

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

**AUDIT REPORT FOR THE YEAR ENDED
DECEMBER 31, 2017**

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX**

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**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of East Brunswick as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1, the financial statements are prepared by the Township of East Brunswick on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

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

Basis for Disclaimer of Opinion on LOSAP Trust Fund

The Township’s supporting documents related to the LOSAP Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund as part of our audit of the Township’s basic financial statements as of December 31, 2017 and 2016.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2017. The LOSAP Trust Fund financial activities are included in the Township’s Trust Fund, and represent 1.88% of the assets and liabilities, of the Township’s Trust Funds as of December 31, 2017.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of East Brunswick, County of Middlesex, State of New Jersey, as of December 31, 2017, and the results of its operations and changes in fund

balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2017 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 2018 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Freehold, New Jersey
June 29, 2018

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**INDEPENDENT AUDITOR'S 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**

Honorable Mayor and Members
of the Township Council
Township of East Brunswick
County of Middlesex
East Brunswick, 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of East Brunswick, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 29, 2018. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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) to determine the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the

accompanying schedule of financial statement findings that we consider to be material weaknesses as Finding No. 2017-01.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of financial statement findings as Finding No. 2017-01

However, we also noted certain other matters that are not required to be reported under Governmental Auditing Standards, that we reported to management in the accompanying letter of comments and recommendations section of this report as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Township of East Brunswick's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Freehold, New Jersey
June 29, 2018

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	REFERENCE	2017	2016
ASSETS			
Current Fund:			
Cash and Cash Equivalents	A-4	\$ 37,077,519	\$ 14,143,489
Cash - Change Fund	A-5	2,000	2,000
Due from State of NJ - Senior Citizens' and Veterans Dedutions	A-6	9,501	13,370
		37,089,020	14,158,859
Receivables with Offsetting Reserves:			
Delinquent Property Taxes Receivable	A-7	1,718,453	1,783,945
Foreclosed Property	A-11	15,768	-
Tax Title Lien Receivable	A-11	-	14,849
Revenue Accounts Receivable	A-8	66,993	75,222
Amount Due from Animal Control Trust Fund	A-10	25,767	17
Amount Due from Community Development Trust Fund	A-10	-	152,765
Amount Due from General Capital Fund	A-10	1,355,531	2,149,840
Amount Due from Swimming Pool Utility Capital Fund	A-10	650,000	-
Amount Due from Parking Operating Fund	A-10	494,332	-
Amount Due from Sewer Utility Operating Fund	A-10	-	978,473
Amount Due from State/ Federal Grant Fund	A-10	465,813	428,704
Amount Due from Trust Fund- Other	A-10	374,193	447,864
Amount Due from Water Utility Operating Fund	A-10	-	1,650
Other Receivables	A	11,024	25,700
		5,177,874	6,059,029
		42,266,894	20,217,888
Federal and State Grant Fund:			
Cash	A-4	153,720	114,739
Grants Receivable	A-19	196,847	346,997
Due From General Capital Fund	A-22	398,383	200,000
Due From Trust Other	A-22	19,950	-
Total State Grants		768,900	661,736
Total Assets		\$ 43,035,794	\$ 20,879,624

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	REFERENCE	2017	2016
LIABILITIES, RESERVES & FUND BALANCE			
Liabilities:			
Appropriation Reserves	A-3	\$ 2,440,418	\$ 2,571,490
Encumbrances Payable	A-3	1,099,328	813,935
Prepaid Taxes	A-12	16,523,130	1,005,984
Accounts Payable	A-17	130,292	38,882
Tax Overpayments	A-13	127,165	200,776
Taxes Payable	A-16	53,931	144,548
Library Payable	A	1,340	659,038
Due To:			
Parking Operating Fund	A-10	-	1,504
Payroll Trust Fund	A-10	124,918	6,758
Water Utility Operating Fund	A-10	63,098	-
Police Utility Operating Fund	A-10	240	-
Sewer Utility Operating Fund	A-10	5,241,201	-
Sewer Utility Capital Fund	A-10	35,259	-
Pool Operating Fund	A-10	21	7,208
Pool Capital Fund	A-10	-	-
State of New Jersey:			
State Training Fees	A-17	17,421	38,231
Marriage License Fees	A-17	975	975
Reserve for:			
Public Defender	A-17	23,659	23,659
Recreation/Parks Refunds	A-17	436	-
Tax Appeals	A-18	1,000,000	1,010,455
		26,882,832	6,523,443
Subtotal Regular Fund			
Reserve for Receivables & Other Assets	A	5,177,874	6,059,029
Fund Balance	A-1	10,206,188	7,635,416
		42,266,894	20,217,888
Federal and State Grant Fund:			
Encumbrances Payable	A-21	26,694	13,139
Accounts Payable	A	200	200
Due to Current Fund	A-22	465,813	428,704
Reserve for Federal, State, & Other Grants:			
Appropriated	A-21	223,109	156,255
Unappropriated	A-20	53,084	63,438
		768,900	661,736
Total State & Federal Grants			
Total Liabilities, Reserves & Fund Balance		\$ 43,035,794	\$ 20,879,624

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 2,500,000	\$ 2,500,000
Miscellaneous Revenue Anticipated	19,961,192	18,802,820
Receipts from Delinquent Taxes and Tax Title Liens	1,789,997	2,107,785
Receipts from Current Taxes	205,178,692	200,931,110
Non-Budget Revenues	207,159	202,004
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	2,141,815	2,062,290
Prior Years Interfunds Returned	4,159,313	5,587,702
	<hr/>	<hr/>
Total Income	235,938,168	232,193,711
	<hr/>	<hr/>
Expenditures:		
Budget Appropriations:		
Operating	42,087,139	40,879,331
State and Federal Programs Off-Set by Revenue	4,522,786	538,019
Municipal Debt Service	9,027,036	7,866,170
Capital Improvements	330,000	200,000
Deferred Charges and Statutory Expenditures	6,049,263	9,993,695
Cash Deficit of Preceding Year	-	1,664
County Tax	28,982,986	28,046,772
Local District School Taxes	131,301,007	129,058,216
Special District Taxes	4,111,104	3,989,135
Municipal Open Space	381,278	379,578
Interfunds Advanced	3,339,870	4,159,313
Prior Years Seniors and Veterans Disallowed	2,376	13,959
	<hr/>	<hr/>
Total Expenditures	230,134,845	225,125,852
	<hr/>	<hr/>
Excess in Revenue	5,803,323	7,067,859
Adjustments To Income Before Fund Balance:		
Increase Reserve for Open Tax Appeals	732,551	
	<hr/>	<hr/>
Statutory Excess To Fund Balance	5,070,772	7,067,859
Fund Balance, January 1	7,635,416	3,067,557
	<hr/>	<hr/>
	12,706,188	10,135,416
Decreased By:		
Utilization as Anticipated Revenue	2,500,000	2,500,000
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 10,206,188</u>	<u>\$ 7,635,416</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 2,500,000	\$ -	\$ 2,500,000	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverage	59,875	-	56,875	(3,000)
Fees & Permits - Other	266,933	-	249,607	(17,326)
Fines & Costs - Municipal Court	1,040,000	-	982,612	(57,388)
Interest & Costs on Taxes	450,000	-	487,630	37,630
Interest on Investments & Deposits	140,000	-	311,833	171,833
MCUA Host Community Benefits	3,100,000	-	3,173,142	73,142
Hotel Tax	600,000	-	660,169	60,169
Recreation Fees	424,894	-	276,551	(148,343)
Sports Camp	55,000	-	40,721	(14,279)
Sports Programs	55,000	-	92,283	37,283
Total Local Revenues	6,191,702	-	6,331,423	139,721
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	84,219	-	84,219	-
Energy Receipts Tax	4,082,378	-	4,082,378	-
Watershed Offset Aid	7,567	-	7,567	-
Total State Aid	4,174,164	-	4,174,164	-
Special Items of Revenue - Interlocal Agreements Offset:				
Interlocal Agreement - Board of Education	3,537,000	-	3,537,360	360
Interlocal Agreement - Fire Districts 1, 2, & 3	865,660	-	1,004,442	138,782
Interlocal Agreement - South River Radio Communications	120,000	-	124,362	4,362
Total Special Items - Interlocal Agreements Offset	4,522,660	-	4,666,164	143,504
Special Items of Revenue - Public and Private Revenues Offset:				
Housing Grant	39,269	-	39,269	-
Middlesex County Aging (Outreach) Grant	17,000	-	17,000	-
Clean Communities Program	112,000	-	112,000	-
Alcohol Education and Rehabilitation Fund	38,000	-	38,000	-
Federal Emergency Management Grant	175,000	-	175,000	-
Public Safety Body Armor Grant	7,236	-	7,236	-
Municipal Alliance on Alcoholism and Drug Abuse	46,350	-	46,350	-
State Handicapped Recreation Grant (ROID)	20,000	-	20,000	-
Distracted Driver Crackdown	-	5,500	5,500	-
Cops in Shops	2,000	-	2,000	-
Pedestrian Safety Grant	-	7,000	7,000	-
Autism Speaks Grant	-	5,000	5,000	-
E.B. Daisy Association	28,000	-	28,000	-
Drive Sober or Get Pulled Over	-	5,500	5,500	-
Total Special Items - Public and Private Revenues Offset	\$ 484,855	\$ 23,000	\$ 507,855	\$ -

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Other Special Items:				
Utility Operating Surplus of Prior Year	\$ 50,000	\$ -	\$ 50,000	\$ -
Camp Fees	990,000	-	1,006,402	16,402
Sale of Assets	50,000	-	65,201	15,201
East Brunswick Housing Corporation	15,000	-	15,000	-
Escrow	500,000	-	500,000	-
MCUA Fees - Added	1,140,000	-	1,202,747	62,747
Capital Surplus	700,000	-	700,000	-
Tax Abatement (PILOT)	700,000	-	742,236	42,236
Total Other Special Items	4,145,000	-	4,281,586	136,586
Total Miscellaneous Revenues	19,518,381	23,000	19,961,192	419,811
Receipts from Delinquent Taxes	1,555,000	-	1,789,997	234,997
Subtotal General Revenues	23,573,381	23,000	24,251,189	654,808
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	39,662,007	-	41,641,315	1,979,308
Minimum Library Tax	2,410,900	-	2,410,900	-
Total Amounts to be Raised by Taxes for Support of Municipal Budget	42,072,907	-	44,052,215	1,979,308
Budget Totals	65,646,288	23,000	68,303,404	2,634,116
Nonbudget Revenues	-	-	207,159	207,159
Total Revenues	\$ 65,646,288	\$ 23,000	\$ 68,510,563	\$ 2,864,275

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 205,178,692
Less: School, County & Special District Taxes	<u>164,776,375</u>
Balance for Support of Municipal Budget Appropriations	40,402,317
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>3,650,000</u>
Total Amount for Support of Municipal Budget Appropriation	<u><u>44,052,317</u></u>
Delinquent Property Taxes Receivable	<u>1,789,997</u>
Total Receipts From Delinquent Taxes	<u><u>1,789,997</u></u>

ANALYSIS OF NONBUDGET REVENUE

Licenses - Other	\$ 49,425
Discovery Fees	1,155
MCIA Recycling Asst Program	44,898
MRNA	20,575
Medical Transportation	4,783
Prior Year Refunds	41,644
Returned Check Fees	7,752
Duplicate Bill Fees	10
Maintenance Liens	23,220
Sale of Brine	13,072
Textile Collection Program	<u>625</u>
Total Analysis of Nonbudget Revenue	<u><u>\$ 207,159</u></u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	Appropriated		Expended		Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	
General Government:					
Township Council:					
Salaries and Wages	\$ 53,000	\$ 53,000	\$ 53,000	\$ -	\$ -
Office of Township Clerk:					
Salaries and Wages	218,600	218,600	217,552	1,048	-
Other Expenses	66,100	74,100	73,419	681	-
Division on Aging:					
Salaries and Wages	455,000	455,000	434,222	20,778	-
Other Expenses	62,275	62,275	55,292	6,983	-
Office of the Mayor:					
Salaries and Wages	20,400	20,400	20,000	400	-
Other Expenses	500	500	80	420	-
Office of the Business Administrator:					
Salaries and Wages	400,000	300,000	262,258	37,742	-
Other Expenses	46,200	36,200	35,714	486	-
Division of Human Resources Budg/Purch:					
Salaries and Wages	259,960	259,960	255,840	4,120	-
Other Expenses	175,500	175,500	143,816	31,684	-
Office of Assessor:					
Salaries and Wages	343,000	343,000	341,253	1,747	-
Other Expenses	37,300	37,300	35,522	1,778	-
Division of Information Services:					
Salaries and Wages	400,000	350,000	281,561	68,439	-
Other Expenses	323,200	373,200	346,102	27,098	-

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	Appropriated		Expended		Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	
Division of Finance & Treasury - Director:					
Salaries and Wages	288,000	288,000	286,479	1,521	-
Other Expenses	36,950	36,950	36,857	93	-
Audit Services	60,000	60,000	53,000	7,000	-
Division of Revenue Administration:					
Salaries and Wages	313,000	313,000	311,238	1,762	-
Other Expenses	13,000	13,000	8,089	4,911	-
Division of Engineering:					
Salaries and Wages	306,000	306,000	255,789	50,211	-
Other Expenses	21,800	21,800	17,012	4,788	-
Division of Planning:					
Salaries and Wages	381,000	381,000	380,688	312	-
Other Expenses	73,000	83,000	75,356	7,644	-
Director of Planning & Engineering:					
Salaries and Wages	148,780	148,780	144,538	4,242	-
Other Expenses	3,350	3,350	2,487	863	-
Township Attorney:					
Other Expenses	450,000	450,000	390,687	59,313	-
Labor	35,000	35,000	20,593	14,407	-
Code Enforcement:					
Other Expenses	20,000	35,000	35,000	-	-
Uniform Construction Code:					
General Liability	826,505	826,505	826,505	-	-
Workers Compensation	100,000	100,000	100,000	-	-
Employee Group Insurance	10,750,000	10,750,000	10,750,000	-	-

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	Appropriated		Expended		Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	
Office of Director of Public Safety:					
Salaries and Wages	465,400	465,400	465,105	295	-
Other Expenses	3,600	3,600	1,828	1,772	-
Patrol Section:					
Salaries & Wages	6,532,000	6,532,000	6,530,565	1,435	-
Other Expenses	23,850	23,850	23,595	255	-
Investigation Section:					
Salaries and Wages	1,900,700	1,900,700	1,900,257	443	-
Other Expenses	11,400	11,400	6,857	4,543	-
Traffic Division:					
Salaries & Wages	1,544,800	1,544,800	1,544,084	716	-
Other Expenses	49,700	49,700	49,623	77	-
Administrative Section:					
Salaries and Wages	1,422,300	1,422,300	1,421,267	1,033	-
Other Expenses	282,900	282,900	281,211	1,689	-
Emergency Management:					
Salaries and Wages	21,000	21,000	21,000	-	-
Other Expenses	145,000	145,000	139,079	5,921	-
First Aid Organizations	7,000	7,000	6,000	1,000	-
Division of Recreation:					
Salaries and Wages	441,076	441,076	422,937	18,139	-
Other Expenses	107,695	107,695	91,269	16,426	-
Celebration of Public Events:					
Salaries and Wages	15,000	15,000	14,853	147	-
Other Expenses	46,980	46,980	41,431	5,549	-

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	Appropriated		Expended		Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	
Division of Youth Services:					
Salaries and Wages	19,500	19,500	16,968	2,532	-
Other Expenses	10,900	10,900	3,221	7,679	-
Daisy Recreation Program:					
Salaries and Wages	190,580	190,580	165,040	25,540	-
Other Expenses	37,375	37,375	27,041	10,334	-
Friday Nite Live:					
Salaries and Wages	40,000	40,000	36,990	3,010	-
Other Expenses	6,900	6,900	5,511	1,389	-
Day Camps:					
Salaries and Wages	234,500	234,500	233,680	820	-
Other Expenses	215,725	215,725	64,101	151,624	-
Division of Parks:					
Salaries and Wages	736,000	736,000	735,921	79	-
Other Expenses	63,021	63,021	59,248	3,773	-
Shade Tree Activity:					
Salaries and Wages	34,000	34,000	33,979	21	-
Other Expenses	17,930	17,930	14,750	3,180	-
Athletic Field Maintenance:					
Salaries and Wages	2,000	2,000	2,000	-	-
Other Expenses	67,000	67,000	62,806	4,194	-
Division of Sports Camp					
Salaries and Wages	16,500	16,500	16,500	-	-
Other Expenses	39,150	39,150	32,352	6,798	-

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	Appropriated		Expended		Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	
Division of Sports Programs:					
Salaries and Wages		-		-	-
Other Expenses	49,800	49,800	32,474	17,326	-
Division of Arts Commission:					
Salaries and Wages	500	500	500	-	-
Other Expenses	6,451	6,451	5,371	1,080	-
Community Services Act	50,000	50,000	50,000	-	-
Division of Public Works:					
Salaries and Wages	828,000	828,000	827,594	406	-
Other Expenses	331,700	301,700	270,994	30,706	-
Snow Removal:					
Salaries and Wages	125,000	125,000	87,256	37,744	-
Other Expenses	330,200	330,200	246,149	84,051	-
Solid Waste Management:					
Other Expenses	2,740,000	2,740,000	2,728,466	11,534	-
Office of Recycling:					
Salaries and Wages	333,206	333,206	328,867	4,339	-
Other Expenses	1,004,000	1,004,000	934,244	69,756	-
Municipal Vehicle Maintenance:					
Salaries and Wages	588,059	588,059	550,632	37,427	-
Other Expenses	648,000	748,000	687,319	60,681	-
Public Buildings and Ground:					
Salaries & Wages	403,716	403,716	403,214	502	-
Other Expenses	109,025	199,025	108,468	90,557	-
Severance Payments	200,000	200,000	199,023	977	-
Salary Adjustment	25,000	-	-	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	Appropriated		Expended		Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	
Division of Health:					
Other Expenses	192,000	192,000	191,374	626	-
Municipal Court:					
Salaries & Wages	605,080	605,080	585,252	19,828	-
Other Expenses	73,100	73,100	63,469	9,631	-
Electricity	322,000	322,000	243,156	78,844	-
Street Lighting	730,000	730,000	445,297	284,703	-
Telephone & Telegraph	200,000	200,000	181,439	18,561	-
Natural Gas/Propane	89,000	89,000	44,203	44,797	-
Gasoline	570,000	512,000	462,024	49,976	-
Sale of Assets/IT - S&W	50,000	50,000	-	50,000	-
Balance Division CICO:					
Extra Library Funding	44,400	44,400	44,400	-	-
Total Operation Within "CAPS"	42,117,139	42,087,139	40,442,203	1,644,936	-
Detail:					
Salaries and Wages	20,340,657	20,135,657	19,787,902	347,755	-
Other Expenses	21,776,482	21,951,482	20,654,301	1,297,181	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	Appropriated		Expended		Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to Public Employees'					
Retirement System of New Jersey	1,238,263	1,238,263	1,238,263	-	-
Contributions to Social Security	2,150,000	2,150,000	1,644,572	505,428	-
Contribution to Police & Firemen's					
Retirement System of New Jersey	2,396,000	2,396,000	2,356,233	39,767	-
Unemployment Insurance	200,000	200,000	99,112	100,888	-
LOSAP	15,000	15,000	15,000	-	-
Defined Contribution Retirement Program	50,000	50,000	20,820	29,180	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	6,049,263	6,049,263	5,374,000	675,263	-
Total General Appropriations for Municipal Purposes Within "CAPS"	48,166,402	48,136,402	45,816,203	2,320,199	-

