

OFFICIAL STATEMENT DATED FEBRUARY 12, 2019

NEW ISSUE – BOOK ENTRY-ONLY

RATING: See “RATING” herein

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Township (as defined herein) with certain tax covenants described herein, under existing law, interest on the Notes (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. Based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein.

OFFICIAL STATEMENT
Relating to
TOWNSHIP OF EAST BRUNSWICK
In the County of Middlesex, New Jersey

\$18,950,000 NOTES,
CONSISTING OF
\$6,650,000 BOND ANTICIPATION NOTE,
\$2,000,000 WATER UTILITY BOND ANTICIPATION NOTE,
\$2,100,000 POOL UTILITY BOND ANTICIPATION NOTE
AND
\$8,200,000 PARKING UTILITY BOND ANTICIPATION NOTE

(Not Bank-Qualified)

DATED DATE: FEBRUARY 26, 2019
MATURITY DATE: FEBRUARY 26, 2020
CUSIP NO.: 271281 YJ0
INTEREST RATE: 3.00%
RE-OFFER YEILD: 1.75 %

The \$18,950,000 Notes, consisting of a (i) \$6,650,000 Bond Anticipation Note; (ii) \$2,000,000 Water Utility Bond Anticipation Note; (iii) \$1,400,000 Pool Utility Bond Anticipation Note; and (iv) \$8,200,000 Parking Utility Bond Anticipation Note (collectively, the “Notes”) are being issued by the Township of East Brunswick, in the County of Middlesex, New Jersey (the “Township”) to provide funding for various improvements. The Notes will be issued in the form of one certificate for the aggregate principal amount of each series of Notes and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository. Interest on the Notes will be credited to the Participants (as defined herein) of DTC as listed on the records of DTC as of one business day prior to the maturity date set forth above. See “THE NOTES” –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 real property within the Township for the payment of the Notes and the interest thereon without limitation as to rate or amount.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices, 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 Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. Phoenix Advisors, LLC, Bordentown, New Jersey served as municipal advisor to the Township in connection with the issuance of the Notes. It is expected that the Notes will be available for delivery through DTC in New York, New York, on or about February 26, 2019.

Jefferies

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

MAYOR

Doctor Brad Cohen

COUNCIL MEMEBERS

Michael Spadafino, D.C.
Sterley Stanley
Kevin McEvoy
Sharon Sullivan
James Wendell

TOWNSHIP ADMINISTRATOR

Joseph Criscuolo

CHIEF FINANCIAL OFFICER

Angel Albanese

ASSISTANT FINANCE DIRECTOR/TAX COLLECTOR

Michelle A. O'Hara

TOWNSHIP CLERK

Nennette Perry

TOWNSHIP ATTORNEY

Michael Baker, Esq.
Hoagland, Longo, Moran, Dunst & Doukas LLP
New Brunswick, NJ

TOWNSHIP AUDITOR

Wiss & Co., LLP
Livingston, NJ

BOND COUNSEL

McManimon, Scotland, Baumann, LLC
Roseland, NJ

MUNICIPAL ADVISOR

Phoenix Advisors, LLC
Bordentown, NJ

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 Underwriters 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 made 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.

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 (the "SEC"), 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 Notes described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

"CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by Standard & Poor's Capital IQ. The CUSIP numbers listed on the cover page hereof are being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the Township does not make any representations with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP numbers for the Notes are subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Notes or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Notes.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NO REGISTRATION STATEMENTS RELATING TO THE NOTES HAVE BEEN FILED WITH THE SEC OR ANY STATE SECURITIES AGENCY. THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE

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.

Neither McManimon, Scotland & Baumann, LLC nor Phoenix Advisors, LLC has participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy or completeness thereof, and, accordingly, they express no opinion with respect thereto.

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Relating to**

**TOWNSHIP OF EAST BRUNSWICK,
In the County of Middlesex, New Jersey**

**\$18,950,000 NOTES,
CONSISTING OF
\$6,650,000 BOND ANTICIPATION NOTE,
\$2,000,000 WATER UTILITY BOND ANTICIPATION NOTE,
\$2,100,000 POOL UTILITY BOND ANTICIPATION NOTE
AND
\$8,200,000 PARKING UTILITY BOND ANTICIPATION NOTE**

(Not Bank-Qualified)

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of East Brunswick (the "Township"), in the County of Middlesex (the "County"), New Jersey (the "State"), in connection with the sale and the issuance by the Township of the \$18,950,000 Notes, consisting of a (i) \$6,650,000 Bond Anticipation Note; (ii) \$2,000,000 Water Utility Bond Anticipation Note; (iii) \$2,100,000 Pool Utility Bond Anticipation Note; and (iv) \$8,200,000 Parking Utility Bond Anticipation Note (collectively, the "Notes"). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Notes described herein.

This Official Statement is "deemed final," as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

THE NOTES

General Description

The Notes are dated, will mature on the date and in the amounts and will bear interest payable at the interest rate as set forth on the cover page hereof. Interest shall be computed on the basis of a 30-day month/360-day year.

The principal of and interest due on the Notes will be paid to the registered owners by the Township as paying agent (the "Paying Agent"). Principal of and interest due on the Notes will be credited to the registered owner as of the business day immediately preceding the maturity date of the Notes (the "Record Date" for the payment of principal and interest on the Notes).

The Notes are issuable as fully registered book-entry obligations in the form of one certificate in the principal amount of each series of Notes. The Notes may be purchased in book-entry-only form in the amount of any integral multiple of \$5,000 through book-entries made on the books and records of The Depository Trust Company, New York, New York

("DTC"), and its participants. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the Township, acting as Paying Agent, directly to Cede & Co. (or any successor or assign), as nominee for DTC.

Redemption

The Notes are not subject to redemption prior to their stated 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 of 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 in the aggregate principal amount of each series of 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 of 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.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership

interest of each actual purchaser of the Notes ("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 its registration in the name of Cede & Co. or such other DTC nominee do not effect 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.

Redemption notices, if any, shall be sent to DTC. If less than all of the Notes are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes 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 Notes are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, if any, and 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 Paying Agent 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 or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and 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 Paying Agent, 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 Paying Agent. Under such circumstances, in the event that a successor securities 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 WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM IT ACTS 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 CAPTIONS "TAX MATTERS" AND "SECONDARY MARKET DISCLOSURE") 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.

AUTHORIZATION AND PURPOSE

Notes

The Notes are authorized by and are being issued pursuant to: (i) the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., (the "Local Bond Law"), and (ii) the various bond ordinances of the Township set forth below.

Ord. #	Date Adopted	Bonds Authorized	Useful Life (Years)	First Issued	Amt of Notes Issued	Date Due	2019 Payment	Amount Remaining After Pay Down	Purpose
08-14	7/7/2008	\$ 1,787,028.00	14.15	10/7/2009	400,000	2/26/20	400,000	\$ -	Various Capital Improvements
09-02	1/26/2009	\$ 1,500,000.00	20.00	10/7/2009	400,000	2/26/20	400,000	\$ -	Reconstruction of Various Roads
10-01	2/8/2010	\$ 2,340,000.00	14.44	10/5/2010	1,400,000	2/26/20	600,000	\$ 800,000.00	Various Capital Improvements
10-07	4/26/2010	\$ 1,620,000.00	10.13	10/5/2010	850,000	2/26/20	400,000	\$ 450,000.00	Various Capital Improvements
11-01	2/28/2011	\$ 2,347,000.00	12.66	9/29/2011	1,600,000	2/26/20	200,000	\$ 1,400,000.00	Various Capital Improvements
11-22	12/5/2011	\$ 4,385,000.00	10.00	8/6/2012	900,000	2/26/20	400,000	\$ 500,000.00	Communication System Upgrade (FCC)
12-04	3/26/2012	\$ 1,417,000.00	11.05	8/6/2012	900,000	2/26/20	100,000	\$ 800,000.00	Various Capital Improvements
12-12 (W)	9/10/2012	\$ 1,250,000.00	40.00	7/31/2013	275,000	2/26/20	275,000	\$ -	Various Water Line Replacements
13-11	4/22/2013	\$ 1,161,075.00	9.09	7/31/2013	700,000	2/26/20	200,000	\$ 500,000.00	Various Capital Improvements
13-24(P)	11/18/2013	\$ 1,575,000.00	15.00	3/20/2014	750,000	2/26/20	250,000	\$ 500,000.00	Crystal Springs Improvements
13-25	12/9/2013	\$ 717,000.00	12.21	3/20/2014	200,000	2/26/20	100,000	\$ 100,000.00	Bikeway & Phone System
14-01	3/24/2014	\$ 2,540,000.00	14.62	7/29/2014	2,300,000	2/26/20	200,000	\$ 2,100,000.00	General Capital Improvements
14-05 (P)	3/24/2014	\$ 2,125,000.00	40.00	3/14/2018	1,700,000	2/26/20	100,000	\$ 1,600,000.00	Crystal Springs Improvements
17-29 (W)	8/28/2017	\$ 2,000,000.00	20.00	3/14/2018	2,000,000	2/26/20	-	\$ 2,000,000.00	Various Water Utility Improvements
18-38	11/19/2018	\$ 8,200,000.00	40.00	2/26/2019	8,200,000	2/26/20	-	\$ 8,200,000.00	Acquire Property by Contract or Eminent domain
								\$18,950,000.00	

The proceeds of the Notes will be used to (i) currently refund \$10,050,000 of the Township's \$13,675,000 Bond Anticipation Note (the "2018 Bond Anticipation Note"), dated and issued March 14, 2018 and maturing March 14, 2019 (together with \$3,625,000 in principal reductions payments from the 2019 budget, (ii) provide new money in the amount of \$8,200,000 for various capital improvements and acquisition of property by contract or eminent domain authorized by bond ordinance 18-38; and (iii) pay costs and expenses incidental to the issuance and delivery of the Notes.

SECURITY AND SOURCE OF PAYMENT

Except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Notes are valid and legally binding general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Notes. The Township is required by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of and the interest on the Notes without limitation as to rate or amount.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

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. 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.

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. 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 the boundaries of Township, as annually determined by the State Director of Taxation, is \$7,508,467,456.67.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

The Township has not exceeded its statutory debt limit, as approved in each case by the Local Finance Board. As of December 31, 2018 (unaudited), the statutory net debt as a percentage of average equalized valuation was 0.420%. As noted above, the statutory limit is 3½%.

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 if it makes 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).

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 a 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 creating such capital expenditure, as it may be amended and supplemented. 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. Beginning in the third 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.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division (the "Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

The Township is authorized to issue Emergency Notes and Special Emergency Notes pursuant to the Local Budget Law.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

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 local 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 and codification of ordinances, master plan preparation, drainage map preparation for flood control purposes and contractually required 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 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 year's 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, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAP" appropriations nor can transfers be made between excluded from "CAP" appropriations.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. 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 the lesser of 2.5% or the "Index Rate". The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior year's tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, approved July 13, 2010, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly

related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

Neither the tax levy limitation nor the "Cap Law" limits the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on its bonds or notes, including the Notes.

