



TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA AND INFORMATION

YEARS ENDED DECEMBER 31, 2019 AND 2018

WITH REPORT OF INDEPENDENT AUDITORS

HODULIK & MORRISON, P.A.

A division of



**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY

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MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**PART I
REPORT ON AUDIT OF FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 and 2018**

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying regulatory-basis financial statement of the various funds and governmental fixed assets account group of the Township of Piscataway, County of Middlesex, New Jersey, as of and for the years ended December 31, 2019 and 2018, and the statements of operations and changes in fund balance for the years then ended and the related statements of revenues and statements of expenditures of the various funds for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Township, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

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

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

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

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

As described in Note 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles are designed primarily for determining compliance with legal provisions and budgetary restrictions, and as a means of reporting on the stewardship of public officials with respect to public funds. Accordingly, the accompanying financial statements - regulatory basis are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The effect on the financial statements of the differences between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial positions of the Township of Piscataway, County of Middlesex, New Jersey, as of December 31, 2019, the changes in its financial position, and, where applicable, its cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory basis financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the various funds and governmental fixed assets account group of the Township of Piscataway, County of Middlesex, State of New Jersey as of December 31, 2019 and 2018 and the related statements of operations and changes in fund balance for the years then ended and the related statements of revenues and statements of expenditures of the various funds for the year ended December 31, 2019, and the related notes to the financial statements, in accordance with the financial reporting provisions of the Division, as described in Note 2 to the financial statements.

Subsequent Event

As discussed in Note 18 to the financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of the Coronavirus disease 2019 ("COVID-19"). Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The information included in Part II - Supplementary Schedules and Part III - Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Piscataway, County of Middlesex, New Jersey.

Other Information (Continued)

The information included in Part II - Supplementary Schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements - regulatory basis taken as a whole.

The schedules and information contained in Part III - Supplementary Data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated August 13, 2020 on our consideration of the Township of Piscataway's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Township of Piscataway's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Piscataway's internal control over financial reporting and compliance.



HODULIK & MORRISON, P.A.
A Division of PKF O'Connor Davies, LLP
Certified Public Accountants
Registered Municipal Accountants
Public School Accountants



Andrew G. Hodulik
Registered Municipal Accountant
No. 406
Cranford, New Jersey
August 13, 2020

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Piscataway, County of Middlesex, New Jersey as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township of Piscataway's basic financial statements and have issued our report thereon date August 13, 2020. Our report was modified to reflect the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2, that are embodied in the Other Comprehensive Basis of Accounting utilized for financial statement presentations, and was unqualified based upon that Other Comprehensive Basis of Accounting.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Piscataway's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township in the General Comments section of the Report of Audit.

We also noted other matters involving compliance and internal control over financial reporting that we have reported to management of the Township of Piscataway in the General Comments section of the Report of Audit.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance, Accordingly, this communication is not suitable for any other purpose.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, PA.
A division of PKF O'Connor Davies
Certified Public Accountants
Registered Municipal Accountants

Cranford, New Jersey
August 13, 2020

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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

ASSETS	BALANCE		LIABILITIES, RESERVES AND FUND BALANCE	BALANCE		
	DEC. 31, 2019	DEC. 31, 2018		DEC. 31, 2019	DEC. 31, 2018	
Cash and Investments - Treasurer	A-4	\$ 35,898,064.18	\$ 34,307,165.59	A-3, A-9	\$ 4,901,744.68	\$ 4,403,367.55
Cash - Change Fund	A	535.00	535.00	A-3, A-9	4,037,830.69	2,899,251.45
Due from State of N.J. per Ch. 129, P.L. 1976	A-6	232,279.05	228,182.44	A-7	1,105,883.61	1,227,046.31
				A-7	55,251.68	
				A-13	195,999.57	
				A-10	639,462.93	374,982.52
				A-10	2,862,272.03	2,844,033.10
Receivables With Offsetting Reserves:						
Taxes Receivable	A-7	1,371,392.38	1,473,249.47	Reserve		
Tax Title Liens	A-7	733,511.80	708,343.32	A-1		
Property Acquired for Taxes (At Assessed Valuation)	A-7	2,592,900.00	2,592,900.00			
Interfunds Receivable	A-11	7,869.75				
Revenue Accounts Receivable	A-8	52,132.69	43,617.36			
Total Regular Fund		40,888,684.85	39,353,993.18		40,888,684.85	39,353,993.18
State and Federal Grant Fund:						
Cash and Investments - Treasurer	A-4	577,671.28	469,679.31	A-17	591,602.40	432,872.96
Grants Receivable	A-15	368,066.89	339,542.51	A-14	84,786.47	
				A-17	269,349.30	376,348.86
Total State and Federal Grant Fund		945,738.17	809,221.82		945,738.17	809,221.82
Grand Total		\$ 41,834,423.02	\$ 40,163,215.00		\$ 41,834,423.02	\$ 40,163,215.00

Note: See Notes to Financial Statements

FINANCIAL STATEMENTS

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	<u>CY 2019</u>	<u>CY 2018</u>
Fund Balance Utilized	A-1, A-2	\$ 10,150,000.00	\$ 10,000,000.00
Miscellaneous Revenues Anticipated	A-2	21,431,799.34	12,826,423.96
Receipts from Delinquent Taxes	A-2	1,486,355.94	1,456,067.03
Non-Budget Revenue	A-2	1,165,229.89	1,008,667.27
Receipts from Current Taxes	A-7	177,447,640.76	172,493,895.88
Other Credits to Income:			
Unexpended Balances of Approp. Reserves	A-9	5,121,269.20	4,026,290.10
Accounts Payable Cancelled			76.99
Excess Dog License Fees	A-11	7,869.75	
Various Reserves Cancelled	A-10	250.00	1,440,205.06
		<u>216,810,414.88</u>	<u>203,251,626.29</u>
<u>EXPENDITURES AND OTHER CHARGES</u>			
Budget Appropriations and Emergency Appropriations			
Within "CAP"			
Operations:			
Salaries and Wages	A-3	20,524,903.44	20,242,565.70
Other Expenses	A-3	24,683,116.79	22,700,155.94
Deferred Charges and Statutory Expend.	A-3	5,264,545.00	4,990,569.91
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages	A-3	960,000.00	948,500.00
Other Expenses	A-3	6,649,954.65	5,038,080.99
Capital Improvements	A-3	3,205,080.28	2,400,000.00
Municipal Debt Service	A-3	9,315,843.33	9,200,577.91
Deferred Charges and Statutory Expend.	A-3	5,228,875.85	1,567,785.14
Fire District Taxes	A-13	4,229,511.00	3,910,532.00
County Tax	A-13	27,494,188.87	25,197,966.19
County Open Space Fund	A-13	2,309,627.63	2,058,849.39
Due County for Added Taxes	A-13	195,999.57	203,845.99
Local District School Taxes	A-13	94,910,170.00	93,498,130.00
Tax Overpayments	A-12	2,105,302.00	352,250.69
Interfunds:			
Interfunds Advanced - Net	A-11	7,869.75	
Prior Year Senior Citizen Deduction Disallowed	A-6	10,320.23	8,336.79
Revenue Accounts Receivable	A-4	19,875.55	277,998.27
Refund Prior Years Revenue			35,178.02
		<u>207,115,183.94</u>	<u>192,631,322.93</u>
Excess in Revenue		9,695,230.94	10,620,303.36
Statutory Excess to Fund Balance		9,695,230.94	10,620,303.36
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>22,787,202.10</u>	<u>22,166,898.74</u>
		32,482,433.04	32,787,202.10
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>10,150,000.00</u>	<u>10,000,000.00</u>
Balance - December 31	A	<u>\$ 22,332,433.04</u>	<u>\$ 22,787,202.10</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	REF.	ANTICIPATED CY 2019 BUDGET	APPROPRIATED N.J.S.A. 40A:4-87	REALIZED	EXCESS/ (DEFICIT)
Fund Balance Anticipated	A-1	\$ 10,150,000.00		\$ 10,150,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	50,000.00		55,564.00	\$ 5,564.00
Other	A-8	120,000.00		143,260.00	23,260.00
Fees and Permits	A-8	750,000.00		707,000.41	(42,999.59)
Fines and Costs:					
Municipal Court	A-8	675,000.00		706,078.57	31,078.57
Interest and Costs on Taxes	A-5	325,000.00		348,856.05	23,856.05
Interest on Investments and Deposits	A-8	705,000.00		1,490,585.81	785,585.81
Reserve for PCTV	A-10	14,000.00		14,000.00	
Hotel and Motel Tax	A-8	400,000.00		439,730.05	39,730.05
Cable Franchise Fees	A-8	160,000.00		178,554.27	18,554.27
Library Fines and Fees	A-8	36,000.00		36,000.00	
Housing Certificate of Inspections	A-8			105,200.00	105,200.00
Capital Surplus Fund	A-8	1,560,000.00		1,560,000.00	
Reserve: Developer's Contributions	A-8	3,500,000.00		3,500,000.00	
Consolidated Municipal Property Tax Relief Aid	A-8	209,980.00		209,980.00	
Supplemental Energy Receipt Tax	A-8	211,494.00		211,494.00	
Energy Receipts Taxes	A-8	5,437,105.00		5,437,105.00	
Dedicated Uniform Construction Code Fees offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17):	A-8	1,150,000.00		2,692,893.00	1,542,893.00
Uniform Fire Safety Act	A-8	65,000.00		127,340.51	62,340.51
Payment In Lieu Of Taxes	A-7	600,000.00		2,209,017.35	1,609,017.35
Public and Private Revenues Offset with Appropriations:					
Alcohol Education & Rehabilitation Fund	A-11		\$ 3,375.74	3,375.74	
American Library Association	A-11		3,500.00	3,500.00	
Body Armor Grant	A-11	8,325.89	7,466.57	15,792.46	
Clean Communities Program	A-11		103,639.69	103,639.69	
Community Development Block Grant	A-11	270,487.00		270,487.00	
Distracted Driving Crack Down	A-11	5,500.00		5,500.00	
Drive Sober Or Get Pulled Over	A-11		5,500.00	5,500.00	
New Jersey Historic Trust - Metlars Housie	A-11		175,000.00	175,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-11		47,399.00	47,399.00	
Recycling Tonnage Grant	A-11	44,048.00		44,048.00	
Safe and Secure Communities Program	A-11		27,698.63	27,698.63	
NJDOT Grant: Morris Avenue Grant	A-11		557,200.00	557,200.00	
Total Miscellaneous Revenues	A-1	16,296,939.89	930,779.63	21,431,799.34	4,204,079.82
Receipts from Delinquent Taxes	A-1,A-7	900,000.00		1,486,355.94	586,355.94
Subtotal General Revenues		27,346,939.89	930,779.63	33,068,155.28	4,790,435.76
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		46,892,932.20		47,569,976.07	677,043.87
Minimum Library Tax		2,610,910.83		2,610,910.83	
Total Amount to be Raised by Taxes for Support of Municipal Budget	A-7	49,503,843.03		50,180,886.90	677,043.87
Budget Totals		76,850,782.92	930,779.63	83,249,042.18	\$ 5,467,479.63
Non-Budget Revenues	A-1,A-8			1,165,229.89	
		\$ 76,850,782.92	\$ 930,779.63	\$ 84,414,272.07	
Ref.		A-3	A-3		

() Denotes Deficit

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2019

	CY 2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED			
	\$	\$	\$	\$	\$	\$	
<u>OPERATIONS WITHIN "CAPS":</u>							
<u>General Government:</u>							
Township Council							
Salaries and Wages	85,000.00	74,155.20	74,155.20	-	-	1,439.94	
Other Expenses	25,000.00	25,000.00	16,463.06	7,097.00			
Township Clerk							
Salaries and Wages	245,000.00	255,000.00	243,578.04		11,421.96		
Other Expenses	65,000.00	65,000.00	36,282.56	14,094.54		14,622.90	
Elections							
Salaries and Wages	25,000.00	5,000.00	1,812.28			3,187.72	
Other Expenses	35,000.00	35,000.00	26,809.61			8,190.39	
<u>Administration:</u>							
Dept. of Administration							
Salaries and Wages	425,000.00	415,000.00	407,251.69		7,748.31		
Other Expenses	128,000.00	128,000.00	79,347.03	21,018.51		27,634.46	
Division of Personnel							
Salaries and Wages	135,000.00	131,300.00	131,272.96		27.04		
Other Expenses	25,000.00	25,000.00	13,792.62	5,436.80		5,770.58	
Computer Center							
Salaries and Wages	235,000.00	117,000.00	116,585.56		414.44		
Other Expenses	200,000.00	165,000.00	73,254.69	64,743.07		27,002.24	
Division of Purchasing							
Salaries and Wages	65,000.00	75,000.00	69,891.22			5,108.78	
Other Expenses:	100,000.00	100,000.00	80,011.20	7,838.49		12,150.31	
Postage	92,500.00	92,500.00	62,302.54	25,404.83		4,792.63	
Municipal Land Use (N.J.S.A. 40:55 D-1):							
Planning Board							
Salaries and Wages	12,000.00	7,064.04	7,064.04				
Other Expenses	65,000.00	65,000.00	27,939.12	3,032.11		34,028.77	
Economic Development							
Salaries and Wages	50,000.00						
Other Expenses:	50,000.00						
Zoning Board of Adjustment							
Salaries and Wages	12,000.00	7,063.08	7,063.08			4,397.08	
Other Expenses	70,000.00	70,000.00	50,664.02	14,938.90			
Cable TV Studio							
Salaries and Wages	235,000.00	227,000.00	218,029.41			8,970.59	
Other Expenses	18,000.00	18,000.00	16,790.49	1,080.37		129.14	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2019

	CY 2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED			
Celebration of Public Events							
Other Expenses	\$ 20,000.00	\$ 6,205.00	\$ 6,205.00	\$ -	\$ -		
<u>Finance and Revenue</u>							
Department of Finance							
Salaries and Wages	420,000.00	400,000.00	392,105.80		7,894.20		
Other Expenses	82,000.00	82,000.00	42,762.82	15,824.95	23,412.23		
Annual Audit	75,000.00	75,000.00		60,615.00	14,385.00		
Division of Assessment							
Salaries and Wages	237,000.00	237,000.00	232,904.35		4,095.65		
Other Expenses	320,000.00	320,000.00	228,827.44	30,189.20	60,983.36		
Division of Revenue							
Salaries and Wages	210,000.00	160,000.00	153,660.84		6,339.16		
Other Expenses	45,000.00	40,000.00	23,555.89	141.26	16,302.85		
Insurance							
Liability Insurance	1,630,000.00	1,630,000.00	1,611,673.84	7,117.84	11,208.32		
Worker's Compensation Insurance	1,000.00						
Health Insurance Waiver	140,000.00	155,000.00	136,812.53		18,187.47		
Employee Group Insurance	10,155,448.64	10,155,448.64	8,892,817.30	1,176,631.29	86,000.05		
<u>Municipal Court</u>							
Salaries and Wages	440,000.00	444,000.00	442,751.57		1,248.43		
Other Expenses	50,000.00	50,000.00	18,963.06	2,870.00	28,166.94		
Public Defender (P.L. 1997, Ch. 256)							
Other Expenses	35,000.00	35,000.00	20,000.00		15,000.00		
<u>Law</u>							
Department of Law							
Other Expenses	750,000.00	850,000.00	669,459.12	76,404.60	104,136.28		
Municipal Prosecutor							
Salaries and Wages	100,000.00	100,000.00	65,818.99	29,512.01	4,669.00		
Other Expenses							
<u>PUBLIC SAFETY:</u>							
Uniform Fire Safety Act (P.L. 1983 C. 383)							
Salaries and Wages	300,000.00	300,000.00	277,381.74		22,618.26		
Other Expenses	16,000.00	16,000.00	6,275.23	4,186.44	5,538.33		
Animal Control							
Salaries and Wages	7,500.00	7,500.00	3,512.50		3,987.50		
Other Expenses	20,000.00	20,000.00	11,033.24	995.50	7,971.26		

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2019

	CY 2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
PUBLIC SAFETY (cont'd).						
Division of Schools Crossing Guards						
Salaries and Wages	\$ 305,000.00	\$ 255,000.00	\$ 241,584.46	\$ -	\$ 13,415.54	
Other Expenses	3,000.00	3,000.00	55.00		2,945.00	
Division of Police						
Salaries and Wages	12,100,679.00	11,360,679.00	10,612,013.35		748,665.65	
Other Expenses	500,000.00	657,000.00	374,026.71	51,963.60	231,009.69	
First Aid Organization - Contribution	100,000.00	100,000.00	73,147.31	15,547.04	11,305.65	
Office of Emergency Management						
Salaries and Wages	42,000.00	29,853.12	29,853.12			
Other Expenses	8,000.00	8,000.00	5,301.57	654.99	2,043.44	
PUBLIC WORKS:						
Department of Public Works						
Salaries and Wages	280,000.00	306,000.00	301,267.09		4,732.91	
Other Expenses	55,000.00	55,000.00	22,787.15	18,065.36	14,147.49	
Division of Engineering						
Salaries and Wages	530,000.00	543,000.00	537,901.82	1,636.19	5,098.18	
Other Expenses	50,000.00	40,000.00	5,204.87		33,158.94	
Division of Community Development and Planning						
Salaries and Wages	350,000.00	350,000.00	330,986.76	9,238.04	19,013.24	
Other Expenses	62,000.00	62,000.00	26,451.55		26,310.41	
Zoning Enforcement						
Salaries and Wages	175,000.00	175,000.00	164,503.50		10,496.50	
Other Expenses	75,000.00	75,000.00	7,554.96	26,786.82	40,658.22	
Inspections						
Salaries and Wages	200,000.00	200,000.00	174,800.50		25,199.50	
Other Expenses	35,000.00	35,000.00	4,155.48	611.59	30,232.93	
Public Buildings & Grounds						
Salaries and Wages	250,000.00	250,000.00	203,891.88		46,108.12	
Other Expenses	500,000.00	500,000.00	212,893.96	258,031.64	29,074.40	
Division of Property Maintenance (TRAFFIC)						
Salaries and Wages	210,000.00	210,000.00	199,993.76		10,006.24	
Other Expenses	80,000.00	90,000.00	64,667.81	13,645.13	11,687.06	
Division of Property Maintenance (FLEET)						
Salaries and Wages	710,000.00	585,000.00	373,338.09		211,661.91	
Other Expenses	390,000.00	390,000.00	142,703.96	147,306.60	99,989.44	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2019

	CY 2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
PUBLIC WORKS (Cont.):						
Division of Streets and Road Maintenance						
Salaries and Wages	\$ 800,000.00	\$ 800,000.00	\$ 742,325.22	\$ -	\$ 57,674.78	
Other Expenses	55,000.00	65,000.00	24,028.08	27,179.45	13,792.47	
Snow Removal						
Salaries and Wages	250,000.00	250,000.00	45,210.61		204,789.39	
Other Expenses	275,000.00	275,000.00	128,435.54	129,929.14	16,635.32	
All Utilities	1,900,000.00	1,900,000.00	782,229.65	1,000,462.56	117,307.79	
Division of Parks						
Salaries and Wages	728,000.00	708,000.00	493,105.03		214,894.97	
Other Expenses	410,000.00	410,000.00	366,750.10	31,436.35	11,813.55	
Division of Sanitation - Sewer System						
Shade Tree						
Other Expenses	1,350.00	1,350.00			1,350.00	
Storm Sewer System						
Other Expenses	15,000.00	15,000.00	1,816.84	12,575.00	608.16	
Solid Waste Collection						
Salaries and Wages	625,000.00	625,000.00	482,197.67		142,802.33	
Other Expenses	10,000.00	10,000.00	70.00		9,930.00	
Recycling Program						
Other Expenses	45,000.00	45,000.00	6,235.37	3,163.00	35,601.63	
Municipal Services Act	115,000.00	115,000.00			115,000.00	
HEALTH AND WELFARE:						
Office on Aging						
Salaries and Wages	420,000.00	425,000.00	417,021.53		7,978.47	
Other Expenses	100,000.00	100,000.00	76,674.20	14,096.69	9,229.11	
RECREATION AND EDUCATION						
Department of Recreation						
Salaries and Wages	332,000.00	347,000.00	333,968.62		13,031.38	
Other Expenses	250,000.00	250,000.00	168,173.16	16,151.83	65,675.01	
Accumulated Leave Compensation	5,000.00	467,613.15	467,613.15			
Salary Adjustment	15,000.00					
Management: Community Center						
Salaries and Wages	500,000.00	500,000.00	14,500.00	241,500.00	244,000.00	
Other Expenses						

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2019

	CY 2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
Reserve for Tax Appeals	\$ 3,500,000.00	\$ 3,500,000.00	\$ 3,500,000.00	\$ -	\$ -	
Other Expenses						
<u>Uniform Construction Code</u>						
Division of Inspections						
Salaries and Wages	700,000.00	700,000.00	670,837.06		29,162.94	
Other Expenses	100,000.00	200,000.00	19,056.82		180,943.18	
Boards and Commissions						
Salaries and Wages	8,000.00	3,289.00	3,289.00			
Other Expenses	40,000.00	30,000.00	20,780.84	603.06	8,616.10	
Total Operations Within "CAPS"	45,662,477.64	45,208,020.23	37,871,284.83	3,589,756.79	3,746,978.61	
Total Operations Including Contingent Within "CAPS"	45,662,477.64	45,208,020.23	37,871,284.83	3,589,756.79	3,746,978.61	
DETAIL:						
Salaries and Wages	21,644,179.00	20,524,903.44	18,733,223.71		1,791,679.73	
Other Expenses (Including Contingent)	24,018,298.64	24,683,116.79	19,138,061.12	3,589,756.79	1,955,298.88	
<u>STATUTORY EXPENDITURES:</u>						
Contribution to:						
Social Security System (O.A.S.I.)	1,000,000.00	950,000.00	794,301.58		155,698.42	
Public Employees Retirement System	1,303,796.00	1,303,796.00	1,303,796.00			
Police and Firemen's Pension Fund	2,940,749.00	2,940,749.00	2,940,749.00			
State Unemployment Insurance	40,000.00	40,000.00	40,000.00			
Defined Contribution Retirement Program	30,000.00	30,000.00	24,405.17		5,594.83	
Total Deferred Charges and Statutory Expenditures	5,314,545.00	5,264,545.00	5,103,251.75		161,293.25	
Municipal Within "CAPS"						
Total General Appropriations for Municipal Purposes Within "CAPS"	50,977,022.64	50,472,565.23	42,974,536.58	3,589,756.79	3,908,271.86	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
911 Emergency Telecommunication Services						
Salaries and Wages	960,000.00	960,000.00	865,093.42		94,906.58	
Other Expenses	530,000.00	530,000.00	228,860.06	50,440.80	250,699.14	
Maintenance of Free Public Library (NJSA 40:54-8)	2,743,012.00	2,743,012.00	2,577,350.08	70,689.63	94,972.29	
NJDES - Storm Water						
Other Expenses	60,000.00	60,000.00	41,951.05	9,940.50	8,108.45	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2019

	CY 2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
OPERATIONS EXCLUDED FROM "CAPS" (Cont.)						
MCIA Recycling Program	\$ 869,000.00	\$ 869,000.00	\$ 422,087.44	\$ 127,912.56	\$	319,000.00
MCJA Solid Waste Agreement	410,000.00	410,000.00	164,215.50	51,784.50		194,000.00
Edison Animal Control Contract	75,000.00	75,000.00	49,465.89	19,805.91		5,728.20
UMDNJ Agreements	35,000.00	35,000.00	8,941.84			26,058.16
PUBLIC AND PRIVATE PROGRAMS						
OFFSET BY REVENUES						
Alcohol Education Rehab Program		3,375.74	3,375.74			
Body Armor Fund Grant	8,325.89	15,792.46	15,792.46			
Recycling Tonnage	44,048.00	44,048.00	44,048.00			
Bullet Proof Vest Grant						
Clean Communities Grant		103,639.69	103,639.69			
Community Development Block Grant-	270,487.00	270,487.00	270,487.00			
Drive Sober or Get Pulled Over		5,500.00	5,500.00			
American		3,500.00	3,500.00			
Drunk Driving Enforcement						
Distracted Driving Crackdown	5,500.00	5,500.00	5,500.00			
NJDOT		557,200.00	557,200.00			
Safe & Secure		27,698.63	27,698.63			
Municipal Alliance on Alcoholism and Drug Abuse						
Grant		47,399.00	47,399.00			
Match		44,620.00	44,620.00			
NJ Historic Trust						
Grant		175,000.00	175,000.00			
Match		175,000.00	175,000.00			
Matching Funds	50,000.00					
Total Operations Excluded from "CAPS"	6,528,797.89	7,609,954.65	6,285,907.93	330,573.90		993,472.82
DETAIL:						
Salaries and Wages	960,000.00	960,000.00	865,093.42			94,906.58
Other Expenses	5,568,797.89	6,649,954.65	5,420,814.51	330,573.90		898,566.24

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2019

	CY 2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Down Payment on Improvements	\$ 605,000.00	\$ 1,225,000.00	\$ 1,225,000.00	\$ -	\$ -	\$ -
Police Spottshooter	355,000.00	235,000.00	117,500.00	117,500.00	-	-
Motorola	1,391,000.00	1,390,080.28	1,390,080.28	-	-	-
Land Acquisition	500,000.00	355,000.00	355,000.00	-	-	-
Total Capital Improvements Excl. from "CAPS"	2,851,000.00	3,205,080.28	3,087,580.28	117,500.00		
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	7,724,000.00	7,724,000.00	7,724,000.00	-	-	-
Interest on Bonds	1,668,343.33	1,668,343.33	1,591,843.33	-	-	76,500.00
Total Municipal Debt Service - Excl. from "CAPS"	9,392,343.33	9,392,343.33	9,315,843.33			76,500.00
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"						
Deferred Charges						
Unfunded Ordinance 06-26	3,500,000.00	3,500,000.00	3,500,000.00	-	-	-
Unfunded Ordinance 05-41	442,820.00	442,820.00	442,820.00	-	-	-
Unfunded Ordinance 05-11	281,050.00	281,050.00	281,050.00	-	-	-
Unfunded Ordinance 11-14	305,264.56	305,264.56	305,264.56	-	-	-
Unfunded Ordinance 06-48	3,874.20	3,874.20	3,874.20	-	-	-
Unfunded Ordinance 07-02	695,867.09	695,867.09	695,867.09	-	-	-
Total Deferred Charges - Municipal Excluded from "CAPS"	5,228,875.85	5,228,875.85	5,228,875.85			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	24,001,017.07	25,436,254.11	23,918,207.39	448,073.90	993,472.82	76,500.00

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2019

	CY 2019 BUDGET	BUDGET AFTER MODIFICATION	PAID OR		EXPENDED		UNEXPENDED BALANCE CANCELLED
			CHARGED	ENCUMBERED	RESERVED		
Subtotal General Appropriations	\$ 74,978,039.71	\$ 75,908,819.34	\$ 66,892,743.97	\$ 4,037,830.69	\$ 4,901,744.68	\$ 76,500.00	
Reserve for Uncollected Taxes	1,872,743.21	1,872,743.21	1,872,743.21				
Total General Appropriations	\$ 76,850,782.92	\$ 77,781,562.55	\$ 68,765,487.18	\$ 4,037,830.69	\$ 4,901,744.68	\$ 76,500.00	
Ref.		Below	Below	A, A-1	A, A-1		A-1

Adopted Budget
Approp. by N.J.S.A. 40A:4-87

\$ 76,850,782.92
930,779.63
\$ 77,781,562.55

Cash Disbursed
Reserve for Uncollected Taxes
Reserve for Tax Appeals
Due to Sewer Operating
Due to State and Federal Grants Fund

\$ 62,038,983.45
1,872,743.21
3,500,000.00
(125,000.00)
1,478,760.52
\$ 68,765,487.18

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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

ASSETS	REF.	BALANCE DEC. 31, 2019	BALANCE DEC. 31, 2018	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC. 31, 2019	BALANCE DEC. 31, 2018
Animal Control Fund:							
Cash and Investments - Treasurer	B-1	\$ 55,175.46	\$ 38,936.28	Animal Control Fund:	B-1	\$ 8.40	\$ 6.60
				Due to State of New Jersey	B-1	2,607.00	
				Prepaid Animal Control Fees	B-1	7,869.75	
				Interfund Payable	B-1	44,690.31	38,929.68
				Reserve for Animal Control Expenditures	B-1		
Total Animal Control Fund		55,175.46	38,936.28	Total Animal Control Fund		55,175.46	38,936.28
Other Trust Funds:							
Cash and Investments - Treasurer	B-1	24,075,496.02	24,159,805.13	Other Trust Funds:			
				Payroll Liabilities	B-1	13,204.41	185,411.56
				Unemployment Insurance Trust Fund	B-1	591,781.34	563,847.48
				Forfeited Funds	B-1	141,539.47	12,903.64
				Miscellaneous Deposits	B-1, B-3	6,639,693.47	7,208,479.23
				Affordable Housing	B-1	6,565,958.06	6,214,298.22
				Recreation Trust	B-1	15,135.12	10,390.53
				Schedule of Escrows	B-1, B-2	10,108,184.15	9,964,474.47
Total Other Trust Fund		24,075,496.02	24,159,805.13	Total Other Trust Fund		24,075,496.02	24,159,805.13
Public Assistance Fund:							
Cash and Investments - Treasurer	B-1	15,411.35	14,411.35	Public Assistance Fund:			
				Reserve for Public Assistance	B-1	15,411.35	14,411.35
Total Public Assistance Fund		15,411.35	14,411.35	Total Public Assistance Fund		15,411.35	14,411.35
Grand Total		\$ 24,146,082.83	\$ 24,213,152.76			\$ 24,146,082.83	\$ 24,213,152.76

Note: See Notes to Financial Statements.

