

**OFFICIAL STATEMENT DATED JULY 13, 2017**

**NEW ISSUE**

**NOT RATED**

*In the opinion of Archer & Greiner P.C., Red Bank, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Notes (as defined herein) (i) is not includable in gross income for Federal income tax purposes pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax imposed on individuals and corporations; provided, however, that interest on the Notes is included in the adjusted current earnings of a corporation for purposes of the Federal alternative minimum tax imposed on corporations. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX MATTERS" herein.*

**TOWNSHIP OF EAST BRUNSWICK  
(Middlesex County, New Jersey)**

**\$20,190,000**

**BOND ANTICIPATION NOTES  
INTEREST RATE 2.50% YIELD 1.14%**

**DATED: JULY 19, 2017**

**DUE: JULY 19, 2018**

**NON-CALLABLE**

The **\$20,190,000** Bond Anticipation Notes (the "Notes") of the Township of East Brunswick, in the County of Middlesex, State of New Jersey (the "Township"), will be issued as fully registered securities, registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will maintain a book-entry system for recording ownership interests of DTC Participants. Individual purchases of the beneficial ownership interests in the Notes may be made in book-entry form only on the records of DTC and its Participants and only in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof. Beneficial Owners of the Notes will not receive certificates representing their interests in the Notes. As long as Cede & Co is the registered owner, as nominee of DTC, references in this Official Statement to the registered owners shall mean Cede & Co., and not the Beneficial Owners of the Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Notes are valid and legally binding obligations of the Township and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property within the Township for the payment of the Notes and the interest thereon without limitation as to rate or amount.

The Notes shall bear interest from **JULY 19, 2017** and shall mature on **JULY 19, 2018**. Interest on the Notes will be payable at maturity. The Notes are not subject to redemption prior to maturity.

The proceeds of the Notes will be used to: (i) refund, on a current basis, a portion of prior Bond Anticipation Notes of the Township issued in the aggregate principal amount of **\$17,789,550** on **JULY 27, 2016** and maturing on **JULY 27, 2017** (ii) temporarily finance various capital improvements in and for the Township; and (iii) pay the costs associated with the issuance of the Notes.

As long as DTC or its nominee Cede & Co. is the registered owner of the Notes, payment of the principal and interest on the Notes will be made by the Township directly to DTC or its nominee Cede & Co.

This cover page includes certain information for reference only and is not a summary of matters set forth herein. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Notes are offered when, as and if issued and delivered to the Purchasers, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Archer & Greiner P.C., Red Bank, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by the Township Attorney (as defined herein). It is expected that the Notes will be available for delivery to DTC on **JULY 19, 2017**.

*Dated: July 13, 2017*

**TD SECURITIES (USA) LLC**

Ord. #	Date Adopted	Bonds Authorized	Useful Life (Years)	First Issued	Amt of Notes Issued	Date Due	2017 Projected Payment	Amount Remaining After Pay Down	Purpose
14-12 (W)	11/10/2014	2,800,000	30.00	7/28/2015	2,800,000	7/19/17	200,000	2,600,000	Water Line Improvements
15-02	3/23/2015	2,906,050	11.18	7/28/2015	2,906,050	7/19/17	6,050	2,900,000	General Capital Improvements
15-08	6/22/2015	5,800,000	5.00	7/28/2015	4,640,000	7/19/17	1,160,000	3,480,000	Board of Education
16-07	5/9/2016	1,243,507	12.31	7/27/2016	1,243,500	7/19/2017	178,500	1,065,000	Fire District 3 Truck & Various Cap.
16-10	6/27/2016	6,200,000	7.00	7/27/2016	6,200,000	7/19/2017	1,240,000	4,960,000	School HVAC & Computers
17-18	3/27/2017	5,535,000	16.19	7/19/2017	3,685,000	7/19/2018	0	3,685,000	Various Capital
12-11	11/19/2012	2,000,000	20.00	7/19/2017	1,500,000	7/19/2018	0	1,500,000	FD#3 Riva Fire House*
				<b>Grand Total</b>	<b>22,974,550</b>		<b>2,784,550</b>	<b>20,190,000</b>	

## **ADMINISTRATION**

DR. BRAD COHEN	MAYOR
MICHAEL HUGHES	COUNCIL PRESIDENT
STERLEY STANLEY	COUNCIL MEMBER
CAMILLE CLARK	COUNCIL MEMBER
JAMES WENDELL	COUNCIL MEMBER
MICHAEL SPADAFINO, D.C.	COUNCIL MEMBER

### **BUSINESS ADMINISTRATOR**

JOSEPH CRISCUOLO

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TOMS RIVER, NJ

### **MUNICIPAL CLERK**

NENNETTE PERRY

### **TOWNSHIP AUDITOR**

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FREEHOLD, NJ 07728

### **BOND COUNSEL**

ARCHER & GREINER P.C.  
RED BANK, NJ

## **DEPARTMENT DIRECTORS**

### **OFFICE ON AGING**

Rachel Steinberg

### **LIBRARY**

Jennifer Podolsky

### **MUNICIPAL COURT**

Judge Robyn Brown

Diana Santiago, Court Administrator

### **DEPARTMENT OF PLANNING & ENGINEERING**

Gregory Potkulski

### **DEPARTMENT OF PUBLIC SAFETY**

Chief James Conroy

### **DEPARTMENT OF PUBLIC WORKS**

Daniel Losik

### **DEPARTMENT OF PARKS AND RECREATION**

Michael Reissner

### **WATER AND SEWER UTILITY**

Edwin Walker

### **TAX ASSESSOR**

Frank Colon

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No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Township. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder under any circumstances shall create any implication that there has been no change in any of the information herein since the date hereof or since the date as of which such information is given, if earlier. The information contained herein reflects the latest financial information available.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Township during normal business hours.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Township from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Obligations described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

**TOWNSHIP OF EAST BRUNSWICK  
(Middlesex County, New Jersey)**

**\$20,190,000 Bond Anticipation Notes**

**INTRODUCTION**

This Official Statement which includes the cover page and the appendices attached hereto has been prepared by and provides certain information relating to the Township of East Brunswick, in the County of Middlesex, State of New Jersey (the "Township" or "East Brunswick") in connection with the sale of its **\$20,190,000** Bond Anticipation Notes (the "Notes") described on the cover and herein. This Official Statement has been executed on behalf of the Township by the Township's Chief Finance Officer. Prior to the issuance of the Notes, the Township will enter into an agreement for the benefit of the holders of the Notes to comply with the secondary market disclosure requirements of the Securities and Exchange Commission's Rule 15c2-12 ("Rule 15c2-12"). Information has been developed by the Chief Finance Officer from Township records and from the Annual Audit.

**SECURITY FOR THE NOTES**

The Notes are general obligations of the Township and, unless paid from other sources, the Township is authorized and required by law to levy *ad valorem* taxes on all taxable real property within the Township without limitation as to rate or amount for the payment of the principal of and interest on the Notes. The full faith and credit of the Township are irrevocably pledged for the payment of principal of and interest on the Notes.

**AUTHORIZATION AND PURPOSE**

**Authorization**

The Notes have been authorized and are to be issued pursuant to the laws of the State of New Jersey, including the Local Bond Law, N.J.S.A. 40A:2A-1 et seq. (the "Local Bond Law"). The Notes are authorized by bond ordinances referenced on the inside front cover hereof and have been adopted by the Mayor and Council of the Township. All of the ordinances included in the sale were published in full or in summary form after their adoption along with the statement that the twenty day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning the sale, execution or delivery of the Notes by the Township.

**Purpose**

The proceeds of the Notes will be used to: (i) refund, on a current basis, a portion of prior Bond Anticipation Notes of the Township issued in the aggregate principal amount of **\$17,789,550** on **July 27, 2016**, and maturing on **July 27, 2017**, (ii) temporarily finance various capital improvements in and for the Township; and (iii) pay the costs associated with the issuance of the Notes.

## REDEMPTION OF THE NOTES

The Notes are not subject to redemption prior to maturity.

## BOOK-ENTRY ONLY SYSTEM

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Notes, payment of principal and interest and other payments on the Notes to Direct and Indirect Participants (each as defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township.

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of CEDE & CO. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for the Note in the aggregate principal amount of the Notes and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes, is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, CEDE & CO., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of CEDE & CO. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct



Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor CEDE & CO. (nor any other DTC nominee) will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the Record Date. The Omnibus Proxy assigns CEDE & CO.'s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to CEDE & CO., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to CEDE & CO. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the Township or the paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained note certificates are required to be printed and delivered.

The Township may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

THE TOWNSHIP AS PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION "TAX EXEMPTION") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

#### **Discontinuation of Book-Entry Only System**

If the Township, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Notes at any time, the Township will attempt to locate another qualified Securities Depository. If the Township fails to find such a Securities Depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination) the Township shall notify DTC of the termination of the book-entry only system.

## GENERAL INFORMATION

### Information

The Township was formally established on February 28, 1860 by an Act of the New Jersey Legislature in accordance with the Jersey Town Act of 1798. Located in central northeastern New Jersey astride the major transportation corridor, the Township is in close distance to New York City and Philadelphia.

### Governmental Structure

The Township is managed under a Mayor-Council form of government authorized under Plan E of the Faulkner Act of 1950. This form of government, adopted in 1965 by Township voters, provides for, among other things, the direct election of the Mayor and Council by the electorate, the separation of legislative power from administrative functions, and the employment of full time professional personnel in Finance, Public Safety, Purchasing, Administration and Health and Welfare. All governmental units are housed in a modern Municipal Complex.

### Utilities

The Township operates a number of utilities which are different than the traditional authorities which are often created by county and local governments. A utility is a self liquidating, enterprise account and the Mayor and Council serve as the Board of Directors for the operating utility. The utility is part of the general governmental structure and the Township has operated the following utilities which are described in this Official Statement.

**Water Utility.** This utility provides water to 98.0% of our residents and we have operated the utility since 1952. The utility is self liquidating and fees cover all operational and debt service costs. The Township holds a water diversion privilege from the New Jersey State Water Supply Authority which operates the Spruce Run/Round Valley Reservoir. The Township has a long term contract with Middlesex Water Company to treat and pump the Township's waste division. A Consumer Confidence Report is available upon request. The Utility is self-liquidating.

**Sewer Utility.** This utility provides sewerage collection service to approximately 86% of Township residents and commercial properties. The balance of the Township is served by private septic systems. The Sewer Utility will distribute approximately 4.7 million gallons per day (MGD) to the treatment plant through three connection points. The treatment plant is operated by the Middlesex County Utilities Authority (MCUA). The East Brunswick Sewer Utility consists of 350 miles of gravity sewer mains and approximately 12 to 15 miles of force mains. There are 21 pump stations throughout the service area where sewerage is collected and then distributed through the three interconnection points with the MCUA facility. The utility is self-liquidating.

Prior to July 1, 2010 the East Brunswick Sewerage Authority operated the system. The Governing Body, in accordance with state law and approval by the New Jersey Department of Community Affairs Local Finance Board dissolved the East Brunswick Sewerage Authority and created a Utility. The results were cost savings to the operation of the system. The Township has assumed all outstanding debt issued by the East Brunswick Sewerage Authority. The Sewer Utility will operate on a self liquidating basis. Many of the central management functions will be shared by other personnel. The sharing of personnel and equipment will result in cost stabilization for customers.

**Pool Utility.** The Township has operated a municipal pool utility for more than thirty (30) years. In 1995, the lake was filled and a new blue water facility known as Crystal Springs Family Water Park was developed. Crystal Springs consists of seven (7) water facilities, one of which is a lazy river, two slides, a children's pool, two Olympic sized pools and other activity pools. The Crystal Springs Family Water Park has proven to be very successful and operates on a self liquidating basis. We provide recreational activities over the 100 day season to about 100,000 guests each year. The Utility is self-liquidating.

**Parking Utility.** The Township commenced a parking utility in 1980 when it purchased from bankruptcy a large parcel of property along Route 18. The utility was expanded to a second site with the construction of the Tower Centers Parking Garage at the intersection of the New Jersey Turnpike and Route 18. A new 1,685 stall parking garage was constructed at Route 18 and Tices Lane. The two facilities, ie: Transportation and Commerce Center and the Neilson Plaza will permit us to commute on average 3,000 commuters each day. The Township controls the parking by charging a fee and we have a contract with Coach USA-Suburban bus to provide commuter service. The Township receives a rental fee from Coach USA-Suburban and the Township retains all of the parking revenues. The utility is self-liquidating.

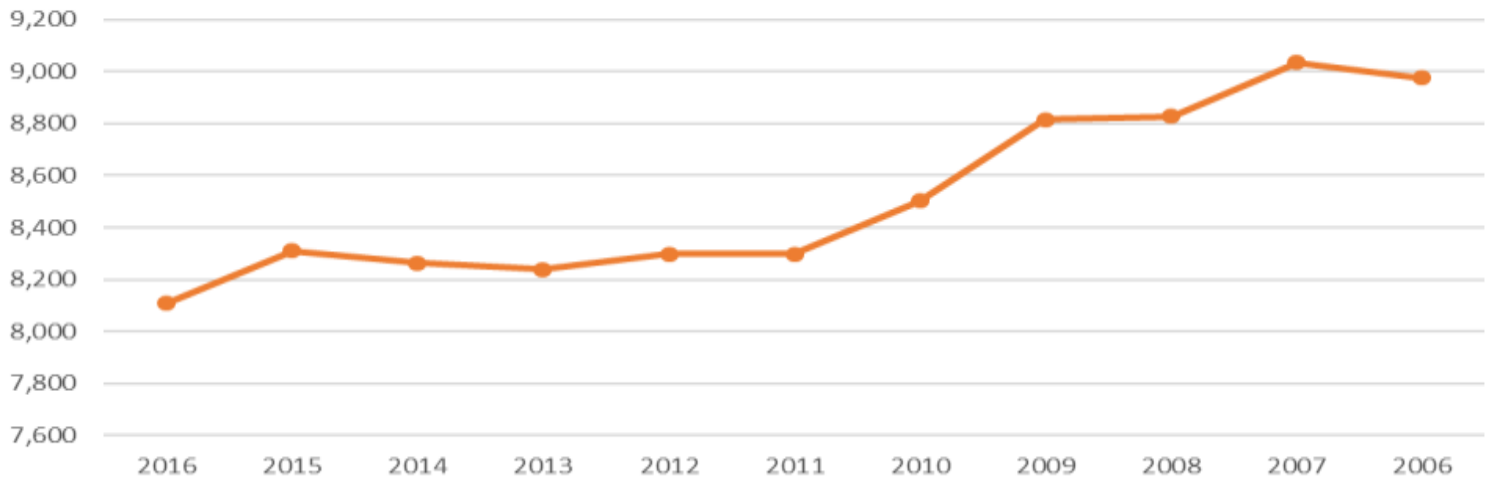
**Police Firearms Training Utility.** In October 1999, the Township opened a new Police Firearms Training facility which consists of twelve (12) ports permitting twelve (12) individuals to qualify at one time. Beyond the twelve (12) shooting ports, the Township will have an IMAX Theater which will allow for three dimensional real live training programs to be offered to uniform personnel. The Township has more than thirty (30) scenarios developed in conjunction with a professional training firm. The Township also has available a classroom within the facility and the Township hopes to have contracts with communities throughout the state to qualify Public Safety officers. Current requirements are for uniformed personnel to qualify with their weapons twice annually and qualifications require a minimum of sixty (60) rounds each time with day and night shooting. The Township also are the only facility in the state that has what is referred to as a running man target which allows one to improve their proficiency with the weapon. The Attorney General has recommended that all uniformed personnel have access to or qualify with a running man target beyond the normal qualification process. It will be restricted to uniformed qualified personnel only and it will enhance the capabilities of our uniformed personnel. The Utility is self liquidating.

## **Governmental Services**

**Education.** The Township has 8 elementary schools (K-5), one middle school (6 & 7), one junior high school (8 & 9) and a senior high school (10-12).

TOTAL SCHOOL ENROLLMENT AS OF SEPTEMBER, 2016											
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Bowne	205	215	214	213	237	238	256	297	314	292	229
Central	418	439	435	426	407	424	428	443	458	439	441
Chittick	397	426	419	453	462	515	494	495	514	609	560
Frost	442	435	432	423	429	457	491	504	509	553	528
Inwin	464	472	468	459	459	417	409	441	434	533	536
Law. Brook	406	412	419	426	432	513	524	572	526	449	451
Memorial	494	525	511	499	489	337	348	377	389	388	378
Warnsdorfer	472	492	484	443	415	429	461	500	543	563	588
Hammarskjold	1,294	1,318	1,310	1,357	1,298	1,298	1,388	1,441	1,414	1,427	1,468
Churchill	1,390	1,391	1,382	1,315	1,462	1,462	1,469	1,461	1,498	1,547	1,501
High School	2,125	2,186	2,190	2,225	2,208	2,208	2,234	2,284	2,229	2,236	2,297
	<b>8,107</b>	<b>8,311</b>	<b>8,264</b>	<b>8,239</b>	<b>8,298</b>	<b>8,298</b>	<b>8,502</b>	<b>8,815</b>	<b>8,828</b>	<b>9,036</b>	<b>8,977</b>

Total School Enrollment as of September, 2016



### 2010 Census Information

Place	2010 Population	2007 Population	Change	Percent
Middlesex County	809,858	786,971	22,887	2.8%
East Brunswick	47,241	47,649	-408	-0.9%

### Management, Discussion and Analysis

The Governmental Accounting Standards Board (GASB) promulgated a governmental financial reporting model for state and local governments in June of 1999. An area of controversy was reporting model to require local and state governments to present general government infrastructure assets in their financial statement based upon historical costs. The Government Finance Officers Association (GFOA) found this position to be unacceptable and under Generally Accepted Accounting Principles (GAAP) state and local governments are not required to report the infrastructure assets in their financial statement. East Brunswick Township agrees with the Government Finance Officers Association and is opposed to reporting governmental assets. That being said there are valid recommendations contained within the GASB reporting model.