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	Appropriated		Expended		Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS EXCLUDED FROM "CAPS"					
Maintenance Free Public Library:					
Other Expenses	2,410,900	2,410,900	2,410,900	-	-
Recreation Camp Fees:					
Salaries and Wages	500,000	500,000	500,000	-	-
Other Expenses	440,000	440,000	440,000	-	-
Shared Service Agreements					
Public Library	653,000	653,000	653,000	-	-
Communications Agreement Police:					
Salaries and Wages	110,000	110,000	110,000	-	-
Other Expenses	65,000	65,000	-	65,000	-
Additional Appropriations Offset by Revenues					
Housing Grant (COAH Reimbursement):					
Salaries and Wages	39,300	39,300	-	39,300	-
Clean Community Grant - Statewide Recycling:					
Salaries and Wages	60,000	60,000	60,000	-	-
Other Expenses	50,000	50,000	50,000	-	-
Middlesex County Aging Outreach (S&W)	17,000	17,000	17,000	-	-
EB Daisy Association O.E.	28,000	28,000	28,000	-	-
Youth Programs- Recreation S&W	10,000	10,000	-	10,000	-
Alcohol Education and Rehabilitation	38,000	38,000	38,000	-	-
Cops in Shops	2,000	2,000	2,000	-	-
Distracted Driving Crackdown	-	5,500	5,500	-	-
Drive Sober or Get Pulled Over	-	5,500	5,500	-	-
Pedestrian Safety	-	7,000	7,000	-	-
Autism Speaks Grant	-	5,000	5,000	-	-
Daisy Match - State Handicap					
Other Expenses	3,000	3,000	3,000	-	-
Body Armor	7,236	7,236	7,236	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	Appropriated		Expended		Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	
Alliance Alcohol & Drug Rehab:					
Salaries and Wages	6,000	6,000	6,000	-	-
Other Expenses	40,350	40,350	40,350	-	-
State Handicapped Rec Act (ROID Grant) S&W	20,000	20,000	20,000	-	-
Total Operations Excluded From "CAPS"	4,499,786	4,522,786	4,408,486	114,300	-
Detail:					
Salaries and Wages	762,300	762,300	713,000	49,300	-
Other Expenses	3,737,486	3,760,486	3,695,486	65,000	-
Capital Improvements - Excluded from "CAPS":					
Capital Improvement	-	30,000	30,000	-	-
Capital Outlay for Roads & Equipment	300,000	300,000	294,081	5,919	-
Total Capital Improvements Excluded from "CAPS"	300,000	330,000	324,081	5,919	-
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	895,000	895,000	895,000	-	-
Payment of Bond Anticipation Notes & Capital Notes	7,162,050	7,162,050	7,162,050	-	-
Interest on Bonds	278,950	278,950	278,910	-	40
Interest on Notes	694,100	694,100	691,076	-	3,024
Total Municipal Debt Service Excluded from "CAPS"	9,030,100	9,030,100	9,027,036	-	3,064

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	Appropriated		Expended		Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	
Total General Appropriations Excluded from "CAPS"	13,829,886	13,882,886	13,759,603	120,219	3,064
Subtotal General Appropriations	61,996,288	62,019,288	59,575,806	2,440,418	3,064
Reserve For Uncollected Taxes	3,650,000	3,650,000	3,650,000	-	-
Total General Appropriations	\$ 65,646,288	\$ 65,669,288	\$ 63,225,806	\$ 2,440,418	3,064
Reserve for State, Federal & Other Grants			\$ 294,586		
Reserve for Uncollected Taxes			3,650,000		
Reserve for Encumbrances			1,099,328		
Cash Disbursed			58,181,892		
Total			\$ 63,225,806		

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Trust Assessment Fund:			
Due from Trust Other	B-13	\$ 53,125	\$ 53,125
Total Assessment Fund		53,125	53,125
Animal Control Fund:			
Cash and Cash Equivalents	B-2	117,073	72,819
Total Animal Control Fund		117,073	72,819
Community Development Trust Fund:			
Cash & Cash Equivalents	B-2	8,830	148,331
Due from Middlesex County	B-8	104,827	54,077
Total Community Development Fund		113,657	202,408
Payroll Trust Fund:			
Cash & Cash Equivalents	B-2	1,027,909	-
Due from Current Fund	B	124,918	6,758
Due from Sewer Operating Fund	B	-	91,371
Due from Parking Operating Fund	B	1	-
Total Payroll Fund		1,152,828	98,129
General Trust - Other Fund:			
Cash & Cash Equivalents	B-2	5,447,916	4,603,757
Investments	B-3	7,065,366	2,709,725
Investments in Excess Benefit Fund	B-3	3,297,827	3,297,827
Interfund Receivable	B-13	1,120,477	4,133,893
Total General Trust - Other Fund		16,931,586	14,745,202
Length of Service Award Program: Fund ("LOSAP") - Unaudited:			
Investments	B-3	352,729	288,364
Total Assets		\$ 18,720,998	\$ 15,460,047

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

LIABILITIES, RESERVES AND FUND BALANCE	REFERENCE	2017	2016
Trust Assessment Fund:			
Reserve for:			
Fund Balance	B-1	\$ 53,125	\$ 53,125
Total Assessment Fund		<u>53,125</u>	<u>53,125</u>
Animal Control Fund:			
Due To:			
State of New Jersey	B-5	12	75
Current Fund	B-4	25,767	17
Accounts Payable	B	522	522
Reserve for Animal Control Fund Expenditures	B-6	90,772	72,205
Total Animal Control Fund		<u>117,073</u>	<u>72,819</u>
Community Development Trust Fund:			
Due to:			
Current Fund	B-7		152,765
Trust Other	B-7	21,900	21,900
General Capital Fund	B-7	25,000	-
Reserve for Community Development Block Grant Expenditures	B-9	66,757	27,743
Total Community Development Fund		<u>113,657</u>	<u>202,408</u>
Payroll Trust Fund:			
Cash Deficit	B-2	-	68,754
Payroll Deductions Payable	B-10	31,999	16,755
Interfund Payable	B	1,096,576	197
Accounts Payable	B	24,253	12,423
Total Payroll Fund		<u>1,152,828</u>	<u>98,129</u>
General Trust - Other Fund:			
Reserve for:			
Special Deposits	B-11	12,497,335	10,129,022
Open Space	B-12	688,827	807,549
Excess Benefits Fund	B-3	3,297,827	3,297,827
Interfund Payable	B-13	447,597	510,804
Total General Trust - Other Fund		<u>16,931,586</u>	<u>14,745,202</u>
Length of Service Award Program:			
Fund ("LOSAP") - Unaudited:			
Miscellaneous Reserves	B-3	352,729	288,364
Total Liabilities & Reserves		<u>\$ 18,720,998</u>	<u>\$ 15,460,047</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
TRUST ASSESSMENT FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 and 2016

\$ 53,125

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Cash and Cash Equivalents	C-2,C-4	\$ 1,275,687	\$ 2,207,487
Investments	C-3	9,089,118	13,367,425
Interfunds Receivable	C-8	70,000	190,000
Various Grants, Loans & Other Receivables	C-5	130,000	125,000
Various Grants, Loans & Other Receivables - Offset with Reserves	C-5	23,658,928	25,345,638
Deferred Charges to Future Taxation:			
Funded	C-7	10,562,000	11,457,000
Unfunded	C-6	43,981,822	39,554,878
Total Assets		\$ 88,767,555	\$ 92,247,428
 LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds Payable	C-13	\$ 10,562,000	\$ 11,457,000
Bond Anticipation Notes	C-10	36,105,000	37,803,050
Accounts Payable	C	9,127	9,127
Improvement Authorizations:			
Funded	C-11	3,431,630	223,509
Unfunded	C-11	11,600,650	6,331,919
Capital Improvement Fund	C-9	771	771
Interfund Payable	C-8	1,755,915	6,461,636
Reserve for Receivables from Other Agencies	C-5	23,658,928	25,345,638
Various Reserves	C-12	1,210,892	3,810,085
Fund Balance	C-1	432,642	804,693
Total Liabilities, Reserves & Fund Balance		\$ 88,767,555	\$ 92,247,428

There were bonds and notes authorized but not issued at December 31, 2017 and 2016 of \$7,876,822 and \$1,751,828, respectively.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$	804,693
Increased By:		
Premium on Bond Anticipation Notes	\$	242,406
Reserves Cancelled		85,543
		327,949
		1,132,642
Decreased By:		
Appropriated to 2017 Budget Revenue		700,000
		700,000
Balance, December 31, 2017	\$	432,642

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	REFERENCE	<u>2017</u>	<u>2016</u>
ASSETS			
Operating Fund:			
Cash and Cash Equivalents	D-5	\$ 1,661,293	\$ 2,728,660
Change Funds	D-5	250	250
Interfund Receivable	D-8	<u>68,108</u>	<u>1,669,243</u>
		1,729,651	4,398,153
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-7	<u>435,148</u>	<u>763,207</u>
		<u>435,148</u>	<u>763,207</u>
Total Operating Fund		<u>2,164,799</u>	<u>5,161,360</u>
Capital Fund:			
Cash and Cash Equivalents	D-6	386,494	720,473
Investments	D	1,101,760	316,000
Interfund Receivable	D-20	-	792,200
Fixed Capital	D-13	34,268,628	32,500,254
Fixed Capital Authorized and Uncompleted	D-14	<u>9,750,000</u>	<u>7,750,000</u>
Total Capital Fund		<u>45,506,882</u>	<u>42,078,927</u>
Total Assets		<u>\$ 47,671,681</u>	<u>\$ 47,240,287</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	REFERENCE	<u>2017</u>	<u>2016</u>
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4	\$ 697,517	\$ 1,621,820
Reserve for Encumbrances	D-4	323,838	161,462
Accounts Payable	D-10	4,965	1,824
Interfund Payable	D-8	-	1,650
Water Rent Overpayments	D-11	56,884	46,787
Various Reserves	D-10	104,212	301,096
Accrued Interest on Notes	D-12	31,825	39,522
Subtotal		<u>1,219,241</u>	<u>2,174,161</u>
Reserve for Receivables	D	435,148	763,207
Fund Balance	D-1	<u>510,410</u>	<u>2,223,992</u>
Total Operating Fund		<u>2,164,799</u>	<u>5,161,360</u>
Capital Fund:			
Bond Anticipation Notes	D-16	2,900,000	3,800,000
Interfund Payable	D-20	25,000	1,058
Improvement Authorizations			
Unfunded	D-15	2,075,752	927,035
Funded	D-15	477,680	-
Capital Improvement Fund	D-17	264,965	289,965
Reserve for Amortization	D-18	38,659,033	35,990,659
Deferred Reserve for Amortization	D-19	459,595	459,595
Reserve for Specific Expenditures	D-10	40,405	40,405
Reserve for Payment of Future			-
Debt Service Costs	D-10	207,199	207,199
Fund Balance	D-2	<u>397,253</u>	<u>363,011</u>
Total Capital Fund		<u>45,506,882</u>	<u>42,078,927</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 47,671,681</u>	<u>\$ 47,240,287</u>

There were bonds and notes authorized but not issued at December 31, 2017 and 2016 of \$2,000,000 and \$0, respectively.

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ 2,223,992	\$ 2,940,281
Water Rents	7,368,884	7,561,006
Connection fees	349,065	308,633
Non-budgeted revenue	152,783	130,599
Other credits to income:		
PERS Rate Adjustment Reserve Released	30,255	-
Unexpended Balances of Appropriation Reserves	421,357	191,424
	<hr/>	<hr/>
Total Revenues	10,546,336	11,131,943
	<hr/>	<hr/>
Expenditures:		
Operating:		
Salaries and Wages	1,415,200	1,322,281
Other Expenses	6,697,424	6,173,000
Capital Improvements	700,000	1,400,000
Debt Service	968,302	975,000
Statutory Expenditures	255,000	270,000
	<hr/>	<hr/>
Total Expenditures	10,035,926	10,140,281
	<hr/>	<hr/>
Statutory Excess to Fund Balance	510,410	991,662
	<hr/>	<hr/>
Fund Balance January 1	2,223,992	4,172,611
	<hr/>	<hr/>
Total	2,734,402	5,164,273
Decreased by:		
Utilization as Anticipated Revenue	2,223,992	2,940,281
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 510,410</u>	<u>\$ 2,223,992</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

Balance - December 31, 2016	\$ 363,011
Increased By:	
Premium on Sale of Bond Anticipation Notes	<u>34,242</u>
Balance, December 31, 2017	<u><u>\$ 397,253</u></u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	BUDGET	REALIZED	EXCESS/ (DEFICIT)
Fund Balance Anticipated	\$ 2,223,992	\$ 2,223,992	\$ -
Water Rents	7,561,000	7,368,884	(192,116)
Miscellaneous:			
Connection Fees	308,632	349,065	40,433
Non-budget revenue	-	152,783	152,783
	<u>\$ 10,093,624</u>	<u>\$ 10,094,724</u>	<u>\$ 1,100</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY FUND
STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original Budget	Budget After Modifications	Expended		
			Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 1,415,200	\$ 1,415,200	\$ 1,335,167	\$ 80,033	\$ -
Other Expenses	6,997,424	6,697,424	6,119,073	578,351	-
Capital Improvements:					
Capital Outlay	400,000	700,000	687,000	13,000	-
Debt Service:					
Payment of Bond Anticipation Notes	950,000	950,000	900,000	-	50,000
Interest on Notes	76,000	76,000	68,302	-	7,698
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	125,000	125,000	125,000	-	-
Social Security System (O.A.S.I.)	130,000	130,000	103,867	26,133	-
Total Water Utility Appropriations	\$ 10,093,624	\$ 10,093,624	\$ 9,338,409	\$ 697,517	\$ 57,698
Cash Disbursed			\$ 9,014,571		
Encumbrances Payable			323,838		
			<u>\$ 9,338,409</u>		

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

ASSETS	REF.	2017	2016
Operating Fund:			
Cash and Cash Equivalents	E-5	\$ 317,682	\$ 987,032
Interfunds Receivable	E-11	<u>576,186</u>	<u>7,675</u>
Total Operating Fund		<u>893,868</u>	<u>994,707</u>
Capital Fund:			
Cash and Cash Equivalents	E-5	513,945	640,893
Investments	E	-	254,000
Fixed Capital:			
Completed	E-6	4,357,978	4,250,290
Authorized & Uncompleted	E-10	<u>2,673,726</u>	<u>2,673,726</u>
Total Capital Fund		<u>7,545,649</u>	<u>7,818,909</u>
Total Assets		<u>\$ 8,439,517</u>	<u>\$ 8,813,616</u>
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Appropriation Reserves	E-4	\$ 87,239	\$ 62,879
Reserve for Encumbrances	E-4	29,729	16,586
Accounts Payable	E	1,578	3,028
Interfund Payables	E-11	-	1
Accrued Interest on Notes	E-13	<u>20,917</u>	<u>27,340</u>
Subtotal		<u>139,463</u>	<u>109,834</u>
Fund Balance		<u>754,405</u>	<u>884,873</u>
Total Operating Fund		<u>893,868</u>	<u>994,707</u>
Capital Fund:			
Bond Anticipation Notes	E-12	2,020,000	2,375,000
Improvement Authorization - Unfunded	E-9	234,753	1,841,399
Reserve for Amortization	E-8	4,011,704	3,549,016
Interfund Payable	E-14	1,226,165	467
Fund Balance	E-2	<u>53,027</u>	<u>53,027</u>
Total Capital Fund		<u>7,545,649</u>	<u>7,818,909</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 8,439,517</u>	<u>\$ 8,813,616</u>

There were Bonds and Notes Authorized But Not Issued as of December 31, 2017 and 2016 of \$1,000,000.

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenue & Other Income Realized:		
Anticipated Revenues:		
Fund Balance Anticipated	\$ 312,800	\$ 256,240
Pool Fees	1,181,696	1,172,964
Food Stand Revenues	17,825	21,000
Non-budgeted Revenue	7,865	114,682
Other Credits to Income:		
Cancelled Accounts Payable	1,450	-
Unexpended Balances of Appropriation Reserves	<u>68,791</u>	<u>26,990</u>
 Total Income	 <u>1,590,427</u>	 <u>1,591,876</u>
 Expenditures:		
Operating:		
Salaries and Wages	475,000	490,000
Other Expenses	397,800	280,740
Capital Outlay	120,000	100,000
Debt Service	384,795	230,000
Statutory Expenditures	<u>30,500</u>	<u>28,500</u>
 Total Expenditures	 <u>1,408,095</u>	 <u>1,129,240</u>
 Statutory Excess to Fund Balance	 182,332	 462,636
 Fund Balance, January 1,	 <u>884,873</u>	 <u>678,477</u>
 Total	 1,067,205	 1,141,113
 Decreased by:		
Utilization as Anticipated Revenue	<u>312,800</u>	<u>256,240</u>
 Fund Balance, December 31,	 <u>\$ 754,405</u>	 <u>\$ 884,873</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016 & 2017	\$ 53,027
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**SWIMMING POOL UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	2017 BUDGET	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 312,800	\$ 312,800	\$ -
Pool Fees	1,100,000	1,181,696	81,696
Food Stand Revenues	13,000	17,825	4,825
Miscellaneous Revenue Not Anticipated	-	7,865	7,865
Total	\$ 1,425,800	\$ 1,520,186	\$ 94,386

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY FUND
STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 <u>BUDGET</u>	BUDGET AFTER <u>MODIFICATION</u>	EXPENDED			
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>CANCELED</u>
Operating:						
Salaries and Wages	\$ 550,000	\$ 475,000	\$ 469,024	\$ -	\$ 5,976	\$ -
Other Expenses	322,800	397,800	305,228	14,143	78,429	-
Capital Improvements:						
Capital Outlay	120,000	120,000	101,580	15,586	2,834	-
Debt Service:						
Payment of Bond Anticipation Notes	355,000	355,000	355,000	-	-	-
Interest on Bonds	47,500	47,500	29,795	-	-	17,705
Statutory Expenditures:						
Contributions To:						
Public Employees' Retirement System	4,500	4,500	4,500	-	-	-
Social Security System (O.A.S.I.)	26,000	26,000	26,000	-	-	-
Total Swimming Pool Utility Appropriations	\$ 1,425,800	\$ 1,425,800	\$ 1,291,127	\$ 29,729	\$ 87,239	\$ 17,705

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PARKING UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

ASSETS	<u>REF.</u>	<u>2017</u>	<u>2016</u>
Operating Fund:			
Cash and Cash Equivalents	F-5	\$ 4,617,053	\$ 3,761,019
Change Funds	F-5	400	400
Interfunds Receivable	F-8	<u>2,665</u>	<u>1,613</u>
Total Operating Fund		<u>4,620,118</u>	<u>3,763,032</u>
Capital Fund:			
Cash and Cash Equivalents	F-5, F-6	757,125	944,569
Fixed Capital	F-12	<u>50,243,796</u>	<u>49,981,985</u>
Total Capital Fund		<u>51,000,921</u>	<u>50,926,554</u>
Total Assets		<u>\$ 55,621,039</u>	<u>\$ 54,689,586</u>
 LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Appropriation Reserves	F-4, F-7	\$ 370,837	\$ 274,389
Reserve for Encumbrances	F-4, F-7	153,872	202,984
Accounts Payable	F	5,475	5,475
Interfund Payables	F-8	494,333	
Accrued Interest on Bonds	F-9	<u>95,532</u>	<u>98,528</u>
Subtotal		<u>1,120,049</u>	<u>581,376</u>
Fund Balance		<u>3,500,069</u>	<u>3,181,656</u>
Total Operating Fund		<u>4,620,118</u>	<u>3,763,032</u>
Capital Fund:			
Serial Bonds Payable	F-13	24,360,000	25,480,000
Capital Improvement Fund	F-12	52,984	52,984
Interfund Payable	F	2,665	190,109
Reserve for Amortization	F-11	25,883,796	24,501,985
Reserve for Easement Repairs	F	6,000	6,000
Reserve for Payment of Future Debt Service Costs	F-14	27,290	27,290
Fund Balance	F-2	<u>668,186</u>	<u>668,186</u>
Total Capital Fund		<u>51,000,921</u>	<u>50,926,554</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 55,621,039</u>	<u>\$ 54,689,586</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PARKING UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>REF.</u>	<u>2017</u>	<u>2016</u>
Revenue & Other Income Realized:			
Anticipated Revenues:			
Operating Surplus Anticipated	F-3	\$ 72,500	\$ 138,700
Parking Fees	F-3	2,399,663	2,385,233
Rents - Other	F-3	960,000	940,000
Non-budgeted Revenue	F-3	12,199	6,361
Other Credits to Income:			
Unexpended Balances of Appropriation Reserves	F-7	281,406	398,140
 Total Income		 <u>3,725,768</u>	 <u>3,868,434</u>
 Expenditures:			
Operating:			
Salaries and Wages	F-4	478,000	372,300
Other Expenses	F-4	460,500	407,400
Capital Improvements	F-4	500,000	400,000
Debt Service	F-4	1,782,355	1,802,475
Statutory Expenditures	F-4	64,000	39,000
Surplus (General Budget)	F-4	50,000	50,000
 Total Expenditures		 <u>3,334,855</u>	 <u>3,071,175</u>
 Statutory Excess to Fund Balance		 390,913	 797,259
 Fund Balance, January 1,		 <u>3,181,656</u>	 <u>2,523,097</u>
 Total		 3,572,569	 3,320,356
 Decreased by:			
Utilization as Anticipated Revenue		<u>(72,500)</u>	<u>(138,700)</u>
 Fund Balance, December 31,		 <u>\$ 3,500,069</u>	 <u>\$ 3,181,656</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PARKING UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>REF.</u>	
Balance December 31, 2016 and 2017	F	<u>\$ 668,186</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PARKING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	2017 <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Surplus Utilized	\$ 72,500	\$ 72,500	\$ -
Parking Fees	2,380,000	2,399,663	19,663
Rents - Other	900,000	960,000	60,000
Miscellaneous Revenue Not Anticipated	-	12,199	12,199
	<hr/>		
Total	\$ 3,352,500	\$ 3,444,362	\$ 91,862
	<hr/> <hr/>		