In accordance with the Local Budget Law, each local unit 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.

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. Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. But it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values. A re-evaluation of all property in the Township was last completed in 1983.

Upon the filing of certified adopted budgets by the Township's local school district 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 provision for the assessment of property, the 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 are mailed annually in June by the Township. The taxes 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 rates 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.

Tax Appeals

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property.

The taxpayer has a right to petition the County Tax Board on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

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

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2017 for the Township is on file with the Clerk and is available for review during business hours.

TAX MATTERS

Exclusion of Interest on the Notes From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Notes. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Notes, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action that would cause interest on the Notes to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Notes for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC, Bond Counsel to the Township, is of the opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes is not an item of tax preference under Section 57 of the Code for

purposes of computing the alternative minimum tax.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about the effect of future changes in (i) the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Note owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Original Issue Premium

The Notes may be sold at an initial offering price in excess of the amount payable at the maturity date (the "Premium Notes"). The excess, if any, of the tax basis of the Premium Notes to a purchaser (other than a purchaser who holds such Premium Notes as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Notes used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Notes. Accordingly, an owner of a Premium Note may have taxable gain from the disposition of the Premium Note, even though the Premium Note is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Note. Bond premium amortizes over the term of the Premium Notes under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Notes should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Notes.

Additional Federal Income Tax Consequences of Holding the 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 certain 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 companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Notes from gross income pursuant to Section 103 of the Code and interest on the Notes not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Notes.

Changes in Federal Tax Law Regarding the Notes

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State of New Jersey. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE NOTES ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE NOTES, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

LITIGATION

To the knowledge of the Township Attorney, Michael Baker, Esq., of Hoagland, Longo, Moran, Dunst & Doukas LLP, New Brunswick, New Jersey, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest

on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

SECONDARY MARKET DISCLOSURE

The Township has covenanted for the benefit of the Noteholders and the beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to the Securities and Exchange Commission Rule 15c2-12 (the "Rule"). Specifically, for so long as the Notes remain outstanding (unless the Notes have been wholly defeased), the Township will provide in a timely manner not in excess of ten business days after the occurrence of the event, to the Municipal Securities Rulemaking Board (the "MSRB"), notice of any of the following events with respect to the Notes (herein "Material Events"):

- (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 holders of the Notes, if material;
- (8) Bond calls, if material, and tender offers;
- (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 an 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;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Notes, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Township, any of which reflect financial difficulties.

In the event that the Township fails to comply with the above-described undertaking and covenants, the Township shall not be liable for any monetary damages, remedy of the beneficial owners of the Notes being specifically limited in the undertaking to specific performance of the covenants.

The undertaking may be amended by the Township from time to time, without the consent of the Noteholders or the beneficial owners of the Notes, in order to make modifications required in connection with a change in legal requirements or change in law, which in the opinion of nationally recognized bond counsel complies with the Rule.

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 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 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, including hiring Phoenix Advisors, LLC as its continuing disclosure agent in January of 2018.

In March 2014, the SEC announced its Municipalities Continuing Disclosure Cooperation ("MCDC") Initiative, a voluntary self-reporting program, intended to address potentially widespread violations by municipal issuers and underwriters of the federal securities laws relating to continuing disclosure compliance reporting in municipal bond offering documents. The MCDC Initiative offered favorable settlement terms to issuers that self-report securities law violations, relating to material misstatements or omissions in bond documents about compliance with an issuer's prior undertakings as to continuing disclosure. After a review of its compliance record, as noted above, on December 1, 2014, the Township determined to self-report to the SEC by submitting an MCDC Questionnaire.

The Township reached a Settlement (the "Settlement") with the SEC pursuant to Rule 240(a) when the Township admitted under self-reporting that the Township had not fully complied with Rule 15c2-12 by (a) failing to comply with prior continuing disclosure undertakings by failing to provide continuing disclosure within the timeframes set forth in the continuing disclosure undertakings, and (b) making certain misstatements and omissions in official statements concerning the Township's failures to comply with prior continuing disclosure undertakings. The violations have been corrected and the Settlement to cease and desist has been approved by the Township Council through Resolution #15863

approved on June 13, 2016. An order was entered memorializing the settlement on August 24, 2016 (the "Order").

The Settlement and Order contained no monetary penalties, but requires undertakings by the Township to:

- (a) Within 180 days of the entry of the Order, establish appropriate written policies and procedures and periodic training regarding continuing disclosure obligations to effect compliance with the federal securities laws, including the designation of an individual or officer responsible for ensuring compliance by the Township with such policies and procedures and responsible for implementing and maintaining a record (including attendance) of such training.
- (b) Within 180 days of the entry of the Order, comply with existing continuing disclosure undertakings, including updating past delinquent filings if the Township is not currently in compliance with its continuing disclosure obligations.
- (c) Disclose in a clear and conspicuous fashion the terms of settlement in any final official statement for an offering by the Township within five years of the institution of the cease-and-desist proceedings.
- (d) No later than the one-year anniversary of the institution of cease-and-desist proceedings, certify, in writing, compliance with the undertakings set forth above.
- (e) Cooperate with any subsequent investigation by the SEC Enforcement Division regarding the false statement(s) and/or material omission(s) acknowledged, including the roles of individuals and/or other parties involved.

In accordance with the Settlement and Order, the Township established procedures so that it may meet the terms of the Settlement.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901 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, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditors, rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit any political subdivision of the State, 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 said 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 or 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.

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 McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Township, whose approving legal opinions will be delivered with the Notes substantially in the form set forth as Appendix "C". Certain legal matters will be passed on for the Township by its Attorney, Michael Baker, Esq., New Brunswick, New Jersey.

MUNICIPAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey, served as Municipal Advisor to the Township (the "Municipal Advisor") with respect to the issuance of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is a Municipal Advisory firm, and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instrument.

UNDERWRITING

Jefferies LLC, New York, New York (the "Underwriter"), has agreed, subject to certain customary conditions precedent to closing, to purchase the Notes at a purchase price of \$19,147,840.00. The purchase price reflects the principal amount of the Notes, plus bid premium of \$197,840.00. The Notes are being offered to the public at the yield set forth on the cover page of this Official Statement, which yield may be changed from time to time by the Underwriter without notice. The Notes may be offered and sold to dealers, including the Underwriter and dealers acquiring the Notes for their own account or any account managed by them, at a yield higher than the public offering yield.

RATING

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "MIG 1" to the Notes based upon the creditworthiness of the Township. An explanation of the significance of such credit rating may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that such credit rating will continue for any period of time or that such rating will not be revised or withdrawn. Any such revision or withdrawal of such credit rating may have an adverse effect on the market price or marketability of the Notes.

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 Underwriter, by certificates signed by the Mayor and Chief Financial Officer of the Township, that to their 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 demographics and financial information provided herein as **Appendix A** and **Appendix B** have been prepared by and under the direction of the Chief Financial Officer of the Township. The financial information was extracted by the Chief Financial Officer of the Township from prior audits (2014 to 2017) for presentation in this Official Statement. Financial information for 2018 is unaudited and prepared by the Township. The auditor has not participated in the preparation of this Official Statement.

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

Neither McManimon, Scotland & Baumann, LLC nor Phoenix Advisors, LLC have 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.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Angel Albanese, Chief Financial Officer, at 1 Civic Center Drive, East Brunswick, New Jersey 08816, telephone (732) 390-6860 or by e-mail at AAlbanese@eastbrunswick.org

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Township, the Underwriters and the holders of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township (financial or otherwise) since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

TOWNSHIP OF EAST BRUNSWICK

By: /s/ Angel Albanese
Angel Albanese
Chief Financial Officer

Dated: February 12, 2019

APPENDIX A

Certain Economic and Demographic Information About the Township of East Brunswick, in the County of Middlesex, New Jersey

GENERAL INFORMATION

Information

The Township of East Brunswick Township (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. The Township is located the county of Middlesex in central northeastern New Jersey astride a 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 Township residents and we has operated 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 baste division. A Consumer Confidence Report is available upon request. The Water 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 plan 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 Sewer 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 Sewer 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 operates on a self-liquidating basis.

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. The Township provides recreational activities over the 100 day season to about 90,000 guests each year. The Pool Utility is self-liquidating.

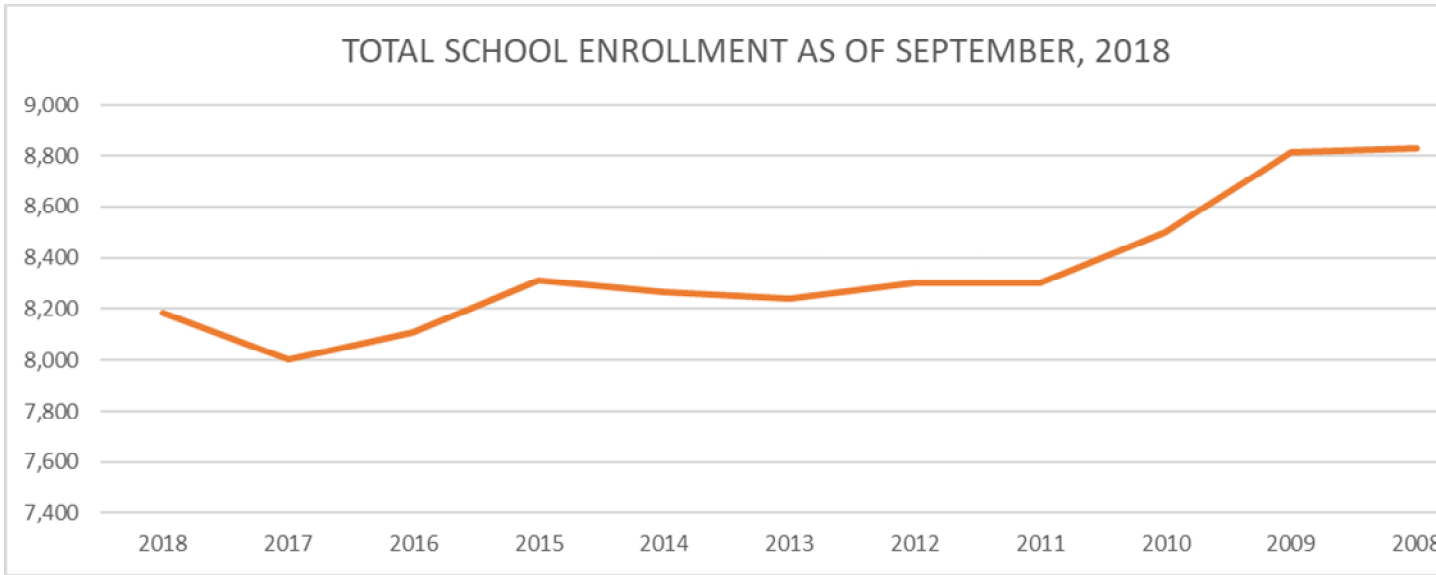
Parking Utility. The Township commenced a parking utility in 1980 when it purchased from bankruptcy a large parcel of property along Route 18. The utility was expanded to a second site with the construction of the Tower Centers Parking Garage at the intersection of the New Jersey Turnpike and Route 18. A new 1,685 stall parking garage was constructed at Route 18 and Tices Lane. The two facilities, i.e.: Transportation and Commerce Center and the Neilson Plaza will permit the Township to commute on average 3,000 commuters each day. The Township controls the parking by charging a fee and has 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 Parking 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 has implemented a program which allows 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 with additional programs being added. 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 is 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 Police Firearms Training 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, 2018											
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bowne	219	224	205	215	214	213	237	238	256	297	314
Central	414	399	418	439	435	426	407	424	428	443	458
Chittick	500	437	397	426	419	453	462	515	494	495	514
Frost	472	463	442	435	432	423	429	457	491	504	509
Inwin	473	449	464	472	468	459	459	417	409	441	434
Law. Brook	451	439	406	412	419	426	432	513	524	572	526
Memorial	570	537	494	525	511	499	489	337	348	377	389
Warnsdorfer	449	461	472	492	484	443	415	429	461	500	543
Hammarskjold	1,280	1,197	1,294	1,318	1,310	1,357	1,298	1,298	1,388	1,441	1,414
Churchill	1,273	1,335	1,390	1,391	1,382	1,315	1,462	1,462	1,469	1,461	1,498
High School	2,082	2,064	2,125	2,186	2,190	2,225	2,208	2,208	2,234	2,284	2,229
	8,183	8,005	8,107	8,311	8,264	8,239	8,298	8,298	8,502	8,815	8,828