Often a criticism of local government is the amount of time which elapses between the authorization of a project and completion. In some cases, authorizations have been made through capital appropriations and the projects not completed for many years. To provide full disclosure a table summarizing capital authorizations from 2001 through 2014 has been prepared. The table delineates the authorization by ordinance for each particular year and the general purpose of the ordinance. The table reports the year the indebtedness was incurred and summary information on annual and total pay down for years 2008 through 2016. The Township has authorized debt of **\$81,989,232**. The aggregate pay down in the forms of either bond retirement or note pay down has been **\$66,340,323**. Please observe the Township has adopted a very aggressive pay down schedule and we expect to continue this aggressiveness into the future.

The primary purpose of this table and dialogue is to report to bondholders and noteholders how the Township has expended funds and paid down debt as projects are completed. One can see most of the projects have been completed or soon to be completed and observe that East Brunswick uses its ability to enter the capital market to assist the Board of Education in receiving least cost financing for improving schools. The Township believes it is one of the few Type II school/municipalities in the State of New Jersey that offers a lease purchase agreement to the Board of Education, thereby not causing the Board to issue Certificates of Participation (COPs) through the regular market. This level of cooperation between the two political bodies (Township Council and the Board of Education), ultimately results in significant savings for the taxpayers. This same process is used by all three Fire Districts and the East Brunswick Rescue Squad to meet their capital needs.

### **Post Retirement Health Benefits**

In addition to the pension and retirement plans the Township provides post retirement health care benefits, in accordance with State statute N.J.S.A. 40A:10-23 to employees who retire with at least 25 years of service with the Township, or go out on disability with 10 years of service or more. The Township does not issue a publicly available financial report for the plan. Benefit provisions for the plan are established and amended with the approval of the Township's governing body and there is no statutory requirement for the Township to continue this plan for future Township employees. The plan is a contributory plan for employees hired after June 2011 based on Chapter 2 P.L. 2010 and Chapter 78 P.L. 2011.

GASB Statement 45 requires that the Township disclose its annual OPEB cost for the plan which is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. However, Local Finance Notice 2007-15, *Implementing GASB 45: Disclosure of Liabilities for Other Post-Employment Benefits for Municipalities and Counties*, does not require municipalities and counties to calculate the ARC. The Township has elected to not calculate the ARC and therefore no amount is disclosed. The actual amounts paid for the OPEB benefits, accounted for on the pay-as-you-go basis, for retired Township employees during 2013 totaled \$1,346,088\*.

As of December 31, 2015, the actuarial accrued liability for benefits was \$35,400,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$22,642,383 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 64%.

The actuarial valuation date is December 31, 2015. Actuarial valuations involve estimates of the value reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

For the December 31, 2015 actuarial valuation, the project unit credit funding method was used. The actuarial assumptions included a 4.5% discount rate and an annual healthcare cost trend rate of 6%

in 2015, reducing by 0.5% per annum, leveling at 5% per annum in 2019, for medical, dental and prescription. As required by Local Finance Notice 2007-15, the Township's demographics assumptions were selected based on those used by the State Division of Pensions and Benefits calculation from its July 1, 2007 report and the Benefits Program (SHBP) in calculating SHBP member OPEB requirements from its July 1, 2007 report. Of the former employees receiving benefits, currently 100 of the 257 retirees are receiving single benefits and 59 of the 257 retirees are receiving family coverage are under 65. The balance of 189 are 65 or older. Those retirees 65 or older are obligated to pay their Medicare Part B portion and the Township only funds the exceptions to Medicare. Additionally, as of December 31, 2015, there are 258 active participants in the plan. The cost of family coverage is \$20,334.00 per family unit and single coverage is \$9,163.80 per participant for medical, dental and prescription drug.

### **Accrued Sick and Vacation Benefits**

Under contractual agreements with the various collective bargaining groups, unused sick time is accumulated toward future use or payment upon separation from employment. Under past policy, the Township appropriated sufficient funds to pay the liability to employees who retired or left their position on a current basis. This appropriation was included in the regular appropriations for salary and wages. Effective in 1983, a separate line item appropriation was provided for this purpose in the current fund. Beginning in 1986, employees were limited on payment of unused sick and vacation time so the Township has a very limited liability to fund. The Township offers two deferred compensation programs. Both are under Internal Revenue Code Section 457 and approved by the State Department of Community Affairs. Cash payments are charged as though current income to the employees whereas taxes are deferred on deposits, to the Trust Fund. The "Benefit Trust Funds" amounted to \$33,941,795 and \$3,410,686 on December 31, 2015 and appears on the General Trust Fund balance sheet and is subject to the claims of general creditors of the Township.

There is also an estimated current liability in the sum of \$2,330,733 existing for potential claims if everyone would be sick at the same time. This amount represents the current value of all accumulations and is not intended to portray amounts that would be recorded under GAAP. The Township has not discounted the total based upon study of utilization or the likelihood of the amount of accumulations vesting with employees. The expected pays for these accruals are funded through the annual budget, Self Insurance Plan, the Fringe Benefit Fund and the Cost of Living Pension Health Fund. No amount is accrued for this estimated liability in the financial statements.

### **Pension Net liability (GASB 68) Reporting:**

The Audit firm of KPMG reported net pension liability for State of New Jersey Pension Systems of which East Brunswick is a participant in two. For Public Employee Retirement System (PERS) the net system liability as reported for East Brunswick is: calendar 2013 is \$32,584,627 for 2014 \$32,144,301 and for 2015 \$39,180,500. The Police Fire Retirement System (PFRS) is reported for same period as calendar 2013 is \$38,049,520, for 2014 \$36,116,560 and for 2015 \$48,706,191. This reporting complies with Local Finance Notice LFN2015-24.

**History - General Capital 2009 -2017**

Year	Ord. #	Description	Indebtedness		Annual Principal Paydown		Status
			Incurred by Year	New Debt By Year	Bond	Note	
					Principal Retired	Paydown	
2016	17-18	Various Capital	5,535,000	5,535,000	0	3,685,000	In Process
2016	16-07	Fire District 3 Truck & Various Cap. Imprv.	1,243,500	1,243,500		0	In Process
	16-10	School HVAC & Computers	6,200,000	6,200,000	0	0	In Process
2016		Debt Payment 2016			2,290,000	7,332,000	
2015	15-02	General Capital Improvements	2,906,050	2,906,050	0	0	In Process
	15-08	Board of Education Building Improvements	5,800,000	5,800,000	0	0	Completed
	15-30	Utility Capital	2,048,579	2,048,579	0	0	In Process
2015		Debt Payment	0	0	2,170,000	6,619,000	Completed
2014	14-05	Crystal Springs Improvement	2,125,000	2,125,000	0	100,000	Completed
2014	14-01	Various General Capital Improvements	2,540,000	2,540,000	850,000	5,881,000	In Process
2013	13-01	Amending 11-22-FD #2 Radio purchase	200,000		905,000	6,591,000	Completed
	13-11	Various Capital Improvements	1,161,075				Completed
	13-17	Acquisition of DPW Vehicles & Equipment	890,000				Completed
	13-23	Acquisition of a Fire Engine for F.D. #1	750,000				Completed
	13-24	Various Crystal Springs Improvements	1,575,000				Completed
	13-25	Various Capital Improvements Bike Path	<u>717,000</u>	5,293,075			In Process
2012	12-04	Multi Purpose Bond Ordinance	1,417,000		680,000	8,123,220	Completed
	12-11	Fire House Renovation-Fire District #3	2,000,000			100,000	In Process
	12-12	Various Water Line Replacements	<u>1,250,000</u>	4,667,000			Completed
2011	11-01	Various Capital Improvements	2,347,000				Completed
	11-18	Refunding Bonds	1,077,000				Completed
	11-22	Communication System Upgrade	<u>4,185,000</u>	7,609,000	680,000	7,695,000	Completed
2010	10-01	Multi Purpose Bond Ordinance	2,340,000				Completed
	10-07	Various Capital Improvements	1,620,000				Completed
	10-21	Refunding Bonds	485,000				Completed
	10-26	Various Capital Improvements	<u>1,655,000</u>	6,100,000	710,000	5,811,249	Completed
2009	09-02	Reconstruction of Various Roads	1,500,000				Completed
	09-05	Fire District #3 - New Fire Truck	570,000				Completed
	09-08	Water Main Replacement	3,700,000				Completed
	09-14	Reconstruction of Harts Lane	<u>400,000</u>	6,170,000	730,000	7,815,294	Completed
2008	08-21	Acquisition of Property	25,000,000				Cancelled
	08-03	Fire District #2 - Supplemental 05-02	2,500,000				Completed
	08-14	Various Capital Improvements	<u>1,787,028</u>	<u>29,287,028</u>	<u>765,000</u>	<u>10,272,560</u>	Completed
		<b>Totals</b>	<b>87,524,232</b>	<b>87,524,232</b>	<b>9,780,000</b>	<b>70,025,323</b>	

## HISTORICAL ECONOMIC INFORMATION BUILDING PERMITS

Year	Permits	Construction Value	All Other # of Certificates of Occupancy Issued	# of Cos Issued for New Residential Units
2016	2916	\$61,960,552.00	1691	15
2015	2673	52,518,442.00	399	32
2014	3361	54,232,954.00	340	54
2013	3197	56,126,335.00	264	11
2012	3000	46,085,678.80	283	24
2011	3427	39,723,210.00	288	24
2010	2470	37,435,294.00	291	13

CONSTRUCTION VALUE OF BUILDING PERMITS				
	2003	2004	2005	2006
New Residential	\$ 56,391,988	\$ 15,862,810	\$ 4,907,043	\$ 7,206,842
Res. Alterations/Additions	\$ 24,681,139	\$ 18,510,171	\$ 16,976,914	\$ 17,935,739
New Commercial/Industrial	\$ 12,944,635	\$ 1,564,000	\$ 17,441,000	\$ 1,492,618
Comm'l Alternations/Additions	\$ 9,394,719	\$ 16,315,333	\$ 17,356,450	\$ 110,318,100
	\$ 103,412,481	\$ 52,252,314	\$ 56,681,407	\$ 136,953,299
	2007	2008	2009	2010
New Residential	\$ 2,873,400	\$ 2,038,000	\$ 500,000	\$ 415,000
Res. Alterations/Additions	\$ 20,357,444	\$ 18,902,838	\$ 13,112,650	\$ 15,017,810
New Commercial/Industrial	\$ 5,230,700	\$ 9,144,432	\$ 1,860,151	\$ 7,278,970
Comm'l Alternations/Additions	\$ 14,954,282	\$ 18,400,978	\$ 14,657,898	\$ 14,723,514
	\$ 43,415,826	\$ 48,486,248	\$ 30,130,699	\$ 37,435,294
	2011	2012	2013	2014
New Residential	\$ 3,093,300	\$ 2,057,000	\$ 7,190,100	\$ 9,104,309
Res. Alterations/Additions	\$ 18,351,691	\$ 16,031,925	\$ 19,150,151	\$ 19,882,003
New Commercial/Industrial	\$ 2,610,000	\$ 20,502,895	\$ 13,227,723	\$ 6,916,213
Comm'l Alternations/Additions	\$ 15,668,219	\$ 7,493,859	\$ 21,966,087	\$ 18,330,429
	\$ 39,723,210	\$ 46,085,679	\$ 61,534,061	\$ 54,232,954
			Year-To-Date	
	2015	2016	2017	
New Residential	\$ 3,703,655	\$ 3,213,700	\$ 3,371,003	
Res. Alterations/Additions	\$ 19,204,099	\$ 22,168,843	\$ 10,543,179	
New Commercial/Industrial	\$ 839,700	\$ 4,822,697	\$ 6,155,204	
Comm'l Alternations/Additions	\$ 28,770,988	\$ 31,755,312	\$ 15,145,161	
	\$ 52,518,442	\$ 61,960,552	\$ 35,214,547	



<b>COMPARATIVE ANALYSIS BUDGET TO REVENUE - CURRENT FUND</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Revenue Item</b>	<b>Realized</b>	<b>Realized</b>	<b>Realized</b>	<b>Budget</b>
Fund Balance	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00
Alcoholic Beverage License	\$ 86,625.00	\$ 60,000.00	\$ 59,875.00	\$ 59,875.00
Fees and Other Permits	\$ 228,636.00	\$ 267,514.00	\$ 251,385.63	\$ 266,933.00
Hotel Tax	\$ 607,025.00	\$ 600,000.00	\$ 624,457.34	\$ 600,000.00
Capital Surplus	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00
Interest and Costs on Taxes	\$ 486,275.00	\$ 469,259.00	\$ 475,718.80	\$ 450,000.00
Int. on Investments & Deposits	\$ 811,000.00	\$ 154,184.00	\$ 158,800.24	\$ 140,000.00
Recreation Fees	\$ 692,748.00	\$ 472,689.00	\$ 276,626.36	\$ 424,894.00
Camp Fees	\$ -	\$ 814,579.00	\$ 723,754.00	\$ 1,000,000.00
Sports Camp	\$ 33,042.00	\$ 62,020.00	\$ 71,093.00	\$ 55,000.00
Sports Programs	\$ 37,973.00	\$ 63,849.00	\$ 69,016.00	\$ 55,000.00
Sale of Recyclables	\$ 39,444.00	\$ 2,500.00	\$ 51,969.70	\$ -
Housing Grant (COACH Fees)	\$ 39,269.00	\$ 39,269.00	\$ 39,269.00	\$ 39,269.00
In Lieu of Taxes	\$ -	\$ 714,511.00	\$ 515,992.94	\$ 700,000.00
Escrow Trustee (Open Space)	\$ 800,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
Discovery Fees	\$ 4,500.00	\$ 918.00	\$ 1,889.01	\$ -
Utility Operating Surplus of Prior Yr	\$ 225,000.00	\$ 225,000.00	\$ 50,000.00	\$ 50,000.00
Sale of Assets - Trust Account	\$ 50,109.00	\$ 230,770.00	\$ 49,087.33	\$ 50,000.00
C M P T R A	\$ 167,888.00	\$ 105,167.00	\$ 105,167.00	\$ 105,167.00
Energy Receipts Tax	\$ 3,998,709.00	\$ 4,061,430.00	\$ 4,061,430.00	\$ 4,061,430.00
Watershed Moratorium Offset Aid	\$ 7,567.00	\$ 7,567.00	\$ 7,567.00	\$ 7,567.00
Municipal Alliances on Alcoholism & Drug	\$ 46,635.00	\$ 46,172.00	\$ 46,350.00	\$ 46,350.00
ROID GRANT	\$ 16,585.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
FEMA - Storm Sandy Emergency	\$ 5,000.00	\$ 105,000.00	\$ 105,000.00	\$ 175,000.00
Dept. Forestry Mgmt. Grant	\$ -	\$ 3,000.00	\$ -	\$ -
Public Safety Body Armor	\$ 26,500.00	\$ 6,800.00	\$ 7,400.00	\$ 7,236.00
Alcohol Education & Rehab	\$ 38,000.00	\$ 38,000.00	\$ 38,000.00	\$ 38,000.00
Clean Community Grant	\$ 81,304.00	\$ 86,674.00	\$ 112,000.00	\$ 112,000.00
Click It or Ticket It	\$ 4,000.00	\$ 4,000.00	\$ 5,000.00	\$ -
Matching Grant	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -
Drive Sober Enforcement	\$ 11,900.00	\$ -	\$ -	\$ 2,000.00
Pedestrian Grant	\$ -	\$ -	\$ 5,000.00	\$ -
County Narcotics Grant	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ -
County Outreach Grant - Seniors	\$ 16,500.00	\$ 16,500.00	\$ 17,000.00	\$ 17,000.00
EB Daisy Association	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 28,000.00
Municipal Recycling Asst Prg MCIA	\$ 52,396.00	\$ 42,637.00	\$ -	\$ -
Interlocal Service Agree - EB BOE	\$ 1,743,000.00	\$ 1,743,000.00	\$ 2,903,000.00	\$ 3,450,000.00
Interlocal Service Agree. FD 1, 2 & 3	\$ 768,310.00	\$ 967,784.00	\$ 879,374.00	\$ 1,020,500.00
Interlocal Service Agree - Radio Comr	\$ 90,419.62	\$ 94,161.14	\$ 113,506.27	\$ 120,000.00
EB Rescue Squad	\$ 104,138.00	\$ -	\$ -	\$ -
East Brunswick Housing Corp.	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
MCUA-Host Community Benefits	\$ 3,126,164.00	\$ 3,132,573.27	\$ 3,144,999.99	\$ 3,100,000.00
MCUA Fees-Add	\$ 1,156,337.00	\$ 1,167,002.00	\$ 1,140,000.00	\$ 140,000.00
EB Daisy Association	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Municipal Recycling Asst Prg MCIA	\$ 52,396.00	\$ 2,500.00	\$ -	\$ -
Receipts from Delinquent Taxes	\$ 2,173,771.00	\$ 2,005,618.00	\$ 2,107,821.00	\$ 1,555,000.00
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 24,607,545.62</b>	<b>\$ 23,179,417.00</b>	<b>\$ 22,022,549.61</b>	<b>\$ 21,631,221.00</b>

