\$ (6,272.19)
Subtotal General Revenues		<u>22,494,216.80</u>	<u>\$ 268,166.04</u>	<u>21,803,560.66</u>	<u>(958,822.18)</u>
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Mun. Purposes	A-7	38,972,170.61		46,089,812.01	7,117,641.40
Minimum Library Tax Levy	A-7	<u>3,078,172.10</u>		<u>3,078,172.10</u>	
	A-2	<u>42,050,342.71</u>		<u>49,167,984.11</u>	<u>7,117,641.40</u>
Total Budget Revenues		64,544,559.51	268,166.04	70,971,544.77	6,158,819.22
Non-Budget Revenues	A-1, Below			<u>246,839.99</u>	<u>246,839.99</u>
GRAND TOTALS		<u>\$ 64,544,559.51</u>	<u>\$ 268,166.04</u>	<u>\$ 71,218,384.76</u>	<u>\$ 6,405,659.21</u>
	REF.	A-3	A-3		

ANALYSIS OF REALIZED REVENUES

Receipts from Delinquent Taxes:					
Cash Receipts - Taxes	A-7			\$ 1,260,565.68	
Cash Receipts - Tax Title Liens	A-9			<u>13,162.13</u>	
Delinquent Tax Collections	A-1, A-2			<u>\$ 1,273,727.81</u>	
Allocation of Current Tax Collections:					
2021 Cash Collections	A-7			\$ 209,905,841.73	
Prepaid Taxes Applied	A-7 , A-14			<u>3,287,085.04</u>	
State Share for Senior Citizen and Veteran Deductions	A-7 , A-8			<u>111,271.25</u>	
	A-1			<u>213,304,198.02</u>	
Allocated to:					
School, County, Open Space and Special District Taxes	A-7			<u>166,026,080.29</u>	
				<u>47,278,117.73</u>	
Add: Reserve For Uncollected Taxes	A-3			<u>1,889,866.38</u>	
	A-2			<u>\$ 49,167,984.11</u>	
<u>Analysis of Miscellaneous Revenue Anticipated</u>					
Revenue Accounts Receivable	A-11			\$ 19,016,205.77	
Federal and State Grants Receivable	A-25			<u>1,513,627.08</u>	
	A-2			<u>\$ 20,529,832.85</u>	
<u>Analysis of Non-Budget Revenues</u>					
Various Departments				\$ 125,874.91	
Other				79,770.65	
Sr. Citizen and Veteran Administration Fee				2,255.43	
Dog Park				7,060.00	
RWJ Paramedics				1,375.00	
Wellness Center Rent				<u>30,504.00</u>	
	A-4, Above			<u>\$ 246,839.99</u>	

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>2021 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
OPERATIONS WITHIN "CAPS"						
Mayor and Council						
Salaries and Wages	\$ 54,625.00	\$ 54,625.00	\$ 54,625.86			\$ (0.86)
Other Expenses	21,350.00	14,350.00	13,660.95		\$ 689.05	
General Administration						
Salaries and Wages	462,500.00	456,500.00	456,096.60		403.40	
Other Expenses	39,350.00	41,535.00	41,643.93			(108.93)
Municipal Clerk						
Salaries and Wages	366,650.00	352,650.00	351,145.86		1,504.14	
Other Expenses	33,700.00	36,635.00	36,632.41		2.59	
Elections						
Salaries and Wages	2,250.00	3,628.00	3,627.38		.62	
Other Expenses	17,750.00	28,838.00	28,837.24		.76	
CATV Advisory Commission (N.J.S.A. 48A:56A-26)						
Salaries and Wages	2,000.00	5,600.00	5,555.01		44.99	
Other Expenses	1,350.00	800.00	818.29			(18.29)
Financial Administration						
Salaries and Wages	461,650.00	464,135.00	462,705.83		1,429.17	
Other Expenses	55,300.00	48,300.00	44,080.14		4,219.86	
Purchasing						
Salaries and Wages	20,000.00	8,300.00	8,112.84		187.16	
Other Expenses	77,350.00	69,350.00	63,547.34		5,802.66	
Computerized Data Processing						
Salaries and Wages	376,765.00	367,765.00	365,288.12		2,476.88	
Other Expenses	216,475.00	278,344.00	254,154.79	\$ 24,189.21		
Tax Collection						
Salaries and Wages	283,500.00	285,000.00	284,894.21		105.79	
Other Expenses	6,950.00	6,950.00	6,367.00		583.00	
Other Expenses - Estimated Bills	6,950.00	6,950.00	5,547.88	27.86	1,374.26	
Audit Services						
Other Expenses	19,450.00	29,175.00		29,175.00		
Assessment of Taxes						
Salaries and Wages	298,600.00	273,600.00	272,682.32		917.68	
Other Expenses	127,365.00	107,365.00	70,528.06	19,819.00	17,017.94	
Law						
Salaries and Wages	212,500.00	152,500.00	146,004.00		6,496.00	
Other Expenses	49,500.00	47,500.00	45,791.23	1,342.50	366.27	

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>2021 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
OPERATIONS WITHIN "CAPS"						
Affordable Housing Agency						
Other Expenses	\$ 400,000.00	\$ 225,000.00	\$ 150,468.16	\$ 12,646.00	\$ 61,885.84	
Community Development (Planning)						
Salaries and Wages	489,650.00	464,650.00	459,984.37		4,665.63	
Other Expenses	21,150.00	17,150.00	15,196.06	1,111.08	842.86	
Zoning Board						
Salaries and Wages	12,000.00	13,310.00	13,309.96		.04	
Other Expenses	3,100.00	1,090.00	930.80		159.20	
Industrial Commission (N.J.S.A. 40A:55-56A-5)						
Salaries and Wages	1,500.00	2,060.00	2,060.00			
Other Expenses	500.00	200.00	158.94		41.06	
Environmental Commission (N.J.S.A. 40:56A-10)						
Salaries and Wages	750.00	1,250.00	1,287.43			\$ (37.43)
Other Expenses	250.00	510.00	505.00		5.00	
Transportation Advisory Committee						
Other Expenses	250.00	50.00			50.00	
Public Building and Grounds						
Salaries and Wages	373,400.00	383,900.00	383,476.24		423.76	
Other Expenses	205,465.00	190,465.00	170,559.38	16,817.74	3,087.88	
Maintenance of Parks						
Salaries and Wages	951,500.00	962,215.00	960,866.00		1,349.00	
Other Expenses	79,200.00	74,200.00	64,211.95	6,159.75	3,828.30	
Shade Tree Commission						
Salaries and Wages	750.00	750.00	475.98		274.02	
Other Expenses	1,500.00	1,250.00	1,209.76		40.24	
Streets and Road Maintenance						
Salaries and Wages	2,191,750.00	2,189,250.00	2,187,480.45		1,769.55	
Other Expenses	134,250.00	131,750.00	125,842.18	2,420.78	3,487.04	
Snow Removal						
Other Expenses	25,000.00	200,000.00	200,000.00			
Vehicle Maintenance						
Salaries and Wages	608,000.00	611,005.00	611,004.17		.83	
Other Expenses	180,825.00	180,825.00	152,220.76	27,659.77	944.47	
Recycling						
Salaries and Wages	217,350.00	215,350.00	213,509.10		1,840.90	
Other Expenses	8,500.00	6,500.00	4,748.80	400.00	1,351.20	

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>2021 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>OVEREXPENDED</u>	<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>		
OPERATIONS WITHIN "CAPS"							
Transit - Other Public Works Functions							
Salaries and Wages	\$ 342,150.00	\$ 349,250.00	\$ 349,034.25		\$ 215.75		
Other Expenses	3,450.00	2,450.00	1,942.98	\$ 259.05	247.97		
Aid to Volunteer Ambulance Companies							
Other Expenses	135,000.00	135,000.00	33,750.00		101,250.00		
Public Safety							
Fire Prevention Service							
Salaries and Wages	346,500.00	459,900.00	458,218.35		1,681.65		
Other Expenses	6,850.00	4,350.00	3,007.27	324.00	1,018.73		
Other Fire District Payments	13,122.00	13,122.00	13,122.00				
Police							
Salaries and Wages	11,745,000.00	11,881,600.00	11,881,487.06		112.94		
Othr Expenses	426,698.00	426,698.00	335,849.10	34,442.85	56,406.05		
Crossing Guards							
Salaries and Wages	172,500.00	152,500.00	150,397.64		2,102.36		
Othr Expenses	2,500.00	2,250.00	932.17	1,075.00	242.83		
Police Dispatch/911							
Salaries and Wages	1,074,500.00	1,148,450.00	1,150,370.79			\$ (1,920.79)	
Other Expenses	19,703.00	11,703.00	7,142.88	2,248.45	2,311.67		
Emergency Management Services							
Salaries and Wages	13,000.00	13,100.00	13,088.79		11.21		
Other Expenses	2,000.00	1,750.00	1,711.93		38.07		
Municipal Prosecutor							
Other Expenses	44,000.00	50,700.00	45,752.01	4,910.49	37.50		
Health and Welfare							
Contribution to Social Service Agreement							
Other Expenses	50,000.00	50,000.00			50,000.00		
Public Health Services							
Salaries and Wages	324,250.00	304,250.00	303,316.72		933.28		
Other Expenses	72,400.00	72,570.00	72,562.44		7.56		
Animal Control Services							
Salaries and Wages	80,000.00	80,576.00	80,371.88		204.12		
Other Expenses	21,750.00	21,250.00	20,004.64		1,245.36		
Recreation Services and Programs							
Salaries and Wages	390,000.00	295,000.00	286,169.72		8,830.28		
Other Expenses	120,200.00	95,200.00	49,249.83	3,796.92	42,153.25		

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>2021 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>OVEREXPENDED</u>	<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>		
OPERATIONS WITHIN "CAPS"							
Senior Services							
Salaries and Wages	\$ 489,000.00	\$ 499,000.00	\$ 486,533.66		\$ 12,466.34		
Other Expenses	40,895.00	30,895.00	22,980.42	\$ 1,409.24	6,505.34		
Social Services - Administration of Public Assistance							
Salaries and Wages	85,750.00	94,500.00	94,880.66			\$ (380.66)	
Other Expenses	1,700.00	1,200.00	189.01	299.33	711.66		
Solid Waste Collection							
Other Expenses	2,615,250.00	2,668,100.00	2,668,087.81		12.19		
Community Services Act							
Other Expenses	201,000.00	193,500.00	177,861.13	12,699.65	2,939.22		
Municipal Court							
Salaries and Wages	546,974.00	546,974.00	495,740.33		51,233.67		
Other Expenses	23,950.00	23,950.00	14,413.68	1,300.36	8,235.96		
Public Defender							
Other Expenses	35,000.00	35,000.00	24,737.16	9,253.76	1,009.08		
Insurance							
Group Insurance	8,337,250.00	8,349,250.00	8,924,331.22			(575,081.22)	
General Liability	476,600.00	226,600.00	200,729.59	2,500.00	23,370.41		
Workers Compensation	124,000.00	49,000.00	32,785.00		16,215.00		
Waiver of Health Benefits	120,000.00	105,000.00	103,754.20		1,245.80		
Doctor's Visits	25,000.00	25,000.00			25,000.00		
Construction Official							
Salaries and Wages	1,003,500.00	1,047,365.00	1,046,480.61		884.39		
Other Expenses	10,250.00	6,250.00	5,778.75		471.25		
Accumulated Leave Expenses							
Salaries and Wages		250,000.00	250,000.00				

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>2021 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
OPERATIONS WITHIN "CAPS"						
Utilities						
Electricity	\$ 560,500.00	\$ 520,500.00	\$ 136,449.73	\$ 279,016.69	\$ 105,033.58	
Street Lighting	548,500.00	529,216.00	202,735.61	259,688.54	66,791.85	
Telephone	140,000.00	188,750.00	186,621.94	1,904.00	224.06	
Water	29,000.00	29,000.00	15,320.94		13,679.06	
Sewerage Disposal	12,000.00	12,000.00	10,066.44		1,933.56	
Solid Waste Disposal	1,035,050.00	1,035,050.00	973,403.06		61,646.94	
Fuel Oil	80,000.00	80,000.00	69,194.27		10,805.73	
Gasoline	140,000.00	169,725.00	169,710.19		14.81	
Heating Oil	2,250.00	2,250.00			2,250.00	
Fire Hydrant	31,000.00	37,685.00	37,681.59		3.41	
Total Operations Within "CAPS"	41,240,512.00	41,340,554.00	40,349,802.23	756,897.02	811,402.93	\$ (577,548.18)
DEFERRED CHARGES WITHIN CAPS						
Overexpenditure of Appropriation Reserves	92,546.27	92,546.27	92,546.27			
Overexpenditure of Grants	2,008.19	2,008.19	2,008.19			
Overexpenditure of Appropriations	457,984.48	457,984.48	457,984.48			
Deficit in Operations	1,628,310.15	1,628,310.15	1,628,310.15			
STATUTORY EXPENDITURES						
<u>MUNICIPAL WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
Public Employee's Retirement System	2,021,652.00	2,021,652.00	2,021,651.49		.51	
Social Security System (O.A.S.L)	1,865,000.00	2,010,500.00	2,002,082.78		8,417.22	
Police and Firemen's Retirement System of NJ	3,134,116.00	3,138,574.00	3,138,573.15		.85	
Defined Contribution Retirement Program	20,000.00	20,000.00	19,177.99		822.01	
Total Deferred Charges and Statutory Expenditures	9,221,617.09	9,371,575.09	9,362,334.50		9,240.59	
Total General Appropriations for Municipal Purposes Within "CAPS"	50,462,129.09	50,712,129.09	49,712,136.73	756,897.02	820,643.52	(577,548.18)

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>2021 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>						
Maintenance of Free Public Library						
Salaries and Wages	\$ 2,045,200.00	\$ 2,045,200.00	\$ 2,005,952.71		\$ 39,247.29	
Other Expenses	1,033,000.00	1,033,000.00	937,373.99	\$ 55,608.25	40,017.76	
Length of Service Award Program (LOSAP)						
Other Expenses	40,000.00	40,000.00			40,000.00	
Interlocal Municipal Services Agreement						
Fire Services						
Salaries and Wages	439,000.00	439,000.00	436,674.92		2,325.08	
Data Processing						
Salaries and Wages	139,375.00	139,375.00	139,375.00			
Total Other Operations Excluded from "CAPS"	<u>3,696,575.00</u>	<u>3,696,575.00</u>	<u>3,519,376.62</u>	<u>55,608.25</u>	<u>121,590.13</u>	
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</u>						
Distracted Driver						
Other Expenses	12,000.00	12,000.00	12,000.00			
Body Camera						
Other Expenses		205,838.00	205,838.00			
Recycling Tonnage Grant						
Other Expenses	243,868.45	243,868.45	243,868.45			
Clean Communities						
Other Expenses	86,643.59	86,643.59	86,643.59			
Library in Your Room						
Other Expenses		38,294.00	38,294.00			

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>2021 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</u>						
Library Spoke						
Other Expenses		\$ 24,034.04	\$ 24,034.04			
Total Public and Private Revenues Offset by Revenues	\$ 342,512.04	610,678.08	610,678.08			
Total Operations Excluded from "CAPS"	4,039,087.04	4,307,253.08	4,130,054.70	\$ 55,608.25	\$ 121,590.13	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
New Jersey Transportation Trust Fund Authority Capital Improvement Fund	902,949.00 710,650.00	902,949.00 710,650.00	902,949.00 710,650.00			
Total Capital Improv. - Excl. from "CAPS"	1,613,599.00	1,613,599.00	1,613,599.00			
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	4,985,949.00	4,985,949.00	4,985,949.00			
Interest on Bonds	690,000.00	690,000.00	690,000.00			
Interest on Notes	145,154.00	145,154.00	144,750.79			\$ 403.21
Capital Lease Obligation - Principal and Interest	331,000.00	331,000.00	344,353.19		\$ (13,353.19)	
Total Mun. Debt Service - Exl. from "CAPS"	6,152,103.00	6,152,103.00	6,165,052.98		(13,353.19)	403.21

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	2021 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			OVEREXPENDED	UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED		
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"							
Deferred Charges:							
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-53)	\$ 230,000.00	\$ 230,000.00	\$ 280,000.00			\$ (50,000.00)	
Total Deferred Charges - Municipal Excluded from "CAPS"	230,000.00	230,000.00	280,000.00			(50,000.00)	
Deferred charge - Cash Deficit of Preceding Year	157,775.00	157,775.00	157,775.00				
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	12,192,564.04	12,460,730.08	12,346,481.68	55,608.25	121,590.13	(63,353.19)	\$ 403.21
Subtotal General Appropriations	62,654,693.13	63,172,859.17	62,058,618.41	812,505.27	942,233.65	(640,901.37)	403.21
Reserve for Uncollected Taxes	1,889,866.38	1,889,866.38	1,889,866.38				
Total General Appropriations	\$ 64,544,559.51	\$ 65,062,725.55	\$ 63,948,484.79	\$ 812,505.27	\$ 942,233.65	\$ (640,901.37)	\$ 403.21
REF.	A-2	Below	Below	A-21	A	A-1	A-1
Adopted Budget	A-2	\$ 64,544,559.51					
Special Emergency Authorizations	A-22	250,000.00					
Approp. By N.J.S.A. 40A:4-87	A-2	268,166.04					
Above	Above	\$ 65,062,725.55					
Cash Disbursed	A-4		\$ 57,926,367.24				
Deferred Charges - Special Emergency	A-22		280,000.00				
Deferred Charges	A-23		2,338,624.09				
Reserve for Uncollected Taxes	A-2		1,889,866.38				
Reserve for Federal and State Grants Appropriated	A-27		1,513,627.08				
Above	Above		\$ 63,948,484.79				

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>REF.</u>	<u>DEC. 31, 2021</u>	<u>DEC. 31, 2020</u>	<u>LIABILITIES AND RESERVES</u>	<u>REF.</u>	<u>DEC. 31, 2021</u>	<u>DEC. 31, 2020</u>
Animal Control Fund:				Animal Control Fund:			
Cash and Cash Equivalents - Treasurer	B-1	\$ 71,003.19	\$ 96,035.58	Due to State of New Jersey	B-6	\$ 47.40	\$ 29.40
				Reserve for Animal Control Expenditures	B-9	34,330.00	38,309.00
				Interfund Payable - Current	B-2	<u>36,625.79</u>	<u>57,697.18</u>
Total Animal Control Fund		<u>71,003.19</u>	<u>96,035.58</u>	Total Animal Control Fund		<u>71,003.19</u>	<u>96,035.58</u>
Other Trust Fund				Other Trust Fund			
Cash and Cash Equivalents - Treasurer	B-1	30,196,640.12	17,989,564.84	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	91,028.07	74,937.72
Due from County of Middlesex	B-4	16,910.67	48,066.67	Interfund Payable - Current	B-3	516,079.49	
Interfund Receivable - Current Fund	B-3		3,238,607.06	Reserve for:			
Interfund Receivable - Water Utility Operating Fund	B-3		100,000.00	Open Space	B-11	754,145.66	622,697.87
Investments	B-1		1,333,000.00	Other Reserves	B-10	28,565,705.90	21,545,033.79
				Encumbrances	B-1, B-10	<u>261,306.26</u>	<u>441,283.78</u>
Total Other Trust Fund		<u>30,288,265.38</u>	<u>22,783,953.16</u>	Total Other Trust Fund		<u>30,288,265.38</u>	<u>22,783,953.16</u>
Community Development Block Grant Trust Fund:				Community Development Block Grant Trust Fund:			
Interfund Receivable - Other Trust Fund	B-5	91,028.07	74,937.72	Reserve for Program Expenditures	B-8	<u>177,551.39</u>	<u>146,590.03</u>
Accounts Receivable - Community Development Block Grant	B-7	<u>86,523.32</u>	<u>71,652.31</u>				
Total Community Development Block Grant Trust Fund		<u>177,551.39</u>	<u>146,590.03</u>	Total Community Development Block Grant Trust Fund		<u>177,551.39</u>	<u>146,590.03</u>
Total Assets		<u>\$ 30,536,819.96</u>	<u>\$ 23,026,578.77</u>	Total Liabilities and Reserves		<u>\$ 30,536,819.96</u>	<u>\$ 23,026,578.77</u>

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

	<u>REF.</u>	<u>DEC. 31, 2021</u>	<u>DEC. 31, 2020</u>
<u>ASSETS</u>			
Cash and Cash Equivalents - Treasurer	C-2, C-3	\$ 4,151,140.47	\$ 2,135,232.90
Grants Receivable - State of New Jersey	C-10	59,822.59	59,822.59
Grants Receivable - New Jersey Library	C-10	3,586,852.00	
Interfund Receivable - Other Trust Fund	C-13	100,000.00	100,000.00
Interfund Receivable - Water Utility Operating Fund	C-2, C-3		587,531.03
Interfund Receivable - Current Fund	C-11	926,704.86	4,208,066.23
Due from Library Foundation	C-3	600,000.00	
Deferred Charges to Future Taxation:			
Funded	C-4	37,184,000.00	23,439,000.00
Unfunded	C-5	9,352,486.70	11,723,134.70
Total Assets		<u>\$ 55,961,006.62</u>	<u>\$ 42,252,787.45</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-14	\$ 37,184,000.00	\$ 23,439,000.00
Bond Anticipation Notes	C-12		7,257,700.00
Reserve for Encumbrances	C-15	2,887,216.38	1,250,195.88
Improvement Authorizations:			
Funded	C-6	6,827,285.81	4,058,458.78
Unfunded	C-6	6,814,694.31	3,968,947.94
Interfund Payable - Water Utility Capital Fund	C-2, C-3	503,406.21	1,153,768.76
Capital Improvement Fund	C-8	546,373.58	100,723.58
Reserve for Debt Service	C-7	326,642.18	217,963.04
Reserve for Contributions	C-9	860,573.75	795,215.07
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>\$ 55,961,006.62</u>	<u>\$ 42,252,787.45</u>

There were Bonds and Notes Authorized but Not Issued at December 31, 2021 and 2020 in the amounts of \$9,352,486.70 and \$4,465,434.70, respectively. See Exhibit C-16.