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 2009 through 2018 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 2009 through 2018. The Township has authorized debt of \$82,063,204. The aggregate pay down in the forms of either bond retirement or note pay down has been \$82,557,888. Please observe the Township has adopted a very aggressive pay down schedule and expects 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 to meet their capital needs.

History - General Capital 2009 -2018							
Year	Ord. #	Description	Indebtedness		Annual Principal Paydown		Status
			Incurred by Year	New Debt By Year	Bond	Note	
					Principal Retired	Paydown	
2018	18-06	Various School Capital Improvements	5,800,000				In Process
	18-24	Various Road Improvements	2,970,500				In Process
	18-37	Various Capital Improvements	890,500				In Process
	18-38	Acquire Property by Contract or Eminent Domain	8,200,000	17,861,000			In Process
2018		Debt Paydown 2018			2,105,000	9,798,075	
2017	17-18	Various Capital	5,535,000		0	0	In Process
	17-29	Various Water Utility Improvements	2,000,000				In Process
	17-30	Refunding Certain Sewer Revenue Bonds	2,010,000				In Process
	17-31	Various Shared Services Cap. Improvement	1,155,000				In Process
	17-39	FD #2 Pumper Truck	800,000	11,500,000			
2017		Debt Paydown 2017			875,000	7,162,050	
2016	16-07	Fire District 3 Truck & Various Cap. Imprv.	1,243,500			0	Completed
	16-10	School HVAC & Computers	6,200,000	7,443,500	0	0	Completed
2016		Debt Payment 2016			875,000	6,282,000	
2015	15-02	General Capital Improvements	2,906,050		0	0	Completed
	15-08	Board of Education Building Improvements	5,800,000		0	0	Completed
	15-30	Utility Capital	2,048,579	10,754,629	0	0	Completed
2015		Debt Payment 2015	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	717,000	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	1,250,000	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	4,185,000	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	1,655,000	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	400,000	6,170,000	730,000	7,815,294	Completed
		Totals	82,063,204	82,063,204	10,580,000	71,977,888	

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 \$41,763,103 and \$3,297,014 on December 31, 2017 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 as of December 31, 2018 in the sum of \$4,885,526 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 the Township is a participant in two. The net system liabilities as reported for the Public Employee Retirement System (PERS) and the Police and Fire Retirement System (PFRS) for the past five (5) years are detailed below. This reporting complies with Local Finance Notice LFN2015-24 and is further detailed in the Township's annual audited financial statements.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2017	\$40,494,966	\$45,488,684
2016	50,949,453	56,133,234
2015	39,180,500	48,706,191
2014	32,144,301	36,116,560
2013	32,584,627	38,049,520

**HISTORICAL ECONOMIC INFORMATION
BUILDING PERMITS**

<u>Year</u>	<u>Permits</u>	<u>Construction Value</u>	<u>All Other # of Certificates of Occupancy Issued</u>	<u># of COs Issued for New Residential Units</u>
2018	2804	\$67,959,963.58	4261	45
2017	3168	\$65,078,071.25	4876	22
2016	2916	\$61,960,552.00	1691	15
2015	2673	\$52,518,442.00	399	32
2014	3361	\$54,232,954.00	340	54

CONSTRUCTION VALUE OF BUILDING PERMITS				
	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 Alterations/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
	2015	2016	2017	2018
New Residential	\$ 3,703,655	\$ 3,213,700	\$ 9,988,381	\$ 20,120,851
Res. Alterations/Additions	\$ 19,204,099	\$ 22,168,843	\$ 23,064,387	\$ 16,931,100
New Commercial/Industrial	\$ 839,700	\$ 4,822,697	\$ 6,355,204	\$ 10,067,315
Comm'l Alterations/Additions	\$ 28,770,988	\$ 31,755,312	\$ 25,670,100	\$ 20,840,697
	\$ 52,518,442	\$ 61,960,552	\$ 65,078,071	\$ 67,959,963

COMPARATIVE ANALYSIS BUDGET TO REVENUE - CURRENT FUND				
	2015	2016	2017	2018
Revenue Item	Realized	Realized	Realized	Budget
Fund Balance	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ 3,300,000.00
Alcoholic Beverage License	\$ 60,000.00	\$ 59,875.00	\$ 56,875.00	\$ 56,875.00
Fees and Other Permits	\$ 267,514.00	\$ 251,385.63	\$ 249,650.00	\$ 266,933.00
Hotel Tax	\$ 600,000.00	\$ 624,457.34	\$ 660,169.00	\$ 660,000.00
Capital Surplus	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00	\$ 317,874.00
Interest and Costs on Taxes	\$ 469,259.00	\$ 475,718.80	\$ 488,612.00	\$ 450,000.00
Int. on Investments & Deposits	\$ 154,184.00	\$ 158,800.24	\$ 287,555.00	\$ 350,000.00
Recreation Fees	\$ 472,689.00	\$ 276,626.36	\$ 259,830.00	\$ 425,000.00
Camp Fees	\$ 814,579.00	\$ 723,754.00	\$ 1,008,000.00	\$ 1,080,000.00
Sports Camp	\$ 62,020.00	\$ 71,093.00	\$ 45,941.00	\$ 45,000.00
Sports Programs	\$ 63,849.00	\$ 69,016.00	\$ 99,718.00	\$ 70,000.00
Sale of Recyclables	\$ 2,500.00	\$ 51,969.70	\$ -	\$ -
Housing Grant (COACH Fees)	\$ 39,269.00	\$ 39,269.00	\$ 39,269.00	\$ 72,489.00
In Lieu of Taxes	\$ 714,511.00	\$ 515,992.94	\$ 747,235.00	\$ 1,250,000.00
Escrow Trustee (Open Space)	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
Discovery Fees	\$ 918.00	\$ 1,889.01	\$ -	\$ -
Utility Operating Surplus of Prior Yr	\$ 225,000.00	\$ 50,000.00	\$ 50,000.00	\$ -
Sale of Assets - Trust Account	\$ 230,770.00	\$ 49,087.33	\$ 36,890.00	\$ -
C M P T R A	\$ 105,167.00	\$ 105,167.00	\$ 84,219.00	\$ -
Energy Receipts Tax	\$ 4,061,430.00	\$ 4,061,430.00	\$ 4,082,378.00	\$ 4,166,597.00
Watershed Moratorium Offset Aid	\$ 7,567.00	\$ 7,567.00	\$ 7,567.00	\$ 7,567.00
Municipal Allience on Alcoholism & Drug	\$ 46,172.00	\$ 46,350.00	\$ 46,350.00	\$ 46,350.00
ROID GRANT	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
FEMA - Storm Sandy Emergency	\$ 105,000.00	\$ 105,000.00	\$ 175,000.00	\$ 5,000.00
Dept. Forestry Mgmt. Grant	\$ 3,000.00	\$ -	\$ -	\$ 30,000.00
Public Safety Body Armor	\$ 6,800.00	\$ 7,400.00	\$ 7,236.00	\$ 7,168.00
Alcohol Education & Rehab	\$ 38,000.00	\$ 38,000.00	\$ -	\$ -
Clean Community Grant	\$ 86,674.00	\$ 112,000.00	\$ 112,000.00	\$ 110,000.00
Click It or Ticket It	\$ 4,000.00	\$ 5,000.00	\$ -	\$ -
Matching Grant	\$ 5,000.00	\$ -	\$ -	\$ -
Drive Sober Enforcement	\$ -	\$ -	\$ 7,500.00	\$ -
Pedestrian Grant	\$ -	\$ 5,000.00	\$ 7,000.00	\$ -
County Narcotics Grant	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -
County Outreach Grant - Seniors	\$ 16,500.00	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00
EB Daisy Association	\$ 20,000.00	\$ 20,000.00	\$ 28,000.00	\$ 20,000.00
Municipal Recycling Asst Prg MCIA	\$ 42,637.00	\$ -	\$ -	\$ -
Interlocal Service Agree - EB BOE	\$ 1,743,000.00	\$ 2,903,000.00	\$ 3,537,360.00	\$ 3,766,216.00
Interlocal Service Agree. FD 1, 2 & 3	\$ 967,784.00	\$ 879,374.00	\$ 1,019,441.00	\$ 982,700.00
Interlocal Service Agree - Radio Com	\$ 94,161.14	\$ 113,506.27	\$ 124,362.00	\$ 148,700.00
EB Rescue Squad	\$ -	\$ -	\$ -	\$ -
East Brunswick Housing Corp.	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ -
MCUA-Host Community Benefits	\$ 3,132,573.27	\$ 3,144,999.99	\$ 3,169,481.00	\$ 3,100,000.00
MCUA Fees-Add	\$ 1,167,002.00	\$ 1,140,000.00	\$ 1,202,747.00	\$ 1,200,000.00
Municipal Court	\$ 1,009,900.00	\$ 1,009,407.00	\$ 990,841.00	\$ 1,000,000.00
Municipal Recycling Asst Prg MCIA	\$ 2,500.00	\$ -	\$ -	\$ -
Receipts from Delinquent Taxes	\$ 2,005,618.00	\$ 2,107,821.00	\$ 1,555,000.00	\$ 1,555,000.00
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 22,612,547.41	\$ 23,011,956.61	\$ 23,938,226.00	\$ 25,026,469.00