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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

	REF.	BALANCE DEC. 31,2019	BALANCE DEC. 31,2018
<u>ASSETS</u>			
Cash, Cash Equivalents and Investments	C-2	\$ 4,315,550.40	\$ 9,144,052.73
Federal and State Grants Receivable	C-6	650,950.00	93,750.00
Deferred Charges to Future Taxation:			
Funded	C-4	55,764,000.00	43,488,000.00
Unfunded	C-5	72,081,360.09	88,417,435.94
Total Assets		<u>\$ 132,811,860.49</u>	<u>\$ 141,143,238.67</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-8	\$ 55,764,000.00	\$ 43,488,000.00
Bond Anticipation Notes	C-16	17,000,000.00	
Improvement Authorizations:			
Funded	C-7	4,548,929.16	6,285,593.70
Unfunded	C-7	32,826,525.21	37,375,118.78
Reserve for Encumbrances	C-7	19,144,228.43	44,738,416.29
Reserve for Preliminary Expenses	C-10	227,543.83	270,953.16
Contributions - Tree Contributions	C-11	10,445.00	40,000.00
Reserve: Stelton Streetscape	C-12	20,250.00	20,250.00
Reserve: Community Center	C-13	369,874.90	3,716,110.35
Capital Improvement Fund	C-14	291,346.90	1,566,346.90
Contributions - Off-Site Improvements	C-15	2,129,908.05	2,077,763.48
Fund Balance	C-1	478,809.01	1,564,686.01
Total Liabilities, Reserves and Fund Balance		<u>\$ 132,811,860.49</u>	<u>\$ 141,143,238.67</u>
Bonds & Notes Authorized but not Issued	C-17	<u>\$ 55,081,360.09</u>	<u>\$ 88,417,435.94</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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

	<u>REF.</u>	
Balance - December 31, 2018	C	\$ 1,564,686.01
Increased by:		
Premium on Sale of Serial Bonds	C-2	<u>474,123.00</u>
		2,038,809.01
Decreased by:		
Current Fund Budget Appropriation	C-2	<u>1,560,000.00</u>
Balance - December 31, 2019	C	<u>\$ 478,809.01</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>	<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>
Operating Fund:							
Cash and Investments - Treasurer	D-5	\$ 9,251,209.90	\$ 9,329,346.28	Operating Fund:			
Change Fund - Collector	D	100.00	100.00	Appropriation Reserves	D-4, D-11	\$ 2,205,385.90	\$ 1,085,262.59
		<u>9,251,309.90</u>	<u>9,329,446.28</u>	Reserve for Encumbrances	D-4, D-11	176,119.10	1,542,506.13
				Sewer Overpayment	D-13	72,338.06	
				Accrued Interest Payable	D-12	16,174.48	19,157.81
				Prepaid Sewer Charges	D-13	23,250.41	27,301.13
				Accounts Payable	D-15	<u>523,761.68</u>	<u>277,221.23</u>
Receivables and Inventory With						3,017,029.63	2,951,448.89
Offsetting Reserves:							
Sewer Lien Receivable	D-8	145.00					
Sewer Charges Receivable	D-8	<u>447,355.57</u>	<u>826,833.14</u>				
		<u>447,500.57</u>	<u>826,833.14</u>	Reserve for Receivables	Reserve	447,500.57	826,833.14
				Fund Balance	D-1	<u>6,234,280.27</u>	<u>6,377,997.39</u>
Total Operating Fund		<u>9,698,810.47</u>	<u>10,156,279.42</u>	Total Operating Fund		<u>9,698,810.47</u>	<u>10,156,279.42</u>
Capital Fund:							
Cash and Investments - Treasurer	D-5	5,909,259.30	5,371,302.50	Serial Bonds Payable	D-23	2,040,000.00	2,280,000.00
Fixed Capital	D-9	17,492,561.49	14,992,561.49	Reserve for Encumbrances	D-16	984,278.96	816,644.64
Fixed Capital Authorized and Uncompleted	D-10	<u>14,045,000.00</u>	<u>14,655,000.00</u>	Improvement Authorizations:			
				Funded	D-16	4,924,290.37	4,553,967.89
				Reserve for Amortization	D-20	19,785,061.49	19,545,061.49
				Deferred Reserve for Amortization	D-17	9,712,500.00	7,822,500.00
				Fund Balance	D-2	<u>689.97</u>	<u>689.97</u>
Total Capital Fund		<u>37,446,820.79</u>	<u>35,018,863.99</u>	Total Capital Fund		<u>37,446,820.79</u>	<u>35,018,863.99</u>
				Grand Total		<u>\$ 47,145,631.26</u>	<u>\$ 45,175,143.41</u>

There were no Bonds and Notes Authorized but Not issued at December 31, 2019.

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D-1

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE CALENDAR YEARS ENDED DECEMBER 31, 2019 AND 2018

<u>REVENUE AND OTHER INCOME</u>		<u>CY 2019</u>	<u>CY 2018</u>
Fund Balance Utilized	D-1,D- 3	\$ 2,150,000.00	\$ 1,000,000.00
Sewer Charges	D- 3	12,035,764.46	11,477,651.98
Connection Fees	D- 3	962,430.00	439,380.00
Interest on Investments	D- 3	55,154.97	60,172.92
Interest on Delinquent Accounts	D- 3	85,900.10	53,706.21
Other Credits to Income:			
Miscellaneous Revenue	D- 3	360.00	69,300.60
Unexpended Balance of Appropriation Reserves			
Lapsed and Reserve for Encumbrances Canceled	D-11	<u>433,689.97</u>	<u>1,182,980.58</u>
 Total Revenues		 <u>15,723,299.50</u>	 <u>14,283,192.29</u>
 <u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D- 4	\$ 10,743,216.57	\$ 9,642,548.37
Capital Improvements	D- 4	2,300,000.00	1,800,000.00
Debt Service	D- 4	311,554.17	321,079.16
Deferred Charges and Statutory Expenditures	D- 4	<u>362,245.88</u>	<u>333,764.13</u>
 Total Expenditures		 <u>13,717,016.62</u>	 <u>12,097,391.66</u>
 Excess in Revenues		 2,006,282.88	 2,185,800.63
 <u>FUND BALANCE</u>			
Balance - January 1	D	<u>6,377,997.39</u>	<u>5,192,196.76</u>
		8,384,280.27	7,377,997.39
Decreased by:			
Utilized as Anticipated Revenue	D-1	<u>2,150,000.00</u>	<u>1,000,000.00</u>
 Balance - December 31	D	 <u>\$ 6,234,280.27</u>	 <u>\$ 6,377,997.39</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit D-2

SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

REF

Balance - December 31, 2019 and 2018	D	<u>\$ 689.97</u>
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Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	<u>CY 2019 BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	D- 1	\$ 2,150,000.00	\$ 2,150,000.00	
Sewer Service Charges	D- 1,D-3	11,475,000.00	12,035,764.46	\$ 560,764.46
Sewer Connection Fees & Permits	D- 1,D-3	50,000.00	962,430.00	912,430.00
Miscellaneous: Interest	D- 1,D-3	5,000.00	55,154.97	50,154.97
Interest on Delinquencies	D- 1,D-3	40,000.00	85,900.10	45,900.10
Total		<u>\$ 13,720,000.00</u>	<u>\$ 15,289,249.53</u>	<u>\$ 1,569,249.53</u>

Ref. D-4

Analysis of Realized Revenues:

Sewer Service Charges:

Prepays Applied	D-13	\$ 27,301.13
Collected Treasurer	D-8	62,744.73
Collected	D- 8	<u>11,945,718.60</u>
	D- 3	<u>\$ 12,035,764.46</u>

Connection Fees:

Received by Collector	D-3,D-6	<u>\$ 962,430.00</u>
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Interest on Delinquent Accounts:

Collected	D-3,D-6	<u>\$ 85,900.10</u>
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Interest on Investments:

Collected	D-5	<u>\$ 55,154.97</u>
	D-3	<u>\$ 55,154.97</u>

Miscellaneous Revenue:

Received by Collector	D-6	<u>\$ 360.00</u>
	D-1	<u>\$ 360.00</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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

	CY 2019 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			RESERVED	UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED			
Operating:							
Salaries and Wages	\$ 1,750,000.00	\$ 1,850,000.00	\$ 1,735,051.06		\$ 114,948.94		
Other Expenses	2,393,216.57	2,293,216.57	1,463,567.43	\$ 146,118.10	683,531.04		
Middlesex County Utilities Authority							
Service Charges - Contractual	6,600,000.00	6,600,000.00	5,573,093.08	1.00	1,026,905.92		
Capital Improvements:							
Down Payments on Improvements	300,000.00	300,000.00	300,000.00				
Capital Outlay	2,000,000.00	2,000,000.00	1,590,000.00	30,000.00	380,000.00		
Debt Service:							
Payment on Bond Principal	240,000.00	240,000.00	240,000.00			\$ 2,983.38	
Interest on Bonds	74,537.55	74,537.55	71,554.17				
Deferred Charges and Statutory Expenditures:							
Public Employees' Retirement System	212,245.88	212,245.88	212,245.88				
Social Security System (O.A.S.I.)	150,000.00	150,000.00	150,000.00				
Total Sewer Utility Appropriations	\$ 13,720,000.00	\$ 13,720,000.00	\$ 11,335,511.62	\$ 176,119.10	\$ 2,205,385.90	\$ 2,983.38	
Ref.	D-3	D-3	Below	D,D-1	D,D-1	D-1	
Cash Disbursements			\$ 9,548,957.45				
Due to Sewer Capital			1,590,000.00				
Due to Current Fund			125,000.00				
Accrued Interest			71,554.17				
			\$ 11,335,511.62				

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY
SENIOR CITIZENS HOUSING UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

ASSETS	BALANCE DEC.31, 2019	BALANCE DEC.31, 2018	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC.31, 2019	BALANCE DEC.31, 2018
Operating Fund:						
Cash and Investments - Treasurer	E-5	\$ 1,353,197.08	\$ 1,418,667.97	E-4, E-7	\$ 112,775.34	\$ 17,127.08
		1,353,197.08	1,418,667.97	E-4, E-7	165,832.59	250,791.17
				E-7	13,882.74	28,765.06
				E-8	23,000.00	30,687.50
				E-9	120,542.99	124,332.98
			Operating Fund:			
			Appropriation Reserves			
			Reserve for Encumbrances			
			Accounts Payable			
			Accrued Interest on Bonds			
			Security Deposits			
			Fund Balance	E-1	436,033.66	451,703.79
			Fund Balance		917,163.42	966,964.18
		1,353,197.08	Total Operating Fund		1,353,197.08	1,418,667.97
Capital Fund:						
Cash and Investments - Treasurer	E-5	2,453,071.71	2,620,665.82	E-12	800,000.00	1,130,000.00
Fixed Capital	E-15	10,351,052.26	10,351,052.26	E-11	747,137.50	2,058,376.55
Fixed Capital Authorized and Uncompleted	E-16	4,283,000.00	4,283,000.00	E-11	1,389,720.72	246,075.78
			Reserve for:			
			Encumbrances	E-11	1,389,720.72	246,075.78
			Capital Improvement Fund	E-13	244,035.75	244,035.75
			Amortization	E-10	10,951,052.26	10,621,052.26
			Deferred Amortization	E-14	2,883,000.00	2,883,000.00
			Fund Balance	E-2	72,177.74	72,177.74
		17,087,123.97	Total Capital Fund		17,087,123.97	17,254,718.08
		\$ 18,440,321.05	Total Operating Fund		\$ 18,440,321.05	\$ 18,673,386.05

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZEN HOUSING UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

<u>REVENUE AND OTHER INCOME</u>		<u>CY 2019</u>	<u>CY 2018</u>
Fund Balance Utilized	E- 3	\$ 210,000.00	\$ 190,000.00
Rental Income	E- 3	1,352,206.41	1,411,136.97
Interest on Investments	E- 3	31,245.25	9,290.82
Other Credits to Income:			
Non-Budget Revenue	E- 3	10,214.57	9,350.54
Accounts Payable Canceled	E- 7	28,765.06	
Unexpend. Balance of Appropriation			
Reserves Lapsed	E- 7	<u>138,650.45</u>	<u>348,169.99</u>
Total Revenues		<u>1,771,081.74</u>	<u>1,967,948.32</u>
 <u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	E- 4	\$ 1,179,125.00	\$ 1,152,565.00
Capital Improvements	E- 4	70,000.00	100,000.00
Debt Service	E- 4	357,562.50	325,781.25
Deferred Charges and Statutory Expend.	E- 4	3,625.00	3,060.00
Refund of Prior Year Revenue	E- 5	<u>570.00</u>	<u>1,691.22</u>
Total Expenditures		<u>1,610,882.50</u>	<u>1,583,097.47</u>
Excess/(Deficit) in Revenues		160,199.24	384,850.85
Statutory Excess to Fund Balance		160,199.24	384,850.85
 <u>FUND BALANCE</u>			
Balance - January 1	E	<u>966,964.18</u>	<u>772,113.33</u>
		1,127,163.42	1,156,964.18
Decreased by:			
Utilized as Anticipated Revenue	E- 1	<u>210,000.00</u>	<u>190,000.00</u>
Balance - December 31	E	<u>\$ 917,163.42</u>	<u>\$ 966,964.18</u>

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>REF.</u>	
Balance - December 31, 2019 and 2018	E	<u>\$ 72,177.74</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	<u>CY 2019 BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	E-1	\$ 210,000.00	\$ 210,000.00	
Rental Income	E-1,E-3	1,405,000.00	1,352,206.41	\$ (52,793.59)
Interest on Investments	E-1,E-3	3,000.00	31,245.25	28,245.25
		<u>1,618,000.00</u>	<u>1,593,451.66</u>	<u>(24,548.34)</u>
Non-Budget Revenues	E-1,E-3		<u>10,214.57</u>	<u>10,214.57</u>
		<u>\$ 1,618,000.00</u>	<u>\$ 1,603,666.23</u>	<u>\$ (14,333.77)</u>

Ref. E-4

Analysis of Realized Revenues:

Analysis of Rental Income:

Rental Income	E-3,E-5		<u>\$ 1,352,206.41</u>	
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Analysis of Non-Budget Revenues:

Laundromat Income			\$ 7,567.45	
Miscellaneous			2,170.00	
Deposit Withheld			<u>477.12</u>	
	E-3,E-5		<u>\$ 10,214.57</u>	

Analysis of Interest on Investments:

Senior Citizen Operating Fund	E-5		<u>\$ 31,245.25</u>	
	E-3		<u>\$ 31,245.25</u>	

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	CY 2019 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Operating:						
Salaries and Wages	\$ 60,000.00	\$ 60,000.00	\$ 50,908.52		\$ 9,091.48	
Other Expenses	1,119,125.00	1,119,125.00	919,608.55	\$ 165,832.59	33,683.86	
Debt Service:						
Payment on Bond Principal	330,000.00	330,000.00	330,000.00			
Interest on Bonds	35,250.00	35,250.00	27,562.50			\$ 7,687.50
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	3,625.00	3,625.00	3,625.00			
Capital Improvements:						
Capital Improvement Fund	70,000.00	70,000.00			70,000.00	
Total Senior Citizen Housing Appropriations	\$ 1,618,000.00	\$ 1,618,000.00	\$ 1,331,704.57	\$ 165,832.59	\$ 112,775.34	\$ 7,687.50
2019 Budget	Ref. E-3	E-3	E-1	E	E	E-1
Cash Disbursements	E-3	\$ 1,618,000.00				
Accrued Interest on Bonds	E-5	\$ 1,618,000.00				
	E-8	\$ 1,304,142.07				
		27,562.50				
		\$ 1,331,704.57				

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS
 REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>
Governmental Fixed Assets:		
Land	\$ 26,173,800.00	\$ 26,173,800.00
Buildings and Improvements	17,110,200.00	17,110,200.00
Machinery and Equipments	<u>31,444,055.00</u>	<u>29,671,762.00</u>
Total Governmental Fixed Assets	<u>\$ 74,728,055.00</u>	<u>\$ 72,955,762.00</u>
Investments in Governmental Fixed Assets	<u>\$ 74,728,055.00</u>	<u>\$ 72,955,762.00</u>

Notes: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 1: FORM OF GOVERNMENT

The Township is managed under a Mayor-Council form of government authorized under Plan F of the "Faulkner Act of 1950". This form of government adopted in 1967 by Township voters provides for the direct election of the Mayor and seven Council members for four-year terms. This form of government provides for the administrative function of government under the Mayor, supported by a Business Administrator and various department heads and for the legislative function under the Township Council.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Piscataway include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Piscataway, as required by the provisions of N.J.S.A. 40A: 5-5. Accordingly, the financial statements of the Township of Piscataway do not include the operations of the municipal library, first aid organizations, fire districts or local school district.

B. Description of Funds

The accounting policies of the Township of Piscataway conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Piscataway accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including fiscal activity of Federal and State Grant Programs, except as otherwise noted.

Trust Fund - The records of receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A: 4-39, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

- Animal Control Trust Fund
- Unemployment Compensation Insurance Trust Fund
- Dedicated Law Enforcement Trust Fund
- Workmen's Compensation Self-Insurance Fund
- Developer's Escrow Fund
- Disposal of Forfeited Property (P.L. 1985, Ch. 135)

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Sewer Utility Fund and Senior Citizens Housing Utility Fund - resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Sewer Utility and Senior Citizens Housing Facility.

Governmental Fixed Assets - the Governmental Fixed Asset system is used to account for fixed assets used in governmental fund type operations for control purposes. Infrastructure assets such as roads, sidewalks, etc. are not capitalized. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on governmental fixed assets.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

B. Description of Funds (Cont'd.)

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles (GAAP) for state and local governments. GAAP provides for the issuance of entity-wide financial statements along with the presentation of separate fund financial statements that differ from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation.

C. Basis of Accounting and Measurement Focus

The basis of accounting as prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The more significant differences are as follows:

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and sewer utility consumer charges are recorded with offsetting reserves within the Current Fund and Sewer Utility Fund, respectively. Except for rental income receivable in the Senior Citizen Housing Utility, which is not recognized in the financial statements, other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash.

GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of Sewer Utility consumer charges and Senior Citizen Housing Utility rent, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP.

For the purposes of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute.

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the balance sheet of the affected Fund. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized, as a "component unit" of the Township, and discrete reporting of the Library's financial position and operating results would be incorporated in the Township's financial statements.

Compensated Absences - The Township has adopted a written policy which sets forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee.

The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Sewer Utility and Senior Citizens Housing Utility) fund on a full accrual basis.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation established by the last revaluation program in 1975 and is fully reserved. Additions since 1975 are recorded on the basis of the latest assessed value. GAAP requires such property to be recorded in the statement of governmental fixed assets at the lower of cost or fair market value.

Self-Insurance Reserves - Charges to self-insurance reserves are recorded when payments of claims and related expenses are made. Increases to self-insurance reserves are recorded from budgetary appropriations in the accounting period in which budgetary expenditures are recorded. Earnings on investments and miscellaneous reimbursements are credited to reserves when received in cash. GAAP requires that liabilities for incurred claims be recorded as determined actuarially, and that operating transfers to self-insurance funds not exceed the amount determined.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. Although the expenditure method of accounting for purchases of supplies is in accordance with GAAP, the cost of inventory on hand at the close of the year should be reported on the balance sheet with an offsetting reserve for conformity with GAAP.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

The Township has reserved amounts of proceeds from property sales as of December 31, 2019 and 2018 totaled \$840,057.76 and \$749,496.13, respectively. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

Governmental Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Property and equipment purchased by the Sewer Utility Fund and the Senior Housing Utility are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonment. Contributions in aid of construction are not capitalized.

The balances in the Reserve for Amortization and Deferred Reserve for amortization accounts in the Utility Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements, and costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets.

GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Fixed Capital - Sewer Utility and Senior Citizens Housing Utility - Capital acquisitions, including utility infrastructure costs of the Utilities are recorded at cost upon purchase or project completion in the Fixed Capital Account of the Utilities. Fixed Capital accounts are adjusted for dispositions or abandonment. The accounts include Moveable Fixed Assets of the Utilities but are not specifically identified and are considered as duplicated in the Fixed Asset Group of Accounts. The condition is considered as insignificant on its effect on the financial statements taken as a whole. Utility improvements that may have been constructed by developers and transferred to the Township are not recorded as additions to Fixed Capital. Fixed Capital of the Utilities is offset by accumulations in Amortization Reserve Accounts. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utilities represent charges to operations for the costs of acquisitions of property, equipment and improvement and costs funded from sources other than bonded debt of the utilities.

The utilities do not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Disclosures About Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents and Short-Term Investments - The carrying amount approximates fair value because of the short maturity of those investments.

Long-term Debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is disclosed in Note 3 to the financial statements.

Disclosures About Pension Liabilities - The Township has included information relating to its allocated shares of the net pension liabilities of the state sponsored, cost-sharing, multiple employer defined benefit pension plans in which it participates in Note 11 and the accompanying required supplementary information. As the Township does not present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the net pension liability of the defined benefit plans in which its employees are enrolled. GAAP requires the recognition of the net pension liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONT'D.)

C. Basis of Accounting and Measurement (Cont'd.)

Disclosures About OPEB Liabilities – With the implementation of GASB 75 for disclosure purposes, the Township has included information for OPEB (Postemployment Benefits Other Than Pensions) liabilities relating to healthcare benefits provided to its retirees within the Notes to the Financial Statements and the accompanying required supplementary information, if applicable. As the Township does not present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the OPEB liability of the defined benefit healthcare plans in which its retirees are enrolled. GAAP requires the recognition of the OPEB liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements.

Recent Accounting Pronouncements - GASB issued Statement No. 88 "Certain Disclosures Related to Debt Including Direct Borrowings and Direct Placements" in April 2018. The objective of this statement is to improve note disclosures in government financial statements relating to debt. GASB issued Statement No. 89 "Accounting for Interest Cost Incurred Before the End of a Construction Period" in June 2018. The objective of this statement are to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB issued Statement No. 90 "Majority Equity Interests- An Amendment of GASB Statements No. 14 and No. 61" in August 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB issued Statement No. 91 "Conduit Debt Obligations" in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles. Unless these new standards are incorporated into the other comprehensive basis of accounting that is utilized by the Township through legislation or rulemaking they will not become part of the standards followed by the Township for financial reporting. The Division of Local Government Services has adopted rules which require full disclosure in the Notes to Financial Statements of OPEB related matters, as set forth in GASB Statement No. 75, based upon the GASB implementation schedule. See Note 12 for a description of matters relating to GASB 75.

Use of Estimates – The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in order to provide an understanding of changes on the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Governmental Fixed Assets – N.J.A.C. 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. The Township has complied with the mandate, formerly known as Technical Accounting Directive No. 85-2. Fixed assets used in governmental operations are accounted for in the reporting of Governmental Fixed Assets. Public domain (infrastructure) governmental fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONT'D.)

C. Basis of Accounting and Measurement (Cont'd.)

Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land, which is valued at estimated market value. No depreciation is provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as construction is completed and put into operation. Fixed assets acquired through grants in aid or contributed capital is not accounted for separately.