TOWNSHIP OF SOUTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

	<u>REF.</u>	
Balance, December 31, 2021 and 2020	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, 2021 AND 2020

	<u>REF.</u>	<u>DEC. 31, 2021</u>	<u>DEC. 31, 2020</u>		<u>REF.</u>	<u>DEC. 31, 2021</u>	<u>DEC. 31, 2020</u>
Assets				Liabilities, Reserves and Fund Balance			
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	D-6	\$ 683,040.32	\$ 5,378,765.30	Appropriation Reserves	D-5 , D-13	\$ 761,137.22	\$ 346,748.89
Cash - Change Fund	D	400.00	200.00	Reserve for Encumbrances	D-5 , D-13	608,042.58	356,082.23
	D-6	<u>683,440.32</u>	<u>5,378,965.30</u>	Accounts Payable	D-25	256,571.10	20,510.16
				Interfunds Payable - Utility Capital Fund	D-8	247,000.75	5,671,575.09
				Prepaid Rents	D-17	77,218.19	75,960.27
				Accrued Interest on Bonds and Notes	D-12	<u>308,487.78</u>	<u>318,924.62</u>
						2,258,457.62	6,789,801.26
Receivables With Offsetting Reserves:							
Consumer Accounts Receivable with Offsetting Reserve	D-10	1,774,136.38	1,480,967.64	Reserve for Receivables	Reserve	1,774,136.38	1,480,967.64
Deferred Charges-over expenditures	D-27	5,454.04	231,340.87	Fund Balance	D-1	<u>2,076,668.74</u>	<u>224,168.91</u>
Deferred Charges-Special Emergency COVID-19	D-26	<u>3,646,232.00</u>	<u>1,403,664.00</u>				
Total Operating Fund		<u>6,109,262.74</u>	<u>8,494,937.81</u>	Total Operating Fund		<u>6,109,262.74</u>	<u>8,494,937.81</u>
Assessment Trust Fund:				Assessment Trust Fund:			
Cash and Cash Equivalents	D-6	<u>124,606.54</u>	<u>124,606.54</u>	Fund Balance	D-2	<u>124,606.54</u>	<u>124,606.54</u>
Total Assessment Trust Fund		<u>124,606.54</u>	<u>124,606.54</u>	Total Assessment Trust Fund		<u>124,606.54</u>	<u>124,606.54</u>
Capital Fund:				Capital Fund:			
Cash and Cash Equivalents	D-6 , D-7	4,826,112.72	4,962,776.87	Serial Bonds Payable	D-20	36,540,000.00	25,670,000.00
Interfund Receivable - General Capital Fund	D-9	503,406.21	4,732,384.70	Bond Anticipation Notes Payable	D-24		15,360,600.00
Fixed Capital	D-18	101,759,983.67	101,752,267.57	Improvement Authorizations:			
Fixed Capital - Authorized and Uncompleted	D-19	55,927,821.00	46,785,537.10	Funded	D-21	3,326,160.34	299,003.34
Interfund Receivable - Current Fund	D-9	130,004.20		Unfunded	D-21	10,220,637.50	14,364,418.58
Interfund Receivable - Utility Operating Fund	D-9	247,000.75		Capital Improvement Fund	D-16	81,109.68	81,109.68
				Reserves for:			
				Encumbrances	D-14	10,339,401.95	3,415,015.02
				Preliminary Engineering Costs	D-15	3,450.00	3,450.00
				Debt Service	D-11	489,002.27	270,345.63
				Amortization	D-22	102,324,871.49	98,699,333.67
				Deferred Amortization	D-23	69,000.00	69,000.00
				Fund Balance	D-3	<u>695.32</u>	<u>690.32</u>
Total Capital Fund		<u>163,394,328.55</u>	<u>158,232,966.24</u>	Total Capital Fund		<u>163,394,328.55</u>	<u>158,232,966.24</u>
Total Assets		<u>\$ 169,628,197.83</u>	<u>\$ 166,852,510.59</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 169,628,197.83</u>	<u>\$ 166,852,510.59</u>

There were Water and Sewer Utility Bonds and Notes Authorized but not Issued at December 31, 2021 and 2020 in the amounts of \$17,888,871.00 and \$8,738,871.00, respectively. See Exhibit D-28.

See accompanying notes to the financial statements.

**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, 2021 AND 2020**

		Year 2021	Year 2020
<u>REVENUES AND OTHER INCOME</u>			
Fund Balance Utilized			\$ 1,000,000.00
Rents	D-4, D-10	\$ 25,300,392.53	25,545,654.12
Water and Sewer Connection Fees and Charges	D-4	846,054.00	1,163,653.00
Miscellaneous	D-4	75,881.26	355,836.92
Reserve for Debt Service	D-4	250,000.00	30,000.00
Miscellaneous Revenue Not Anticipated	D-4, D-6	42,502.67	
Other Credits to Income:			
Appropriation Reserves Lapsed	D-13	221,339.64	17,160.19
Total Revenues and Other Income		26,736,170.10	28,112,304.23
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations	D-5	20,890,280.00	21,728,396.00
Debt Service	D-5	5,219,405.11	5,505,353.26
Deferred Charges and Statutory Expenditures	D-5	978,485.38	889,531.25
Other		43,521.82	404,462.48
Surplus (General Budget)			1,000,000.00
Total Expenditures		27,131,692.31	29,527,742.99
(Deficit) in Revenues		(395,522.21)	(1,415,438.76)
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Year-			
Overexpenditure of appropriations	D-5, D-27	5,454.04	11,774.76
(Operating Deficit)		(390,068.17)	(1,403,664.00)
Deficit in Operations to be Raised in			
Budgets of Succeeding Years - Chapter 74 COVID-19	D-26	2,242,568.00	1,403,664.00
Increase in Fund Balance		1,852,499.83	-
<u>FUND BALANCE</u>			
Balance - January 1	D	224,168.91	1,224,168.91
		2,076,668.74	
Decreased By:			
Utilization as Anticipated Revenue			1,000,000.00
Balance - December 31	D	\$ 2,076,668.74	\$ 224,168.91

See accompanying notes to the financial statements.

**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, 2021**

	<u>REF.</u>	
Balance - December 31, 2021 and 2020	D	<u>\$ 124,606.54</u>

See accompanying notes to the financial statements.

**WATER AND SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 690.32
Increased by:		
Bank Fee Refund	D-6	<u>5.00</u>
Balance - December 31, 2021	D	<u>\$ 695.32</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, 2021**

	REF.	2021 BUDGET	REALIZED	EXCESS (DEFICIENCY)
Water / Sewer Rents	D-1, D-10	\$ 25,529,000.00	\$ 25,300,392.53	\$ (228,607.47)
Water and Sewer Connection Fees	D-1, D-6	1,887,000.00	846,054.00	(1,040,946.00)
Miscellaneous	D-1	65,619.00	75,881.26	10,262.26
Reserve for Debt Service	D-1, D-6, D-11	250,000.00	250,000.00	
Miscellaneous Revenue Not Anticipated	D-1, D-6		42,502.67	42,502.67
TOTALS	D-5	<u>\$ 27,731,619.00</u>	<u>\$ 26,514,830.46</u>	<u>\$ (1,216,788.54)</u>

See accompanying notes to the financial statements.

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

**WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021 Budget	Budget After Modification	Expended			Overexpended	Cancelled
			Paid or Charged	Encumbered	Reserved		
Operating:							
Salaries and Wages	\$ 3,842,000.00	\$ 3,875,270.00	\$ 3,845,332.55		\$ 29,937.45		
Other Expenses	17,064,050.00	17,015,010.00	15,717,610.80	\$ 571,942.57	730,910.67	\$ 5,454.04	
Total Operating	20,906,050.00	20,890,280.00	19,562,943.35	571,942.57	760,848.12	5,454.04	
Debt Service:							
Payment of Bond Principal	4,030,000.00	4,030,000.00	4,030,000.00				
Payment of Bond Anticipation Notes and Capital Notes	446,198.00	446,198.00					\$ 446,198.00
Interest on Bonds	899,000.00	899,000.00	883,046.49				15,953.51
Interest on Notes	307,000.00	307,000.00	306,358.62				641.38
Total Debt Service	5,682,198.00	5,682,198.00	5,219,405.11				462,792.89
Deferred Charges and Statutory Expenditures:							
Deferred Charge- Prior Year Overexpenditure	411,996.49	411,996.49	231,340.87				180,655.62
Contribution to:							
Public Employees Retirement System	501,374.51	501,374.51	501,374.51				
Social Security System	230,000.00	245,770.00	245,480.90		289.10		
Total Deferred Charges and Statutory Expenditures	1,143,371.00	1,159,141.00	978,196.28		289.10		180,655.62
Total Appropriations	\$ 27,731,619.00	\$ 27,731,619.00	\$ 25,760,544.74	\$ 571,942.57	\$ 761,137.22	\$ 5,454.04	\$ 643,448.51
	REF. D-4	D-4	Below	D	D	D-1, D-27	D-1
Cash Disbursed	D-6		\$ 24,339,798.76				
Accrued Interest on Bonds and Notes	D-12		1,189,405.11				
Deferred Charge	D-27		231,340.87				
Above			\$ 25,760,544.74				

See accompanying notes to the financial statements.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

PAYROLL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>REF.</u>	<u>DEC. 31, 2021</u>	<u>DEC. 31, 2020</u>
Cash and Cash Equivalents	E-1	\$ 413,157.83	\$ 365,997.18
Interfund Receivable - Current Fund	E	<u> </u>	<u>232.56</u>
Total Assets		<u>\$ 413,157.83</u>	<u>\$ 366,229.74</u>
 <u>LIABILITIES</u>			
Payroll Deductions Payable	E-3	\$ 338,443.24	\$ 291,515.15
Interfund Payable - Unemployment Fund	E-2	<u>74,714.59</u>	<u>74,714.59</u>
Total Liabilities		<u>\$ 413,157.83</u>	<u>\$ 366,229.74</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, 2021 AND 2020

<u>ASSETS</u>	<u>DEC. 31, 2021</u>	<u>DEC. 31, 2020</u>
Land	\$ 52,799,808.00	\$ 52,799,808.00
Land Improvements	5,239,234.00	5,239,234.00
Buildings and Improvements	48,747,632.00	48,747,632.00
Infrastructure	3,885,586.00	3,885,586.00
Machinery, Equipment, Furniture and Fixtures and Vehicles	<u>29,130,108.00</u>	<u>29,008,933.00</u>
Total General Fixed Assets	<u>\$ 139,802,368.00</u>	<u>\$ 139,681,193.00</u>
 <u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 139,802,368.00</u>	<u>\$ 139,681,193.00</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, 2021 AND 2020

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

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

specific government activity. As required by the Division, the Township accounts for its financial transactions through the following individual funds and account group

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

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.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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-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.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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*

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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. 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.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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 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, 2021 and 2020, the amounts held in trust amounted to \$29,315,240.06 and \$27,150,731.83, respectively.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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 2021</u>	<u>Year 2020</u>
General:		
Bond Anticipation Notes		\$ 7,257,700.00
Bonds	\$ 37,184,000.00	23,439,000.00
Water and Sewer Utility:		
Bond Anticipation Notes		15,360,600.00
Bonds	<u>36,540,000.00</u>	<u>25,670,000.00</u>
Total debt issued	73,724,000.00	71,727,300.00
Less:		
Funds temporarily held to pay		
Bonds and notes	<u>851,644.45</u>	<u>488,308.67</u>
	72,872,355.55	71,238,991.33
Authorized but not issued:		
General:		
Bonds and notes	9,352,486.70	4,465,434.70
Water and Sewer Utility:		
Bonds and notes	<u>17,888,871.00</u>	<u>8,738,871.80</u>
Total authorized but not issued	<u>27,241,357.70</u>	<u>13,204,306.50</u>
Net bonds and notes issued and authorized but not issued	<u>\$ 100,113,713.25</u>	<u>\$ 84,443,297.83</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

B. Summary of Statutory Debt Condition - Annual Debt Statement – 2021

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 0.474%.

	Gross Debt	Deductions	Net Debt
Local school district debt	\$ 48,985,000.00	\$ 48,985,000.00	
Water and sewer utility debt	54,428,871.00	54,428,871.00	
General debt	46,536,486.70	851,644.45	\$ 45,684,842.25
	\$ 149,950,357.70	\$ 104,265,515.45	\$ 45,684,842.25

Net Debt \$45,684,482.25 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$9,645,837,915.33 equals 0.474%.

EQUALIZED VALUATION BASIS

2019 Equalized Valuation Basis of Real Property	\$ 9,704,425,241.00
2020 Equalized Valuation Basis of Real Property	9,228,008,397.00
2021 Equalized Valuation Basis of Real Property	10,005,080,108.00
Average Equalized Valuation	\$ 9,645,837,915.33

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

3 1/2% of Equalized Valuation Basis Municipal	\$ 337,604,327.04
Net Debt	45,684,482.25
Remaining Borrowing Power	\$ 291,919,844.79

The Township's water and sewer utility fund was self-liquidating as of December 31, 2021 and 2020.

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, 2021 AND 2020

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	
2022	\$ 4,420,000.00	\$ 957,737.94	\$ 3,885,000.00	\$ 1,023,953.00	\$ 10,286,690.94
2023	3,675,000.00	857,540.00	3,995,000.00	911,975.00	9,439,515.00
2024	3,365,000.00	745,340.00	3,865,000.00	775,675.00	8,751,015.00
2025	3,095,000.00	649,640.00	3,500,000.00	654,825.00	7,899,465.00
2026	2,490,000.00	552,290.00	2,695,000.00	542,100.00	6,279,390.00
2027-2031	10,804,000.00	1,764,255.00	10,755,000.00	1,708,750.00	25,032,005.00
2032-2036	4,885,000.00	700,987.50	7,145,000.00	565,800.00	13,296,787.50
2037-2041	2,070,000.00	393,406.26	700,000.00	21,000.00	3,184,406.26
2042-2046	2,380,000.00	161,737.52	-	-	2,541,737.52
Total	<u>\$ 37,184,000.00</u>	<u>\$ 6,782,934.22</u>	<u>\$ 36,540,000.00</u>	<u>\$ 6,204,078.00</u>	<u>\$ 86,711,012.22</u>

General Capital Fund

	2021	2020
\$3,190,000.00 2009 Refunding Bonds due in annual installments of \$265,000.00 through September 1, 2021 at an interest rate of 4.00%		\$ 265,000.00
\$6,650,000.00 2010 Refunding Bonds due in an annual installment of \$605,000.00 through January 15, 2021 at an interest rate of 2.625%.		605,000.00
\$9,987,000.00 2011 Refunding Bonds due in an annual installment of \$1,440,000.00 through July 1, 2021 at an interest rate of 3.600%		1,440,000.00
\$4,638,000.00 2013 General Improvement Bonds due in annual installments of \$350,000.00 to \$400,000.00 through October 1, 2028 at interest rates ranging from 3.000% to 3.500%.	\$ 2,663,000.00	2,988,000.00
\$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 3.500%.	176,000.00	201,000.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

<u>General Capital Fund (continued)</u>	<u>2021</u>	<u>2020</u>
\$8,390,000.00 2014 General Improvement Refunding Bonds due in annual installments of \$290,000.00 to \$615,000.00 through September 1, 2024 at an interest rate of 5.000%.	\$ 1,460,000.00	\$ 2,080,000.00
\$3,545,000.00 2014 Open Space Refunding Bonds due in annual installments of \$100,000.00 to \$115,000.00 through September 1, 2023 at an interest rate of 5.000%.	215,000.00	330,000.00
\$5,396,000.00 2015 General Improvement Refunding Bonds due in an annual installment of \$650,000.00 on March 1, 2022 at an interest rate of 4.000%.	650,000.00	1,825,000.00
\$363,000.00 2015 Open Space Refunding Bonds due in an annual installment of \$65,000.00 on March 1, 2022 at an interest rate of 4.000%.	65,000.00	140,000.00
\$9,837,000.00 2017 General Improvement Bonds due in annual installments of \$700,000.00 to \$750,000.00 through April 1, 2032 at interest rates ranging from 2.000% to 4.000%.	7,980,000.00	8,580,000.00
\$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%.	325,000.00	350,000.00
\$2,370,000.00 2020 Open Space Refunding Bonds due in annual installments of \$175,000.00 to \$310,000.00 through October 1, 2030 at interest rate of 4.000%.	2,095,000.00	2,370,000.00
\$2,265,000.00 2020 General Improvement Refunding Bonds due in annual installments of \$455,000.00 to \$480,000.00 through October 1, 2025 at an interest rate of 4.000%.	1,875,000.00	2,265,000.00
\$9,250,000.00 2021 Open Space Refunding Bonds due in annual installments of \$250,000.00 to \$500,000.00 through September 1, 2046 at interest rates ranging from 2.000% to 2.250%.	9,250,000.00	
\$10,430,000.00 2021 General Improvement Refunding Bonds due in annual installments of \$775,000.00 to \$825,000.00 through September 1, 2034 at an interest rate of 2.000%.	<u>10,430,000.00</u>	
	<u>\$ 37,184,000.00</u>	<u>\$ 23,439,000.00</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

Water and Sewer Utility Capital Fund

	2021	2020
\$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%.		\$ 115,000.00
\$7,608,000.00 2011 Refunding Bonds due in annual installments of \$965,000 through July 1, 2021 at an interest rate of 3.600%.		965,000.00
\$7,760,000.00 2013 Bonds due in annual installments of \$600,000.00 through October 1, 2028 at interest rates ranging from 3.000% to 3.500%.	\$ 4,200,000.00	4,800,000.00
\$7,465,000.00 Refunding Bonds due in annual installments of \$445,000.00 to \$910,000.00 through September 1, 2024 at an interest rate of 5.000%.	2,235,000.00	3,145,000.00
\$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 4.000% to 5.000%.	1,630,000.00	1,860,000.00
\$12,147,000.00 2017 Bonds due in annual installments of \$600,000.00 to \$700,000.00 through October 1, 2037 at interest rates ranging from 2.000% to 4.000%.	10,420,000.00	10,970,000.00
\$3,815,000 2020 Refunding Bonds due in annual installments of \$775,000.00 to \$810,000.00 through October 1, 2025 at an interest rate of 4.000%.	3,155,000.00	3,815,000.00
\$14,900,000.00 2021 Bonds due in annual installments of \$775,000.00 to \$1,215,000.00 through September 1, 2034 at an interest rate of 2.000%.	14,900,000.00	
	\$ 36,540,000.00	\$ 25,670,000.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

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

2020

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General	\$ 30,711,000.00	\$ 4,635,000.00	\$ 11,907,000.00	\$ 23,439,000.00	\$ 5,935,000.00
Water and Sewer Utility	30,047,000.00	3,815,000.00	8,192,000.00	25,670,000.00	4,030,000.00
Total Debt	<u>\$ 60,758,000.00</u>	<u>\$ 8,450,000.00</u>	<u>\$ 20,099,000.00</u>	<u>\$ 49,109,000.00</u>	<u>\$ 9,965,000.00</u>

2021

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General	\$ 23,439,000.00	\$ 19,680,000.00	\$ 5,935,000.00	\$ 37,184,000.00	\$ 4,420,000.00
Water and Sewer Utility	25,670,000.00	14,900,000.00	4,030,000.00	36,540,000.00	3,885,000.00
Total Debt	<u>\$ 49,109,000.00</u>	<u>\$ 34,580,000.00</u>	<u>\$ 9,965,000.00</u>	<u>\$ 73,724,000.00</u>	<u>\$ 8,305,000.00</u>

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

D. Bonds

On September 15, 2021, the Township issued general obligation bonds, Series 2021 in order to refund the Township's outstanding Bond Anticipation Notes, Series 2020A in the amount of \$22,618,300 maturing September 28, 2021, permanently finance the cost of various improvements by the Township in the amount of \$12,748,300 and pay costs and expenses incidental to the issuance of the delivery of the Bonds.