COMPARATIVE ANALYSIS BUDGET TO REVENUE				
WATER UTILITY	2015	2016	2017	2018
Anticipated Revenues	Realized	Realized	Realized	Realized
Surplus	\$ 1,381,690.00	\$ 2,940,281.00	\$ 2,223,992.00	\$ -
Connection Fees	165,970.00	308,633.00	349,064.00	120,049.00
Interest on Investments	-			45,562.00
Water Rents	7,397,168.00	7,560,686.00	7,368,882.00	8,411,288.00
Misc. Revenues	-			183,679.00
TOTAL WATER UTILITY	\$ 8,944,828.00	\$ 10,809,600.00	\$ 9,941,938.00	\$ 8,760,578.00
POOL UTILITY	2015	2016	2017	2018
Anticipated Revenues	Realized	Realized	Realized	Realized
Food Stand	\$ 18,500.00	\$ 21,000.00	\$ 17,825.00	\$ 18,355.00
Pool Fees	1,089,405.00	1,172,964.00	1,181,695.00	1,253,438.00
Interest on Investments	-	-	-	8,837.00
Misc. Revenues	36,256.00	-	-	4,600.00
Surplus	173,230.00	256,240.00	312,800.00	399,361.00
TOTAL POOL UTILITY	\$ 1,317,391.00	\$ 1,450,204.00	\$ 1,512,320.00	\$ 1,684,591.00
Parking Utility	2015	2016	2017	2018
Anticipated Revenues	Realized	Realized	Realized	Realized
Parking Fees	\$ 2,123,322.00	\$ 2,385,233.00	\$ 2,399,663.00	\$ 2,418,207.00
Interest on Investments	-			64,943.00
Rental Park & Ride	-			
Rent-Suburban Transit	1,097,843.00	940,000.00	960,000.00	968,449.00
County Energy Grant	-			
Capital Surplus	-			
Non Budgeted, Revenues	-			20.00
Unexpended Balance of	-			
App. Reserves	-			
Surplus	561,358.00	138,700.00	72,500.00	489,060.00
TOTAL PARKING UTILITY	\$ 3,782,523.00	\$ 3,463,933.00	\$ 3,432,163.00	\$ 3,940,679.00
Sewer Utility	2015	2016	2017	2018
Anticipated Revenues	Realized	Realized	Realized	Realized
Connection Fees	181,394.00	208,746.00	1,192,206.00	206,949.00
Service Fees	5,857,451.00	5,696,499.00	5,885,639.00	6,336,585.00
Surplus	1,197,117.00	701,117.00	400,500.00	2,388,310.00
Misc. Revenues	-	-	-	61,400.00
TOTAL SEWER UTILITY	\$ 7,235,962.00	\$ 6,606,362.00	\$ 7,478,345.00	\$ 8,993,244.00

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	
2017	\$ 10,206,188.00	\$ 3,300,000.00	2017	\$ 510,410.00	\$ -	
2016	\$ 7,635,416.00	\$ 2,500,000.00	2016	\$ 2,223,992.00	\$ 2,356,200.00	
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	
2017	\$ 4,620,118.00	\$ 489,060.00	2017	\$ 754,405.00	\$ 399,361.00	
2016	\$ 3,181,656.00	\$ 72,500.00	2016	\$ 884,873.00	\$ 312,800.00	
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				
2017	\$ 5,043,636.00	\$ 2,388,310.00				
2016	\$ 2,851,770.00	\$ 400,500.00				
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 2016	\$7,230,395,690.00
Year 2017	\$7,501,956,393.00
Year 2018	\$7,793,050,287.00
 Average Equalized Valuation	 \$7,508,467,457.00
Percentage of Net Debt to Average Equalized Valuation	0.420%
Percentage of Gross Debt to Average Equalized Valuation	2.35%
Statutory Debt Ceiling (3.5%) for East Brunswick permits Authorization up to	\$ 262,796,361.00

OVERLAPPING DEBT

	<u>Total Debt</u>	<u>Overlapping Debt</u>
Middlesex County as of 12/31/17	\$476,938,580	\$33,494,442
Middlesex County Utility Authority as of 12/31/17	<u>\$ 85,355,645</u>	<u>\$ 3,455,740</u>
 Total	 \$562,294,225	 \$36,950,182

Overlapping Debt: Middlesex County has been determined by the ratio of Township Valuation to total County equalization valuation which is 7.022%. Middlesex County Utility Authority overlapping debt is 4.05%.

OUTSTANDING BOND ANTICIPATION NOTES as of 12/31/18

<u>Description</u>	<u>Amount</u>	<u>Maturity</u>
General Capital	2,969,000	1/11/2019
	9,650,000	3/14/2019
	20,562,000	7/19/19
	880,000	10/19/2019
 Water Capital	 2,275,000	 3/14/2019
	2,550,000	7/17/19
 Pool Capital	 1,750,000	 3/14/19
	<u>900,000</u>	1/13/19
 Sub Total	 41,536,000	
 Authorized But Not Issued		
General Various	11,737,822	
Sewer	<u>290,000</u>	
 Total	 \$53,563,822	

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>
2018	\$2,146,634	\$1,898,954,650	25.34	\$7,503,988,327
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>
2018	10.829	7.026	2.087	0.131	1.447	0.019	0.119
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

*Excludes Fire District Tax Rates for 2018: Fire District #1 0.288 / Fire District #2 0.140 / Fire District #3 0.351

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>
2018	\$1,898,387,050	\$1,495,898,800	\$281,670,250	\$84,108,700	\$19,733,100	\$14,581,900
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

Year	Tax Levy	Taxes Collected	Percent Collection
2017	\$ 207,196,248.00	\$ 205,178,691.00	99.02
2016	\$ 202,811,293.00	\$ 200,931,110.00	99.07
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	98.2
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

DELINQUENT TAXES AS OF 12/31 YEAR END

Year	Delinquent Taxes Balance Dec. 31	Tax Title Liens Balance Dec. 31	Delinquent Taxes Budgeted	Delinquent Taxes Collected
2017	\$ 1,718,453.00	\$ 14,849.00	\$ 1,555,000.00	\$ 1,718,453.00
2016	\$ 1,783,945.00	\$ 14,489.00	\$ 1,555,000.00	\$ 2,107,785.00
2015	\$ 2,131,263.00	\$ 20,768.00	\$ 1,555,000.00	\$ 1,959,705.00
2014	\$ 195,823.00	\$ 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	\$ 2,339,539.00
2009	\$ 2,274,268.89	\$ 114,155.05	\$ 1,200,000.00	\$ 2,166,596.00
2008	\$ 2,114,085.00	\$ 83,707.00	\$ 1,200,000.00	\$ 2,005,605.00

TEN HIGHEST RATABLE

	<u>2018 Assessed Valuation</u>	<u>% of Total</u>
Brunswick Square Mall	\$ 26,196,900	23.35%
Mid State Mall	15,460,000	13.78%
Tower Center II	15,159,000	13.51%
Tower Center I	13,039,400	11.62%
East Brunswick UE, LLC	9,500,000	8.47%
L.P.E. Partners	7,813,800	6.97%
Wyndmoor Apts.	7,500,000	6.69%
Summerhill Square LLC	7,377,100	6.58%
East Coast Cranbury Crossing	5,100,000	4.55%
3 Tower Center Blvd., LLC	5,032,000	4.49%
Total	\$ 112,178,200	100.00%

SUMMARY TAX APPEALS 2018 REAL PROPERTY ASSESSMENTS (2018 Filing by April 1)

County Board of Taxation Appeals by Property Class

Class 1 Vacant	2
Class 2 Single Family	104
Class 2 Condos	23
Class 3A Farm House	0
Class 4A Commercial	21
Class 4B Industrial	3
Class 4C	<u>2</u>
	155

State Tax Court Direct Appeals*

Class 1 Vacant	1
Class 2 Single Family	3
Class 4A Commercial	22
Class 4B Industrial	8
Class 4C Apartments	<u>2</u>
Total	36

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. The Township 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. The Township 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 October 1, 2013. The following table illustrates the revenue provided by Host Community Benefits for the past ten (10) years.

<u>Year</u>	<u>Received Annually</u>
2017	4,375,889
2016	4,285,000
2015	4,299,575
2014	4,282,501
2013	4,243,880
2012	4,346,380
2011	4,599,018
2010	3,728,584
2009	5,031,945
2008	4,193,238

SUBDIVISIONS AND DEVELOPMENT

New Jersey Statute Annotated 40:55D-33 requires developers to post guarantees and sureties with the Township before final subdivision, plans 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.

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 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 the Township 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 the Township employs an independent consultant to evaluate incurred losses and to estimate incurred but not reported claims. Based upon years of experience during which the Township 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 238 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.

**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 %)

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 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

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.