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PARKING UTILITY FUND
STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 <u>BUDGET</u>	BUDGET AFTER <u>MODIFICATION</u>	EXPENDED			
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>CANCELED</u>
Operating:						
Salaries and Wages	\$ 478,000	\$ 478,000	\$ 432,114	\$ -	\$ 45,886	\$ -
Other Expenses	460,500	460,500	404,466	7,381	48,653	-
Capital Improvements:						
Capital Outlay	500,000	500,000	77,211	146,491	276,298	-
Debt Service:						
Payment on Bond Principal	1,120,000	1,120,000	1,120,000	-	-	-
Interest on Bonds	680,000	680,000	662,355	-	-	17,645
Statutory Expenditures:						
Contributions To:						
Public Employees' Retirement System	40,000	40,000	40,000	-	-	-
Social Security System (O.A.S.I.)	24,000	24,000	24,000	-	-	-
Surplus (General Budget)	50,000	50,000	50,000	-	-	-
Total Parking Utility Appropriations	\$ 3,352,500	\$ 3,352,500	\$ 2,810,146	\$ 153,872	\$ 370,837	\$ 17,645

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
POLICE TRAINING UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017**

ASSETS	REF.	<u>2017</u>	<u>2016</u>
Operating Fund:			
Cash and Cash Equivalents	G-4	\$ 577,149	\$ 505,812
Interfund Receivable	G	<u>240</u>	<u>-</u>
Total Operating Fund		<u>577,389</u>	<u>505,812</u>
Total Assets		<u>\$ 577,389</u>	<u>\$ 505,812</u>
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Appropriation Reserves	G-3	\$ 76,009	\$ 154,618
Reserve for Encumbrances	G-3	55,847	10,112
Accounts Payable	G	<u>545</u>	<u>545</u>
Subtotal		<u>132,401</u>	<u>165,275</u>
Fund Balance	G-1	<u>444,988</u>	<u>340,537</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 577,389</u>	<u>\$ 505,812</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
POLICE TRAINING UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
Revenue & Other Income Realized:		
Anticipated Revenues:		
Fund Balance	\$ 93,000	\$ 165,000
Shooting Qualifications and Training	182,443	152,941
Other Credits to Income:		
Non-Budgeted Revenue	37,958	17,648
Unexpended Balances of Appropriation Reserves	<u>127,050</u>	<u>180,208</u>
 Total Income	 <u>440,451</u>	 <u>515,797</u>
 Expenditures:		
Operating Appropriations:		
Salaries and Wages	60,000	60,000
Other Expenses	83,000	103,000
Capital Outlay	100,000	100,000
Statutory Expenditures	<u>-</u>	<u>5,000</u>
 Total Expenditures	 <u>243,000</u>	 <u>268,000</u>
 Statutory Excess to Fund Balance	 197,451	 247,797
Fund Balance January 1	<u>340,537</u>	<u>257,740</u>
 Total	 537,988	 505,537
Decreased by: Utilization as Anticipated Revenue	<u>93,000</u>	<u>165,000</u>
 Balance December 31	 <u>\$ 444,988</u>	 <u>\$ 340,537</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
POLICE TRAINING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 Budget	Realized	Excess/ (Deficit)
Surplus Anticipated	\$ 93,000	\$ 93,000	\$ -
Shooting Qualification Training	150,000	182,443	32,443
Non-Budgeted Revenue	-	37,958	37,958
	<u>\$ 243,000</u>	<u>\$ 313,401</u>	<u>\$ 70,401</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
POLICE TRAINING UTILITY FUND
STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Appropriations		Expended		
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
Operating:					
Salaries and Wages	\$ 60,000	\$ 60,000	\$ 34,440	\$ -	\$ 25,560
Other Expenses	83,000	83,000	64,374	16,352	2,274
Total Operating	143,000	143,000	98,814	16,352	27,834
Capital Improvements:					
Capital Outlay	100,000	100,000	12,330	39,495	48,175
Total Capital Improvements	100,000	100,000	12,330	39,495	48,175
Total Police Training Utility Appropriations	\$ 243,000	\$ 243,000	\$ 111,144	\$ 55,847	\$ 76,009

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

ASSETS	Reference	2017	2016
Operating Fund:			
Cash & Investments	H-5	\$ 891,035	\$ 8,041,622
Interfund Receivable	H-11	5,241,363	7,343
Total		6,132,398	8,048,965
Receivables With Full Reserves:			
Consumer Accounts Receivable	H-7	371,614	377,162
Total Operating Fund		6,504,012	8,426,127
Capital Fund:			
Cash and Investments	H-5, H-6	324,526	845,351
Interfund Receivable	H-16	109,615	-
Fixed Capital	H-17	26,970,072	25,872,736
Fixed Capital - Authorized and Uncompleted	H-18	2,250,000	5,353,773
Total Capital Fund		29,654,213	32,071,860
Total Assets		36,158,225	40,497,987

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

ASSETS	Reference	2017	2016
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	H-4, H-10	796,011	1,021,200
Reserve for Encumbrances	H-4, H-10	104,877	32,250
Accounts Payable	H-8	3,286	2,935
Interfund Payable	H-11	79,199	3,525,743
Rent Overpayments		22,505	28,333
Reserve for Bond Reserve Fund	H-8	-	250,000
Reserve for Renewal and Replacement Fund	H-8	-	258,000
Various Reserves	H-8	74,403	74,403
Accrued Interest on Bonds	H-9	8,481	4,331
Subtotal		<u>1,088,762</u>	<u>5,197,195</u>
Reserve for Receivables	H	371,614	377,162
Fund Balance	H-1	<u>5,043,636</u>	<u>2,851,770</u>
Total Operating Fund		<u>6,504,012</u>	<u>8,426,127</u>
Capital Fund:			
Interfund Payable	H-16	20,000	2,014
Serial Bonds	H-15	-	2,260,000
Bond Anticipation Notes		1,720,000	-
Improvement Authorizations:			
Funded	H-14	243,642	314,869
Unfunded	H-14	85,000	4,113,773
Reserve for Amortization	H-19	26,740,072	24,382,736
Reserve for Deferred Amortization	H-13	470,000	470,000
Reserve for Debt Service	H-12	260,456	381,456
Capital Improvement Fund	H-13	2,116	122,116
Fund Balance	H-2	<u>112,927</u>	<u>24,896</u>
Total Capital Fund		<u>29,654,213</u>	<u>32,071,860</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 36,158,225</u>	<u>\$ 40,497,987</u>

There were bonds and notes authorized but not issued on on December 31, 2017 was \$290,000 and on December 31, 2016 was \$4,113,773.

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
Revenue & Other Income Realized:		
Anticipated Revenues:		
Operating Surplus Anticipated	\$ 400,500	\$ 701,388
Rents	5,885,639	5,696,212
Connection Fees	1,192,207	217,530
Non-budgeted Revenue	90,165	21,665
Other Credits to Income:		
Transfer of Reserves (net)	-	31,000
Canceled Accounts Payable	508,000	-
Unexpended Balances of Appropriation Reserves	697,217	458,632
	<u>8,773,728</u>	<u>7,126,427</u>
Expenditures:		
Operating:		
Salaries and Wages	730,500	745,500
Other Expenses	4,531,000	4,532,550
Debt Service	434,862	431,151
Statutory Expenditures	185,000	185,000
Capital Improvements	300,000	300,000
Deferred Charges	-	176,117
Deficit in Operations in Prior Year	-	20,221
	<u>6,181,362</u>	<u>6,390,539</u>
Statutory Excess to Fund Balance	2,592,366	735,888
Fund Balance January 1	<u>2,851,770</u>	<u>2,817,270</u>
Total	5,444,136	3,553,158
Less: Utilized by Operating Budget	<u>400,500</u>	<u>701,388</u>
Balance - December 31	<u>\$ 5,043,636</u>	<u>\$ 2,851,770</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE- REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER, 31 2017**

Balance, December 31, 2016		\$ 24,896
Increased By:		
Premium on BANs	\$ 16,804	
Cancellation of Ord #10-10	<u>71,227</u>	
		<u>88,031</u>
Balance, December 31, 2017		<u><u>\$ 112,927</u></u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	<u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Surplus Anticipated	\$ 400,500	\$ 400,500	\$ -
Sewer Rents	5,690,000	5,885,639	195,639
Connection Fees	100,000	1,192,207	1,092,207
Miscellaneous Revenue Not Anticipated	-	90,165	90,165
	<u>\$ 6,190,500</u>	<u>\$ 7,568,511</u>	<u>\$ 1,378,011</u>

Analysis of Miscellaneous Revenue Not Anticipated:

Application Fees	\$ 100
Floor Drain Permits	1,950
Prior Year Refunds	502
Investment on Interest	56,032
Interest on Delinquencies	28,843
Miscellaneous	2,738
	<u>\$ 90,165</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017**

	Appropriations		Expended		
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATIONS	PAID OR CHARGED	RESERVED	CANCELLED
Operating:					
Salaries and Wages	\$ 730,500	\$ 730,500	\$ 649,833	\$ 80,667	\$ -
Other Expenses	4,531,000	4,531,000	3,968,906	562,094	-
Debt Service:					
Payment of Bond Principal	335,000	335,000	335,000	-	-
Interest on Bonds	99,000	99,000	91,382	-	7,618
Interest on Notes	10,000	10,000	8,480	-	1,520
Capital Improvements:					
Capital Outlay	300,000	300,000	167,420	132,580	-
Statutory Expenditures					
Contribution to:					
Public Employees' Retirement System	125,000	125,000	125,000	-	-
Social Security System (O.A.S.I.)	60,000	60,000	39,330	20,670	-
Total Sewer Utility Appropriations	\$ 6,190,500	\$ 6,190,500	\$ 5,385,351	\$ 796,011	\$ 9,138
Cash Disbursed			\$ 5,280,474		
Encumbrances Payable			<u>104,877.00</u>		
			\$ 5,385,351		

The accompanying Notes to Financial Statements are an integral part of this Statement.

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
General Fixed Assets:		
Land, Buildings, Improvements, Vehicles, & Equipment	\$ 68,371,470	\$ 60,240,347
Total General Fixed Assets	<u>\$ 68,371,470</u>	<u>\$ 60,240,347</u>
Investment in General Fixed Assets	<u>\$ 68,371,470</u>	<u>\$ 60,240,347</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Township of East Brunswick, County of Middlesex, New Jersey (hereafter referred to as the "Township") is governed by the Township form of government, with a mayor and a 5-member Township Council. Administrative responsibilities are assigned to the Township Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

Trust Assessment Fund– This fund accounts for the receipt and disbursements of funds for special assessments.

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Utility Operating and Capital Funds – These funds accounts for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1. Summary of Significant Accounting Policies (continued)

Payroll Fund – This fund accounts for the receipts and disbursements of funds used to meet obligations to employees and payroll tax liabilities.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its Current and Utility Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost with the exception of LOSAP investments which are reported at fair value. Therefore unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1. Summary of Significant Accounting Policies (continued)

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1. Summary of Significant Accounting Policies (continued)

Foreclosed property – Foreclosed Property or “Property Acquired for Taxes” is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Fund Balance – Fund Balance included in the Current and Utility Operating Funds represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township’s budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township’s Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township’s annual budget, but also the amounts required in support of the budgets of the County of Middlesex and the Township of East Brunswick School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Middlesex. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the East Brunswick School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district July 1 to June 30.

Reserve for Uncollected Taxes – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Township’s annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1. Summary of Significant Accounting Policies (continued)

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Township’s financial statements.

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2017, the Township’s bank balance of \$51,310,451 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$	44,789,265
Uninsured and Uncollateralized		6,521,186
		\$ 51,310,451

Investments

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Township’s financial statements. However, had the financial statements been prepared in accordance with GAAP, the Township’s fair value, hierarchy level and maturities of its investments at December 31, 2017 would be as followed:

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 2. Deposits and Investments (continued)

<u>Investment type</u>	Carrying Value	Fair Value as of December 31, 2017 <u>Level 1</u>	Investment Maturities (in Years) <u>Less Than 1 Year</u>
Bond Anticipation Notes	\$ 17,256,244	\$ 17,256,244	\$ 17,256,244
Mutual Funds	281,187	281,187	281,187
Fixed Account Investment Contract	71,542	71,542	71,542
Excess Benefits Fund	<u>3,297,827</u>	<u>3,297,827</u>	<u>3,297,827</u>
	<u>\$ 20,906,800</u>	<u>\$ 20,906,800</u>	<u>\$ 20,906,800</u>
 <u>Fund</u>			
Capital Fund	\$ 9,089,118	\$ 9,089,118	\$ 9,089,118
Trust Fund - Other	10,363,193	10,363,193	10,363,193
Trust Fund - LOSAP	352,729	352,729	352,729
Water Utility Operating	<u>1,101,760</u>	<u>1,101,760</u>	<u>1,101,760</u>
	<u>\$ 20,906,800</u>	<u>\$ 20,906,800</u>	<u>\$ 20,906,800</u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Township’s investment policies place no limit in the amount the Township may invest in any one issuer. More than 5% of the Township’s investments are in Bond Anticipation Notes. These investments represent 98% of the Township’s total investments.

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$ 10.651</u>	<u>\$ 10.431</u>	<u>\$ 10.179</u>
Apportionment of Tax Rate:			
Municipal	2.085	2.015	1.884
Municipal Library	0.126	0.124	0.125
Municipal Open Space	0.019	0.020	0.019
County General	1.521	1.471	1.498
Local School	6.900	6.801	6.653

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2017	\$ 1,901,563,350
2016	1,897,886,937
2015	1,895,310,848

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 207,196,248	\$ 205,178,691	99.02%
2016	202,811,293	200,931,110	99.07%
2015	197,340,533	194,817,685	98.72%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2017	\$ -	\$ 1,718,453	\$ 1,718,453	0.83%
2016	14,849	1,783,945	1,798,794	0.89%
2015	20,768	2,131,264	2,152,032	1.09%

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 3. Property Taxes (continued)

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2017	0
2016	2
2015	5

The last tax sale was held on September 19, 2017.

Note 4. Property Acquired By Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2017	\$ 15,768
2016	-
2015	-

Note 5. Water Utility Service Charges

The following is a three-year comparison of Water utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 763,207	\$ 7,062,624	\$ 7,825,831	\$ 7,390,683	94.43%
2016	808,754	7,515,623	8,324,377	7,561,170	90.83%
2015	509,895	7,696,027	8,205,922	7,397,168	90.14%

Note 6. Sewer Utility Service Charges

The following is a three-year comparison of Sewer utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 377,162	\$ 5,909,512	\$ 6,286,674	\$ 5,915,060	94.08%
2016	386,189	5,688,053	6,074,242	5,697,080	93.79%
2015	422,300	5,821,340	6,243,640	5,857,451	93.81%

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 7. Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2017	\$ 10,206,188	\$ 3,300,000	32.33%
2016	7,635,416	2,500,000	32.74%
2015	3,067,557	2,500,000	81.50%
Water Utility Operating Fund:			
2017	\$ 510,410	\$ -	0.00%
2016	2,223,992	2,223,992	100.00%
2015	4,172,611	2,940,281	70.47%
Pool Utility Operating Fund:			
2017	\$ 754,405	\$ 399,361	52.94%
2016	884,873	312,800	35.35%
2015	678,477	256,240	37.77%
Parking Utility Operating Fund:			
2017	\$ 3,500,069	\$ 489,060	13.97%
2016	3,181,656	72,500	2.28%
2015	2,523,097	138,700	5.50%
Police Training Utility Operating Fund:			
2017	\$ 444,988	\$ 94,200	21.17%
2016	340,537	93,000	27.31%
2015	257,740	165,000	64.02%
Sewer Utility Operating Fund:			
2017	\$ 5,043,636	\$ 2,388,310	47.35%
2016	2,851,770	400,500	14.04%
2015	2,817,270	701,117	24.89%

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 8. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2017:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 3,365,636	\$ 5,464,737
State and Federal Grant Fund	418,333	465,813
Trust Other Fund	1,120,477	447,597
Trust Assessment Fund	53,125	-
CDBG Trust	-	46,900
Animal Control Trust	-	25,767
Payroll Trust Fund	124,919	1,096,576
General Capital Fund	70,000	1,755,915
Water Utility Operating Fund	68,108	-
Water Utility Capital Fund	-	25,000
Swimming Pool Utility Operating Fund	576,186	-
Swimming Pool Utility Capital Fund	-	1,226,165
Parking Utility Operating Fund	2,665	494,333
Parking Utility Capital Fund	-	2,665
Police Training Utility Operating Fund	240	-
Sewer Utility Operating Fund	5,241,363	79,199
Sewer Utility Capital Fund	109,615	20,000
	<u>\$ 11,150,667</u>	<u>\$ 11,150,667</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2017.

	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>
Land, Buildings, Improvements, Vehicles, & Equipment	\$ 60,240,347	\$ 8,131,123	\$ -	\$ 68,371,470
	<u>\$ 60,240,347</u>	<u>\$ 8,131,123</u>	<u>\$ -</u>	<u>\$ 68,371,470</u>

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2017, the State's pension contribution was less than the actuarial determined amount. The local

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2017, the Township's contractually required contribution to PERS plan was \$1,611,548.

Components of Net Pension Liability - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$40,494,966. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was .1739593942% which was an increase of .0019324277% from its proportion measured as of June 30, 2016.

Collective Balances at December 31, 2017 and December 31, 2016

	<u>12/31/2017</u>	<u>12/30/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 10,079,555	\$ 13,923,201
Deferred Inflows of Resources	8,448,223	409,371
Net Pension Liability	40,494,966	50,949,453
Township 's portion of the Plan's total net pension Liability	0.17396%	0.17203%

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2017, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2017 measurement date is \$2,920,831. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$1,611,548 to the plan in 2017.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 953,517	\$ -
Changes of Assumptions	8,158,340	8,128,430
Net Difference between Projected and Actual Earnings on Pension Plan Investments	275,743	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	691,955	319,793
	\$ 10,079,555	\$ 8,448,223

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
 Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
 Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
 Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2018	\$ 1,057,587
2019	1,536,494
2020	922,770
2021	(1,077,576)
2022	<u>(807,943)</u>
	<u><u>\$ 1,631,332</u></u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

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

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Discount Rate - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Township 's Proportionate Share of the Net Pension Liability	\$ 50,236,754	\$ 40,494,966	\$ 32,378,850

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

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

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

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2017, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2017, the Township's contractually required contributions to PFRS plan was \$2,607,731.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2017 the Township's proportionate share of the PFRS net pension liability was \$45,488,684. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was .2946527246%, which was an increase of .0008008030% from its proportion measured as of June 30, 2016.