On August 31, 2020, the Township issued general obligation refunding bonds, Series 2020 in order to refund outstanding general improvement bonds, open space bonds and water-sewer utility capital bonds in the aggregate amount of \$8,450,000 at 4.00% interest rate. The refunding bonds were issued to refund \$10,092,000 of outstanding debt. The refunding resulted in a gross present value savings of \$1,457,169.96 and a net present value of \$581,336.36 to be realized over the remaining life of the bonds outstanding. As of December 31, 2021, \$10,092,000 of the defeased debt remains outstanding.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

E. Notes

As of December 31, 2021, the Township had a special emergency note outstanding in the amount of \$790,000.00 in the current fund. These notes mature on December 8, 2022 with an interest rate of 0.340%.

The following is an analysis of the increases and decreases to bond anticipation notes payable for the year ended December 31, 2021:

	Beginning Balance	Increase	Decrease	Ending Balance
General	\$ 7,257,700.00		\$ 7,257,700.00	
Special Emergency	820,000.00	\$ 790,000.00	820,000.00	\$ 790,000.00
Water and Sewer Utility	15,360,600.00		15,360,600.00	
	<u>\$ 23,438,300.00</u>	<u>\$ 790,000.00</u>	<u>\$ 23,438,300.00</u>	<u>\$ 790,000.00</u>

The following is an analysis of the increases and decreases to bond anticipation notes payable for the year ended December 31, 2020:

	Beginning Balance	Increase	Decrease	Ending Balance
General	\$ 4,530,000.00	\$ 7,257,700.00	\$ 4,530,000.00	\$ 7,257,700.00
Special Emergency	875,000.00	820,000.00	875,000.00	820,000.00
Water and Sewer Utility	10,456,000.00	15,360,600.00	10,456,000.00	15,360,600.00
	<u>\$ 15,861,000.00</u>	<u>\$ 23,438,300.00</u>	<u>\$ 15,861,000.00</u>	<u>\$ 23,438,300.00</u>

Note 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2021 and 2020 were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending December 31, 2022 and 2021 as follows:

	<u>2021</u>	<u>2020</u>
Current fund	\$ 4,047,000.00	\$ -

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 and 2020 balance sheets of the Township's Current Fund, Grant Fund and Water and Sewer Utility Operating Fund.

	2021	2020
Overexpenditure of Appropriation Reserves - Current Fund	\$ 285,892.12	\$ 372,216.58
Overexpenditure of Appropriations - Current Fund	671,568.75	488,651.36
Overexpenditure of Grants - Grant Fund	11,277.63	13,285.82
Special Emergency Authorization (40A:4-53) - Current Fund	790,000.00	820,000.00
Overexpenditure of Appropriations - Water and Sewer Utility Operating Fund	5,454.04	\$ 231,340.87
	\$1,764,192.54	\$1,925,494.63

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

The special emergency authorizations consist of \$790,000.00 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 2022-2025 budgets.

In addition, for the years ended December 31, 2021 and 2020, the Township had an operating deficit in its current fund in the amounts of \$164,866.00 and \$1,257,797.00 and the water and sewer utility operating fund had operating deficits of \$2,242,568.00 and \$1,403,664.00, respectively. In accordance with LFN # 2020-24, the Township has recorded a deferred charge and as permitted will raise the funds over a 5 year period commencing with the 2022 budget.

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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.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 7: DEPOSITS AND INVESTMENTS (Continued)

Based on GASB criteria, the Township considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts, short-term investments and cash management money market mutual funds such as Pillar Funds, and are either any direct and general obligation of the United States of America and its agencies or certificates of deposit issued by any bank, savings and loan association or national banking association if qualified to serve as a depository for public funds under the provisions of the Government Unit Depository Protection Act. Cash and cash equivalents have original maturities of three months or less from the date of purchase. Investments are stated at cost, which approximates fair value.

At December 31, 2021 and 2020, the book values of the cash and cash equivalents of the Township consisted of the following:

	Book Balance	
	2021	2020
Cash (Demand Accts)	\$ 51,539,649.75	\$ 41,826,731.19
NJ ARM	180,491.75	315,094.96
Change Funds (On-Hand)	400.00	200.00
Total	\$ 51,720,541.50	\$ 42,142,026.15

There was \$477,021.81 and \$333,120.51 of funds held in Township agency accounts at December 31, 2021 and 2020, 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	
	2021	2020
Insured-FDIC	\$ 937,411.39	\$ 966,295.56
Insured-NJGUDPA (N.J.S.A. 17:9-41)	53,092,357.06	35,295,089.01
Total	\$ 54,029,768.45	\$ 36,261,384.57

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 7: DEPOSITS AND INVESTMENTS (Continued)

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located.
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section I of P.L. 1997, c. 281 (C.52:1XA-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, 2021 and 2020, the Township's balance in NJARM was \$181,167.37 and \$315,094.96, respectively. NJARM is rated AAA by Standard & Poors.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 7: DEPOSITS AND INVESTMENTS (Continued)

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.

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 bond anticipation notes purchased by the Township during the year and all investments were held directly by the Township. The investments are held for one year.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 7: DEPOSITS AND INVESTMENTS (Continued)

The balance of these investments at December 31, 2021 and 2020 were as follows:

Description of Investment	Interest Rates	Amount	
Current Fund		<u>2021</u>	<u>2020</u>
Borough of West Wildwood Bond Anticipation Notes maturing 3/10/21	2.50%		\$ 119,228
Borough of Buena Bond Anticipation Notes maturing 7/14/2022	1.75%	\$ 300,000	310,000
Township of Weymouth Bond Anticipation Notes maturing 6/16/21	1.50%		724,025
Total Current Fund		<u>300,000</u>	<u>1,153,253</u>
<u>Trust Fund</u>			
Egg Harbor City Bond Anticipation Notes maturing 4/1/21	3.00%		1,333,000
Total Trust Fund			<u>1,333,000</u>
Total Investments		<u>\$ 300,000</u>	<u>\$ 2,486,253</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, 2021, the Township’s various investments with the Township of Borough of Buena 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, 2021, the Township had amounts invested with the Borough of Buena representing 100% of the total carrying amount of the Township’s investments.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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 amount 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 \$2,462,610.26 and \$3,287,085.04 at December 31, 2021 and 2020, 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 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 employee contribution of annual covered payroll is 7.50% for PERS employees and 10.00% for PFRS.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9: PENSION AND RETIREMENT PLANS (Continued)

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, 2021, 2020, 2019 and 2018 were \$2,443,453, \$2,075,764, \$2,083,700.00, and \$1,915,364.00, respectively. The Township's contributions to the PFRS for the years ended December 31, 2021, 2020, 2019 and 2018 were \$3,007,786, \$2,509,744, \$2,419,509.00, and \$2,195,753.00, 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 \$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 2021 and 2020 for PERS and PFRS were principal payments of \$79,573 and \$79,363.00 and \$126,330 and \$126,206.00, 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 Employees' Retirement System (PERS)

At December 31, 2021 and 2020, the Township's liability for its proportionate share of the net pension liability was \$26,603,049 and \$37,030,800, respectively. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2020, the Township's proportion was 0.2233604805 percent, which was a increase of 0.107009308 from its proportion measured as of June 30, 2019. At June 30, 2020, the Township's proportion was 0.2245646456 percent, which was a increase of 0.012041651 from its proportion measured as of June 30, 2020.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9: PENSION AND RETIREMENT PLANS (Continued)

At December 31, 2021, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources had GASB Statement No. 68 been recognized:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 138,548.00	\$ 9,470,858.00
Difference between expected and actual experience	419,564.00	190,446.00
Net difference between projected and actual earnings on pension plan investments	1,140,074.00	7,007,942.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	2,250,812.00	
Township contributions subsequent to the measurement date	1,314,956.50	
	\$ 5,263,954.50	\$ 16,669,246.00

At December 31, 2020, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources had GASB Statement No. 68 been recognized:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 1,181,644.00	\$ 15,251,180.00
Difference between expected and actual experience	663,226.00	128,812.00
Net difference between projected and actual earnings on pension plan investments	1,245,010.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	2,873,639.00	8,717.00
Township contributions subsequent to the measurement date	1,221,726.50	
	\$ 7,185,245.50	\$ 15,388,709.00

\$1,314,956.50 and \$1,221,726.50 as of December 31, 2021 and 2020, 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.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9: PENSION AND RETIREMENT PLANS (Continued)

Year ended December 31:

2022	\$	(5,025,865.00)
2023		(3,545,542.00)
2024		(2,324,328.00)
2025		(1,840,048.00)
2026		15,535.00
	<u>\$</u>	<u>(12,720,248.00)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2021 and 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, including June 30, 2021 and 2020:

	June 30, 2021
Inflation Rate: Price	2.75%
Inflation Rate: Wage	3.25%
Salary Increases through 2026	2.00% - 6.00% based on years of service
Thereafter	3.00% - 7.00% based on years of service
Investment rate of return	7.00%

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-2020.

The actuarial assumptions used in the July 1, 2020 and July 1, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9: PENSION AND RETIREMENT PLANS (Continued)

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, 2021 and 2020) 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, 2021 and 2020 are summarized in the following table:

2021		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021 and 2020. 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 non-employer contributing entity will be based on 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
Township's proportionate share of the net pension liability	\$ 36,227,958.00	\$ 26,603,049.00	\$ 18,434,950.00

The following presents the Township's proportionate share of the net pension liability as of December 31, 2020 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
Township's proportionate share of the net pension liability	\$ 46,615,600.00	\$ 37,030,800.00	\$ 28,897,836.00

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.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9: PENSION AND RETIREMENT PLANS (Continued)

Additional Information

Collective balances of the Local Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 1,164,738,169.00
Deferred inflows of resources	\$ 8,339,123,762.00
Net pension liability	\$ 11,972,782,878.00
Township's Proportion	0.2245646456

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

Deferred outflows of resources	\$ 2,347,583,337.00
Deferred inflows of resources	\$ 7,849,949,467.00
Net pension liability	\$ 16,435,616,426.00
Township's Proportion	0.2233604805

Collective pension expense for the Local Group for the measurement period ended June 30, 2021 and June 30, 2020 were (\$1,599,674,464) and \$407,705,399, respectively.

The average of the expected remaining service lives of all plan members is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

Police and Firemen's Retirement System (PFRS)

At December 31, 2021 and 2020, the Township's liability for its proportionate share of the net pension liability was \$20,689,936 and \$34,788,378.00, respectively. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2020, the Township's proportion was 0.2692324087 percent, which was an increase of 0.0207701106 from its proportion measured as of June 30, 2019. At June 30, 2021, the Township's proportion was 0.2830689282 percent, which was an increase of 0.0138365195 from its proportion measured as of June 30, 2020.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9: PENSION AND RETIREMENT PLANS (Continued)

At December 31, 2021, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources had GASB Statement No. 68 been recognized:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 110,093.00	\$ 4,380,861.00
Differences between expected and actual experience	236,047.00	1,751,051.00
Net difference between projected and actual earnings on pension plan investments		6,229,082.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	4,218,090.00	29,485.00
Township contributions subsequent to the measurement date	1,649,553.50	
	<u>\$ 6,213,783.50</u>	<u>\$ 12,390,479.00</u>

At December 31, 2020, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources had GASB Statement No. 68 been recognized:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 87,545.00	\$ 9,326,556.00
Differences between expected and actual experience	350,726.00	124,851.00
Net difference between projected and actual earnings on pension plan investments	2,039,805.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	3,274,551.00	110,647.00
Township contributions subsequent to the measurement date	1,503,893.00	
	<u>\$ 7,256,520.00</u>	<u>\$ 9,562,054.00</u>

\$1,649,553.50 and \$1,503,893.00 as of December 31, 2021 and 2020, respectively were reported as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows, if the financial statements were prepared in accordance with GAAP.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9: PENSION AND RETIREMENT PLANS (Continued)

Year ended December 31:

2022	\$ (3,083,327.00)
2023	(2,061,329.00)
2024	(1,530,446.00)
2025	(1,580,650.00)
2026	<u>429,503.00</u>
	<u>\$ (7,826,249.00)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2021</u>
Inflation Rate: Price	2.75%
Inflation Rate: Wage	3.25%
Salary Increases through 2026	2.00% - 6.00% based on years of service
Thereafter	3.00% - 7.00% based on years of service
Investment rate of return	7.00%

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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 2026	3.25 - 15.25%
	based on years of service
Investment rate of return	7.00%

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

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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, 2021 and 2020) 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, 2021 are summarized in the following table:

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9: PENSION AND RETIREMENT PLANS (Continued)

2021		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 non-employer contributing entity will be based on 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 non-employer contributing entity will be based on 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
Township's proportionate share of the net pension liability	\$ 31,417,021.00	\$ 20,689,936.00	\$ 11,760,797.00

The following presents the Township's proportionate share of the net pension liability as of December 31, 2020 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
Township's proportionate share of the net pension liability	\$ 46,261,382.00	\$ 34,788,378.00	\$ 25,259,171.00

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.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 9: PENSION AND RETIREMENT PLANS (Continued)

Additional Information

Collective balances of the Local Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$	817,271,932.00
Deferred inflows of resources	\$	6,875,738,520.00
Net pension liability	\$	9,364,849,587.00

Township's Proportion 0.2830689282

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

Deferred outflows of resources	\$	1,601,195,680.00
Deferred inflows of resources	\$	4,191,274,402.00
Net pension liability	\$	14,926,648,722.00

Township's Proportion 0.2692324087

Collective pension expense for the Local Group for the measurement period ended June 30, 2021 and 2020 were (\$742,955,825.00) and \$949,220,570.00, respectively.

The average of the expected remaining service lives of all plan members is 6.17, 5.90, 5.92, 5.73, 5.59, 5.58, 5.53, and 6.17 years for 2021, 2020, 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, 2021 and 2020 for police and fire is 0.28306892827% and 0.2692324087% respectively, and the non-employer contributing entities' contribution for the year ended June 30, 2021 and 2020 for police and fire was \$505,496.00 and \$415,450.00, respectively. The state's proportionate share of the net pension liability attributable to the Township as of June 30, 2021 and 2020 is \$5,819,040.00 and \$5,398,998.00, respectively.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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 2021, 2020, 2019, 2018 and 2017 totaled \$5,193,553, \$5,147,937.00, \$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, 2021 for the Township and the required information is presented on the following pages.

Employees Covered by Benefit Terms

At December 31, 2021, there were one-hundred and seventy-two retired employees and two-hundred and seventy-one 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, 2021 and 2020 is \$196,070,916.00 and \$201,728,273.00, respectively.

Actuarial assumptions and other inputs

The total OPEB liability of \$196,070,916.00 was reported in the December 31, 2021 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	2.25%
Healthcare cost trend rates	8.00% decrease to 5.00%

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study as of January 1, 2021.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

Changes in the total OPEB liability reported for the year ended December 31, 2021 is as follows:

	<u>Total OPEB Liability</u>
Balance at January 1	\$ 201,728,273.00
Changes for the year:	
Service cost	4,837,573.00
Interest	3,843,238.00
Benefit payments	(5,193,553.00)
Effect of economic/demographic gains or losses	(245,124.00)
Changes in assumptions or other	(8,899,491.00)
Net changes	(5,657,357.00)
Balance at December 31	\$ 196,070,916.00

Changes of assumptions and other inputs reflect a discount rate of 2.25% in 2021.

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 (1.25%) or 1-percentage-point higher (3.25%) than the current discount rate:

	At 1% Decrease (1.25%)	At Current Discount Rate (2.25%)	At 1% Increase (3.25%)
Net OPEB liability	\$ 223,881,864.00	\$ 196,070,916.00	\$ 168,259,969.00

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 trend rate:

	At 1% Decrease	Healthcare Trend Rate	At 1% Increase
Net OPEB liability	\$ 162,989,263.00	\$ 196,070,916.00	\$ 235,736,445.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

Funding Status and Funding Progress

As of December 31, 2021, the date of the most recent actuarial valuation, the plan is currently unfunded. The expense for the year ended December 31, 2021 was \$12,907,831.

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 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 RP-2006 Mortality Table with MP-2020 Projection.

The cost of medical benefits range from \$267 through \$297 per month and dental benefits range from \$18 through \$143 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

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

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, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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.

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

Discount Rate

The discount rate for June 30, 2021 and 2020 was 2.16% and 2.21%, 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-2021. 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-2021. 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-2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.65% and decreases to a 4.5% long-term trend rate after seven years. For PPO post-65 medical benefits, the trend is initially 13.08% and decreases to a 4.5% long-term trend after ten years. For HMO post-65 medical benefits, the trend is initially 13.76% and decreases to a 4.5% long-term trend after ten years. For prescription drug benefits, the initial trend rate is 6.75% and decreases 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. 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 non-employer 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

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

Non-employer 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, 2021 was \$19,486,188. 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, 2020 was \$18,437,021. The Township's proportionate share was \$0.

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the State's proportionate share of the net OPEB liability associated with the Township was 0.504646 percent and included 82 plan members. At June 30, 2020, the State's proportionate share of the net OPEB liability associated with the Township was 0.337532 percent and included 82 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, 2021. 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
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 and 2020, the total value of accumulated compensated absences, based upon the current pay rates, was \$6,415,241.86 and \$6,709,145.47, 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, 2021 and 2020, the Township has reserved funds in the Other Trust Fund of \$64,667.57 and \$31,178.33, respectively, to help offset future costs incurred.

Note 13: LEASE COMMITMENTS

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

The lease payments and the present value of net minimum lease payment at December 31, 2021 is as follows:

Year Ended December 31		
2022	\$	362,457.36
2023		235,970.22
2024		69,182.70
		667,610.28
Less: Amount representing interest / fees		19,690.32
Present value of net minimum lease payment	\$	647,919.96

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 14: TAX APPEALS

At December 31, 2021, there are several tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for 2021 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, 2021, 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, 2021, 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

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 15: CONTINGENT LIABILITIES (Continued)

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, 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, 2021 and 2020, the Township held \$12,749,566.56 and \$8,535,807.16, 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 were paid out by the Township in 2021.