APPENDIX B

**Comparative Financial Information of the
Township of East Brunswick, in the County of Middlesex, New Jersey**

CURRENT FUND- COMPARATIVE BALANCE SHEET					
	Balance	Balance	Balance	Balance	Balance
	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013
ASSETS & DEFERRED CHARGES	\$ 37,077,519	\$ 14,143,489	\$ 9,338,664	\$ 12,035,790	\$ 14,844,680
Cash & Cash Equivalents	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Change Funds					
Homestead Benefit Credit					
Exempt Due from State of NJ	\$ 9,501	\$ 13,370	\$ 15,080	\$ 12,369	\$ 10,830
	\$ 37,089,020	\$ 14,158,859	\$ 9,355,744	\$ 12,050,159	\$ 14,857,510
<i>Receivables with Full Reserves:</i>					
Taxes Receivable	\$ 1,718,453	\$ 1,783,945	\$ 2,131,264	\$ 1,955,660	\$ 2,175,146
Tax Title Lines		\$ 14,849	\$ 20,768	\$ 54,450	\$ 16,350
Property Acquired for Taxes (Foreclose)				\$ 89,434	\$ 89,434
Revenue Accounts Receivable	\$ 66,993	\$ 75,222	\$ 79,995	\$ 104,647	\$ 136,934
Interfunds - Trust		\$ 4,159,313	\$ 5,587,702	\$ 360,344	
Special District Taxes Receivable				\$ 2,389	\$ 6,635
Other Receivables	\$ 11,024	\$ 25,700	\$ 20,915	\$ 18,322	\$ 355,539
	\$ 1,796,470	\$ 6,059,029	\$ 7,840,644	\$ 2,585,246	\$ 2,780,038
TOTAL ASSETS	\$ 38,885,490	\$ 20,217,888	\$ 17,196,388	\$ 14,635,405	\$ 17,637,548
Federal & State Grant Fund					
Cash		\$ 114,739	\$ 87,869	\$ 164,834	\$ 169,419
Fed & St Grant Fund Receivable		\$ 346,997	\$ 422,162	\$ 346,622	\$ 101,101
Interfund Receivable	\$ 418,333	\$ 200,000	\$ 10,629		
Deferred Charges			\$ 1,664	\$ 1,664	
	\$ 418,333	\$ 661,736	\$ 522,324	\$ 513,120	\$ 270,520
LIABILITIES, RESERVES & FUND BALANCE					
<i>Expenditure Reserves:</i>					
Encumbrances	\$ 1,099,328	\$ 813,935	\$ 830,174	\$ 319,967	\$ 1,588,590
Appropriation Reserves	\$ 2,440,418	\$ 2,571,490	\$ 2,289,073	\$ 3,427,266	\$ 2,344,590
Reserve for Dedicated Exp.					
Accounts Payable	\$ 130,292	\$ 38,882	\$ 32,117	\$ 39,166	\$ 25,421
<i>Payables:</i>					
Fees due to St of NJ	\$ 18,396	\$ 39,206	\$ 16,035	\$ 47,776	\$ 19,802
Special Assessment					
Tax Overpayments	\$ 127,165	\$ 200,776	\$ 178,374	\$ 68,365	\$ 113,450
Reserve for Tax Appeals	\$ 1,000,000	\$ 1,010,455	\$ 1,258,315	\$ 1,413,548	\$ 1,508,548
County Taxes Payable	\$ 53,931	\$ 144,548	\$ 82,259	\$ 85,641	\$ 42,756
School Taxes Payable					
Due to Trust - Other Fund					
Prepaid Taxes	\$ 16,523,130	\$ 1,005,984	\$ 846,507	\$ 756,635	\$ 2,352,003
Water Utility Operating Fund					\$ 4,087,126
Trust Fund					
Police Training Ut. Oper. Fund					\$ 2,454
Sewer Utility Operating Fund					
Swimming Pool Oper. Fund					\$ 42,760
Special Assessment					\$ 181
Reserve for Public Defender	\$ 23,659	\$ 23,659	\$ 23,659	\$ 23,659	
Rec/Parks Refund					
Mun. Open Space Tax Payable					
Interfunds		\$ 15,470	\$ 731,674	\$ 812,124	
	\$ 21,416,319	\$ 5,864,405	\$ 6,288,187	\$ 6,994,147	\$ 12,127,681
Reserve for Receivables					
FUND BALANCE TOTAL	\$ 5,177,874	\$ 6,059,029	\$ 7,840,644	\$ 2,585,246	\$ 2,780,047
LIABILITIES, RESERVES	\$ 10,206,188	\$ 7,635,416	\$ 3,067,557	\$ 5,056,012	\$ 2,729,913
AND FUND BALANCE	\$ 36,800,381	\$ 19,558,850	\$ 17,196,388	\$ 14,635,405	\$ 17,637,641
Federal & State Grant Fund					
Interfund Payable - Current Fund	\$ 465,813	\$ 428,704	\$ 226,231		
Reserve for Encumbrances	\$ 26,694	\$ 13,139	\$ 32,430		
Accounts Payable	\$ 200	\$ 200	\$ 200		
Unappropriated Reserves	\$ 53,084	\$ 63,438	\$ 75,308	\$ 34,580	\$ 54,692
Appropriation Reserves	\$ 223,109	\$ 156,255	\$ 188,155	\$ 337,392	\$ 136,566
	\$ 768,900	\$ 661,736	\$ 522,324	\$ 371,972	\$ 191,258
Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4.					

**CURRENT FUND - COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE**

	Year 2017	Year 2016	Year 2015	Year 2014	Year 2013
Revenue & Other Income:					
Fund Balance Utilized	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Misc. Revenue Anticipated	\$ 19,961,192	\$ 18,802,820	\$ 18,169,055	\$ 18,505,402	\$ 17,804,403
Receipts from Delinquent Taxes	\$ 1,789,997	\$ 2,107,785	\$ 1,994,491	\$ 2,173,771	\$ 2,736,261
Receipts from Current Taxes	\$ 205,178,692	\$ 200,931,110	\$ 194,817,685	\$ 189,684,075	\$ 180,942,462
Non Budget Revenue	\$ 207,159	\$ 202,004	\$ 181,617	\$ 122,650	\$ 219,318
<i>Other Credits to Income:</i>					
Appropriation Reserve Lapsed					
Tax Overpayments Cancelled					
Grant Unappr Reserve Cancel					
Refund of Prior Year Expend.					
Health Liens, Escrow Liens					
Unexpended Bal. of Appr. Reserve	\$ 2,141,815	\$ 2,062,290	\$ 2,605,820	\$ 2,184,173	
Prior Year Interfunds Refund	\$ 4,159,313	\$ 5,587,702	\$ 360,344	\$ 355,539	
Grant Appropriated Reserves Canceled			\$ 10,000	\$ 77,148	
Transfers From Reserve For Tax Appeal					
Statutory Excess					
Interfunds Returned					
Misc./Acct Payable Cancelled					
Other					
	\$ 235,938,168	\$ 232,193,711	\$ 220,639,012	\$ 215,602,758	\$ 204,202,444
Expenditures					
Budget & Emergency Appropriations					
Operations:					
Operating	\$ 42,087,139	\$ 40,879,331	\$ 42,895,214	\$ 41,406,846	
State & Fed. Programs Off-Set by Rev.	\$ 4,522,786	\$ 538,019	\$ 653,616	\$ 584,956	
Salaries and Wages / OE					\$ 52,620,228
Other Expenses			\$ 26,481	\$ 3,387	
Capital Improvements	\$ 330,000	\$ 200,000	\$ 30,000	\$ 20,000	
Municipal Debt Service	\$ 9,027,036	\$ 7,866,170	\$ 6,824,168	\$ 7,586,631	
Deferred Charges & Statutory Expenditures	\$ 6,049,263	\$ 9,993,695	\$ 5,329,000	\$ 5,239,561	
Cash Deficit of Preceding Year		\$ 1,664			
Judgments					
Budget Expenditures					
Increase Reserve for Interfunds					
Tax Overpayments Added					
Local District School Tax	\$ 131,301,007	\$ 129,058,216	\$ 126,077,799	\$ 122,792,611	\$ 120,095,049
County Taxes	\$ 28,982,986	\$ 28,046,772	\$ 28,462,755	\$ 28,538,580	\$ 27,215,138
Fire District Tax	\$ 4,111,104	\$ 3,989,135	\$ 3,843,597	\$ 3,751,090	\$ 3,431,408
Municipal Open Space Reserve	\$ 381,278	\$ 379,578	\$ 379,062	\$ 378,490	\$ 381,204
Interfunds	\$ 3,339,870	\$ 4,159,313	\$ 5,587,702	\$ 360,344	\$ 526,919
Grant Receivable Cancelled			\$ 5,000	\$ 99,347	
Due from State of New Jersey					
Miscellaneous Expenditures					
Sr Cit/Vets Accts. Rec.	\$ 2,376	\$ 13,959	\$ 13,073	\$ 14,826	
Adjustment					
(Credit)/Reserve for Tax Appeals					
	\$ 230,134,845	\$ 225,125,852	\$ 220,127,467	\$ 210,776,669	\$ 204,269,946
STATUTORY EXCESS TO					
FUND BALANCE	\$ 5,070,772	\$ 7,067,859	\$ 511,545	\$ 4,826,089	\$ 2,444,016
Fund Balance, January 1 Restatement	\$ 7,635,416	\$ 3,067,557	\$ 5,056,012	\$ 2,729,923	\$ 2,785,907
		\$ 10,135,416	\$ 5,567,557	\$ 7,556,012	\$ 5,229,923
Decreased by:					
Utilized as Anticipated Revenue	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
FUND BALANCE, DEC. 31	\$ 10,206,188	\$ 7,635,416	\$ 3,067,557	\$ 5,056,012	\$ 2,729,923
Audited information extracted from annual audit file in accordance with N.J.S.A. 40A:5-4					

WATER UTILITY COMPARATIVE BALANCE SHEET					
	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014	Balance 12/31/2013
ASSETS:					
<i>Operating Fund:</i>					
Cash-Treasurer	\$ 1,661,293	\$ 2,728,660	\$ 4,361,705	\$ 3,867,989	\$ 1,219,677
Cash-Investments					
Change Funds	\$ 250	\$ 250	\$ 250	\$ 250	\$ 150
Due from Current Fund	\$ 68,108	\$ 1,669,243	\$ 1,341,920	\$ 1,402,108	\$ 4,087,126
Due from General Fund					
Due from Sewer Utility Op. Fund					
Due from Water Utility Cap Fund					\$ 600,000
	\$ 1,729,651	\$ 4,398,153	\$ 5,703,875	\$ 5,270,347	\$ 5,906,953
<i>Receivables with Full Reserves:</i>					
Consumer Accounts Receivable	\$ 435,148	\$ 763,207	\$ 808,754	\$ 509,895	\$ 310,112
Water Rent Liens Receivable					
Due from Capital					
Due from Trust					
Deferred Charges					
	\$ 435,148	\$ 763,207	\$ 808,754	\$ 509,895	\$ 310,112
<i>Capital Fund:</i>					
Cash-Treasurer-Anticipated Rev.	\$ 386,494	\$ 720,473	\$ 4,688,888	\$ 1,532,613	\$ 1,491,713
Investments	\$ 1,101,760	\$ 316,000			\$ 38,000
Due from Sewer Utility Cap Fund					
Interfunds Receivable	\$ -	\$ 792,200	\$ 792,200		
Fixed Capital	\$ 34,268,628	\$ 32,500,254	\$ 32,309,901	\$ 32,091,639	\$ 32,007,627
Fixed Cap. Authorized & Uncompleted	\$ 9,750,000	\$ 7,750,000	\$ 7,750,000	\$ 7,979,019	\$ 5,179,019
	\$ 45,506,882	\$ 42,078,927	\$ 45,540,989	\$ 41,603,271	\$ 38,716,359
TOTAL ASSETS	\$ 47,671,681	\$ 47,240,287	\$ 52,053,618	\$ 47,383,513	\$ 44,933,424
LIABILITIES, RESERVES & FUND BALANCE:					
<i>Operating Fund - Cash Liabilities:</i>					
Accounts Payable	\$ 4,965	\$ 1,824	\$ 1,824	\$ 18,131	\$ 16,307
Various Reserves	\$ 104,212	\$ 301,096	\$ 284,978	\$ 273,742	\$ 280,880
Encumbrances	\$ 323,838	\$ 161,462	\$ 65,028	\$ 64,188	\$ 79,779
Appropriation Reserves	\$ 697,517	\$ 1,621,820	\$ 497,976	\$ 266,487	\$ 771,364
Accrued Interest	\$ 31,825	\$ 39,522	\$ 38,422	\$ 14,624	\$ 38,797
Water Rent Overpayments	\$ 56,884	\$ 46,787	\$ 53,869	\$ 49,202	\$ 77,396
Due to Trust Other Fund					
Due to Payroll					
Interfunds Payables		\$ 1,650	\$ 589,167	\$ 48,039	
	\$ 1,219,241	\$ 2,174,161	\$ 1,531,264	\$ 734,413	\$ 1,264,523
Reserve for Receivables	\$ 435,148	\$ 763,207	\$ 808,754	\$ 509,895	\$ 310,112
Fund Balance (deficit)	\$ 510,410	\$ 2,223,992	\$ 4,172,611	\$ 4,535,934	\$ 4,042,430
	\$ 2,164,799	\$ 5,161,360	\$ 6,512,629	\$ 5,780,242	\$ 5,617,065
Capital Funds:					
Reserve for Refunded Assessments					
Capital Fund:					
Interfunds Payable	\$ 25,000	\$ 1,058	\$ 2,639,701		
Serial Bnds Payable	\$ 2,900,000	\$ 3,800,000	\$ 4,700,000	\$ 2,850,000	\$ 3,650,000
Reserve for Encumbrances			\$ 422,570		
Bond Anticipation Notes					
Due to Operating					
Reserve for Specific Expenditure	\$ 40,405	\$ 40,405	\$ 40,405	\$ 40,405	\$ 40,405
Due to General Capital					
Reserve for Debt Service	\$ 207,199	\$ 207,199	\$ 208,597	\$ 308,597	\$ 308,597
Due to Water Utility Operating Fund					
Funded	\$ 477,680				
Unfunded	\$ 2,075,752	\$ 927,035	\$ 1,561,469	\$ 3,560,704	\$ 777,568
Capital Improvement Fund	\$ 264,965	\$ 289,965	\$ 289,965	\$ 289,965	\$ 289,965
Reserve for Amortization	\$ 38,659,033	\$ 35,990,659	\$ 34,900,306	\$ 33,961,063	\$ 33,077,051
Def. Res. For Amortization	\$ 459,595	\$ 459,595	\$ 459,595	\$ 459,595	\$ 459,595
Res. For Payment of Notes					
Fund Balance	\$ 397,253	\$ 363,011	\$ 318,381	\$ 132,942	\$ 113,178
	\$ 45,506,882	\$ 42,078,927	\$ 45,540,989	\$ 41,603,271	\$ 38,716,359
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	\$ 47,671,681	\$ 47,240,287	\$ 52,053,618	\$ 47,383,513	\$ 44,333,424