<b>COMPARATIVE ANALYSIS BUDGET TO REVENUE</b>				
<b>WATER UTILITY</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Anticipated Revenues</b>	<b>Realized</b>	<b>Realized</b>	<b>Realized</b>	<b>Budgeted</b>
Surplus	\$ 1,373,690.00	\$ 1,381,690.00	\$ 2,940,281.00	\$ 2,356,200.00
Connection Fees	145,650.00	165,970.00	308,633.00	200,000.00
Interest on Investments		-		
Water Rents	7,614,225.00	7,397,168.00	7,560,686.00	7,560,000.00
Misc. Revenues		-		
<b>TOTAL WATER UTILITY</b>	<b>\$ 9,133,565.00</b>	<b>\$ 8,944,828.00</b>	<b>\$ 10,809,600.00</b>	<b>\$ 10,116,200.00</b>
<b>POOL UTILITY</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Anticipated Revenues</b>	<b>Realized</b>	<b>Realized</b>	<b>Realized</b>	<b>Budgeted</b>
Food Stand	\$ 13,000.00	\$ 18,500.00	\$ 21,000.00	\$ 13,000.00
Pool Fees	755,019.00	1,089,405.00	1,172,964.00	1,100,000.00
Interest on Investments	-	-	-	-
Misc. Revenues	152,010.00	36,256.00	-	-
Surplus	120,270.00	173,230.00	256,240.00	312,800.00
<b>TOTAL POOL UTILITY</b>	<b>\$ 1,040,299.00</b>	<b>\$ 1,317,391.00</b>	<b>\$ 1,450,204.00</b>	<b>\$ 1,425,800.00</b>
<b>Parking Utility</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Anticipated Revenues</b>	<b>Realized</b>	<b>Realized</b>	<b>Realized</b>	<b>Budgeted</b>
Parking Fees	\$ 2,206,056.00	\$ 2,123,322.00	\$ 2,385,233.00	\$ 2,380,000.00
Interest on Investments	1,725.00	-		
Rental Park & Ride	-	-		
Rent-Suburban Transit	880,710.00	1,097,843.00	940,000.00	900,000.00
County Energy Grant	-	-		
Capital Surplus	-	-		
Non Budgeted, Revenues	-	-		
Unexpended Balance of	-	-		
App. Reserves	-	-		
Surplus	587,100.00	561,358.00	138,700.00	72,500.00
<b>TOTAL PARKING UTILITY</b>	<b>\$ 3,675,591.00</b>	<b>\$ 3,782,523.00</b>	<b>\$ 3,463,933.00</b>	<b>\$ 3,352,500.00</b>
<b>Sewer Utility</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Anticipated Revenues</b>	<b>Realized</b>	<b>Realized</b>	<b>Realized</b>	<b>Budgeted</b>
Connection Fees	52,127.00	181,394.00	208,746.00	100,000.00
Service Fees	5,680,106.00	5,857,451.00	5,696,499.00	5,690,000.00
Surplus	1,043,613.00	1,197,117.00	701,117.00	400,500.00
Misc. Revenues	-	-	-	-
<b>TOTAL SEWER UTILITY</b>	<b>\$ 6,775,846.00</b>	<b>\$ 7,235,962.00</b>	<b>\$ 6,606,362.00</b>	<b>\$ 6,190,500.00</b>

COMPARATIVE SCHEDULE FUND BALANCE UTILIZED					
CURRENT FUND			WATER UTILITY		
Year	Balance December 31	Utilized in Budget of Succeeding Year	Year	Balance December 31	Utilized in Budget of Succeeding Year
2015	\$ 3,076,924.00	\$ 2,500,000.00	2015	\$ 4,156,304.00	\$ 2,940,281.00
2014	\$ 5,056,010.00	\$ 2,500,000.00	2014	\$ 4,370,714.00	\$ 1,381,690.00
2013	\$ 2,691,720.00	\$ 2,500,000.00	2013	\$ 4,042,430.00	\$ 1,373,690.00
2012	\$ 2,785,907.00	\$ 2,500,000.00	2012	\$ 4,109,458.00	\$ 1,105,665.00
2011	\$ 2,812,467.00	\$ 2,500,000.00	2011	\$ 3,374,505.00	\$ 996,747.00
2010	\$ 3,163,790.00	\$ 2,500,000.00	2010	\$ 3,237,346.00	\$ 1,255,431.00
2009	\$ 4,289,404.00	\$ 2,900,000.00	2009	\$ 2,584,816.00	\$ 1,075,341.00
2008	\$ 2,878,430.00	\$ 2,500,000.00	2008	\$ 2,359,004.00	\$ 1,377,204.00
PARKING UTILITY			POOL UTILITY		
Year	Balance December 31	Utilized in Budget of Succeeding Year	Year	Balance December 31	Utilized in Budget of Succeeding Year
2015	\$ 2,523,097.00	\$ 138,700.00	2015	\$ 678,477.00	\$ 256,240.00
2014	\$ 2,579,825.00	\$ 561,358.00	2014	\$ 405,451.00	\$ 173,230.00
2013	\$ 1,829,694.00	\$ 587,100.00	2013	\$ 317,224.00	\$ 120,270.00
2012	\$ 1,122,105.00	\$ 587,100.00	2012	\$ 394,034.00	\$ 75,270.00
2011	\$ 516,249.00	\$ -	2011	\$ 210,682.00	\$ 29,088.00
2010	\$ 202,610.00	\$ -	2010	\$ 185,476.00	\$ 103,763.00
2009	\$ 659,600.00	\$ 659,000.00	2009	\$ 115,093.00	\$ 83,763.00
2008	\$ 800,971.00	\$ 363,595.00	2008	\$ 173,970.00	\$ 93,365.00
SEWER UTILITY					
Year	Balance December 31	Utilized in Budget of Succeeding Year			
2015	\$ 2,788,857.00	\$ 701,117.00			
2014	\$ 2,629,049.00	\$ 1,197,117.00			
2013	\$ 3,372,746.00	\$ 1,043,613.00			
2012	\$ 3,808,012.00	\$ 781,328.00			
2011	\$ 3,447,710.00	\$ 613,422.00			
2010	\$ 2,425,646.00	\$ 10,000.00			

**EQUALIZED VALUATION OF REAL PROPERTY PLUS ASSESSED VALUATION  
OF CLASS II RAILROAD PROPERTY**

Year 2015	\$7,106,484,234.00
Year 2014	\$7,136,331,823.00
Year 2013	\$7,256,733,868.00
 Average Equalized Valuation	 \$7,166,516,641.00
Percentage of Net Debt to Average Equalized Valuation	0.479%
Percentage of Gross Debt to Average Equalized Valuation	3.0%
Statutory Debt Ceiling (3.5%) for East Brunswick permits Authorization up to	\$ 259,165,684.50

**OVERLAPPING DEBT**

	<u>Total Debt</u>	<u>Overlapping Debt</u>
Middlesex County as of 12/31/15	\$530,689,269	\$38,899,523
Middlesex County Utility Authority as of 2/23/16	<u>\$154,687,000</u>	<u>\$ 6,359,084</u>
 Total	 \$685,376,269	 \$42,258,607

Overlapping Debt: Middlesex County has been determined by the ratio of Township Valuation to total County equalization valuation which is 7.33%. Middlesex County Utility Authority overlapping debt is 4.35%.

**OUTSTANDING BOND ANTICIPATION NOTES as of 1/01/16**

<u>Description</u>	<u>Amount</u>	<u>Maturity</u>
General Capital	4,432,000	1/13/2017
	24,287,000	3/18/2016
 Water Capital	 1,150,000	 3/18/2016
Sewer Capital	2,048,500	1/13/2017
Pool Capital	1,450,000	3/18/16
	1,125,000	1/13/17
Sub Total	34,492,500	
 Authorized But Not Issued as of 2/29/16		
General Various	100,000	
Total	34,592,500	

## RATIO OF ASSESSED TO TRUE VALUATION

<u>Year</u>	<u>Assessed Personal Property</u>	<u>Assessed Valuation Real Property</u>	<u>State Equalized Ratio</u>	<u>Equalized Valuation</u>
2017	\$2,031,934	\$1,901,488,650	26.22	\$7,259,803,905
2016	2,077,187	1,895,809,750	26.49	7,171,369,479
2015	2,143,448	1,893,167,400	26.49	7,146,724,801
2014	2,044,733	1,890,414,300	26.39	7,031,039,855
2013	2,654,186	1,900,518,900	26.39	7,201,663,129
2012	3,075,073	1,930,811,500	25.67	7,521,665,368
2011	3,056,266	1,961,448,900	25.16	7,999,205,000
2010	3,275,529	2,012,600,700	24.54	8,201,306,845
2009	3,585,743	2,022,347,100	24.48	8,257,325,882

## History Tax Rates for Real Property (Rate Per \$100 of Assessed Value)

<u>Year*</u>	<u>Rate</u>	<u>School</u>	<u>Municipal</u>	<u>Library</u>	<u>County</u>	<u>Municipal Open Space</u>	<u>County Open Space</u>
2017	10.651	6.900	2.085	0.126	1.406	0.019	0.115
2016	10.431	6.801	2.015	0.124	1.358	0.020	0.113
2015	10.178	6.652	1.882	0.126	1.391	0.020	0.113
2014	9.961	6.489	1.821	0.127	1.316	0.019	0.114
2013	9.600	6.311	1.714	0.128	1.255	0.019	0.112
2012	9.290	6.089	1.680	0.131	1.208	0.019	0.116
2011	9.097	5.907	1.843		1.131	0.020	0.119
2010	8.635	5.688	1.715		1.090	0.019	0.082
2009	8.570	5.650	1.690			0.020	0.120

\*2017 Fire District Rate Fire District #1 0.2887 / Fire District #2 0.140 / Fire District #3 0.321

## ASSESSED VALUE BY CLASSIFICATION OF REAL PROPERTY

<u>Year</u>	<u>Total</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Vacant Land/Farm</u>
2017	\$1,901,488,650	\$1,492,910,200	\$268,380,850	\$85,346,700	\$19,733,160	\$14,646,301
2016	1,895,809,750	1,489,679,700	286,964,750	83,421,100	19,733,100	16,011,100
2015	1,893,167,400	1,485,430,500	287,524,800	85,132,900	19,733,100	15,346,100
2014	1,890,414,300	1,484,263,200	285,010,100	85,197,400	19,733,100	14,019,200
2013	1,900,518,900	1,487,821,400	289,836,100	87,643,100	19,733,100	12,697,200
2012	1,930,811,500	1,498,633,500	303,218,900	91,231,200	21,457,100	13,483,800
2011	1,961,839,900	1,517,369,700	309,715,700	93,508,000	24,317,200	14,551,600
2010	2,012,600,700	1,555,083,900	337,851,900	94,190,800	28,205,900	14,551,600
2009	2,020,347,100	1,528,947,400	339,965,000	94,814,900	35,525,900	18,081,100

## CURRENT REAL PROPERTY TAX COLLECTION EXPERIENCE

<u>Year</u>	<u>Tax Levy</u>	<u>Taxes Collected</u>	<u>Percent Collection</u>
2015	\$197,053,302.00	\$193,403,302.00	98.15%
2014	192,533,752.00	190,184,075.00	98.97
2013	186,398,317.00	183,475,912.00	98.85
2012	183,778,664.00	179,004,295.00	98.20
2011	181,056,096.00	178,256,096.00	98.41
2010	176,665,195.09	174,215,848.30	98.61
2009	177,485,925.21	174,710,624.45	98.43
2008	171,394,339.00	169,280,254.00	98.69
2007	162,794,590.00	160,741,613.00	98.65
2006	143,785,322.81	142,671,552.16	99.23
2005	140,791,440.30	138,473,123.94	98.35
2004	134,891,940.00	133,165,323.00	98.72
2003	129,164,251.00	127,500,284.00	98.71
2002	119,228,410.00	117,768,815.00	98.76
2001	109,653,813.00	108,212,055.00	98.68
2000	101,900,957.00	100,583,878.00	98.71

## DELINQUENT TAXES as of 12/31 year end

<u>Year</u>	<u>Delinquent Taxes Balance Dec. 31</u>	<u>Tax Title Liens Balance Dec. 31</u>	<u>Delinquent Taxes Budgeted</u>	<u>Delinquent Taxes Collected</u>
2015	\$2,131,263.00	\$20,768.00	\$1,555,000.00	\$1,959,705.00
2014	1,953,823.00	20,755.00	1,953,823.00	2,173,771.00
2013	2,061,694.00	5,109.00	1,555,000.00	2,716,977.00
2012	2,698,582.00	8,848.00	1,355,000.00	2,435,314.00
2011	2,372,945.00	62,377.00	1,355,000.00	2,338,346.00
2010	2,301,789.22	52,738.42	1,355,000.00	2,339,539.23
2009	2,274,268.89	114,155.05	1,200,000.00	2,166,596.35
2008	2,114,085.00	83,707.00	1,200,000.00	2,005,605.00
2007	1,879,528.00	78,195.94	1,100,000.00	1,578,358.00
2006	1,577,318.00	72,928.70	1,100,000.00	1,794,912.00
2005	1,784,372.17	68,197.05	900,000.00	1,784,372.16
2004	1,369,074.00	63,483.00	900,000.00	1,779,989.00
2003	1,729,192.00	59,212.00	900,000.00	2,438,760.00
2002	1,850,999.00	107,006.00	900,000.00	1,408,448.00
2001	1,667,156.00	84,652.00	900,000.00	1,617,491.00
2000	1,274,282.00	58,083.00	900,000.00	841,479.50

## EAST BRUNSWICK TEN HIGHEST RATABLE

	<u>2017 Assessed Valuation</u>
Brunswick Square Mall	\$ 26,196,900
Mid State Mall	15,460,000
Tower Center II	15,159,000
Tower Center I	13,039,400
East Brunswick UE, LLC	8,568,800
L.P.E. Partners	7,813,800
Wyndmoor Apts.	7,500,000
Summerhill Square LLC	7,377,100
645 State Route 18 LLC	6,354,700
East Coast Cranbury Crossing	5,100,000

### SUMMARY TAX APPEALS 2016 REAL PROPERTY ASSESSMENTS (2017 Filing by April 1)

#### County Board of Taxation Appeals by Property Class

Class 1 Vacant	1
Class 2 Single Family	186
Class 2 Condos	34
Class 3A Farm House	0
Class 4A Commercial	29
Class 4B Industrial	7
Class 4C	<u>1</u>
	258

#### State Tax Court Direct Appeals\*

Class 1 Vacant	0
Class 2 Single Family	0
Class 4A Commercial	19
Class 4B Industrial	8
Class 4C Apartments	<u>0</u>
Total	27

## HOST COMMUNITY BENEFITS

The State Legislature adopted Public Laws of 1985, Chapter 38 authorizing a minimum of \$1.00 per ton Host Community Benefits to municipalities in which a solid waste disposal facility was sited. The Township has located within its political boundaries a Landfill operated by Middlesex County Utilities Authority (MCUA). The MCUA took over operation of the landfill from the investor owners as of January 1988. Prior to that time, it was operated by a private family.

The Township has received Host Community Benefits in accordance with NJSA 13:1E-136 since 1985. East Brunswick will continue to receive Host Community Benefits for the next twenty years which is the life expectancy of the landfill. The current agreement with the MCUA continues paying the minimum of \$3.5 million each year. We had a Host Community Benefit Agreement based upon the recycling of cardboard and paper. It pays \$100,000 each year through 2016 the plant started up on 10/1/2013. As one can see from the following table, Host Community Benefits have served to be a very stable revenue for East Brunswick and will continue to be a major source of revenue in years to come.

### HOST COMMUNITY BENEFITS

<u>Year</u>	<u>Received Annually</u>
2015	4,299,575.00
2014	4,282,501.00
2013	4,243,880.00
2012	4,346,380.00
2011	4,599,018.00
2010	3,728,584.00
2009	5,031,945.00
2008	4,193,238.00
2007	4,626,629.00
2006	4,767,762.00
2005	4,837,998.00
2004	4,600,000.00
2003	4,654,917.00
2002	4,850,000.00
2001	4,600,000.00
2000	4,600,000.00

### Subdivisions and Development

New Jersey Statute Annotated 40:55D-33 requires developers to post guarantees and sureties with the Township before final subdivision, plats or conditions may be approved. A number of communities throughout the State have found their form of guarantee has evaporated as a result of bankruptcy proceedings or unilateral action taken by the Resolution Trust Company (RTC). The Planning Board for the Township has granted subdivisions to various developers all of which are in various stages of completion. The performance guarantees posted with the Township are in the form of both cash and performance bonds provided in accordance with the engineer's estimates. The Township closely monitors these guarantees and is able to report that sufficient surety is available to meet all of the conditions as approved by the Planning Board. Therefore, the installation of water mains, culverts, storm sewers, sanitary sewers and other means of sewerage disposal, drainage structures, erosion control and sedimentation control devices, public improvements of open space and on site improvements and landscaping will be completed and posing no financial burden on the Township. Developments were approved in a staging fashion and there are no partially completed structures or abandoned structures within the Township.



## TOWNSHIP BUDGET

Pursuant to the Local Budget Law N.J.S.A. 40A:4-1 et seq. ("The Local Budget Law"), the Township is required within the provisions of the Local Budget Law, to have a balanced budget and debt service is included in full for each fiscal year.