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, 2021:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 874,210.16	\$ 1,056,709.06
State and Federal Grant Fund		321,504.88
Other Trust Fund	74,714.59	707,107.56
CDBG Fund	91,028.07	
Payroll Trust Fund		74,714.59
Animal Control Trust Fund		36,625.79
General Capital Fund	1,026,704.86	503,406.21
Water and Sewer Utility Operating Fund		247,000.75
Water and Sewer Utility Capital Fund	880,411.16	
Total	<u>\$ 2,947,068.84</u>	<u>\$ 2,947,068.84</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, 2021 and 2020 totaled \$74,728.77 and \$74,834.14, respectively.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 and 2020, the cumulative balance of the Length of Service Award Program was \$1,506,610.94 and \$1,310,867.38, 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, 2021 and 2020:

2021

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes if Billed in Full	Abated Taxes
Oak Woods	1997	2037	\$ 42,965.00	\$ 98,519.63	\$ 55,554.63
CIL Woods	1998	2038	8,106.00	34,489.52	26,383.52
South Brunswick VOA	2005	2040	9,630.00	76,606.53	66,976.53
ARC - 9 Helen Drive	2013	2043	4,000.00	9,056.05	5,056.05
ARC - 24 Palmer Road	2013	2043	4,000.00	8,749.93	4,749.93
ARC - 125 Kendall Road	2013	2043	4,000.00	8,290.75	4,290.75
ARC - 24 Kindsey Road	2013	2043	4,000.00	7,627.49	3,627.49
SBCDC - Charleston Place	2021	2050	36,359.00	22,443.70	(13,915.30)
			<u>\$ 113,060.00</u>	<u>\$ 265,783.60</u>	<u>\$ 152,723.60</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 19: GASB 77 TAX ABATEMENTS (Continued)

2020

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes if Billed in Full	Abated Taxes
Oak Woods	1997	2037	\$ 42,965.00	\$ 98,519.63	\$ 55,554.63
CIL Woods	1998	2038	8,106.00	34,489.52	26,383.52
South Brunswick VOA	2005	2040	9,630.00	76,606.53	66,976.53
ARC - 9 Helen Drive	2013	2043	4,000.00	9,056.05	5,056.05
ARC - 24 Palmer Road	2013	2043	4,000.00	8,749.93	4,749.93
ARC - 125 Kendall Road	2013	2043	4,000.00	8,290.75	4,290.75
ARC - 24 Kindsey Road	2013	2043	4,000.00	7,627.49	3,627.49
			<u>\$ 76,701.00</u>	<u>\$ 243,339.90</u>	<u>\$ 166,638.90</u>

Note 20: SUBSEQUENT EVENTS

The Township has reviewed and evaluated all events and transactions from December 31, 2021 through April 25, 2023, 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, 2021 have been recognized in the accompanying financial statements.

On June 14, 2022, S&P Global Ratings withdrew the credit rating from all of the Township's outstanding debt and notes due to insufficient information being provided to S&P. Specifically, the Township did not provide adequate and timely financial information necessary to maintain surveillance of its ratings in accordance with applicable criteria and policies. The Township has commenced the process to have its credit rating restored and to provide S&P sufficient information requested.

**PART II – SUPPLEMENTARY SCHEDULES –
SUPPLEMENTARY INFORMATION –
AS REQUIRED BY THE DIVISION OF LOCAL GOVERNMENT SERVICES**

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, 2021**

	<u>REF.</u>	
Balance, December 31, 2020	A	\$ 11,088,847.76
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	246,839.99
Taxes Receivable	A-7	211,166,407.41
Tax Title Liens Receivable	A-9	13,162.13
Tax Sale Premiums	A	821,100.00
State of New Jersey (Ch. 20, P.L. 1976)	A-8	111,521.25
Revenue Accounts Receivable	A-11	14,685,872.03
Due to State of New Jersey	A-13	283,382.65
Prepaid Taxes	A-14	2,462,610.26
Reserve for Various Deposits	A-15	187.71
Tax Overpayments	A-17	1,179.50
Refund of Accounts Payable	A-16	631,120.05
Investments Redeemed	A-5	1,153,253.00
Other Receipts	A	2,898.68
Special Emergency Notes Issued	A-24	790,000.00
Cash Receipts from Other Funds	A-6	6,125,448.06
		<u>238,494,982.72</u>
Subtotal		249,583,830.48
Decreased by Disbursements:		
2021 Budget Appropriations	A-3	57,926,367.24
2020 Appropriation Reserves	A-12	795,259.71
Special Emergency Notes Paid	A-24	820,000.00
Purchase of Investments	A-5	300,000.00
Accounts Payable	A-16	10,111.43
Cash Disbursed to Other Funds	A-6	11,892,328.06
Due to State of New Jersey	A-13	249,982.00
Refund of Prior Year Revenues/Tax Appeals	A-1	135,564.43
Tax Overpayments	A-17	173,695.99
Municipal Open Space Taxes	A-1, A-7	1,633,630.00
Special District Taxes	A-18	2,501,516.00
Local District School Taxes	A-20	121,850,164.00
County Taxes	A-19	40,040,770.29
		<u>238,329,389.15</u>
Balance, December 31, 2021	A	<u>\$ 11,254,441.33</u>

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

**CURRENT FUND
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ 1,153,253.00
Increased by:		
Investments Purchased	A-4	<div style="display: flex; justify-content: flex-end; align-items: center;"> 300,000.00 <hr style="width: 50px; border: 0.5px solid black;"/> </div>
		1,453,253.00
Decreased by:		
Investments Redeemed	A-4	<div style="display: flex; justify-content: flex-end; align-items: center;"> 1,153,253.00 <hr style="width: 50px; border: 0.5px solid black;"/> </div>
Balance - December 31, 2021	A	<div style="display: flex; justify-content: flex-end; align-items: center;"> \$ 300,000.00 <hr style="width: 50px; border: 1px solid black;"/> </div>

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

**CURRENT FUND
SCHEDULE OF INTERFUNDS (PAYABLE) RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	REF.	Total	General Capital Fund	Water and Sewer Utility Capital Fund	Grant Fund	Water and Sewer Utility Operating Fund	Payroll Fund	Animal Control Trust Fund	Other Trust Fund
Balance, December 31, 2020	A	\$ (5,520,005.11)	\$ (4,208,066.23)	\$ (2,930,004.20)	\$ 463,775.44	\$ 4,335,432.32	\$ (232.56)	\$ 57,697.18	\$ (3,238,607.06)
Increased by:									
Cash Disbursed to Other Funds	A-2, A-4	11,892,328.06	4,208,066.23	2,930,004.20	981,457.64	-	232.56	17,880.88	3,754,686.55
		<u>11,892,328.06</u>	<u>4,208,066.23</u>	<u>2,930,004.20</u>	<u>981,457.64</u>	<u>-</u>	<u>232.56</u>	<u>17,880.88</u>	<u>3,754,686.55</u>
Decreased by:									
Other		429,373.79				429,373.79			
Cash Receipts									
From Other Funds	A-4	6,125,448.06	926,704.86	130,004.20	1,123,728.20	3,906,058.53		38,952.27	
		<u>6,554,821.85</u>	<u>926,704.86</u>	<u>130,004.20</u>	<u>1,123,728.20</u>	<u>4,335,432.32</u>	<u>-</u>	<u>38,952.27</u>	<u>-</u>
Balance, December 31, 2021	A	<u>\$ (182,498.90)</u>	<u>\$ (926,704.86)</u>	<u>\$ (130,004.20)</u>	<u>\$ 321,504.88</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,625.79</u>	<u>\$ 516,079.49</u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2021

Year	Balance, December 31, 2020	2021 Levy	Added Taxes	Collections by Collector		St. Share Sr. Citizen Deductions	Remitted and Cancelled	Transfer to Tax Title Liens	Balance, December 31, 2021
				2020	2021				
2020	\$ 1,321,695.36				\$ 1,260,565.68		\$ 61,129.68		
2021		\$ 206,688,921.19	\$ 7,507,622.13	\$ 3,287,085.04	209,905,841.73	\$ 111,271.25	(71,986.46)	\$ 102,121.06	\$ 862,210.70
	<u>\$ 1,321,695.36</u>	<u>\$ 206,688,921.19</u>	<u>\$ 7,507,622.13</u>	<u>\$ 3,287,085.04</u>	<u>\$ 211,166,407.41</u>	<u>\$ 111,271.25</u>	<u>\$ (10,856.78)</u>	<u>\$ 102,121.06</u>	<u>\$ 862,210.70</u>
REF.	A	Below	Below	A-2, A-14	A-2, A-4	A-2, A-8	Reserved	A-9	A
<u>Analysis of 2021 property tax levy</u>									
Tax yield:									
General purpose tax		\$ 204,187,405.19							
Special district taxes		2,501,516.00							
Added Taxes (54:4-63:1 et seq.)		<u>7,507,622.13</u>							
	Above			<u>\$ 214,196,543.32</u>					
Tax levy:									
Local District School Tax:									
Levy (Abstract)	A-1 , A-20	<u>\$ 121,850,164.00</u>							
Total Local District School Tax				<u>\$ 121,850,164.00</u>					
County Tax:									
County Tax (Abstract)	A-1 , A-19	35,644,207.69							
County Open Space Preservation	A-1 , A-19	2,945,326.27							
Due Cty. For Added & Omitted Taxes	A-1 , A-19	<u>1,451,236.33</u>							
Total County Tax				<u>40,040,770.29</u>					
Special District Taxes:									
Fire District Taxes	A-1 , A-18	<u>2,501,516.00</u>							
Total Special District Taxes				<u>2,501,516.00</u>					
Local Tax for Municipal Purposes									
Local Tax for Library Purposes	A-2	38,972,170.61							
Municipal Open Space	A-1 , A-4	3,078,172.10							
Additional Taxes Levied		<u>1,633,630.00</u>							
Total Local Tax for Mun. Purposes				<u>49,804,093.03</u>					
	Above			<u>\$ 214,196,543.32</u>					

**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, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ 73,797.85
Increased by:		
Deductions Disallowed by Collector - 2021	Below	\$ 4,228.75
Cash Receipts	A-4	<u>111,521.25</u>
		<u>115,750.00</u>
		189,547.85
Decreased by:		
Deductions Allowed Per Tax Billings - 2021	Below	112,500.00
Deductions Allowed by Collector - 2021	Below	<u>3,000.00</u>
		<u>115,500.00</u>
Balance - December 31, 2021	A	<u><u>\$ 74,047.85</u></u>
Analysis of Senior Citizens, Veterans and Disability Deductions Realized <u>as Revenues in FY 2021</u>		
Deductions Allowed Per Tax Billings	Above	\$ 112,500.00
Plus:		
Deductions Allowed by Collector	Above	<u>3,000.00</u>
		115,500.00
Less:		
Deductions Disallowed by Collector	Above	<u>4,228.75</u>
Amount Realized as Revenue - 2021	A-2 , A-7	<u><u>\$ 111,271.25</u></u>

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

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ 1,039,016.73
Increased by:		
Transfers from Taxes Receivable	A-7	\$ 102,121.06
Miscellaneous	Reserved	<u>2,837.45</u>
		104,958.51
		<u>1,143,975.24</u>
Decreased by:		
Cash Receipts	A-2 , A-4	<u>13,162.13</u>
Balance - December 31, 2021	A	<u><u>\$1,130,813.11</u></u>

**CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2021 and 2020	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, 2021**

	Ref.	Balance Dec 31, 2020	Accrued 2021	Decreases	Balance Dec 31, 2021
Miscellaneous Revenues Anticipated:					
Alcoholic Beverage Licenses	A-2		\$ 215,508.00	\$ 215,508.00	
Licenses - Other	A-2		40,531.00	40,531.00	
Fees and Permits	A-2		639,010.57	639,010.57	
Municipal Court Fines & Costs	A-2	\$ 6,265.31	281,935.71	264,273.48	\$ 23,927.54
Interest and Costs on Taxes	A-2		313,534.01	313,534.01	
Interest on Investments and Deposits	A-2		40,277.34	40,277.34	
Cable TV Franchise Fee	A-2		445,498.42	445,498.42	
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		41,195.00	41,195.00	
Uniform Construction Code Fees	A-2		1,563,874.95	1,563,874.95	
Fire District #1 contract	A-2		130,731.78	130,731.78	
Fire District #2 contract	A-2		225,432.74	225,432.74	
Fire District #3 contract	A-2		161,200.55	161,200.55	
Spotswood Contract - Data Processing	A-2		29,200.00	29,200.00	
Milltown Contract - Data Processing	A-2		13,100.00	13,100.00	
Cranbury Contract - Data Processing	A-2		30,000.00	30,000.00	
Monroe Contract - Data Processing	A-2		72,254.82	72,254.82	
Middlesex County College Contract - Data Processing	A-2		16,100.00	16,100.00	
Cranbury Contract - Dispatch	A-2		135,304.00	135,304.00	
Uniform Fire Safety Act - Life Hazard					
Use Fees	A-2		360,574.54	360,574.54	
Site Leasing - Antennae	A-2		345,662.22	345,662.22	
PILOT - South Brunswick Community					
Development Corp.	A-2		38,103.74	38,103.74	
PILOT - VOA	A-2		3,186.02	3,186.02	
PILOT - CIL Woods	A-2		8,180.85	8,180.85	
PILOT - Oakwoods	A-2		43,605.15	43,605.15	
Utility Payments for SW Chargebacks	A-2		500,000.00	500,000.00	
CARES Act	A-2		600,000.00	600,000.00	
Hotel / Motel Tax	A-2		814,633.21	814,633.21	
Reserve for Debt Service	A-2		217,000.00	217,000.00	
Interfunds Realized	A-2		2,968,636.88	2,968,636.88	
General Capital Fund Balance	A-2		674,291.04	674,291.04	
Reserve for Quasi Duty - Other Trust Fund	A-2		97,000.00	97,000.00	
American Rescue Plan	A-2		2,390,891.46	2,390,891.46	
Reserve for Workers Compensation	A-2		25,000.00	25,000.00	
School Resource Officer	A-2		387,486.00	387,486.00	
		<u>\$ 6,265.31</u>	<u>\$ 19,033,868.00</u>	<u>\$ 19,016,205.77</u>	<u>\$ 23,927.54</u>
	Ref.	A		Below	A
Cash received	A-4			\$ 14,685,872.03	
Noncash	Above			4,330,333.74	
	Above			<u>\$ 19,016,205.77</u>	

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

**CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance Dec 31, 2020	Reserved for Encumbrances Dec 31, 2020	Balance After Modification	Paid or Charged (Refunds)	Transferred to Reserve for Encumbrances	Overexpended	Balance Lapsed
OPERATIONS WITHIN "CAPS"							
Township Council							
Other Expenses	\$ 4,296.59		\$ 3,664.59				\$ 3,664.59
Township Manager							
Salaries and Wages	.69		.69				0.69
Other Expenses			632.00	\$ 956.00		\$ 324.00	
Township Clerk							
Salaries and Wages	3.60		3.60				3.60
Other Expenses	1,393.42	\$ 99.79	2,413.21	3,348.51		935.30	
Elections							
Salaries and Wages	220.33		220.33				220.33
Other Expenses	2,051.45		1,051.45				1,051.45
CATV Advisory Commission (N.J.S.A. 48A:56A-26)							
Salaries and Wages	202.92		202.92				202.92
Other Expenses	111.76		111.76				111.76
Financial Administration							
Salaries and Wages	598.44		598.44				598.44
Other Expenses	3,343.25	54.20	2,397.45	1,313.50	\$ 54.20		1,029.75
Purchasing							
Salaries and Wages	250.00		250.00				250.00
Other Expenses	337.35	2,775.80	6,121.15	10,473.54		4,352.39	
Computerized Data Processing Center							
Salaries and Wages	3,177.69		3,177.69				3,177.69
Other Expenses	1,901.82	9,719.55	10,621.37	6,460.80	1,000.00		3,160.57
Collection of Taxes							
Salaries and Wages	354.05		354.05				354.05
Other Expenses	926.45		2,309.00				2,309.00
Annual Audit							
Other Expenses		16,116.67	16,116.67	3,333.34	12,783.33		
Assessment of Taxes							
Salaries and Wages	751.98		751.98				751.98
Other Expenses	3,625.16	35,260.21	34,885.37	2,457.00	30,810.71		1,617.66
Legal Service and Costs							
Salaries and Wages	301.94		301.94				301.94
Other Expenses	265.88	1,451.75	1,917.63	1,187.00	1,340.75	610.12	
Affordable Housing Agency							
Other Expenses	590,396.97	5,163.83	595,560.80	18,440.50	5,163.83		571,956.47
Planning Board							
Salaries and Wages	3.26		3.26				3.26
Other Expenses	702.23	105.99	808.22	710.80			97.42

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

**CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance Dec 31, 2020	Reserved for Encumbrances Dec 31, 2020	Balance After Modification	Paid or Charged (Refunds)	Transferred to Reserve for Encumbrances	Overexpended	Balance Lapsed
Zoning Board							
Salaries and Wages	\$ 93.21		\$ 93.21				\$ 93.21
Other Expenses	457.41		457.41				457.41
Industrial Commission (N.J.S.A. 40A:55-56A-5)							
Salaries and Wages	100.00		100.00				100.00
Other Expenses	300.00		300.00				300.00
Environmental Commission (N.J.S.A. 40:56A-10)							
Salaries and Wages	50.00		50.00				50.00
Other Expenses	275.00		275.00				275.00
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	690.58		690.58				690.58
Other Expenses	3,136.30	\$ 3,858.18	15,211.48	\$ 15,211.38			0.10
Maintenance of Parks							
Salaries and Wages	709.31		709.31				709.31
Other Expenses	3,389.90	10,208.73	11,098.63	7,653.49			3,445.14
Shade Tree							
Salaries and Wages	196.40		196.40				196.40
Other Expenses	330.12		330.12				330.12
Streets and Roads Maintenance							
Salaries and Wages	.94		.94				0.94
Other Expenses	2,132.52	62,783.01	62,915.53	57,953.99			4,961.54
Vehicle Maintenance							
Salaries and Wages	.94		.94				0.94
Other Expenses	2,858.89	15,335.71	15,194.60	12,349.07	\$ 1,656.08		1,189.45
Recycling							
Salaries and Wages	4,839.11		4,839.11				4,839.11
Other Expenses	1,082.84		1,082.84	150.00			932.84
Transit - Other Public Works Functions							
Salaries and Wages	2,703.45		2,703.45				2,703.45
Other Expenses	1,066.29		1,066.29				1,066.29
Aid to Volunteer Ambulance Companies							
Other Expenses	35,415.72		35,415.72	33,750.00			1,665.72
Public Safety							
Fire Prevention Service							
Salaries and Wages	.95		.95				0.95
Other Expenses	2,017.86	566.90	2,584.76	2,349.41	192.10		43.25

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

**CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance Dec 31, 2020	Reserved for Encumbrances Dec 31, 2020	Balance After Modification	Paid or Charged (Refunds)	Transferred to Reserve for Encumbrances	Overexpended	Balance Lapsed
Police							
Salaries and Wages							
Regular Police	\$ 145,714.08		\$ 145,714.08	\$ (8,365.00)			\$ 154,079.08
School Crossing Guards	54,428.09	\$ 78,104.03	2,266.19				2,266.19
Other Expenses							
Regular Police	2,266.19		132,532.12	89,545.44	\$ 22,352.80		20,633.88
School Crossing Guards	561.18	1,049.82	1,611.00	1,049.82			561.18
Police Dispatch/911							
Salaries and Wages	8,443.92		8,443.92				8,443.92
Other Expenses	1,223.54	6,942.61	8,166.15	6,484.61			1,681.54
Emergency Management Services							
Salaries and Wages	395.98		395.98				395.98
Other Expenses	1,830.54		1,830.54	459.67			1,370.87
Municipal Prosecutor							
Salaries and Wages	.50	5,035.49	5,035.99	3,647.91	1,387.50		0.58
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	142.24		142.24				142.24
Other Expenses	523.08	976.66	1,499.74	969.70			530.04
Animal Control Regulation							
Salaries and Wages	.08		.08				0.08
Other Expenses	375.00		3,063.00	3,062.16			0.84
Recreation Services and Programs							
Salaries and Wages	8,486.91		3,486.91				3,486.91
Other Expenses	2,360.89	3,233.02	5,593.91	3,421.48			2,172.43
Social Services							
Salaries and Wages			252.00				252.00
Senior Services							
Salaries and Wages	7,397.84		7,397.84				7,397.84
Other Expenses	3,242.72		1,242.72				1,242.72
Solid Waste Collection							
Other Expenses	237,870.51		237,871.51	237,870.71			0.80
Landfill/Solid Waste Disposal Costs							
Other Expenses	54,710.53		54,710.53	54,710.53			
Condominium Services Act							
Other Expenses	.40		.40				0.40