Audited informaton 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					
	Balance	Balance	Balance	Balance	Balance
	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013
Revenue & Other Income:					
Fund Balance Utilized	\$ 2,223,992	\$ 2,940,281	\$ 1,381,690	\$ 1,373,690	\$ 1,105,665
Rents	\$ 7,368,884	\$ 7,561,006	\$ 7,397,168	\$ 7,614,225	\$ 6,695,572
Connection Fees	\$ 349,065	\$ 308,633	\$ 165,970	\$ 145,650	\$ 239,817
Misc. Revenue Anticipation					
Interest on Investments			\$ 1,913	\$ 1,765	
Non Budget Revenue	\$ 152,783	\$ 130,599	\$ 449,205	\$ 894,748	\$ 111,145
Escrow Trustee					
<i>Other Credits to Income:</i>					
<i>PERS Rate Adj. Reserve Released</i>	\$ 30,255				
Appropriation Reserve Lapsed	\$ 421,357	\$ 191,424	\$ 110,528	\$ 167,810	\$ 943,561
Accrued Interest					\$ 4,612
Accounts Payable Cancelled			\$ 16,307		
Net Interfund Returned					
Accrued Interest on Notes Lapsed					
	\$ 10,546,336	\$ 11,131,943	\$ 9,522,781	\$ 10,197,888	\$ 9,100,372
Expenditures:					
<i>Budget and Emergeny Appropriations:</i>					
<i>Operations:</i>					
Salaries & Wages	\$ 1,415,200	\$ 1,322,281	\$ 1,212,280	\$ 1,178,980	\$ 1,148,730
Other Expenses	\$ 6,697,424	\$ 6,173,000	\$ 5,746,960	\$ 5,794,060	\$ 5,631,310
Capital Improvements	\$ 700,000	\$ 1,400,000	\$ 150,000	\$ 100,000	\$ 50,000
Municipal Debt Service	\$ 968,302	\$ 975,000	\$ 900,174	\$ 842,655	\$ 749,125
Anticipated Revenue					
Statutory Expenditures	\$ 255,000	\$ 270,000	\$ 270,000	\$ 190,000	\$ 245,000
Reserve for Payment of BAN's					
Refund of Assessments					
Cancellation Prior Year					\$ 12,570
Accrued Interest					
Surplus to Current Fund			\$ 225,000	\$ 225,000	\$ 225,000
Overpayments					
	\$ 10,035,926	\$ 10,140,281	\$ 8,504,414	\$ 8,330,695	\$ 8,061,735
EXCESS (DEFICIT) IN REVENUE					
Fund Balance, January 1	\$ 510,410	\$ 991,662	\$ 1,243,367	\$ 1,867,193	\$ 1,038,637
Deferred charges - Emergency Approp	\$ 2,223,992	\$ 4,172,611	\$ 4,535,934	\$ 4,042,431	\$ 4,109,458
Deferred Charge to Future Budget					
Charge to Future Budget					
	\$ 2,734,402	\$ 5,164,273	\$ 5,779,301	\$ 5,909,624	\$ 5,148,095
Decreased by:	\$ 2,223,992	\$ 2,940,281	\$ 1,381,690	\$ 1,373,690	\$ 1,105,663
Utilized above as					
Anticipaed Revenue					
FUND BALANCE (DEFICIT), DEC. 31	\$ 510,410	\$ 2,223,992	\$ 4,397,611	\$ 4,535,934	\$ 4,042,432
Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4					

PARKING UTILITY					
COMPARATIVE BALANCE SHEET					
	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
ASSETS:					
<i>Operating Fund</i>					
Cash & Investments - Treasurer	\$ 4,273,218	\$ 4,617,053	\$ 3,761,019	\$ 3,584,549	\$ 2,409,782
Deferred Charge					
Deficit in Operations					
Over Expenditure of an Approp.					
Interfund Receivables	\$ 12,946	\$ 2,665	\$ 1,613	\$ 165,209	\$ 169,643
Cash - change fund	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400
	\$ 4,286,564	\$ 4,620,118	\$ 3,763,032	\$ 3,750,158	\$ 2,579,825
<i>Capital Fund:</i>					
Cash & Investments - Treasurer	\$ 788,506	\$ 757,125	\$ 944,569	\$ 945,083	\$ 944,460
Investment					
Due from General Cap. Fund					
Fixed Capital Authorized					
Uncompleted	\$ 8,200,000				
Fixed Capital Amount	\$ 50,814,099	\$ 50,243,796	\$ 49,981,985	\$ 49,798,015	\$ 49,594,955
	\$ 59,802,605	\$ 51,000,921	\$ 50,926,554	\$ 50,743,098	\$ 50,539,415
TOTAL ASSETS:	\$ 64,089,169	\$ 55,621,039	\$ 54,689,586	\$ 54,493,256	\$ 53,119,240
LIABILITIES, RESERVES & FUND BALANCE					
<i>Operating Fund</i>					
Appropriate Reserves	\$ 362,228	\$ 370,837	\$ 274,389	\$ 393,202	\$ 609,806
Accounts Payable	\$ 9,316	\$ 5,475	\$ 5,475	\$ 284	\$ 284
Accrued Interest	\$ 92,320	\$ 95,532	\$ 98,528	\$ 102,080	\$ 104,783
Encumbrances	\$ 442,566	\$ 153,872	\$ 202,984	\$ 161,177	\$ 24,520
Various Reserves					
Interfunds Payable - Current Fur	\$ 109,626	\$ 494,333		\$ 570,318	
Funds					
Sales Tax Payment					
Due Current Fund					
Prepaid Parking Permits					
	\$ 1,016,056	\$ 1,120,049	\$ 581,376	\$ 1,227,061	\$ 739,393
Fund Balance	\$ 3,270,508	\$ 3,500,069	\$ 3,181,656	\$ 2,523,097	\$ 1,840,432
	\$ 4,286,564	\$ 4,620,118	\$ 3,763,032	\$ 3,750,158	\$ 2,579,825
<i>Capital Fund:</i>					
Serial Bonds Payable	\$ 23,160,000	\$ 24,360,000	\$ 25,480,000	\$ 26,600,000	\$ 27,600,000
Bond Anticipation Notes					
Improvement Authorizations:					
Improvement Authorizations	\$ 8,200,000				
Capital Improvement Fund	\$ 52,984	\$ 52,984	\$ 52,984	\$ 242,984	\$ 242,984
Inter Fund Payable	\$ 12,946	\$ 2,665	\$ 190,109	\$ 623	
Unfunded					\$ 31,162
Reserves for Future Debt Service					
Costs	\$ 27,290	\$ 27,290	\$ 27,290	\$ 27,290	\$ 27,290
Reserve for Amoritization	\$ 27,654,099	\$ 25,883,796	\$ 24,501,985	\$ 23,198,015	\$ 21,994,955
Due to General Capital Fund					
Reserved for Basement Repairs	\$ 27,100	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Fund Balance	\$ 668,186	\$ 668,186	\$ 668,186	\$ 668,186	\$ 637,021
	\$ 59,802,605	\$ 51,000,921	\$ 50,926,554	\$ 50,743,098	\$ 50,539,412
TOTAL LIABILITIES, RESERVES & FUND BALANCE	\$ 64,089,169	\$ 55,621,039	\$ 54,689,586	\$ 54,493,256	\$ 53,119,237

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4 excluding 12/31/18.