The foundation of the New Jersey local finance system is based on a cash basis budget. The Township must adopt an operating budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division prior to final adoption of the budget. The Local Budget Law requires the Township appropriate sufficient funds for payment of current debt service and the Director of the Division is required to review the adequacy of such appropriations, among others, before certification.

The Local Budget Law limits anticipation of real property tax revenue to the same ratio as actual cash collections were in the previous year and requires a reserve amount to be factored into the budget to make up for the expected shortfall in actual collections. The School District and Middlesex County receive 100 percent of their tax levies, which are collected and paid to them by the Township. Anticipated non-property tax revenues are limited unless the Director of the State Division of Local Government Services (the "Director") authorizes a higher figure.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision codification of ordinances, master plan preparation, drainage map preparation for flood control purposes and severance liability which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited, except for: (i) during the first three (3) months of a current fiscal year, appropriation reserves may be transferred to the immediately preceding fiscal year's budget; and (ii) transfers between major appropriation accounts are permitted during the last two (2) months of a current fiscal

year. Such transfers must be approved by two-thirds of the full membership of the governing body of a local governmental unit. Although sub-accounts within an appropriation account are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

## **AMERICANS WITH DISABILITY ACT (ADA)**

The Americans with Disabilities Act (Public Law 101-336) was enacted on July 26, 1990. This Act provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodation, state and local government services and programs plus telecommunications capabilities.

The Township of East Brunswick was required to adopt an ADA grievance procedure for prompt and equitable resolution of complaints alleging any acts prohibited by U.S. Department of Justice regulations implementing Title II of the Act. The Township is in compliance with the Federal Legislation and East Brunswick's has funded over \$1 million of improvements to provide access. There will be ongoing capital costs associated with compliance, but it will not be significant and said costs will be part of the annual capital budget. All of the Township's facilities are handicapped accessible or we are in the process of converting same.

## **INSURANCE**

The governing body for East Brunswick provides for liability, property damage and workers compensation coverage in accordance with N.J.S. 40A:10-36. The Township joined the Mid-Jersey Joint Insurance Fund (MJJIF) which through State Law authorizes communities to form a joint pool for the purpose of insuring against liability, property damage and workers compensation. The concept of pooling arose during 1985 and 1986 when insurance premiums and deductibles rose drastically and the amount of coverage available became limited. This has enabled communities to use risk management techniques to insulate themselves from the cyclical nature of the conventional marketplace. The annual financial statement is on file with the rating agency and the New Jersey Department of Banking and Insurance and Department of Community Affairs.

There are statewide seventeen (17) Joint Insurance Funds like MJJIF which have pooled to provide excess liability through a Municipal Excess Liability Joint Insurance Fund (MEL) established in 1987. The MEL provides adequate levels of excess liability insurance at the lowest cost.

The Municipal Excess Liability Insurance fund (MEL) operates under the fleet concept of seventeen (17) affiliated local JIFs, consisting of 400 plus entities. The MEL's annual financial statement is on file with the rating agencies and New Jersey Department of Banking and Insurance and Department of Community Affairs.

The following coverage is provided to East Brunswick through the MJJIF and MEL:

- General Liability, Law Enforcement Professional Liability, Automobile Liability and Employee Benefits
- Liability: Limit of Liability - annually
  - \$7,000,000 per occurrence combined single limit.

### **Self Insured Retention:**

\$ 100,000 self insured retention per occurrence is retained by the Township of East Brunswick.

**Workers' Compensation/Employers' Liability** - The MJJIF provides the statutory level of coverage.

**Public Official Liability**

Limit of Liability

\$2,000,000 each loss and annual aggregate.

**Property Coverage**

Loss Limit

\$250,000,000 statewide limit

**Crime Coverage**

Limit of Liability

\$1,000,000 per loss

**Money and Securities Limit of Liability**

\$1,000,000 per loss

**Employment Practices Liability (EPL)** - \$5,000 deductible and then 20% of the first \$100,000 for a total of \$25,000

Each year East Brunswick employs an independent consultant to evaluate incurred losses and to estimate incurred but not reported claims. Based upon years of experience during which East Brunswick has managed its limited self insurance program, the Township has established reserves for general liability which are specifically identified and fully reserved. Also, based upon the independent analysis of the losses, the Township's rates for the forthcoming year are established and funded 100% in each annual budget. Further information on the Township's Risk Management Plan and statistical information on the amount reserved for future claims is available by contacting the Chief Finance Officer.

**Health Benefits**

The Township offers to its employees a comprehensive health benefit program which consists of medical, dental and prescription in accordance with various collective bargaining agreements. The collective bargaining agreements provides for continuation of medical coverage upon retirement if an employee has worked for the Township for a period of 25 years or the employee has worked for the Township for 15 years and has reached the age of 62 or older at time of retirement. Currently, the Township has 275 retired employees who receive continuation of medical benefits. The cost of providing this post retirement coverage is on a pay as you go budget and funds are fully appropriated as part of the Township's self-insurance program.

## **PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT**

### **Local Bond Law (N.J.S.A. 40A:2-1 et seq.)**

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments or sinking fund installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Township are general full faith and credit obligations.

### **Debt Limits**

The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of the average for the last three years, of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Director of Taxation.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit. The Township has not exceeded its statutory debt limit.

### **Exceptions to Debt Limits - Extensions of Credit**

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

### **Short Term Financing**

The Township may sell short term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. From the third year to and including the tenth year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

### **School Debt Subject to Voter Approval**

State law permits the school district upon approval of the voters, to authorize school district debt, including debt in excess of its independent debt limit of 4% of the equalized evaluation basis, by using the available borrowing capacity of the Township. If such debt is in excess of the school district debt limit and the remaining borrowing capacity of the Township, the State Commissioner of Education and the Local Finance Board must approve the proposed debt authorization before it is submitted to the voters.

## **Appropriation "CAPS" / Property Tax Levy "CAP"**

A Statute passed in 1976, as amended (N.J.S.A. 40A:4-45.1 et seq.) commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. The Governor signed into law P.L. 2004, c. 74, which revised and made permanent the "Cap Law". While the revised "Cap Law" is restrictive on the ability of a municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by 2.5% or the CPI, whichever is lowest. The CPI is the rate of annual percentage increase computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other appropriations including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal service agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by State or Federal law.

Additionally, P.L 2007, c. 62, effective April 3, 2007, imposed a 4% cap on the tax levy of a municipality, county, fire district, or solid waste collection district, with certain exclusions and allowing waivers by the Local Finance Board, and on July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment, reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for capital expenditures, including debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

The "Cap Law" and the Tax Levy Cap do not limit the obligation of the Township to levy ad valorem taxes upon all taxable real property within the Township to pay debt service on the Notes.

## **GENERAL PROPERTY TAX LANGUAGE**

### **Tax Assessment and Collection Procedure**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Assessments are the results of a ratio for new assessments on a like basis with established comparable properties. This method assures equitable treatment to like property owners. It often results in a divergence of the assessment as a ratio to true value, because changes in property resale values and annual adjustments do not keep pace with the changing sales value. The last re-evaluation of all property in East Brunswick was last completed in 1983.

Upon the filing of certified adopted budgets by the East Brunswick's Local School District, Fire Districts and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills should be mailed annually in June by the Tax Collector. Property tax payments are due August 1 and November 1 respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year, are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00. These interest and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes.

## **MISCELLANEOUS REVENUES OTHER THAN PROPERTY TAX**

"No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next proceeding fiscal

year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing to the local unit." Section 40A:4-26, N.J.S.A. No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof." Section 40A:4-10, N.J.S.A. The exception to miscellaneous revenues is the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting budget appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar fiscal year.

## **REAL ESTATE TAXES**

The same general principal is carried forward in regards to property taxes. Section 40A:4-29 delineates how one may anticipate delinquent tax collections as part of the annual budget.

The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal years.

In regard to current taxes: "Receipts from the collections of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by December 31 of such preceding fiscal year." Section 40A:4-41, N.J.S.A.

## **RESERVE FOR UNCOLLECTED TAXES**

This provision requires that an additional amount be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least equal the tax levy required to balance the budget. The Reserve requirement is calculated as follows:

Levy required to balance budget

Prior year's % of current tax collection = Total Taxes to be Levied  
(or lesser %)

## **SPECIAL FACTS OF INTEREST TO INVESTORS**

### **Deferral of Current Expenses**

Emergency appropriations (those made after the adoption of the budget and the determination of the property tax rate) may be authorized by 2/3's vote of the Township Council. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision, and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes and severance liabilities which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

### **Budget Transfers**

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three (3) months of the year, to the previous years' budget. Both types of transfers require a 2/3 vote of the full membership of the governing body, however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year. However, transfers may not be made between salary and other expense appropriations within an account, or between accounts unless approved by a 2/3 vote of the governing body.

## **Operation of Utilities**

Municipal public utilities are to be supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property if they have a revenue shortfall.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

## **Capital Budget**

In accordance with the Local Budget Law, the Township must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

## **The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)**

This law regulates the non-budgetary financial activities of the Township. An annual, independent audit of the Township's accounts for the previous year must be performed by a licensed Registered Municipal Accountant. The audit, conforming to the Division's "requirements of audit," includes recommendations for improvement of the Township's financial procedures and must be filed with the Director of the Division prior to June 1 of each year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion. The full audit is on file with the State Division of Local Government Services, Moody's Investment Service, the Public Library and at the Municipal Clerk's office.

The Chief Finance Officer of the Township must file annually with the Director of the Division a verified statement of the financial condition of the Township and all constituent boards, agencies or commissions as of February 10th following the close of the calendar year.

## **TAX MATTERS**

### **Federal Income Tax Treatment**

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Notes in order for the interest on the Notes to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Notes. The Township will represent in its tax certificate that it expects and intends to comply and will comply, to the extent permitted by law, with such requirements.

In the opinion of Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Township with the requirements of the Code described above, interest on the Notes is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Code and will not be treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax imposed on individuals and corporations; such interest on the Notes will, however, be included in the adjusted current earnings of a corporation for purposes of the Federal alternative minimum tax imposed on corporations.

The Notes do not constitute "qualified tax-exempt obligations" as defined in and for the purpose of Section 265(b)(3) of the Code.

## **Additional Federal Income Tax Consequences Relating to Notes**

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Notes, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Notes should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **State Taxation**

Bond Counsel is also of the opinion that interest on the Notes, and any gain on the sale thereof, is not includable in gross income under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Notes.

### **Future Events**

Tax legislation, administrative action taken by tax authorities, and court decisions, whether at the Federal or state level, may adversely affect the exclusion from gross income of interest on the Notes for federal income tax purpose, or the exclusion of interest on and any gain realized on the sale of the Notes under the existing New Jersey Gross Income Tax Act, and any such legislation, administrative action or court decisions could adversely affect the market price or marketability of the Notes.

EACH PURCHASER OF THE NOTES SHOULD CONSULT HIS OR HER OWN ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL OR NEW JERSEY STATE TAX LEGISLATION, ADMINISTRATIVE ACTION TAKEN BY TAX AUTHORITIES, OR COURT DECISIONS.

ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

### **Proposals for Legislative Change**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes. Further, such proposals may impact the marketability or market value of the Notes simply by being proposed. Such legislation could adversely impact the marketability and market value of the Notes and prevent certain noteholders (depending on the financial and tax circumstances of the particular noteholder) from realizing the full benefit of the tax exemption of interest on the Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Notes would be impacted thereby.

Purchasers of the Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

### **Other Tax Consequences**

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Notes. Bond Counsel renders its opinion under existing statutes, regulations, rulings



and court decisions as of the date of delivery of the Notes and assumes no obligation to update its opinion after such date to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest paid or to be paid on the Notes as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See Appendix C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Notes.

**ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE NOTES.**

## LITIGATION

In the opinion of the Township Attorney, there is no litigation pending or threatened that would materially affect the financial stability of the Township. A listing of open cases can be obtained upon request to the Township Attorney care of the Township.

Moreover, in the opinion of the Township Attorney, there is no litigation pending or threatened, restraining or enjoining the issuance or delivery of the Notes or the levy or collection of any taxes to pay the interest on or principal of said Notes, or in any manner questioning the authority of proceedings for the issuance of said Notes or for the levy collection of said taxes or contesting the corporate existence on the boundaries of the Township or the title of any of the present officers.

## PENSION INFORMATION

Full time Township employees who are eligible for pension coverage are enrolled in one of two State of New Jersey pension systems. The pension systems are established by act of the State Legislature and benefits, contributions, means of funding and the manner of administration are determined by State Legislation. All levies are paid in full each year. The local governments have been paying 100% of the pension billing since 2009, thus the funding ratios are much higher than that of the State. Moody's Investors Service on December 2, 2014 issued a report on New Jersey Cities and County credit strength in light of the pension issue.

The State administered pension funds are: the Police and Firemen's Retirement System (PFRS) (N.J.S. 43:16A) (funded based on latest Valuation at 72% for local's obligation) and the Public Employees' Retirement System (PERS) (N.J.S. 43:15A) (funded based on latest Valuation at 71% for local's obligation). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds. This Division charges annually counties and other governmental units for their respective contributions which are to be paid as of April 1st each year. Full audited information is available through the State Division of Pensions.

State law regulates the administration of the Pension System. State law provides that all funds within the Pension System are subject to actuarial valuation every year and actuarial experience investigation every three years. Such valuations and investigations are designed to insure that the Pension System Components adequately recognize the additional costs resulting from experience or legislative changes in the benefits to be paid. As these Pension System Components are designed to be fully funded reserve programs, any amendment increasing liabilities is met by an increase in the normal (employer) contribution as well as the establishment of an accrued liability to be financed over a period of years. For the 2011 valuation year, Buck Consultants, Inc., served as consulting actuary for both PERS and PFRS.

The Division of Investment of the New Jersey Department of the Treasury, which is under the independent supervision of the State Investment Council, invests the assets of the Pension System. State law generally regulates the types of investments which are permitted.

The Township makes two types of contributions on an annual basis to fund the Township's obligations under the Pension System, consisting of a "normal" contribution to cover costs of members and an "unfunded accrued liability contribution" representing pension benefits earned in prior years which, pursuant to standard actuarial practices, are not yet fully funded. The local portion of PERS in 2014 was funded as billed and payment will be made April 1, 2014. The PFRS was funded as billed and payment by the Township will be made April 1, 2014.

In 2011 the Governor and Legislature agreed upon what is referred to as "Pension and Health Benefit Reforms"

and adopted Chapter 78 Public Laws of 2011. This legislation will require employees in the PERS to contribute an additional 1% (going from 5.5% to 6.5%) effective October 1, 2011. Members of the PFRS contribution will increase from 8 ½ % to 10% effective October 1, 2011. Also, the retirement age was adjusted for all new employees and the base upon which the pension is to be established was modified. These pension reforms will significantly improve the funding ratio of both pension systems (PERS and PFRS).

Also, as part of Chapter 78, is a requirement that all public employees pay a portion of the health and prescription premium costs. There is a four-year phase in plan which becomes effective June 28, 2011. The amount paid, as a percent of the premium, is based upon salaries, ranging from 3% to 35% based upon the four year phase in and salary paid to the employee. The mandatory employee contribution will be used to fund current and future health benefit obligations. Employees who have less than twenty years in the pension system at the time the legislation was approved (June 28, 2011) will be required to pay at the same rate in retirement. Those individuals will be required to pay a portion of the premium cost during retirement. This is a major change in the method of funding current and post- retirement health benefits for public employees within the State of New Jersey.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401, et. seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, and other bankruptcy laws affecting creditor's rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

## **SECONDARY MARKET DISCLOSURE**

On the date of delivery of Notes, the Township will covenant for the benefit of the holders of the Notes to provide notices of the occurrence of certain enumerated events. The notices of enumerated events will be provided to the Municipal Securities Rulemaking Board (the "MSRB") and will be in an electronic format as prescribed by the MSRB and shall be accompanied by such identifying information as is prescribed by the MSRB. The specific nature of the information to be contained in the notices of enumerated events is set forth in the form of "Continuing Disclosure Certificate" set forth as Appendix D. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

The Township (or The East Brunswick Sewerage Authority, which the Township dissolved and assumed, and previously issued \$4,480,000 Sewer Revenue Bonds, Series 2007 and by this reference is hereby incorporated into the defined term "Township") previously failed to file its annual reports for its outstanding bonds. The annual reports, and the appropriate late notices, have since been completed and applied to all of the Township's outstanding bonds. In addition, the Township has failed to file or file in a timely manner, as applicable, (i) certain operating and financial data; (ii) its adopted budgets; (iii) its audited financial statements. While the Township has sold and closed on bonds and/or notes in 2010, 2012, 2013, 2014, 2015, 2016 and 2017 with official statements that contain audited financial statements, as well as, operating data, such documents were and are available on the MSRB's EMMA dataport; however, in some instances, those documents were not previously assigned or linked to the Township's outstanding bond issues. When applicable, the aforesaid operating and financial data, adopted budgets and audited financial statements, and the appropriate late notices,

have since been completed and applied to the applicable Township outstanding bonds. The Township also acknowledges that it previously failed to file material event notices in connection with (a) certain bond insurer rating changes (b) the dissolution of The East Brunswick Sewerage Authority and assumption of same by the Township. The aforesaid material event notices, and the appropriate late notices, have since been completed and applied to the applicable Township outstanding bonds. The Township has put certain internal procedures in place to ensure future compliance with the Township's continuing disclosure obligations.