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

**CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance Dec 31, 2020	Reserved for Encumbrances Dec 31, 2020	Balance After Modification	Paid or Charged (Refunds)	Transferred to Reserve for Encumbrances	Overexpended	Balance Lapsed
Municipal Court							
Salaries and Wages	\$ 20,544.47		\$ 20,544.47				\$ 20,544.47
Other Expenses	11,419.79	\$ 4,518.67	15,938.46	\$ 3,335.11	\$ 1,229.57		11,373.78
Public Defender							
Other Expenses	210.00	10,291.50	10,501.50	10,291.46			210.04
Insurance							
Group Insurance			1,262.00	1,262.00			
General Liability	6,088.18		4,826.18	4,700.00			126.18
Waiver of Health Benefits	13,999.51		13,999.51				13,999.51
Construction Official							
Salaries and Wages	416.13		416.13				416.13
Other Expenses	776.87	1,964.18	2,741.05	1,964.18			776.87
Utilities							
Electricity	137,332.01		137,332.01	4,406.83	80,932.76		51,992.42
Street Lighting	92,835.12		96,981.12	1,606.80	95,374.13		0.19
Telephone	2,276.25	10,640.36	12,916.61	10,233.37			2,683.24
Water	17,933.64		17,933.64				17,933.64
Sewerage Disposal	10,342.42		10,342.42				10,342.42
Fuel Oil	39,358.83		29,674.83	5,268.27			24,406.56
Gasoline	78,139.55		68,339.55	8,923.83			59,415.72
Heating Oil	2,250.00		2,250.00				2,250.00
Fire Hydrant	8,757.42		8,757.42	1,175.16			7,582.26
COVID-19 Expenses							
Salaries and Wages		30,457.27					
Other Expenses			47,728.04	34,272.02	12,398.22		1,057.80
Total Operations Within "CAPS"	<u>1,700,519.38</u>	<u>316,713.93</u>	<u>2,014,334.63</u>	<u>658,394.39</u>	<u>266,675.98</u>	<u>\$ 6,221.81</u>	<u>1,095,486.07</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES							
<u>MUNICIPAL WITHIN "CAPS"</u>							
Statutory Expenditures:							
Contribution to:							
Public Employees' Retirement System	637.55		637.55				637.55
Social Security System (O.A.S.L.)	644.42		644.42				644.42
Police and Firemen's Retirement System of NJ	<u>13,418.60</u>		<u>13,418.60</u>				<u>13,418.60</u>
Total Deferred Charges and Statutory Expenditures							
Municipal Within "CAPS"	<u>14,700.57</u>		<u>14,700.57</u>				<u>14,700.57</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>1,715,219.95</u>	<u>316,713.93</u>	<u>2,029,035.20</u>	<u>658,394.39</u>	<u>266,675.98</u>	<u>6,221.81</u>	<u>1,110,186.64</u>

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

**CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance Dec 31, 2020	Reserved for Encumbrances Dec 31, 2020	Balance After Modification	Paid or Charged (Refunds)	Transferred to Reserve for Encumbrances	Overexpended	Balance Lapsed
<u>OTHER OPERATIONS EXCLUDED FROM "CAPS"</u>							
Maintenance of Free Public Library							
Salaries and Wages	\$ 42,727.47		\$ 43,505.47	\$ 43,504.75			\$ 0.72
Other Expenses	49,434.12	\$ 88,577.18	140,131.98	84,835.57	\$ 15,553.75		39,742.66
Length of Service Award Program (LOSAP)							
Other Expenses	40,000.00		40,000.00	8,525.00			31,475.00
Interlocal Municipal Services Agreement							
Fire Services							
Salaries and Wages	0.53		0.53				0.53
Total Operations Excluded from "CAPS"	<u>132,162.12</u>	<u>88,577.18</u>	<u>223,637.98</u>	<u>136,865.32</u>	<u>15,553.75</u>	<u>-</u>	<u>71,218.91</u>
TOTALS	<u>\$ 1,847,382.07</u>	<u>\$ 405,291.11</u>	<u>\$ 2,252,673.18</u>	<u>\$ 795,259.71</u>	<u>\$ 282,229.73</u>	<u>\$ 6,221.81</u>	<u>\$ 1,181,405.55</u>
<u>REF.</u>	A	A-21		A-4	A-21	A-23	A-1

**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, 2021**

	<u>REF.</u>	<u>Total</u>	<u>Marriage License Fees</u>	<u>Health Burials</u>	<u>Building Permits Surcharge Fees</u>
Balance - December 31, 2020	A	\$ 34,999.35	\$ 8,960.00	\$ 1,389.00	\$ 24,650.35
Increased by:					
Cash Receipts	A-4	<u>283,382.65</u>	<u>3,250.00</u>	<u>1,389.00</u>	<u>280,132.65</u>
		318,382.00	12,210.00	1,389.00	304,783.00
Decreased by:					
Cash Disbursements	A-4	<u>249,982.00</u>	<u>9,250.00</u>	<u> </u>	<u>240,732.00</u>
Balance - December 31, 2021	A	<u>\$ 68,400.00</u>	<u>\$ 2,960.00</u>	<u>\$ 1,389.00</u>	<u>\$ 64,051.00</u>

Exhibit A-14

**CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ 3,287,085.04
Increased by:		
Collection of 2022 Taxes	A-4	<u>2,462,610.26</u>
		5,749,695.30
Decreased by:		
Applied to 2021 Taxes	A-2 , A-7	<u>3,287,085.04</u>
Balance - December 31, 2021	A	<u>\$ 2,462,610.26</u>

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

**CURRENT FUND
SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ 33,934.73
Increased by:		
Cash Receipts	A-4	<u>187.71</u>
Balance - December 31, 2021	A , Below	<u>\$ 34,122.44</u>

Analysis of Balance as of December 31, 2021

	Security Deposits	\$ 16,798.00
	Property / Evidence	16,374.44
	Bid Deposit	<u>950.00</u>
Above		<u>\$ 34,122.44</u>

Exhibit A-16

**CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance - December 31, 2020	A	\$ 48,172.37
Increased by:		
Reclassification of Outstanding Checks	A-4	\$ 631,120.05
Transferred from Reserve for Encumbrances	A-21	<u>305,952.87</u>
		<u>937,072.92</u>
		985,245.29
Decreased by:		
Cash Disbursements	A-4	<u>10,111.43</u>
Balance - December 31, 2021	A	<u>\$ 975,133.86</u>

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

**CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ 173,695.99
Increased by:		
Cash Receipts	A-4	1,179.50
		<u>174,875.49</u>
Decreased by:		
Cash Disbursements - Refunds	A-4	173,695.99
		<u>173,695.99</u>
Balance - December 31, 2021	A	<u><u>\$ 1,179.50</u></u>

Exhibit A-18

**CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance Dec 31, 2020	2021 Levy	Decrease	Balance Dec 31, 2021
Fire District:				
No. 1		\$ 867,750.00	\$ 867,750.00	
No. 2		1,036,000.00	1,036,000.00	
No. 3		597,766.00	597,766.00	
		<u>2,501,516.00</u>	<u>2,501,516.00</u>	
	<u>\$ -</u>	<u>\$ 2,501,516.00</u>	<u>\$ 2,501,516.00</u>	<u>\$ -</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, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ -
Increased by:		
2021 Levy:		
County Taxes	A-1, A-7	\$ 35,644,207.69
County Open Space Taxes	A-1, A-7	2,945,326.27
Added and Omitted Taxes	A-1, A-7	<u>1,451,236.33</u>
		<u>40,040,770.29</u>
		40,040,770.29
Decreased by:		
Cash Disbursements	A-4	<u>40,040,770.29</u>
Balance - December 31, 2021	A	<u>\$ -</u>

Exhibit A-20

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ -
Increased by:		
Levy - 2021	A-1, A-7	<u>121,850,164.00</u>
		121,850,164.00
Decreased by:		
Cash Disbursements	A-4	<u>121,850,164.00</u>
Balance - December 31, 2021	A	<u>\$ -</u>

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

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	REF.	Current Fund	Grant Fund
Balance - December 31, 2020	A	\$ 459,875.17	\$ 96,476.12
Increased by:			
Charges to:			
2021 Budget Appropriations	A-3	812,505.27	
2020 Appropriation Reserves	A-12	282,229.73	
Federal and State Grant Appropriations	A-27		181,874.09
		<u>1,554,610.17</u>	<u>278,350.21</u>
Decreased by:			
Transferred to 2020 Appropriation Reserves	A-12	405,291.11	
Due to Current Fund	A-26		88,873.22
Transferred to Accounts Payable	A-16	305,952.87	
		<u>711,243.98</u>	<u>88,873.22</u>
Balance - December 31, 2021	A, A-27	<u>\$ 843,366.19</u>	<u>\$ 189,476.99</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, 2021**

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>December 31,</u> <u>2020</u>	<u>Transferred from</u> <u>Deferred Charges</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>December 31,</u> <u>2021</u>
10/11/2016	Severance Liabilities	\$ 425,000.00		\$ 85,000.00			\$ 85,000.00	
12/21/2018	Severance Liabilities	475,000.00	\$ 95,000.00	285,000.00			95,000.00	\$ 190,000.00
12/10/2019	Severance Liabilities	250,000.00	50,000.00	200,000.00			50,000.00	150,000.00
12/10/2020	Severance Liabilities	250,000.00	50,000.00	250,000.00			50,000.00	200,000.00
2020	Ch 74 COVID-19	1,257,797.00	251,559.40		\$ 1,257,797.00			1,257,797.00
2021	Ch 74 COVID-19	164,886.00	32,977.20			\$ 164,866.00		164,866.00
2021	Severance Liabilities	250,000.00	50,000.00			250,000.00		250,000.00
		<u>\$ 3,072,683.00</u>	<u>\$ 529,536.60</u>	<u>\$ 820,000.00</u>	<u>\$ 1,257,797.00</u>	<u>\$ 414,866.00</u>	<u>\$ 280,000.00</u>	<u>\$ 2,212,663.00</u>
<u>REF.</u>				A	A	A-1, A-3	A-3	A

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

**CURRENT AND GRANT FUNDS
SCHEDULE OF DEFERRED CHARGES
OVEREXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance Dec 31, 2020	2021 Deferred Charges	Raised in 2021 Budget	Balance Dec 31, 2021
Deficit in Operations	\$ 1,786,085.15		\$ 1,786,085.15	
Overexpenditure of Grants	13,285.82		2,008.19	\$ 11,277.63
Overexpenditure of Appropriation Reserves - Current Fund	372,216.58	\$ 6,221.81	92,546.27	285,892.12
Overexpenditure of Appropriations - Current Fund	488,651.36	640,901.37	457,984.48	671,568.25
	<u>\$ 2,660,238.91</u>	<u>\$ 647,123.18</u>	<u>\$ 2,338,624.09</u>	<u>\$ 968,738.00</u>

Ref. A Below A-3 A

Overexpenditure of Appropriation Reserves	A-12	\$ 6,221.81
Overexpenditure of Appropriations	A-1, A-3	640,901.37
	Above	<u>\$ 647,123.18</u>

**CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec 31, 2020	Increased	Decreased	Balance Dec 31, 2021
12/11/2020	12/11/2020	12/10/2021	0.46%	\$ 820,000.00		\$ 820,000.00	
12/9/2021	12/9/2021	12/8/2022	0.34%		\$ 540,000.00		\$ 540,000.00
12/30/2021	12/30/2021	12/8/2022	0.34%		250,000.00		250,000.00
				<u>\$ 820,000.00</u>	<u>\$ 790,000.00</u>	<u>\$ 820,000.00</u>	<u>\$ 790,000.00</u>

Ref. A A-4 A-4 A

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

**GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Program	Balance Dec 31, 2020	Budget Revenue	Decreased by: Cash Receipts	Balance Dec 31, 2021
DOT - Municipal Aid Program - Ridge Road	\$ 756,250.00		\$ 487,500.00	\$ 268,750.00
DOT - Discretionary Aid Program Freedom Trail Bikeway - 2010	61,899.09			61,899.09
DOT - New Road		\$ 378,449.00		378,449.00
DOT - Local Freight	4,000,000.00			4,000,000.00
DOT - Major Road	276,000.00		207,000.00	69,000.00
DOT - Roberts/Williams Road		524,500.00		524,500.00
English as Second Language Instructor	54,135.00		3,140.00	50,995.00
Recycling Tonnage Grant	261,467.01	243,868.45	243,868.45	261,467.01
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
Body Worn Cameras		205,838.00		205,838.00
Library in Your Living Room		38,294.00		38,294.00
Library Spokes		24,034.04		24,034.04
NJ Division of Highway Safety - Distracted Driver		12,000.00	12,000.00	
Clean Communities Program	89,247.67	86,643.59	86,628.87	89,262.39
Division of Highway Safety - Click it or Tickit	5,500.00		5,500.00	
NJ Board of Public Utilities - Energy Audit Program	17,752.50			17,752.50
Body Armor Replacement Fund	417.45			417.45
National Crimes Statistics	72,656.00		72,205.82	450.18
Hazardous Mitigation	43,500.00			43,500.00
Pedestrian Safety	14,080.00		5,885.00	8,195.00
Drunk Driving Enforcement	9,836.55			9,836.55
Recreational Opportunities for Individuals with Disabilities (ROID)	4,022.00			4,022.00
	<u>\$ 5,957,833.27</u>	<u>\$ 1,513,627.08</u>	<u>\$ 1,123,728.14</u>	<u>\$ 6,347,732.21</u>
<u>REF.</u>	A	A-2, A-27	A-26	A

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

**SCHEDULE OF INTERFUND PAYABLE - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	A	\$ 463,775.44
Increased by:		
Cash Disbursed by Current Fund On-Behalf of the Federal and State Grant Fund:		
Appropriated Grant Reserves	A-27	\$ 892,584.42
Reserved For Encumbrances	A-21	<u>88,873.22</u>
	A-4	981,457.64
		<u>1,445,233.08</u>
Decreased by:		
Cash Received by Current Fund On-Behalf of the State and Federal Grant Fund:		
Grants Receivable	A-4, A-25	1,123,728.14
Other		<u>0.06</u>
		<u>1,123,728.20</u>
Balance - December 31, 2021	A	<u><u>\$ 321,504.88</u></u>

**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, 2021**

Program	Balance Dec 31, 2020	Transferred from 2021 Budget	(Refunds)/ Paid or Charged	Balance Dec 31, 2021
DOT - Municipal Aid Program - Ridge Road - 2018	\$ 373,500.00		\$ 373,500.00	
DOT - Local Freight	4,000,000.00			\$ 4,000,000.00
DOT - Major Road	276,000.00			276,000.00
DOT - New Road		\$ 378,449.00	275,500.00	102,949.00
DOT - Roberts/Williams Road		524,500.00		524,500.00
County Practice, Preparedness Response	3,000.00			3,000.00
Body Armor Replacement Fund			(2,270.02)	2,270.02
Federal Vest Replacement	2,604.55		2,546.90	57.65
NJ Division of Highway Safety - Drive Sober or Get Pulled Over	7,055.00		3,720.00	3,335.00
NJ Division of Highway Safety - Click it or Ticket	5,500.00		5,500.00	
NJ Division of Highway Safety - Distracted Driver	275.00	12,000.00	11,100.00	1,175.00
Clean Communities Program	186,662.42	86,643.59	51,016.43	222,289.58
County of Middlesex - Cultural Heritage Grant	960.00			960.00
County Recycling Reimbursement			(2,008.19)	2,008.19
County Open Space - Mapleton Preserve	49,955.28		(29,360.00)	79,315.28
Garden State Historic Preservation Trust Fund - Princeton Nurseries	164,873.00		30,234.12	134,638.88
Library in Your Living Room		38,294.00	9,171.82	29,122.18
Library Spokes		24,034.04	1,437.48	22,596.56
Body Worn Cameras		205,838.00	150,708.74	55,129.26
NJ Forestry	2,055.00			2,055.00
County of Middlesex Youth Development	200.97			200.97
Drunk Driving Enforcement Fund	14,359.29		1,157.59	13,201.70
NJ Division of Highway Safety - Safe Corridors	4,095.00			4,095.00
NJ Department of Law & Safety - COPS in Shops	935.00			935.00
Pandemic Influenza - Hepatitis B	11,830.00			11,830.00
Pedestrian Safety	15,070.00		5,885.00	9,185.00
Handicapped Recreation Opportunities Grant (State Share)	56,627.71		6,027.24	50,600.47
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	102,099.50	243,868.45	184,944.30	161,023.65
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	44,450.18			44,450.18
Library ESL	52,035.00		3,250.00	48,785.00
Alcohol Education Rehab Grant	531.72			531.72
	<u>\$ 5,408,282.53</u>	<u>\$ 1,513,627.08</u>	<u>\$ 1,082,061.41</u>	<u>\$ 5,839,848.20</u>
REF.	A	A-3 , A-25	Below	A
		REF.		
Due to Current Fund		A-26	\$ 892,584.42	
Reserved for Encumbrances		A	189,476.99	
		Above	<u>\$ 1,082,061.41</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, 2021**

	<u>REF.</u>	<u>ANIMAL CONTROL FUND</u>	<u>OTHER TRUST FUND</u>
Balance - December 31, 2020	B	\$ 96,035.58	\$ 17,989,564.84
Increased by Receipts:			
Due to the State of NJ	B-6	\$ 2,251.60	
Due from the County of Middlesex	B-4		\$ 31,156.00
Investments Redeemed	B		1,333,000.00
Interest on Investments	B-11		821.00
Cash Received On-Behalf of Community Development Block Grant Fund	B-7		60,212.99
Other CDBG Receipts	B-5		1,170.00
Animal Control Fees	B-9	16,024.40	
Other Reserves	B-10		14,424,706.31
Other Open Space Receipts	B-11		345.79
Open Space Tax	B-11		1,633,630.00
Cash Received from Other Funds	B-3		3,854,686.55
		<u>18,276.00</u>	<u>21,339,728.64</u>
		114,311.58	39,329,293.48
Decreased by Disbursements:			
Animal Control Expenditures	B-9	2,122.52	
Cash Disbursed On-Behalf of Community Development Block Grant Fund	B-8		45,292.64
Other Reserves	B-10		7,142,727.94
Reserve for Open Space:			
General Open Space Disbursements	B-11		114,975.00
Open Space Debt - Interest	B-11		177,076.00
Open Space Debt - Principal	B-11		1,211,298.00
Reserved for Encumbrances	B		441,283.78
Due to State of New Jersey	B-6	2,233.60	
Cash Disbursed to Other Funds	B-2	38,952.27	
		<u>43,308.39</u>	<u>9,132,653.36</u>
Balance - December 31, 2021	B	<u>\$ 71,003.19</u>	<u>\$ 30,196,640.12</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, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	B	\$ 57,697.18
Increased by:		
Statutory Excess Due to Current Fund	B-9	17,880.88
		<u>75,578.06</u>
Decreased by:		
Returned to Current Fund	B-1	<u>38,952.27</u>
Balance - December 31, 2021	B	<u><u>\$ 36,625.79</u></u>

**TRUST FUND - OTHER TRUST FUND
SCHEDULE OF INTERFUNDS (PAYABLE) RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	<u>Total</u>	<u>Payroll Trust Fund</u>	<u>Water Utility Operating Fund</u>	<u>Current Fund</u>	<u>General Capital Fund</u>
Balance - December 31, 2020	B	\$ 3,313,321.65	\$ 74,714.59	\$ 100,000.00	\$ 3,238,607.06	\$ (100,000.00)
Increased by:						
Cash Receipts from Other Funds	B-1	<u>3,854,686.55</u>		<u>100,000.00</u>	<u>3,754,686.55</u>	
Balance - December 31, 2021	B	<u>\$ (541,364.90)</u>	<u>\$ 74,714.59</u>	<u>\$ -</u>	<u>\$ (516,079.49)</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, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	B	\$ 48,066.67
Decreased by:		
Cash Receipts	B-1	<u>31,156.00</u>
Balance - December 31, 2021	B	<u><u>\$ 16,910.67</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, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	B	\$ 74,937.72
Increased by:		
Cash Received in Other Trust Fund Due to Community Development Block Grant Fund	B-1	61,382.99
		136,320.71
Decreased by:		
Cash Disbursed by Other Funds On-Behalf of Community Development Block Grant Fund: Other Trust Fund	B-1, B-8	45,292.64
Balance - December 31, 2021	B	\$ 91,028.07

**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, 2021**

	<u>REF.</u>		
Balance - December 31, 2020	B	\$	29.40
Increased by:			
State Dog License Fees Collected	B-1		2,251.60
			<u>2,281.00</u>
Decreased by:			
Payments to State of New Jersey	B-1		2,233.60
			<u>2,233.60</u>
Balance - December 31, 2021	B	\$	<u><u>47.40</u></u>