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

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

Collective Balances at December 31, 2017 and December 31, 2016

	<u>12/31/2017</u>	<u>12/31/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 7,368,639	\$ 12,387,909
Deferred Inflows of Resources	7,716,697	367,962
Net Pension Liability	45,488,684	56,133,234
Township 's portion of the Plan's total net pension Liability	0.29465%	0.29385%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2017, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2017 measurement date was \$4,125,508. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$2,607,731 to the plan in 2017.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 295,104	\$ 266,981
Changes of Assumptions	5,609,262	7,449,716
Net Difference between Projected and Actual Earnings on Pension Plan Investments	868,031	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	596,242	-
	<u>\$ 7,368,639</u>	<u>\$ 7,716,697</u>

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

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

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending		
<u>Dec 31,</u>	<u>Amount</u>	
2018	\$	754,808
2019		1,676,203
2020		116,364
2021		(1,988,660)
2022		<u>(906,773)</u>
	\$	<u>(348,058)</u>

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 legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Township is \$5,095,116 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The State’s proportion of the net pension liability associated with the Township 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 members, actuarially determined. The State’s proportion measured as of June 30, 2017 was .2946527246%, which was an increase of .0008008030% from its proportion measured as of June 30, 2016, which is the same proportion as the Township’s. At December 31, 2017, the Township’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Township 's Proportionate Share of Net Pension Liability	\$ 45,488,684
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>5,095,116</u>
	<u>\$ 50,583,800</u>

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

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

At December 31, 2017, the State’s proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2017 measurement date was \$623,248.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2010 - June 30, 2013

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

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

are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations (continued)

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

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

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

	1% Decrease <u>(5.14%)</u>	Current Discount Rate <u>(6.14%)</u>	1% Increase <u>(7.14%)</u>
Township 's Proportionate Share of the Net Pension Liability	\$ 59,935,087	\$ 45,488,684	\$ 33,619,321
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	6,713,235	5,095,116	3,765,647
	\$ 66,648,322	\$ 50,583,800	\$ 37,384,968

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 11. Municipal Debt

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 46,667,000	\$ 49,260,050	\$ 47,109,000
Utility:			
Bonds, Notes and Loans	31,000,000	33,915,000	35,330,000
	<hr/>	<hr/>	<hr/>
Total Debt Issued	77,667,000	83,175,050	82,439,000
	<hr/>	<hr/>	<hr/>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	7,876,822	1,751,828	3,806,371
Utility:			
Bonds, Notes and Loans	3,290,000	5,113,773	6,238,773
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	11,166,822	6,865,601	10,045,144
	<hr/>	<hr/>	<hr/>
Total Gross Debt	\$ 88,833,822	\$ 90,040,651	\$ 92,484,144
	<hr/>	<hr/>	<hr/>
Deductions:			
General:			
Accounts Receivable from other Public Authorities	\$ 22,053,000	\$ 20,939,000	\$ 16,596,000
Utility:			
Self Liquidating Debt	34,290,000	39,028,773	41,568,773
	<hr/>	<hr/>	<hr/>
Total Deductions	56,343,000	59,967,773	58,164,773
	<hr/>	<hr/>	<hr/>
Total Net Debt	\$ 32,490,822	\$ 30,072,878	\$ 34,319,371
	<hr/>	<hr/>	<hr/>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 77,136,480	\$ 77,136,480	\$ -
General Debt	54,543,822	22,053,000	32,490,822
Utility Debt	34,290,000	34,290,000	-
	<hr/>	<hr/>	<hr/>
	\$ 165,970,302	\$ 133,479,480	\$ 32,490,822
	<hr/>	<hr/>	<hr/>

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 11. Municipal Debt (continued)

Net Debt \$32,490,822 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$7,279,612,106, equals .446%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2017 is calculated as follows:

Borrowing Power Under N.J.S. 40A:2-6 as Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$	254,786,424
Net Debt		32,490,822
 Remaining Borrowing Power	 \$	 222,295,602

Self-Liquidating Swimming Pool Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year	\$	1,520,186
 Deductions:		
Operating and Maintenance Costs	\$	903,300
Debt Service		384,795
 Total Deductions		 1,288,095
 Excess/(Deficit) in Revenue	 \$	 232,091

*If Excess in Revenues all Utility Debt is Deducted

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 11. Municipal Debt (continued)

Self-Liquidating Parking Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 3,444,362
Deductions:		
Operating and Maintenance Costs	\$ 1,052,500	
Debt Service	1,782,355	
Total Deductions		2,834,855
Excess/(Deficit) in Revenue		\$ 609,507

*If Excess in Revenues all Utility Debt is Deducted

Self-Liquidating Water Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 10,094,724
Deductions:		
Operating and Maintenance Costs	\$ 8,667,624	
Debt Service	976,000	
Total Deductions		9,643,624
Excess/(Deficit) in Revenue		\$ 451,100

*If Excess in Revenues all Utility Debt is Deducted

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 11. Municipal Debt (continued)

Self-Liquidating Sewer Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year	\$	7,568,253
Deductions:		
Operating and Maintenance Costs	\$	5,446,500
Debt Service		434,862
Total Deductions		5,881,362
Excess/(Deficit) in Revenue	\$	1,686,891

*If Excess in Revenues all Utility Debt is Deducted

General Debt

A. Serial Bonds Payable

Principal and interest due on the outstanding bonds is as follows:

General Capital Fund - General Serial Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 905,000	\$ 260,950	\$ 1,165,950
2019	950,000	242,400	1,192,400
2020	3,385,000	970,640	4,355,640
2021	2,920,000	581,850	3,501,850
2022	2,402,000	141,540	2,543,540
	\$ 10,562,000	\$ 2,197,380	\$ 12,759,380

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 11. Municipal Debt (continued)

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2017:

<u>General Capital Fund - Bond Anticipation Notes</u>				Balance
<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>December 31, 2017</u>
Various Capital Improvements	01/12/17	01/12/18	1.190%	\$ 1,000,000
Various Capital Improvements	03/15/17	03/15/18	1.160%	700,000
Various Road Improvements	03/15/17	03/15/18	1.160%	725,000
Multi Purpose	03/15/17	03/15/18	1.160%	1,800,000
Construct Special Needs Fields	03/15/17	03/15/18	1.160%	1,000,000
Acquisitions/ Improvements	01/12/17	01/12/18	1.190%	1,000,000
Various Capital Improvements	03/15/17	03/15/18	1.160%	1,750,000
Upgrade Communication System	03/15/17	03/15/18	1.160%	1,600,000
Various Capital Improvements	03/15/17	03/15/18	1.160%	1,100,000
FD #3 Renovations	01/12/17	01/12/18	1.190%	200,000
FD #3 Renovations	07/19/17	07/19/18	2.500%	1,500,000
Various Capital Improvements	03/15/17	03/15/18	1.160%	900,000
Acquisition PW Equipment & Vehicles	01/12/17	01/12/18	1.190%	590,000
New Fire Engine	01/12/17	01/12/18	1.190%	532,000
Bikeway and Phone System	03/15/17	03/15/18	1.160%	400,000
General Capital Improvements	03/15/17	03/15/18	1.160%	2,390,000
Various Capital Improvements	07/19/17	07/19/18	2.500%	2,900,000
East Brunswick Board of Ed Interlocal	07/19/17	07/19/18	2.500%	3,480,000
Various Equipment	01/12/17	01/12/18	1.190%	1,728,000
Various Capital Improvements	07/19/17	07/19/18	2.500%	1,065,000
EBBOE Shared Services	07/19/17	07/19/18	2.500%	4,960,000
Various Capital Improvements	07/19/17	07/19/18	2.500%	3,685,000
Various Shared Services Cap. Improvements	10/19/17	10/19/18	2.250%	1,100,000
				<u>\$ 36,105,000</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017, the Township had \$7,876,822 in various General Capital bonds and notes authorized but not issued

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 11. Municipal Debt (continued)

Utility Debt

A. Serial Bonds Payable

Principal and interest due on the outstanding bonds is as follows:

Parking Utility Fund - General Serial Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,200,000	\$ 647,800	\$ 1,847,800
2019	1,200,000	621,800	1,821,800
2020	1,400,000	593,800	1,993,800
2021	1,400,000	564,800	1,964,800
2022	1,500,000	539,800	2,039,800
2023-2027	7,940,000	2,046,300	9,986,300
2028-2032	8,100,000	832,400	8,932,400
2033	1,620,000	22,500	1,642,500
	<u>\$ 24,360,000</u>	<u>\$ 5,869,200</u>	<u>\$ 30,229,200</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2017:

Water Utility Capital Fund - Bond Anticipation Notes

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2017</u>
Installation of Crosstown Water Line	03/15/17	03/15/18	1.160%	\$ 300,000
Various Water Line Replacements	07/19/17	07/19/18	2.500%	2,600,000
				<u>\$ 2,900,000</u>

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 11. Municipal Debt (continued)

B. Bond Anticipation Notes Payable – Short Term Debt (continued)

<u>Pool Utility Capital Fund - Bond Anticipation Notes</u>				Balance
<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>December 31, 2017</u>
Pool Utility Improvements	03/15/17	03/15/18	1.160%	\$ 1,000,000
Crystal Springs Improvements	01/12/17	01/12/18	1.190%	1,020,000
				<u>\$ 2,020,000</u>

The purpose of these short-term borrowings was to provide resources for utility capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017 the Township had \$3,290,000 in various Utility bonds and notes authorized but not issued.

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Township is as follows:

	Balance December 31, <u>2016</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2017</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 11,457,000	\$ -	\$ 895,000	\$ 10,562,000	\$ 905,000
Bond Anticipation Notes	37,803,050	36,105,000	37,803,050	36,105,000	36,105,000
	<u>\$ 49,260,050</u>	<u>\$ 36,105,000</u>	<u>\$ 38,698,050</u>	<u>\$ 46,667,000</u>	<u>\$ 37,010,000</u>
Water Utility Capital:					
Bond Anticipation Notes	\$ 3,800,000	\$ 2,900,000	\$ 3,800,000	\$ 2,900,000	\$ 2,900,000
	<u>\$ 3,800,000</u>	<u>\$ 2,900,000</u>	<u>\$ 3,800,000</u>	<u>\$ 2,900,000</u>	<u>\$ 2,900,000</u>
Swimming Pool Utility Capital:					
Bond Anticipation Notes	\$ 2,375,000	\$ 2,020,000	\$ 2,375,000	\$ 2,020,000	\$ 2,020,000
	<u>\$ 2,375,000</u>	<u>\$ 2,020,000</u>	<u>\$ 2,375,000</u>	<u>\$ 2,020,000</u>	<u>\$ 2,020,000</u>

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 11. Municipal Debt (continued)

Summary of Principal Debt (continued)

Parking Utility Capital:							
Utility Bonds	\$ 25,480,000	\$ -	\$ 1,120,000	\$ 24,360,000	\$ 1,200,000		
	<u>\$ 25,480,000</u>	<u>\$ -</u>	<u>\$ 1,120,000</u>	<u>\$ 24,360,000</u>	<u>\$ 1,200,000</u>		
 Sewer Utility Capital:							
Utility Bonds	\$ 2,260,000	\$ -	\$ 2,260,000	\$ -	\$ -		
	<u>\$ 2,260,000</u>	<u>\$ -</u>	<u>\$ 2,260,000</u>	<u>\$ -</u>	<u>\$ -</u>		

Note 12. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township’s liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$4,871,638 at December 31, 2017.

Effective in 1983, a separate line item appropriation was provided for this purpose in the current fund. Beginning in 1987, pre-1986 employees were given the option of turning their unused sick and vacation time for cash payment, a deposit into Deferred Compensation plans for employee excess benefits, the latter of which are maintained by the Hartford Variable Life Insurance Company. The latter plan is under Internal Revenue Code Section 457 and has been approved by the State Department of Community Affairs. Cash payments are charged as though current taxable income to the employee whereas taxes are deferred on deposits into the plans. The “Employee Excess Benefit Plans” amounted to \$3,297,827 at December 31, 2017 and 2016.

The Township has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2017, the Township has reserved in the Other Trust Fund \$198,167 to fund compensated absences in accordance with NJSA 40A:4-39.

Note 13. Risk Management

Since 1979, the Township has maintained a limited self-insurance plan for workers’ medical, dental and prescription 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 Trust Fund to pay for bad experience 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 also joined with other communities for insurance coverage through a Joint Insurance Fund in 1990. Currently, the Township is a member of the Central Jersey Joint Insurance Fund (“JIF”), through which the members collectively purchase workers’ compensation, liability and auto coverage. The JIF is part of a larger collection of state-wide Joint Insurance Funds consisting of approximately 295

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 13. Risk Management (continued)

communities known as the Municipal Excess Liability Fund. The first level of coverage is handled by the JIF and excess charges and excess coverage is purchased through the Municipal Liability Joint Insurance Fund. As part of the JIF, the Township accepts a certain level of exposure prior to commercial insurance providing coverage and cost for said exposure is maintained in accounts within the Trust Fund.

The Township's experience as members of the JIF has been positive and for prior years since participation, the Township is receiving premium refunds. Since 1990, none of the years has penetrated the reserves established by the local JIF nor penetrated the excess coverage purchased from the MELJIF.

The JIF is expected to be self-sustaining through member premiums, of which the Township's portion is reported as an expenditure in the Township's financial statements. In addition, the Township is not aware of any claims pending that would have a demand in excess of their coverage and there have been no settlements which exceeded insurance coverage for each of the past 3 fiscal years.

Note 14. Contingencies

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2017 the Township estimates that no material liabilities will result from such audits.

Litigation

The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses.

As of December 31, 2017 there were certain tax appeals on file against the Township. The Township has estimated the potential exposure to the Township from such appeals is approximately \$1,000,000.

Note 15. Tax Abatements

The Township is authorized by the New Jersey Housing and Mortgage Financing Act Law of 1983, N.J.S.A. 55:14K-1 et seq. (hereinafter "HMFA Law"), and a Resolution of the Council dated March 13, 2007, to enter into property tax abatement agreements for the purpose of attracting affordable housing. The exemption of the projects from real property taxation subject to this law shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years.

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 15. Tax Abatements (continued)

For the year ended December 31, 2017, the Township abated property taxes totaling \$1,179,486 under this program, including the following tax abatement agreement that exceeded 10 percent of the total, which is the percentage the Township considers to be material for purposes of individual disclosure:

Recipient	Purpose	Amount Abated
Toll JM/Walmart	Commercial	\$ 383,385
Halls COAH Housing	Affordable Housing	557,205
Oak Creek Village I & II	Affordable Housing	<u>238,896</u>
		<u>\$ 1,179,486</u>

Note 16. Length of Service Awards Program

The Township’s length of service awards program (“LOSAP”) is reported in the Township’s trust fund Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents the of the Township come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Township elected to contribute \$1,150 for the year ended December 31, 2017 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2017, the Township contributed a total of \$17,250 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

Participant Accounts - Each participant’s account is credited with the Township’s contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Township’s creditors until distributed as benefit payments, are not available for funding the operations of the Township. The funds may also be used to pay the administrative fees charged by the Plan Administrator. Lincoln Financial Group (“Plan Administrator”), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Township’s practical involvement in

**TOWNSHIP OF EAST BRUNSWICK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 16. Length of Service Awards Program (continued)

administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

Vesting - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

Payment of Benefits - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2017 payouts of \$1,226 were made to vested participants.

Forfeited Accounts – During the year ended December 31, 2017, no accounts were forfeited.

Plan Information - Additional information about the Township's length of service awards program can be obtained by contacting the Plan Administrator.

Note 17. Subsequent Events

The Township has evaluated subsequent events through June 29, 2018, the date the financial statements were available to be issued.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF CASH - TREASURER
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2016	\$ 14,143,489	\$ 114,739
Increased By:		
Miscellaneous Revenue Not Anticipated	\$ 207,159	\$ -
Taxes Receivable	205,660,431	-
Revenue Accounts Receivable	18,711,959	-
Tax Overpayments	240,466	-
Tax Title Liens	15,768	-
Due To Other Funds	65,577,696	56,951
Various Reserves	179,368	-
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	295,538	-
Prepaid Taxes	16,523,130	-
State Grants - Receivable	-	125,728
Reserve for State Grants - Unappropriated	-	108,882
	<u>307,411,515</u>	<u>291,561</u>
	321,555,004	406,300
Decreased By:		
2017 Budget Appropriation	58,181,892	-
2016 Appropriation Reserves	1,164,171	-
Due To Other Funds	63,589,397	38,403
Tax Overpayments	314,077	-
Taxes Payable	160,374,610	-
Disbursed for Tax Appeals	743,006	-
Various Reserves	108,332	-
Reserve for State Grants - Appropriated	-	214,177
	<u>284,475,485</u>	<u>252,580</u>
Balance, December 31, 2017	<u>\$ 37,079,519</u>	<u>\$ 153,720</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 and 2016

\$ 2,000

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 13,370
Increased By:		
Senior Citizens' Deductions Per Tax		
Billings	\$ 66,000	
Veterans' Deductions Per Tax Billings	235,750	
Deductions Allowed By Tax Collector:		
Veterans' and Senior Citizens	<u>4,500</u>	
		<u>306,250</u>
		319,620
Decreased By:		
Cash Received	295,538	
Deductions Disallowed By Tax Collector:		
Veterans' and Senior Citizens	<u>14,581</u>	
		<u>310,119</u>
Balance, December 31, 2017		<u><u>\$ 9,501</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2017**

YEAR	BALANCE DECEMBER 31, 2016	2017 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	CANCELLED	TRANSFER TO TAX TITLE LIEN	BALANCE DECEMBER 31, 2017
				2016	2017				
Prior Years	\$ 1,783,945	\$ -	\$ 10,606	\$ -	\$ 1,789,997	\$ -	\$ 1,588	\$ -	2,966
2017	-	206,810,323	385,925	1,005,984	203,870,434	302,274	301,150	919	1,715,487
Total	\$ 1,783,945	\$ 206,810,323	\$ 396,531	\$ 1,005,984	\$ 205,660,431	\$ 302,274	\$ 302,738	\$ 919	\$ 1,718,453

ANALYSIS OF 2017 PROPERTY TAX LEVY

General Purpose Tax	\$ 202,699,119
Special District Taxes	4,111,204
Added & Omitted Taxes (54:4-63:1 et seq)	385,925
Total	\$ 207,196,248

TAX LEVY:

Local District School Tax	\$ 131,301,007
General County Tax	26,754,055
County Open Space Preservation	2,175,000
Due County for Added & Omitted Taxes	53,931
Fire District Taxes	28,982,986
Local Tax for Municipal Purposes	4,111,104
Municipal Open Space	42,072,907
Add: Additional Taxes Levied	381,278
Total	\$ 207,196,248

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	<u>Accrued</u>	<u>Collected</u>	Balance December 31, <u>2017</u>
Local Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 56,875	\$ 56,875	\$ -
Fees and Permits:	-	249,607	-	-
Fines and Costs:				
Municipal Court	75,222	982,612	990,841	66,993
Interest and Costs on Taxes	-	487,630	487,630	-
Interest on Investments and Deposits	-	311,833	311,833	-
MCUA Hosts Community Benefits	-	3,173,142	3,173,142	-
Hotel Tax	-	660,169	660,169	-
Recreation Fees	-	276,551	276,551	-
Sports Camp	-	40,721	40,721	-
Sports Programs	-	92,283	92,283	-
State Aid:				
Consolidated Municipal Property Tax Relief Aid	-	84,219	84,219	-
Energy Receipt Taxes	-	4,082,378	4,082,378	-
Watershed Offset Aid	-	7,567	7,567	-
Special Items of Revenue - Interlocal Agreements:				
Interlocal Agreement - Board of Education	-	3,537,360	3,537,360	-
Interlocal Service Agreement - Fire Districts 1,2, & 3	-	1,004,442	1,004,442	-
Interlocal Service Agreement - South River Radio Communications	-	124,362	124,362	-
Other Special Items:				
Utility Operating Surplus of Prior Year	-	50,000	50,000	-
Camp Fees	-	1,006,402	1,006,402	-
Sale of Assets	-	65,201	65,201	-
East Brunswick Housing Corporation	-	15,000	15,000	-
MCUA Fees - Added	-	1,202,747	1,202,747	-
Capital Surplis	-	700,000	700,000	-
Tax Abatement (PILOT)	-	742,236	742,236	-
	<u>\$ 75,222</u>	<u>\$ 18,953,337</u>	<u>\$ 18,711,959</u>	<u>\$ 66,993</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
General Government:					
Township Council:					
Other Expenses	\$ 25	\$ 75	\$ 100	\$ -	\$ 100
Office of Township Clerk:					
Salaries and Wages	121	-	121	-	121
Other Expenses	3,184	25,776	28,960	25,407	3,553
Division on Aging:					
Salaries and Wages	18,595	-	18,595	-	18,595
Other Expenses	3,978	2,161	6,139	3,343	2,796
Office of the Mayor:					
Salaries and Wages	1,250	-	1,250	-	1,250
Other Expenses	500	-	500	-	500
Office of Business Administrator:					
Other Expenses	17,675	266	17,941	265	17,676
Division of Human Resources Budg/Purch:					
Salaries and Wages	21,997	-	21,997	-	21,997
Other Expenses	15,227	1,057	16,284	1,177	15,107
Office of Assessor:					
Salaries and Wages	3,100	-	3,100	-	3,100
Other Expenses	4,919	4,101	9,020	4,368	4,652
Division of Information Services:					
Salaries and Wages	15,543	-	15,543	-	15,543
Other Expenses	9,187	42,543	51,730	47,440	4,290
Division of Finance & Treasury - Director:					
Salaries and Wages	2,071	-	2,071	-	2,071
Other Expenses	509	1,016	1,525	1,355	170
Division of Revenue Administration:					
Salaries and Wages	3,656	-	3,656	-	3,656
Other Expenses	3,006	565	3,571	2,392	1,179
Division of Planning & Engineering:					
Salaries and Wages	251	-	251	-	251
Other Expenses	1,499	-	1,499	-	1,499
Division of Engineering:					
Salaries and Wages	20,181	-	20,181	-	20,181
Other Expenses	5,426	727	6,153	341	5,812
Division of Planning:					
Salaries and Wages	50,125	-	50,125	-	50,125
Other Expenses	22,151	13,592	35,743	30,084	5,659
Township Attorney:					
Other Expenses	67,466	1,553	69,019	21,275	47,744
Labor	2,652	-	2,652	899	1,753
Division of Zoning:					
Salaries and Wages	1,000	-	1,000	-	1,000
Code Enforcement:					
Other Expenses	16,790	-	16,790	-	16,790
Office of Director of Public Safety:					
Salaries and Wages	142,383	-	142,383	-	142,383
Other Expenses	157	1,766	1,923	1,766	157
Patrol Section:					
Other Expenses	5,238	10,767	16,005	10,797	5,208
Investigation Section:					
Other Expenses	34	1,673	1,707	1,685	22
Traffic Division:					
Salaries & Wages	16,629	-	16,629	-	16,629
Other Expenses	16,968	991	17,959	1,877	16,082