## **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Notes are subject to the approval of Archer & Greiner PC, Red Bank, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as Appendix C.

## **PREPARATION OF OFFICIAL STATEMENT**

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the purchasers of the Notes, by certificates signed by the Chief Finance Officer that to his knowledge such descriptions and statements, as of the date of this Official Statement are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

The Local Fiscal Affairs Law (NJS 40A:5-4) requires that every local government employ the services of an independent audit firm to cause an annual audit of its books, accounts and financial transactions to be made. Summation from the audited financial statements were extracted by the Chief Finance Officer. Full and complete audit statements are on file at the Division of Local Governmental Services, State Dept. of Community Affairs, Moody's Investors Service, Inc. and the East Brunswick Municipal Building. The selection of what material was to be extracted was made without the consent or approval of the independent audit firms. As indicated in the Appendix the Township's audited financial statements for the period ending December 31, 2015 is available on the Township web site.

A requirement of the Local Fiscal Affairs Law is that a synopsis of all audits together with recommendations made by the accounting firm must be published by the Municipal Clerk in the local newspaper and the Municipal Council must sign a statement and pass a resolution confirming they have read the recommendations. The Township has complied with these requirements and further information is available upon request.

All other information has been obtained from sources which the Township considers to be reliable and they make no warranty, guaranty or other representation which respect to the accuracy and completeness of such information.

Archer & Greiner PC, Bond Counsel to the Township, and Holman, Frenia, Allison, P.C., Township Auditor, have not participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

## **UNDERWRITING**

The Notes have been purchased from the Township at a public sale for resale by TD Securities (USA), LLC New York, New York (the "Underwriter"), at a purchase price of \$20,455,353.60. The purchase price of the Notes reflects the par amount of the Notes equal to \$20,190,000 minus a Note Underwriter's discount of \$5,451.30 plus an original issue premium in the amount of \$271,353.60.

## **ADDITIONAL INFORMATION**

Inquiries regarding this Preliminary Official Statement including information additional to that contained herein may be directed to the Chief Finance Officer, L. Mason Neely, or the Assistant Finance Director/Tax Collector, Michelle O'Hara, East Brunswick Township, P. O. Box 1081, East Brunswick, New Jersey 08816-1081, Telephone (732) 390-6860, Fax (732) 390-6995 or e-mail at [Lneely@eastbrunswick.org](mailto:Lneely@eastbrunswick.org).

## MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representation of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes. All quotations from and summaries and explanations of provisions of law as of the State of New Jersey herein do not purport to be complete.

This Official Statement has been duly executed and delivered by the Chief Finance Officer of the Township of East Brunswick and is to replace all prior official statements with this up to date disclaimer.

TOWNSHIP OF EAST BRUNSWICK

*/s/ L. Mason Neely* \_\_\_\_\_

L. Mason Neely  
Chief Finance Officer

Dated: July 13, 2017

**APPENDIX A**

**TOWNSHIP COMPARATIVE FINANCIAL INFORMATION**

**CURRENT FUND - COMPARATIVE BALANCE SHEET**

	<b>Balance Dec. 31, 2015</b>	<b>Balance Dec. 31, 2014</b>	<b>Balance Dec. 31, 2013</b>	<b>Balance Dec. 31, 2012</b>	<b>Balance Dec. 31, 2011</b>	<b>Balance Dec. 31, 2010</b>
<b>ASSETS &amp; DEFERRED CHARGES</b>						
Cash & Cash Equivalents	\$ 9,338,664.00	\$ 12,035,790.00	\$ 14,844,680.00	\$ 9,794,343.00	\$ 11,247,612.25	\$ 9,822,455.21
Change Funds	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Homestead Benefit Credit					\$ 2,740,088.00	
Exempt Due from State of NJ	\$ 15,080.00	\$ 12,369.00	\$ 10,830.00		\$ 11,000.00	\$ 6,000.00
	\$ 9,355,744.00	\$ 12,050,159.00	\$ 14,857,510.00	\$ 9,796,343.00	\$ 14,000,700.25	\$ 9,830,455.21
<i>Receivables with Full Reserves:</i>						
Taxes Receivable	\$ 2,131,264.00	\$ 1,955,660.00	\$ 2,175,146.00	\$ 2,715,952.00	\$ 2,519,331.26	\$ 2,301,789.22
Tax Title Lines	\$ 20,768.00	\$ 54,450.00	\$ 16,350.00	\$ 8,848.00	\$ 5,754.14	\$ 52,738.42
Property Acquired For Taxes (Foreclose)		\$ 89,434.00	\$ 89,434.00	\$ 89,434.00		
Revenue Accounts Receivable	\$ 79,995.00	\$ 104,647.00	\$ 136,934.00	\$ 100,930.00	\$ 125,814.39	\$ 90,786.64
Interfunds - Trust	\$ 5,587,702.00	\$ 360,344.00		\$ 89,434.00	\$ 89,434.08	\$ 89,434.00
Special District Taxes Receivable		\$ 2,389.00	\$ 6,635.00	\$ 2,580.00	\$ 3,770.00	\$ 9,935.00
Other Receivables	\$ 20,915.00	\$ 18,322.00	\$ 355,539.00	\$ 614,849.00	\$ 213,603.96	\$ 249,234.00
	\$ 7,840,644.00	\$ 2,585,246.00	\$ 2,780,038.00	\$ 3,622,027.00	\$ 2,957,707.83	\$ 2,793,917.28
<b>TOTAL ASSETS</b>	<b>\$ 17,196,388.00</b>	<b>\$ 14,635,405.00</b>	<b>\$ 17,637,548.00</b>	<b>\$ 13,418,370.00</b>	<b>\$ 16,958,408.08</b>	<b>\$ 12,624,372.49</b>
<b>Federal &amp; State Grant Fund</b>						
Cash	\$ 87,869.00	\$ 164,834.00	\$ 169,419.00	\$ 104,386.00	\$ 98,469.10	\$ 9,885.93
Fed & St Grant Fund Receivable	\$ 422,162.00	\$ 346,622.00	\$ 101,101.00	\$ 123,635.00	\$ 127,259.08	\$ 160,666.00
Interfund Receivable	\$ 10,629.00					
Deferred Charges	\$ 1,664.00	\$ 1,664.00				\$ 148,844.20
	<b>\$ 522,324.00</b>	<b>\$ 513,120.00</b>	<b>\$ 270,520.00</b>	<b>\$ 228,021.00</b>	<b>\$ 225,728.18</b>	<b>\$ 319,396.13</b>
<b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>						
<i>Expenditure Reserves:</i>						
Encumbrances	\$ 830,174.00	\$ 319,967.00	\$ 1,588,590.00	\$ 1,290,226.00	\$ 2,119,213.04	\$ 953,470.80
Appropriation Reserves	\$ 2,289,073.00	\$ 3,427,266.00	\$ 2,344,590.00	\$ 3,246,824.00	\$ 1,780,214.41	\$ 3,030,143.67
Reserve for Dedicated Exp.					\$ 172,827.64	\$ 138,859.64
Accounts Payable	\$ 32,117.00	\$ 39,166.00	\$ 25,421.00	\$ 8,638.00	\$ 8,637.96	\$ 8,637.96
<i>Payables:</i>						
Fees due to St. of NJ	\$ 16,035.00	\$ 47,776.00	\$ 19,802.00	\$ 16,204.00	\$ 13,252.76	\$ 20,122.34
Special Assessment				\$ 196.00		
Tax Overpayments	\$ 178,374.00	\$ 68,365.00	\$ 113,450.00	\$ 115,367.00	\$ 38,872.43	\$ 1,876.20
Reserve for Tax Appeals	\$ 1,258,315.00	\$ 1,413,548.00	\$ 1,508,548.00	\$ 543,981.00	\$ 1,446,459.18	\$ 1,500,720.00
County Taxes Payable	\$ 82,259.00	\$ 85,641.00	\$ 42,756.00	\$ 72,397.00	\$ 20,891.06	\$ 28,599.38
School Taxes Payable						
Due to Trust - Other Fund						
Prepaid Taxes	\$ 846,507.00	\$ 756,635.00	\$ 2,352,003.00	\$ 808,166.00	\$ 3,703,809.20	\$ 782,354.60
Water Utility Operating Fund			\$ 4,087,126.00	\$ 885,153.00		
Trust Fund					\$ 1,981,524.61	
Police Training Ut. Oper. Fund			\$ 2,454.00	\$ 2,541.00	\$ 2,430.22	
Sewer Utility Operating Fund				\$ 4,541.00		
Swimming Pool Oper. Fund			\$ 42,760.00	\$ 14,000.00		
Special Assessment			\$ 181.00	\$ 196.00		
Reserve for Public Defender	\$ 23,659.00	\$ 23,659.00				
Rec/Parks Refund				\$ 1,197.00		
Mun. Open Space Tax Payable				\$ 1,005.00		
Interfunds	\$ 731,674.00	\$ 812,124.00				\$ 148,844.20
	<b>\$ 6,288,187.00</b>	<b>\$ 6,994,147.00</b>	<b>\$ 12,127,681.00</b>	<b>\$ 7,010,632.00</b>	<b>\$ 11,288,132.51</b>	<b>\$ 6,613,628.79</b>
Reserve for Receivables	\$ 7,840,644.00	\$ 2,585,246.00	\$ 2,780,047.00	\$ 3,532,593.00	\$ 2,957,707.83	\$ 2,793,917.56
<b>FUND BALANCE TOTAL</b>	<b>\$ 3,067,557.00</b>	<b>\$ 5,056,012.00</b>	<b>\$ 2,729,913.00</b>	<b>\$ 2,785,907.00</b>	<b>\$ 2,712,467.25</b>	<b>\$ 3,163,790.90</b>
<b>LIABILITIES, RESERVES</b>						
<b>AND FUND BALANCE</b>	<b>\$ 17,196,388.00</b>	<b>\$ 14,635,405.00</b>	<b>\$ 17,637,641.00</b>	<b>\$ 13,329,132.00</b>	<b>\$ 16,958,307.59</b>	<b>\$ 12,571,337.25</b>
<b>Federal &amp; State Grant Fund</b>						
Interfund Payable - Current Fund	\$ 226,231.00					
Reserve for Encumbrances	\$ 32,430.00					
Accounts Payable	\$ 200.00					
Unappropriated Reserves	\$ 75,308.00	\$ 34,580.00	\$ 54,692.00	\$ 62,672.00	\$ 63,945.24	\$ 72,016.40
Appropriation Reserves	\$ 188,155.00	\$ 337,392.00	\$ 136,566.00	\$ 162,782.00	\$ 161,782.94	\$ 187,379.73
	\$ 522,324.00	\$ 371,972.00	\$ 191,258.00	\$ 225,454.00	\$ 225,728.18	\$ 259,396.13

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.

<b>CURRENT FUND - COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE</b>						
	<b>YEAR 2015</b>	<b>YEAR 2014</b>	<b>YEAR 2013</b>	<b>YEAR 2012</b>	<b>YEAR 2011</b>	<b>YEAR 2010</b>
<b>Revenue &amp; Other Income:</b>						
Fund Balance Utilized	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,900,000.00
Misc. Revenue Anticipated	\$ 18,169,055.00	\$ 18,505,402.00	\$ 17,804,403.00	\$ 19,849,027.00	\$ 17,265,599.81	\$ 16,901,525.64
Receipts from Delinquent Taxes	\$ 1,994,491.00	\$ 2,173,771.00	\$ 2,736,261.00	\$ 2,435,314.00	\$ 2,338,345.83	2351403.07
Receipts from Current Taxes	\$ 194,817,685.00	\$ 189,684,075.00	\$ 180,942,462.00	\$ 178,505,045.00	\$ 177,905,277.25	\$ 173,352,032.27
Non Budget Revenue	\$ 181,617.00	\$ 122,650.00	\$ 219,318.00	\$ 72,006.00	\$ 378,457.90	\$ 471,835.63
<i>Other Credits to Income:</i>						
Appropriation Reserve Lapsed						
Tax Overpayments Cancelled						
Grant Unappr Reserve Cancel						\$ 116,333.67
Refund of Prior Year Expend.						\$ 7,645.17
Health Liens, Escrow Liens						
Unexpended Bal. of Appr. Resrve	\$ 2,605,820.00	\$ 2,184,173.00		\$ 2,389,970.00	\$ 1,261,044.45	\$ 2,193,874.66
Prior Year Interfunds Refund	\$ 360,344.00	\$ 355,539.00				
Grant Appropriated Reserves Canceled	\$ 10,000.00	\$ 77,148.00				
Transfers From Reserve for Tax Appeal						
Statutory Excess					\$ 6,213.34	
Interfunds Returned					\$ 249,234.20	\$ 69,571.60
Misc./Acct. Payable Cancelled						
Other						\$ 297,694.97
	<b>\$ 220,639,012.00</b>	<b>\$ 215,602,758.00</b>	<b>\$ 204,202,444.00</b>	<b>\$ 205,751,362.00</b>	<b>\$ 201,904,172.78</b>	<b>\$ 198,661,916.68</b>
<b>Expenditures</b>						
Budget & Emergency Appropriations						
Operations:						
Operating	\$ 42,895,214.00	\$ 41,406,846.00				
State & Federal Programs Off-Set by Rev.	\$ 653,616.00	\$ 584,956.00				
Salaries and Wages/OE			\$ 52,620,228.00	\$ 54,302,495.00	\$ 53,542,980.74	\$ 53,497,225.80
Other Expenses	\$ 26,481.00	\$ 3,387.00				
Capital Improvements	\$ 30,000.00	\$ 20,000.00				
Municipal Debt Service	\$ 6,824,168.00	\$ 7,586,631.00				
Deferred Charges & Statutory Expenditures	\$ 5,329,000.00	\$ 5,239,561.00				
Judgments						
Budget Expenditures						
Increase Reserve for Interfunds						
Tax Overpayments Added						
Local District School Tax	\$ 126,077,799.00	\$ 122,792,611.00	\$ 120,095,049.00	\$ 117,750,133.00	\$ 114,034,904.50	\$ 114,643,311.00
County Taxes	\$ 28,462,755.00	\$ 28,538,580.00	\$ 27,215,138.00	\$ 26,978,824.00	\$ 26,074,323.61	\$ 24,460,535.49
Fire District Tax	\$ 3,843,597.00	\$ 3,751,090.00	\$ 3,431,408.00	\$ 3,623,384.00	\$ 3,543,849.00	\$ 3,527,927.00
Municipal Open Space Reserve	\$ 379,062.00	\$ 378,490.00	\$ 381,204.00	\$ 387,782.00	\$ 398,478.00	\$ 402,699.44
Interfunds	\$ 5,587,702.00	\$ 360,344.00	\$ 526,919.00	\$ 135,304.00	\$ 213,603.95	\$ 249,234.20
Grant Receivable Cancelled	\$ 5,000.00	\$ 99,347.00				\$ 90,425.15
Due from State of NJ						
Miscellaneous Expenditutre					\$ 33,563.00	
Sr Cit/Vets Accts Rec.	\$ 13,073.00	\$ 14,826.00				
Adjustment					\$ 13,793.60	\$ 14,963.63
(Credit)/Rexserve for tax appeals						
	<b>\$ 220,127,467.00</b>	<b>\$ 210,776,669.00</b>	<b>\$ 204,269,946.00</b>	<b>\$ 203,177,922.00</b>	<b>\$ 197,855,496.40</b>	<b>\$ 196,886,321.71</b>
<b>STATUTORY EXCESS TO FUND BALANCE</b>						
Fund Balance, January 1 Restatement	\$ 5,056,012.00	\$ 2,729,923.00	\$ 2,785,907.00	\$ 2,712,467.00	\$ 3,163,790.90	\$ 4,228,195.93
	<b>\$ 5,567,557.00</b>	<b>\$ 7,556,012.00</b>	<b>\$ 5,229,923.00</b>	<b>\$ 5,285,907.00</b>	<b>\$ 5,212,467.25</b>	<b>\$ 6,003,790.90</b>
Decreased By:						
Utilized as Anticipated Revenue	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,900,000.00
<b>FUND BALANCE, DEC. 31</b>	<b>\$ 3,067,557.00</b>	<b>\$ 5,056,012.00</b>	<b>\$ 2,729,923.00</b>	<b>\$ 2,785,907.00</b>	<b>\$ 2,712,467.25</b>	<b>\$ 3,103,790.90</b>

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.