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

**TRUST FUND - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	B	\$ 71,652.31
Increased by:		
2021 Grant Allotment	B-8	75,084.00
		<u>146,736.31</u>
Decreased by:		
Cash Received in Other Trust Fund Due to Community Development Block Grant Fund	B-1	60,212.99
		<u>60,212.99</u>
Balance - December 31, 2021	B	<u><u>\$ 86,523.32</u></u>

**TRUST FUND - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF RESERVE FOR PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	B	\$ 146,590.03
Increased by:		
2021 Grant Allotment	B-7	\$ 75,084.00
Other Receipts	B-1	1,170.00
		<u>76,254.00</u>
		222,844.03
Decreased by:		
Cash Disbursed by Other Funds On-Behalf of Community Development Block Grant Fund: Other Trust Fund	B-1, B-5	45,292.64
		<u>45,292.64</u>
Balance - December 31, 2021	B	<u><u>\$ 177,551.39</u></u>

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

**TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>		
Balance - December 31, 2020	B		\$ 38,309.00
Increased by:			
Dog License Fees Collected		\$ 13,890.40	
Cats License Fees Collected		2,134.00	
	B-1	<u>16,024.40</u>	16,024.40
			<u>54,333.40</u>
Decreased by:			
Cash Disbursements	B-1	2,122.52	
Due to Current Fund	B-2	17,880.88	
		<u>20,003.40</u>	20,003.40
Balance - December 31, 2021	B		<u><u>\$ 34,330.00</u></u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2019	\$ 18,432.00
2020	15,898.00
	<u>34,330.00</u>
	<u><u>\$ 34,330.00</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, 2021**

PURPOSE	BALANCE DEC. 31, 2020	INCREASES	DECREASES	BALANCE DEC. 31, 2021
Accumulated Sick Leave	\$ 31,178.33	\$ 250,000.00	\$ 216,510.76	\$ 64,667.57
Affordable Housing Contributions	20,000.00			20,000.00
Celebration of Public Events	1,596.02			1,596.02
Construction of Recreation Facilities - Weiner Homes	1,064.13			1,064.13
Council on Affordable Housing	8,535,807.16	5,101,278.75	887,519.35	12,749,566.56
Detention Basin	1,071,678.87	2,152.40	16,765.59	1,057,065.68
Developers Uncompleted Obligations	984,307.16	68,892.00	86,348.73	966,850.43
Development, Maintenance and Preservation of Flemer's Property	54,862.29			54,862.29
DSK Settlement	264,385.29		264,385.29	
Legal Fees Escrow COAH	14,750.00			14,750.00
Employee Benefit Plan	273.82			273.82
Federal Forfeiture	39,482.38	8,296.02	2,850.00	44,928.40
Forfeited Funds	54,365.14	50,374.26	996.60	103,742.80
Health Plan	516,245.41	134,566.72	630,000.00	20,812.13
Emergency Assistance Trust Fund	257,129.59	103,363.97	115,672.30	244,821.26
Mayor's Task Force	13,696.28	2,000.00	3,238.36	12,457.92
Municipal Court Alcohol Fund	1,133.96			1,133.96
Off Track Road Improvements	476,221.78	8,988.00	133,172.80	352,036.98
Parking Offense Adjudication Act	351.00	26.00		377.00
Performance Deposits	7,041,368.74	5,375,407.06	1,447,649.66	10,969,126.14
Public Defender	121,638.25	2,300.00	1,100.00	122,838.25
Quasi-duty Police Department	44,690.59	557,083.50	559,572.50	42,201.59
Resident Task Force on Arts	15,509.71	3,000.00	500.00	18,009.71
Senior Citizen Contributions	23,108.91	3,764.00	700.00	26,172.91
Snow Removal	118,498.40	300,000.00	417,091.13	1,407.27
Substance Abuse Task Force	59,676.54		29,200.00	30,476.54
Tax Collector's Trust	1,397,423.75	2,307,616.27	2,460,871.39	1,244,168.63
Tax Sale Premiums	1,046.00			1,046.00
Township Landfill Closure	84,080.29	13.94	1,000.00	83,094.23
Traffic and Environmental Studies	(11,111.66)	11,500.00		388.34
Unemployment Benefits	74,834.14	4,000.00	4,105.37	74,728.77
Uniform Fire Safety	203,279.75	129,878.06	96,434.40	236,723.41
Workers Compensation	32,461.77	205.36	28,349.97	4,317.16
	<u>\$ 21,545,033.79</u>	<u>\$ 14,424,706.31</u>	<u>\$ 7,404,034.20</u>	<u>\$ 28,565,705.90</u>
<u>REF.</u>	B	B-1	Below	B
	<u>REF.</u>			
Cash Disbursements	B-1		\$ 7,142,727.94	
Reserved for Encumbrances	B		<u>261,306.26</u>	
	Above		<u>\$ 7,404,034.20</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, 2021**

REF.

Balance - December 31, 2020	B		\$ 622,697.87
Increased by:			
Open Space Tax - 2021	B-1, A-7	\$ 1,633,630.00	
Other Receipts	B-1	345.79	
Interest Earned	B-1	<u>821.00</u>	
			<u>1,634,796.79</u>
			2,257,494.66
Decreased by:			
Cash Disbursements:			
General Disbursements	B-1	114,975.00	
Disbursements for Payment of Interest on Debt	B-1	177,076.00	
Disbursements for Payment of Principal on Debt	B-1, C-14	<u>1,211,298.00</u>	
			<u>1,503,349.00</u>
Balance - December 31, 2021	B		<u>\$ 754,145.66</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, 2021**

	<u>REF.</u>		
Balance, December 31, 2020	C		\$ 2,135,232.90
Increased by Receipts:			
Premium on Bond Sale	C-7	\$ 325,679.14	
Bond Proceeds	C-14	19,680,000.00	
Budget Appropriation - Capital Improvement Fund	C-8	710,650.00	
Open Space Trust Fund contribution	C-6	487,500.00	
Received from Other Funds	C	183,068.55	
Received from Current Fund	C-11	<u>3,920,488.10</u>	
			<u>25,307,385.79</u>
			27,442,618.69
Decreased by Disbursements:			
Reserve for Encumbrances	C-15	14,931,751.42	
Paydown of Notes	C-12	7,257,700.00	
Disbursed to Other Funds	C	245,900.07	
Disbursed to Current Fund	C-11	<u>856,126.73</u>	
			<u>23,291,478.22</u>
Balance, December 31, 2021	C		<u><u>\$ 4,151,140.47</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, 2021 and 2020**

		Balance	Balance
		Dec 31, 2021	Dec 31, 2020
	Fund Balance	\$ 814.40	\$ 814.40
	Capital Improvement Fund	546,373.58	100,723.58
	Reserve for Contributions	860,573.75	795,215.07
	Reserve for Encumbrances	2,887,216.38	1,250,195.88
	Reserve for Preliminary Costs	10,000.00	10,000.00
	Reserve for Debt Service	326,642.18	217,963.04
	Due from State of New Jersey	(3,646,674.59)	(59,822.59)
	Due from Library Foundation	(600,000.00)	
	Interfunds Receivable	(1,026,704.86)	(4,895,597.26)
	Interfunds Payable	503,406.21	1,153,768.76
ORD.			
NO.	<u>IMPROVEMENT AUTHORIZATIONS</u>		
	<u>General Improvements:</u>		
26-96, 7-99, 63-98	Route 522 - Section 5A	16,272.35	16,272.35
08-02	Library Construction	9,741.96	9,741.96
24-02	PRK Development		15,771.16
40-03	Kendall Park Road Improvements	2,511.29	2,511.29
18-04	Improvements to Various Parks		580,847.28
86-04	Design and Construction of 911 Memorial	(0.30)	(0.30)
08-05	Payments of Amounts Owing to Others for Taxes Levied in and by the Township	(225,924.51)	(250,000.00)
80-05	Construction of Route 522		215,771.67
45-03	Various Park Development		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 Propety	(50,789.11)	(25,054.37)

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

**GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND CASH EQUIVALENTS
DECEMBER 31, 2021 and 2020**

ORD NO.	IMPROVEMENT AUTHORIZATIONS	Balance Dec 31, 2021	Balance Dec 31, 2020
	<u>General Improvements:</u>		
12-14	Various Road Improvements	\$ (65,292.98)	\$ 2,984,393.34
12-33	Farmland Preservation	(50,250.00)	(14.41)
13-09	Turf Fields	(200.00)	689.34
13-21	Various Capital Improvements	45.00	698.51
14-24	Various Capital Improvements	(32,098.31)	(21,094.59)
15-24	Various Capital Improvements	(247,984.09)	(73,728.61)
15-26	Open Space Improvements	(49,030.00)	24,537.66
15-31	Open Space Acquisitions	(8,000.00)	
16-17	Various Capital Improvements	14,840.58	22,024.22
17-27	Various Capital Improvements	(16,758.84)	(127.98)
18-22	Various Capital Improvements	(229,480.48)	(12,210.33)
18-23	Purchase of Book Mobile	(7,000.00)	
19-23	Acquisition of 124 Kingston	(215,700.72)	(206,906.97)
19-24	Various Capital Improvements	(323,436.98)	93,473.20
17-27	Various Capital Improvements	1.50	
20-29	Acquisition of Open Space	150,000.00	150,000.00
21-01	Library Expansion	6,524,645.48	
21-16	Acquisition of Land	74,096.65	
21-38	Acquisition of Land	20,131.00	
21-47	Acquisition of Land	15,000.00	
21-48	Various Capital Improvements	(1,015,223.67)	
		<u>\$ 4,151,140.47</u>	<u>\$ 2,135,232.90</u>
		<u>REF.</u>	<u>C</u>

() 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, 2021**

	<u>REF.</u>	
Balance, December 31, 2020	C	\$ 23,439,000.00
Increased by:		
Bonds Issued	C-5, C-14	<u>19,680,000.00</u>
		43,119,000.00
Decreased by:		
General Serial Bonds Paid:		
By Current Fund	C-14	\$ 4,985,949.00
By Open Space Trust Fund	C-14	<u>949,051.00</u>
		5,935,000.00
Balance, December 31, 2021	C	<u><u>\$ 37,184,000.00</u></u>

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2021

Ord. No.	Improvement Description	Balance Dec 31, 2020	Increased By 2021 Authorizations	Decreased By Bonds Issued	Balance Dec 31, 2021	Analysis of Balance - December 31, 2021	
						Expenditures	Unexpended Balance of Improv. Auth.
86-04	Design and Construction of 911 Memorial	\$ 0.30			\$ 0.30	\$ 0.30	
08-05	Payment of Amounts Owing to Others for Taxes Levied in and by the Township	250,000.00			250,000.00	225,924.31	\$ 24,075.69
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		\$ 573,000.00	215,750.00	50,789.11	164,960.89
12-14	Various Road Improvements	71,385.00			71,385.00	65,292.98	6,092.02
12-33	Farmland Preservation	50,250.00			50,250.00	50,250.00	
13-09	Turf Fields	200.00			200.00	200.00	
14-24	Various Capital Improvements	400,000.00		367,900.00	32,100.00	32,098.31	1.69
15-24	Various Capital Improvements	1,066,197.00		800,950.00	265,247.00	247,984.09	17,262.91
15-26	Open Space Improvements	49,030.00			49,030.00	49,030.00	
15-31	Open Space Acquisitions	285,000.00		277,000.00	8,000.00	8,000.00	
17-27	Various Capital Improvements	1,364,200.00		1,324,000.00	40,200.00	16,758.84	23,441.16
18-22	Various Capital Improvements	2,161,250.00		1,930,500.00	230,750.00	229,480.48	1,269.52
18-23	Purchase of Book Mobile	225,000.00		218,000.00	7,000.00	7,000.00	
19-23	Acquisition of 124 Kingston	285,000.00		5,200.00	279,800.00	215,700.72	64,099.28
19-24	Various Capital Improvements	1,876,250.00		1,549,150.00	327,100.00	323,436.98	3,663.02
20-29	Acquisition of Open Space	2,850,000.00			2,850,000.00		2,850,000.00
21-01	Library Expansion		\$ 3,011,852.00	2,923,300.00	88,552.00	88,552.00	
21-16	Acquisition of Land		9,737,500.00	9,711,000.00	26,500.00		26,500.00
21-38	Acquisition of Land		475,000.00		475,000.00		475,000.00
21-47	Acquisition of Land		285,000.00		285,000.00		285,000.00
21-48	Various Capital Improvements		3,800,000.00		3,800,000.00	1,015,223.67	2,784,776.33
		<u>\$ 11,723,134.70</u>	<u>\$ 17,309,352.00</u>	<u>\$ 19,680,000.00</u>	<u>\$ 9,352,486.70</u>	<u>\$ 2,537,792.19</u>	<u>\$ 6,814,694.51</u>
<u>REF.</u>	C		C-6, C-16	C-4, C-14	C	C-3	C-6

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

Ord. No.	Improvement Description	Ordinance		Balance - Dec 31, 2020		2021 Authorizations	Paid or Charged	Balance - Dec 31, 2021	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
	<u>General Improvements:</u>								
63-98	Construction of Route 1			\$ 16,272.35				\$ 16,272.35	
08-02	Library Construction	02/19/02	\$ 4,250,000.00	9,741.96				9,741.96	
40-03	Kendall Park Road Improvements	05/20/03	2,100,000.00	2,511.29				2,511.29	
18-04	Improvements to Various Parks	04/07/04	1,200,000.00	580,847.28			\$ 580,847.28		
08-05	Construction of Route 522 Section 1-A Route 130 to Cranbury South River Road	12/13/05	8,000,000.00	215,771.67			191,696.18	\$ 24,075.49	
24-02	Park Development			15,771.16			15,771.16		
45-03	Various Park Development			35,000.00			35,000.00		
12-10	Improvements to Senior Center / Reichler Park	04/24/12	2,950,000.00		\$ 173,695.63		8,734.74		164,960.89
12-14	Various Road Improvements	05/08/12	11,250,000.00	2,984,393.34	71,385.00		3,049,686.32		6,092.02
12-33	Farmland Preservation	10/09/12	275,000.00		50,235.59		50,235.59		
13-09	Turf Fields	03/26/13	760,000.00	889.34			889.34		
13-21	Various Capital Improvements	06/25/13	1,800,000.00	698.51			653.51	45.00	
14-24	Various Capital Improvements	07/24/14	1,737,000.00		5.41		3.72		1.69
15-24	Various Capital Improvements	07/14/15	2,818,050.00		167,518.39		150,255.48		17,262.91
15-26	Open Space Improvements	07/14/15	267,400.00	24,537.66	49,030.00		73,567.66		
16-17	Various Capital Improvements	07/26/16	2,328,000.00	22,024.22			7,183.64	14,840.58	
17-27	Various Capital Improvements	10/10/17	1,436,000.00		72.02		(23,369.14)		23,441.16
18-22	Various Capital Improvements	07/24/18	2,275,000.00		160,539.67		159,270.15		1,269.52
19-23	Acquisition of 124 Kingston	07/23/19	300,000.00		72,893.03		8,793.75		64,099.28
19-24	Various Capital Improvements	07/23/19	1,975,000.00		373,573.20		369,910.18		3,663.02
20-16	Rt 522 Improvements						(1.50)	1.50	
20-29	Acquisition of Open Space	09/22/20	3,000,000.00	150,000.00	2,850,000.00			150,000.00	2,850,000.00
21-01	Library Expansion	01/26/21	7,198,704.00			\$ 7,198,704.00	585,506.52	6,524,645.48	88,552.00
21-16	Acquisition of Land	04/27/21	10,250,000.00			10,250,000.00	10,149,403.35	74,096.65	26,500.00
21-38	Acquisition of Land	10/26/21	500,000.00			500,000.00	4,869.00	20,131.00	475,000.00
21-47	Acquisition of Land	12/14/21	300,000.00			300,000.00		15,000.00	285,000.00
21-48	Various Capital Improvements	12/14/21	4,000,000.00			4,000,000.00	1,215,223.67		2,784,776.33
				<u>\$ 4,058,458.78</u>	<u>\$ 3,968,947.94</u>	<u>\$ 22,248,704.00</u>	<u>\$ 16,634,130.60</u>	<u>\$ 6,827,285.81</u>	<u>\$ 6,814,694.31</u>
			<u>REF.</u>	<u>C</u>	<u>C</u>	<u>Below</u>	<u>C-15</u>	<u>C</u>	<u>C, C-5</u>
	Deferred Charges - Unfunded		C-5, C-16			\$ 17,309,352.00			
	Contribution from Open Space Trust		C-2			487,500.00			
	Contribution from Library Foundation		C			600,000.00			
	Grant Contributions		C-10			3,586,852.00			
	Capital Improvement Fund		C-8			265,000.00			
			Above			<u>\$ 22,248,704.00</u>			

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

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance, December 31, 2020	C	\$ 217,963.04
Increased by:		
Premium on Bond Anticipation Note Sale	C-2	<u>325,679.14</u>
		543,642.18
Decreased by:		
Revenue Recognized in the Current Fund Budget	A-2, C-11	<u>217,000.00</u>
Balance - December 31, 2021	C	<u><u>\$ 326,642.18</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	C	\$ 100,723.58
Increased by:		
Cash Received from 2021 Budget Appropriation	C-2	<u>710,650.00</u>
		811,373.58
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-6	<u>265,000.00</u>
Balance - December 31, 2021	C	<u><u>\$ 546,373.58</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance, December 31, 2020	C	\$ 795,215.07
Increased by cancelled encumbrances	C-15	<u>65,358.68</u>
Balance, December 31, 2021	C, Below	<u><u>\$ 860,573.75</u></u>

Analysis of Balance at December 31, 2021

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
	Dean's Road	65,358.68
	Major Road - DOT	<u>250,000.00</u>
	Above	<u><u>\$ 860,573.75</u></u>

Exhibit C-10

**GENERAL CAPITAL FUND
GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance, December 31, 2021 and 2020	C	\$ 59,822.59
Increased By:		
Grant Awarded	C-6	<u>3,586,852.00</u>
Balance - December 31, 2021	C	<u><u>\$ 3,646,674.59</u></u>

Analysis of Balance

Due from State of NJ	Ord. 15-24	\$ 59,822.59
Due from State Library	Ord. 21-01	<u>3,586,852.00</u>
		<u><u>\$ 3,646,674.59</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND RECEIVABLE- CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	C	\$ 4,208,066.23
Increased By:		
Cash Disbursed to Current Fund	A-4, C-2	<div style="display: flex; justify-content: space-between;"> 856,126.73 </div> 5,064,192.96
Decreased by:		
Anticipated as revenue in the Current Fund Budget	C-7	\$ 217,000.00
Cash Received from Current Fund	C-2	<div style="display: flex; justify-content: space-between;"> 3,920,488.10 </div> \$ 4,137,488.10
Balance - December 31, 2021	C	<div style="display: flex; justify-content: space-between;"> \$ 926,704.86 </div>

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

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Amount</u>	<u>Balance December 31, 2020</u>	<u>Decreased</u>	<u>Balance December 31, 2021</u>
12-10	Improvements to Senior Center / Reichler Park	\$ 260,000.00	\$ 590,000.00	\$ 590,000.00	\$ -
14-24	Various Capital Improvements	355,000.00	378,900.00	378,900.00	-
15-24	Various Capital Improvements	815,000.00	824,950.00	824,950.00	-
15-31	Open Space Acquisition	285,000.00	285,000.00	285,000.00	-
17-27	Various Capital Improvements	1,100,000.00	1,364,000.00	1,364,000.00	-
18-22	Various Capital Improvements	1,800,000.00	1,988,500.00	1,988,500.00	-
18-23	Purchase of Book Mobile	200,000.00	225,000.00	225,000.00	-
19-23	Various Capital Improvements	5,200.00	5,200.00	5,200.00	-
19-24	Purchase of Book Mobile	1,596,150.00	1,596,150.00	1,596,150.00	-
			<u>\$ 7,257,700.00</u>	<u>\$ 7,257,700.00</u>	<u>\$ -</u>
			<u>REF. C</u>	<u>C-2, C-14</u>	<u>C</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, 2021**