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
General Government:					
Township Council:					
Administrative Section:					
Salaries and Wages	5,679	-	5,679	-	5,679
Other Expenses	47,808	10,584	58,392	24,509	33,883
Emergency Management:					
Other Expenses	2,440	36,094	38,534	37,988	546
Division of Recreation:					
Salaries and Wages	12,726	-	12,726	-	12,726
Other Expenses	13,113	463	13,576	5,102	8,474
Celebration of Public Events:					
Salaries and Wages	9,542	-	9,542	-	9,542
Other Expenses	655	94	749	94	655
Division of Youth Services:					
Salaries and Wages	12,775	-	12,775	-	12,775
Other Expenses	3,667	-	3,667	-	3,667
Daisy Recreation Program:					
Salaries and Wages	1,613	-	1,613	-	1,613
Other Expenses	10,641	2,436	13,077	1,578	11,499
Friday Night Live:					
Salaries and Wages	1,999	-	1,999	-	1,999
Other Expenses	689	-	689	-	689
Day Camps:					
Other Expenses	7,229	32,062	39,291	141	39,150
Division of Parks:					
Salaries and Wages	18,104	-	18,104	-	18,104
Other Expenses	2,071	186	2,257	402	1,855
Shade Tree Activity:					
Salaries and Wages	1,246	-	1,246	-	1,246
Other Expenses	67	-	67	-	67
Athletic Field Maintenance:					
Salaries and Wages	908	-	908	-	908
Other Expenses	2,087	-	2,087	960	1,127
Division of Sports Camp:					
Other Expenses	6,053	-	6,053	-	6,053
Division of Sports Programs:					
Salaries and Wages	11,990	-	11,990	-	11,990
Other Expenses	15,668	2,620	18,288	2,620	15,668
Division of Arts Commission:					
Salaries and Wages	2,084	-	2,084	-	2,084
Other Expenses	3,721	-	3,721	-	3,721
Community Services Act	713	-	713	-	713
Division of Public Works:					
Salaries and Wages	5,107	-	5,107	-	5,107
Other Expenses	38,210	1,266	39,476	10,418	29,058
Division of Snow Removal:					
Other Expenses	-	41,857	41,857	41,857	-
Solid Waste Management:					
Other Expenses	136,283	-	136,283	107,845	28,438

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
General Government:					
Township Council:					
Office of Recycling:					
Salaries and Wages	12,899	-	12,899	-	12,899
Other Expenses	180,810	142,450	323,260	144,418	178,842
Municipal Vehicle Maintenance:					
Salaries and Wages	20,612	-	20,612	-	20,612
Other Expenses	217,024	190,806	407,830	397,905	9,925
Public Buildings and Ground:					
Salaries & Wages	6,581	-	6,581	-	6,581
Other Expenses	3,079	4,933	8,012	7,428	584
Division of Health:					
Other Expenses	250	-	250	-	250
Municipal Court:					
Salaries & Wages	36,365	-	36,365	-	36,365
Other Expenses	17,916	2,065	19,981	2,065	17,916
Electricity	107,954	18,989	126,943	34,081	92,862
Street Lighting	171,239	9,423	180,662	36,615	144,047
Telephone & Telegraph	3,832	10,518	14,350	10,780	3,570
Natural Gas/Propane	52,524	6,018	58,542	14,416	44,126
Gasoline	187,333	36,214	223,547	51,689	171,858
Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contributions to Social Security	615,238	-	615,238	-	615,238
Contributions to Police & Firemen's Retirement System of New Jersey	3,000	-	3,000	-	3,000
Defined Contribution Retirement Program	5,523	-	5,523	-	5,523
OPERATIONS EXCLUDED FROM "CAPS"					
Sports Camps/Program Fireworks	24,512	-	24,512	-	24,512
Additional Appropriations Offset by Revenues					
Capital Improvements - Excluded from "CAPS":					
Capital Outlay for Roads & Equipment	36,418	156,228	192,646	156,228	36,418
	<u>\$ 2,571,490</u>	<u>\$ 813,935</u>	<u>\$ 3,385,425</u>	<u>\$ 1,243,610</u>	<u>\$ 2,141,815</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF INTERFUNDS RECEIVABLE (PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Cash Disbursed to Other Funds	Cash Received From Other Funds	Balance December 31, 2017
Community Development Fund	\$ 152,765	\$ 5,160	\$ 157,925	\$ -
Animal Control Fund	17	26,738	988	25,767
Trust - Payroll Fund	(6,758)	19,882,594	20,000,754	(124,918)
Trust - Other Fund	447,864	7,476,609	7,550,280	374,193
General Capital Fund	2,149,840	11,132,918	11,927,227	1,355,531
Water Utility Operating Fund	1,650	8,425,532	8,490,280	(63,098)
Swimming Pool Utility Operating Fund	(7,208)	336,269	329,082	(21)
Swimming Pool Utility Capital Fund	-	650,000	-	650,000
Parking Utility Operating Fund	(1,504)	3,346,906	2,851,070	494,332
Parking Utility Capital Fund	-	250,000	250,000	-
Police Training Utility Operating Fund	-	277,461	277,701	(240)
Sewer Utility Operating Fund	978,473	7,881,337	14,101,011	(5,241,201)
Sewer Capital Fund	-	963,000	998,259	(35,259)
Grant Fund	428,704	820,434	783,325	465,813
Total	\$ 4,143,843	\$ 61,474,958	\$ 67,717,902	\$ (2,099,101)
Interfund Receivables	\$ 4,159,313			\$ 3,365,636
Interfund Payables	(15,470)			(5,464,737)
	\$ 4,143,843			\$ (2,099,101)

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 14,849
Increased By:	
Transfers from Taxes Receivable - 2017	<u>919</u>
	15,768
Decreased By:	
Transferred to Foreclosed Property	<u>15,768</u>
Balance, December 31, 2017	<u><u>\$ -</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 1,005,984
Increased By:	
Collection of 2018 Taxes	<u>16,523,130</u>
	17,529,114
Decreased By:	
Applied to 2017 Taxes	<u>1,005,984</u>
Balance, December 31, 2017	<u><u>\$ 16,523,130</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 200,776
Increased By:	
Overpayment Created	<u>240,466</u>
	441,242
Decreased By:	
Cash Disbursements - Refunds	<u>314,077</u>
Balance, December 31, 2017	<u><u>\$ 127,165</u></u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF FIRE DISTRICT TAXES PAYABLE
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$	-
Increased By:			
2017 Levy:			
Fire District #1	\$	2,036,292	
Fire District #2		1,345,960	
Fire District #3		728,852	
		4,111,104	4,111,104
Decreased By:			
Payments			4,111,104
			4,111,104
Balance, December 31, 2017		\$	-

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$	1
Increased By:		
School Tax Levy:		
July 1, 2017 to June 30, 2018		131,301,007
		131,301,008
Decreased By:		
Payments		131,301,008
		-
Balance, December 31, 2017	\$	-

EXHIBIT A-16

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

Balance, December 31, 2016	\$	144,547
Increased By:		
General County Taxes	\$ 26,754,055	
County Open Space Preservation Taxes	2,175,000	
County Added & Omitted	53,931	
		28,982,986
		29,127,533
Decreased By:		
Payments		29,073,602
		53,931
Balance, December 31, 2017	\$	53,931

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Description</u>	Balance December 31, <u>2016</u>	Reserve <u>Increase</u>	Reserve <u>Decrease</u>	Balance December 31, <u>2017</u>
Accounts Payable:				
Vendor Accounts Payable	\$ 38,882	\$ 91,660	\$ 250	\$ 130,292
Due to State of New Jersey:				
Marriage License Filing Fees	975	5,686	5,686	975
State Training Fees	38,231	81,586	102,396	17,421
Reserve For:				
Public Defender	23,659	-	-	23,659
Recreation/Parks Refunds	-	436	-	436
	<u>\$ 101,747</u>	<u>\$ 179,368</u>	<u>\$ 108,332</u>	<u>\$ 172,783</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX APPEALS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 1,010,455
Increased By:	
Transfer from Fund Balance	<u>732,551</u>
	1,743,006
Decreased By:	
Cash Disbursements	<u>743,006</u>
Balance, December 31, 2017	<u><u>\$ 1,000,000</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	2017 Budget Revenue <u>Realized</u>	<u>Received</u>	Transfer From Unappropriated <u>Reserves</u>	Balance December 31, <u>2017</u>
Federal Grants:					
Federal Emergency Management Grant	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
State Grants:					
Drive Sober/ Get Pulled Over	6,625	7,500	11,578	-	2,547
Clean Communities Program	-	112,000	-	112,000	-
Click It Or Ticket Program	1,075	-	-	-	1,075
Handicapped Recreation Grant (ROID)	22,764	20,000	-	-	42,764
Municipal Court Alcohol Ed & Rehab	22,070	38,000	10,101	-	49,969
Body Armor	-	7,236	-	7,236	-
Aggressive Driver Enforcement	5,000	-	-	-	5,000
Hazard Mitigation Grant	250,000	-	198,772	-	51,228
Municipal Alliance Grant	23,281	46,350	42,781	-	26,850
Autism Speaks Grant	-	5,000	5,000	-	-
Distracted Driving Crackdown	-	5,500	4,620	-	880
Pedestrian Safety Enforcement & Education	600	7,000	-	-	7,600
Local Grants:					
County of Middlesex- Senior Citizens Aging	3,939	17,000	17,005	-	3,934
E.B. Daisy Association	6,643	28,000	34,643	-	-
	<u>\$ 346,997</u>	<u>\$ 293,586</u>	<u>\$ 324,500</u>	<u>\$ 119,236</u>	<u>\$ 196,847</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	Grants <u>Received</u>	Transferred to Grants <u>Receivable</u>	Balance December 31, <u>2017</u>
Clean Communities Program	\$ 23,732	\$ 95,713	\$ 112,000	\$ 7,445
COPS in Shops Grant	6,800	-	-	6,800
Body Armor	20,411	7,169	7,236	20,344
Impaired Driving Countermeasure Grant	8,650	-	-	8,650
County Narcotics Grant	3,845	6,000	-	9,845
	<u>\$ 63,438</u>	<u>\$ 108,882</u>	<u>\$ 119,236</u>	<u>\$ 53,084</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Transferred		Prior Year Encumbrances	Paid or Charged	Balance December 31, 2017	
		Budget	Appropriation			Encumbered	Reserved
Federal Grants:							
Federal Emergency Management Grant	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
State Grants:							
Drive Sober/ Get Pulled Over	4,475	-	5,500	-	7,978	-	1,997
Clean Communities Program	-	110,000	-	-	68,932	632	40,436
Click It Or Ticket Program	2,075	-	-	-	1,000	-	1,075
Handicapped Recreation Grant (ROID)	19,426	20,000	-	-	23,775	-	15,651
COPS in Shops	600	2,000	-	-	2,000	-	600
Municipal Court Alcohol Ed & Rehab	38,000	38,000	-	-	400	18,050	57,550
Body Armor	7,400	7,236	-	-	7,400	7,236	-
Hazard Mitigation Grant	47,400	-	-	4,217	389	-	51,228
Municipal Alliance Grant	28,823	46,350	-	8,922	52,710	776	30,609
Distracted Driving Crackdown	-	-	5,500	-	-	-	5,500
Autism Speaks Grant	-	-	5,000	-	4,620	-	380
Pedestrian Safety Enforcement & Education	380	-	7,000	-	-	-	7,380
Local Grants:							
Matching Grant	2,675	3,000	-	-	-	-	5,675
County of Middlesex- Senior Citizen Aging	1	17,000	-	-	16,973	-	28
E.B. Daisy Association	-	28,000	-	-	28,000	-	-
Total	\$ 156,255	\$ 271,586	\$ 23,000	\$ 13,139	\$ 214,177	\$ 26,694	\$ 223,109

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF INTERFUNDS RECEIVABLE (PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Current Fund</u>	<u>Trust Other</u>	<u>General Capital</u>
Balance, December 31, 2016	\$ (428,704)	\$ -	\$ 200,000
Increased By:			
Cash Received:			
Grants Receivable	\$ 125,728	\$ 19,950	\$ 198,772
Grants Unappropriated	<u>102,882</u>	<u>-</u>	<u>-</u>
	<u>228,610</u>	<u>19,950</u>	<u>198,772</u>
	(200,094)	19,950	398,772
Decreased By:			
Cash Expended:			
Grants - Appropriated	227,316	-	-
Interfund Returned	<u>38,403</u>	<u>-</u>	<u>389</u>
	<u>265,719</u>	<u>-</u>	<u>389</u>
Balance, December 31, 2017	<u>\$ (465,813)</u>	<u>\$ 19,950</u>	<u>\$ 398,383</u>

TRUST FUND SCHEDULES

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**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
TRUST FUND
SCHEDULE OF GENERAL TRUST FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Animal Control <u>Trust Fund</u>	Community Development Trust <u>Fund</u>	Payroll Trust <u>Fund</u>	Trust Other <u>Fund</u>
Balance, December 31, 2016	\$ 72,819	\$ 148,331	\$ (68,754)	\$ 4,603,757
Increased By Receipts:				
Received from Other Funds	891	30,159	19,423,598	5,078,662
License Fees	50,686	-	-	-
Receipts for Shared Service Agreements	24,541	-	-	-
State Registration Fees	4,549	-	-	-
Impound Fees	8,950	-	-	-
Community Development Block Grants Receivable	-	45,024	-	-
Receipts Against Appropriations	-	1,775	-	-
Payroll Deductions Payable	-	-	14,570,924	-
Reserve for Special Deposits	-	-	-	7,622,869
	<u>89,617</u>	<u>76,958</u>	<u>33,994,522</u>	<u>12,701,531</u>
	<u>162,436</u>	<u>225,289</u>	<u>33,925,768</u>	<u>17,305,288</u>
Decreased By Disbursements:				
Disbursed to Other Funds	908	157,924	18,342,179	1,866,190
Expenditures Under R.S. 4:19-15.11	39,843	-	-	-
State Department of Health	4,612	-	-	-
Community Development Block Grant Expenditures	-	58,535	-	-
Payroll Deductions Payable	-	-	14,555,680	-
Reserve for Special Deposits	-	-	-	9,991,182
	<u>45,363</u>	<u>216,459</u>	<u>32,897,859</u>	<u>11,857,372</u>
Balance, December 31, 2017	<u>\$ 117,073</u>	<u>\$ 8,830</u>	<u>\$ 1,027,909</u>	<u>\$ 5,447,916</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL TRUST FUND
SCHEDULE OF GENERAL TRUST FUND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$	6,295,916
Increased By:			
Investments Purchased	8,065,366		
Township Contributions & Appreciation of Investments	67,131		
			8,132,497
			14,428,413
Decreased By:			
Investments Redeemed	3,709,725		
Charges & Withdrawals	2,766		
			3,712,491
Balance, December 31, 2017		\$	10,715,922

	<u>Analysis of Investments</u>		<u>Amount</u>
Investments in Length of Service Award Program		\$	352,729
Investments in Bond Anticipation Notes			7,065,366
Investments in Excess Benefit Fund			3,297,827
		\$	10,715,922

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 ANIMAL CONTROL TRUST FUND
 SCHEDULE OF INTERFUNDS PAYABLE
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$	17
Increased By:		
Cash Received on-behalf of Current Fund		26,658
		26,675
Decreased By:		
Cash Disbursements		908
Balance, December 31, 2017	\$	25,767

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE DUE TO STATE DEPARTMENT OF HEALTH
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$	75
Increased By:		
State Dog License Fees Collected		<u>4,549</u>
		4,624
Decreased By:		
Payments to State of New Jersey		<u>4,612</u>
Balance, December 31, 2017	<u>\$</u>	<u>12</u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 ANIMAL CONTROL TRUST FUND
 SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 72,205
Increased By:		
Receipts from Shared Service Agreements	\$ 24,541	
Miscellaneous Receipts	8,950	
Animal Control Fees Collected	50,686	
		84,177
		156,382
Decreased By:		
Expenditures Under R.S. 4:19-15.11	39,843	
Due to Current Fund	25,767	
		65,610
Balance, December 31, 2017		\$ 90,772

License Fees Collected

<u>Year</u>	<u>Amount</u>
2016	\$ 51,842
2015	38,930
	\$ 90,772

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
COMMUNITY DEVELOPMENT TRUST FUND
SCHEDULE OF INTERFUNDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$	174,665
Increased By:		
Cash Receipts		30,159
		204,824
Decreased By:		
Cash Disbursements		157,924
Balance, December 31, 2017	\$	46,900
Due to Trust Other Fund	\$	21,900
Due to General Capital		25,000
	\$	46,900