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

The Local Bond Law, Chapter 40A:2 et. seq., governs the issuance of bonds to finance municipal capital expenditures. The Township's debt at December 31, 2019 and 2018, respectively, is summarized as follows:

A. SUMMARY OF MUNICIPAL DEBT – YEAR ENDED DECEMBER 31, 2019

	<u>CY 2019</u>	<u>CY 2018</u>
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 72,764,000.00	\$ 43,488,000.00
Sewer Utility:		
Bonds and Notes	2,040,000.00	2,280,000.00
Senior Citizens Housing Utility:		
Bonds and Notes	<u>800,000.00</u>	<u>1,130,000.00</u>
Net Debt Issued	<u>\$ 75,604,000.00</u>	<u>\$ 46,898,000.00</u>
 <u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	<u>55,081,360.09</u>	<u>88,417,435.94</u>
Total Authorized But Not Issued	<u>55,081,360.09</u>	<u>88,417,435.94</u>
 Net Bonds and Notes Issued and Authorized but not Issued	 <u>\$ 130,685,360.09</u>	 <u>\$ 135,315,435.94</u>

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

	<u>CY 2019</u>	<u>CY 2018</u>
<u>General Debt:</u>		
\$17,710,000 General Improvement Bonds of 2009, due in annual installments of \$1,900,000 to \$1,960,000 through March 2021, interest at 4.000%.	\$ 3,860,000.00	\$ 5,560,000.00
\$4,564,000 General Improvement Bonds of 2011, due in annual installments of \$525,000 to \$564,000 through February 2021, interest at 4.00%	1,089,000.00	1,589,000.00
\$5,884,000 General Improvement Refunding Bonds of 2012, due in one installment of \$1,034,000 through December 2019, interest annual at 3.000%.		1,034,000.00
\$8,100,000 General Improvement Bonds of 2014, due in annual installments of \$800,000 to \$1,000,000 through January 2024, interest at 3.000%.	4,800,000.00	5,600,000.00
\$9,800,000 General Improvement Bonds of 2015, due in annual installments of \$925,000 to \$1,400,000 through December 2025, interest at 2.000% to 4.000%.	6,625,000.00	7,500,000.00
\$5,200,000 General Improvement Bonds of 2016, due in annual installments of \$425,000 to \$625,000 through November 2027, interest at 3.000% to 4.000%.	4,150,000.00	4,525,000.00
\$3,145,000 General Improvement Refunding Bonds of 2017, due in annual installment of \$1,565,000 through November 2019, interest at 4.000%.	-	1,565,000.00
\$13,615,000 General Obligations Bonds of 2018, due in annual installments of \$1,400,000 to \$1,500,000 through December 2028 interest at 4.000% to 5.000%	12,865,000.00	13,615,000.00
\$2,500,000 Special Assessment Bonds of 2018, due in annual installments of \$125,000 through December 2038, interest at 3.000% to 5.000%	2,375,000.00	2,500,000.00
\$20,000,000 General Improvement Bonds of 2019 due in annual installments of \$700,000 to \$1,400,000 through February 2039, interest at 2.000% to 5.000%	20,000,000.00	
\$17,000,000 Bond Anticipation Notes of 2019 due December 2020, interest at 1.75%	17,000,000.00	
Total General Capital Debt	<u>\$ 72,764,000.00</u>	<u>\$ 43,488,000.00</u>

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

	<u>CY 2019</u>	<u>CY 2018</u>
\$2,204,500 Senior Citizen Housing Refunding Bonds of 2001, due in annual intallment of \$180,000 through August 2019, interest at 5.00%		\$ 180,000.00
\$1,400,000 General Improvement Bonds of 2014, due in annual installments of \$150,000 to \$175,000 through December 2024, interest at 3.000%.	<u>\$ 800,000.00</u>	<u>950,000.00</u>
Total Senior Housing Utility Debt	<u>\$ 800,000.00</u>	<u>\$ 1,130,000.00</u>
 <u>Sewer Utility Debt:</u>		
\$1,200,000 Sewer Utility Bonds of 2005, due in annual intallments of \$80,000 to \$100,000 through March 2025, interest at 4.000% to 4.500%.	550,000.00	630,000.00
\$700,000 Sewer Utility Bonds of 2011, due in annual intallments of \$100,000 through February 2021, interest at 4.000%.	200,000.00	275,000.00
\$1,460,000 Sewer Improvement Refunding Bonds of 2017, due in annual installments of \$85,000 to \$110,0000 through November 2032, interest at 2.000% to 4.000%.	<u>1,290,000.00</u>	<u>1,375,000.00</u>
Total Sewer Utility Debt	<u>\$ 2,040,000.00</u>	<u>\$ 2,280,000.00</u>
Total Debt	<u>\$ 75,604,000.00</u>	<u>\$ 46,898,000.00</u>

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. SUMMARY OF STATUTORY DEBT CONDITION – ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory debt as of December 31, 2019 and 2018, respectively, of:

<u>2019</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 10,340,000.00	\$ 10,340,000.00	
Sewer Utility Debt	2,040,000.00	2,040,000.00	
Senior Citizen Housing Utility Debt	800,000.00	800,000.00	
General Debt	<u>127,845,360.09</u>	<u>-</u>	<u>\$ 127,845,360.09</u>
	<u>\$ 141,025,360.09</u>	<u>\$ 13,180,000.00</u>	<u>\$ 127,845,360.09</u>

Net Debt \$127,845,360.09 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended 7,600,864,693.67 = 1.682%

Average Equalized Valuation Basis

2017 Equalized Value of Real Property	\$ 6,939,586,673.00
2018 Equalized Value of Real Property	7,811,207,964.00
2019 Equalized Value of Real Property	<u>8,051,799,444.00</u>
Average Equalized Valuation	<u>\$ 7,600,864,693.67</u>

<u>2018</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 13,485,000.00	\$ 13,485,000.00	
Sewer Utility Debt	2,280,000.00	2,280,000.00	
Senior Citizen Housing Utility Debt	1,130,000.00	1,130,000.00	
General Debt	<u>131,905,435.94</u>	<u>-</u>	<u>\$ 131,905,435.94</u>
	<u>\$ 148,800,435.94</u>	<u>\$ 16,895,000.00</u>	<u>\$ 131,905,435.94</u>

Net Debt \$131,905,435.94 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended 7,227,724,290.67 = 1.825%

Average Equalized Valuation Basis

2016 Equalized Value of Real Property	\$ 6,932,378,235.00
2017 Equalized Value of Real Property	6,939,586,673.00
2018 Equalized Value of Real Property	<u>7,811,207,964.00</u>
Average Equalized Valuation	<u>\$ 7,227,724,290.67</u>

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. SUMMARY OF STATUTORY DEBT CONDITION – ANNUAL DEBT STATEMENT

	December 31, 2019
<u>Borrowing Power Under N.J.S.A. 40A:2-6 As Amended</u>	
3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$ 266,030,264.28 <u>127,845,360.09</u>
Remaining Borrowing Power	<u>\$ 138,184,904.19</u>
 <u>Calculation of "Self-Liquidating Purpose"</u> <u>Sewer Utility Per N.J.S.A. 40A:2-45</u>	
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 15,289,609.53
Deductions:	
Operating and Maintenance Cost	\$ 11,105,462.45
Debt Service per Sewer Account	<u>311,554.17</u>
Total Deductions	<u>11,417,016.62</u>
Excess/(Deficit) in Revenues	<u>\$ 3,872,592.91</u>
 The difference between the excess/ (deficit) in revenues for debt statement purposes and the excess/ (deficit) in revenues on a cash basis for the Sewer Utility Fund is as follows:	
Excess/(Deficit) in Revenues - Cash Basis (D-1)	\$ 2,006,282.88
Add: Capital Improvements	2,300,000.00
Refund of Prior Year Revenue	<u>217,225.00</u>
	4,523,507.88
Less: Reserves Lapsed	<u>650,914.97</u>
Excess/(Deficit) in Revenue per Debt Statement	<u>\$ 3,872,592.91</u>

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. SUMMARY OF STATUTORY DEBT CONDITION – ANNUAL DEBT STATEMENT

Deduction of Self- Liquidating Utility Debt for Statutory Net Debt – Sewer Utility per N.J.S.A 40A:2-48 (Cont'd.)

	December 31, 2018
<u>Borrowing Power Under N.J.S.A. 40A:2-6 As Amended</u>	
3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$ 252,970,351.17 <u>131,905,435.94</u>
Remaining Borrowing Power	<u>\$ 121,064,915.23</u>
 <u>Calculation of "Self-Liquidating Purpose" Sewer Utility Per N.J.S.A. 40A:2-45</u>	
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 13,100,211.71
Deductions:	
Operating and Maintenance Cost	\$ 9,976,312.50
Debt Service per Sewer Account	<u>321,079.16</u>
Total Deductions	<u>10,297,391.66</u>
Excess/(Deficit) in Revenues	<u>\$ 2,802,820.05</u>
 The difference between the excess/ (deficit) in revenues for debt statement purposes and the excess/ (deficit) in revenues on a cash basis for the Sewer Utility Fund is as follows:	
Excess/(Deficit) in Revenues - Cash Basis (D-1)	\$ 2,185,800.63
Add: Capital Improvements	<u>1,800,000.00</u>
	3,985,800.63
Less: Reserves Lapsed	<u>1,182,980.58</u>
Excess/(Deficit) in Revenue per Debt Statement	<u>\$ 2,802,820.05</u>

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. SUMMARY OF STATUTORY DEBT CONDITION – ANNUAL DEBT STATEMENT

Deduction of Self- Liquidating Utility Debt for Statutory Net Debt – Senior Citizen Housing Utility per N.J.S.A 40A:2-48

	December 31, 2019
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 1,632,431.29
Deductions:	
Operating and Maintenance Cost	\$ 1,182,750.00
Debt Service per Housing Account	357,562.50
Total Deductions	1,540,312.50
Excess/(Deficit) in Revenues	\$ 92,118.79

The difference between the excess/ (deficit) in revenues for debt statement purposes and the excess/ (deficit) in revenues on a cash basis for the Senior Citizen Housing Utility Fund is as follows:

Excess/(Deficit) in Revenues - Cash Basis (E-1)	\$ 160,199.24
Add: Capital Improvements	70,000.00
Refund of Prior Year Revenue	570.00
	230,769.24
Less: Reserves Lapsed	138,650.45
Excess/(Deficit) in Revenue per Debt Statement	\$ 92,118.79

	December 31, 2018
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 1,619,778.33
Deductions:	
Operating and Maintenance Cost	\$ 1,155,625.00
Debt Service per Housing Account	325,781.25
Total Deductions	1,481,406.25
Excess/(Deficit) in Revenues	\$ 138,372.08

The difference between the excess/ (deficit) in revenues for debt statement purposes and the excess/ (deficit) in revenues on a cash basis for the Senior Citizen Housing Utility Fund is as follows:

Excess/(Deficit) in Revenues - Cash Basis (E-1)	\$ 384,850.85
Add: Capital Improvements	100,000.00
Refund of Prior Year Revenue	1,691.22
	486,542.07
Less: Reserves Lapsed	348,169.99
Excess/(Deficit) in Revenue per Debt Statement	\$ 138,372.08

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

**C. SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT
ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2019**

Year	General		Senior Housing		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2020	\$ 6,800,000.00	\$ 1,965,275.28	\$ 150,000.00	\$ 21,750.00	\$ 265,000.00	\$ 64,037.50	\$ 9,266,062.78
2021	6,939,000.00	1,720,580.00	150,000.00	17,250.00	285,000.00	54,937.50	9,166,767.50
2022	4,725,000.00	1,513,500.00	150,000.00	12,750.00	185,000.00	47,143.75	6,633,393.75
2023	5,025,000.00	1,312,250.00	175,000.00	7,875.00	185,000.00	41,237.50	6,746,362.50
2024	5,150,000.00	1,097,000.00	175,000.00	2,625.00	200,000.00	35,237.50	6,659,862.50
Subtotal	28,639,000.00	7,608,605.28	800,000.00	62,250.00	1,120,000.00	242,593.75	38,472,449.03
2025	4,475,000.00	889,250.00			200,000.00	28,800.00	5,593,050.00
2026	3,125,000.00	690,500.00			100,000.00	24,300.00	3,939,800.00
2027	3,150,000.00	550,750.00			95,000.00	22,050.00	3,817,800.00
2028	2,525,000.00	431,000.00			105,000.00	19,556.26	3,080,556.26
2029	1,125,000.00	328,000.00			100,000.00	16,800.00	1,569,800.00
Subtotal	14,400,000.00	2,889,500.00	-	-	600,000.00	111,506.26	18,001,006.26
2030	1,125,000.00	293,000.00			100,000.00	12,800.00	1,530,800.00
2031	1,125,000.00	267,687.50			110,000.00	8,800.00	1,511,487.50
2032	1,125,000.00	243,625.00			110,000.00	4,400.00	1,483,025.00
2033	1,125,000.00	216,906.26					1,341,906.26
2034	1,325,000.00	185,187.50					1,510,187.50
Subtotal	5,825,000.00	1,206,406.26	-	-	320,000.00	26,000.00	7,377,406.26
2035	1,325,000.00	150,812.50					1,475,812.50
2036	1,325,000.00	119,437.50					1,444,437.50
2037	1,325,000.00	91,062.50					1,416,062.50
2038	1,525,000.00	60,531.26					1,585,531.26
2039	1,400,000.00	21,000.00					1,421,000.00
Subtotal	6,900,000.00	442,843.76	-	-	-	-	7,342,843.76
	<u>\$ 55,764,000.00</u>	<u>\$ 12,147,355.30</u>	<u>\$ 800,000.00</u>	<u>\$ 62,250.00</u>	<u>\$ 2,040,000.00</u>	<u>\$ 380,100.01</u>	<u>\$ 71,193,705.31</u>

Note 4: GOVERNMENTAL FIXED ASSETS

The Township's governmental fixed assets are reported as of December 31, 2019 and 2018 are as follows:

Governmental Fixed Assets	Balance	Additions	Retirements	Balance
	Dec. 31, 2018			Dec. 31, 2019
Land	\$ 26,173,800.00			\$ 26,173,800.00
Building and Improvements	17,110,200.00			17,110,200.00
Machinery and Equipment	29,671,762.00	\$ 2,680,227.00	907,934.00	31,444,055.00
Total Governmental Fixed Assets	<u>\$ 72,955,762.00</u>	<u>\$ 2,680,227.00</u>	<u>\$ 907,934.00</u>	<u>\$ 74,728,055.00</u>

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 5: DEFERRED COMPENSATION TRUST FUND

The Township of Piscataway, County of Middlesex Deferred Compensation Plan was established pursuant to section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The Township of Piscataway, County of Middlesex has engaged a private contractor to administer the plan.

Note 6: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1, in each year and filed with the County Board of Taxation by January 10th of the following year. Upon the filing of certified adopted budgets by the Township, Local School District, County and Fire Districts, the tax rate is struck by the board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector on or before May 13th.

Tax bills are prepared and mailed by the Collector of Taxes of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The NJ Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers.

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amounts delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 7: FUND BALANCE APPROPRIATED

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

	<u>Fund Balance</u> <u>Dec. 31, 2019</u>	<u>Utilized in</u> <u>Succeeding Budget</u>
Current Fund	\$ 22,332,433.04	\$ 10,150,000.00
Sewer Utility Fund	6,234,280.27	3,700,000.00
Senior Citizens Utility Fund	917,163.42	210,000.00
	<u>Fund Balance</u> <u>Dec. 31, 2018</u>	<u>Utilized in</u> <u>Succeeding Budget</u>
Current Fund	\$ 22,787,202.10	\$ 10,150,000.00
Sewer Utility Fund	6,377,997.39	2,150,000.00
Senior Citizens Utility Fund	966,964.18	210,000.00

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 8: LEASES

The Township did not enter into operating lease agreements providing for facilities and equipment during CY 2019, and accordingly no future minimum annual rental payments disclosed.

Note 9: INTERFUNDS

The Township had one outstanding interfund balance on the balance sheet at December 31, 2019 of \$7,869.75 payable from the Animal Trust Fund to the Current Fund for excess dog license fees.

Note 10: DEPOSITS AND INVESTMENTS

State statutes set forth deposit requirements and investments that may be purchased by local units and the Township deposits and invests its funds pursuant to its policies and an adopted cash management plan.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent, to secure the deposits of governmental units.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

The cash and cash equivalents and investments of the Township on deposit and on-hand consisted of the following at December 31, 2019 and 2018:

	December 31, 2019	December 31, 2018
Cash (Demand Accounts)	\$ 83,110,870.65	\$ 77,178,067.72
NJ Cash Management Fund	793,236.03	775,841.37
Change Funds (On-Hand)	<u>635.00</u>	<u>635.00</u>
Total	<u>\$ 83,904,741.68</u>	<u>\$ 77,954,544.09</u>

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. As of December 31, 2019, the carrying amount of the Township's deposits was \$83,110,870.65 and the bank balance was \$85,391,508.24. Of the bank balance, \$1,250,000.05 was covered by Federal depository insurance and \$84,141,508.19 was covered under the provisions of NJ GUDPA.

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 10: DEPOSITS AND INVESTMENTS (CONT'D.)

Deposits (Cont'd.)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The government does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute.

As of December 31, 2019, based upon the insured balances provided by the FDIC and NJ GUDPA coverage, no amount of the Township's bank balance was considered exposed to custodial risk.

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located;
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or
- 8.
9. Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of December 31, 2019 and 2018, respectively, the Township had \$793,236.03 and \$775,841.37, on deposit with the New Jersey Cash Management Fund. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 11: PENSION PLANS

Description of Plans

The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the public Employees Retirement System (PERS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

A. Public Employee Retirement System

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund.

Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2019 and 2018:

	2019	2018
Inactive plan members or beneficiaries currently receiving benefits	178,748	174,904
Inactive plan members entitled to but not yet receiving benefits	609	589
Active plan members	252,598	254,780
Total	431,955	430,273

Contributing Employers – 1,697 (As of June 30, 2019)

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 11: PENSION PLANS

A. Public Employee Retirement System (Cont'd.)

Significant Legislation – Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2019 and 2018, the Township's total payroll for all employees was \$18,733,223.71 and \$18,705,407.20, respectively. Total PERS covered payroll was \$11,205,601.00 and \$9,565,350.00 respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018 and 7.50 for State fiscal year 2019, commencing July 1, 2018. The most recent increase completed the phase-in referred to above. Employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Town contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

It is assumed that the local employers will contribute 100% of their actuarially determined contribution and 100% of their Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution while the State will contribute 50% of its actuarially determined contribution and 100% of its NCGIPF contribution. The 50% contribution rate is the actual total State contribution rate paid in fiscal year ending June 30, 2018 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2018 for all State administered retirement systems.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

The Township's contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. The Township's payments to PERS during the years ending December 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Total Regular Billing	\$ 1,479,341	\$ 1,448,068

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 11: PENSION PLANS

A. Public Employee Retirement System (Cont'd.)

The Township recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2019, the PERS reported a net pension liability of \$18,143,832,135 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Township was \$27,403,316 or 0.1520844796%, which was an increase of 0.0065027362% from its proportion measured as of June 30, 2018.

At June 30, 2018, the PERS reported a net pension liability of \$19,689,501,539 for its Non-State, Non-Special Funding Situation Employer Member Group. The proportionate share of the State of New Jersey's net pension liability for the Non-State Employer Member Group that is attributable to the Township was \$28,664,320 or 0.1455817434%.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 11: PENSION PLANS

A. Public Employee Retirement System (Cont'd.)

The following presents a summary of the proportionate share of the State of New Jersey's changes in the collective deferred outflows of resources and deferred inflows of resources attributable to the Township for the year ended June 30, 2019 and 2018:

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 491,854	\$ 121,056
Changes in assumptions	2,736,322	9,511,604
Net difference between projected and actual earnings on pension plan investments		432,572
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,657,283	482,083
Township contributions subsequent to the measurement date	1,479,341	
	\$ 6,364,800	\$ 10,547,315
	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 546,633	\$ 147,803
Changes in assumptions	4,723,405	9,165,325
Net difference between projected and actual earnings on pension plan investments		268,873
Changes in proportion and differences between Township contributions and proportionate share of contributions	938,529	619,022
Township contributions subsequent to the measurement date	1,448,068	
	\$ 7,656,635	\$ 10,201,023

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 11: PENSION PLANS

A. Public Employee Retirement System (Cont'd.)

The \$1,479,341 of deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2020. Other Amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended	
<u>December 31,</u>	<u>Amount</u>
2020	\$ (280,831)
2021	(2,301,358)
2022	(2,117,801)
2023	(902,260)
2024	<u>(59,606)</u>
Total	<u>\$ (5,661,856)</u>

Actuarial Assumptions- The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, including June 30, 2019 and 2018:

	June 30, 2019	June 30, 2018
Inflation Rate: Price	2.75%	2.25%
Inflation Rate: Wage	3.25%	
Salary Increases through 2026	2.00% - 6.00% based on years of service	1.65% - 4.15% based on age
Thereafter	3.00% - 7.00% based on years of service	2.65% - 5.15% based on age
Investment rate of return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and a 101.4% adjustment for females, with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 97.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 11: PENSION PLANS

A. Public Employee Retirement System (Cont'd.)

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 and 2018 are summarized in the following tables:

2019		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	100.00%	

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 11: PENSION PLANS

A. Public Employee Retirement System (Cont'd.)

2018		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Realated Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	100.00%	

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2018 was 5.66% and as of June 30, 2019 was 6.28%. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	At 1% Decrease (5.28%)	At Current Discount Rate (6.28%)	At 1% Increase (7.28%)
2019			
PERS	\$ 34,614,841	\$ 27,403,316	\$ 21,325,584
	At 1% Decrease (4.66%)	At Current Discount Rate (5.66%)	At 1% Increase (6.66%)
2018			
PERS	\$ 36,042,080	\$ 28,664,320	\$ 22,474,851

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 11: PENSION PLANS

A. Public Employee Retirement System (Cont'd.)

Plan Fiduciary Net Position – The plan fiduciary net position for PERS including the State of New Jersey at June 30, 2019 and 2018 were \$29,847,977,666 and \$29,472,374,536, respectively. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2019 and 2018 was \$23,347,631,751 and \$22,742,071,972, respectively.

Additional Information

Collective balances at June 30, 2019 are as follows:

Collective deferred outflows of resources	\$	3,149,522,616
Collective deferred inflows of resources		7,645,087,574
Collective net pension liability - Local group		18,143,832,135
Township's Proportion		0.1520844796%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 and 2018 was \$974,471,686 and \$1,099,708,157, respectively. The average of the expected remaining service lives of all plan members if 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates

Prior to July 1, 2018 valuation, it is assumed the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2018 valuation Chapter 83 P.L. 2017 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

Receivable Contributions

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2019 and June 30, 2018 are \$1,038,892,124 and \$1,073,054,740, respectively.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 11: PENSION PLANS

B. Police and Firemen's Retirement System

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2019 and 2018:

	2019	2018
Inactive plan members or beneficiaries currently receiving benefits	44,567	43,755
Inactive plan members entitled to but not yet receiving benefits	42	39
Active plan members	42,295	41,517
Total	86,904	85,311

Contributing Employers – 584 (As of June 30, 2019)

Significant Legislation – Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

The State Legislature adopted L. 2018, c. 55 in July 2018, which transferred management of PFRS from the New Jersey Department of Treasury, Division of Pensions and Benefits to a newly constituted twelve-member PFRS Board of Trustees. The new PFRS Board, which was established in February 2019 per the legislation, has more power and authority as compared to the former PFRS Board of Trustees. In addition to overseeing the management of PFRS, the new PFRS Board will also have the authority to direct investment decisions, to adjust current benefit levels and to change member and employer contribution rates. With regard to changes in current benefit provisions, such changes can only be made with the approval of a supermajority of eight (8) of the twelve (12) members of the new PFRS Board. Also, benefit enhancement can only be made if an independent actuary certifies that the benefit enhancements will not jeopardize the long-term viability of PFRS. Under prior law, benefit enhancements, including the reinstatement of COLA for retirees, could only be considered when the funded level of the pension fund reaches 80%. An actuarial certification was also required that the funded levels would remain at or above 80% over a 30-year period following the benefit enhancement.

In accordance with L. 2018, c. 55, the new PFRS Board will also have the authority to formulate investment policies and direct the investment activities of the PFRS. The PFRS Board has proposed regulations for adoption governing the methods, practices, and procedures for investment or reinvestments of money of PFRS.

For the year ended December 31, 2019 and 2018 the Township's total payroll for all employees was \$18,733,223.71 and \$18,705,407.20, respectively. Total PFRS covered payroll was \$9,031,832.00 and \$9,496,635.00, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 11: PENSION PLANS

B. Police and Firemen's Retirement System (Cont'd.)

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. Township payments to PFRS for the years ending December 31, 2019 and 2018 consisted of the following:

Township payments to PFRS made in the years ending December 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Total Regular Billing	\$2,899,264	\$ 2,806,166

The Township recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

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

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2019, the PFRS reported a net pension liability of \$14,170,193,618 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$35,125,527, or 0.2870244121%, which was a decrease of 0.0000081307% from its proportion measured as of June 30, 2018. The pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 11: PENSION PLANS

B. Police and Firemen's Retirement System (Cont'd.)

At June 30, 2018, the PFRS reported a net pension liability of \$15,369,699,278 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$238,840,235 or 0.2870325428%.