	<u>REF.</u>	
Balance - December 31, 2021 and 2020	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, 2021**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec 31, 2020	Increased	Decreased	Balance Dec 31, 2021
			Outstanding - Dec 31, 2021						
			Date	Amount					
Refunding Bonds	09/10/09	\$ 3,190,000				\$ 265,000.00		\$ 265,000.00	
Refunding Bonds	09/23/10	6,650,000				605,000.00		605,000.00	
Refunding Bonds	09/15/11	9,987,000				1,440,000.00		1,440,000.00	
General Improvement Bonds	10/23/13	4,638,000							
			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%	2,988,000.00		325,000.00	\$ 2,663,000.00
Open Space Bonds	10/23/13	361,000							
			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%	201,000.00		25,000.00	176,000.00
General Improvement Refunding Bonds	09/01/14	8,390,000							
			09/01/22	615,000	5.000%				
			09/01/23	555,000	5.000%				
			09/01/24	290,000	5.000%	2,080,000.00		620,000.00	1,460,000.00
Open Space Refunding Bonds	09/01/14	3,545,000							
			09/01/22	115,000	5.000%				
			09/01/23	100,000	5.000%	330,000.00		115,000.00	215,000.00
General Improvement Refunding Bonds	10/22/15	5,396,000							
			03/01/22	650,000	4.000%	1,825,000.00		1,175,000.00	650,000.00
Open Space Refunding Bonds	10/22/15	363,000							
			03/01/22	65,000	4.000%	140,000.00		75,000.00	65,000.00

**TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec 31, 2020	Increased	Decreased	Balance Dec 31, 2021
			Outstanding - Dec 31, 2021						
			Date	Amount					
General Improvement Bonds	09/20/17	\$ 9,837,000	04/01/22	\$ 750,000	2.000%				
			04/01/23	750,000	2.000%				
			04/01/24	750,000	2.000%				
			04/01/25	750,000	4.000%				
			04/01/26	750,000	4.000%				
			04/01/27	730,000	4.000%				
			04/01/28	700,000	2.375%				
			04/01/19	700,000	2.500%				
			04/01/30	700,000	3.000%				
			04/01/31	700,000	3.000%				
			04/01/32	700,000	3.000%	\$ 8,580,000.00		\$ 600,000.00	\$ 7,980,000.00
Open Space Bonds	09/20/17	416,000	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%	350,000.00		25,000.00	325,000.00
Open Space Refunding Bonds	10/01/20	2,370,000	10/01/22	295,000	4.000%				
			10/01/23	300,000	4.000%				
			10/01/24	310,000	4.000%				
			10/01/25	310,000	4.000%				
			10/01/26	175,000	4.000%				
			10/01/27	175,000	4.000%				
			10/01/28	175,000	4.000%				
			10/01/29	175,000	4.000%				
			10/01/30	180,000	4.000%	2,370,000.00		275,000.00	2,095,000.00
General Improvement Refunding Bonds	10/01/20	2,265,000	10/01/22	455,000	4.000%				
			10/01/23	465,000	4.000%				
			10/01/24	475,000	4.000%				
			10/01/25	480,000	4.000%	2,265,000.00		390,000.00	1,875,000.00

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

**GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	C	\$ 1,250,195.88
Increased by:		
Charges to Improvement Authorizations	C-6	16,634,130.60
		<u>17,884,326.48</u>
Decreased by:		
Cash Disbursements	C-2	\$ 14,931,751.42
Prior Year Cancelled Encumbrances	C-9	65,358.68
		<u>14,997,110.10</u>
Balance - December 31, 2021	C	<u><u>\$ 2,887,216.38</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2021**

Ord. No.	Improvement Description	Balance Dec 31, 2020	2021 Authorized	Decreased by Bonds Issued	Increased by Adjustment	Balance Dec 31, 2021
86-04	Design and Construction of 911 Memorial	\$ 0.30				\$ 0.30
80-05	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	198,750.00			\$ 17,000.00	215,750.00
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	21,100.00			11,000.00	32,100.00
15-24	Various Capital Improvements	241,247.00			24,000.00	265,247.00
15-26	Open Space Improvements	49,030.00				49,030.00
15-31	Open Space Acquisitions				8,000.00	8,000.00
17-27	Various Capital Improvements	200.00			40,000.00	40,200.00
18-22	Various Capital Improvements	172,750.00			58,000.00	230,750.00
18-23	Purchase of Book Mobile				7,000.00	7,000.00
19-23	Acquisition of 124 Kingston	279,800.00				279,800.00
19-24	Various Capital Improvements	280,100.00			47,000.00	327,100.00
20-29	Acquisition of Open Space	2,850,000.00				2,850,000.00
21-01	Library Expansion		\$ 3,011,852.00	\$ 2,923,300.00		88,552.00
21-16	Acquisition of Land		9,737,500.00	9,711,000.00		26,500.00
21-38	Acquisition of Land		475,000.00			475,000.00
21-47	Acquisition of Land		285,000.00			285,000.00
21-48	Various Capital Improvements		3,800,000.00			3,800,000.00
		<u>\$ 4,465,434.70</u>	<u>\$ 17,309,352.00</u>	<u>\$ 12,634,300.00</u>	<u>\$ 212,000.00</u>	<u>\$ 9,352,486.70</u>
<u>REF.</u>	C		C-5, C-6	C-14	C-14	C

WATER AND SEWER UTILITY FUNDS

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

**WATER AND SEWER UTILITY FUNDS
SCHEDULE OF WATER AND SEWER UTILITY CASH AND EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>ASSESSMENT TRUST FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2020	D	\$ 5,378,765.30	\$ 124,606.54	\$ 4,962,776.87
Increased by Receipts:				
Consumer Accounts Receivable	D-10	\$ 25,224,432.26		
Prepaid Rents	D-17	77,218.19		
Miscellaneous Revenue Not Anticipated	D-4	118,383.93		
Water and Sewer Connection Fees	D-4	846,054.00		
Interest on Investments				\$ 2,286.50
Proceeds from Sale of Bonds	D-20			14,900,000.00
Premium on Bond Sale	D-11			468,656.64
Reserve for Debt Service - Interfund	D-4	250,000.00		
Cash Receipts from Other Funds	D-8, D-9	<u>5,646,928.62</u>		<u>20,230,868.01</u>
		<u>32,163,017.00</u>		<u>35,601,811.15</u>
		37,541,782.30	<u>124,606.54</u>	<u>40,564,588.02</u>
Decreased by Disbursements:				
2021 Budget Appropriations	D-5	24,339,798.76		
2020 Appropriation Reserves	D-13	195,296.32		
Reserve for Encumbrances	D-14	885,738.26		3,344,518.65
Accrued Interest on Bonds and Notes	D-12	1,199,841.95		
Reserve for Debt Service - Interfund	D-11			250,000.00
Bond Anticipation Notes Paid	D-24			15,360,600.00
Cash Disbursed to Other Funds	D-8, D-9	<u>10,237,666.69</u>		<u>16,783,356.65</u>
		<u>36,858,341.98</u>		<u>35,738,475.30</u>
Balance - December 31, 2021	D	<u>\$ 683,440.32</u>	<u>\$ 124,606.54</u>	<u>\$ 4,826,112.72</u>

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

**WATER AND SEWER UTILITY FUNDS
SCHEDULE OF ANALYSIS OF WATER AND SEWER UTILITY CAPITAL CASH AND EQUIVALENTS
DECEMBER 31, 2021 and 2020**

		BALANCE DEC. 31, 2021	BALANCE DEC. 31, 2020
		<u> </u>	<u> </u>
	Fund Balance	\$ 695.32	\$ 690.32
	Capital Improvement Fund	81,109.68	81,109.68
	Interfunds Receivable	(880,411.16)	(4,732,384.70)
	Reserve for:		
	Preliminary Engineering Costs	3,450.00	3,450.00
	Encumbrances Payable	10,339,401.95	3,415,015.02
	Debt Service	489,002.27	270,345.63
	Unallocated	(404,462.18)	380,000.00
Ord.			
<u>No.</u>	<u>Improvement Authorizations</u>		
22-84	Construction Route 130	36,447.82	36,447.82
67-95	Construction of P.S. 2A	2,178.45	2,178.45
56-01	Route 1 Sewer Line	82,086.73	82,086.73
Mar-48	Water Main Replacement	360.00	
50-08	Deans Pond Lane Water Improvements	66,900.63	66,900.63
36-09	Kendall Park Phase #9	8,266.57	46,872.89
11-21	Various Capital Improvements	(90,556.02)	191,085.37
12-16	Various Capital Improvements	11,485.99	10,016.49
12-23	Various Capital Improvements	(21,065.84)	(5,467.16)
13-23	Various Capital Improvements	48,530.09	48,530.09
14-23	Various Capital Improvements	6,422.24	5,970.24
15-25	Various Capital Improvements	2,683,481.82	5,335,896.11
16-18	Various Capital Improvements	(839,624.82)	33.93
17-28	Various Capital Improvements	(592,412.24)	(148,987.66)
18-24	Various Capital Improvements	(64,524.79)	(51,391.04)
19-25	Various Utility Improvements	(258,172.20)	(68,781.97)
20-33	Various Utility Improvements	(186,943.09)	(6,840.00)
21-05	Various Utility Improvements	(5,695,534.50)	
		<u>\$ 4,826,112.72</u>	<u>\$ 4,962,776.87</u>
		REF. D	D

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

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF INTERFUND PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	<u>Utility Capital Fund</u>
Balance - December 31, 2020	D	\$ 5,671,575.09
Increased by:		
Cash Received from Other Funds	D-6	<u>5,646,928.62</u>
		11,318,503.71
Decreased by:		
Cash Disbursed to Other Funds	D-6	<u>10,237,666.69</u>
Balance - December 31, 2021	D	<u><u>\$ 1,080,837.02</u></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, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 4,732,384.70
Increased by:		
Loans from Other Funds	D-6	16,783,356.65
		<u>21,515,741.35</u>
Decreased by:		
Other	D-22	404,462.18
Cash Disbursements to Other Funds	D-6	20,230,868.01
		<u>20,635,330.19</u>
Balance - December 31, 2021	D	<u><u>\$ 880,411.16</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, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 1,480,967.64
Increased by:		
2021 Rents Levied	Reserve	25,593,561.27
		<u>27,074,528.91</u>
Decreased by:		
Cash Receipts	D-6	\$ 25,224,432.26
Prepaid Rents Applied	D-17	<u>75,960.27</u>
	D-1	<u>25,300,392.53</u>
Balance - December 31, 2021	D	<u><u>\$ 1,774,136.38</u></u>

Exhibit D-11

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 270,345.63
Increased By:		
Premium on Bond Sale	D-6	468,656.64
		<u>739,002.27</u>
Decreased By:		
Utilized as Revenue in Water and Sewer Utility Operating Fund Budget	D-4, D-6	<u>250,000.00</u>
Balance - December 31, 2021	D	<u><u>\$ 489,002.27</u></u>

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

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 318,924.62
Increased by:		
Budget Appropriations:		
Interest on Bonds and Notes	D-5	<u>1,189,405.11</u>
		1,508,329.73
Decreased by:		
Cash Disbursements	D-6	<u>1,199,841.95</u>
Balance - December 31, 2021	D, Below	<u><u>\$ 308,487.78</u></u>

Analysis of Accrued Interest:

<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Principal Outstanding December 31, 2021</u>	<u>Accrual Period</u>	<u>Accrual</u>
<u>General Serial Bonds</u>				
2013	3.000%	\$ 4,200,000.00	10/1/21-12/31/21	\$ 31,500.00
2014	4.000%	2,235,000.00	9/1/21-12/31/21	29,800.00
2015	3.480%	1,630,000.00	9/1/21-12/31/21	18,908.00
2017	2.000%	10,420,000.00	9/1/21-12/31/21	52,100.00
2020	4.000%	3,155,000.00	10/1/21-12/31/21	31,550.00
2021	2.000%	<u>14,900,000.00</u>	9/1/21-12/31/21	<u>99,333.33</u>
		<u><u>\$ 36,540,000.00</u></u>		<u><u>263,191.33</u></u>
		D-20		
Available for Future Use				<u>45,296.45</u>
Total accrued interest				<u><u>\$ 308,487.78</u></u>
				Above

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

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	BALANCE DECEMBER 31, 2020		BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
	APPROPRIATION RESERVES	RESERVE FOR ENCUMBRANCES			
Operations:					
Salaries and Wages	\$ 174,418.95		\$ 174,418.95		\$ 174,418.95
Other Expenses	158,439.56	\$ 342,048.02	500,487.58	\$ 467,457.27	33,030.31
Deferred Charges and Statutory Expenditures					
Contribution to:					
Social Security System	13,890.38		13,890.38		13,890.38
	<u>\$ 346,748.89</u>	<u>\$ 342,048.02</u>	<u>\$ 688,796.91</u>	<u>\$ 467,457.27</u>	<u>\$ 221,339.64</u>
<u>REF.</u>	D	D		Below	D-1
			<u>REF.</u>		
Cash disbursed			D-6	\$ 195,296.32	
Encumbered			D	36,100.01	
Transferred to Accounts Payable			D-25	236,060.94	
			Above	<u>\$ 467,457.27</u>	

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 3,415,015.02
Increased by:		
Charged to Improvement Authorizations	D-21	10,268,905.58
		<u>13,683,920.60</u>
Decreased by:		
Cancellation of Prior Year Encumbrances	D-21	2,281.50
Cash Disbursements	D-6	<u>3,344,518.65</u>
Balance - December 31, 2021	D	<u>\$ 10,339,401.95</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, 2021**

<u>PURPOSE</u>	<u>BALANCE DEC. 31, 2021</u>	<u>BALANCE DEC. 31, 2020</u>
Route #1 Sewer	\$ 950.00	\$ 950.00
Municipal Well	500.00	500.00
Black Horse Sewer Line Study	<u>2,000.00</u>	<u>2,000.00</u>
	<u>\$ 3,450.00</u>	<u>\$ 3,450.00</u>
	<u>REF.</u>	<u>D</u>

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2021 and 2020	D	\$ <u>81,109.68</u>

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID RENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 75,960.27
Increased by:		
Cash Receipts	D-6	<u>77,218.19</u>
		153,178.46
Decreased by:		
Applied to Consumer Accounts Receivable	D-10	<u>75,960.27</u>
Balance - December 31, 2021	D	\$ <u>77,218.19</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, 2021**

ACCOUNT	ORDINANCE NUMBER	BALANCE DEC 31, 2020	TRANSFERRED FROM	
			FIXED CAPITAL AUTHORIZED AND UNCOMPLETED	BALANCE DEC 31, 2021
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, 2021**

ACCOUNT	ORDINANCE NUMBER	BALANCE DEC 31, 2020	TRANSFERRED FROM	
			FIXED CAPITAL AUTHORIZED AND UNCOMPLETED	BALANCE DEC 31, 2021
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
Various Utility Improvements	50-06		\$ 7,716.10	7,716.10
		<u>\$ 101,752,267.57</u>	<u>\$ 7,716.10</u>	<u>\$ 101,759,983.67</u>

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D-19

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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, 2021**

ORDINANCE NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DEC. 31, 2020	AMOUNT AUTHORIZED	TRANSFER TO FIXED CAPITAL	BALANCE DEC. 31, 2021
		DATE	AMOUNT				
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
20-33	Various Utility Improvements	10/27/20	225,000.00	225,000.00			225,000.00
21-05	Various Utility Improvements	02/23/21	9,150,000.00		\$ 9,150,000.00		9,150,000.00
				<u>\$ 46,785,537.10</u>	<u>\$ 9,150,000.00</u>	<u>\$ 7,716.10</u>	<u>\$ 55,927,821.00</u>
			<u>REF.</u>	D	D-21, D-28	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, 2021**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2021		INTEREST RATE	BALANCE DEC. 31, 2020	INCREASED	DECREASED	BALANCE DEC. 31, 2021
			DATE	AMOUNT					
Water/Sewer Utility Refunding Bonds	9/10/2009	\$ 1,370,000.00				\$ 115,000.00		\$ 115,000.00	
Water/Sewer Utility Refunding Bonds	09/15/11	7,608,000.00				965,000.00		965,000.00	
Water/Sewer Utility Bonds	10/23/13	7,760,000.00	10/01/22	\$ 600,000.00	3.000%				
			10/01/23	600,000.00	3.000%				
			10/01/24	600,000.00	3.000%				
			10/01/25	600,000.00	3.000%				
			10/01/26	600,000.00	3.250%				
			10/01/27	600,000.00	3.250%				
			10/01/28	600,000.00	3.500%	4,800,000.00		600,000.00	\$ 4,200,000.00
Water/Sewer Utility Refunding Bonds	9/1/2014	7,465,000.00	09/01/22	910,000.00	5.000%				
			09/01/23	880,000.00	5.000%				
			09/01/24	445,000.00	5.000%	3,145,000.00		910,000.00	2,235,000.00
Water/Sewer Utility Refunding Bonds	10/22/2015	2,561,000.00	03/01/22	225,000.00	4.000%				
			03/01/23	280,000.00	5.000%				
			03/01/24	280,000.00	5.000%				
			03/01/25	280,000.00	5.000%				
			03/01/26	285,000.00	5.000%				
			03/01/27	280,000.00	4.000%	1,860,000.00		230,000.00	1,630,000.00

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

Ordinance No.	Improvement Description	Ordinance		Balance Dec 31, 2020		2021 Authorizations	Cancellation of Prior Year Encumbrances	Paid or Charged	Balance Dec 31, 2021	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
22-84	Construction Route 130			\$ 36,447.82					\$ 36,447.82	
67-95	Construction of Pump Station #2A	06/20/95	\$ 3,200,000.00	2,178.45					2,178.45	
56-01	Route 1 Sewer Line	06/19/01	1,430,000.00	82,086.73					82,086.73	
03-48	Water Main Replacement						\$ 360.00		360.00	
36-09	Kendall Park Phase 9	8/25/2009	2,000,000.00	46,872.89				\$ 38,606.32	8,266.57	
08-50	Deans Pond Lane Water Improvements	8/26/2008	1,050,000.00	66,900.63	\$ 580,000.00				66,900.63	\$ 580,000.00
11-21	Various Capital Improvements	6/28/2011	5,660,000.00		576,585.37			281,641.39		294,943.98
12-16	Various Capital Improvements	5/8/2012	3,560,000.00	10,016.49			1,469.50		11,485.99	
12-23	Various Capital Improvements	8/14/2012	10,110,000.00		442,132.84			15,598.68		426,534.16
13-22	Various Capital Improvements	6/25/2013	1,666,500.00	48,530.09	166,500.00				48,530.09	166,500.00
14-23	Various Capital Improvements	7/22/2014	1,807,000.00	5,970.24			452.00		6,422.24	
15-25	Various Capital Improvements	7/14/2015	10,409,200.00		6,991,096.11			2,652,414.29	3,063,481.82	1,275,200.00
16-18	Various Utility Improvements	7/26/2016	2,532,000.00		1,347,283.93			839,658.75		507,625.18
17-28	Various Utility Improvements	10/10/2017	4,088,000.00		1,932,662.34			443,424.58		1,489,237.76
18-24	Various Capital Improvements	7/24/2018	3,013,121.00		274,729.96			13,133.75		261,596.21
19-25	Various Utility Improvements	7/23/2019	3,034,000.00		1,835,268.03			189,390.23		1,645,877.80
20-33	Purchase of 4 Major Road	10/27/2020	225,000.00		218,160.00			180,103.09		38,056.91
21-05	Various Utility Improvements	2/23/2021	9,150,000.00			\$ 9,150,000.00		5,614,934.50		3,535,065.50
				\$ 299,003.34	\$ 14,364,418.58	\$ 9,150,000.00	\$ 2,281.50	\$ 10,268,905.58	\$ 3,326,160.34	\$ 10,220,637.50
		REF.		D	D	D-19, D-28	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, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 98,699,333.67
Increased by:		
Payment of Bond Principal	D-20	4,030,000.00
		<u>102,729,333.67</u>
Decreased by:		
Unallocated	D-9	404,462.18
Balance - December 31, 2021	D	<u>\$ 102,324,871.49</u>

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORD.</u>	<u>BALANCE DEC. 31, 2021</u>	<u>BALANCE DEC. 31, 2020</u>
56-01	Route 1 Sewer Line	06/19/01	\$ 69,000.00	\$ 69,000.00
			<u>\$ 69,000.00</u>	<u>\$ 69,000.00</u>
		<u>REF.</u>	D	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, 2021**