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
COMMUNITY DEVELOPMENT TRUST FUND
SCHEDULE OF GRANTS RECEIVABLE - DUE FROM MIDDLESEX COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 54,077
Increased By:	
Grant Awards	<u>95,774</u>
	149,851
Decreased By:	
Cash Receipts	<u>45,024</u>
Balance, December 31, 2017	<u><u>\$ 104,827</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
COMMUNITY DEVELOPMENT TRUST FUND
SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	Balance December 31, <u>2017</u>
Historical District - Land	\$ 63	\$ -	\$ (63)	\$ -	\$ -
Holiday Food Basket	21	-	-	-	21
Museum Roof Replacement	833	-	(722)	-	111
Museum Improvements	941	-	(941)	-	-
Crystal Springs	16	-	(16)	-	-
DC Scholarships	7	-	(7)	-	-
Department of Aging Senior Program	1,900	2,500	-	1,807	2,593
Parks & Recreation Building ADA Entrance	8,661	9,000	(1,874)	11,183	4,604
Historical Society Roof Replacement	840	2,400	-	-	3,240
Hardenburg Improvements	14,461	1,775	3,623	16,189	3,670
Camp Daisy Improvements	-	31,000	-	-	31,000
Museum Improvements	-	18,874	-	4,356	14,518
Park Improvements	-	25,000	-	25,000	-
Food Pantry at St. Vincent	-	2,500	-	-	2,500
Aldersgate Crisis Room	-	2,000	-	-	2,000
Food Pantry at Dunhams Corner	-	2,500	-	-	2,500
	<u>\$ 27,743</u>	<u>\$ 97,549</u>	<u>\$ -</u>	<u>\$ 58,535</u>	<u>\$ 66,757</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PAYROLL TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 16,755
Increased By:	
Cash Receipts	<u>14,570,924</u>
	14,587,679
Decreased By:	
Cash Disbursements	<u>14,555,680</u>
Balance, December 31, 2017	<u><u>\$ 31,999</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL TRUST FUND
SCHEDULE OF RESERVE FOR SPECIAL DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2017</u>
Planning:				
Shade Tree & Landscaping	\$ 6,539	\$ -	\$ 1,100	\$ 5,439
Road Opening	202,539	8,200	10,000	200,739
Insurance:				
Advanced Dental	248,132	34,085	66,643	215,574
Misc. Self Insurance	598,718	2,980,578	755,243	2,824,053
Public Safety:				
Drunk Driving Enforcement	106,081	25,361	37,819	93,623
Municipal Court P.O.A.A.	19,064	1,126	-	20,190
Police Quasi	89,196	1,311,969	1,276,290	124,875
Intergovernment:				
Bid Deposits	124,764	5,900	2,600	128,064
Abandoned/Vacant Prop Code Enforcement	-	24,216	-	24,216
Construction Inspections	1,799,827	1,581,179	1,631,922	1,749,084
Developer's Contributions	79,934	30,000	11,272	98,662
Housing Trust	916,222	187,906	296,270	807,858
Mayor's Charity Fund	24,368	24,655	22,602	26,421
Premium - Tax Sale	1,704,148	1,457,000	1,420,400	1,740,748
Recreation	72,545	57,073	54,500	75,118
Reallocation - 98 Projects	135,611	-	37,043	98,568
Reserve for Outstanding Checks Canceled	49,337	627	-	49,964
Reserve for Public Assistance	4,864	-	-	4,864
Substance Abuse Prevention	1,387	-	-	1,387
Tree Bank Escrow	103,361	125,000	17,630	210,731
Veteran's Deposit	1,018	1,400	806	1,612
Collector's Redemption	101,719	1,297,223	1,300,149	98,793
Accumulated Absences	198,167	-	-	198,167
Storm Recovery Trust Fund	331,868	-	-	331,868
Disposal Forfeited Property	41,662	15,671	14,540	42,793
Developer's Escrow	2,311,279	464,456	573,748	2,201,987
Older Americans Act	78,340	46,244	41,892	82,692
Commodity Resale System	778,332	311,313	50,400	1,039,245
	<u>\$ 10,129,022</u>	<u>\$ 9,991,182</u>	<u>\$ 7,622,869</u>	<u>\$ 12,497,335</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 807,549
Increased By:	
Due from Current Fund - Open Space Tax	<u>381,278</u>
	1,188,827
Decreased By:	
Due to Current Fund - Anticipated as Revenue	<u>500,000</u>
Balance, December 31, 2017	<u><u>\$ 688,827</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL TRUST FUND
SCHEDULE OF INTERFUNDS RECEIVABLE (PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Cash Disbursed to Other Funds	Cash Received From Other Funds	Other	Balance December 31, 2017
Current Fund	\$ (447,864)	\$ 3,248,023	\$ 3,691,304	\$ 516,952	\$ (374,193)
Grant Fund	-	-	-	(19,950)	(19,950)
General Capital Fund	4,111,796	-	-	(4,109,795)	2,001
Water Utility Operating Fund	(4,487)	-	-	4,320	(167)
Sewer Utility Operating Fund	(5,328)	5,328	-	(162)	(162)
Assessment Trust Fund	(53,125)	-	-	-	(53,125)
CDBG Trust Fund	21,900	-	-	-	21,900
Payroll Trust Fund	197	-	197	1,096,576	1,096,576
Total	\$ 3,623,089	\$ 3,253,351	\$ 3,691,501	\$ (2,512,059)	\$ 672,880
Interfund Receivables	\$ 4,133,893				\$ 1,120,477
Interfund Payables	(510,804)				(447,597)
	<u>\$ 3,623,089</u>				<u>\$ 672,880</u>

GENERAL CAPITAL FUND

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**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 2,207,487
Increased By:		
Premium Received on Sale of		
Bond Anticipation Notes	\$ 231,660	
Proceeds from Sale of Bond Anticipation Notes	36,105,000	
Various Reserves	344,366	
Investments Redeemed	15,257,425	
Received on Behalf of Other Funds	12,756,140	
Various Grants & Other Receivables	4,949,710	
	69,644,301	
		71,851,788
Decreased By:		
Disbursed to Other Funds	11,043,332	
Improvement Authorizations	7,807,042	
Redemption of Bond Anticipation Notes	37,803,050	
Various Reserves	2,943,559	
Investments Purchased	10,979,118	
	70,576,101	
Balance, December 31, 2017		\$ 1,275,687

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL FUND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 13,367,425
Increased By:	
Investments Purchased	<u>10,979,118</u>
	24,346,543
Decreased By:	
Investments Redeemed	<u>15,257,425</u>
Balance, December 31, 2017	<u><u>\$ 9,089,118</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

		Balance December 31, <u>2017</u>
Fund Balance		\$ 432,642
Capital Improvement Fund		771
Various Reserves		1,210,892
Accounts Payable		9,127
Due from Other Funds		(70,000)
Due to Other Funds		1,755,915
Grants, Loans & Other Receivables		(130,000)
Investments		(9,089,118)
<u>Ordinance</u>		
<u>Number</u>		
06-08	Improvements to Heavenly Farms' Multi-Use Fields	219,575
06-09	Various Capital Improvements (NJEP \$127,000, NJDOT \$200,000)	18,869
07-09	Various Capital Improvements	105,660
08-14	Various Capital Improvements	78,880
09-02	Various Capital Improvements	91,856
10-01	Various Capital Improvements	156,305
10-07	Various Capital Improvements	456,399
10-26	Acquisition of Land & Improvements	120,569
11-01	Various Capital Improvements	174,872
11-22	Communication System Upgrade	33,109
12-04	Various Capital Improvements	242,626
13-01	Suppl, Appopr, Communication System Upgrade	(200,000)
13-11	Various Capital Improvements	129,704
13-17	Equipment and Vehicles	32,396
13-25	Acquisition and Improvements	500,788
14-01	Various Capital Improvements	265,637
15-02	Various Capital Improvements	814,563
15-30	Various Capital Improvements	51,360
16-07	Various Capital Improvements	65,257
17-18	Various Capital Improvements	3,181,133
17-37	Various Capital Improvements	615,900
		\$ 1,275,687
		\$ 1,275,687

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS GRANTS, LOANS AND OTHER RECEIVABLES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Ordinance Number	Balance December 31, 2016	Increases	Decreases	Balance December 31, 2017
Receivables:					
State of NJ DOT Grant		\$ 75,000	\$ -	\$ 75,000	\$ -
Department of Homeland Security	07-09	50,000	-	-	50,000
Green Acres Trust Fund	17-18	-	80,000	-	80,000
Comcast Cable Company	17-18	-	28,000	28,000	-
Subtotal		125,000	108,000	103,000	130,000
Receivables with Reserves:					
State of NJ DOT:					
Various Roads	09-02	38,576	-	-	38,576
Harts Lane	09-14	118,750	-	-	118,750
Fresh Ponds Road Resurfacing	15-02	250,000	-	227,917	22,083
Church Lane	15-30	238,500	-	212,625	25,875
University Road	17-18	-	300,000	225,000	75,000
Various Capital Improvements	17-37	-	280,000	-	280,000
East Brunswick Board of Education	Various	13,025,242	1,155,000	3,412,453	10,767,789
East Brunswick Fire District	Various	11,571,000	1,425,000	768,000	12,228,000
East Brunswick Rescue Squad		103,570	-	715	102,855
Subtotal		25,345,638	3,160,000	4,846,710	23,658,928
Total		\$ 25,470,638	\$ 3,268,000	\$ 4,949,710	\$ 23,788,928

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Improvement Description	Balance December 31, 2016	2017 Authorizations	Bond Anticipation Notes (Net)	Balance December 31, 2017	Analysis of Balance		
						Bond Anticipation Notes	Expended	Unexpended Balance of Improv. Auth.
06-09	Various Capital Improvements	\$ 1,800,489	\$ -	\$ 1,800,000	\$ 489	\$ -	\$ 489	\$ -
07-09	Various Capital Improvements	1,501,150	-	500,000	1,001,150	1,000,000	-	1,150
08-14	Various Capital Improvements	1,000,028	-	300,000	700,028	700,000	-	28
09-02	Various Road Improvements	925,000	-	200,000	725,000	725,000	-	-
10-01	Multi Purpose	1,940,000	-	140,000	1,800,000	1,800,000	-	-
10-07	Construct Special Needs Fields	1,150,000	-	150,000	1,000,000	1,000,000	-	-
10-26	Acquisitions/ Improvements	1,200,000	-	200,000	1,000,000	1,000,000	-	-
11-01	Various Capital Improvements	1,900,000	-	150,000	1,750,000	1,750,000	-	-
11-22	Various Capital Improvements	2,250,000	-	650,000	1,600,000	1,600,000	-	-
12-04	Various Capital Improvements	1,217,000	-	117,000	1,100,000	1,100,000	-	-
12-11	FD #3 Renovations	1,800,000	-	100,000	1,700,000	1,700,000	-	-
13-01	Suppl. Approp. Comm. System Upgrade	200,000	-	-	200,000	-	200,000	-
13-11	Various Capital Improvements	1,061,075	-	161,000	900,075	900,000	-	75
13-17	Acquisition PW Equipment & Vehicles	790,000	-	200,000	590,000	590,000	-	-
13-23	New Fire Engine	642,000	-	110,000	532,000	532,000	-	-
13-25	Bikeway and Phone System	600,000	-	200,000	400,000	400,000	-	-
14-01	General Capital Improvements	2,540,000	-	100,000	2,440,000	2,440,000	-	50,000
15-02	Various Capital Improvements	2,906,050	-	6,050	2,900,000	2,900,000	-	-
15-08	East Brunswick Board of Ed Interlocal	4,640,000	-	1,160,000	3,480,000	3,480,000	-	-
15-30	Various Equipment	2,048,579	-	320,500	1,728,079	1,728,000	-	79
16-07	Various Capital Improvements	1,243,507	-	178,500	1,065,007	1,065,000	-	7
16-10	EBBOE Shared Services	6,200,000	-	1,240,000	4,960,000	4,960,000	-	-
17-18	Various Capital Improvements	-	5,535,000	-	5,535,000	3,685,000	-	1,850,000
17-31	EBBOE Shared Services	-	1,100,000	-	1,100,000	1,100,000	-	-
17-37	Various Capital Improvements	-	3,974,994	-	3,974,994	-	-	3,974,994
17-38	Phase I Various Redevelopment Projects	-	1,000,000	-	1,000,000	-	-	1,000,000
17-39	Various Shared Services with Fire District #2	-	800,000	-	800,000	-	-	800,000
		\$ 39,554,878	\$ 12,409,994	\$ 7,983,050	\$ 43,981,822	\$ 36,105,000	\$ 200,489	\$ 7,676,333

TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 GENERAL CAPITAL FUND
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Improvement Authorizations - Unfunded		\$ 11,600,650
	Less: Unexpended Proceeds of BANS - Issued		
06-08	Improv. To Heavenly Farms Fields		219,575
07-09	Various Capital Improvements		105,660
08-14	Various Capital Improvements		78,880
09-02	Various Road Improvements		91,856
10-01	Multi Purpose		156,305
10-07	Construct Special Needs Fields		456,399
10-26	Acquisitions/ Improvements		120,569
11-01	Various Capital Improvements		174,872
11-22	Various Capital Improvements		33,109
12-04	Various Capital Improvements		242,626
13-11	Various Capital Improvements		129,704
13-17	Acquisition PW Equipment & Vehicles		32,396
13-25	Bikeway and Phone System		451,477
14-01	General Capital Improvements		160,220
15-02	Various Capital Improvements		789,348
15-30	Various Equipment		51,360
16-07	Various Capital Improvements		62,605
17-18	Various Capital Improvements		567,356
			\$ 7,676,333

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 11,457,000
Decreased By:	
2017 Budget Appropriation to Pay Bonds	<u>895,000</u>
Balance, December 31, 2017	<u><u>\$ 10,562,000</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF INTERFUNDS RECEIVABLE (PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Cash Disbursed to Other Funds	Cash Received From Other Funds	Balance December 31, 2017
Current Fund	\$ (2,149,840)	\$ 11,927,227	\$ 11,132,918	\$ (1,355,531)
Grant Fund	(200,000)	389	198,772	(398,383)
Water Utility Capital Fund	-	375,000	350,000	25,000
Sewer Utility Capital Fund	-	220,000	200,000	20,000
Parking Utility Capital Fund	190,000	-	190,000	-
Trust - Community Development	-	25,000	-	25,000
Other Trust Fund	(4,111,796)	4,794,245	684,450	(2,001)
	<hr/>			
Total	\$ (6,271,636)	\$ 17,341,861	\$ 12,756,140	\$ (1,685,915)
	<hr/>			
Interfund Receivables	\$ 190,000			\$ 70,000
Interfund Payables	(6,461,636)			(1,755,915)
	<hr/>			
	\$ (6,271,636)			\$ (1,685,915)
	<hr/>			

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 771
Increased by:	
Budget Appropriation	30,000
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>30,000</u>
Balance, December 31, 2017	<u><u>\$ 771</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Improvement Description	Number	Original Note Amount	Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
Various Capital Improvements	06-09	5,300,000	05/11/06	01/12/17	01/12/18	1.190%	\$ 1,800,000	\$ -	\$ 1,800,000	\$ -
Various Capital Improvements	07-09	2,588,000	01/03/08	01/12/17	03/15/18	1.160%	1,500,000	1,000,000	1,500,000	1,000,000
Various Capital Improvements	08-14	1,787,000	10/07/09	03/15/17	03/15/18	1.160%	1,000,000	700,000	1,000,000	700,000
Various Road Improvements	09-02	1,500,000	10/07/09	03/15/17	03/15/18	1.160%	925,000	725,000	925,000	725,000
Multi Purpose	10-01	2,340,000	04/24/10	03/15/17	03/15/18	1.160%	1,940,000	1,800,000	1,940,000	1,800,000
Construct Special Needs Fields	10-07	1,620,000	10/05/10	03/15/17	03/15/18	1.160%	1,150,000	1,000,000	1,150,000	1,000,000
Acquisitions/ Improvements	10-26	1,755,000	01/06/11	01/12/17	01/12/18	1.190%	1,200,000	1,000,000	1,200,000	1,000,000
Various Capital Improvements	11-01	2,347,000	09/29/11	03/15/17	03/15/18	1.160%	1,900,000	1,750,000	1,900,000	1,750,000
Upgrade Communication System	11-22	4,385,000	04/10/12	03/15/17	03/15/18	1.160%	2,250,000	1,600,000	2,250,000	1,600,000
Various Capital Improvements	12-04	1,417,000	08/06/12	03/15/17	03/15/18	1.160%	1,217,000	1,100,000	1,217,000	1,100,000
FD #3 Renovations	12-11	500,000	01/14/14	01/12/17	01/12/18	1.190%	300,000	200,000	300,000	200,000
FD #3 Renovations	12-11	1,500,000	07/19/17	07/19/17	07/19/18	2.500%	-	1,500,000	-	1,500,000
Various Capital Improvements	13-11	1,161,075	07/31/13	03/15/17	03/15/18	1.160%	1,061,000	900,000	1,061,000	900,000
Acquisition PW Equipment & Vehicles	13-17	890,000	01/14/14	01/12/17	01/12/18	1.190%	790,000	590,000	790,000	590,000
New Fire Engine	13-23	750,000	01/14/14	01/12/17	01/12/18	1.190%	642,000	532,000	642,000	532,000
Bikeway and Phone System	13-25	717,000	03/21/14	03/15/17	03/15/18	1.160%	600,000	400,000	600,000	400,000
General Capital Improvements	14-01	2,490,000	07/30/14	03/15/17	03/15/18	1.160%	2,490,000	2,390,000	2,490,000	2,390,000
Various Capital Improvements	15-02	2,900,000	07/28/15	07/19/17	07/19/18	2.500%	2,906,050	2,900,000	2,906,050	2,900,000
East Brunswick Board of Ed Interlocal	15-08	5,800,000	07/28/15	07/19/17	07/19/18	2.500%	4,640,000	3,480,000	4,640,000	3,480,000
Various Equipment	15-30	2,048,500	01/14/16	01/12/17	01/12/18	1.190%	2,048,500	1,728,000	2,048,500	1,728,000
Various Capital Improvements	16-07	1,243,500	07/27/16	07/19/17	07/19/18	2.500%	1,243,500	1,065,000	1,243,500	1,065,000
EBBOE Shared Services	16-10	6,200,000	07/27/16	07/19/17	07/19/18	2.500%	6,200,000	4,960,000	6,200,000	4,960,000
Various Capital Improvements	17-18	3,685,000	07/19/17	07/19/17	07/19/18	2.500%	-	3,685,000	-	3,685,000
Various Shared Services Cap. Improvements	17-31	1,155,000	10/19/17	10/19/17	10/19/18	2.250%	-	1,100,000	-	1,100,000
							\$ 37,803,050	\$ 36,105,000	\$ 37,803,050	\$ 36,105,000

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance, December 31, 2016		2017 Authorizations	Transfers and Adjustments	Expended	Authorizations Cancelled	Balance, December 31, 2017	
				Funded	Unfunded					Funded	Unfunded
06-08	Improvements to Heavenly Farms' Multi-Use Fields	03/27/06	\$ 3,000,000	\$ -	\$ 221,004	\$ -	\$ -	\$ 1,429	\$ -	\$ -	\$ 219,575
06-09	Various Capital Improvements (NJEP \$127,000, NJDOT \$200,000)	03/27/06	6,720,015	-	414,670	-	(1,892)	143,420	(250,000)	19,358	-
07-09	Various Capital Improvements	04/16/07	3,285,650	-	221,045	-	(2,312)	111,923	-	-	106,810
08-14	Various Capital Improvements	07/07/08	3,202,240	-	198,972	-	(5,846)	114,218	-	-	78,908
09-02	Various Capital Improvements	01/26/09	2,050,000	-	130,856	-	-	39,000	-	-	91,856
10-01	Various Capital Improvements	02/08/10	2,580,000	-	159,985	-	(3,680)	-	-	-	156,305
10-07	Various Capital Improvements	04/24/10	3,681,700	-	809,990	-	3,664	357,255	-	-	456,399
10-26	Acquisition of Land & Improvements	12/06/10	3,512,000	-	143,370	-	(22,801)	-	-	-	120,569
11-01	Various Capital Improvements	02/28/11	3,435,500	-	142,005	-	32,867	-	-	-	174,872
11-22	Communication System Upgrade	12/05/11	5,100,000	-	33,109	-	-	-	-	-	33,109
12-04	Various Capital Improvements	03/26/12	1,910,000	-	260,287	-	-	17,661	-	-	242,626
12-11	Fire District #3 Improvements	07/30/12	2,000,000	-	1,498,720	-	-	1,498,720	-	-	-
13-11	Various Capital Improvements	04/22/13	1,600,955	-	204,449	-	-	1,670	(73,000)	-	-
13-17	Equipment and Vehicles	06/24/13	1,034,400	-	45,356	-	-	12,960	-	-	129,779
13-25	Acquisition and Improvements	11/25/13	817,000	-	49,311	-	-	-	-	49,311	32,396
14-01	Various Capital Improvements	02/24/14	3,100,000	-	250,720	-	-	40,500	-	105,417	210,220
15-02	Various Capital Improvements	02/09/15	3,451,050	-	862,804	-	-	114,370	-	25,215	789,348
15-30	Various Capital Improvements	11/09/15	2,667,079	-	56,328	-	-	4,889	-	-	51,439
16-07	Various Capital Improvements	04/11/16	1,433,507	-	266,772	-	(40,000)	164,160	-	2,652	62,612
17-18	Various Capital Improvements	03/13/17	9,061,000	-	-	9,061,000	-	4,029,867	-	2,613,777	2,417,356
17-31	Shared Services EBBOE	08/14/17	1,155,000	-	-	1,155,000	-	1,155,000	-	-	-
17-37	Various Capital Improvements	11/27/17	4,590,894	-	-	4,590,894	-	-	-	615,900	3,974,994
17-38	Phase I Various Redevelopment Projects	11/27/17	1,000,000	-	-	1,000,000	-	-	-	-	1,000,000
17-39	Various Shared Services with Fire District #2	11/27/17	800,000	-	-	800,000	-	-	-	-	800,000
				223,509	6,371,919	16,606,894	(40,000)	7,807,042	(323,000)	3,431,630	11,600,650
	Deferred Charges - Unfunded					15,297,994					
	NJDOT Grants					580,000					
	NJ State Recycling Aid					285,000					
	Green Acres Trust					80,000					
	Comcast Cable Company					28,000					
	Down Payment on Improvements					335,900					
						16,606,894					