**WATER UTILITY**  
**COMPARATIVE BALANCE SHEET**

	Balance 12/31/2015	Balance 12/31/2014	Balance 12/31/2013	Balance 12/31/2012	Balance 12/31/2011	Balance 12/31/2010
<b>ASSETS:</b>						
<i>Operating Fund:</i>						
Cash- Treasurer	\$ 4,361,705.00	\$ 3,867,989.00	\$ 1,219,677.00	\$ 4,752,319.00	\$ 4,292,251.79	\$ 2,199,437.49
Cash - Investments						
Change Funds	\$ 250.00	\$ 250.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Due from Current Fund	\$ 1,341,920.00	\$ 1,402,108.00	\$ 4,087,126.00	\$ 885,153.00		
Due from General Capital					\$ 165,189.28	
Due from Sewer Utility Operating Fund					\$ 1,700,000.00	\$ 2,865,128.07
Due from Water Utility Capital Fund				\$ 600,000.00		
	\$ 5,703,875.00	\$ 5,270,347.00	\$ 5,306,953.00	\$ 6,237,622.00	\$ 6,157,591.07	\$ 5,064,715.56
<i>Receivables with Full Reserves:</i>						
Consumer Accounts Receivable	\$ 808,754.00	\$ 509,895.00	\$ 310,112.00	\$ 380,185.00	\$ 382,518.75	\$ 645,708.00
Water Rent Liens Receivable						
Due from Capital					\$ 325,000.00	
Due from Trust						
Deferred Charges						
	\$ 808,754.00	\$ 509,895.00	\$ 310,112.00	\$ 380,185.00	\$ 707,518.75	\$ 645,708.00
<i>Capital Fund:</i>						
Cash- Treasurer-Anticipated Rev.	\$ 4,688,888.00	\$ 1,532,613.00	\$ 1,491,713.00	\$ 217,977.00	\$ 1,129,960.74	\$ 348,410.97
Investments			\$ 38,000.00	\$ 1,342,255.00		
Due from Sewer Utility Cap. Fund				\$ 325,000.00		
Interfunds Receivable	\$ 792,200.00				\$ 443,822.14	\$ 341,800.66
Fixed Capital	\$ 32,309,901.00	\$ 32,091,639.00	\$ 32,007,627.00	\$ 32,007,627.00	\$ 32,007,626.00	\$ 32,007,626.00
Fixed Cap. Authorized & Uncompleted	\$ 7,750,000.00	\$ 7,979,019.00	\$ 5,179,019.00	\$ 5,179,019.00	\$ 3,929,019.01	\$ 4,369,423.88
	\$ 45,540,989.00	\$ 41,603,271.00	\$ 38,716,359.00	\$ 39,071,878.00	\$ 37,510,427.89	\$ 37,067,261.51
<b>TOTAL ASSETS</b>	<b>\$ 52,053,618.00</b>	<b>\$ 47,383,513.00</b>	<b>\$ 44,333,424.00</b>	<b>\$ 45,689,685.00</b>	<b>\$ 44,375,537.71</b>	<b>\$ 42,777,685.07</b>
<b>LIABILITIES, RESERVES &amp; FUND BALANCE:</b>						
<i>Operating Fund - Cash Liabilities:</i>						
Accounts Payable	\$ 1,824.00	\$ 18,131.00	\$ 16,307.00	\$ 12,512.00	\$ 12,511.54	\$ 25,518.00
Various Reserves	\$ 284,978.00	\$ 273,742.00	\$ 280,880.00	\$ 274,560.00	\$ 275,010.10	\$ 174,390.10
Encumbrances	\$ 65,028.00	\$ 64,188.00	\$ 79,779.00	\$ 295,580.00	\$ 363,756.18	\$ 357,240.18
Appropriation Reserves	\$ 497,976.00	\$ 266,487.00	\$ 771,364.00	\$ 1,317,419.00	\$ 1,581,978.99	\$ 1,146,419.50
Accrued Interest	\$ 38,422.00	\$ 14,624.00	\$ 38,797.00	\$ 34,185.00	\$ 37,772.61	\$ 17,583.33
Water Rent Overpayments	\$ 53,869.00	\$ 49,202.00	\$ 77,396.00	\$ 148,987.00	\$ 68,234.46	\$ 95,387.38
Due to Trust Other Fund				\$ 1,584.00		
Due to Payroll				\$ 43,338.00		
Interfunds Payables	\$ 589,167.00	\$ 48,039.00				\$ 36,227.20
	\$ 1,531,264.00	\$ 734,413.00	\$ 1,264,523.00	\$ 2,128,165.00	\$ 2,339,263.88	\$ 1,852,765.69
Reserve for Receivables	\$ 808,754.00	\$ 509,895.00	\$ 310,112.00	\$ 380,185.00	\$ 382,518.75	\$ 645,708.04
Fund Balance (deficit)	\$ 4,172,611.00	\$ 4,535,934.00	\$ 4,042,430.00	\$ 4,109,458.00	\$ 3,374,505.04	\$ 3,212,009.87
	\$ 6,512,629.00	\$ 5,780,242.00	\$ 5,617,065.00	\$ 6,617,808.00	\$ 6,096,287.67	\$ 5,710,483.60
<b>Capital Funds:</b>						
Reserve for Refunded Assessments						
<i>Capital Fund:</i>						
Interfunds Payable	\$ 2,639,701.00					
Serial Bonds Payable	\$ 4,700,000.00	\$ 2,850,000.00	\$ 3,650,000.00	\$ 3,000,000.00	\$ 3,400,000.00	\$ 2,600,000.00
Reserve for Encumbrances	\$ 422,570.00					
Bond Anticipation Notes						
Due to Operating						
Reserve for Specific Expenditure	\$ 40,405.00	\$ 40,405.00	\$ 40,405.00	\$ 40,405.00	\$ 40,404.87	
Due to General Capital					\$ 200,000.00	
Reserve for Debt Service	\$ 208,597.00	\$ 308,597.00	\$ 308,597.00	\$ 213,037.00	\$ 13,037.48	\$ 13,037.48
Due to Water Utility Operating Fund				\$ 600,000.00		
Due to General Capital					\$ 200,000.00	
Unfunded	\$ 1,561,469.00	\$ 3,560,704.00	\$ 777,568.00	\$ 1,910,889.00	\$ 679,999.14	\$ 1,869,641.42
Capital Improvement Fund	\$ 289,965.00	\$ 289,965.00	\$ 289,965.00	\$ 309,965.00	\$ 309,964.89	\$ 309,964.89
Reserve for Amortization	\$ 34,900,306.00	\$ 33,961,063.00	\$ 33,077,051.00	\$ 32,477,051.00	\$ 32,077,050.54	\$ 32,077,050.54
Def. Res. For Amortization	\$ 459,595.00	\$ 459,595.00	\$ 459,595.00	\$ 459,595.00	\$ 459,595.13	
Res. For Payment of Notes						
Fund Balance	\$ 318,381.00	\$ 132,942.00	\$ 113,178.00	\$ 60,935.00	\$ 211,554.36	\$ 197,567.18
	\$ 45,540,989.00	\$ 41,603,271.00	\$ 38,716,359.00	\$ 39,071,877.00	\$ 37,591,606.41	\$ 37,067,261.51
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>	<b>\$ 52,053,618.00</b>	<b>\$ 47,383,513.00</b>	<b>\$ 44,333,424.00</b>	<b>\$ 45,689,685.00</b>	<b>\$ 43,687,894.08</b>	<b>\$ 42,777,745.11</b>

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.



**WATER UTILITY - COMPARATIVE STATEMENT  
OF OPERATIONS & CHANGES IN FUND BALANCE**

	YEAR 2015	YEAR 2014	YEAR 2013	YEAR 2012	YEAR 2011	YEAR 2010
<b>Revenue &amp; Other Income:</b>						
Fund Balance Utilized	\$ 1,381,690.00	\$ 1,373,690.00	\$ 1,105,665.00	\$ 996,747.00	\$ 1,255,431.00	\$ 1,075,431.00
Rents	\$ 7,397,168.00	\$ 7,614,225.00	\$ 6,695,572.00	\$ 7,133,272.00	\$ 7,107,588.83	\$ 7,358,868.79
Connection Fees	\$ 165,970.00	\$ 145,650.00	\$ 239,817.00	\$ 124,440.00	\$ 230,752.52	\$ 52,059.30
Misc. Revenue Anticipation						
Interest on Investments	\$ 1,913.00	\$ 1,765.00				\$ 9,371.16
Non Budget Revenue	\$ 449,205.00	\$ 894,748.00	\$ 111,145.00	\$ 70,008.00	\$ 87,309.59	\$ 49,829.09
Escrow Trustee						
<i>Other Credits to Income:</i>						
Appropriation Reserve Lapsed	\$ 110,528.00	\$ 167,810.00	\$ 943,561.00	\$ 1,218,892.00	\$ 765,775.23	\$ 800,917.90
Accrued Interest			\$ 4,612.00	\$ 3,558.00		
Accounts Payable Cancelled	\$ 16,307.00					
Net Interfund Returned						
Accrued Interest on Notes Lapse						
	<b>\$ 9,522,781.00</b>	<b>\$ 10,197,888.00</b>	<b>\$ 9,100,372.00</b>	<b>\$ 9,546,917.00</b>	<b>\$ 9,446,857.17</b>	<b>\$ 9,346,477.24</b>
<b>Expenditures:</b>						
<i>Budget and Emergency Appropriations:</i>						
<i>Operations:</i>						
Salaries & Wages	\$ 1,212,280.00	\$ 1,178,980.00	\$ 1,148,730.00	\$ 1,127,937.00	\$ 1,267,621.00	\$ 1,267,621.00
Other Expenses	\$ 5,746,960.00	\$ 5,794,060.00	\$ 5,631,310.00	\$ 5,656,310.00	\$ 5,731,310.00	\$ 5,596,310.00
Capital Improvements	\$ 150,000.00	\$ 100,000.00	\$ 50,000.00	\$ 100,000.00	\$ 150,000.00	\$ 50,000.00
Municipal Debt Service	\$ 900,174.00	\$ 842,655.00	\$ 749,125.00	\$ 651,000.00	\$ 600,000.00	\$ 549,922.22
Anticipated Revenue						
Statutory Expenditures	\$ 270,000.00	\$ 190,000.00	\$ 245,000.00	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00
Reserve for Payment of BAN's						
Refund of Assessments						
Cancellation Prior Year			\$ 12,570.00			
Accrued Interest						
Surplus to Current Fund	\$ 225,000.00	\$ 225,000.00	\$ 225,000.00	\$ 100,000.00	\$ 100,000.00	
Overpayments						
	<b>\$ 8,504,414.00</b>	<b>\$ 8,330,695.00</b>	<b>\$ 8,061,735.00</b>	<b>\$ 7,815,247.00</b>	<b>\$ 8,028,931.00</b>	<b>\$ 7,643,853.22</b>
<b>EXCESS (DEFICIT) in REVENUE</b>	<b>\$ 1,018,367.00</b>	<b>\$ 1,867,193.00</b>	<b>\$ 1,038,637.00</b>	<b>\$ 1,731,700.00</b>	<b>\$ 1,417,926.17</b>	<b>\$ 1,702,624.02</b>
Fund Balance, January 1	\$ 4,535,934.00	\$ 4,042,431.00	\$ 4,109,458.00	\$ 3,374,505.00	\$ 3,212,009.87	\$ 2,584,816.85
Deferred charges - Emergency Approp.						
Deferred Charge to Future Budget						
Charge to Future Budget						
	<b>\$ 5,554,301.00</b>	<b>\$ 5,909,624.00</b>	<b>\$ 5,148,095.00</b>	<b>\$ 5,106,205.00</b>	<b>\$ 4,629,936.04</b>	<b>\$ 4,287,440.87</b>
Decreased by:	<b>\$ 1,381,690.00</b>	<b>\$ 1,373,690.00</b>	<b>\$ 1,105,663.00</b>	<b>\$ 996,747.00</b>	<b>\$ 1,255,431.00</b>	<b>\$ 1,075,431.00</b>
Utilized above as						
Anticipated Revenue						
<b>FUND BALANCE (DEFICIT), DEC. 31</b>	<b>\$ 4,172,611.00</b>	<b>\$ 4,535,934.00</b>	<b>\$ 4,042,432.00</b>	<b>\$ 4,109,458.00</b>	<b>\$ 3,374,505.04</b>	<b>\$ 3,212,009.87</b>

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.

**PARKING UTILITY - COMPARATIVE BALANCE SHEET**

	Balance Dec. 31, 2015	Balance Dec. 31, 2014	Balance Dec. 31, 2013	Balance Dec. 31, 2012	Balance Dec. 31, 2011	Balance Dec. 31, 2010
<b>ASSETS:</b>						
<i>Operating Fund</i>						
Cash & Investments - Treasurer	\$ 3,584,549.00	\$ 2,409,782.00	\$ 2,007,948.00	\$ 1,614,663.00	\$ 1,109,545.02	\$ 702,132.38
Deferred Charge						
Deficit in Operations						
Over Expenditure of an Appropr.						\$ 173,317.78
Interfund Receivables	\$ 165,209.00	\$ 169,643.00				
Cash - change fund	\$ 400.00	\$ 400.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
	<b>\$ 3,750,158.00</b>	<b>\$ 2,579,825.00</b>	<b>\$ 2,008,048.00</b>	<b>\$ 1,614,763.00</b>	<b>\$ 1,109,645.02</b>	<b>\$ 875,550.16</b>
<i>Capital Fund:</i>						
Cash & Investments - Treasurer	\$ 945,083.00	\$ 944,460.00	\$ 944,460.00	\$ 628,200.00	\$ 858,511.22	\$ 1,081,062.42
Investment				\$ 360,255.00		
Due from General Capital Fund						
Fixed Capital Authorized						
Uncompleted						\$25,000,000.00
Fixed Capital Amount	\$49,798,015.00	\$49,594,955.00	\$49,513,717.00	\$49,513,717.00	\$49,513,717.24	\$49,483,282.74
	<b>\$50,743,098.00</b>	<b>\$50,539,415.00</b>	<b>\$50,458,177.00</b>	<b>\$50,502,172.00</b>	<b>\$50,372,228.46</b>	<b>\$75,564,345.16</b>
<b>TOTAL ASSETS:</b>	<b>\$54,493,256.00</b>	<b>\$53,119,240.00</b>	<b>\$52,466,225.00</b>	<b>\$52,116,935.00</b>	<b>\$51,481,873.48</b>	<b>\$76,439,895.32</b>
<b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>						
<i>Operating Fund</i>						
Appropriatin Reserves	\$ 393,202.00	\$ 609,806.00	\$ 37,387.00	\$ 88,700.00	\$ 109,586.87	\$ 73,467.32
Accounts Payable	\$ 284.00	\$ 284.00		\$ 7,678.00	\$ 7,678.28	
Accrued Interest	\$ 102,080.00	\$ 104,783.00	\$ 111,250.00	\$ 324,490.00	\$ 440,195.55	\$ 530,175.00
Encumbrances	\$ 161,177.00	\$ 24,520.00	\$ 29,365.00	\$ 45,171.00	\$ 31,855.06	\$ 69,118.61
Various Reserves						
Interfunds Payable - Current Fund	\$ 570,318.00					
Funds						\$ 179.03
Sales Tax Payment						
Due Current Fund					\$ 4,079.40	
Prepaid Parking Permits						
	\$ 1,227,061.00	\$ 739,393.00	\$ 178,002.00	\$ 466,039.00	\$ 593,395.16	\$ 672,939.96
<b>Fund Balance</b>	<b>\$ 2,523,097.00</b>	<b>\$ 1,840,432.00</b>	<b>\$ 1,830,046.00</b>	<b>\$ 1,122,106.00</b>	<b>\$ 516,249.86</b>	<b>\$ 202,610.20</b>
	<b>\$ 3,750,158.00</b>	<b>\$ 2,579,825.00</b>	<b>\$ 2,008,048.00</b>	<b>\$ 1,588,145.00</b>	<b>\$ 1,109,645.02</b>	<b>\$ 875,550.16</b>
<i>Capital Fund:</i>						
Serial Bonds Payable	\$26,600,000.00	\$27,600,000.00	\$28,600,000.00	\$ 670,000.00	\$ 1,350,000.00	\$ 2,055,000.00
Bond Anticipation Notes				\$29,100,000.00	\$29,600,000.00	\$30,000,000.00
Improvement Authorizations:						
Capital Improvement Fund	\$ 242,984.00	\$ 242,984.00	\$ 242,984.00	\$ 272,984.00	\$ 292,983.51	\$ 292,983.51
Inter Fund Payable	\$ 623.00					
Unfunded		\$ 31,162.00	\$ 31,162.00	\$ 31,162.00	\$ 81,548.13	\$25,152,454.08
Reserve for Future Debt Service						
Costs	\$ 27,290.00	\$ 27,290.00	\$ 27,290.00	\$ 100,000.00	\$ 100,000.00	\$ -
Reserve for Amoritization	\$23,198,015.00	\$21,994,955.00	\$20,913,717.00	\$19,743,717.00	\$18,563,717.24	\$17,428,282.74
Due to General Capital Fund				\$ 20,000.00		
Reserved for Basement Repairs	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00			
Fund Balance	\$ 668,186.00	\$ 637,021.00	\$ 637,024.00	\$ 564,309.00	\$ 383,979.48	\$ 635,624.83
	<b>\$50,743,098.00</b>	<b>\$50,539,412.00</b>	<b>\$50,458,177.00</b>	<b>\$50,502,172.00</b>	<b>\$50,372,228.36</b>	<b>\$75,564,345.16</b>
<b>TOTAL LIABILITIES,</b>						
<b>RESERVES &amp; FUND BALANCE</b>	<b>\$54,493,256.00</b>	<b>\$53,119,237.00</b>	<b>\$52,466,225.00</b>	<b>\$52,090,317.00</b>	<b>\$51,481,873.38</b>	<b>\$76,439,895.32</b>

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.