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>Balance Dec. 31, 2020</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
15-25	Various Capital Improvements	\$ 8,124,900.00	\$ 8,124,900.00	
97-52	Various Capital Improvements	500.00	500.00	
07-35	Various Capital Improvements	250.00	250.00	
11-21	Various Capital Improvements	514,500.00	514,500.00	
16-18	Various Capital Improvements	784,750.00	784,750.00	
17-28	Various Capital Improvements	2,006,350.00	2,006,350.00	
12-23	Various Capital Improvements	112,400.00	112,400.00	
18-24	Various Capital Improvements	2,687,000.00	2,687,000.00	
19-25	Various Capital Improvements	1,129,950.00	1,129,950.00	
		<u>\$ 15,360,600.00</u>	<u>\$ 15,360,600.00</u>	<u>\$ -</u>
		D	D-6	D

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

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	D	\$ 20,510.16
Increased by:		
Transferred from Appropriation Reserves	D-13	<u>236,060.94</u>
Balance - December 31, 2021	D	<u><u>\$ 256,571.10</u></u>

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

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY COVID 19
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance, December 31, 2020	Increases	Balance, December 31, 2021
Deficit in Operations-2020	\$ 1,403,664.00		\$ 1,403,664.00
Deficit in Operations-2021		\$ 2,242,568.00	2,242,568.00
	<u>\$ 1,403,664.00</u>	<u>\$ 2,242,568.00</u>	<u>\$ 3,646,232.00</u>
<u>REF.</u>	D	D-1	D

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

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance, December 31, 2020	Increases	Decreased by Raised in Budget	Balance, December 31, 2021
Overexpenditure of Appropriations	\$ 11,774.76	\$ 5,454.04	\$ 11,774.76	\$ 5,454.04
Overexpenditure of Appropriation Reserves	<u>219,566.11</u>		<u>219,566.11</u>	
	<u>\$ 231,340.87</u>	<u>\$ 5,454.04</u>	<u>\$ 231,340.87</u>	<u>\$ 5,454.04</u>
<u>REF.</u>	D	D-5	D-5	D

**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, 2021**

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>Balance Dec. 31, 2020</u>	<u>Amount Authorized</u>	<u>Balance Dec. 31, 2021</u>
50-08	Deans Pond Lane Water Improvements	\$ 580,000.00		\$ 580,000.00
21-11	Various Capital Improvements	385,500.00		385,500.00
23-12	Various Capital Improvements	560,000.00		560,000.00
22-13	Various Capital Improvements	54,100.00		54,100.00
25-15	Various Capital Improvements	1,275,200.00		1,275,200.00
16-18	Various Capital Improvements	1,347,250.00		1,347,250.00
17-28	Various Capital Improvements	2,081,650.00		2,081,650.00
18-24	Various Capital Improvements	326,121.00		326,121.00
19-25	Various Utility Improvements	1,904,050.00		1,904,050.00
20-33	Various Utility Improvements	225,000.00		225,000.00
21-05	Various Utility Improvements		\$ 9,150,000.00	9,150,000.00
		<u>\$ 8,738,871.00</u>	<u>\$ 9,150,000.00</u>	<u>\$ 17,888,871.00</u>
	<u>REF.</u>	D	D-19 , D-21	D

PAYROLL FUND

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

**PAYROLL FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2020	E	\$ 365,997.18
Increased by Cash Receipts:		
Payroll Deductions Payable	E-3	\$ 33,895,845.88
Interfund - Current Fund	E	232.56
		33,896,078.44
		34,262,075.62
Decreased by:		
Payroll Deductions Payable - Cash Disbursed	E-3	33,848,917.79
Balance - December 31, 2021	E	\$ 413,157.83

Exhibit E-2

**PAYROLL FUND
SCHEDULE OF INTERFUND PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>REF.</u>	
Balance - December 31, 2021 and 2020	E	\$ 74,714.59

Exhibit E-3

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

**PAYROLL FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance		Increases	Decreases	Balance
Program	Dec 31, 2020				Dec 31, 2021
Federal Withholding Tax	\$ (666.90)	\$ 3,441,816.63	\$ 3,441,816.63	\$ (666.90)	\$ (666.90)
FICA and Medicare	(1,405.13)	2,577,497.76	4,496,166.91	(1,920,074.28)	(1,920,074.28)
Social Security Tax Deferral	1,602.61	2,176,745.10	256,473.34	1,921,874.37	1,921,874.37
NJ State Withholding Tax	579.36	1,254,286.57	1,254,286.57	579.36	579.36
PA State Withholding Tax		2,777.29	2,777.29		
State Unemployment Tax	91,275.94	134,944.94	102,809.89	123,410.99	123,410.99
Net Payroll	(973.71)	18,858,110.02	18,858,110.02	(973.71)	(973.71)
CWA Dues		15,910.62	15,910.62		
DCRP		40,249.81	40,249.81		
Deferred Compensation-Pa	(85.00)	1,220,880.16	1,220,880.16	(85.00)	(85.00)
PERS	116,859.82	1,497,584.69	1,492,848.11	121,596.40	121,596.40
PERS Contributory Group Insurance	6,513.59	82,144.66	81,781.72	6,876.53	6,876.53
PFRS	84,963.55	1,118,331.20	1,110,619.79	92,674.96	92,674.96
PBA Dues	1,120.00	65,690.00	65,690.00	1,120.00	1,120.00
Supervisors Dues	(1,120.00)	4,200.00	5,084.00	(2,004.00)	(2,004.00)
PFRS Supplemental Annuity	0.02			0.02	0.02
DPW Union Dues	(650.00)	8,610.00	8,285.00	(325.00)	(325.00)
FMBA Dues		10,608.00	9,724.00	884.00	884.00
AFSCME Dues	5.00	34,181.80	34,181.80	5.00	5.00
Disability Insurance	(2,651.54)	19,232.74	19,012.16	(2,430.96)	(2,430.96)
Garnishment	1,064.01	66,685.48	66,851.56	897.93	897.93
Employee Insurance - AFLAC	569.56	45,303.44	45,303.44	569.56	569.56
Employee Health Benefits		985,862.11	985,862.11		
Employee Health Benefits - AFLAC	(671.94)	20,578.00	20,578.00	(671.94)	(671.94)
Employee Dental Benefits		74,725.38	74,725.38		
Life Insurance - Group Term		4,971.94	4,971.94		
Life Insurance - MassMutual	(4,785.90)	92,849.64	92,849.64	(4,785.90)	(4,785.90)
Life Insurance - Trustmark	(28.19)	41,067.90	41,067.90	(28.19)	(28.19)
	\$ 291,515.15	\$ 33,895,845.88	\$ 33,848,917.79	\$ 338,443.24	\$ 338,443.24
<u>REF.</u>	E	E-1	E-1	E	

**PART III – SUPPLEMENTARY DATA AND SCHEDULES –
SUPPLEMENTARY INFORMATION –
AS REQUIRED BY THE DIVISION OF LOCAL GOVERNMENT SERVICES**

**TOWNSHIP OF SOUTH BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2021**

GENERAL COMMENTS

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 \$44,000.00 is the threshold set forth in the aforementioned Statute for the year ended December 31, 2021.

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 2, 2021, 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 November 30, 2021 and was complete. Properties that were in bankruptcy proceedings were excluded from the sale. The status of these properties should be monitored to assure that the Township protects its right to collect delinquent taxes and that these properties are exposed to tax sale proceedings at the earliest legal date.

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

<u>Years</u>	<u>Tax Title Liens</u>
2021	29
2020	29
2019	29

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

Investment of Funds

The Chief Financial Officer had most of the idle funds of the Township invested in interest-bearing accounts or investments in bond anticipation notes from January 1, 2021 to December 31, 2021. Earnings from the investments are shown as revenue in the various accounts of the Township as of December 31, 2021. 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.

New Jersey Comptroller's Report on Sick and Vacation Leave Policies

On July 7, 2022, the Office of the New Jersey Comptroller ("Comptroller") issued a report regarding its review of "Sick and Vacation Leave Policies in New Jersey Municipalities". In the report, the Comptroller reviewed the sick and vacation leave policies of 60 municipalities against laws enacted by the New Jersey State Legislature in 2007 and 2010. The results of the report found that some policies of 57 of the 60 municipalities reviewed were non-compliant with the applicable laws. The impact of the 2007 and 2010 laws regarding leave policies and how they are incorporated and implemented into collective bargaining agreements, individual contracts and municipal codes can be complicated and difficult to understand and implement. As part of the Comptroller's review, the Township of South Brunswick's policies were reviewed and cited in some cases as non-compliant with aspects of the 2007 and 2010 laws. We believe that it would be prudent for the Township to review its current policies and practices with its municipal labor attorney to ensure future compliance with the applicable New Jersey State Statutes.

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

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate:</u>	\$ <u>4.989</u>	\$ <u>5.035</u>	\$ <u>5.084</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$ 0.953	\$ 0.913	\$ 0.887
Municipal Library	0.075	0.082	0.087
Municipal Open Space	0.040	0.040	0.040
County	0.871	0.910	0.950
County Open Space	0.072	0.076	0.080
Local School	2.978	3.014	3.040
<u>Fire District Tax Rates:</u>			
Fire District 1	\$ 0.084	\$ 0.084	\$ 0.084
Fire District 2	0.043	0.045	0.045
Fire District 3	0.101	0.099	0.099
<u>Assessed Valuation (Taxable):</u>			
2021	<u>\$ 4,091,398,848.00</u>		
2020		<u>\$ 3,962,564,347.00</u>	
2019			<u>\$ 3,835,451,507.00</u>

**COMPARATIVE SCHEDULE OF TAX LEVIES AND COLLECTIONS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$ 214,196,543.32	\$ 213,304,198.02	99.58%
2020	204,416,949.89	203,027,958.71	99.32%
2019	200,019,035.00	198,785,930.27	99.38%

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

**DELINQUENT TAXES AND TAX TITLE LIENS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 and 2019**

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
2021	\$ 1,130,813.11	\$ 862,210.70	\$ 1,993,023.81	0.93%
2020	1,039,016.73	1,321,695.36	2,360,712.09	1.15%
2019	985,363.14	1,056,797.28	2,042,160.42	1.02%

**PROPERTY ACQUIRED FOR TAX TITLE LIEN LIQUIDATION
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, and 2019**

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
2021	\$ 771,640.00
2020	771,640.00
2019	771,640.00

**COMPARATIVE SCHEDULE OF WATER AND SEWER UTILITY LEVIES AND COLLECTIONS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 and 2019**

Year	Levies	Collections*
2021	\$ 25,593,561.27	\$ 25,300,392.53
2020	25,828,360.78	25,545,654.12
2019	25,681,149.64	25,887,362.45

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

**COMPARATIVE SCHEDULE OF FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 and 2019**

	Year Ended	Balance	Utilized in Budget of Succeeding Year
Current Fund	2021	\$ 6,692,751.89	\$ 4,047,000.00
	2020	328,894.78	
	2019	3,328,894.78	
Water and Sewer Utility Operating Fund	2021	\$ 2,076,668.74	\$ 1,000,000.00
	2020	224,168.91	
	2019	1,224,168.91	

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

**SCHEDULE OF OFFICIALS IN OFFICE AND SURETY BONDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

The following officials were in office on December 31, 2021:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Charles Carley	- Mayor	
Joe Camarota	- Deputy Mayor	
Ken Bierman	- Councilman	
Archana 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
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2021**

See schedule of findings and responses for material weakness finding.



**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
County of Middlesex, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), the regulatory basis financial statements of the Township of South Brunswick ("Township") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated April 25, 2023 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.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

**Honorable Mayor and Members
of the Township Council
Township of South Brunswick**

Page 2

Report on 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* and by the Division.

Township's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's response to the findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Township's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
April 25, 2023

Scott A. Clelland

Scott A. Clelland, CPA
Registered Municipal Accountant, No. 455



Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB Circular 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Township of South Brunswick, New Jersey's ("Township") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township's major federal and state programs for the year ended December 31, 2021. The Township's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Township's federal and state programs.

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**Honorable Mayor and Members
of the Township Council
Township of South Brunswick**

Page 2

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Governmental Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However,

**Honorable Mayor and Members
of the Township Council
Township of South Brunswick**

Page 3

material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey

April 25, 2023

Scott A. Clelland

Scott A. Clelland, CPA

Registered Municipal Accountant No. 455

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	FEDERAL AL NUMBER	FEIN	GRANT PERIOD		PROGRAM OR AWARD AMOUNT	RECEIPTS OR REVENUE RECOGNIZED	PROVIDED TO SUBRECIPIENTS	CURRENT YEAR EXPENDITURES	CUMULATIVE EXPENDITURES
			From	To					
U.S. Department of Housing and Urban Development:									
Direct Programs:									
Community Development Block Grant/Entitlement Grants	14.218	Not applicable	1/1/2021	Completion	\$ 75,084.00	\$ 75,084.00		\$ 45,292.64	\$ 45,292.64
Total U.S. Department of Housing and Urban Development						75,084.00		45,292.64	45,292.64
U.S. Department of the Treasury:									
Pass-through Middlesex County:									
COVID-19 Coronavirus Relief Fund	21.019	Not applicable	1/1/2021	12/31/2021	600,000.00	600,000.00		600,000.00	600,000.00
Direct Program:									
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	Not applicable	3/3/2021	9/30/2024	4,781,782.92	2,390,891.46		2,390,891.46	2,390,891.46
Total U.S. Department of the Treasury						2,990,891.46		2,990,891.46	2,990,891.46
U.S. Department of Transportation:									
Pass-through NJ Division of Law and Public Safety									
Drive Sober or Get Pulled Over Year End Crackdown Grant	20.616	Not available	1/1/2020	Completion	7,055.00	7,055.00		3,720.00	3,720.00
Total U.S. Department of Transportation						7,055.00		3,720.00	3,720.00
Total Federal Awards						\$ 3,073,030.46	\$ -	\$ 3,039,904.10	\$ 3,039,904.10

See Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX, COUNTY, NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2021

State Funding Department or Division	<u>Program</u>	State Account <u>Number</u>	<u>Grant Period</u>		Cash <u>Received</u>	<u>Expenditures</u>
			<u>From</u>	<u>To</u>		
NJ Department of Environmental Protection:						
	Recycling Tonnage Grant	752-042-4900-001	1-1-16	Completion	\$ 243,868.45	\$ 184,944.30
	Clean Communities Grant	765-042-4900-004	1-1-21	Completion	<u>86,628.87</u>	<u>51,016.43</u>
Total NJ Department of Environmental Protection					330,497.32	235,960.73
NJ Department of Community Affairs:						
	Handicapaped Recreation	8050-100-035	1-1-14	Completion		<u>6,027.24</u>
Total NJ Department of Community Affairs						6,027.24
NJ Department of Law and Public Safety:						
	Body Armor Grant	718-066-1020-001	1-1-17	Completion	5,594.77	276.90
	Body Worn Camera	Unavailable	1-1-21	Completion		<u>150,708.74</u>
Total NJ Department of Law and Public Safety					5,594.77	150,985.64
NJ Department of Transportation						
	Highway Planning and Construction (Municipal Aid Program)	480-078-6320	Various	Various		649,000.00
	NJ Highway Safety- Click it Or Ticket	Unavailable	Various	Various	5,500.00	5,500.00
	NJ Highway Safety- Distracted Driver	Unavailable	Various	Various	<u>12,000.00</u>	<u>11,100.00</u>
Total NJ Department of Transportation					17,500.00	665,600.00
NJ Department of Labor						
	Library ESL	Unavailable	1/1/2020	Completion	<u>3,140.00</u>	<u>3,250.00</u>
Total NJ Department of Labor					3,140.00	3,250.00
Total State Financial Assistance					<u>\$ 356,732.09</u>	<u>\$ 1,061,823.61</u>

See Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

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

**NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2021**

Note 1 - General:

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state award programs of the Township of South Brunswick. The Township is defined in Note 1 to the financial statements. To the extent identified, the federal and state awards that passed through other governmental agencies is included on the schedules of expenditures of federal awards and state financial assistance.

Note 2 - Basis of Accounting:

The accompanying schedules are presented using the regulatory basis of accounting as prescribed or permitted for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 2 to the Township's financial statements.

Note 3 - Relationship to Financial Statements:

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

Note 4 - Relationship to Federal Reports:

Amounts reported in the accompanying schedules of expenditures of federal awards and state financial assistance agree with the amounts reported in the related federal and state financial reports, where required.

Note 5 – Indirect Cost Rate:

The Township has elected not to use the ten percent de minimis indirect cost rate as allowed by the Uniform Guidance.

**TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

State Financial Assistance Section

Internal Control over major programs:

3) Material weakness(es) identified _____ Yes _____ X _____ No

4) Significant deficiency(ies) that are not considered to be material weakness(es)? _____ Yes X _____ None reported

Type of auditors' report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08?

_____ Yes _____ X _____ No

Identification of major state programs:

State Grant Number(s)

Name of State Program or Cluster

480-078-6320

NJ DOT Municipal Aid Program

Dollar threshold used to distinguish between Type A and Type B Programs

\$750,000

Auditee qualified as low-risk auditee?

_____ Yes X _____ No

**TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Part II – Schedule of Financial Statement Findings

Finding 2021-001 - *Material Weakness in Financial Statement Close Process (Repeat of prior year finding)*

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:

An outside consultant was hired by the Township to prepare the 2021 Annual Financial Statement and reconcile accounts to subsidiary ledgers during the 2021 calendar year. During our procedures, we made further adjustments and noted the adjustments made by the consultant in order to reconcile the account balances to the subsidiary ledgers and underlying records and schedules. Significant improvements were made from the prior year, however, we did identify certain items that need to be addressed.

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 (in certain cases in excess of one year).
- Cash receipt reports from supporting systems were not reviewed on a monthly basis as required by the controls in place at the Township—instead a year-to-date review was performed subsequent to year end
- The Township's general ledger balances did not always reconcile to the subsidiary ledger.
- Interfund balances were not liquidated timely, however, they were reconciled and in agreement.
- Many of the revenue entries were made at the end of the fiscal year as opposed to each month.
- Numerous journal entries were required as part of the outside consultant's review and our independent audit to adjust the financial statements at December 31, 2021.
- Monthly entries were made at the end of the fiscal year.
- Several budgetary line items were over-expended.

Cause and Effect:

An appropriately designed financial statement close process reduces the risk of errors in the financial statements. In addition, 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.

Recommendation:

In order to better document the monthly and year end close processes, we suggest that the Township continue to 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.

**TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

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. 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.

**TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

**Part III – Schedule of Federal Award and State Financial Assistance Findings and
Questioned Costs**

None identified.

**TOWNSHIP OF SOUTH BRUNSWICK
MIDDLESEX COUNTY, NEW JERSEY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Finding 2020-001 - Material Weakness in Financial Statement Close Process (Repeat of prior year finding)

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:

During our procedures, we identified significant adjustments and account balances that were not always reconciled to the subsidiary ledgers and underlying records and schedules. We also identified other balances that could not be supported with corroborating evidence.

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 (in certain cases in excess of one year) and contained material reconciling items that have not cleared.
- Cash receipt reports from supporting systems were not reviewed on a monthly basis as required by the controls in place at the Township—instead a year-to-date review was performed subsequent to year end
- Township was unable to provide a detailed listing of outstanding checks that agreed to what was reported on the bank reconciliations for the current fund and certain deposits in transit did not clear for several months and one specific deposit in transit never cleared the bank and had to be written off
- The Township's general ledger balances did not always reconcile to the subsidiary ledger.
- Interfund balances were not liquidated timely and were not always in balance.
- Chapter 159 budget revenues were not recorded in the financial records.
- Many of the revenue entries were made at the end of the fiscal year as opposed to each month.
- The Township's general ledger had certain year end balances that were not supported.

- Numerous journal entries were required as part of the engagement to adjust the financial statements at December 31, 2020.
- Monthly entries were made at the end of the fiscal year.
- Several budgetary line items were over-expended.
- Prior year audit adjustments were not posted.
- Improvement authorizations were not recorded properly to the Township's financial system.
- Grant awards recorded in the general ledger did not always agree to award notices.

Cause and Effect:

An appropriately designed financial statement close process reduces the risk of errors in the financial statements. In addition, 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.

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.

Current Year Status:

Significant improvement was made in the 2021 calendar year. This finding has been partially addressed during the 2021 audit. See finding 2021-001.