PARKING UTILITY - COMPARATIVE STATEMENT OF OPERATIONS & CHANGES IN FUND BALANCE						
	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014	Balance 12/31/2013
Revenue & Other Income						
Fund Balance Utilized	\$ 489,060	\$ 72,500	\$ 138,700	\$ 561,358	\$ 587,100	\$ 587,100
Parking Fees	\$ 2,418,207	\$ 2,399,663	\$ 2,385,233	\$ 2,123,322	\$ 2,206,056	\$ 2,147,346
Rental Park & Ride	\$ 968,449	\$ 960,000	\$ 940,000	\$ 1,097,842	\$ 880,710	\$ 844,230
Rental Income - Other	\$ -	\$ 12,199	\$ 6,361	\$ 3,628	\$ 440	\$ 420
Escrow Trustee						
Non Budget Revenue						
Bus Service Rental Income						
Interest on Investments	\$ 64,943				\$ 1,725	\$ 6,972
Other Credits to Income	\$ 20	\$ 281,406	\$ 398,140	\$ 629,662	\$ 42,690	\$ 118,047
<i>Appropriation Reserves Lapsed</i>	\$ 93,732					
Cancellation of Reserve Funds						\$ 7,678
Parking Utility Grant (County)						
Accrued Interest on Notes Lapsed						
Collection of Reserve Interfunds						
Capital Funds Surplus						
	\$ 4,034,411	\$ 3,725,768	\$ 3,868,434	\$ 4,415,812	\$ 3,718,721	\$ 3,711,793
Expenditures						
Budget & Emergency Appropriations						
Operations:						
Salaries & Wages	\$ 478,000	\$ 478,000	\$ 372,300	\$ 367,000	\$ 338,000	\$ 311,378
Other	\$ 746,500	\$ 460,500	\$ 407,400	\$ 413,835	\$ 413,835	\$ 380,572
Capital Improvements	\$ 600,000	\$ 500,000	\$ 400,000	\$ 650,000	\$ 613,700	\$ -
Municipal Debt Service	\$ 1,840,851	\$ 1,782,355	\$ 1,802,475	\$ 1,702,954	\$ 1,717,700	\$ 1,691,803
Accrued Interest Adjustment						
Deferred Charges						
Refund of Prior Year Expenditures						
Surplus (General Budget)	\$ -	\$ 50,000	\$ 50,000			
Statutory Expenditures	\$ 100,000	\$ 64,000	\$ 39,000	\$ 38,000	\$ 38,000	\$ 33,000
	\$ 3,765,351	\$ 3,334,855	\$ 3,071,175	\$ 3,171,789	\$ 3,121,235	\$ 2,416,753
EXCESS IN REVENUE	\$ 259,501	\$ 390,913	\$ 797,259	\$ 1,244,023	\$ 597,486	\$ 1,295,040
Fund Balance, January 1	\$ 3,500,069	\$ 3,181,656	\$ 2,523,097	\$ 1,840,432	\$ 1,830,046	\$ 1,122,106
Total	\$ 3,759,570	\$ 3,572,569	\$ 3,320,356	\$ 3,084,455	\$ 2,427,532	\$ 2,417,146
Decreased by:						
Utilized as anticipated Revenue	\$ (489,060)	\$ (72,500)	\$ (138,700)	\$ 561,358	\$ 587,100	\$ 587,100
FUND BALANCE, DEC. 31	\$ 3,270,510	\$ 3,500,069	\$ 3,181,656	\$ 2,523,097	\$ 1,840,432	\$ 1,830,046

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4 excluding 12/31/18.

POOL UTILITY						
COMPARATIVE BALANCE SHEET						
	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014	Balance 12/31/2013
ASSETS:						
<i>Operating Fund:</i>	\$ 797,039	\$ 317,682	\$ 987,032	\$ 301,611	\$ 510,406	\$ 330,131
Cash - Treasurer						
Deferred Charges						
Deficit in Operations						
Interfunds Receivable	\$ 2,642	\$ 576,186	\$ 7,675	\$ 440,519	\$ 5,448	\$ 68,467
Due from Current Fund						
Investments						
	\$ 799,681	\$ 893,868	\$ 994,707	\$ 742,130	\$ 515,854	\$ 398,598
<i>Capital Fund:</i>						
Cash	465270	513945	\$ 640,893	\$ 54,681	\$ 365,057	\$ 2,599
Investments			\$ 254,000			
Fixed Capital - Completed	\$ 4,473,598	\$ 4,357,978	\$ 4,250,290	\$ 4,172,894	\$ 3,038,833	\$ 3,013,764
Fixed Capital - Authorized and uncompleted	\$ 2,673,726	\$ 2,673,726	\$ 2,673,726	\$ 2,673,726	\$ 3,700,000	\$ 1,575,000
Due from Pool Capital						
Interfund Receivable				\$ 262,814	\$ 435,748	
Operating Fund						
Total Capital Fund	\$ 7,612,594	\$ 7,545,649	\$ 7,818,909	\$ 7,164,115	\$ 7,539,638	\$ 4,591,363
Total Assets	\$ 8,412,275	\$ 8,439,517	\$ 8,813,616	\$ 7,906,245	\$ 8,055,492	\$ 4,989,961
LIABILITIES, RESERVES & FUND BALANCE						
<i>Operating Fund:</i>						
Encumbrances	\$ 52,848	\$ 29,729	\$ 16,586	\$ 35,486	\$ 6,800	\$ 21,650
Appropriation Reserves	\$ 101,310	\$ 87,239	\$ 62,879	\$ 13,778	\$ 88,234	\$ 59,724
<i>Current Fund</i>						
Due to Current Fund	\$ 40,163					
Due to Payroll Trust	\$ 1,078					
Accrued Int. on Notes	\$ 63,521	\$ 20,917	\$ 27,340	\$ 11,361	\$ 12,341	
Accounts Payable	\$ 2,954	\$ 1,578	\$ 3,028	\$ 3,028	\$ 3,028	
Principal	\$ 261,874	\$ 139,463	\$ 109,833	\$ 63,653	\$ 110,403	\$ 81,374
Reserve for Equipment, Sponsors, Adv. Reg. Due from Pool Utility						
<i>Capital Fund</i>						
Fund Balance	\$ 537,807	\$ 754,405	\$ 884,873	\$ 678,477	\$ 405,451	\$ 317,224
	\$ 799,681	\$ 893,868	\$ 994,706	\$ 742,130	\$ 515,854	\$ 398,598
Capital Fund:						
Bond Anticipation Notes	\$ 2,650,000	\$ 2,020,000	\$ 2,375,000	\$ 1,450,000	\$ 1,575,000	
Serial Bonds						
Improve Author. - Unfunded	\$ 173,175	\$ 234,753	\$ 1,841,399	\$ 2,097,782	\$ 2,899,208	\$ 1,540,098
Reserve for Encumbrances				\$ 38,356		
Reserve for Amortization	\$ 4,497,324	\$ 4,011,704	\$ 3,549,016	\$ 3,271,620	\$ 3,038,833	\$ 3,013,761
Interfund Payable	\$ 233,642	\$ 1,226,165	\$ 467	\$ 269,422		
Pool Equipment						
<i>Financing</i>						
Reserve for Pool Equipment Expense - Slides					\$ 26,597	\$ 23,000
Fund Balance	\$ 82,063	\$ 53,027	\$ 53,027	\$ 36,935		\$ 14,501
TOTAL LIABILITIES, RESERVES & FUND BALANCE	\$ 8,435,885	\$ 8,439,517	\$ 8,813,615	\$ 7,906,245	\$ 8,055,492	\$ 4,989,958

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4 excluding 12/31/18.

POOL UTILITY - COMPARATIVE STATEMENT OF OPERATIONS & CHANGES IN FUND BALANCE					
	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
Revenue & Other Income					
Fund Balance Utilized	\$ 399,361	\$ 312,800	\$ 256,240	\$ 173,230	\$ 120,270
Pool Fees	\$ 1,253,438	\$ 1,181,696	\$ 1,172,964	\$ 1,089,405	\$ 755,019
Food Stand Revenue	\$ 18,355	\$ 17,825	\$ 21,000	\$ 18,500	\$ 13,000
Locker Rental					
Capital Surplus					
Accrued Interest on Inv/Bonds					
Non Budget Revenue	\$ 13,437	\$ 7,865	\$ 114,682	\$ 36,257	\$ 7,828
Sandpiper Grant					
<i>Other Credits to Income:</i>					
Accounts Payable Canceled		\$ 1,450			
Accrued Interest Canceled					
Appropriation Reserves Lapsed	\$ 14,533	\$ 68,791	\$ 26,990	\$ 70,065	\$ 48,491
TOTAL RECEIVED	\$ 1,699,124	\$ 1,590,427	\$ 1,591,876	\$ 1,387,457	\$ 944,608
Expenditures					
Budget & Emergency Appropriations					
<i>Operations:</i>					
Salaries & Wages	\$ 518,657	\$ 475,000	\$ 490,000	\$ 429,000	\$ 387,000
Other Expenses	\$ 380,861	\$ 397,800	\$ 280,740	\$ 251,230	\$ 208,270
Capital Outlay	\$ 150,000	\$ 120,000	\$ 100,000	\$ 92,700	\$ 100,000
Municipal Debt Service	\$ 436,342	\$ 384,795	\$ 230,000	\$ 139,771	\$ 12,341
Sponsorships					
Additional Accrued Interest					
Utilized in Geernal Capital Fund					
Other					
Deficit in Operatons Prior Year					
Statutory Expenditures	\$ 30,500	\$ 30,500	\$ 28,500	\$ 28,500	\$ 28,500
	\$ 1,516,360	\$ 1,408,095	\$ 1,129,240	\$ 941,201	\$ 736,111
DEFICIT IN REVENUE					
EXCESS IN REVENUE	\$ 182,763	\$ 182,332	\$ 462,636	\$ 446,256	\$ 208,497
FUND BALANCE, Jan. 1	\$ 754,405	\$ 884,873	\$ 678,477	\$ 405,451	\$ 317,224
	\$ 937,168	\$ 1,067,205	\$ 1,141,113	\$ 851,707	\$ 525,721
Decreased by:					
Utilized as Anticipated Revenue	\$ 399,361	\$ 312,800	\$ 256,240	\$ 173,230	\$ 120,270
FUND BALANCE, DEC. 31	\$ 537,807	\$ 754,405	\$ 884,873	\$ 678,477	\$ 405,451

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4 excluding 12/31/18.

POLICE TRAINING UTILITY					
COMPARATIVE BALANCE SHEET					
	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
ASSETS:					
<i>Operating Fund:</i>					
Cash - Treasurer	\$ 644,486	\$ 577,149	\$ 505,812	\$ 474,818	\$ 416,927
Cash - Investments					
Interfund Receivable	\$ -	\$ 240			
Due from Current Fund					\$ 4,656
TOTAL ASSETS	\$ 644,486	\$ 577,389	\$ 505,812	\$ 474,818	\$ 421,583
Liabilities, Reserves &					
Fund Balance:					
Reserve for Encumbrances	\$ 65,300	\$ 55,847	\$ 10,112	\$ 2,523	\$ 463
Interfund Payable				\$ 34,379	
Appropriation Reseres	\$ 100,629	\$ 76,009	\$ 154,618	\$ 180,176	\$ 194,197
<i>Fund Balance:</i>				\$ 257,740	\$ 226,923
Accounts Payable	\$ 615	\$ 545	\$ 545		
Due to Payroll					
Subtotal	\$ 166,544	\$ 132,401	\$ 165,275	\$ 474,818	\$ 421,583
Fund Balance	\$ 477,943	\$ 444,988	\$ 340,537	\$ 474,818	\$ 421,583
TOTAL LIABILITIES, RESERVES					
& FUND BALANCE	\$ 644,487	\$ 577,389	\$ 505,812	\$ 949,636	\$ 843,166

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4 excluding 12/31/18.