At December 31, 2019 and 2018, respectively, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources, if GASB No. 68 was recognized:

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 296,505	\$ 222,386
Changes in assumptions	1,203,592	11,352,249
Net difference between projected and actual earnings on pension plan investments		475,940
Changes in proportion and differences between Township contributions and proportionate share of contributions	257,277	1,341,547
Township contributions subsequent to the measurement date	2,899,264	
	\$ 4,656,638	\$ 13,392,122
	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 395,149	\$ 160,730
Changes in assumptions	3,333,912	9,954,082
Net difference between projected and actual earnings on pension plan investments		212,491
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,026,926	1,860,058
Township contributions subsequent to the measurement date	2,806,166	
	\$ 7,562,153	\$ 12,187,361

The \$2,899,264 of deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2020. Other Amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 11: PENSION PLANS

B. Police and Firemen's Retirement System (Cont'd.)

<u>Year ended</u> <u>December 31,</u>	<u>Amount</u>
2020	\$ (2,070,492)
2021	(4,379,969)
2022	(3,003,770)
2023	(1,435,168)
2024	<u>(745,349)</u>
Total	<u>\$ (11,634,748)</u>

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2019	June 30, 2018
Inflation Rate: Price	2.75%	2.25%
Inflation Rate: Wage	3.25%	
Salary Increases through 2026	3.25% - 15.25% based on years of service	1.65% - 4.15% based on age
Thereafter	3.25% - 15.25% based on years of service	2.65% - 5.15% based on age
Investment rate of return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and a 102.5% adjustment for females, with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with an 96.7% adjustment for males and a 96.0% adjustment for females, with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with an 152.0% adjustment for males and a 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019. The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 11: PENSION PLANS

B. Police and Firemen's Retirement System (Cont'd.)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2019 and 2018 are summarized in the following table:

2019		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	100.00%	

2018		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	100.00%	

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 11: PENSION PLANS

B. Police and Firemen's Retirement System (Cont'd.)

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2018 was 6.51% and as of June 30, 2019 was 6.85%. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 and 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

<u>2019</u>	<u>At 1% Decrease (5.85%)</u>	<u>At Current Discount Rate (6.85%)</u>	<u>At 1% Increase (7.85%)</u>
PFRS	\$ 47,476,913	\$ 35,125,527	\$ 24,902,976
<u>2018</u>	<u>At 1% Decrease (5.51%)</u>	<u>At Current Discount (6.51%)</u>	<u>At 1% Increase (7.51%)</u>
PFRS	\$ 59,043,843	\$ 44,116,039	\$ 31,803,319

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2019 and 2018 was \$27,792,420,945 and \$27,098,556,100, respectively.

Additional Information

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

Collective deferred outflows of resources	\$ 1,198,936,924
Collective deferred inflows of resources	4,874,748,912
Collective net pension liability - Local group	14,170,193,618
Township's Proportion	0.2870244121%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 and 2018 is \$1,325,963,796, and \$1,270,762,352, respectively. The average of the expected remaining service lives of all plan members is 5.92, 5.73, 5.59, 5.58, and 5.53 years for 2019, 2018, 2017, 2016, and 2015, respectively.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 11: PENSION PLANS

B. Police and Firemen's Retirement System (Cont'd.)

State Contribution Payable Dates

Effective with the July 1, 2017 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

Receivable Contributions

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2019 and June 30, 2018 are \$1,105,874,849 and \$1,089,730,202, respectively.

Local contributions expected to be paid the April 1st, following the valuation are discounted by the interest rate used at the valuation date.

Special Funding Situation

The Township is responsible for the actuarially determined annual contributions to the PFRS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for the Local employers of the PFRS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions. The provisions of GASB Statement No. 68 define this relationship as a "special funding situation", and the State of New Jersey is defined as a non-employer contributing entity.

Unaudited data provided by the PFRS indicates that the total Non-employer contributions made to the PFRS by the State for the years ended June 30, 2019 was \$130,202,000. The portion of that contribution allocated to the Township in 2019 was \$373,712, or 0.2870244121%. The June 30, 2019 State special funding situation pension expense of \$224,526,138 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at \$1,932,374,825 at June 30, 2019 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date. The Township's allocated shares of the special funding situation pension expense for the year ended June 30, 2019 and its share of the special funding situation NPL at that date were \$644,445 and \$5,546,387, respectively.

C. Defined Contribution Retirement Plan

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The Division has selected Prudential Financial to manage the DCRP on its behalf. The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers - Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 11: PENSION PLANS

C. Defined Benefit Retirement Plan (Cont'd.)

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary. Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 7.20% for PERS, 10% for PFRS and 5.5% for DCRP of employees' base wages.

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – HEALTH CARE BENEFITS – TOWNSHIP PLAN

General information about the OPEB Plan

The Township provides a single employer post-employment health benefits plan for 24 of its employees and retirees through a single employer defined benefit healthcare plan. The Township followed the accounting provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement established guidelines for reporting costs associated with "other postemployment benefits" (OPEB). OPEB costs are calculated based on plan benefits (other than pensions), that the retired employees and their spouses have accrued as a result of their respective years of employment service.

Plan description and benefits provided - The Township's post-employment retirement healthcare benefit plan provides health benefits to all retired Township employees and their spouses. The Plan is a comprehensive health benefits plan which pays for hospital services, doctor expenses and other medical related necessities which include prescription drugs, and mental health/substance abuse services, subject to provisions and limitations. The Township administers the Plan through the Horizon Blue Cross Blue Shield of New Jersey and has the authority to establish and amend the benefits provisions offered. The Plan is not a separate entity or trust and does not issue stand-alone financial statements.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Total OPEB Liability

The Township's total OPEB liability of \$110,415,300 and \$117,447,700 was measured as of December 31, 2019 and 2018, respectively, was determined by an actuarial valuation as of that date. There were 204 active employee participants, 190 retiree participants, and 123 dependent participants at the measurement date of January 1, 2017.

Actuarial assumptions and other imputes - The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – HEALTH CARE BENEFITS – TOWNSHIP PLAN (CONT'D.)

	June 30, 2019	June 30, 2018
Inflation	2.50%	2.50%
Salary Increases*:		
Through 2026	1.65% to 8.98%	1.65% to 8.98%
Thereafter	2.65% to 9.98%	2.65% to 9.98%

The discount rate was based on the Bond Buyer 20-Bond Go Index. Mortality rates were based on the RP-2014 Combined Annuitant Mortality Table for Males or Females.

The total OPEB liability as of December 31, 2019 is based on the valuation results at January 1, 2019, adjusted for the change in the applicable discount rate, and projected to December 31, 2019 assuming no actuarial gains or losses due to plan demographics or claim experience.

Changes in the Total OPEB Liability

	Total OPEB Liability
Net OPEB Liability, December 31, 2018	\$ 117,447,700.00
Changes for the year:	
Service Cost	4,083,700.00
Interest on the Total OPEB Liability	4,126,500.00
Changes in assumptions of other inputs:	
Change in Assumptions	(12,094,900.00)
Benefit Payments	(3,147,700.00)
Net OPEB Liability, December 31, 2019	\$ 110,415,300.00

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	At Discount Rate	1% Increase
Total Net OPEB Liability - 2018	\$ 139,235,300	\$ 117,447,700	\$ 100,263,800
Total Net OPEB Liability - 2019	129,726,300	110,415,300	95,062,600

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates

	Healthcare Cost Trend		
	1% Decrease	Rate	1% Increase
Total Net OPEB Liability - 2018	\$ 98,006,400	\$ 117,447,700	\$ 142,704,500
Total Net OPEB Liability - 2019	92,124,400	110,415,300	134,067,700

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – HEALTH CARE BENEFITS – TOWNSHIP PLAN (CONT'D.)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019 and 2018, respectively, the Township recognized OPEB expense of \$7,561,500, and \$9,040,000, respectively. At December 31, 2019 and 2018, the Township reported deferred (outflows)/inflows of resources related to OPEB of \$11,446,100 and, (\$9,984,900) respectively. \$2,289,220 would be amortized over each of the next 4 years beginning in 2020.

Note 13: RISK MANAGEMENT

The Township, together with other governmental units, is a member of the Central Jersey Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles.

The Fund's governing board based upon actuarial and budgetary requirements calculates payments to the Fund. Each participant in the Fund is jointly and severally obligated for any deficiency in the amount available to pay all claims. The Joint Insurance fund insures against property damage, general liability, auto liability, equipment liability, public official liability, and law enforcement liability and workers compensation. While additional assessments or premiums can be levied by the Fund to assure payment of the Fund's obligations, no such additional premiums have been necessary as of December 31, 2019. The Fund will be self-sustaining through member premiums, reported as an expenditure in the Township's financial statements. The Fund contracts for excess liability insurance for property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and workers' compensation. The Township continues to carry commercial insurance for other risks of loss, principally employee health insurance.

At December 31, 2019, the Fund reported for all year's combined, total assets of \$24,237,349.82 liabilities and reserves of \$41,604,820.81 which includes case reserves of \$6,143,546.71, IBNR of \$4,456,016 and fund balance of \$11,883,387.17.

At December 31, 2018, the Fund reported for all year's combined, total assets of \$24,862,847.40 liabilities and reserves of \$10,908,198.58 which includes case reserves of \$7,057,511.66, IBNR of \$3,848,104.00 and fund balance of \$12,094,445.

Self-Insurance – Worker's Compensation

The Township maintains a self-insurance risk management program for claims relating to Worker's Compensation for program periods beginning in 1985 and terminating with the state fiscal year ended June 30, 1998. The Township continued to engage an outside claims service bureau to serve as Fund Administrator. The Administrator for estimated benefits and expenses for reported claims establish reserves. The status of the Township's self-insurance cash reserves, as compared to the reserve requirements established by the Fund Administrator for claims reported at the close of the year, is zero.

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 14: CONTINGENT LIABILITIES

At December 31, 2019, the Township had litigation pending. The majority of this litigation involves claims against the Township relating to matters that traditionally would be covered through the procurement of workers' compensation and liability insurance policy coverages. As more fully described in Note 13, the Township has participated in a joint insurance fund since June 1998.

In regard to State Court Tax Appeals, those matters, as with all matters, are being vigorously defended and settled when prudent. The Township has addressed, in its Budget, and has implemented procedures in accordance with the applicable State finance and budget statutes and regulations to satisfy refunds and/or credits required by settlements and/or judgments for State Court Tax Appeals. It is expected that the settlements and/or judgments for these matters in the aggregate will result in significant reductions to assessed values and require refunds and/or credits that would be material to the Township's financial position.

Note 15: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick pay, which may be taken as time off when sick or paid at retirement. Accumulated unused sick days may be used at the time of retirement as salary extension for a time equal to the number of days of retirement, or the employee involved may request a cash payment from the Township for the accumulated days, at the employee's sole discretion. There is a limit of 240 days with some minor adjustments. Current Township policy and provisions of collective bargaining agreements generally limit accumulations to 5 days per calendar year. As of December 31, 2019 and 2018 it is estimated that the current cost of such unpaid sick pay would approximate \$5,358,702.38 and \$5,696,355.00, respectively. These amounts represent the current value of all accumulations, and are not intended to portray amounts that would be recorded under GAAP.

The Township has set aside reserves within the Trust Fund to pay for these costs for the years ended December 31, 2019 and 2018 in the amounts of \$3,609,563.50, and \$4,329,020.58, respectively.

The Township has not discounted the total based upon a study of utilization by employees separating from service. Neither has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined.

The estimated value of accumulated unused vacation pay has not been calculated. Township policies generally require employees to utilize accrued vacation pay during the calendar year it accrues. With the written approval of the Business Administrator and Department Head, unused vacation benefits may be carried only until March 31st of the succeeding year.

Note 16: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2019, the Township does not believe that any material liabilities will result from such audits.

As of December 31, 2019 and through the date of this report, the Township had litigation pending, including property tax appeals and other matters. The Township estimates that potential claims against the Township not covered by insurance resulting from such litigation would not materially affect the financial statements of the Township.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 17: LONG TERM TAX EXEMPTIONS

The Township provides for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. Taxes abated include municipal, local school and county taxes. The Township is required to remit five percent (5.00%) to the County for any payments received in lieu of taxes (PILOT payments).

The Township PILOT billings in 2019 were \$2,402,804.46 and taxes in 2019 that otherwise would have been due on these long-term tax exemptions amounted to \$6,089,377.41, based upon the assessed valuations of the long-term tax exemptions properties.

Note 18: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2019 through the date of August 13, 2020, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined the following subsequent event has occurred which requires disclosure in the financial statements.

Subsequent to year end, the COVID-19 (coronavirus) pandemic has resulted in substantial economic volatility on a global scale. As a result, the Township's economically sensitive revenues (i.e. property taxes, water and sewer utility collections, interest earnings, fees and licenses, state and federal aid) might be negatively impacted. Collection rates on real property taxes might be slowed as unemployment rates are expected to spike. Meanwhile, the Township's expenditures for public safety and health service functions and pension benefits (due to stock market declines) would all be expected to increase sharply. None of these factors were taken into consideration in the development of the 2020 adopted budget. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the actual impact on the Township's financial position at this time.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

PART II

**SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2019**

Current Fund

SCHEDULE OF CASH

	Ref.	CURRENT FUND	GRANT FUND
Cash Balance December 31, 2018	A	\$ 34,307,165.59	\$ 469,679.31
Increased by Cash Receipts			
Collector	A-5	179,786,240.95	
Due from State of NJ - Ch. 20	A-6	210,721.36	
Homestead Rebate - State of NJ	A-7	1,353,787.39	
Revenue Accounts Receivable	A-8	17,592,542.42	
Miscellaneous Revenue Not Anticipated	A-8	1,043,952.77	
Various Payables	A-10	261,573.00	
Various Reserves	A-10	138,606.63	
Interfunds Receivable	A-11	70,379,245.11	
Interfunds Payable	A-12, A-16		\$ 439,174.06
Federal and State Grants Receivable	A-15		474,899.98
Federal and State Grants Unappropriated	A-14		84,786.47
Total Cash Receipts		<u>270,766,669.63</u>	<u>998,860.51</u>
Decreased by Disbursements		305,073,835.22	1,468,539.82
Refund of Current Year Revenue	A-1		19,875.55
CY 2019 Appropriations	A-3	62,038,983.45	
Payment In Lieu of Taxes - Due to County	A-7	129,140.20	
CY 2018 Approp. Reserves	A-9	1,752,779.53	
Various Payables	A-10	425,412.86	
Various Reserves	A-10	4,621,828.89	
Interfunds Receivable	A-11	71,134,297.29	
County Tax	A-13	29,803,816.50	
Fire District Tax	A-13	4,229,511.00	
Local School District Tax	A-13	94,910,170.00	
Tax Overpayments	A-12	109,955.77	
Interfunds Returned	A-16		313,218.78
Federal and State Grants Appropriated	A-17		577,649.76
Total Cash Disbursements		<u>269,175,771.04</u>	<u>890,868.54</u>
Cash Balance December 31, 2019	A	<u>\$ 35,898,064.18</u>	<u>\$ 577,671.28</u>

SCHEDULE OF COLLECTORS CASH
CURRENT FUND

	<u>Ref.</u>		
Increased by Receipts:			
Interest and Costs on Taxes	A-2	\$ 348,856.05	
Taxes Receivable - Current Year	A-7	172,646,322.63	
Taxes Receivable - Delinquent	A-7	1,452,724.89	
Taxes Receivable - Arrears	A-7	2,507.53	
Taxes Receivable - Prepaid Taxes	A-7	1,105,883.61	
Tax Title Liens Receivable	A-7	31,123.52	
Payment In Lieu of Taxes	A-7	2,451,879.16	
Non-Budget Revenue	A-8	20,711.43	
Trust Fund: Premium	A-11	1,717,989.13	
Miscellaneous Revenue	A-8	<u>8,243.00</u>	
			<u>\$ 179,786,240.95</u>
Decreased by:			
Deposited to Treasurer	A-4		<u><u>\$ 179,786,240.95</u></u>

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
FOR ALLOWABLE DEDUCTIONS PER CHAPTER 129, P.L. 1976
CURRENT FUND

	<u>REF.</u>	
Balance - December 31, 2018	A	\$ 228,182.44
Increased by:		
Senior Citizens and Veterans Deductions	A-7	<u>225,138.20</u>
		453,320.64
Decreased by:		
Cash Receipts	A-4	\$ 210,721.36
2018 Sr. Citizens and Vet. Ded. Disallowed by Collector	A-1	<u>10,320.23</u>
		<u>221,041.59</u>
Balance - December 31, 2019	A	<u><u>\$ 232,279.05</u></u>
 <u>Analysis of Sr. Citizens & Veterans Deductions Allowed - 2019 Taxes</u>		
Per Tax Billings		\$ 225,000.00
Allowed by Tax Collector Current Year		4,750.00
(Disallowed) by Tax Collector Current Year		<u>(4,611.80)</u>
		<u><u>\$ 225,138.20</u></u>

CURRENT FUND
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

	Ref.	Total	CY 20 Prepaid	CY 19 Current	CY 18 Delinquent	Arrears	Payment in Lieu of Taxes	Tax Title Liens	Property Acquired for Taxes
Balance - Dec. 31, 2018	A	\$ 3,547,446.48	\$ (1,227,046.31)	\$ -	\$ 1,470,696.57	\$ 2,552.90	\$ -	\$ 708,343.32	\$ 2,592,900.00
Billings / Levy:									
Original Levy	Below	180,900,590.75		178,503,963.27			2,396,627.48		
Added & Omitted	Below	1,168,387.23		1,168,387.23					
Added Taxes	Reserve	41,532.03		23,334.08				18,197.95	
Overpayments Reductions due to tax appeal:	A-12	(3,129,942.03)		(1,453,303.24)		(1,676,638.79)			
Canceled Taxes	Reserve	(856,574.44)		(821,483.69)					
Transfers									
Tax Lien				(34,429.39)		(45.37)		38,094.05	
Revenue									
Sr. Citizens & Vets									
Original Levy	A-6	(225,000.00)		(225,000.00)					
Allowed/Disallowed	A-6	(138.20)		(138.20)					
Cash Receipts	A-5	(177,690,441.34)		(172,646,322.63)		(2,507.53)	(2,451,879.16)	(31,123.52)	
Homestead Rebate	A-4	(1,353,787.39)		(1,353,787.39)					
Transferred to Overpayments	A-12	1,134,595.80		(1,995,346.23)		1,676,638.79			
Prepaid Applied	A-7		1,227,046.31	(1,227,046.31)					
Balance - Dec. 31, 2019		\$ 3,536,668.89	\$ (1,105,883.61)	\$ 1,368,796.66	\$ 2,595.72	\$ -	\$ (55,251.68)	\$ 733,511.80	\$ 2,592,900.00
Analysis of CY 2019 Property Tax Levy:									
Tax Yield:									
General Purpose Tax		\$ 178,503,963.27	Local School District Tax	Ref.					
Added Taxes		1,168,387.23	County Tax	A-13	\$ 94,910,170.00	Sr. Citizens & Veterans	A-6	\$ 225,138.20	
			County Open Space	A-13	27,494,188.87	Cash Receipts	A-7	177,222,502.56	
			Due County - Added & Omitted	A-13	2,309,627.63	Subtotal	A-1	177,447,640.76	
			Fire District Taxes	A-13	195,999.57	Reserve for Uncollected Taxes	A-3	1,872,743.21	
					4,229,511.00	Allocated to School, County and Fire Districts	A-13	179,320,383.97	
					129,139,497.07			(129,139,497.07)	
					46,892,932.20			\$ 50,180,886.90	
					2,610,910.83				
					1,029,010.40				
Delinquent Taxes Realized:									
FY 18 Collections		\$ 1,452,724.89		\$ 179,672,350.50		Payment In Lieu of Taxes		\$ 2,396,627.48	
Arrears Collections		2,507.53				Payment in Lieu of Taxes Billing		(58,469.93)	
Tax Liens Collected		31,123.52				PILOT Administrative Fees		(129,140.20)	
						Due To County (5%) Payment in Lieu of Taxes			
	A-1, A-2	\$ 1,486,355.94				Payment In Lieu of Taxes Realized		\$ 2,209,017.35	

CURRENT FUND
SCHEDULE OF NONBUDGET REVENUES & VARIOUS ACCOUNTS RECEIVABLES

	December 31, 2018	Accrued/ Adjustments	Cash Receipts	December 31, 2019
Revenue Accounts Receivable:				
Licenses - Other		\$ 143,260.00	\$ (143,260.00)	
Alcoholic Beverage License		55,564.00	(55,564.00)	
Fees and Permits		707,000.41	(707,000.41)	
Fines and Costs - Municipal Court	\$ 40,617.36	714,593.90	(706,078.57)	\$ 49,132.69
Construction Code Fees		2,692,893.00	(2,692,893.00)	
Interest on Investments and Deposits		1,490,585.61	(1,490,585.61)	
Housing Certificate of Inspections		105,200.00	(105,200.00)	
Cable Franchise Fees		178,554.27	(178,554.27)	
Hotel and Motel Tax		439,730.05	(439,730.05)	
Capital Surplus Fund		1,560,000.00	(1,560,000.00)	
Developer's Contributions - Capital Fund		3,500,000.00	(3,500,000.00)	
Library Fines	3,000.00	36,000.00	(36,000.00)	3,000.00
State Aid: Energy Receipts Tax		5,437,105.00	(5,437,105.00)	
Supplemental Energy Receipt Tax		211,494.00	(211,494.00)	
State Aid: Consolidated Municipal Property Tax Relief Aid		209,980.00	(209,980.00)	
Uniform Fire Safety Act		127,340.51	(127,340.51)	
A-2	<u>43,617.36</u>	<u>17,609,300.75</u>	<u>(17,600,785.42)</u>	<u>52,132.69</u>
Non - Budget Revenue:				
Administrative Fees Outside Jobs		528,579.60	(528,579.60)	
Abandoned Vehicles		27.00	(27.00)	
Bid Specifications		5,520.00	(5,520.00)	
Citizens' & Veterans 2% Admin Fees		4,355.94	(4,355.94)	
Cost of Tax Sale		7,710.90	(7,710.90)	
Credit Card Convenience Fees		2,660.99	(2,660.99)	
Cultural Arts		255.00	(255.00)	
Delinquent Fees		1,440.00	(1,440.00)	
DMV Inspection Fees		3,610.00	(3,610.00)	
Fire Report		5,085.00	(5,085.00)	
Fire Penalty		8,350.00	(8,350.00)	
Filming Agreement		1,000.00	(1,000.00)	
Grants Cancelled		41,530.76	(41,530.76)	
Grass Coupons		853.00	(853.00)	
Homeowner Mail Reimbursement		3,289.20	(3,289.20)	
ID Card Replacement Fee		78.00	(78.00)	
Contributions In Lieu of Taxes		10,000.00	(10,000.00)	
July 4th Fireworks		12,500.00	(12,500.00)	
Interpretation - Planning		1,050.00	(1,050.00)	
Legal Services Fee		500.00	(500.00)	
Maintenance Liens		12,140.33	(12,140.33)	
Medical Appointments		475.00	(475.00)	
Miscellaneous		16,840.78	(16,840.78)	
Outdoor Advertising		7,500.00	(7,500.00)	
PILOT Admin Fees		58,469.93	(58,469.93)	
Photo Copies		9,584.65	(9,584.65)	
Police Report		3,730.44	(3,730.44)	
Prior Year Void Checks		41,333.70	(41,333.70)	
Recycling Batteries		452.00	(452.00)	
Recycling Electronic Waste		518.00	(518.00)	
Rent Land		1.00	(1.00)	
Recycle subsidy: Solid Waste		2,180.25	(2,180.25)	
Returned Check Fees		1,590.00	(1,590.00)	
Rent: Senior Center		6,200.00	(6,200.00)	
Restitution		431.00	(431.00)	
Scrap Metal		4,366.39	(4,366.39)	
Signs		488.52	(488.52)	
Tax Title Lien		211,610.51	(211,610.51)	

CURRENT FUND
SCHEDULE OF NONBUDGET REVENUES & VARIOUS ACCOUNTS RECEIVABLES

	December 31, 2018	Accrued/ Adjustments	Cash Receipts	December 31, 2019
Tax Sale Premium		136,000.00	(136,000.00)	
Visitor's Fee		12.00	(12.00)	
Violations - Code		12,910.00	(12,910.00)	
A-1, A-2	<u>2,018.00</u>	<u>1,165,229.89</u>	<u>(1,165,229.89)</u>	<u>2,019.00</u>
Total.....	\$ 45,635.36	\$ 18,774,530.64	\$ (18,766,015.31)	\$ 54,151.69
<u>Ref.</u>	A	Reserve	Below	A
<u>Analysis of Miscellaneous Revenues:</u>				
Account Receivable Collections	A-4		\$ 17,592,542.42	
Grass Coupons: A/c Receivables Collections	A-5		<u>8,243.00</u>	
Subtotal			<u>17,600,785.42</u>	
Non-Budget Revenue	A-4		1,043,952.77	
Cost of Tax Sale	A-5		7,710.90	
Return Check Fee	A-5		860.00	
Maintenance Lien	A-5		11,662.77	
Interest of Maintenance Lien	A-5		477.76	
Grant Fund	A-11		41,530.76	
Trust Fund	A-11		565.00	
PILOT Administrative Fees	A-7		<u>58,469.93</u>	
Subtotal			<u>1,165,229.89</u>	
Total.....			\$ 18,766,015.31	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATION RESERVES - CY 2018
FOR THE YEAR ENDED DECEMBER 31, 2019

	BALANCE DEC.31, 2018	ENCUMBERED DEC.31, 2018	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS"					
<u>General Government</u>					
Township Council	\$ 10,848.61	\$	10,848.61	50.00	10,798.61
Other Expenses					
Township Clerk	2,613.01				
Salaries and Wages	34,697.26	\$ 8,425.51	43,122.77	2,657.27	40,465.50
Other Expenses					
Elections					
Other Expenses	15,397.83		15,397.83		15,397.83
<u>Administration</u>					
Department of Administration					
Salaries and Wages	1,524.38		66.00	66.00	
Other Expenses	17,678.17	35,702.36	53,380.53	36,756.36	16,624.17
Division of Personnel					
Salaries and Wages	1,301.04		10,823.01	1,374.67	9,448.34
Other Expenses	4,786.34	6,036.67			
Computer Center					
Salaries and Wages	77,329.97				
Other Expenses	97,216.54	16,690.67	103,907.21	17,251.94	86,655.27
Division of Purchasing					
Salaries and Wages	3,545.43				
Other Expenses:					
Postage (All Departments)	7,906.48	7,962.70	15,869.18	7,789.21	8,079.97
Duplicating (All Departments)	10,003.57	16,614.82	26,618.39	16,614.82	10,003.57
Municipal Land Use (N.J.S.A. 40:55 D-1):					
Planning Board					
Salaries and Wages	2,935.96				
Other Expenses	9,236.43	12,269.84	21,506.27	12,269.84	9,236.43
Zoning Board					
Salaries and Wages	2,936.92				
Other Expenses	293.00	11,832.78	22,125.78	10,629.61	11,496.17
Celebration of Public Events					
Other Expenses	15,300.00		15,300.00		15,300.00
Cable TV Studio					
Salaries and Wages	23,288.97				
Other Expenses	10,230.18	3,950.14	14,180.32	7,704.13	6,476.19