**PARKING UTILITY - COMPARATIVE STATEMENT OF  
OPERATIONS & CHANGES IN FUND BALANCE**

	<b>Balance Dec. 31, 2015</b>	<b>Balance Dec. 31, 2014</b>	<b>Balance Dec. 31, 2013</b>	<b>Balance Dec. 31, 2012</b>	<b>Balance Dec. 31, 2011</b>	<b>Balance Dec. 31, 2010</b>
<b>Revenue &amp; Other Income</b>						
Fund Balance Utilized	\$ 561,358.00	\$ 587,100.00	\$ 587,100.00			\$ 659,000.00
Parking Fees	\$ 2,123,322.00	\$ 2,206,056.00	\$ 2,147,346.00	\$ 2,110,019.00	\$ 1,781,600.40	\$ 1,616,141.17
Rental Park & Ride	\$ 1,097,842.00	\$ 880,710.00	\$ 844,230.00	\$ 806,720.00	\$ 720,115.00	\$ 720,000.00
Rental Income - Other	\$ 3,628.00	\$ 440.00	\$ 420.00	\$ -	\$ -	\$ -
Escrow Trustee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non Budget Revenue	\$ -	\$ -	\$ -	\$ 2,330.00	\$ 220.00	\$ 13,586.84
Bus Service Rental Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Investments		\$ 1,725.00	\$ 6,972.00	\$ 2,952.00	\$ 2,951.78	\$ 3,172.74
Other Credits to Income:	\$ 629,662.00	\$ 42,690.00	\$ 118,047.00	\$ -	\$ -	\$ -
Appropriation Reserves Lapsed	\$ -	\$ -	\$ -	\$ 106,295.00	\$ 42,340.81	\$ 21,654.32
Cancellation Of Reserve Funds			\$ 7,678.00	\$ -	\$ -	\$ -
Parking Utility Grant (County)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000.00
Accrued Interest on Notes Lapsed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection of Reserve Interfunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Funds Surplus	\$ -	\$ -	\$ -	\$ -	\$ 600,000.00	\$ 339,500.00
	<b>\$ 4,415,812.00</b>	<b>\$ 3,718,721.00</b>	<b>\$ 3,711,793.00</b>	<b>\$ 3,028,316.00</b>	<b>\$ 3,147,227.99</b>	<b>\$ 3,453,055.07</b>
<b>Expenditures</b>						
Budget & Emergency Appropriations						
Operations:						
Salaries & Wages	\$ 367,000.00	\$ 338,000.00	\$ 311,378.00	\$ 300,700.00	\$ 300,700.00	\$ 309,700.00
Other	\$ 413,835.00	\$ 413,835.00	\$ 380,572.00	\$ 382,950.00	\$ 379,950.00	\$ 379,950.00
Capital Improvements	\$ 650,000.00	\$ 613,700.00	\$ -	\$ -	\$ -	\$ 60,000.00
Municipal Debt Service	\$ 1,702,954.00	\$ 1,717,700.00	\$ 1,691,803.00	\$ 1,705,150.00	\$ 1,946,620.55	\$ 2,561,713.88
Accrued Interest Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Charges	\$ -	\$ -	\$ -	\$ -	\$ 173,317.78	\$ -
Refund of Prior Year Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Statutory Expenditures	\$ 38,000.00	\$ 38,000.00	\$ 33,000.00	\$ 33,000.00	\$ 33,000.00	\$ 33,000.00
	<b>\$ 3,171,789.00</b>	<b>\$ 3,121,235.00</b>	<b>\$ 2,416,753.00</b>	<b>\$ 2,421,800.00</b>	<b>\$ 2,833,588.33</b>	<b>\$ 3,344,363.88</b>
<b>EXCESS IN REVENUE</b>	<b>\$ 1,244,023.00</b>	<b>\$ 597,486.00</b>	<b>\$ 1,295,040.00</b>	<b>\$ 605,856.00</b>	<b>\$ 313,639.66</b>	<b>\$ 28,691.49</b>
Fund Balance, January 1	\$ 1,840,432.00	\$ 1,830,046.00	\$ 1,122,106.00	\$ 516,250.00	\$ 202,610.20	\$ 659,600.93
Decreased by:						
Utilized as anticipated Revenue	\$ 561,358.00	\$ 587,100.00	\$ 587,100.00	\$ 587,100.00		\$ 659,000.00
<b>FUND BALANCE, DEC. 31</b>	<b>\$ 2,523,097.00</b>	<b>\$ 1,840,432.00</b>	<b>\$ 1,830,046.00</b>	<b>\$ 1,122,106.00</b>	<b>\$ 516,249.86</b>	<b>\$ 20,261,020.00</b>

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.

**POOL UTILITY  
COMPARATIVE BALANCE SHEET**

	Balance 12/31/2015	Balance 12/31/2014	Balance 12/31/2013	Balance 12/31/2012	Balance 12/31/2011	Balance 12/31/2010
<b>ASSETS:</b>						
<i>Operating Fund:</i>	\$ 301,611.00	\$ 510,406.00	\$ 330,131.00	\$ 380,034.00	\$ 256,506.11	\$ 229,099.87
Cash- Treasurer						
Deferred Charges						
Deficit in Operations						
Interfunds Receivable	\$ 440,519.00	\$ 5,448.00	\$ 68,467.00			\$ 4,858.87
Due from Current Fund						
Investments				\$ 14,000.00		
	\$ 742,130.00	\$ 515,854.00	\$ 398,598.00	\$ 394,034.00	\$ 256,506.11	\$ 233,958.74
<i>Capital Fund:</i>						
Cash	\$ 54,681.00	\$ 365,057.00	\$ 2,599.00	\$ 14,501.00	\$ 14,500.93	\$ 49,776.98
Fixed Capital - Completed	\$ 4,172,894.00	\$ 3,038,833.00	\$ 3,013,764.00	\$ 2,927,585.00	\$ 2,927,584.92	\$ 2,865,325.81
Fixed Capital - Authorized and uncompleted	\$ 2,673,726.00	\$ 3,700,000.00	\$ 1,575,000.00			
Due from Pool Capital						
Interfund Receivable	\$ 262,814.00	\$ 435,748.00				
Operating Fund						
<b>TOTAL ASSETS:</b>	\$ 7,164,115.00	\$ 7,539,638.00	\$ 4,591,363.00	\$ 2,942,086.00	\$ 2,942,085.85	\$ 2,915,102.79
<b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>						
<i>Operating Fund:</i>						
Encumbrances	\$ 35,486.00	\$ 6,800.00	\$ 21,650.00	\$ 13,448.00	\$ 9,233.71	\$ 13,257.04
Appropriation Reserves	\$ 13,778.00	\$ 88,234.00	\$ 59,724.00	\$ 21,898.00	\$ 35,915.47	\$ 32,820.94
Current Fund						\$ 1,696.42
Due to Current Fund					\$ 340.00	
Due to Payroll Trust				\$ 44,300.00		
Accrued Int. on Notes	\$ 11,361.00	\$ 12,341.00			\$ 334.34	\$ 3,444.52
Accounts Payable	\$ 3,028.00	\$ 3,028.00				
Principal						
	\$ 63,653.00	\$ 110,403.00	\$ 81,374.00	\$ 79,646.00	\$ 45,823.52	\$ 51,218.92
Reserve for Equipment, Sponsors, Adv. Reg. Due from Pool Utility						
Capital Fund						
Fund Balance	\$ 678,477.00	\$ 405,451.00	\$ 317,224.00	\$ 314,388.00	\$ 210,682.59	\$ 182,729.82
	\$ 742,130.00	\$ 515,854.00	\$ 398,598.00	\$ 394,034.00	\$ 256,506.11	\$ 233,948.74
<b>Capital Fund:</b>						
Bond Anticipation Notes	\$ 1,450,000.00	\$ 1,575,000.00				
Serial Bonds					\$ 45,450.00	\$ 175,450.00
Improve Author. - Unfunded	\$ 2,097,782.00	\$ 2,899,208.00	\$ 1,540,098.00			
Reserve for Encumbrances	\$ 38,356.00					
Reserve for Amortization	\$ 3,271,620.00	\$ 3,038,833.00	\$ 3,013,761.00	\$ 2,927,585.00	\$ 2,882,134.82	\$ 2,689,875.81
Interfund Payable	\$ 269,422.00					
Pool Equipment						
Financing						
Reserve for Pool Equipment		\$ 26,597.00	\$ 23,000.00			
Expense - Slides						
Fund Balance	\$ 36,935.00		\$ 14,501.00	\$ 14,501.00	\$ 14,500.93	\$ 49,776.98
<b>TOTAL LIABILITIES, RESERVES &amp; FUND BALANCE</b>	\$ 7,164,115.00	\$ 7,539,638.00	\$ 4,591,360.00	\$ 2,942,086.00	\$ 2,942,085.75	\$ 2,915,102.79
	\$ 7,906,245.00	\$ 8,055,492.00	\$ 4,989,958.00	\$ 3,336,120.00	\$ 3,198,591.86	\$ 3,149,061.53

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.

**POOL UTILITY - COMPARATIVE STATEMENT OF  
OPERATIONS & CHANGES IN FUND BALANCE**

	Balance 12/31/2015	Balance 12/31/2014	Balance 12/31/2013	Balance 12/31/2012	Balance 12/31/2011	Balance 12/31/2010
<b>Revenue and Other Income:</b>						
Fund Balance Utilized	\$ 173,230.00	\$ 120,270.00	\$ 75,270.00	\$ 29,088.00	\$ 103,763.00	\$ 83,763.00
Pool Fees	\$ 1,089,405.00	\$ 755,019.00	\$ 672,351.00	\$ 723,354.00	\$ 698,503.59	\$ 743,134.50
Food Stand Revenue	\$ 18,500.00	\$ 13,000.00	\$ 10,300.00	\$ 13,400.00	\$ 11,500.00	\$ 11,500.00
Locker Rental					\$ 894.00	
Capital Surplus					\$ 10,000.00	\$ 10,000.00
Accrued Interest on Inv/Bonds					\$ 1,274.30	\$ 605.00
Non Budget Revenue	\$ 36,257.00	\$ 7,828.00		\$ 289.00	\$ 4,928.30	\$ 3,063.07
Sandpiper Grant						
<i>Other Credits to Income:</i>						
Accounts Payable Canceled						
Accrued Interest Canceled						
Appropriation Reserves Lapsed	\$ 70,065.00	\$ 48,491.00	\$ 31,261.00	\$ 43,945.00	\$ 31,084.62	\$ 32,906.06
<b>TOTAL RECEIVED</b>	<b>\$ 1,387,457.00</b>	<b>\$ 944,608.00</b>	<b>\$ 789,182.00</b>	<b>\$ 810,076.00</b>	<b>\$ 861,947.81</b>	<b>\$ 884,971.63</b>
<b>Expenditures:</b>						
Budget & Emergency Appropriations:						
<i>Operations:</i>						
Salaries & Wages	\$ 429,000.00	\$ 387,000.00	\$ 357,000.00	\$ 328,588.00	\$ 296,488.00	\$ 301,448.00
Other Expenses	\$ 251,230.00	\$ 208,270.00	\$ 237,770.00	\$ 221,500.00	\$ 212,115.00	\$ 204,350.00
Capital Outlay	\$ 92,700.00	\$ 100,000.00	\$ 100,000.00	\$ 52,956.00	\$ 65,000.00	\$ 45,000.00
Municipal Debt Service	\$ 139,771.00	\$ 12,341.00		\$ 45,456.00	\$ 130,000.00	\$ 153,629.29
Sponsorships						
Additional Accrued Interest						
Utilized in General Capital Fund						
Other						
Deficit in Operations Prior Year						
Statutory Expenditures	\$ 28,500.00	\$ 28,500.00	\$ 28,500.00	\$ 28,500.00	\$ 25,735.00	\$ 28,500.00
	\$ 941,201.00	\$ 736,111.00	\$ 723,270.00	\$ 677,000.00	\$ 729,338.00	\$ 732,927.29
<b>DEFICIT IN REVENUE</b>						
<b>EXCESS IN REVENUE</b>	\$ 446,256.00	\$ 208,497.00	\$ 78,106.00	\$ 132,793.00	\$ 131,715.77	\$ 151,399.34
<b>FUND BALANCE, Jan. 1</b>	\$ 405,451.00	\$ 317,224.00	\$ 314,388.00	\$ 210,683.00	\$ 182,729.82	\$ 115,093.48
	\$ 851,707.00	\$ 525,721.00	\$ 392,494.00	\$ 343,476.00	\$ 314,445.59	\$ 266,492.82
Decreased by:						
Utilized as Anticipated Revenue	\$ 173,230.00	\$ 120,270.00	\$ 75,270.00	\$ 29,888.00	\$ 103,763.00	\$ 83,763.00
Resolution 14844				\$ 25,276.05		
	\$ 173,230.00	\$ 120,270.00	\$ 75,270.00	\$ 55,164.05	\$ 103,763.00	\$ 83,763.00
<b>FUND BALANCE, Dec. 31</b>	<b>\$ 678,477.00</b>	<b>\$ 405,451.00</b>	<b>\$ 317,224.00</b>	<b>\$ 288,311.95</b>	<b>\$ 210,682.59</b>	<b>\$ 182,729.82</b>

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4

**POLICE TRAINING UTILITY  
COMPARATIVE BALANCE SHEET**

	Balance 12/31/2015	Balance 12/31/2014	Balance 12/31/2013	Balance 12/31/2012	Balance 12/31/2011	Balance 12/31/2010
<b>ASSETS:</b>						
<i>Operating Fund:</i>						
Cash- Treasurer	\$ 474,818.00	\$ 416,927.00	\$ 370,207.00	\$ 295,079.00	\$ 261,664.82	\$ 307,146.28
Cash - Investments						
Due from Current Fund		\$ 4,656.00	\$ 2,454.00	\$ 2,541.00	\$ 2,430.22	
<b>TOTAL ASSETS</b>	\$ 474,818.00	\$ 421,583.00	\$ 372,661.00	\$ 297,620.00	\$ 264,095.04	\$ 307,146.28
<b>Liabilities, Reserves &amp; Fund Balance:</b>						
Reserve for Encumbrances	\$ 2,523.00	\$ 463.00	\$ 3,813.00	\$ 4,935.00	\$ 10,820.22	\$ 79,861.38
Interfund Payable	\$ 34,379.00					
Appropriation Reserves	\$ 180,176.00	\$ 194,197.00	\$ 110,737.00	\$ 107,639.00	\$ 110,620.91	\$ 44,335.90
<i>Fund Balance:</i>	\$ 257,740.00	\$ 226,923.00	\$ 258,011.00	\$ 183,421.00	\$ 142,403.91	\$ 182,949.00
Accounts Payable				\$ 250.00	\$ 250.00	
Due to Payroll				\$ 1,375.00		
<b>TOTAL LIABILITIES, RESERVES &amp; FUND BALANCE</b>	\$ 474,818.00	\$ 421,583.00	\$ 372,561.00	\$ 297,620.00	\$ 264,095.04	\$ 307,146.28

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.

<b>POLICE TRAINING UTILITY - COMPARATIVE STATEMENT OF OPERATIONS &amp; CHANGES IN FUND BALANCE</b>						
	<b>Balance 12/31/2015</b>	<b>Balance 12/31/2014</b>	<b>Balance 12/31/2013</b>	<b>Balance 12/31/2012</b>	<b>Balance 12/31/2011</b>	<b>Balance 12/31/2010</b>
<b>Revenue and Other Income:</b>						
Fund Balance	\$ 190,000.00	\$ 190,000.00	\$ 90,000.00	\$ 90,000.00	\$ 88,000.00	\$ 88,000.00
Shooting Qualifications	\$ 109,810.00	\$ 126,250.00	\$ 142,705.00	\$ 110,360.00	\$ 103,922.89	\$ 99,110.00
Prism Training						
Interest on Investments						
Non-Budgeted Revenue	\$ 25,252.00	\$ 28,095.00	\$ 20,458.00	\$ 15,835.00	\$ 2,135.89	\$ 29,776.90
<i>Other Credits to Income:</i>						
Cancellation of Prior Year						
Encumbrances	\$ 188,755.00	\$ 107,467.00	\$ 104,277.00	\$ 107,822.00	\$ 44,396.13	\$ 76,291.62
	\$ 513,817.00	\$ 451,812.00	\$ 357,440.00	\$ 324,017.00	\$ 238,454.91	\$ 293,178.52
<b>Expenditures:</b>						
Salaries & Wages	\$ 53,000.00	\$ 53,000.00	\$ 53,000.00	\$ 53,000.00	\$ 40,000.00	\$ 40,000.00
Other Expenses	\$ 140,000.00	\$ 140,000.00	\$ 140,000.00	\$ 140,000.00	\$ 151,000.00	\$ 151,000.00
Capital Outlay	\$ 100,000.00	\$ 100,000.00				
	\$ 293,000.00	\$ 293,000.00	\$ 193,000.00	\$ 193,000.00	\$ 191,000.00	\$ 191,000.00
Excess Revenue	\$ 220,817.00	\$ 158,812.00	\$ 164,440.00	\$ 131,017.00	\$ 47,454.91	\$ 102,178.52
Fund Balance, January 1	\$ 226,923.00	\$ 258,111.00	\$ 183,421.00	\$ 142,403.91	\$ 182,949.00	\$ 168,770.48
Decreased by:						
Utilization as Anticipated Revenue	\$ 190,000.00	\$ 190,000.00				
Fund Balance, December 31	\$ 257,740.00	\$ 226,923.00	\$ 258,111.00	\$ 183,421.00	\$ 142,403.91	\$ 182,949.00

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.