SEWER UTILITY COMPARATIVE BALANCE SHEET					
	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
ASSETS:					
<i>Operating Fund:</i>					
Cash Investments	\$ 6,786,861	\$ 891,035	\$ 8,041,622	\$ 6,443,643	\$ 5,010,116
Interfunds Receivable	\$ -	\$ 5,241,363	\$ 7,343	\$ 441,080	
Due from Sewer Utility Cap. Fund	\$ 3,890				
Due from Other Trust					
Due from Current Fund					
	\$ 6,790,751	\$ 6,132,398	\$ 8,048,965	\$ 6,884,723	\$ 5,010,116
<i>Receivables with Full Reserves:</i>					
Consumer Accts. Receivable	\$ 967,984	\$ 371,614	\$ 377,162	\$ 386,189	\$ 422,300
<i>Deferred Charge:</i>					
Emergency Appropriations				\$ 176,117	\$ 176,117
Over Expenditure of an Appropriation				\$ 20,221	\$ 20,221
Deficit in Operations					
Total Operating Fund	\$ 7,758,735	\$ 6,504,012	\$ 8,426,127	\$ 7,467,250	\$ 5,628,754
<i>Capital Fund</i>					
Cash & Investments	\$ 319,025	\$ 324,526	\$ 845,351	\$ 852,414	\$ 855,162
Interfund Receivable	\$ -	\$ 109,615		\$ 2,872	
Investments					
Fixed Capital	\$ 27,275,483	\$ 26,970,072	\$ 25,872,736	\$ 25,872,736	\$ 25,790,404
Fixed Capital - Authorized & Uncompleted	\$ 2,250,000	\$ 2,250,000	\$ 5,353,773	\$ 5,353,773	\$ 5,353,773
Due from General Capital					
Total Assets	\$ 29,844,508	\$ 29,654,213	\$ 32,071,860	\$ 32,081,795	\$ 31,999,339
TOTAL ASSETS	\$ 37,603,243	\$ 36,158,225	\$ 40,497,987	\$ 39,549,045	\$ 37,628,093
LIABILITIES, RESERVES & FUND BALANCES:					
<i>Operating Fund:</i>					
Appropriation Reserves	\$ 904,415	\$ 796,011	\$ 1,021,200	\$ 469,539	\$ 150,000
Encumbrances Payable	\$ 352,187	\$ 104,877	\$ 32,250	\$ 25,885	\$ 139,593
Accounts Payable	\$ 17,418	\$ 3,286	\$ 2,935	\$ 2,907	\$ 29,585
Interfund Payable	\$ 1,815,325	\$ 79,199	\$ 3,525,743	\$ 3,145,619	\$ 1,431,405
Accrued Interest on Bonds	\$ -	\$ 8,481	\$ 4,331	\$ 4,892	\$ 5,598
Reserve for Bond Resere Fund			\$ 250,000	\$ 289,000	\$ 318,500
Capital Improvement Fund			\$ 258,000	\$ 250,000	\$ 250,000
Deferred Amortization	\$ 74,403	\$ 74,403	\$ 74,403	\$ 74,403	\$ 74,403
<i>Due to:</i>					
Water Utility					
Trust-Other Fund					
Payroll Trust Fund					
Current Fund					
Rent Overpayment	\$ 18,498	\$ 22,505	\$ 28,333	\$ 1,549	\$ 2,205
SUBTOTAL	\$ 3,182,246	\$ 1,088,762	\$ 5,197,195	\$ 4,263,794	\$ 2,401,289
Reserve for Receivables	\$ 967,984	\$ 371,614	\$ 377,162	\$ 386,189	\$ 422,300
Fund Balance	\$ 3,608,504	\$ 5,043,636	\$ 2,851,770	\$ 2,817,270	\$ 2,805,165
Total Operating Fund	\$ 7,758,734	\$ 6,504,012	\$ 8,426,127	\$ 7,467,253	\$ 5,628,754
<i>Capital Fund</i>					
Bond Anticipation Notes	\$ -	\$ 1,720,000			
Interfund Payable	\$ 3,891	\$ 20,000	\$ 2,014	\$ 11,949	
Serial Bonds			\$ 2,260,000	\$ 2,580,000	\$ 2,890,000
Resere for Amoritization	\$ 28,765,483	\$ 26,740,072	\$ 24,382,736	\$ 24,062,736	\$ 23,670,404
Reserve to Pay Note Principal	\$ 470,000	\$ 470,000	\$ 470,000	\$ 470,000	\$ 470,000
Reserve for Debt Service	\$ 260,456	\$ 260,456	\$ 381,456	\$ 381,456	\$ 393,281
Capital Improvement FUnd	\$ 2,116	\$ 2,116	\$ 122,116	\$ 122,116	\$ 122,116
Fund Balance	\$ 112,927	\$ 112,927	\$ 24,896	\$ 24,896	\$ 24,896
<i>Improvement Authorizations:</i>					
Funded	\$ 229,636	\$ 243,642	\$ 314,869	\$ 314,869	\$ 314,869
Unfunded	\$ -	\$ 85,000	\$ 4,113,773	\$ 4,113,773	\$ 4,113,773
<i>Due to:</i>					
Sewer Utility Oper. Fund					
Water Utility Capital Fund					
Fund Balance					
Total Capital Fund	\$ 29,844,509	\$ 29,654,213	\$ 32,071,860	\$ 32,081,795	\$ 31,999,339
TOTAL LIABILITIES, RESERVES & FUND BALANCE	\$ 37,603,243	\$ 36,158,225	\$ 40,497,987	\$ 39,549,048	\$ 37,628,093

Audited informaton extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4 excluding 12/31/18.

SEWER UTILITY - COMPARATIVE BALANCE SHEET OF OPERATIONS & CHANGES IN FUND BALANCE						
	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014	Balance 12/31/2013
Revenue & Other Income Realized:						
Surplus	\$ 2,388,310	\$ 400,500	\$ 701,388	\$ 1,197,117	\$ 1,043,613	\$ 781,328
Rents	\$ 6,336,585	\$ 5,885,639	\$ 5,696,212	\$ 5,857,451	\$ 5,680,106	\$ 5,743,885
Connection Fees	\$ 206,949	\$ 1,192,207	\$ 217,530	\$ 181,394	\$ 52,127	\$ 192,485
Interest on Investment				\$ 6,498	\$ 2,938	\$ 5,277
Miscellaneous Revenue Not Anticipated	\$ 100,650	\$ 90,165	\$ 21,665	\$ 39,158	\$ 30,442	\$ 15,259
Unexpended Balance of Appropriation						
<i>Other Credits to Income</i>						
Transfer to Reserve for Bond Reserve Fund						\$ 23,000
Transfer of Reserves (net)			\$ 31,000	\$ 29,500	\$ 18,974	
Canceled Accounts Payable	\$ -	\$ 508,000		\$ 28,413		
Unexpended Bal. of Approp. Res. To Fund Reserve	\$ 464,214	\$ 697,217	\$ 458,632	\$ 104,808	\$ 150,794	\$ 62,873
Total Revenue	\$ 9,496,708	\$ 8,773,728	\$ 7,126,427	\$ 7,444,339	\$ 6,978,994	\$ 6,909,980
<i>Expenditures:</i>						
Operating						\$ 4,777,770
Salary & Wages	\$ 771,310	\$ 730,500	\$ 745,500	\$ 766,200	\$ 717,000	\$ 6,211,100
Other Expenses	\$ 4,852,000	\$ 4,531,000	\$ 4,532,550	\$ 4,534,400	\$ 4,632,038	\$ 4,156,660
Debt Service	\$ 2,160,219	\$ 434,862	\$ 431,151	\$ 421,582	\$ 1,037,552	\$ 785,274
Capital Improvements	\$ 500,000	\$ 185,000	\$ 300,000	\$ 329,935	\$ 155,000	\$ 150,000
Deferred Charges	\$ 260,000	\$ 300,000	\$ 176,117		\$ 150,000	\$ 150,000
Statutory Expenditures			\$ 185,000	\$ 183,000		
Deficit in Operations in prior year			\$ 20,221		\$ 7,710	
Total Expenditures	\$ 8,543,529	\$ 6,181,362	\$ 6,390,539	\$ 6,235,117	\$ 6,699,300	\$ 16,230,804
Excess (Deficit) in Revenue				\$ 1,209,222	\$ 279,694	\$ 961,063
Deficit in Operations/Over Expenditure to be raised in Budget of Succeeding Year						
Adjustments to income before fund balance						
Expenditures included above which are by statute						
Deferred Charges to Budgets of Succeeding Years:						
Emergency Appropriation					\$ 176,117	
Overexpenditure of an Appropriation					\$ 20,221	
Total Adjustments to Income b4 Fund Bal.					\$ 196,338	
Excess in Revenue	\$ 953,179	\$ 2,592,366	\$ 735,888	\$ 1,209,222	\$ 476,032	\$ 961,063
Fund Balance January 1	\$ 5,043,636	\$ 2,851,770	\$ 2,817,270	\$ 2,805,165	\$ 3,372,746	\$ 3,193,011
	\$ 5,996,815	\$ 5,444,136	\$ 3,553,158	\$ 4,014,387	\$ 3,848,778	\$ 4,154,074
Decreased by:						
Utilized as Anticipated Revenue	\$ 2,388,310	\$ 400,500	\$ 701,388	\$ 1,197,117	\$ 1,043,613	\$ 781,328
Fund Balance	\$ 3,608,505	\$ 5,043,636	\$ 2,851,770	\$ 2,817,270	\$ 2,805,165	\$ 3,372,746

Audited information extracted from annual audit filed in accordance with N.J.S.A. 40A:5-4 excluding 12/31/18.

AUDITED FINANCIAL STATEMENTS
Are available at

https://www.eastbrunswick.org/filestorage/1137/1159/2017_Annual_Audit.pdf

APPENDIX C

Form of Approving Legal Opinion of Bond Counsel for the Notes

_____, 2019

Township Council of the
Township of East Brunswick, in the
County of Middlesex, New Jersey

Dear Council Members:

We have acted as bond counsel to the Township of East Brunswick, in the County of Middlesex, New Jersey (the "Township") in connection with the issuance by the Township of \$18,950,000 Notes, consisting of a \$6,650,000 Bond Anticipation Note, a \$2,000,000 Water Utility Bond Anticipation Note, a \$2,100,000 Pool Utility Bond Anticipation Note, and an \$8,200,000 Parking Utility Bond Anticipation Note, each dated the date hereof (collectively, the "Notes"). In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction, and have undertaken such research and analyses as we have deemed necessary.

The Notes are issued pursuant to the Local Bond Law of the State of New Jersey and the bond ordinances of the Township listed in the Certificate of Determination and Award dated the date hereof, each in all respects duly approved and published as required by law. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Notes are valid and legally binding obligations of the Township, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable real property within the Township without limitation as to rate or amount.

On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103(a) of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax ("AMT"); however, during tax years beginning before January 1, 2018, interest on the Notes held by a corporation (other than an S corporation, regulated investment company or real estate investment trust) may be indirectly subject to federal AMT because of its inclusion in the adjusted current earnings of a corporate holder. We express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,