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATION RESERVES - CY 2018
FOR THE YEAR ENDED DECEMBER 31, 2019

	BALANCE DEC 31, 2018	ENCUMBERED DEC 31, 2018	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Finance and Revenue					
Department of Finance					
Salaries and Wages	\$ 2,753.13	\$ 26,350.72	\$ 1,071.00	\$ 1,071.00	\$ 9,597.45
Other Expenses	9,095.90	70,000.00	35,446.62	25,849.17	14,155.00
Annual Audit			70,000.00	55,845.00	
Division of Assessment					
Salaries and Wages	4,795.90	93,405.08	839.16	839.16	60,973.89
Other Expenses	85,382.13		178,787.21	117,813.32	
Division of Revenue					
Salaries and Wages	9,281.91	24.40	29,810.24	59.39	29,750.85
Other Expenses	29,785.84				
Insurance					
Liability Insurance	277,914.28	23,683.09	301,597.37	152,253.84	149,343.53
Workers' Compensation Insurance	3,000.00		3,000.00	3,000.00	3,000.00
Health Insurance Waiver	22,975.00		22,975.00	22,975.00	22,975.00
Employee Group Insurance		602,342.34	602,342.34	400.00	601,942.34
Municipal Court					
Salaries and Wages	6,691.77				
Other Expenses	5,122.66	943.26	28,065.92	16,943.26	11,122.66
Public Defender (P.L. 1997, Ch. 256)					
Other Expenses	17,491.12		17,491.12		17,491.12
Law					
Department of Law					
Other Expenses	141,666.56	60,831.41	252,497.97	118,465.13	134,032.84
Municipal Prosecutor					
Other Expenses	15,000.00	12,083.37	27,083.37	1,100.00	25,983.37
Public Safety					
Uniform Fire Safety Act					
Salaries and Wages	4,499.99				
Other Expenses	5,416.06	3,242.47	8,658.53	3,239.13	5,419.40
Animal Control					
Salaries and Wages	5,093.47				
Other Expenses	964.00	1,301.50	2,265.50	1,301.50	964.00
Division of Schools Crossing Guards					
Salaries and Wages	298.84				
Other Expenses	5.33	272.97	278.30	272.97	5.33

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATION RESERVES - CY 2018
FOR THE YEAR ENDED DECEMBER 31, 2019

	BALANCE DEC 31, 2018	ENCUMBERED DEC 31, 2018	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>Public Safety (cont'd.)</u>					
Division of Police					
Salaries and Wages	\$ 983,479.95		\$ 982,784.78	\$ 225,973.40	\$ 756,811.38
Other Expenses	107,706.80	\$ 59,593.79	167,300.59	65,368.79	101,931.80
First Aid Organization - Contribution	565.00	563.00	1,128.00	563.00	565.00
Division of Emergency Management Services					
Salaries and Wages	12,410.39				
Other Expenses	5,606.11		5,606.11		5,606.11
<u>Public Works</u>					
Department of Public Works					
Salaries and Wages	2,785.60		156.33	156.33	
Other Expenses	5,037.28	22,643.57	27,680.85	22,515.05	5,165.80
Division of Engineering					
Salaries and Wages	16,272.61				
Other Expenses	20,402.15	1,126.11	21,528.26	1,126.11	20,402.15
Division of Community Development and Planning					
Salaries and Wages	3,889.34				
Other Expenses	30,165.83	13,014.56	43,180.39	13,014.56	30,165.83
Division of Zoning Enforcement					
Salaries and Wages	732.05				
Other Expenses	37,975.00	1,600.00	39,575.00	32,026.59	7,548.41
Public Buildings and Grounds					
Salaries and Wages	16,166.48		346.43	346.43	
Other Expenses	67,085.87	213,888.78	280,974.65	191,482.77	89,491.88
Inspection					
Salaries and Wages	33,425.00		375.00	375.00	
Other Expenses	5,000.00		5,000.00		5,000.00
Division of Property Maintenance: Traffic					
Salaries and Wages	12,233.57				
Other Expenses	18,399.54	22,706.57	41,106.11	22,691.75	18,414.36
Division of Fleet Maintenance: Fleet					
Salaries and Wages	264,224.88				
Other Expenses	62,988.24	68,433.10	131,421.34	67,747.55	63,673.79
Division of Streets					
Salaries and Wages	38,743.98		700.25	700.25	
Other Expenses	14,268.92	7,234.76	21,503.68	7,228.79	14,274.89
Snow Removal					
Other Expenses	31,399.33	11,998.15	43,397.48	43,397.48	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATION RESERVES - CY 2018
FOR THE YEAR ENDED DECEMBER 31, 2019

	BALANCE DEC.31.2018	ENCUMBERED DEC.31.2018	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>Public Works (cont'd.)</u>					
All Utilities	\$ 578,266.79	\$ 941,720.81	\$ 1,447,987.60	\$ 212,183.77	\$ 1,235,803.83
Division of Parks					
Salaries and Wages	5,858.61				
Other Expenses	70,850.14	28,804.97	99,655.11	24,706.81	74,948.30
Shade Trees					
Other Expenses	1,350.00		1,350.00		1,350.00
Division of Sanitation - Sewer System					
Other Expenses	13,592.26		13,592.26		13,592.26
Solid Waste Collection					
Salaries and Wages	5,605.29		1,590.76	1,590.76	
Other Expenses	9,221.49	1.65	9,223.14	1.65	9,221.49
Recycling Program					
Other Expenses	41,110.72	3,094.50	44,205.22	3,094.50	41,110.72
Municipal Services Act	115,000.00		115,000.00	45,333.93	69,666.07
<u>Health and Welfare</u>					
Office on Aging					
Salaries and Wages	4,833.16		3,974.22	3,974.22	
Other Expenses	924.51	9,382.79	10,307.30	9,686.99	620.31
<u>Recreation and Education</u>					
Department of Recreation					
Salaries and Wages	7,595.77		461.75	461.75	
Other Expenses	66,423.37	7,451.85	73,875.22	6,841.85	67,033.37
<u>Uniform Construction Code</u>					
Division of Inspections					
Salaries and Wages	8,224.26		3,632.76	3,632.76	
Other Expenses	23,396.27	6,102.50	29,498.77	868.20	28,630.57
Boards and Commissions					
Salaries and Wages	186.92		17,555.05	19.95	17,535.10
Other Expenses	17,555.05		17,555.05		
Severance Liability			569,560.11		569,560.11
Total Operations Within "CAPS"	3,757,262.51	2,433,327.56	6,190,590.07	1,615,727.71	4,574,862.36

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATION RESERVES - CY 2018
FOR THE YEAR ENDED DECEMBER 31, 2019

	BALANCE DEC-31, 2018	ENCUMBERED DEC-31, 2018	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Total Operation Including Contingent	\$ 3,757,262.51	\$ 2,433,327.56	\$ 6,190,590.07	\$ 1,615,727.71	\$ 4,574,862.36
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System	66,841.42		66,841.42	25,000.00	41,841.42
Defined Contribution Retirement Program	1,402.19		1,402.19		1,402.19
Total Deferred Charges and Statutory Expenditures Within "CAPS"	68,243.61		68,243.61	25,000.00	43,243.61
Total General Appropriations Within "CAPS" OPERATIONS EXCLUDED FROM "CAPS"	3,825,506.12	2,433,327.56	6,258,833.68	1,640,727.71	4,618,105.97
Maintenance of Free Public Library	133,955.19	119,259.35	253,214.54	144,054.11	109,160.43
9-1-1 Emergency Telecommunications Services					
Salaries and Wages	75,590.78		75,590.78	2,464.95	73,125.83
Other Expenses	44,497.07	21,923.86	66,420.93	22,447.36	43,973.57
NJDES - Storm Water					
Other Expenses	10,058.97	6,561.00	16,619.97	6,561.00	10,058.97
MCIA Recycling Program	62,800.00	112,640.36	175,440.36	159,555.36	15,885.00
MCUA Solid Waste Agreement	220,000.00	32,751.67	252,751.67	32,751.67	220,000.00
Edison Animal Control Contract	155.95	18,447.63	18,603.58	18,447.63	155.95
UMDNJ Agreements	21,234.39	0.01	21,234.40	0.01	21,234.39
Middlesex County Health Department	1,689.08	0.01	1,689.09		1,689.09

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATION RESERVES - CY 2018
FOR THE YEAR ENDED DECEMBER 31, 2019

	BALANCE DEC-31, 2018	ENCUMBERED DEC-31, 2018	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Public and Private Programs Offset by Revenues Matching Fund for Grants	\$ 7,880.00		\$ 7,880.00		\$ 7,880.00
Total Operations - Excluded from "CAPS"	577,861.43	\$ 311,583.89	889,445.32	\$ 386,282.09	503,163.23
<u>Capital Improvements - Excluded from "CAPS"</u>					
Historic Preservation		154,340.00	154,340.00	154,340.00	
Total Capital Improvements - Excluded from Caps		154,340.00	154,340.00	154,340.00	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	577,861.43	465,923.89	1,043,785.32	540,622.09	503,163.23
Total General Appropriations	\$ 4,403,367.55	\$ 2,899,251.45	\$ 7,302,619.00	\$ 2,181,349.80	\$ 5,121,269.20
Ref.	A	A	A		A-1
Cash Disbursed				\$ 1,752,779.53	
Transfer to Accounts Payable				428,570.27	
				\$ 2,181,349.80	

CURRENT FUND
SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES & RESERVES

	Dec. 31, 2018	Transfer from Budget	Cash Receipts	Cash Disbursements	Adjustments	Dec. 31, 2019
Accounts Payable:						
Vendor Accounts Payable	\$ 342,737.52	\$ -	\$ -	\$ (181,869.86)	\$ 428,570.27	\$ 589,437.93
State of New Jersey 3rd Party Fees:						
State Training Fees	28,570.00		255,948.00	(235,718.00)		48,800.00
Marriage License Fee	3,425.00		5,625.00	(7,825.00)	(250.00)	1,225.00
Domestic Partnership Fee	250.00					
Subtotal	374,982.52		261,573.00	(425,412.86)	428,320.27	639,462.93
Reserve for:						
Library State Aid	29,435.00		29,466.00			58,901.00
Lien Redemption & Premium				(1,015,461.19)	1,015,461.19	
PCTV	58,841.05		14,579.00		(14,000.00)	59,420.05
Sale of Municipal Assets	745,496.13		94,561.63			840,057.76
Tax Appeals Pending	2,010,260.92	3,500,000.00		(3,606,367.70)		1,903,893.22
Subtotal	2,844,033.10	3,500,000.00	138,606.63	(4,621,828.89)	1,001,461.19	2,862,272.03
Total	\$ 3,219,015.62	\$ 3,500,000.00	\$ 400,179.63	\$ (5,047,241.75)	\$ 1,429,781.46	\$ 3,501,734.96
	<u>Ref.</u>	A	A-4	A-4	Below	A
Revenue Receivable					\$ (14,000.00)	
Fund Balance					(250.00)	
Appropriation Reserves					428,570.27	
Interfund: Trust Fund - Tax Sale Premium					507,700.00	
Interfund: Trust Fund - Tax Lien Redemption					507,761.19	
					<u>\$ 1,429,781.46</u>	

CURRENT FUND
STATEMENT OF INTERFUNDS RECEIVABLE

	Dec. 31, 2018	Cash Receipts	Collector Receipts	Cash Disbursements	Revenue Receivables	Accruals/ Adjustments	Budget Appropriation	Dec. 31, 2019
Interfunds:								
Due from/(to) Grant Fund	\$ 249,734.82			\$ (427,824.06)	\$ (1,259,140.52)	\$ (41,530.76)	\$ 1,478,760.52	
Due from Sewer Capital Fund	4,500,000.00			(4,500,000.00)				
Sewer Operating Fund	11,060,000.00			(10,935,000.00)			(125,000.00)	
Due from Senior Housing Capital Fund	1,500,000.00			(1,500,000.00)				
Due from Senior Housing Utility Fund								
General Capital	37,058,939.76			(37,058,939.76)				
Due from/(to) Other Trust Fund	9,730,412.31		\$ 1,717,989.13	(10,432,375.25)		(1,016,026.19)		\$ 7,869.75
Trust Fund: Animal Trust						7,869.75		
Payroll Fund	280,158.22			(280,158.22)				
Affordable Housing Trust Fund	6,000,000.00			(6,000,000.00)				
Total	\$ -	\$ 70,379,245.11	\$ 1,717,989.13	\$ (71,134,297.29)	\$ (1,259,140.52)	\$ (1,049,687.20)	\$ 1,353,760.52	\$ 7,869.75
	A	A-4	A-5	A-4	A-2	Reserve	A-3	A

CURRENT FUND
SCHEDULE OF PROPERTY TAX OVERPAYMENTS

	<u>Ref.</u>		
Balance - 12/31/2018	A		\$ -
Increased by:			
Overpayments Cancelled	A-1	\$ 2,105,302.00	
Applied to Taxes Receivable	A-7	<u>1,134,595.80</u>	
			3,239,897.80
Decreased by:			
Overpayment Received	A-7	3,129,942.03	
Cash Payments - Refunds	A-4	<u>109,955.77</u>	
			<u>3,239,897.80</u>
Balance - 12/31/2019	A		<u><u>\$ -</u></u>

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

	<u>Balance Dec. 31, 2018</u>	<u>Taxes Levied</u>	<u>Cash Disbursements</u>	<u>Balance Dec. 31, 2019</u>
County - General	\$ -	\$ 27,494,188.87	\$ (27,494,188.87)	
County - Open Space		2,309,627.63	(2,309,627.63)	
County - Added & Omitted		195,999.57		\$ 195,999.57
Local School District Taxes		94,910,170.00	(94,910,170.00)	
Fire District Taxes		4,229,511.00	(4,229,511.00)	
Total	<u>\$ -</u>	<u>\$ 129,139,497.07</u>	<u>\$ (128,943,497.50)</u>	<u>\$ 195,999.57</u>
<u>Ref.</u>	A	A-1, A-7	A-4	A

SCHEDULE OF UNAPPROPRIATED RESERVES STATE AND FEDERAL GRANTS
GRANT FUND

BUDGET YEAR	GRANTS	COLLECTED	BALANCE DEC. 31, 2019
CY-2019	Safe and Secure Communities Grant	\$ 84,786.47	\$ 84,786.47
		<hr/>	<hr/>
Totals		<u>\$ 84,786.47</u>	<u>\$ 84,786.47</u>
	<u>Ref.</u>	A-4	A

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
GRANT FUND

BUDGET YEAR	BALANCE DEC. 2018	CY 2019 BUDGET REVENUE REALIZED	CY 2019 CH. 159 REVENUE REALIZED	CY 2019 CH. 159 REVENUE REALIZED	CASH COLLECTED	CANCELLED	BALANCE DEC. 31, 2019
CY-2017							
Drive Sober or Get Pulled Over Grant	\$ 330.00				\$ 196,500.00	\$ 330.00	\$ 65,500.00
NJ DOT: Kossuth Street & Terrace Court	262,000.00				37,644.91	(8,816.88)	
Municipal Alliance on Alcoholism	28,828.03						
CY-2018							
Municipal Alliance on Alcoholism	42,120.00				3,878.15		38,241.85
Bullet Proof Vest Program	6,264.48				5,003.04		1,261.44
CY-2019							
Safe and Secure Grant		\$ 8,325.89	\$ 27,698.63	\$ 27,698.63			27,698.63
Body Armor Grant			7,466.57	15,792.46	8,325.89		7,466.57
Clean Communities Grant			103,639.69	103,639.69	103,639.69		
Alcohol Education Rehab Program			3,375.74	3,375.74	3,375.74		
Drive Sober or Get Pulled Over Grant Distracted Driving		5,500.00	5,500.00	5,500.00	5,500.00		5,500.00
Drive Sober or Get Pulled Over Grant			557,200.00	557,200.00	557,200.00		
NJ DOT: Morris Avenue Road Improvement Grant			47,399.00	47,399.00			47,399.00
Municipal Alliance on Alcoholism			175,000.00	175,000.00			175,000.00
NJ Historic Trust Grant: Metlar's Bodine Museum		3,500.00	3,500.00	3,500.00	3,500.00		
American Library Association		44,048.00	44,048.00	44,048.00	44,048.60		(0.60)
Recycling Tonnage Grant		270,487.00	270,487.00	270,487.00	270,487.00		
Community Development Block Grant							
Totals	\$ 339,542.51	\$ 328,360.89	\$ 930,779.63	\$ 1,259,140.52	\$ 1,239,103.02	\$ (8,486.88)	\$ 368,066.89
	Ref. A	A-16	A-16	A-16	Below	A-16	A
			Due to Current Fund	Ref. A-16			
			Due to Capital Fund	A-16	\$ 207,003.04		
			Cash	A-4	557,200.00		
					474,899.98		
					<u>\$ 1,239,103.02</u>		

GRANT FUND
STATEMENT OF INTERFUNDS RECEIVABLE/PAYABLE

	Dec. 31, 2018	Cash Receipts	Cash Disbursements	Budget Revenues	Budget Appropriations	Adjustments	Dec. 31, 2019
Interfunds							
General Capital Fund Due (to)	\$ -	\$ -	\$ 270,487.00	\$ -	\$ -	\$ (270,487.00)	\$ -
Current Fund Due (to)/from	(439,174.06)	42,731.78	(1,259,140.52)	1,478,760.52	176,822.28		
Total	\$ -	\$ (439,174.06)	\$ 313,218.78	\$ (1,259,140.52)	\$ 1,478,760.52	\$ (93,664.72)	\$ -
<u>Ref.</u>	A	A-4	A-4	A-15	A-17	Below	A
				Grant Receivable - Cancellation	A-15	\$ (8,486.88)	
				Grant Appropriation - Cancellation	A-17	(33,043.88)	
				Grant Appropriation - Current	A-17	(38,650.00)	
				Grant Appropriation - Capital Fund	A-17	(777,687.00)	
				Grant Receivable Current	A-15	207,003.04	
				Grant Receivable Capital	A-15	557,200.00	
						<u>\$ (93,664.72)</u>	

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED

GRANT FUND

BUDGET YEAR/PROGRAM	BALANCE DEC. 31 2018	ENCUMBRANCES DEC 31 2018	TOTAL TRANSFERRED FROM CY 2019 BUDGET	APPROP. N.J.S.A. 40A:4-87	TRANSFERS & CANCELLATIONS	PAID OR CHARGED	ENCUMBRANCES DEC. 31 2019	BALANCE DEC. 31 2019
CY-2012								
Municipal Court Alcohol And Education Rehab		\$ 146.01				\$ 146.01		
CY-2013								
Alcohol Education Rehab Program		188.85				188.85		
CY 2014								
Forestry Grant: Route 19 Project	\$ 2,768.26	23,678.00			\$ 23,678.00	469.28		
American Library Association					2,298.96			
CY 2015								
Clean Communities Grant Program		24,095.38				24,095.38		
Alcohol Education Rehab Program	2,524.06	363.66				2,887.72		
CED Program - Tasers	11,574.95							\$ 11,574.95
CY 2016								
Alcohol Education Rehab Program	2,235.96					1,676.82	\$ 536.06	
Recycling Tonnage Grant	2,262.93	14,725.00				2,262.93	14,725.00	23.08
Clean Communities Grant Program	109,501.76	586.95				63,209.24	7,153.00	39,726.47
CY 2017								
Middlesex County Cultural & Heritage Grant	146.00					89,505.51	23.23	146.00
Recycling Tonnage Grant	68,086.94	22,349.00						907.20
Clean Communities Grant	29,204.50	1,740.96						30,945.46
Alcohol Education Rehab Program	3,603.03					2,348.52		1,254.51
NJ DOT: Kossuth Street & Terrace Court						262,000.00		
Municipal Alliance on Alcoholism	34,620.00	262,000.00			34,620.00			
Municipal Alliance on Alcoholism Match	8,655.00				8,655.00			
CY 2018								
Multi-Jurisdictional Task Force	6,000.00						10.80	6,000.00
Clean Communities Grant	58,269.35	1,740.96						59,999.51
Alcohol Education Rehab Program	2,856.07							2,856.07
Municipal Alliance on Alcoholism	51,889.26				(36,208.10)	28,987.90	55,647.18	3,462.28
Municipal Alliance on Alcoholism Match	15,000.00					15,000.00		
Bullet Proof Vest Program	6,264.48					6,264.12	0.36	
Drunk Driving Enforcement Fund	17,410.41					7,748.79	2,985.00	6,676.62
Friends of the Library		24,734.09				24,665.42	68.67	
CY 2019								
Body Armor Grant			\$ 8,325.89	\$ 7,466.57		8,325.89		7,466.57
Clean Communities Grant				103,639.69			16,200.00	87,439.69
Alcohol Education Rehab Program				3,375.74				3,375.74
Drive Sober or Get Pulled Over Grant Distracted Driving			5,500.00			5,500.00		
Drive Sober or Get Pulled Over Grant				5,500.00		2,090.00		3,410.00
NJ DOT: Morris Avenue Road Improvement				557,200.00		557,200.00		
Municipal Alliance on Alcoholism				47,399.00		9,439.71		37,959.29
Municipal Alliance on Alcoholism Match				44,620.00				44,620.00
Recycling Tonnage Grant			44,048.00			5,987.67		38,060.33
Safe & Secure Grant				27,698.63				27,698.63
American Library Association				3,500.00		3,500.00		
Community Development Block Grant			270,487.00			270,487.00		
New Jersey Historic Grant: Mellar's House Museum				175,000.00			172,000.00	3,000.00
New Jersey Historic Grant: Mellar's House Museum - Match				175,000.00				175,000.00
Totals	\$ 432,872.96	\$ 375,348.86	\$ 328,360.89	\$ 1,150,399.63	\$ 33,043.88	\$ 1,393,986.76	\$ 269,349.30	\$ 591,602.40
	A	A	A-16	A-16	A-16	A	A	A

Ref	A	A	A-16	A-16	A-16	A	A
Interfund: Current Fund						\$ 38,650.00	
Interfund: General Capital Fund						777,687.00	
Cash						577,649.76	
						\$ 1,393,986.76	

Trust Fund

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance	Cash		Adjustments	Balance
	Dec. 31, 2018	Receipts	Disbursements		Dec. 31, 2019
Animal Control:					
Due NJ - State License Fees	\$ 6.60	\$ 3,460.00	\$ (3,458.20)	\$ -	\$ 8.40
Due to Current Fund				7,869.75	7,869.75
Animal Control Reserves	38,929.68	20,517.20	(6,886.82)	(7,869.75)	44,690.31
Prepaid Animal Fees		2,607.00			2,607.00
Total	38,936.28	26,584.20	(10,345.02)	-	55,175.46
Other Trust Funds:					
Payroll Liabilities	185,411.56	44,225,809.21	(44,398,016.36)		13,204.41
Unemployment Trust Fund	563,847.48	67,140.06	(39,206.20)		591,781.34
Forfeited Trust Fund	12,903.64	160,381.43	(31,745.60)		141,539.47
Reserve for Affordable Housing	6,214,298.22	6,379,313.32	(6,027,653.48)		6,565,958.06
Miscellaneous Deposits	7,208,479.23	4,165,891.83	(4,734,677.59)		6,639,693.47
Recreation Trust	10,390.53	7,370.00	(2,625.41)		15,135.12
Schedule of Escrows	9,964,474.47	4,148,464.45	(4,004,754.77)		10,108,184.15
Total	24,159,805.13	59,154,370.30	(59,238,679.41)		24,075,496.02
Public Assistance Trust Fund:					
Reserve for Public Assistance	14,411.35	1,000.00			15,411.35
Total	14,411.35	1,000.00			15,411.35
Total	\$24,213,152.76	\$59,181,954.50	\$(59,249,024.43)	\$ -	\$ 24,146,082.83
<u>Ref.</u>	B				B

Reserve for Animal Control
License Fees Collected:

	<u>Year</u>	
CY 2017	\$	23,659.20
CY 2018		21,031.11
	\$	<u>44,690.31</u>

Note: R.S. 4:19.11

" there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

SCHEDULE OF ESCROW FUND DEPOSITS AND RESERVES
TRUST OTHER FUNDS

Purpose	Balance Dec. 31, 2018	Increases	Decreases	Balance Dec. 31, 2019
1. TB Engineering & Inspections Fees (over \$5,000)	\$ 1,936,558.01	\$ 179,054.35	\$ 195,231.37	\$ 1,920,380.99
2. TB Engineering & Inspections Fees (under \$5,000)	177,798.87	6,812.84	14,661.16	169,950.55
3. Performance Bonds (over \$10,000)	977,432.23		218,932.15	758,500.08
4. TB Planning Board (Under \$5,000)	418,388.64	241,390.90	252,247.97	407,531.57
5. TB Planning Board (Over \$5,000)	411,413.46	235,301.14	283,022.98	363,691.62
6. TB Developers Interest	44,951.57	31,693.28	4,689.13	71,955.72
7. TB Performance (under \$5,000)	245,784.52	5,964.44	30,533.17	221,215.79
8. TB Operations		2,623,460.33	2,623,460.33	
9. TB Developers	5,390,855.44	30,482.41	173,311.78	5,248,026.07
10. TB Developers Off-Site (Under \$5,000)		5,483.40		5,483.40
11. TB Developers Tree Bond	261,112.71	432.10		261,544.81
12. TB Developers Off-Site (Over \$5,000)	51,643.92	36,774.00	205,338.61	56,206.20
13. TB Developers On-Site (Over \$5,000)	6,736.18	126,878.44		133,614.62
14. TB Developers Cash Bond On-Site (Under \$5,000)	1,925.08	15.93		1,941.02
15. TB Developers Bond Off-Site	14,729.59	255,444.96		270,174.55
16. TB Developers Offsite Engineering & Inspection	1,000.63	6,526.64	924.25	6,603.02
17. TB Developers Offsite Engineering & Inspection (Over \$5,000)	22,801.99	94,696.67	2,401.87	115,096.79
18. TB Developers Bond Off-Site (Under \$5,000)	1,341.62	522.30		1,863.92
19. TB Developers Buffer Landscape		18,598.17		18,598.17
20. TB Developers Safety & Stabilization		30,000.00		30,000.00
21. TB Developers Performance (Under \$5,000)		218,932.15		218,932.15
Total	\$ 9,964,474.47	\$ 4,148,464.45	\$ 4,004,754.77	\$ 10,108,184.15

Ref.