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance <u>December 31, 2016</u>	Increases	Decreases	Balance <u>December 31, 2017</u>
Reserve for:				
Cash for appropriated reserve				
Fern Road Bridge	\$ 43,548	\$ -	\$ -	\$ 43,548
Drain Improvements	4,801	-	-	4,801
Edgeboro Road Improvements	1,295,361	-	1,290,000	5,361
Recycling Improvements	181,378	196,062	365,000	12,440
Community Arts Center	102,636	23,474	-	126,110
6th Avenue Remediation	32,739	-	-	32,739
Road Resurfacing- Windsong	51,445	-	-	51,445
Snowstorm Repairs	874,774	-	687,750	187,024
Handicapped Parking	1,508	-	-	1,508
Recycling Debt	71,323	88,515	115,500	44,338
Turnpike Sound Walls	200,000	-	200,000	-
Foeter Farms	18,572	-	-	18,572
Reserve for Debt Service	500,000	-	250,309	249,691
Reserve for Down Payments	413,000	-	-	413,000
Rues Lane Traffic Signal Improvements	15,000	-	-	15,000
Hardenburg Lane Intersection Improvements	4,000	-	-	4,000
Fern Road/Cranbury Road Intersection	-	36,315	35,000	1,315
	<u>\$ 3,810,085</u>	<u>\$ 344,366</u>	<u>\$ 2,943,559</u>	<u>\$ 1,210,892</u>

TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity Dates</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance</u>	
						<u>December 31, 2016</u>	<u>December 31, 2017</u>
General Obligation Bonds	3/15/2013	\$ 14,032,000	03/15/18	\$ 905,000	2.000%	\$ 11,457,000	\$ 10,562,000
			03/15/19	950,000	2.000%		
			03/15/20	950,000	2.000%		
			03/15/21	825,000	2.000%		
			03/15/22	525,000	2.000%		
			03/15/23	535,000	3.000%		
			03/15/24	550,000	3.000%		
			03/15/25	565,000	3.000%		
			03/15/26	575,000	3.000%		
			03/15/27	590,000	3.000%		
			03/15/28	590,000	3.000%		
			03/15/29	600,000	3.000%		
			03/15/30	610,000	3.000%		
			03/15/31	615,000	3.000%		
			03/15/32	629,000	3.000%		
			03/15/33	548,000	3.000%		
						\$ 11,457,000	\$ 10,562,000
						\$ 895,000	\$

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	<u>Improvement Description</u>	Balance December 31, 2016	2017 Authorizations	Bond Anticipation Notes Issued	Balance December 31, 2017
06-09	Various Capital Improvements	\$ 489	-	-	\$ 489
07-09	Various Capital Improvements	1,150	-	-	1,150
08-14	Various Capital Improvements	28	-	-	28
12-11	Fire District #3 Improvements	1,500,000	-	-	-
13-01	Suppl. Apprpr. Communications System Upgrade	200,000	-	1,500,000	200,000
13-11	Various Capital Improvements	75	-	-	75
14-01	Various Capital Improvements	50,000	-	-	50,000
15-30	Various Capital Improvements	79	-	-	79
16-07	Various Capital Improvements	7	-	-	7
17-18	Various Capital Improvements	-	5,535,000	3,685,000	1,850,000
17-31	Various Shared Services Capital Improvements	-	1,100,000	1,100,000	-
17-37	Various Capital Improvements	-	3,974,994	-	3,974,994
17-38	Phase I of Various Redevelopment Projects	-	1,000,000	-	1,000,000
17-39	Various Shared Services Capital Improvements	-	800,000	-	800,000
		<u>\$ 1,751,828</u>	<u>\$ 12,409,994</u>	<u>\$ 6,285,000</u>	<u>\$ 7,876,822</u>

WATER UTILITY FUND

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**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY FUND
SCHEDULE OF CASH & INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2016	\$ 2,728,660	\$ 1,036,473
Increased by Receipts:		
Consumer Accounts Receivable	\$ 7,322,096	\$ -
Connection Fees	349,065	-
Miscellaneous Revenue - Non-Budget	152,783	-
Water Rent Overpayments	56,884	-
Various Reserves	81,730	-
Cash Received From Other Funds	2,565,574	795,878
Premium Received on Sales of Notes	-	34,242
Proceeds From Sale of Bond Anticipation Notes	-	2,900,000
	<u>10,528,132</u>	<u>3,730,120</u>
	13,256,792	4,766,593
Decreased by Disbursements:		
Budget Expenditures	9,014,571	-
Appropriation Reserves	1,361,925	-
Various Reserves	278,614	-
Cash Disbursed to Other Funds	940,389	354,736
Redemption of Bonds Anticipation Notes	-	2,900,000
Improvement Authorizations	-	23,603
	<u>11,595,499</u>	<u>3,278,339</u>
Balance, December 31, 2017	<u>\$ 1,661,293</u>	<u>\$ 1,488,254</u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF ANALYSIS OF WATER UTILITY FUND CAPITAL CASH
 FOR THE YEARS ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2017</u>
Fund Balance	\$ 397,253
Capital Improvement Fund	264,965
Reserve for Debt Service	207,199
Reserve for Specific Expenditures	40,405
Investments	(1,101,760)
Due to Other Funds	25,000

Improvement Description

<u>Ordinance Number</u>	<u>Description</u>	
09-08	Various Water Main Improvements	477,680
12-12	Installation of Crosstown Water Line	4,828
14-12	Various Water Line Replacements	70,924
		\$ 386,494
		\$ 386,494

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 763,207
Increased By:		
Water Rents Levied (Net of Adjustment)		<u>7,062,624</u>
Subtotal		7,825,831
Decreased By:		
Collections	\$ 7,322,096	
Overpayments Applied	46,787	
Cancelled	<u>21,800</u>	
		<u>7,390,683</u>
Balance, December 31, 2017		<u><u>\$ 435,148</u></u>

TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Current Fund	Water Utility Capital Fund	Other Trust Fund	Sewer Utility Operating Fund	Sewer Utility Capital Fund	Total
Balance, December 31, 2016	\$ (1,650)	\$ 1,057	\$ 4,487	\$ 1,663,699	\$ -	\$ 1,667,593
Increased By:						
Cash Disbursed to Other Funds	<u>926,457</u>	<u>3,679</u>	<u>167</u>	<u>8,494</u>	<u>1,592</u>	<u>940,389</u>
Decreased by:						
Cash Receipts from Other Funds	<u>861,709</u>	<u>4,736</u>	<u>4,487</u>	<u>1,667,350</u>	<u>1,592</u>	<u>2,539,874</u>
Balance, December 31, 2017	<u>\$ 63,098</u>	<u>\$ -</u>	<u>\$ 167</u>	<u>\$ 4,843</u>	<u>\$ -</u>	<u>\$ 68,108</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY OPERATING FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	December 31, 2016		Modified Budget	Paid or Charged	Balance Lapsed
	<u>Reservd</u>	<u>Encumbered</u>			
Operating:					
Salaries and Wages	\$ 85,161	\$ -	\$ 85,161	\$ -	\$ 85,161
Other Expenses	284,603	122,338	406,941	120,065	286,876
Capital Improvement:					
Capital Outlay	1,202,736	39,124	1,241,860	1,241,860	-
Statutory Expenditures:					
Social Security System (O.A.S.I.)	<u>49,320</u>	<u>-</u>	<u>49,320</u>	<u>-</u>	<u>49,320</u>
	<u>\$ 1,621,820</u>	<u>\$ 161,462</u>	<u>\$ 1,783,282</u>	<u>\$ 1,361,925</u>	<u>\$ 421,357</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF OTHER LIABILITIES AND VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2017</u>
Water Operating:				
Vendor Accounts Payable	\$ 1,824	\$ 3,141	\$ -	\$ 4,965
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Reserve For:				
Connection Fees	207,830	50,000	222,858	34,972
Siding Remotes	50,400	15,600	5,400	60,600
PERS Rate Adjustment	30,255	-	30,255	-
Customer Deposits	12,611	16,130	20,101	8,640
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 301,096</u>	<u>\$ 81,730</u>	<u>\$ 278,614</u>	<u>\$ 104,212</u>
Water Capital:				
Reserve For:				
Specific Expenditures	\$ 40,405	\$ -	\$ -	\$ 40,405
Payment of Future Debt				
Service Costs	207,199	-	-	207,199
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 247,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,604</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY OPERATING FUND
SCHEDULE OF WATER RENT OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 46,787
Increased By:	
Overpayments Received	<u>56,884</u>
	103,671
Decreased By:	
Overpayments Applied	<u>46,787</u>
Balance, December 31, 2017	<u><u>\$ 56,884</u></u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 WATER UTILITY OPERATING FUND
 SCHEDULE OF ACCRUED INTEREST ON NOTES
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance - December 31, 2016	\$	39,522
Increased By:		
Accrued interest charged to Budget appropriations		31,825
		71,347
Decreased By:		
Payments		39,522
Balance - December 31, 2017	\$	31,825

Analysis of Balance - December 31, 2017

	<u>Principal Outstanding</u> <u>December 31, 2017</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Bond Anticipation Notes (Capital):						
\$	300,000	1.16%	3/15/17	12/31/17	285 days	\$ 2,755
	2,600,000	2.50%	7/19/17	12/31/17	161 days	29,070
						\$ 31,825

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY OPERATING FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance <u>December 31, 2016</u>	<u>Increases</u>	Balance <u>December 31, 2017</u>
Water Utility:			
Engineering Study	\$ 50,000	\$ -	\$ 50,000
Improvement of Water System	4,700,000	-	4,700,000
Replacement of Water Lines	1,200,000	-	1,200,000
Various Capital Improvements	4,911,923	-	4,911,923
Construction and Improvements to Water Lines	6,959,595	-	6,959,595
Expansion of Tices Lane Pump Station	1,400,000	-	1,400,000
Water Improvements Tices Lane Main	1,500,000	-	1,500,000
Construction or Acquisition of Additions, Extensions and Improvements to Water Systems	7,588,053	-	7,588,053
Purchase and acquisition of equipment	314,838	-	314,838
Construction of Water Mains	2,455,345	-	2,455,345
Various Capital Improvements	1,000,000	-	1,000,000
Water Improvements - Welsh Park Pump Station	24,815	-	24,815
Various Capital Improvements Funded Through Operating Budget	84,012	-	84,012
Various Capital Improvements	311,673	1,768,374	2,080,047
	<u>\$ 32,500,254</u>	<u>\$ 1,768,374</u>	<u>\$ 34,268,628</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Ordinance Number</u>	<u>Date</u>	<u>Improvement Description</u>	<u>Balance Dec 31, 2016</u>	<u>Balance Dec 31, 2017</u>
09-08	5/4/2009	Various Water Main Improvements	\$ 3,700,000	\$ 3,700,000
12-12	9/10/2012	Installation of Crosstown Water Line	1,250,000	1,250,000
14-12	10/27/2014	Various Water Line Replacements	2,800,000	2,800,000
17-29	8/4/2017	Various Water Utility Improvements	-	2,000,000
			<u>\$ 7,750,000</u>	<u>\$ 9,750,000</u>

TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Improvement Description	Ordinance		Balance, December 31, 2016		2017 Authorizations	Paid or Charged	Cancelled	Balance, December 31, 2017	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
09-08	Various Water Main Improvements	5/4/2009	\$ 3,700,000	\$ -	\$ 493,787	\$ -	\$ -	\$ 16,107	\$ 477,680	\$ -
12-12	Installation of Crosstown Water Line	9/10/2012	1,250,000	-	99,828	-	-	95,000	-	4,828
14-12	Various Water Line Replacements	10/27/2014	2,800,000	-	333,420	-	23,603	238,893	-	70,924
17-29	Various Water Utility Improvements	8/14/2017	2,000,000	-	-	2,000,000	-	-	-	2,000,000
				\$ -	\$ 927,035	\$ 2,000,000	\$ 23,603	\$ 350,000	\$ 477,680	\$ 2,075,752

TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES
 FOR THE YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Description	Original		Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2016	Increase	Decrease	Balance Dec. 31, 2017
		Date Issued	Amount							
12-12	Installation of Crosstown Water Line	7/30/2013	\$ 1,250,000	3/15/2017	3/15/2018	1.16%	\$ 1,000,000	\$ 300,000	\$ 1,000,000	\$ 300,000
14-12	Various Water Line Replacements	7/28/2015	2,800,000	7/19/2017	7/19/2018	2.50%	2,800,000	2,600,000	2,800,000	2,600,000
							<u>\$ 3,800,000</u>	<u>\$ 2,900,000</u>	<u>\$ 3,800,000</u>	<u>\$ 2,900,000</u>
					BAN's Redeemed			\$ -	\$ 2,900,000	
					BAN's Issued			2,900,000	-	
					Paid by Budget Appropriation			-	900,000	
							<u>\$ 2,900,000</u>	<u>\$ 2,900,000</u>	<u>\$ 3,800,000</u>	<u>\$ 2,900,000</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 289,965
Decreased By:	
Downpayment for Ordinance #17-37 in General Capital Fund	<u>25,000</u>
Balance, December 31, 2017	<u><u>\$ 264,965</u></u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 WATER UTILITY OPERATING FUND
 SCHEDULE OF RESERVE FOR AMORITIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 35,990,659
Increased by:		
Note Principal Paid by Budget Appropriation	\$ 900,000	
Capital Outlay Expenditures	<u>1,768,374</u>	
		<u>2,668,374</u>
Balance, December 31, 2017		<u><u>\$ 38,659,033</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY OPERATING FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 and 2016

\$ 459,595

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General Capital Fund</u>	<u>Water Utility Operating Fund</u>	<u>Sewer Utility Operating Fund</u>	<u>Total</u>
Balance, December 31, 2016	\$ -	\$ (1,057)	\$ 792,200	\$ 791,143
Increased by:				
Cash Disbursed to Other Funds	<u>350,000</u>	<u>4,736</u>	<u>-</u>	<u>354,736</u>
Decreased by:				
Recording Ordinances	375,000	-	-	375,000
Cash Receipts from Other Funds	<u>-</u>	<u>3,679</u>	<u>792,200</u>	<u>795,879</u>
	<u>375,000</u>	<u>3,679</u>	<u>792,200</u>	<u>1,170,879</u>
Balance, December 31, 2017	<u>\$ (25,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,000)</u>

TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2016</u>	2017 <u>Authorizations</u>	Balance December 31, <u>2017</u>
17-29	Various Water Utility Improvements	\$ -	\$ 2,000,000	\$ 2,000,000
		<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

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SWIMMING POOL UTILITY FUND

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**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Operating Fund	Capital Fund
Balance, December 31, 2016	\$ 987,032	\$ 640,893
Increased By Receipts:		
Pool Fees	\$ 1,181,696	\$ -
Food Stand Revenues	17,825	-
Non-budgeted Revenue	7,865	-
Cash receipts from other funds	7,212	1,325,698
TD Securities	-	254,000
Proceeds from Sale of Bond Anticipation Note	-	2,020,000
	1,214,598	3,599,698
Subtotal	2,201,630	4,240,591
Decreased By Disbursements:		
Budget Expenditures	1,291,127	-
Appropriation Reserves	10,674	-
Accrued Interest on Notes	6,423	-
Due to Pool Utility Capital Fund	575,698	-
Due to Water Utility Operating Fund	5	-
Due to Current Fund	21	-
Disbursed to Other Funds	-	100,000
Redemption of Bond Anticipation Note	-	2,020,000
Improvement Authorizations	-	1,606,646
	1,883,948	3,726,646
Balance, December 31, 2017	\$ 317,682	\$ 513,945

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

Description	Balance December 31, 2016	Increased	Balance December 31, 2017
Structural, Plumbing, Electrical & Chemical Improvements	\$ 70,616	\$ -	\$ 70,616
Pool Equipment - Slides	133,737	-	133,737
Family Aquatic Facility	2,558,610	-	2,558,610
Pool Equipment - Various	58,059	-	58,059
Family Aquatic Facility Capital Maintenance	325,598	-	325,598
Pool Utility Improvements	1,103,670	107,688	1,211,358
	<u>\$ 4,250,290</u>	<u>\$ 107,688</u>	<u>\$ 4,357,978</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	December 31, 2016		Balance After Modification	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
Operating:					
Salaries and Wages	\$ 23,216	\$ 3,731	\$ 26,947	\$ 3,731	\$ 23,216
Other Expenses	20,888	8,227	29,115	835	28,280
Capital Improvements:					
Capital Outlay	18,775	4,628	23,403	6,108	17,295
Total Swimming Pool Utility Fund Appropriations	\$ 62,879	\$ 16,586	\$ 79,465	\$ 10,674	\$ 68,791

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 3,549,016
Increased By:		
Capital Outlay Expenditures	\$ 107,688	
Payment of Bond Anticipation Notes	<u>355,000</u>	
		<u>462,688</u>
Balance, December 31, 2017		<u><u>\$ 4,011,704</u></u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 SWIMMING POOL UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2016		Paid or Charged	Balance December 31, 2017	
				Funded	Unfunded		Funded	Unfunded
13-24	Pool Utility Improvements	3/24/2003	1,575,000	\$ -	\$ 328,863	\$ 224,452	\$ -	\$ 104,411
14-05	Pool Utility Improvements	4/7/2014	2,125,000	-	1,512,536	1,382,194	-	130,342
				\$ -	\$ 1,841,399	\$ 1,606,646	\$ -	\$ 234,753

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2016 and 2017
13-24	Pool Utility Improvements	8/25/2008	1,575,000.00	\$ 548,726
14-05	Pool Utility Improvements	4/27/2014	2,125,000.00	<u>2,125,000</u>
				<u><u>\$ 2,673,726</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Current Fund</u>	<u>Swimming Pool Capital</u>	<u>Water Operating</u>	<u>Total</u>
Balance, December 31, 2016	\$ 7,208	\$ 467	\$ (1)	\$ 7,674
Increased By:				
Disbursed to Other Funds	21	575,698	5	575,724
Decreased by:				
Received from Other Funds	<u>7,208</u>	<u>-</u>	<u>4</u>	<u>7,212</u>
Balance, December 31, 2017	<u>\$ 21</u>	<u>\$ 576,165</u>	<u>\$ -</u>	<u>\$ 576,186</u>

TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Maturity Date	Interest Rate	Balance		Increase	Decrease	Balance December 31, 2017	
						December 31, 2016					
13-24	Pool Utility Improvements	3/20/14	3/15/17	3/15/18	1.16%	\$	1,250,000	\$	1,250,000	\$	1,000,000
14-05	Crystal Springs Improvements	1/14/16	1/12/17	1/12/18	1.19%		1,125,000		1,125,000		1,020,000
						\$	2,375,000	\$	2,375,000	\$	2,020,000

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF ACCRUED INTEREST ON NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$	27,340
Increased by:		
Accrued interest charged to Budget appropriations		20,917
		48,257
Decreased by:		
Cash Disbursements		27,340
Balance December 31, 2017	\$	20,917

Analysis of Balance - December 31, 2017

	Principal Outstanding Dec. 31, 2017	Interest Rate	From	To	Period	Amount
Bond Anticipation Notes:						
\$	1,000,000	1.16%	3/15/2017	12/31/2017	285 days	\$ 9,183
	1,020,000	1.19%	1/12/2017	12/31/2017	348 days	11,734
						\$ 20,917