SEWER UTILITY					
COMPARATIVE BALANCE SHEET					
	Balance 12/31/2015	Balance 12/31/2014	Balance 12/31/2013	Balance 12/31/2012	Balance 12/31/2011
<b>ASSETS:</b>					
<i>Operating Fund:</i>					
Cash and Investments	\$ 6,443,643.00	\$ 5,010,116.00	\$ 4,546,079.00	\$ 4,098,356.00	\$ 5,140,254.15
Interfunds Receivable	\$ 441,080.00				
Due from Sewer Utility Cap. Fund	\$ -	\$ -	\$ -	\$ 298,929.00	\$ 761,044.94
Due from Other Turst			\$ 60,780.00	\$ 29,443.00	
Due from Current Fund				\$ 4,541.00	
	\$ 6,884,723.00	\$ 5,010,116.00	\$ 4,606,859.00	\$ 4,431,269.00	\$ 5,901,299.09
<i>Receivables with Full Reserves:</i>					
Consumer Accts. Receivable	\$ 386,189.00	\$ 422,300.00	\$ 284,757.00	\$ 324,116.00	\$ 295,367.22
<i>Deferred Charge:</i>					
Emergency Appropriations	\$ 176,117.00	\$ 176,117.00			
Over Expendiutre of an Appropriation	\$ 20,221.00	\$ 20,221.00	\$ 928.00	\$ 928.00	\$ 246.57
Deficit in Operations			\$ 6,782.00	\$ 6,782.00	\$ 6,781.51
Total Operating Fund	\$ 7,467,250.00	\$ 5,628,754.00	\$ 4,899,326.00	\$ 4,763,095.00	\$ 6,203,694.39
<i>Capital Fund</i>					
Cash & Investments	\$ 852,414.00	\$ 855,162.00	\$ 855,162.00	\$ 393,260.00	\$ 553,391.96
Interfund Receivable	\$ 2,872.00				
Investments				\$ 360,255.00	
Fixed Capital	\$ 25,872,736.00	\$ 25,790,404.00	\$ 25,778,804.00	\$ 25,778,804.00	\$ 25,778,804.00
Fixed Capital - Authorized & Uncompleted	\$ 5,353,773.00	\$ 5,353,773.00	\$ 5,353,773.00	\$ 5,353,773.00	\$ 5,113,773.00
Due from General Capital				\$ 905,454.00	\$ 100,800.10
Total Assets	\$ 32,081,795.00	\$ 31,999,339.00	\$ 31,987,739.00	\$ 32,791,546.00	\$ 31,546,769.06
<b>TOTAL ASSETS</b>	<b>\$ 39,549,045.00</b>	<b>\$ 37,628,093.00</b>	<b>\$ 36,887,065.00</b>	<b>\$ 37,554,641.00</b>	<b>\$ 37,750,463.45</b>
<b>LIABILITIES, RESERVES &amp; FUND</b>					
<b>BALANCES:</b>					
<i>Operating Fund:</i>					
Appropriation Reserves	\$ 469,539.00	\$ 150,000.00	\$ 196,842.00	\$ 86,700.00	\$ 196,799.49
Encumbrances Payable	\$ 25,885.00	\$ 139,593.00	\$ 29,118.00	\$ 95,180.00	\$ 40,393.84
Accounts Payable	\$ 2,907.00	\$ 29,585.00	\$ 28,413.00	\$ 28,413.00	\$ 28,412.84
Interfund Payable	\$ 3,145,619.00	\$ 1,431,405.00			
Accrued Interest on Bonds	\$ 4,892.00	\$ 5,598.00	\$ 10,958.00	\$ 10,528.00	\$ 10,221.92
Various Reserves	\$ 289,000.00	\$ 318,500.00	\$ 342,000.00	\$ 357,575.00	\$ 460,268.84
Capital Improvement Fund	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 222,116.00	
Deferred Amortization	\$ 74,403.00	\$ 74,403.00	\$ 384,492.00	\$ 470,000.00	
<i>Due to:</i>					
Water Utility					\$ 1,700,000.00
Trust - Other Fund					\$ 813.78
Payroll Trust Fund				\$ 52,572.00	
Current Fund					\$ 25,707.88
Rent Overpayment	\$ 1,546.00	\$ 2,205.00			
<b>SUB TOTAL</b>	\$ 4,263,791.00	\$ 2,401,289.00	\$ 1,241,823.00	\$ 1,323,084.00	\$ 2,462,618.59
Reserve for Receivables	\$ 386,189.00	\$ 422,300.00	\$ 284,757.00	\$ 324,116.00	\$ 295,367.22
Fund Balance	\$ 2,817,270.00	\$ 2,805,165.00	\$ 3,372,746.00	\$ 3,808,011.00	\$ 3,445,710.58
Total Operating Fund	\$ 7,467,250.00	\$ 5,628,754.00	\$ 4,899,326.00	\$ 5,455,211.00	\$ 6,203,696.39
<i>Capital Fund:</i>					
Bond Anticipation Notes			\$ 600,000.00	\$ 900,000.00	\$ 1,000,000.00
Interfund Payable	\$ 11,949.00				
Serial Bonds	\$ 2,580,000.00	\$ 2,890,000.00	\$ 3,185,000.00	\$ 3,420,000.00	\$ 3,650,000.00
Reserve for Amoritization	\$ 24,062,736.00	\$ 23,670,404.00	\$ 22,763,804.00	\$ 22,228,804.00	\$ 22,128,804.00
Reserve To Pay Note Principal	\$ 470,000.00	\$ 470,000.00	\$ 470,000.00	\$ 770,000.00	\$ 200,000.00
Reserve for Debt Service	\$ 381,456.00	\$ 393,281.00	\$ 393,281.00		
Capital Improvement Fund	\$ 122,116.00	\$ 122,116.00	\$ 122,116.00		
Fund Balance	\$ 24,896.00	\$ 24,896.00	\$ 24,896.00		
<i>Improvement Authorizations:</i>					
Funded	\$ 314,869.00	\$ 314,869.00	\$ 90,356.00	\$ 273,757.00	\$ 34,056.57
Unfunded	\$ 4,113,773.00	\$ 4,113,773.00	\$ 4,338,286.00	\$ 4,338,286.00	\$ 4,338,663.45
<i>Due To:</i>					
Sewer Utility Oper. Fund				\$ 298,929.00	\$ 761,044.94
Water Utility Capital Fund				\$ 325,000.00	\$ 325,000.00
Fund Balance			\$ 24,896.00	\$ 14,654.00	\$ 9,200.10
Total Capital Fund	\$ 32,081,795.00	\$ 31,999,339.00	\$ 32,012,635.00	\$ 32,569,430.00	\$ 32,446,769.06
<b>TOTAL LIABILITIES, RESERVES</b>					
<b>&amp; FUND BALANCE</b>	<b>\$ 39,549,045.00</b>	<b>\$ 37,628,093.00</b>	<b>\$ 36,911,961.00</b>	<b>\$ 38,024,641.00</b>	<b>\$ 38,650,465.45</b>

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.



**SEWER UTILITY - COMPARATIVE STATEMENT  
OF OPERATIONS & CHANGES IN FUND BALANCE**

	Balance 12/31/2015	Balance 12/31/2014	Balance 12/31/2013	Balance 12/31/2012	Balance 12/31/2011
<b>Revenue and Other Income Realized:</b>					
Surplus Anticipated	\$ 1,197,117.00	\$ 1,043,613.00	\$ 781,328.00	\$ 613,422.00	\$ 1,117,915.00
Rents	\$ 5,857,451.00	\$ 5,680,106.00	\$ 5,743,885.00	\$ 5,691,921.00	\$ 5,855,038.81
Connection Fees	\$ 181,394.00	\$ 52,127.00	\$ 192,485.00	\$ 240,844.00	\$ 27,168.00
Interest on Investment	\$ 6,498.00	\$ 2,938.00	\$ 5,277.00	\$ 2,554.00	\$ 7,208.94
Miscellaneous Revenue Not Anticipated	\$ 39,158.00	\$ 30,442.00	\$ 15,259.00	\$ 16,749.00	\$ 29,290.59
Unexpended Balance of Appropriation					
<i>Other Credits to Income</i>					
Transfer to Reserve for Bond Reserve Fund			\$ 23,000.00		
Transfer of Reserves (net)	\$ 29,500.00	\$ 18,974.00			
Canceled Accounts Payable	\$ 28,413.00				
Unexpnd Bal. of Approp. Res. To Fd. Ba	\$ 104,808.00	\$ 150,794.00	\$ 62,873.00		
Reserve			\$ 85,873.00	\$ 97,854.00	\$ 54,795.01
<b>Total Revenue</b>	<b>\$ 7,444,339.00</b>	<b>\$ 6,978,994.00</b>	<b>\$ 6,909,980.00</b>	<b>\$ 6,049,922.00</b>	<b>\$ 7,091,416.35</b>
<i>Expenditures:</i>					
Operating			\$ 4,777,770.00	\$ 4,554,215.00	\$ 4,494,915.00
Salary & Wages	\$ 766,200.00	\$ 717,000.00	\$ 6,211,100.00		
Other Expenses	\$ 4,534,400.00	\$ 4,632,038.00	\$ 4,156,660.00	\$ 4,156,660.00	
Debt Service	\$ 421,582.00	\$ 1,037,552.00	\$ 785,274.00	\$ 594,513.00	\$ 598,173.34
Capital Improvements	\$ 183,000.00	\$ 155,000.00	\$ 150,000.00	\$ 462,116.00	
Deferred Charges & Statutory	\$ 329,935.00	\$ 150,000.00	\$ 150,000.00		
Expenditures				\$ 76,778.00	\$ 538,894.00
Deficit in Operations in prior year		\$ 7,710.00			
<b>Total Expenditures</b>	<b>\$ 6,235,117.00</b>	<b>\$ 6,699,300.00</b>	<b>\$ 16,230,804.00</b>	<b>\$ 9,844,282.00</b>	<b>\$ 5,631,982.34</b>
Excess (Deficit) in Revenue	\$ 1,209,222.00	\$ 279,694.00	\$ 961,063.00	\$ 997,722.00	\$ 1,459,434.01
Deficit in Operations/Over Expenditure to be Raised in Budget of Succeeding Year					\$ 246.57
Adjustments to income b4 fund balance:					
Expenditures included above which are by statue					
Deferred Charges to Budgets of Succeeding Years:					
Emergency Appropriation		\$ 176,117.00			
Overexpenditure of an Appropriation		\$ 20,221.00			
<b>Total Adjustments to Income B4 Fund Bal.</b>		<b>\$ 196,338.00</b>			
<b>Statutory Balance</b>	<b>\$ 1,209,222.00</b>	<b>\$ 476,032.00</b>	<b>\$ 961,063.00</b>	<b>\$ 997,722.00</b>	<b>\$ 1,459,680.58</b>
<b>Fund Balance January 1</b>	<b>\$ 2,805,165.00</b>	<b>\$ 3,372,746.00</b>	<b>\$ 3,193,011.00</b>	<b>\$ 2,808,711.00</b>	<b>\$ 3,103,945.00</b>
	<b>\$ 4,014,387.00</b>	<b>\$ 3,848,778.00</b>	<b>\$ 4,154,074.00</b>	<b>\$ 3,806,433.00</b>	<b>\$ 4,563,625.58</b>
Decreased by:					
Utilized as Anticipated Revenue	\$ 1,197,117.00	\$ 1,043,613.00	\$ 781,328.00	\$ 613,422.00	\$ 1,117,915.00
<b>Fund Balance</b>	<b>\$ 2,817,270.00</b>	<b>\$ 2,805,165.00</b>	<b>\$ 3,372,746.00</b>	<b>\$ 3,193,011.00</b>	<b>\$ 3,445,710.58</b>

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4

**APPENDIX B**  
**AUDITED FINANCIAL STATEMENTS**

**Are available at**

[https://www.eastbrunswick.org/filestorage/1137/1159/2015\\_Independent\\_Audit\\_Report.pdf](https://www.eastbrunswick.org/filestorage/1137/1159/2015_Independent_Audit_Report.pdf)

**APPENDIX C**

**FORM OF BOND COUNSEL OPINION FOR NOTES**



A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW  
Riverview Plaza  
10 Highway 35  
Red Bank, NJ 07701-5902  
732-268-8000  
FAX 732-345-8420

July 19, 2017

Mayor and Township Council of the  
Township of East Brunswick  
East Brunswick, New Jersey

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Township Council of the Township of East Brunswick, in the County of Middlesex, State of New Jersey (the "Township"), and other proofs submitted to us relative to the issuance and sale of the

**\$20,190,000  
BOND ANTICIPATION NOTES**

**TOWNSHIP OF EAST BRUNSWICK  
IN THE COUNTY OF MIDDLESEX  
STATE OF NEW JERSEY**

**DATED: JULY 19, 2017**

The \$20,190,000 aggregate principal amount of Bond Anticipation Notes (the "Notes") of the Township are dated July 19, 2017, mature July 19, 2018 and bear interest at the rate of two and fifty hundredths percentum (2.50%) per annum. The Notes are issued in fully registered form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Purchases of the Notes will be made in book-entry only form in principal denominations of \$5,000 each or any integral multiple thereof or any integral of \$1,000 in excess thereof. So long as DTC or its nominee is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the Township or a duly designated paying agent directly to Cede & Co., as nominee for DTC.

The Notes are not subject to redemption prior to maturity.

The bonds in anticipation of which the Notes are issued have been authorized pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and

supplemented, and bond ordinances duly adopted by the Township Council, approved by the Mayor and published as required by law. The Notes are being issued to (i) refund, on a current basis, a portion of prior Bond Anticipation Notes of the Township issued in the aggregate principal amount of \$17,789,550 on July 27, 2016 and maturing on July 27, 2017; (ii) temporarily finance various capital improvements in and for the Township; and (iii) pay for the costs associated with the issuance and sale of the Notes.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the issuance and sale of the Notes pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented, (ii) the Notes are valid and legally binding obligations of the Township, and (iii) all the taxable property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Notes.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Notes in order for interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Notes. The Township has covenanted in its tax certificate relating to the Notes to maintain the exclusion of the interest on the Notes from gross income for Federal income tax purposes pursuant to section 103(a) of the Code.

Under existing statutes, regulations, rulings and court decisions and assuming continuing compliance by the Township with the requirements of the Code described in the preceding paragraph, interest on the Notes is not includable for Federal income tax purposes in the gross income of the owners of the Notes pursuant to Section 103 of the Code and is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax imposed on individuals and corporations; *provided, however*, that interest on the Notes is included in the adjusted current earnings of a corporation for purposes of the Federal alternative minimum tax imposed on corporations.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof is not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding two (2) paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Notes. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or

remedies with respect to the Notes may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the form of the unexecuted Note and, in our opinion, the form is regular and proper.

We express no opinion as to any matter not set forth above. The opinions expressed above are being rendered on the basis of federal law and the laws of the State of New Jersey as presently enacted and construed, and we assume no responsibility to advise any party as to changes in fact or law subsequent to the date hereof that may affect the opinions expressed above.

This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

This letter is being provided for your exclusive benefit pursuant to the requirements of the closing of the Notes and may not be provided to (except in connection with the preparation of a closing transcript with respect to the Notes) or relied upon by any other person, party, firm or organization without our prior written consent. Notwithstanding anything to the contrary herein, the undersigned acknowledges that this opinion is a governmental record subject to release under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 *et seq.*, as amended and supplemented.

Very truly yours,

ARCHER & GREINER P.C.

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR NOTES**

**FORM OF CERTIFICATE OF COMPLIANCE WITH  
SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES**

I, L. MASON NEELY, Chief Finance Officer of the Township of East Brunswick, in the County of Middlesex, State of New Jersey (the "Township"), DO HEREBY CERTIFY on behalf of TD Securities (USA) LLC, New York, New York the purchaser (the "Purchaser") of \$20,190,000 aggregate principal amount of Bond Anticipation Notes of the Township dated July 19, 2017 and maturing July 19, 2018 (the "Notes"), in connection with the issuance of the Notes, that pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Rule"), specifically subsections (d)(3) and (b)(5)(i)(C) thereof, the Township will provide notice of certain events (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a PDF file to [www.emma.msrb.org](http://www.emma.msrb.org), of any of the following events with respect to the Notes herein described, as applicable: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (7) modifications to rights of Note holders, if material; (8) bond calls and tender offers, if material; (9) defeasances; (10) release, substitution or sale of property securing repayment of the Notes, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Township; (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or (14) appointment of a successor or additional trustee for the Notes or the change of name of a trustee for the Notes, if material.

If the Township (i) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (ii) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the Beneficial Owners of the Notes, the Township shall file a Notice of each such occurrence with the MSRB via EMMA on a timely basis not in excess of ten (10) business days after the occurrence of any of the aforementioned events.

The Township's obligations under this Certificate shall terminate upon the defeasance, prior redemption or payment in full of the Notes.

In the event the Township fails to comply with any provision of this Certificate, any Noteholder may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Township to comply



with its obligations under this Certificate. Notwithstanding the above, the remedy for a breach of the provisions of this Certificate or the Township's failure to perform hereunder shall be limited to bringing an action to compel specific performance.

I have reviewed the information contained in the Official Statement dated July 13, 2017 (the "Official Statement") distributed in preliminary form on July 7, 2017 (the "Preliminary Official Statement") and contained under the heading "SECONDARY MARKET DISCLOSURE" in conjunction with the issuance of the Notes. Such information contained under the heading "SECONDARY MARKET DISCLOSURE" in the Official Statement as of the date thereof and as of the date hereof, is true and correct, and did not and does not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

This Certificate shall inure solely to the benefit of the Township, the Purchaser and the holders from time to time of the Notes, and shall create no further rights in any other person or entity hereunder.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the Township this 19th day of July, 2017.

**TOWNSHIP OF EAST BRUNSWICK**

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**L. MASON NEELY,  
Chief Finance Officer**