B

B-1

B-1

B

SCHEDULE OF MISCELLANEOUS DEPOSITS
TRUST - OTHER FUND

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
1. DARE Program		\$ 9,395.00	\$ 3,310.46	\$ 6,084.54
2. Deposit for Redemption of Tax Sale Certificate	\$ 7,194.05			7,194.05
3. Donations: Public Events	28,064.61	9,050.00	12,933.88	24,180.73
4. Escrow/Bond: Appraisal	950.00			950.00
5. Escrow/Bond: Curb Repair	42,352.47			42,352.47
6. Federal Forfeiture Funds		9,480.00	9,480.00	
7. Forfeiture Funds				
8. Future Improvement Deposits	226,786.52			226,786.52
9. Grading Bonds	11,000.00			11,000.00
10. Landscape Bonds	171,261.25	11,640.00	5,000.00	177,901.25
11. Local Seized Funds				
12. Municipal Court - POAA	5,836.45	316.00		6,152.45
13. Municipal Court - Bail	3,066.00		3,066.00	
14. Premium Received at Tax Sale	588,700.00	1,168,100.00	643,700.00	1,113,100.00
15. Public Defender Fees		38,918.00	35,544.04	3,373.96
16. Public Relations Beautification Fund	27,411.18	3,340.00	62.46	30,688.72
17. Recapture Fees - Sale of Affordable Housing	3,000.00			3,000.00
18. Reserve for Domestic Violence	32,588.81			32,588.81
19. Reserve for Police Off-Duty Pay		1,788,536.45	1,788,536.45	
20. Reserve for Recycling Project	9,733.13		9,733.13	
21. Senior Citizens Trips	8,152.45	17,230.95	17,955.98	7,427.42
22. Sick and Vacation Accrual	4,369,856.33	505,813.15	1,265,905.98	3,609,563.50
23. Snow Removal	1,079,789.19	40,883.15	216,537.51	904,134.83
24. Street Opening Bonds	379,718.58	13,500.00	2,500.00	390,718.58
25. Tax Lien Redemption	211,978.21	549,889.13	719,371.70	42,495.64
26. Youth Center Donations	1,040.00		1,040.00	
Total	\$ 7,208,479.23	\$ 4,165,891.83	\$ 4,734,677.59	\$ 6,639,693.47
<u>Ref.</u>	<u>B</u>	<u>B- 1</u>	<u>B- 1</u>	<u>B</u>

General Capital Fund

SCHEDULE OF CASH AND INVESTMENTS - TREASURER
GENERAL CAPITAL FUND

	<u>REF.</u>		
Balance - December 31, 2018	C		\$ 9,144,052.73
Increased by Receipts:			
Premium on Sale of Bonds & Notes	C-1	\$ 474,123.00	
Serial Bonds	C-5	20,000,000.00	
Deferred Charges Unfunded from Current	C-5	5,228,875.85	
Interfund: Receipts	C-9	48,429,426.76	
Reserve for Community Center	C-13	163,915.00	
Capital Improvement Fund	C-14	1,225,000.00	
Contributions - Off-Site Improvements	C-15	102,144.57	
Bond Anticipation Notes	C-16	<u>17,000,000.00</u>	
			<u>92,623,485.18</u>
			101,767,537.91
Decreased by Disbursements:			
Current Fund Budget Appropriation	C-1	1,560,000.00	
Improvement Authorizations	C-7	44,149,932.97	
Interfund: Payments	C-9	48,158,939.76	
Preliminary Expenses	C-10	43,409.33	
Developer's Tree Contribution	C-11	29,555.00	
Reserve for Community Center	C-13	<u>3,510,150.45</u>	
			<u>97,451,987.51</u>
Balance - December 31, 2019	C		<u><u>\$ 4,315,550.40</u></u>

ANALYSIS OF GENERAL CAPITAL FUND
CASH AND INVESTMENTS

Exhibit - C-3

	BALANCE DEC. 31, 2018	BALANCE DEC. 31, 2019
Fund Balance	\$ 1,564,686.01	\$ 478,809.01
Capital Improvement Fund	1,566,346.90	291,346.90
Contributions - Off-Site Improvements	2,077,763.48	2,129,908.05
Reserve for Preliminary Expenses	270,953.16	227,543.83
Contributions - Tree Contributions	40,000.00	10,445.00
Reserve: Stelton Streetscape	20,250.00	20,250.00
Reserve: Community Center	3,716,110.35	369,874.90
Reserve for Encumbrances Payable	44,738,416.29	19,144,228.43
N.J. D.O.T. Grants Receivable	(93,750.00)	(650,950.00)

Improvement Authorizations:

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>		
05-41, 06-14, 06-17	Various Capital Improvements (\$50,000 - Homeland Security, \$50,000 - Local Domestic Preparedness, \$330,000 - NJ DOT, \$600,000 - Green Acres)	3,244.00	18,844.00
06-48	Various Capital Improvements	29,619.66	
07-02	Various Capital Improvements	602.06	4,102.06
08-10	Acquisition of Land on Highland Avenue	24,189.81	24,189.81
09-04	Various Capital Improvements	(3,661.33)	377,308.67
09-40	Various Capital Improvements	(913,275.76)	(698,898.50)
10-01	Various Capital Improvements	(4,499,026.80)	(4,429,524.85)
11-01	Various Capital Improvements	12,480.00	
11-08	Various Capital Improvements	(305,264.56)	
11-14	Various Capital Improvements	5,627.00	5,627.00
11-21	Various Capital Improvements	(2,397,378.73)	(2,397,378.73)
12-02	Various Road Improvements	346,663.16	11,786.81
12-04/13-02	Various Township Roads (13-02 1/22/2013)	(674,850.00)	
12-28	Various Capital Improvements	360,000.00	360,000.00
13-06	Various Capital Improvements	(496,762.33)	(503,642.33)
13-07	Various Capital Improvements (See 12-19)	(1,932,278.84)	(2,114,675.66)
13-26, 15-32	Rehabilitation of Various Road (Ord 15-32, 11/24/2015)	(4,037,382.88)	(697,575.06)
13-27	Various Capital Improvements	(911,807.19)	(1,188,934.33)
14-01	Various Capital Improvements	(1,080,401.10)	(1,080,401.10)
14-20	Annual Road Improvements	14,042.92	
14-21, 15-33	Road Rehab & Improvements (Ord 15-33, 11/29/2015)	(2,514,755.11)	(2,525,702.03)
14-29	Acquisition of Various Equipment & Vehicles	212,260.11	156,928.11
15-19	Baekeland Avenue Road Improvements	827,983.50	821,664.22
15-34	Various Roads, Curbs, & Parking Lot Impr (Ord 16-36, 12/6/2016)	843,272.94	(521,513.29)
16-09	Various Park Improvements	32,552.84	
16-10	Acquisition of Various Equipments & Vehicles	51,135.78	
16-37	Various Roads, Curbs, Sidewalk Improvements	45,640.00	42,200.00
16-39	Various Park Improvements	277,510.40	8,992.67
16-43	Various Equipment, Vehicles & Systems	432,713.69	143,514.32
17-05	Various Road Improvements	(615,000.00)	(601,722.19)
17-06	Various Capital Projects	321,529.82	32,677.82
17-24	Special Assessment: Baekeland Avenue	(1,474.17)	(5,238.07)
17-29	Various Capital Improvements	41,803.50	18,303.50
17-31	Various Capital Improvements	232,282.78	13,101.03
18-01	Improvements to Zirkel Avenue	41,364.73	(2,717,539.79)
18-14	Various Capital Improvements	1,079,075.00	(1,287,160.97)
18-15	Community Cultural Arts Center Project	(29,777,852.00)	(783,890.61)
18-28	Various Capital Improvements	1,050,000.00	628,380.35
18-32	Various Capital Improvements	(881,146.36)	(701,037.37)
19-30	Various Capital Improvements		573,804.13
19-31	Various Capital Improvements		1,307,504.66
		<u>\$ 9,144,052.73</u>	<u>\$ 4,315,550.40</u>

Ref. C C

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance - December 31, 2018	C	\$ 43,488,000.00
Increased by:		
Serial Bonds Issued	C-8	<u>20,000,000.00</u>
		63,488,000.00
Decreased by:		
2019 Budget Appropriation to Pay Bonds	C-8	<u>7,724,000.00</u>
Balance - December 31, 2019	C	<u>\$ 55,764,000.00</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
GENERAL CAPITAL FUND

ORD. NUMBER	IMPROVEMENT DESCRIPTION	FUNDED BY				ANALYSIS OF BALANCE			UNEXPENDED IMPROVEMENT AUTHORIZATIONS
		BALANCE DEC. 31, 2018	2019 AUTHORIZATIONS	BUDGET APPROPR	BONDS ISSUED	BALANCE DEC. 31, 2019	BOND ANTICIPATION NOTES	EXPENDITURES	
09-04	Various Capital Improvements	\$ 572,820.00	\$ -	\$ 442,820.00	\$ -	\$ 130,000.00	\$ -	\$ 130,000.00	
09-40	Various Capital Improvements	1,281,050.00	-	281,050.00	-	1,000,000.00	668,868.50	301,101.50	
10-01	Various Capital Improvements	5,357,500.00	-	281,050.00	-	5,357,500.00	4,429,524.85	927,975.15	
11-08	Various Capital Improvements	305,264.56	-	305,264.56	-	-	-	-	
11-21	Various Capital Improvements	2,397,378.73	-	695,867.09	-	2,397,378.73	2,397,378.73	-	
12-04	Various Road & Engineering Projects	695,867.09	-	695,867.09	-	-	-	-	
13-06	Various Capital Improvements	1,198,678.01	-	-	-	1,198,678.01	503,642.33	695,035.68	
13-07	Various Capital Improvements (See 12-19)	2,678,102.25	-	-	-	2,678,102.25	2,114,675.66	563,426.59	
13-26; 15-32	Rehabilitation of Various Roads	6,175,000.00	-	-	3,000,000.00	3,175,000.00	697,575.06	2,477,424.94	
13-27	Various Capital Improvements	1,947,500.00	-	-	-	1,947,500.00	1,168,934.33	758,565.67	
14-01	Various Capital Improvements	1,080,401.10	-	-	-	1,080,401.10	1,080,401.10	-	
14-21, 15-13, 16-36	Road Rehabilitation & Improvements	5,425,000.00	-	-	-	5,425,000.00	2,525,702.03	2,899,297.97	
15-19	Baekeland Avenue Road Improvements	3,750,000.00	-	-	-	3,750,000.00	3,750,000.00	3,750,000.00	
15-34, 16-36	Various Roads, Curbs, & Parking Lot Improvements	1,317,500.00	-	-	-	1,317,500.00	521,513.29	795,986.71	
16-37	Various Roads, Curbs, Sidewalk Improvements	931,000.00	-	-	-	931,000.00	-	931,000.00	
16-39	Various Park Improvements	3,874.20	-	3,874.20	-	-	-	-	
17-05	Various Road Improvements	615,000.00	-	-	-	615,000.00	601,722.19	13,277.81	
17-24	Special Assessment: Baekeland Avenue	500,000.00	-	-	-	500,000.00	5,238.07	494,761.93	
18-01	Improvements to Zirkel Avenue	3,230,000.00	-	-	-	3,230,000.00	2,717,539.79	512,460.21	
18-14	Various Capital Improvements	4,139,250.00	-	-	-	4,139,250.00	1,287,160.97	2,852,089.03	
18-15	Community Cultural Arts Center Project	37,050,000.00	-	3,500,000.00	14,000,000.00	19,550,000.00	783,890.61	1,766,109.39	
18-32	Various Capital Improvements	7,766,250.00	-	-	3,000,000.00	4,766,250.00	701,037.37	4,065,212.63	
19-30	Various Capital Improvements	-	8,892,800.00	-	-	8,892,800.00	-	8,892,800.00	
		\$ 88,417,435.94	\$ 8,892,800.00	\$ 5,228,875.85	\$ 20,000,000.00	\$ 72,081,360.09	\$ 22,254,834.88	\$ 32,826,525.21	

Ref. C C-7 C-2 C

FEDERAL AND STATE GRANTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2018	C	\$ 93,750.00
Increased by:		
Improvement Authorization	C-7	<u>557,200.00</u>
Balance December 31, 2019	C	<u><u>\$ 650,950.00</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
GENERAL CAPITAL FUND

ORD. NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT		BALANCE DECEMBER 31, 2018		TOTAL CY 2019 AUTHORIZATIONS	ENCUMBRANCES PAYABLE DEC. 31, 2018	ENCUMBRANCES PAYABLE DEC. 31, 2019	PAID OR CHARGED	BALANCE DEC. 31, 2019	
			FUNDED	UNFUNDED	FUNDED	UNFUNDED					FUNDED	UNFUNDED
05-41, 06-14, 06-17	Various Capital Improvements (\$50,000 - Homeland Security, \$50,000 - Local Domestic Preparedness, \$330,000 - NJ DOT, \$500,000 - Green Acres)	3/17/2006, 11/29/05, 11/28/06	\$ 11,240,500.00	\$ 3,244.00	\$ 161,278.00	\$ 145,678.00		\$ 58,356.95	\$ 18,544.00		\$ 130,000.00	
06-36	Various Capital Improvements (\$270,000 NJ DOT)	11/28/06	8,520,000.00		85,132.92	26,775.97		31,319.66			301,101.50	
06-48	Various Capital Improvements	03/08/07	2,260,000.00		29,619.66	19,789.09					927,975.15	
07-02	Various Capital Improvements	03/08/07	2,500,000.00		602.06	3,500.00						
08-10	Acquisition of Land on Highland Avenue	04/08/08			24,169.81							
09-04	Various Capital Improvements	04/08/08	24,150.00	\$ 569,158.67								
09-40	Various Capital Improvements	11/24/09	4,056,000.00			83,068.04						
10-01	Various Capital Improvements	01/26/10	4,555,000.00			367,774.24						
11-01	Various Capital Improvements	03/15/11	7,850,000.00			3,957.54						
11-11	Various Capital Improvements	08/16/11	1,500,000.00			858,473.20						
11-21	Various Capital Improvements	12/06/11	6,193,700.00			603,181.55						
12-04	Various Road Improvements	01/24/12	3,200,000.00			1,039.55						
12-04(13-02)	Various Township Roads (15-02 1/22/2013)	02/21/12	1,850,000.00			4,083.76						
12-28	Various Capital Improvements	12/04/12	3,050,000.00			133,604.59						
13-06	Various Capital Improvements	02/28/13	3,200,000.00			21,017.09						
13-07	Various Capital Improvements (See 12-19)	03/05/13	2,012,000.00			701,915.68						
13-26, 15-32	Rehabilitation of Various Roads (Ord 15-32, 11/24/2015)	11/26/13	3,200,000.00			745,823.41						
13-27	Various Capital Improvements	12/03/13	5,000,000.00			2,137,617.12						
14-01	Various Capital Improvements	01/28/14	2,050,000.00			1,035,692.81						
14-20	Annual Road Improvements	11/25/14	1,500,000.00			14,042.92						
14-21, 15-33	Road Rehabilitation & Improvements (Ord 15-33, 11/29/2015)	11/25/14	4,000,000.00			2,910,244.89						
14-22	Various Park Improvements	12/02/14	1,600,000.00									
14-29	Acquisition of Various Equipment & Vehicles	12/16/14	846,000.00									
15-19	Baekeland Avenue Road Improvements	07/21/15	5,000,000.00			3,750,000.00						
15-34	Various Roads, Curbs, & Parking Lot Impr (Ord 16-36, 12/6/2016)	12/01/15	212,260.11			14,137.90						
16-09	Various Park Improvements	03/01/16	843,272.94			241,730.44						
16-10	Acquisition of Various Equipments & Vehicles	03/01/16	32,552.84			86,405.75						
16-37	Various Roads, Curbs, Sidewalk Improvements	12/06/16	51,135.78			53,686.26						
16-39	Various Park Improvements	12/13/16	45,640.00									
16-43	Various Equipment, Vehicles & Systems	12/20/16	277,510.40			931,000.00						
17-05	Various Road Improvements	03/28/17	432,713.69			3,874.20						
17-06	Various Capital Projects	11/09/17	5,200,000.00									
17-24	Special Assessment, Baekeland Avenue	11/28/17	1,160,000.00			496,525.83						
17-29	Various Capital Improvements	12/05/17	3,000,000.00			41,803.50						
18-01	Improvements to Zirkel Avenue	07/10/18	1,700,000.00			96,476.97						
18-14	Various Capital Improvements	07/24/18	232,282.78			325,892.50						
18-15	Community Cultural Arts Center Project	12/11/18	3,400,000.00			12,280.00						
18-28	Various Capital Improvements	12/11/18	7,515,000.00			1,532,986.60						
18-32	Various Capital Improvements	12/18/18	39,000,000.00			31,666,748.00						
19-30	Various Capital Improvements	11/26/19	1,050,000.00			1,268,896.36						
19-31	Various Capital Improvements	11/26/19	8,175,000.00			2,570,422.66						
19-31	Various Capital Improvements	11/26/19	2,000,000.00			692,495.34						
Total			\$ 6,265,593.70	\$ 37,375,118.78	\$ 44,735,416.29	\$ 19,144,228.43	\$ 12,000,000.00	\$ 43,879,445.97	\$ 4,548,929.16	\$ 32,826,525.21		

ENCUMBRANCES PAYABLE DEC. 31, 2018	C	Below
ENCUMBRANCES PAYABLE DEC. 31, 2019	C	Below
PAID OR CHARGED	C	Below
BALANCE DEC. 31, 2019 FUNDED	C	Below
BALANCE DEC. 31, 2019 UNFUNDED	C	Below
TOTAL	C	Below
	Ref.	
	C-5	\$ 8,892,800.00
	C-6	557,200.00
	C-14	2,500,000.00
	C-15	50,000.00
	C-2	
	C-9	
Deferred Charges to Future Taxation - Unfunded		
Federal and State Grant Receivable		
Capital Improvement Fund		
Contributions: Off-Site Improvements		
Cash Disbursements		
Interfund: Federal & State Grant Fund		
		\$ 44,149,932.97
		(270,487.00)
		\$ 43,879,445.97

SCHEDULE OF GENERAL SERIAL BONDS
GENERAL CAPITAL FUND

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURETIES OF BONDS OUTSTANDING DEC. 31, 2019	INTEREST RATE	BALANCE DEC. 31, 2018	INCREASE	DECREASES	BALANCE DEC. 31, 2019
General Improvement Bonds	3/26/2009	\$ 17,710,000.00	03/15/20 03/15/21	4.000%	\$ 5,560,000.00	\$ -	\$ 1,700,000.00	\$ 3,860,000.00
				4.000%				
General Improvement Bonds	1/27/2011	4,564,000.00	2/1/2018-1-20 2/1/2118-1-21	4.000%	1,589,000.00		500,000.00	1,089,000.00
				4.000%				
General Improvement Bonds	12/28/2012	5,884,000.00			1,034,000.00			
General Improvement Bonds	1/15/2014	8,100,000.00	01/15/20	3.000%	5,600,000.00		800,000.00	4,800,000.00
			01/15/21	3.000%				
			01/15/22	3.000%				
			01/15/23	3.000%				
			01/15/24	3.000%				
General Improvement Bonds	12/16/2015	9,800,000.00	12/15/20	2.000%	7,500,000.00		875,000.00	6,625,000.00
			12/15/21	2.000%				
			12/15/22	4.000%				
			12/15/23	4.000%				
			12/15/24	4.000%				
General Improvement Bonds	11/30/2016	5,200,000.00	11/01/20	4.000%	4,525,000.00		375,000.00	4,150,000.00
			11/01/21	4.000%				
			11/01/22	4.000%				
			11/01/23	4.000%				
			11/01/24	4.000%				
General Obligation Refunding	5/17/2017	3,145,000.00	11/01/25	3.000%	1,565,000.00		1,565,000.00	
			11/01/26	3.000%				
			11/01/27	3.000%				
			11/01/28	4.000%				
			11/01/29	4.000%				
General Obligation Bonds	12/13/2018	13,615,000.00	12/01/20	4.000%	13,615,000.00		750,000.00	12,865,000.00
			12/01/21	4.000%				
			12/01/22	5.000%				
			12/01/23	5.000%				
			12/01/24	5.000%				

SCHEDULE OF GENERAL SERIAL BONDS
GENERAL CAPITAL FUND

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURETIES OF BONDS OUTSTANDING DEC. 31, 2019	INTEREST RATE	BALANCE DEC. 31, 2018	INCREASE	DECREASES	BALANCE DEC. 31, 2019
Special Assessment Bonds	12/13/2018	\$ 2,500,000.00	\$ 125,000.00	4.000%	\$ 2,500,000.00	\$ -	\$ 125,000.00	\$ 2,375,000.00
	12/01/21		125,000.00	4.000%				
	12/01/22		125,000.00	5.000%				
	12/01/23		125,000.00	5.000%				
	12/01/24		125,000.00	5.000%				
	12/01/25		125,000.00	5.000%				
	12/01/26		125,000.00	5.000%				
	12/01/27		125,000.00	4.000%				
	12/01/28		125,000.00	4.000%				
	12/01/29		125,000.00	3.000%				
	12/01/30		125,000.00	3.250%				
	12/01/31		125,000.00	3.250%				
	12/01/32		125,000.00	3.375%				
	12/01/33		125,000.00	3.375%				
	12/01/34		125,000.00	3.500%				
	12/01/35		125,000.00	3.500%				
	12/01/36		125,000.00	3.500%				
	12/01/37		125,000.00	3.625%				
12/01/38		125,000.00	3.625%					
2019 General Improvement Bonds	8/8/2019	20,000,000.00	700,000.00	5.000%		20,000,000.00		20,000,000.00
	02/01/21		700,000.00	5.000%				
	02/01/22		800,000.00	5.000%				
	02/01/23		800,000.00	5.000%				
	02/01/24		800,000.00	5.000%				
	02/01/25		900,000.00	5.000%				
	02/01/26		900,000.00	5.000%				
	02/01/27		900,000.00	4.000%				
	02/01/28		900,000.00	4.000%				
	02/01/29		1,000,000.00	4.000%				
	02/01/30		1,000,000.00	2.250%				
	02/01/31		1,000,000.00	2.000%				
	02/01/32		1,000,000.00	2.000%				
	02/01/33		1,000,000.00	2.500%				
	02/01/34		1,200,000.00	2.500%				
	02/01/35		1,200,000.00	2.500%				
	02/01/36		1,200,000.00	2.000%				
	02/01/37		1,200,000.00	2.000%				
02/01/38		1,400,000.00	2.000%					
02/01/39		1,400,000.00	3.000%					
Total					\$ 43,488,000.00	\$ 20,000,000.00	\$ 7,724,000.00	\$ 55,764,000.00

C C-4 C-4 C

SCHEDULE OF INTERFUNDS PAYABLE

	<u>Ref.</u>	<u>Total</u>	<u>Due to Current Fund</u>	<u>Due from Grant Fund</u>	<u>Due from Sewer Utility Capital Fund</u>
Increased by:					
Cash Received	C-2	\$ 48,429,426.76	\$ 37,058,939.76	\$ 270,487.00	\$ 11,100,000.00
		48,429,426.76	37,058,939.76	270,487.00	11,100,000.00
Decreased by:					
Cash Disbursed	C-2	48,158,939.76	37,058,939.76		11,100,000.00
Improvement Authorization	C-7	270,487.00		270,487.00	
		48,429,426.76	37,058,939.76	270,487.00	11,100,000.00
Balance - December 31, 2019	C	\$ -	\$ -	\$ -	\$ -

SCHEDULE OF PRELIMINARY EXPENSES
GENERAL CAPITAL FUND

	<u>REF.</u>	
Balance December 31, 2018	C	\$ 270,953.16
Decreased by:		
Cash Disbursed	C- 2	<u>43,409.33</u>
Balance December 31, 2019	C	<u>\$ 227,543.83</u>

SCHEDULE OF RESERVES DEVELOPER'S TREE CONTRIBUTIONS

	<u>REF.</u>	
Balance December 31, 2018	C	\$ 40,000.00
Decreased by:		
Cash Disbursed	C-2	<u>29,555.00</u>
Balance December 31, 2019	C	<u>\$ 10,445.00</u>

SCHEDULE OF RESERVE: STELTON STREETSSCAPE

	<u>REF.</u>	
Balance December 31, 2018 and 2019	C	<u>\$ 20,250.00</u>

SCHEDULE OF RESERVE: COMMUNITY CENTER

	<u>REF.</u>	
Balance December 31, 2018	C	\$ 3,716,110.35
Increased by:		
Cash Received	C-2	<u>163,915.00</u>
		3,880,025.35
Decreased by:		
Cash Disbursed	C-2	<u>3,510,150.45</u>
Balance December 31, 2019	C	<u>\$ 369,874.90</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND
GENERAL CAPITAL FUND

	<u>REF.</u>	
Balance - December 31, 2018	C	\$ 1,566,346.90
Increased by:		
Cash Received	C-2	<u>1,225,000.00</u>
		2,791,346.90
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-7	<u>2,500,000.00</u>
Balance - December 31, 2019	C	<u>\$ 291,346.90</u>

SCHEDULE OF CONTRIBUTIONS - OFF-SITE IMPROVEMENTS

	<u>REF.</u>	
Balance - December 31, 2018	C	\$ 2,077,763.48
Increased by:		
Cash Receipts	C-2	<u>102,144.57</u>
		2,179,908.05
Decreased by:		
Improvement Authorizations	C-7	<u>50,000.00</u>
Balance - December 31, 2019	C	<u>\$ 2,129,908.05</u>

SCHEDULE OF BOND ANTICIPATION NOTES

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Notes Issued</u>	<u>Balance December 31, 2019</u>
18-15	Community Cultural Arts Center	12/10/2019	12/10/2019	12/10/2020	1.75%	\$ 17,000,000.00	\$ 17,000,000.00
						<u>\$ 17,000,000.00</u>	<u>\$ 17,000,000.00</u>