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Current Fund</u>	<u>General Capital Fund</u>	<u>Swimming Pool Operating</u>	<u>TOTAL</u>
Balance, December 31, 2016	\$ -	\$ -	\$ (467)	\$ (467)
Increased By:				
Disbursed to Other Funds	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
	-	100,000	(467)	99,533
Decreased by:				
Cash receipts from Other Funds	<u>650,000</u>	<u>100,000</u>	<u>575,698</u>	<u>1,325,698</u>
	<u>650,000</u>	<u>100,000</u>	<u>575,698</u>	<u>1,325,698</u>
Balance, December 31, 2017	<u><u>\$ (650,000)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (576,165)</u></u>	<u><u>\$ (1,226,165)</u></u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 SWIMMING POOL UTILITY CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
	<u>General Improvements:</u>		
14-05	Pool Utility Improvements	\$ 1,000,000	\$ 1,000,000
		<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

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PARKING UTILITY FUND

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**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PARKING UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance, December 31, 2016	\$ 3,761,019	\$ 944,569
Increased By Receipts:		
Revenue Anticipated	\$ 3,359,663	\$ -
Non-budgeted Revenue	12,199	-
Cash Receipts from other funds	3,862,744	-
Cash Received on Behalf of Other Funds	<u>-</u>	<u>2,556</u>
	<u>7,234,606</u>	<u>2,556</u>
Subtotal	10,995,625	947,125
Decreased By Disbursements:		
Budget Expenditures	2,813,142	-
Appropriation Reserves	195,967	-
Cash Disbursed to Other Funds	<u>3,369,463</u>	<u>190,000</u>
	<u>6,378,572</u>	<u>190,000</u>
Balance, December 31, 2017	<u>\$ 4,617,053</u>	<u>\$ 757,125</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PARKING UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>December 31, 2017</u>
Fund Balance	\$ 668,186
Capital Improvement Fund	52,984
Reserve for Payment of Future Debt	
Service Costs	27,290
Reserve for Basement Repairs	6,000
Due to Parking Utility Operating	<u>2,665</u>
	<u>\$ 757,125</u>

TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PARKING UTILITY FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017

	DECEMBER 31, 2016	BALANCE	PAID OR	BALANCE
	<u>RESERVED</u>	<u>AFTER</u>	<u>CHARGED</u>	<u>LAPSED</u>
	ENCUMBERED	MODIFICATION		
Operating:				
Salaries and Wages	\$ 41,929	\$ 41,929	-	\$ 41,929
Other Expenses	61,476	88,010	11,367	76,643
Capital Improvements:				
Capital Outlay	170,984	347,434	184,600	162,834
	<u>\$ 274,389</u>	<u>\$ 477,373</u>	<u>\$ 195,967</u>	<u>\$ 281,406</u>
Total Parking Utility Fund Appropriations				

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PARKING UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Current <u>Fund</u>	Trust Payroll <u>Fund</u>	Parking Utility Capital <u>Fund</u>	<u>TOTAL</u>
Balance, December 31, 2016	\$ 1,504	\$ -	\$ 109	\$ 1,613
Increased By:				
Disbursed to Other Funds	3,101,070	265,837	2,556	3,369,463
Decreased by:				
Received from Other Funds	<u>3,596,906</u>	<u>265,838</u>	<u>-</u>	<u>3,862,744</u>
Balance, December 31, 2017	<u>\$ (494,332)</u>	<u>\$ (1)</u>	<u>\$ 2,665</u>	<u>\$ (491,668)</u>
Interfund Receivable	\$ 1,613		Interfund Receivable	\$ 2,665
Interfund Payable	<u>-</u>		Interfund Payable	<u>(494,333)</u>
Total	<u>\$ 1,613</u>		Total	<u>\$ (491,668)</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PARKING UTILITY CAPITAL FUND
SCHEDULE OF ACCRUED INTEREST ON NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 98,528
Increased by:	
Accrued interest charged to Budget appropriations	<u>662,355</u>
	760,883
Decreased by:	
Cash Disbursements	<u>665,351</u>
Balance December 31, 2017	<u><u>\$ 95,532</u></u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 PARKING UTILITY CAPITAL FUND
 SCHEDULE OF RESERVE FOR AMORTIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 24,504,985
Increased By:		
Serial Bonds	\$ 1,120,000	
Capital Outlay Expenditures	<u>258,811</u>	
		<u>1,378,811</u>
Balance, December 31, 2017		<u><u>\$ 25,883,796</u></u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 PARKING UTILITY CAPITAL FUND
 SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016 & 2017		<u><u>\$ 52,984</u></u>
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**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PARKING UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

DESCRIPTION	BALANCE DECEMBER 31, 2016	INCREASED	BALANCE DECEMBER 31, 2017
Parking Utility:			
Acquisition and improvement of parking	\$ 16,273,373	\$ -	\$ 16,273,373
Parking Deck Improvements	1,210,000	-	1,210,000
New Parking Facility	31,999,182	-	31,999,182
Various Improvements of Parking Deck Funded through the budget	499,430	261,811	761,241
	<u>\$ 49,981,985</u>	<u>\$ 261,811</u>	<u>\$ 50,243,796</u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 PARKING UTILITY CAPITAL FUND
 SCHEDULE OF SERIAL BONDS PAYABLE
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Purpose	Date of Issue	Original Issue	Date of Maturity	Amount	Interest Rate	Balance	Balance
						December 31, 2016	December 31, 2017
General Obligation Bonds	3/15/2013	\$ 28,600,000.00	3/15/18	1,200,000	2.000%	\$ 25,480,000	\$ 24,360,000
			3/15/19	1,200,000	2.000%		
			3/15/20	1,400,000	2.000%		
			3/15/21	1,400,000	2.000%		
			3/15/22	1,500,000	2.000%		
			3/15/23	1,500,000	3.000%		
			3/15/24	1,600,000	3.000%		
			3/15/25	1,600,000	3.000%		
			3/15/26	1,620,000	3.000%		
			3/15/27	1,620,000	3.000%		
			3/15/28	1,620,000	3.000%		
			3/15/29	1,620,000	3.000%		
			3/15/30	1,620,000	3.000%		
		3/15/31	1,620,000	3.000%			
		3/15/32	1,620,000	3.000%			
		3/15/33	1,620,000	3.000%			
						\$ 25,480,000	\$ 24,360,000

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
PARKING UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF FUTURE DEBT SERVICE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016, and 2017

\$ 27,290

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POLICE TRAINING UTILITY FUND

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**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
POLICE TRAINING UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 505,812
Increased By Receipts:		
Shooting Qualification and Training	\$ 182,443	
Non-Budgeted Revenue	37,958	
	<u> </u>	<u>220,401</u>
Subtotal		726,213
Decreased By Disbursements:		
Current Year Appropriations	111,144	
Interfund Created	240	
Appropriation Reserves	37,680	
	<u> </u>	<u>149,064</u>
Balance, December 31, 2017		<u><u>\$ 577,149</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
POLICE TRAINING UTILITY FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016		Budget After Modification	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
Operating:					
Salaries and Wages	\$ 23,166	\$ -	\$ 23,166	\$ -	\$ 23,166
Other Expenses	34,070	10,112	44,182	12,639	31,543
Total Operating	<u>57,236</u>	<u>10,112</u>	<u>67,348</u>	<u>12,639</u>	<u>54,709</u>
Capital Improvements:					
Capital Outlay	95,200	-	95,200	25,041	70,159
Total Capital Improvements	<u>95,200</u>	<u>-</u>	<u>95,200</u>	<u>25,041</u>	<u>70,159</u>
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)	2,182	-	2,182	-	2,182
Total Statutory Expenditures	<u>2,182</u>	<u>-</u>	<u>2,182</u>	<u>-</u>	<u>2,182</u>
Total Police Training Utility Appropriations	<u>\$ 154,618</u>	<u>\$ 10,112</u>	<u>\$ 164,730</u>	<u>\$ 37,680</u>	<u>\$ 127,050</u>

SEWER UTILITY FUND

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**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY FUND
SCHEDULE OF SEWER UTILITY CASH- TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2016	\$ 8,041,622	\$ 845,351
Increased By Receipts:		
Sewer Rents	\$ 5,885,639	\$ -
Connection Fees	1,192,207	-
Non-Budget Revenue	90,165	-
Cash Received on Behalf of Other Funds	12,714,905	4,627,473
Bond Anticipation Notes		1,720,000
	<u>19,882,916</u>	<u>6,347,473</u>
	27,924,538	7,192,824
Decreased By:		
Budget Expenditures	5,280,474	-
Appropriation Reserves	355,882	-
Cash Disbursed to Other Funds	21,301,435	4,943,298
Accrued Interest on Bonds	95,712	-
Improvement Authorizations	<u>-</u>	<u>1,925,000</u>
	<u>27,033,503</u>	<u>6,868,298</u>
Balance - December 31, 2017	<u>\$ 891,035</u>	<u>\$ 324,526</u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF ANALYSIS OF CASH BALANCE
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	Balance December 31, <u>2017</u>
Fund Balance	\$ 112,927
Reserve for Debt Service	260,456
Capital Improvement Fund	2,116
Due from Other Funds	(109,615)
Due to Other Funds	20,000
<u>Ordinance Number</u>	<u>Improvement Description</u>
	29,572
10-10	Transfer From Dissolution of Authority Dissolution of East Brunswick Sewerage Authority and Assumption of Certain Outstanding Obligations
12-13	153,286 Acquisition or Repairs of Various Sewer Utility Equipment
17-30	60,784 Sale of BANs
	<u>(205,000)</u>
	<u><u>\$ 324,526</u></u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 SEWER UTILITY OPERATING FUND
 SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance - December 31, 2016		\$ 377,162
Increased By:		
Sewer Utility Billings (net)		5,909,512
		6,286,674
Decreased By:		
Cash Receipts	\$ 5,885,639	
Overpayments Applied	28,334	
Cancellations	1,087	
		5,915,060
Balance - December 31, 2017		\$ 371,614

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF OTHER LIABILITIES AND VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance <u>December 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>December 31, 2017</u>
Sewer Operating:				
Other Liabilities:				
Accounts Payable	\$ 2,935	\$ 351	\$ -	\$ 3,286
	<u>2,935</u>	<u>351</u>	<u>-</u>	<u>3,286</u>
Reserve for:				
Bond Renewal Fund	258,000	-	258,000	-
Renewal and Replacement Fund	250,000	-	250,000	-
Various Reserves	74,403	-	-	74,403
	<u>582,403</u>	<u>-</u>	<u>508,000</u>	<u>74,403</u>
	<u>\$ 585,338</u>	<u>\$ 351</u>	<u>\$ 508,000</u>	<u>\$ 77,689</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance - December 31, 2016	\$	4,331
Increased By:		
Accrued interest charged to Budget appropriations		<u>99,862</u>
		104,193
Decreased By:		
Cash Disbursed		<u>95,712</u>
Balance - December 31, 2017	\$	<u><u>8,481</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance		Budget After	Paid or	Balance
	December 31, 2016				
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages	\$ -	\$ 59,973	\$ 59,973	\$ -	\$ 59,973
Other Expenses	32,250	654,120	686,370	56,233	630,137
Total Operating	32,250	714,093	746,343	56,233	690,110
Capital Improvements:					
Capital Outlay	-	300,000	300,000	300,000	-
Total Deferred Charges	-	300,000	300,000	300,000	-
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	-	7,107	7,107	-	7,107
Total Statutory Expenditures	-	7,107	7,107	-	7,107
Total Expenditures	\$ 32,250	\$ 1,021,200	\$ 1,053,450	\$ 356,233	\$ 697,217
Cash Disbursements				\$ 355,882	
Accounts Payable				351	
				<u>\$ 356,233</u>	

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS RECEIVABLE (PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	Cash Received from <u>Other Funds</u>	Cash Disbursed to <u>Other Funds</u>	Balance December 31, <u>2017</u>
Due From Trust- Other	\$ 5,329	\$ (5,328)	\$ 161	\$ 162
Due From Current Fund	-	(7,548,997)	12,790,198	5,241,201
Due From Sewer Capital Fund	2,014	(1,932,126)	1,930,112	-
Due From Water Operating Fund	-	(3,549)	3,549	-
Due to Current Fund	(978,474)	(330,793)	1,309,267	-
Due to Sewer Capital Fund	-	(2,393,064)	2,318,708	(74,356)
Water Operating Fund	(1,663,699)	(8,596)	1,667,452	(4,843)
Water Capital Fund	(792,200)	-	792,200	-
Trust- Payroll	(91,371)	(397,981)	489,352	-
	<u>\$ (3,518,401)</u>	<u>\$ (12,620,434)</u>	<u>\$ 21,300,999</u>	<u>\$ 5,162,164</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance - December 31, 2016		\$ 381,456
Increased by:		
Reserve for Debt Service		<u>300,000</u>
		681,456
Decreased By:		
Down Payment for Ord #17-18	\$ 100,000	
Reimbursement for Debt Service	<u>321,000</u>	
		<u>421,000</u>
Balance - December 31, 2017		<u><u>\$ 260,456</u></u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

RESERVE FOR DEFERRED AMORTIZATION; Balance, December 31, 2016 & 2017	<u>\$ 470,000</u>
RESERVE FOR CAPITAL IMPROVEMENT FUND Balance - December 31, 2016	\$ 122,116
Decreased by: Downpayment of Ordinances	<u>120,000</u>
Balance, December 31, 2017	<u>\$ 2,116</u>

TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2016		2017 Authorized	Expended	Authorized Cancelled	Balance, December 31, 2017	
				Funded	Unfunded				Funded	Unfunded
10-10	Transfer from Dissolution of Authority Dissolution of East Brunswick Sewerage Authority and Assumption of Certain Outstanding Obligations	6/14/10	5,113,773.00	\$ 29,572	\$ -	\$ -	\$ -	\$ -	\$ 29,572	\$ -
12-13	Acquisition or Repairs of Various Sewer Utility Equipment	9/10/12	240,000.00	224,513	4,113,773	-	-	4,185,000	153,286	-
17-10	Refunding of Sewer Bonds	8/14/17	2,010,000.00	60,784	-	-	-	-	60,784	-
				-	-	2,010,000	1,925,000	-	-	85,000
				\$ 314,869	\$ 4,113,773	\$ 2,010,000	\$ 1,925,000	\$ 4,185,000	\$ 243,642	\$ 85,000

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF SERIAL BONDS PAYABLE
 FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	Balance December 31, <u>2016</u>	Paid	Balance December 31, <u>2017</u>
Various Sewer System Improvements	09/12/07		\$ 2,260,000		\$ 2,260,000	\$ 2,260,000	\$ -
			\$ 2,260,000		\$ 2,260,000	\$ 2,260,000	\$ -
						Paid by Budget Appropriation \$ 335,000	
						Refunded with BANS <u>1,925,000</u>	
						<u>\$ 2,260,000</u>	

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS RECEIVABLE (PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	Cash Received from <u>Other Funds</u>	Cash Disbursed to <u>Other Funds</u>	Balance December 31, <u>2017</u>
Current Fund	\$ -	\$ (321,000)	\$ 356,259	\$ 35,259
Sewer Operating Fund	(2,014)	(4,310,669)	4,387,039	74,356
General Capital	<u>-</u>	<u>(220,000)</u>	<u>200,000</u>	<u>(20,000)</u>
	<u>\$ (2,014)</u>	<u>\$ (4,851,669)</u>	<u>\$ 4,943,298</u>	<u>\$ 89,615</u>

**TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Account</u>	Balance December 31, <u>2016</u>	Transferred From Fixed Assets Authorized & <u>Uncompleted</u>	Additions By Capital <u>Outlay</u>	Balance December 31, <u>2017</u>
Assets Transferred from Dissolution of East Brunswick Sewerage Authority	\$ 25,790,404	\$ 1,000,000	\$ -	\$ 26,790,404
Various Improvements	82,332	-	97,336	179,668
	<u>\$ 25,872,736</u>	<u>\$ 1,000,000</u>	<u>\$ 97,336</u>	<u>\$ 26,970,072</u>

TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Ordinance Number</u>	<u>Date</u>	<u>Improvement Description</u>	Balance December 31, 2016	2017 Authorizations	Moved to Fixed Capital	Cancelled	Balance December 31, 2017
10-10	6/14/10	Dissolution of East Brunswick Sewerage Authority and Assumption of Certain Outstanding Obligations	\$ 5,113,773	\$ -	\$ 1,000,000	\$ 4,113,773	\$ -
12-13	9/10/12	Acquisition or Repairs of Various Sewer Utility Equipment	240,000	-	-	-	240,000
17-30	8/28/17	Refunding Sewer Bonds	-	2,010,000	-	-	2,010,000
			<u>\$ 5,353,773</u>	<u>\$ 2,010,000</u>	<u>\$ 1,000,000</u>	<u>\$ 4,113,773</u>	<u>\$ 2,250,000</u>

**TOWNSHIP OF EAST BRUNSWICK
 COUNTY OF MIDDLESEX, NEW JERSEY
 SEWER UTILITY OPERATING FUND
 SCHEDULE OF RESERVE FOR AMORTIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance - December 31, 2016		\$ 24,382,736
Increased By:		
Payment of Bond Principal	\$ 2,260,000	
Capital Outlay Expenditures	97,336	2,357,336
Balance - December 31, 2017		\$ 26,740,072

TOWNSHIP OF EAST BRUNSWICK
COUNTY OF MIDDLESEX, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, 2016	2017 <u>Authorizations</u>	BANS <u>Issued</u>	<u>Cancelled</u>	Balance December 31, 2017
10-10	Dissolution of East Brunswick Sewerage Authority and Assumption of Certain Outstanding Obligations	\$ 4,113,773	\$ -	\$ -	\$ 4,113,773	\$ -
17-30	Sale of BANS	-	2,010,000	1,720,000	-	290,000
		\$ 4,113,773	\$ 2,010,000	\$ 1,720,000	\$ 4,113,773	\$ 290,000

TOWNSHIP OF EAST BRUNSWICK

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2017

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**TOWNSHIP OF EAST BRUNSWICK
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding 2017-01

Criteria of Specific Requirement:

N.J.A.C. 5:30-5.6 requires that municipalities maintain a fixed asset accounting system that shall include assets descriptions, estimated or historical costs and other such information as shall be required by the governing body and updated each year with any additions or deletions. Proper internal control practices also dictate that complete and accurate records should be maintained to ensure adequate control over the preparation of the financial statements including related footnotes.

Condition:

The Township did not maintain a fixed asset accounting system in accordance with N.J.A.C. 5:30:5.6.

Cause:

Internal control policies and procedures are not in place to properly maintain the fixed asset accounting system.

Effect or Potential Effect:

Non-compliance with N.J.A.C. 5:30-5.6.

Recommendation:

That internal control policies and procedures should be developed to properly maintain the general fixed assets accounting system in accordance with N.J.A.C. 5:30-5.6.

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF EAST BRUNSWICK
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

Finding No. 2016-001

Condition:

Pursuant to the State of New Jersey's Local Public Contracts law (*N.J.S.A.40A:II*), the Township is required to obtain competitive quotations for any goods or services, not specifically exempted under Local Public Contracts Law, in which expenditures in any year exceed \$2,625.00. Our testing revealed instances in which the Township purchased goods for amounts that exceeded the quote threshold, but could not provide evidence of the quotes being obtained or showing the other vendors that were contacted and the amounts quoted.

Current Status:

This finding has been corrected.

Finding No. 2016-002

Condition:

During our testing of General Fixed Assets the Township was unable to provide a listing of all General Fixed Assets.

Current Status:

This finding has not been corrected. See Finding 2017-001

FEDERAL AWARDS

N/A – No Federal Single Audit in prior year.

STATE FINANCIAL ASSISTANCE

N/A – No State Single Audit in prior year.

TOWNSHIP OF EAST BRUNSWICK

PART III

LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2017

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OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
Brad Cohen	Mayor
Michael Hughes	Council President
James Wendell	Council Vice President
Michael Spadafino	Councilmember
Camille Ferraro Clark	Councilmember
Sterley Stanley	Councilmember
Joseph Criscuolo	Township Administrator
Lou Mason Neely	Chief Financial Officer
Michelle A. O'Hara	Tax Collector/Asst. Finance Director
Nennette Perry	Township Clerk
Lizandra DeAngelis	Court Administrator

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

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2017.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500 for the year ended December 31, 2017.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.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 1, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Township Council of the Township of East Brunswick, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Township Council of the Township of East Brunswick, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

Finding 2017-01* (*Finding 2017-001 in the Schedule of Financial Statement Findings section*)

RECOMMENDATIONS:

Finding 2017-01

That the Township prepare and keep track of all General Fixed Assets

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 498

Freehold, New Jersey
June 29, 2018