C-2 C

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED
GENERAL CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2018	2019 AUTHORIZATIONS	BONDS ISSUED	BUDGET CASH REFUND	NOTES ISSUED	BALANCE DEC. 31, 2019
	<u>General Improvements</u>						
09-04	Various Capital Improvements	\$ 572,820.00					\$ 130,000.00
09-40	Various Capital Improvements	1,281,050.00			442,820.00		1,000,000.00
10-01	Various Improvements	5,357,500.00			281,050.00		5,357,500.00
11-08	Various Improvements	305,264.56			305,264.56		
11-21	Various Improvements	2,397,378.73					2,397,378.73
12-04	Various Township Roads	695,867.09			695,867.09		
13-06	Various Capital Improvements	1,198,678.01					1,198,678.01
13-07	Various Capital Improvements (See 12-19)	2,678,102.25					2,678,102.25
13-26,15-32	Rehabilitation of Various Roads	6,175,000.00	\$ 3,000,000.00				3,175,000.00
13-27	Various Capital Improvements	1,947,500.00					1,947,500.00
14-01	Various Capital Improvements	1,080,401.10					1,080,401.10
14-21,15-33	Road Rehabilitation & Improvements	5,425,000.00					5,425,000.00
15-19	Baekeland Avenue Road Improvements	3,750,000.00					3,750,000.00
15-34	Various Roads, Curbs, & Parking Lot Improvements	1,317,500.00					1,317,500.00
16-37	Various Roads, Curbs, & Parking Lot Improvements	931,000.00					931,000.00
16-39	Various Park Improvements	3,874.20			3,874.20		
17-05	Various Road Improvements	615,000.00					615,000.00
17-24	Special Assessment: Baekeland Avenue	500,000.00					500,000.00
18-01	Improvements to Zirkel Avenue	3,230,000.00					3,230,000.00
18-14	Various Capital Improvements	4,139,250.00					4,139,250.00
18-15	Community Cultural Arts Center Project	37,050,000.00		14,000,000.00	3,500,000.00	\$ 17,000,000.00	2,550,000.00
18-32	Various Capital Improvements	7,766,250.00		3,000,000.00			4,766,250.00
19-30	Various Capital Improvements						8,892,800.00
	Total	\$ 88,417,435.94	\$ 8,892,800.00	\$ 20,000,000.00	\$ 5,228,875.85	\$ 17,000,000.00	\$ 55,081,360.09

C

C

Footnote

Sewer Utility Fund

SCHEDULE OF SEWER UTILITY CASH AND INVESTMENTS
TREASURER

	<u>Ref.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2018	D	\$ 9,329,346.28	\$ 5,371,302.50
Increased by Receipts:			
Interest on Investments	D-3	\$ 55,154.97	
Collector	D-6	13,017,659.11	
Sewer Charges - Treasurer	D-8	62,744.73	
Sewer Overpayment	D-14	73,793.85	
Due from Current Fund	D-18,D-24	10,935,000.00	\$ 4,500,000.00
Capital Improvement Fund	D-19		300,000.00
Due from Sewer Capital	D-21	8,000,000.00	
Due from Sewer Operating Fund	D-22		9,590,000.00
Due from General Capital Fund	D-25		11,100,000.00
		<u>32,144,352.66</u>	<u>25,490,000.00</u>
		41,473,698.94	30,861,302.50
Decreased by Disbursements:			
FY 2019 Budget	D-4	9,548,957.45	
Appropriation Reserves	D-11	1,943,012.80	
Accrued Interest	D-12	74,537.50	
Sewer Overpayment	D-14	1,455.79	
Improvement Authorizations	D-16		1,352,043.20
Accounts Payable	D-15	4,525.50	
Due to Current Fund	D-18,D-24	11,060,000.00	4,500,000.00
Due to Sewer Capital	D-21	9,590,000.00	
Due to Sewer Operating Fund	D-22		8,000,000.00
Due to Capital Fund	D-25		11,100,000.00
		<u>32,222,489.04</u>	<u>24,952,043.20</u>
Balance - December 31, 2019	D	\$ 9,251,209.90	\$ 5,909,259.30

SCHEDULE OF CASH - COLLECTOR
SEWER UTILITY FUND

	<u>Ref.</u>		
Increased by:			
Sewer Service Charges	D- 8	\$ 11,945,718.60	
Interest on Delinquent Accounts	D- 3	85,900.10	
Miscellaneous Revenue	D- 3	360.00	
Connection Fees	D- 3	962,430.00	
Prepaid Sewer Charges	D-13	<u>23,250.41</u>	
			<u>\$ 13,017,659.11</u>
Decreased by:			
Payments to Treasurer	D- 5		<u>13,017,659.11</u>
Balance December 31, 2019	D		<u><u>\$ -</u></u>

ANALYSIS OF SEWER UTILITY CAPITAL
CASH AND INVESTMENTS

	BALANCE DEC. 31, 2018	RECEIPTS			DISBURSEMENTS		TRANSFERS		BALANCE DEC. 31, 2019
		MISCEL- LANEOUS	IMPROV. AUTHOR.			FROM	TO		
Fund Balance	\$ 689.97	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 689.97	
Reserve for Encumbrances	816,644.64				984,278.96	816,644.64		984,278.96	
Improvement Authorizations Funded	4,553,967.89	1,890,000.00	1,352,043.20		816,644.64	984,278.96		4,924,290.37	
Total	\$ 5,371,302.50	\$ 1,890,000.00	\$ 1,352,043.20	\$ 1,800,923.60	\$ 1,800,923.60	\$ 1,800,923.60	\$ 1,800,923.60	\$ 5,909,259.30	

Ref. D

SCHEDULE OF SEWER CHARGES
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	<u>Sewer Charges</u>	<u>Sewer Liens</u>
Balance - December 31, 2018	D	\$ 826,833.14	
Increased by:			
Transfer from Sewer Charges	D-8		\$ 145.00
Sewer Charges Levied	Reserve	<u>11,656,431.89</u>	<u>145.00</u>
		12,483,265.03	145.00
Decreased by:			
Collection	D-6	\$ 11,945,718.60	
Collection - Treasurer	D-5	62,744.73	
Prepays Applied	D-13	27,301.13	
Transfer To Sewer Liens	D-8	<u>145.00</u>	
		<u>12,035,909.46</u>	
Balance - December 31, 2019	D	<u><u>\$ 447,355.57</u></u>	<u><u>\$ 145.00</u></u>

SCHEDULE OF FIXED CAPITAL
SEWER UTILITY CAPITAL FUND

ORD NO.	BALANCE DEC. 31 <u>2018</u>	TRANSFER FROM FIXED CAPITAL <u>AUTH. & UNCOMP</u>	BALANCE DEC. 31 <u>2019</u>
Arbor-New Market Sewers	\$ 4,600,000.00		\$ 4,600,000.00
63-1 Oakdale Pumping Station	29,302.00		29,302.00
64-1 Knollwood Area Sewers	160,240.00		160,240.00
64-2 Randolphville Road Sewer	8,353.00		8,353.00
65-1 Ambrose Brook Trunk Sewer	2,093,430.00		2,093,430.00
67-1 River Road Sewers	178,793.00		178,793.00
69-1 River Road Sewers	40,000.00		40,000.00
70-1 Sewer System Improvements	349,925.00		349,925.00
70-20 Purchase of Equipment	18,696.00		18,696.00
70-21 Sewer System Improvements	315,276.00		315,276.00
71-1 Park Avenue Sewer	25,000.00		25,000.00
73-1 Purchase of Equipment	32,384.00		32,384.00
72-1 Sewer System Improvements	1,443,500.00		1,443,500.00
77-2 Extension of Sewer System	100,000.00		100,000.00
77-58 Sanitary Sewer - Orris-Dunbar	10,000.00		10,000.00
76-20 Sanitary Sewer - Buena Vista Avenue	2,325.00		2,325.00
75-29 Sanitary Sewer - Stelton Road	88,180.00		88,180.00
77-18 Sanitary Sewer - River Road Area	172,150.00		172,150.00
80-48 Sanitary Sewer - Overbrook Road Area	508,506.00		508,506.00
78-17 Public Works Center	274,639.00		274,639.00
78-22 Public Works Equipment	20,000.00		20,000.00
80-40 Public Works Equipment	52,677.06		52,677.06
78-19 San. Sewer - Blue Ridge/Gates Avenue South Randolphville Road Area	199,398.16		199,398.16
76-63 &			
81-33 Sanitary Sewer - Hillside Ave.	106,853.00		106,853.00
82-20 Sanitary Sewer - Sunset Lane & River Road and Fisher and Ludlow Avenues	232,825.00		232,825.00
82-48 Public Works Equipment	58,981.00		58,981.00
84-43 Public Works Equipment	33,000.00		33,000.00
84-11 Ethel Road Sanitary Sewer	227,656.22		227,656.22
90-26 Public Works Equipment	192,472.05		192,472.05
94-17 Sewer Utility Equipment	38,000.00		38,000.00
89-25 & Gramercy Drive and River			
89-52 Road Sanitary Sewer	600,000.00		600,000.00
98-21 Reduction of I & I	230,000.00		230,000.00
03-40 Various Sewer Improvements	400,000.00		400,000.00
04-10 Various Sewer Projects	495,000.00		495,000.00
05-10 Various Sewer Projects	460,000.00		460,000.00
07-34 Acquisition of Various Equipment	770,000.00		770,000.00
10-13 Acquisition of Various Vehicles	425,000.00		425,000.00
05-42 Freedom Avenue Improvements		\$ 1,100,000.00	1,100,000.00
06-05 Various Sewer Projects		1,400,000.00	1,400,000.00
Total	<u>\$ 14,992,561.49</u>	<u>\$ 2,500,000.00</u>	<u>\$ 17,492,561.49</u>

Ref.

D

D-10

D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SEWER UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DEC. 31, 2018	INCREASES	TRANSFER TO FIXED CAPITAL	BALANCE DEC. 31, 2019
05-42	Freedom Avenue Improvements	01/03/06	\$1,100,000.00	\$ 1,100,000.00	\$ -	\$ 1,100,000.00	\$ -
06-05	Various Sewer Projects	12/19/06	1,400,000.00	1,400,000.00	-	1,400,000.00	-
06-49	Various Sewer Improvements	12/22/07	1,700,000.00	1,700,000.00	-	-	1,700,000.00
09-05	Various Sewer Improvements	04/27/10	425,000.00	945,000.00	-	-	945,000.00
11-23	Construction & Rehab Sewer Facilities	01/29/13	2,000,000.00	2,000,000.00	-	-	2,000,000.00
13-04	Sewer Garbage Building	01/28/14	1,400,000.00	2,000,000.00	-	-	2,000,000.00
14-02	Various Sewer Improvements	12/02/14	1,500,000.00	1,400,000.00	-	-	1,400,000.00
14-23	Various Sewer Improvements Utility	12/02/14	1,500,000.00	1,500,000.00	-	-	1,500,000.00
16-14	Various Sewer Vehicles & Equipment	12/20/16	280,000.00	280,000.00	-	-	280,000.00
17-30	Various Sewer Improvements	12/05/17	2,000,000.00	2,000,000.00	-	-	2,000,000.00
18-27	Sewer Utility Improvements	11/27/18	330,000.00	330,000.00	-	-	330,000.00
19-37	Sewer Utility Improvements	12/17/19	1,890,000.00	330,000.00	1,890,000.00	-	1,890,000.00
Total				\$14,655,000.00	\$ 1,890,000.00	\$ 2,500,000.00	\$14,045,000.00

Ref. D D-17 D-9 D

SCHEDULE OF CY 2018 APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND

	BALANCE DECEMBER 31, 2018		BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCED LAPSED
	APPROPRIATION RESERVES	ENCUMBRANCES			
Operations:	\$ 29,722.28	\$ -	\$ 29,722.28	\$ -	\$ 29,722.28
Salaries and Wages	465,374.11	125,570.13	590,944.24	356,861.54	234,082.70
Other Expenses					
Middlesex County Utilities Authority					
Service Charges - Contractual	590,166.20	7.00	590,173.20	522,819.21	67,353.99
Capital Improvements:					
Capital Outlay		1,416,929.00	1,416,929.00	1,314,398.00	102,531.00
Total Operations	\$ 1,085,262.59	\$ 1,542,506.13	\$ 2,627,768.72	\$ 2,194,078.75	\$ 433,689.97
Ref. D D				Below	D-1
Cash Disbursements				\$ 1,943,012.80	
Transfer to Accounts Payable				251,065.95	
				\$ 2,194,078.75	

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 19,157.81
Increased by:		
Accrued Interest Charged to:		
CY 2019 Budget Appropriations	D-4	71,554.17
Decreased by:		
Payments	D-5	<u>74,537.50</u>
Balance - December 31, 2019	D	<u>\$ 16,174.48</u>

Analysis of Balance - December 31, 2019:

	<u>Principal Outstanding 12/31/19</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$	85,000.00	2.000%	10/31/19	12/31/19	2 mos	\$ 283.33
	95,000.00	2.250%	10/31/19	12/31/19	2 mos	356.25
	95,000.00	2.250%	10/31/19	12/31/19	2 mos	356.25
	95,000.00	2.000%	10/31/19	12/31/19	2 mos	316.67
	100,000.00	2.000%	10/31/19	12/31/19	2 mos	333.33
	100,000.00	2.250%	10/31/19	12/31/19	2 mos	375.00
	100,000.00	2.250%	10/31/19	12/31/19	2 mos	375.00
	95,000.00	2.625%	10/31/19	12/31/19	2 mos	415.63
	105,000.00	2.625%	10/31/19	12/31/19	2 mos	459.38
	100,000.00	4.000%	10/31/19	12/31/19	2 mos	666.67
	100,000.00	4.000%	10/31/19	12/31/19	2 mos	666.67
	110,000.00	4.000%	10/31/19	12/31/19	2 mos	733.33
	110,000.00	4.000%	10/31/19	12/31/19	2 mos	<u>733.33</u>
\$	<u>1,290,000.00</u>					<u>\$ 6,070.83</u>

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
SEWER UTILITY OPERATING FUND

Analysis of Balance - December 31, 2019:

<u>Principal Outstanding 12/31/19</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$ 80,000.00	4.000%	09/16/19	12/31/19	3.5 mos	\$ 933.33
90,000.00	4.000%	09/16/19	12/31/19	3.5 mos	1,050.00
90,000.00	4.125%	09/16/19	12/31/19	3.5 mos	1,082.81
90,000.00	4.250%	09/16/19	12/31/19	3.5 mos	1,115.63
100,000.00	4.375%	09/16/19	12/31/19	3.5 mos	1,276.04
100,000.00	4.500%	09/16/19	12/31/19	3.5 mos	1,312.50
<u>\$ 550,000.00</u>					<u>\$ 6,770.31</u>
\$ 100,000.00	4.000%	08/01/19	12/31/19	5 mos	\$ 1,666.67
100,000.00	4.000%	08/01/19	12/31/19	5 mos	1,666.67
<u>\$ 200,000.00</u>					<u>\$ 3,333.33</u>
<u>\$ 2,040,000.00</u>					<u>\$ 16,174.48</u>

SCHEDULE OF PREPAID SEWER CHARGES
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - December 31, 2018	D	\$ 27,301.13
Increased by:		
Collections	D- 6	23,250.41
Decreased by:		
Prepays Applied	D-3,D-8	27,301.13
Balance - December 31, 2019	D	\$ 23,250.41

SCHEDULE OF SEWER OVERPAYMENTS
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Increased by:		
Cash Receipts	D-5	\$ 73,793.85
Decreased by:		
Cash Payments	D-5	1,455.79
Balance -December 31, 2019	D	\$ 72,338.06

SCHEDULE OF ACCOUNTS PAYABLE
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - December 31, 2018	D	\$ 277,221.23
Increased by:		
Transferred from Appropriation Reserves	D-11	<u>251,065.95</u>
		528,287.18
Decreased by:		
Cash Payments	D- 5	<u>4,525.50</u>
Balance - December 31, 2019	D	<u><u>\$ 523,761.68</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
SEWER UTILITY CAPITAL FUND

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	AUTHORIZATIONS		ENCUMBRANCES PAYABLE DEC. 31, 2018	ENCUMBRANCES PAYABLE DEC. 31, 2019	BALANCE - FUNDED DEC. 31, 2018	BALANCE - FUNDED DEC. 31, 2019
				CAPITAL IMPROV. FUND	BUDGET APPROPRIATION				
05-42	Freedom Avenue Improvements	11/29/05	\$ 1,100,000.00	\$ 118,734.72	\$	5,312.20	5,312.20	118,734.72	
06-05	Various Sewer Projects	01/03/06	1,400,000.00	44,372.70		91,591.14	13,390.84	818,734.72	
06-49	Various Sewer Improvements	12/19/06	1,700,000.00	741,037.47		92,510.52	96,923.37	205,572.55	
09-05	Various Sewer Improvements	02/17/09	945,000.00	231,161.63		192,265.25	112,915.23	249,325.13	
11-23	Construction & Rehab Sewer Facility	12/20/11	2,000,000.00	225,972.09		15.25	1,485.25		
13-04	Sewer Garage Building	01/29/13	2,000,000.00	6,656.07		298,767.49	363,642.91	192,154.90	
14-02	Various Sewer Improvements	01/28/14	1,400,000.00	352,652.13		55,264.87	56,438.89	831,349.03	
14-23	Various Improvements Sewer Utility	12/02/14	1,500,000.00	1,051,357.86		80,917.92		1,011,976.08	
17-30	Various Sewer Improvements	12/05/17	2,000,000.00	1,452,023.22			520,965.06		
18-27	Sewer Utility Improvements	11/27/18	330,000.00	330,000.00			4,289.49	56,256.74	
19-37	Sewer Utility Improvements	12/17/19	330,000.00	330,000.00			1,200.00	329,880.78	
	Total		\$ 4,553,967.89	\$ 4,553,967.89	\$ 1,590,000.00	\$ 816,644.64	\$ 984,278.96	\$ 4,924,290.37	

Ref. D D-19 D-23 D-5 D D

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORD. NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE DEC. 31, 2018</u>	<u>2019 AUHTORIZATIONS</u>	<u>BALANCE DEC. 31, 2019</u>
98-21	Reduction of I & I				
05-10	Various Sewer Projects	04/05/05	\$ 80,500.00		\$ 80,500.00
05-42	Freedom Avenue Improvements	11/29/05	55,000.00		55,000.00
06-05	Various Sewer Projects	01/03/06	70,000.00		70,000.00
07-34	Acquisition of Various Equipment	12/18/07	38,500.00		38,500.00
09-05	Various Sewer Improvements	02/17/09	47,250.00		47,250.00
10-13	Acquisition of Various Vehicles	04/27/10	21,250.00		21,250.00
13-04	Sewer Garbage Building	01/29/13	2,000,000.00		2,000,000.00
14-02	Various Sewer Improvements	01/28/14	1,400,000.00		1,400,000.00
14-23	Various Sewer Improvements	12/02/14	1,500,000.00		1,500,000.00
16-42	Sewer Garbage Building	12/20/16	280,000.00		280,000.00
17-30	Various Sewer Capital	12/05/17	2,000,000.00		2,000,000.00
18-27	Sewer Utility Improvements	11/27/18	330,000.00		330,000.00
19-37	Sewer Utility Improvements	12/17/19		\$ 1,890,000.00	1,890,000.00
	Total		<u>\$ 7,822,500.00</u>	<u>\$ 1,890,000.00</u>	<u>\$ 9,712,500.00</u>
		Ref.	D	D-10	D

**SCHEDULE OF DUE FROM CURRENT FUND
SEWER UTILITY OPERATING FUND**

	<u>REF.</u>	
Increased by:		
Cash Disbursed	D- 5	\$ 11,060,000.00
Decreased by:		
Appropriation	D- 4	\$ 125,000.00
Cash Received	D- 5	10,935,000.00
		<u>11,060,000.00</u>
 Balance - December 31, 2019	 D	 <u><u>\$ -</u></u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
SEWER UTILITY CAPITAL FUND**

	<u>REF.</u>	
Increased by:		
Cash Received	D- 5	\$ 300,000.00
Decreased by:		
Approp. to Finance Improvement Authorizations	D-16	300,000.00
		<u>300,000.00</u>
 Balance - December 31, 2019	 D	 <u><u>\$ -</u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION
SEWER UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 19,545,061.49
Increased by:		
Serial Bonds	D- 23	<u>240,000.00</u>
Balance - December 31, 2019	D	<u>\$ 19,785,061.49</u>

SCHEDULE OF DUE FROM/TO SEWER CAPITAL
SEWER UTILITY OPERATING FUND

	Ref.	
Increased by:		
Interfunds Returned	D- 5	\$ 9,590,000.00
Decreased by:		
CY 2019 Budget Appropriation	D- 4	\$ 1,590,000.00
Interfunds Received	D- 5	<u>8,000,000.00</u>
		<u>9,590,000.00</u>
Balance - December 31, 2019	D	<u><u>\$ -</u></u>

SCHEDULE OF DUE TO SEWER UTILITY OPERATING FUND
SEWER UTILITY CAPITAL FUND

	Ref.	
Increased by:		
Interfunds Returned	D- 5	\$ 9,590,000.00
Decreased by:		
Improvement Authorizations	D-4	\$ 1,590,000.00
Cash Disbursements	D-5	<u>8,000,000.00</u>
		<u>9,590,000.00</u>
Balance - December 31, 2019	D	<u><u>\$ -</u></u>

SCHEDULE OF GENERAL SERIAL BONDS

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2018</u>	<u>DECREASE</u>	<u>BALANCE DEC. 31, 2019</u>
			<u>OUTSTANDING - DEC. 31, 2019</u>	<u>AMOUNT</u>				
Sewer Improvements	03/26/09	\$ 1,200,000.00	\$ 80,000.00	4.000%				
			90,000.00	4.000%				
			90,000.00	4.125%				
			90,000.00	4.250%				
			100,000.00	4.375%				
			100,000.00	4.500%	\$ 630,000.00	\$ 80,000.00	\$ 550,000.00	
Sewer Improvements	01/27/11	700,000.00	100,000.00	4.000%				
			100,000.00	4.000%	275,000.00	75,000.00	200,000.00	
Sewer Improvements Refunding Bonds	05/17/17	1,460,000.00	85,000.00	2.000%				
			95,000.00	2.250%				
			95,000.00	2.250%				
			95,000.00	2.000%				
			100,000.00	2.000%				
			100,000.00	2.250%				
			100,000.00	2.250%				
			95,000.00	2.625%				
			105,000.00	2.625%				
			100,000.00	4.000%				
			100,000.00	4.000%				
			110,000.00	4.000%				
			110,000.00	4.000%	1,375,000.00	85,000.00	1,290,000.00	
					<u>\$ 2,280,000.00</u>	<u>\$ 240,000.00</u>	<u>\$ 2,040,000.00</u>	

Ref.

D

D-20

D

SCHEDULE OF DUE TO CURRENT FUND
SEWER UTILITY CAPITAL FUND

	Ref.	
Increased by:		
Funds Received	D- 5	\$ 4,500,000.00
Decreased by:		
Cash Disbursements	D- 5	<u>4,500,000.00</u>
Balance - December 31, 2019	D	<u>\$ -</u>

SCHEDULE OF DUE TO GENERAL CAPITAL FUND
SEWER UTILITY CAPITAL FUND

	Ref.	
Increased by:		
Funds Received	D- 5	\$ 11,100,000.00
Decreased by:		
Cash Disbursements	D- 5	<u>11,100,000.00</u>
Balance - December 31, 2019	D	<u>\$ -</u>

Senior Citizens Housing Utility Fund

SCHEDULE OF CASH AND INVESTMENTS
SENIOR CITIZEN HOUSING FUND

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2018	E	\$ 1,418,667.97	\$ 2,620,665.82
Increased by Receipts:			
Rental Income	E-3	\$1,352,206.41	
Interest on Investments	E-3	31,245.25	
Miscellaneous Revenues	E-3	10,214.57	
Security Deposits	E-9	10,469.03	
Interfund: Current Fund	E-19	<u>\$ 1,500,000.00</u>	
		<u>1,404,135.26</u>	<u>1,500,000.00</u>
		2,822,803.23	4,120,665.82
Decreased by Disbursements:			
Refund of Prior Year Revenue	E-1	570.00	
Budget Appropriations	E-4	1,304,142.07	
Appropriation Reserves	E-7	115,385.06	
Accrued Interest	E-8	35,250.00	
Security Deposits	E-9	14,259.02	
Interfund: Current Fund	E-19		1,500,000.00
Improvement Authorizations	E-11		<u>167,594.11</u>
		<u>1,469,606.15</u>	<u>1,667,594.11</u>
Balance - December 31, 2019	E	<u>\$ 1,353,197.08</u>	<u>\$ 2,453,071.71</u>

ANALYSIS OF SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND
CASH AND INVESTMENTS

	BALANCE DEC. 31, 2018	DISBURSEMENTS IMPROVEMENT AUTHORIZATIONS	TRANSFERS		BALANCE DEC. 31, 2019
			FROM	TO	
Fund Balance	\$ 72,177.74	\$ -	\$ -	\$ -	\$ 72,177.74
Capital Improvement Fund	244,035.75				244,035.75
Reserve for Encumbrance Payable	246,075.78		246,075.78	\$ 1,389,720.72	1,389,720.72
ORD. IMPROVEMENT NO. AUTHORIZATION					
06-50 Various Capital Projects	9,167.50		3,786.40	3,786.40	9,167.50
07-33 Various Capital Projects	37,161.60				37,161.60
10-14 S.H Building Improvements	112,047.45	85,172.83	38,255.60	142,289.38	130,908.40
18-26 S.H Building Improvements	1,900,000.00	82,421.28	1,347,678.72	100,000.00	569,900.00
	<u>\$ 2,620,665.82</u>	<u>\$ 167,594.11</u>	<u>\$ 1,635,796.50</u>	<u>\$ 1,635,796.50</u>	<u>\$ 2,453,071.71</u>

Ref. E

E

SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND

	<u>BALANCE</u>	<u>DECEMBER 31, 2018</u>	<u>BALANCE</u>	<u>PAID OR</u>	<u>BALANCED</u>
	<u>RESERVES</u>	<u>ENCUMBRANCES</u>	<u>AFTER</u>	<u>CHARGED</u>	<u>LAPSED</u>
Operations:					
Salaries and Wages	\$ 856.93		\$ 856.93		\$ 856.93
Other Expenses	9,256.12	\$ 218,298.52	227,554.64	\$ 102,076.35	125,478.29
Capital Improvements:					
Capital Improvement Fund	<u>7,214.13</u>	<u>32,292.55</u>	<u>39,506.68</u>	<u>27,191.45</u>	<u>12,315.23</u>
	<u><u>17,327.18</u></u>	<u><u>250,591.07</u></u>	<u><u>267,918.25</u></u>	<u><u>129,267.80</u></u>	<u><u>138,650.45</u></u>
	E	E	E	Below	E-1
Cash Disbursements				\$ 115,385.06	
Accounts Payable				<u>13,882.74</u>	
				<u><u>\$ 129,267.80</u></u>	
<u>Accounts Payable Analysis</u>					
Balance December 31, 2018				\$ 28,765.06	
Transfer from Appropriation Reserves				13,882.74	
Accounts Payable Cancelled				<u>28,765.06</u>	
Balance December 31, 2019				<u><u>\$ 13,882.74</u></u>	

SCHEDULE OF ACCRUED INTEREST ON BONDS
SENIOR CITIZENS HOUSING UTILITY OPERATING FUND

	<u>REF.</u>	
Balance - December 31, 2018	E	\$ 30,687.50
Increased by:		
Interest on Bonds	E-4	<u>27,562.50</u>
Decreased by:		
Disbursed	E-5	<u>35,250.00</u>
Balance - December 31, 2019	E	<u><u>\$ 23,000.00</u></u>

Analysis of Balance - December 31, 2019:

<u>Principal</u> <u>Outstanding</u> <u>December 31, 2019</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$ 150,000.00	3.00%	1/15/2019	12/31/2019	11 1/2 mos	\$ 4,312.50
150,000.00	3.00%	1/15/2019	12/31/2019	11 1/2 mos	4,312.50
150,000.00	3.00%	1/15/2019	12/31/2019	11 1/2 mos	4,312.50
175,000.00	3.00%	1/15/2019	12/31/2019	11 1/2 mos	5,031.25
<u>175,000.00</u>	3.00%	1/15/2019	12/31/2019	11 1/2 mos	<u>5,031.25</u>
 <u>\$ 800,000.00</u>					 <u><u>\$ 23,000.00</u></u>

SCHEDULE OF SECURITY DEPOSITS
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND

	<u>REF.</u>	
Balance -December 31, 2018	E	\$ 124,332.98
Increased by:		
Deposits Received	E- 5	<u>10,469.03</u>
		134,802.01
Decreased by:		
Deposits Refunded	E- 5	<u>14,259.02</u>
Balance - December 31, 2019	E	<u><u>\$ 120,542.99</u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION
SENIOR CITIZEN HOUSING UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance -December 31, 2018	E	\$ 10,621,052.26
Increased by:		
Bonds Paid by Budget Appropriation	E-12	<u>330,000.00</u>
Balance - December 31, 2019	E	<u><u>\$ 10,951,052.26</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
SENIOR HOUSING UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DEC. 31, 2018		ENCUMBRANCES 12/31/18	PAID OR CHARGED	ENCUMBRANCES 12/31/19	BALANCE DEC. 31, 2019	
				FUNDED					FUNDED	
06-50	Various Capital Projects	12/19/06	\$ 130,000.00	\$ 9,167.50	\$ 3,786.40		\$ 3,786.40	\$ 9,167.50		
07-35	Various Capital Projects	12/18/07	353,000.00	37,161.60						
		4/27/10 &								
10-14/12-18	Senior Housing Building Improvements	11/8/2012	1,000,000.00	112,047.45	142,289.38	\$ 85,172.83	38,255.60	130,908.40		
18-26	Senior Housing Building Improvements	11/27/18	2,000,000.00	1,900,000.00	100,000.00	82,421.28	1,347,678.72	569,900.00		
				<u>\$ 2,058,376.55</u>	<u>\$ 246,075.78</u>	<u>\$ 167,594.11</u>	<u>\$ 1,389,720.72</u>	<u>\$ 747,137.50</u>		
			Ref.	E	E	E-5	E	E		

SCHEDULE OF GENERAL SERIAL BONDS

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS</u>				<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2018</u>	<u>DECREASE</u>	<u>BALANCE DEC. 31, 2019</u>
			<u>OUTSTANDING - DEC. 31, 2019</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>AMOUNT</u>				
Senior Citizen Housing Utility Refunding Bonds	08/29/01	\$ 2,204,500.00					\$ 180,000.00	\$ 180,000.00		
Senior Citizen Housing Utility	01/15/14	1,400,000.00	150,000.00	1/15/2020	\$	3.00%	950,000.00	150,000.00	\$ 800,000.00	
			150,000.00	1/15/2021		3.00%				
			150,000.00	1/15/2022		3.00%				
			175,000.00	1/15/2023		3.00%				
			175,000.00	1/15/2024		3.00%				
							<u>\$ 1,130,000.00</u>	<u>\$ 330,000.00</u>	<u>\$ 800,000.00</u>	

Ref.

E

E-10

E

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND**

		<u>Ref.</u>	
Balance - December 31, 2019 and 2018	Ref.	E	<u>\$ 244,035.75</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORD. NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE DEC. 31, 2018</u>	<u>BALANCE DEC. 31, 2019</u>
06-50	Various Capital Improvements	12/19/06	\$ 130,000.00	\$ 130,000.00
07-35	Various Capital Improvements	12/18/07	353,000.00	353,000.00
12-18	Building Improvements	11/08/12	400,000.00	400,000.00
18-26	Building Improvements	11/27/18	<u>2,000,000.00</u>	<u>2,000,000.00</u>
			<u>\$ 2,883,000.00</u>	<u>\$ 2,883,000.00</u>
		Ref.	E	E

SCHEDULE OF FIXED CAPITAL
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

ORD NO.	DATE	AMOUNT	BALANCE DEC. 31, 2018	BALANCE DEC. 31, 2019
89-58 Design and Construction of a Senior Citizen Complex	11/21/1989	\$ 10,098,252.26	\$ 10,098,252.26	\$ 10,098,252.26
04-51 Replacement of Trunk Line	12/21/04	144,000.00	144,000.00	144,000.00
05-43 Various Capital Improvements	11/29/05	80,000.00	80,000.00	80,000.00
06-22 HVAC System	04/25/06	28,800.00	28,800.00	28,800.00
			<u>\$ 10,351,052.26</u>	<u>\$ 10,351,052.26</u>
			Ref. E	E

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DEC. 31, 2018	BALANCE DEC. 31, 2019
06-50	Various Capital Improvements	12/19/06	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00
07-35	Various Capital Improvements	12/18/07	353,000.00	353,000.00	353,000.00
10-14	Senior Housing Building Improve.	04/27/10	1,000,000.00	1,800,000.00	1,800,000.00
18-26	Senior Housing Building Improve.	11/27/18	2,000,000.00	2,000,000.00	2,000,000.00
				<u>\$ 4,283,000.00</u>	<u>\$ 4,283,000.00</u>
				Ref. E	E

SCHEDULE OF DUE FROM CURRENT FUND
SENIOR HOUSING UTILITY CAPITAL FUND

	<u>REF.</u>	
Increased by:		
Cash Receipts	E- 5	\$ 1,500,000.00
Decreased by:		
Cash Disbursements	E- 5	<u>1,500,000.00</u>
Balance - December 31, 2019		<u><u>\$ -</u></u>

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

PART III

**SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2019**

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

COMBINED BALANCE SHEET
FOR THE YEAR ENDING DECEMBER 31, 2019

	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	SENIOR HOUSING UTILITY	GOVERNMENTAL FIXED ASSETS	MEMORANDUM ONLY TOTALS	
							DEC. 31, 2019	DEC. 31, 2018
ASSETS								
Cash and Investments	\$ 36,476,270.46	\$ 24,146,082.83	\$ 4,315,550.40	\$ 15,160,569.20	\$ 3,806,268.79	\$ -	\$ 83,904,741.68	\$ 86,874,667.96
Accounts Receivable	368,066.89						1,019,016.89	433,292.51
State and Federal Grants Receivable	232,279.05		650,950.00				232,279.05	228,182.44
Due from State of New Jersey								
Taxes, Assessments, Liens & Utility Charges	2,104,904.18			145.00			2,105,049.18	2,181,592.79
Sewer Charges Receivable	7,869.75			447,355.57			447,355.57	826,833.14
Interfund Loans	52,132.69						7,869.75	-
Other Accounts Receivable							52,132.69	43,617.36
Property Acquired For Taxes at Assessed Valuation	2,592,900.00						2,592,900.00	2,592,900.00
Fixed Assets - General						74,728,055.00	74,728,055.00	79,965,762.00
Fixed Capital - Utility				17,492,561.49	10,351,052.26		27,843,613.75	25,343,613.75
Fixed Capital - Authorized and Uncompleted - Utility				14,045,000.00	4,283,000.00		18,328,000.00	18,938,000.00
Deferred Charges to Future Taxation:								
General Capital Fund			127,845,360.09				127,845,360.09	131,905,435.94
Total Assets	\$ 41,834,423.02	\$ 24,146,082.83	\$ 132,811,860.49	\$ 47,145,631.26	\$ 18,440,321.05	\$ 74,728,055.00	\$ 339,106,373.65	\$ 349,323,897.89
LIABILITIES, RESERVES AND FUND BALANCE								
Bonds and Notes Payable	\$ -	\$ -	\$ 72,764,000.00	\$ 2,040,000.00	\$ 800,000.00	\$ -	\$ 75,604,000.00	\$ 46,898,000.00
Prepaid Taxes, Assessments, Utility Charges and Licenses	1,161,135.29	2,607.00		23,250.41			1,186,992.70	1,254,347.44
Tax, Assessment, Lien, License and Utility Charge Overpayments	8,939,575.37			72,338.06			72,338.06	-
Appropriation Reserves	3,967,083.83	13,212.81	19,144,288.43	2,205,385.90	112,775.34		11,257,736.61	5,938,630.18
Reserves for Encumbrances/ Accounts Payable				1,684,159.74	1,569,436.05		26,378,180.86	51,736,421.29
Other Liabilities				16,174.48	23,000.00		39,174.48	49,845.31
Amounts Pledged to Specific Purposes		14,014,209.12	2,530,477.95		120,542.99		16,665,230.06	61,024,704.63
Interfund Loans		7,869.75					7,869.75	-
Investments in General Fixed Assets		10,108,184.15				74,728,055.00	74,728,055.00	79,955,762.00
Escrow Funds			37,375,454.37	4,924,290.37	747,137.50		10,108,184.15	9,964,474.47
Reserve for Amortization of Costs of Improvement/Authorization				29,497,561.49	13,834,052.26		43,046,882.24	14,215,438.14
Fixed Capital Acquired or Authorized or Receivables & Inventories	5,434,195.49		518,830.73	447,500.57	244,035.75		6,644,562.54	5,644,943.29
Reserve for Certain Assets Acquired or Receivables & Inventories	22,332,433.04		478,809.01	6,234,970.24	989,341.16		30,035,553.45	31,769,717.39
Fund Balance								
Total Liabilities, Reserves and Fund Balance	\$ 41,834,423.02	\$ 24,146,082.83	\$ 132,811,860.49	\$ 47,145,631.26	\$ 18,440,321.05	\$ 74,728,055.00	\$ 339,106,373.65	\$ 349,323,897.89

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

<u>REVENUE AND OTHER INCOME REALIZED</u>	CALENDAR YEAR 2019		CALENDAR YEAR 2018	
	AMOUNT	%	AMOUNT	%
Fund Balance Utilized	\$ 10,150,000.00	4.68	\$ 10,000,000.00	4.92
Miscellaneous - From Other than Local Property Tax Levies	27,726,418.18	12.79	19,286,461.85	9.49
Collection of Delinquent Taxes and Tax Title Liens	1,486,355.94	0.69	1,456,067.03	0.72
Collections of Current Tax Levy	177,447,640.76	81.84	172,493,895.88	84.87
Total Income	216,810,414.88	100.00	203,236,424.76	100.00
 <u>EXPENDITURES</u>				
Budget Expenditures				
Municipal Purposes	75,832,319.34	36.61	67,088,235.59	34.83
Special District Taxes	4,229,511.00	2.04	3,910,532.00	2.03
County Taxes	29,999,816.07	14.48	27,460,661.57	14.26
Local School Taxes	94,910,170.00	45.82	93,498,130.00	48.54
Other Expenditures	2,143,367.53	1.03	658,562.24	0.34
Total Expenditures	207,115,183.94	100.00	192,616,121.40	100.00
Excess in Revenue	9,695,230.94		10,620,303.36	
Fund Balance January 1	22,787,202.10		22,166,898.74	
	32,482,433.04		32,787,202.10	
Less: Util. as Anticipated Revenue	10,150,000.00		10,000,000.00	
Fund Balance December 31	\$ 22,332,433.04		\$ 22,787,202.10	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - SEWER UTILITY FUND

<u>REVENUE AND OTHER INCOME REALIZED</u>	CALENDAR YEAR 2019		CALENDAR YEAR 2018	
	AMOUNT	%	AMOUNT	%
Fund Balance Utilized	\$ 2,150,000.00	13.67	\$ 1,000,000.00	7.00
Collection of Sewer Service Charges	12,035,764.46	76.55	11,477,651.98	80.36
Miscellaneous - From Other than Sewer Service Charges	1,537,535.04	9.78	1,805,540.31	12.64
Total Income	15,723,299.50	100.00	14,283,192.29	100.00
 <u>EXPENDITURES</u>				
Budget Expenditures				
Operating	10,743,216.57	78.32	9,642,548.37	79.71
Capital Improvements	2,300,000.00	16.77	1,800,000.00	14.88
Debt Service	311,554.17	2.27	321,079.16	2.65
Deferred Charges & Statutory Expend.	362,245.88	2.64	333,764.13	2.76
Total Expenditures	13,717,016.62	100.00	12,097,391.66	100.00
Excess/(Deficit) in Revenue	2,006,282.88		2,185,800.63	
Fund Balance January 1	6,377,997.39		5,192,196.76	
	8,384,280.27		7,377,997.39	
Decreased by:				
Util. as Anticipated Revenue	2,150,000.00		1,000,000.00	
Fund Balance December 31	\$ 6,234,280.27		\$ 6,377,997.39	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE -
SENIOR CITIZENS HOUSING UTILITY FUND

<u>REVENUE AND OTHER INCOME REALIZED</u>	CALENDAR YEAR 2019		CALENDAR YEAR 2018	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Fund Balance	\$ 210,000.00	11.86	\$ 190,000.00	9.65
Rental Income	1,352,206.41	76.35	1,411,136.97	71.71
Miscellaneous - From Other than Rental Income	208,875.33	11.79	366,811.35	18.64
Total Income	1,771,081.74	100.00	1,967,948.32	100.00
 <u>EXPENDITURES</u>				
Budget Expenditures				
Operating	1,179,125.00	73.20	1,152,565.00	72.80
Capital Improvements	70,000.00	4.35	100,000.00	6.32
Debt Service	357,562.50	22.20	325,781.25	20.58
Statutory Expenditures	3,625.00	0.23	3,060.00	0.19
Miscellaneous Expenditures	570.00	0.04	1,691.22	0.11
Total Expenditures	1,610,882.50	100.00	1,583,097.47	100.00
Excess in Revenue	160,199.24		384,850.85	
Fund Balance January 1	966,964.18		772,113.33	
	1,127,163.42		1,156,964.18	
Less: Util. As Anticip. Revenue	210,000.00		190,000.00	
Fund Balance December 31	\$ 917,163.42		\$ 966,964.18	

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate:	<u>2.308</u>	<u>2.304</u>	<u>2.665</u>
Apportionment of Tax Rate:			
Municipal	0.621	0.626	0.718
Municipal Library	0.034	0.031	0.036
County	0.365	0.344	0.406
County Open Space	0.031	0.029	0.033
Local School	1.257	1.274	1.472
Assessed Valuation:			
2019	<u>7,548,520,332.00</u>		
2018		<u>7,338,290,868.00</u>	
2017			<u>6,292,969,610.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENT CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2019	\$ 179,672,350.50	\$ 177,447,640.76	98.76%
2018	174,598,559.21	172,493,895.88	98.79%
2017	172,335,249.39	170,577,521.22	98.98%

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last five years.

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2019	\$ 733,511.80	\$ 1,371,392.38	\$ 2,104,904.18	1.21%
2018	708,343.32	1,473,249.47	2,181,592.79	1.27%
2017	676,158.81	1,451,551.75	2,127,710.56	1.28%

COMPARISON OF SEWER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS</u>
2019	\$ 11,656,431.89	\$ 12,035,764.46
2018	11,224,895.32	11,464,595.51
2017	10,911,380.99	10,900,998.12

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
CURRENT FUND	2019	\$ 22,332,433.04	\$ 10,150,000.00
	2018	22,787,202.10	10,150,000.00
	2017	22,166,898.74	10,000,000.00
SEWER UTILITY OPERATING FUND	2019	\$ 6,234,280.27	\$ 3,700,000.00
	2018	6,377,997.39	2,150,000.00
	2017	5,192,196.76	1,000,000.00
SENIOR CITIZENS HOUSING UTILITY FUND	2019	\$ 917,163.42	\$ 210,000.00
	2018	966,964.18	210,000.00
	2017	772,113.33	190,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at December 31, 2019:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Brian C. Wahler	Mayor	
Frank Uhrin	Council President	
Gabrielle Cahill	Council Vice-President	
Chanelle McCullum	Council Member	
James Bullard	Council Member	
Kapil Shah	Council Member	
Steven D. Cahn	Council Member	
Michele Lombardi	Council Member	
Timothy Dacey	Business Administrator	
Daniel Mensah-Lampsey	Director of Finance	400,000.00 (A)
Van Khurana	Chief Financial Officer	
Melissa A. Seader	Township Clerk	
Michael Baker	Director of Law - Attorney	
James F. Clarkin III, Esq.	Director of Law - Assistant Attorney	
Kathleen Silber	Tax Collector	
Tara Auciello	Presiding Judge	
James Hoeich	Associate Judge	
Vanessa Colon	Court Administrator	
Lisa E. Stephens	Tax Assessor	

The municipal court employees were covered under a blanket bond in the amount of \$75,000 by the Selective Insurance Company of America.

All other employees were covered under a blanket bond in the amount of \$75,000 by the Selective Insurance Company of America.

All of the bonds were examined and found to be properly executed for items tested.

(A) Fidelity & Deposit Company of Maryland

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**PART IV
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2019**

**TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX, NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2019**

GENERAL COMMENTS

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

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Township of Piscataway, County of Middlesex, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of Township of Piscataway, County of Middlesex, New Jersey as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

With respect to the reporting of internal control matters, standards require that only a significant deficiency and/or a material weakness need be reported in writing to management and those charged with governance.

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (CONT'D.)

The deficiencies in internal control, as reported below, are not considered to be significant deficiencies nor material weaknesses. In addition, these deficiencies are not required to be reported in writing, however, these deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in review of the Township's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

As indicated below, we identified certain deficiencies in internal control, as follows:

In addition, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated August 13, 2020 on the financial statements of the Township of Piscataway. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

Internal Control Deficiencies:

2019-1 Segregation of Duties - Other Offices/Departments Collecting Municipal Fees

Conditions exist whereby the same individual may collect, record and/or deposit/turnover or may have access to cash receipts collections and functions in the following offices / departments: Municipal Court, Police Department, Municipal Clerk's Office, Cable TV, Recreation Department, Engineering Department, Planning & Zoning Department, Inspection Fees Office, Registrar of Vital Statistics, and Health Department.

This condition may be the result of multiple tasks assigned and performed by the same individual within the respective office/department.

OTHER MATTERS

Contracts and Agreements Required to be
Advertised for N.J.S.A. 40A: 11-4:

N.J.S.A. 40A: 11-4 states "every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidder therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

On September 28, 2015, the Local Public Contracts Law was amended, effective on July 1, 2015. The amendment addresses the bid threshold (Section 7, N.J.S.A. 40A:11-3), thereby increasing the amount from \$36,000.00 to \$40,000.00 under which a contract may be awarded without public advertising for those municipalities that have appointed a Qualified Purchasing Agent. The maximum bid threshold remains at \$17,500.00 for those municipalities that do not have a Qualified Purchasing Agent. The minutes indicate that bids were requested by public advertising for the following items:

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Contracts and Agreements Required to be
Advertised for N.J.S.A. 40A: 11-4 (cont'd.)

Materials, Supplies and Equipment

Books and Non-Print Materials for Public Library; Recreation Equipment and Uniforms; 32-yd Garbage Truck; Incident Respond Trailer with Dynamic Sign; Regenerative Air System Street Sweeper; Bio-degradable Leaf Bags.

Services and Rentals

Management Service at Sterling Village; Geese Control Services; Snow Plowing Services; Automation Services for Public Library; Debris and Stump Removal; Municipal Cleaning Services; Landscaping; Fireworks Display; 2019 HVAC Maintenance Services; Turf and Vegetation Treatments; Screen Printing Services; Tree Removal Services; Fire Suppression System Testing; Property Valuation Services; Re-evaluate Master Plan.

Construction and Repairs

Painting at Sterling Village; Demolition of residential structures; Curb and Sidewalks Improvements; milling and road surface preparation; Various Road Improvements; DPW Fueling Facility; Columbus Park Improvements; School Street Road Improvements-Phase I; Drake Lane Storm Sewer Improvements; Bathroom Renovations at Public Library; Roof Replacement at Public Library; Market Lake Retaining Wall.

The minutes indicate that State Contracts were authorized for the following:

Contracts

Data Network Services; Rock Salt; Maintenance and Repair of Heavy Equipment; 2016 Ford Explorer, Copier Leases; Police Vehicles and communications Equipment in Vehicles; Playground Equipment; TV Equipment; Various Parts, Tires, and Services for Vehicles; Gasoline.

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

The examination of expenditures revealed that no individual payments, contracts or agreements in excess of \$17,500 "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A: 11-5. The minutes also indicate the awarding of "Open-End Contracts" pursuant to N.J.A.C. 5:34-4.9.

Any interpretation as to possible violation of N.J.A.C. 40A: 11-4 would be in the province of the Township solicitor.

We suggest that the Township review the amendments to the Local Public Contracts Law and determine the impact of the comprehensive amendments with regard to the Township, including an analysis of the effect of requiring the position of a "Qualified" Purchasing Agent on a cost benefit or other alternate approach. In addition, we suggest the Township minutes be prepared on a timely basis.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Compliance with P.L. 2005, c.271

On January 5, 2006, P.L. 2005, c.271 was signed into law. A key element of the law authorizes municipalities and counties to adopt their own pay-to-play policies. Secondly, required new disclosures for "non-fair and open" contracts over \$17,500.

Tests of expenditures for vendors with payments in excess of \$17,500.00 and less than the applicable bid threshold and for contracts not awarded through state contracts, bidding or the "fair and open process" indicated no exceptions related to the requisite disclosure forms on file.

We suggest that the vendor files be reviewed and maintained complete in all respects with the applicable Pay-to-Play and Business Registration Requirements

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body, on January 4, 2019, adopted the following resolution authorizing interest to be charged on delinquent taxes; assessments and sewer service charges:

BE IT RESOLVED, by the Township Council of Piscataway Township, New Jersey that:
WHEREAS, Delinquent taxes and sewer service charges shall bear interest at the rate of 8% per annum for the first \$1,500 and 18% per annum on any delinquent amount in excess of \$1,500; and

BE IT FURTHER RESOLVED that unpaid assessments shall bear interest at the rate of 8% per annum; and

BE IT RESOLVED that no interest shall be charged by the Township of Piscataway if the payment of installment for taxes, sewer service charges or assessments is made within ten (10) calendar days after the date upon which such installment is payable; and

BE IT FURTHER RESOLVED that if payment of the installment for taxes, sewer service charges or assessments is not made within the ten (10) calendar day period, interest shall be charged in accordance with the rates specified in this Resolution and such interest shall revert to the date the installment was due.

An examination of the Tax Collector's records indicated that interest on delinquent accounts was calculated in accordance with the foregoing resolution for items tested.

Delinquent Taxes and Tax Title Liens

The Township held a tax sale during CY 2019. The Tax Collector should continue to review all delinquent and disputed items to determine the status of delinquent accounts for proper disposition. Upon final determination of the status of the delinquent accounts, where appropriate, the delinquent item should be included in the following tax sale.

The tax sale omitted items that were reported to be in bankruptcy proceedings, installment agreements and or disputed items for real estate taxes and sewer utility charges. Delinquent real estate taxes as at December 31, 2019 reported \$3,664.66 amount due and collected from previous tax years.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

The following comparison is made of the number of tax title liens receivable at year-end of the current and two previous years:

<u>DEC. 31</u>	<u>NUMBER OF LIENS</u>
CY 2019	19
CY 2018	19
CY 2017	19

It is essential to good management that all means provided by statute be utilized to liquidate Tax Title Liens in order to return properties to a tax-paying basis.

Investment of Idle Funds

The Chief Financial Officer had the greater portion of the idle funds of the Township invested in interest-bearing investments or accounts during CY 2019. Earnings from the investments are shown as revenue in the various funds of the Township for CY 2019.

All deposits and investments held by the Township were directly confirmed as of December 31, 2019.

The Township adopted a formal Cash Management Plan for depositing and investing of Township funds for CY 2019 in accordance with 40A: 5-14 on January 4, 2019.

Purchase Order System and Encumbrance System

The Township utilized a purchase order system for most of its expenditures in connection with its budgetary accounting system during the year under review. The accounting is processed on a data processing system for budgetary control. Operation of the encumbrance system appeared to be generally good with timely entries made. Prior years' outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

Interfund Balances

An interfund balance appears in the balance sheets of the Township's financial statements for the year ended December 31, 2019. The interfund is between the Current Fund and Animal Control Fund and is a result of the reserve for animal control expenditures exceeding the prior two years of animal control license revenue.

Outside Offices/Departments and Other Officials Collecting Fees

Our review of records maintained for other officials collecting fees were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over to the Treasurer's accounts within a 48-hour period as required by N.J.S.A. 40A: 5-15, and the fees charged were in accordance with the provisions of the Township Code.

Municipal Court

The records maintained by the Municipal Court during the period under review were found to be in good condition. The examination of the general account indicated that bank reconciliations were performed on a monthly basis. Disbursements were made to appropriate agencies on a timely basis. The bail account was reconciled monthly and open bail listings were proved to the account balance periodically or at the close of the year. The examination of the bail account's financial and supporting records maintained by the Municipal Court indicated no exceptions for items tested.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Administration and Accounting of State & Federal Grants

During CY 2019, the Township operated programs that were funded in whole or in part by state or federal grant awards. As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. Based upon the myriad compliance and reporting requirements for grant awards, the Township should continue to develop sound administrative functions over grant programs.

Condition of Records – Tax & Sewer Utility Office

During CY 2019, the Tax Collector utilized a monthly financial tax and sewer utility office reporting system. These reports are intended to be all-inclusive, summarizing all tax and sewer utility office transactions on a monthly basis for posting/recording within the Township general ledger financial accounting system, respectively.

Condition of Records – Finance Department

The Finance Department utilized a computerized general ledger accounting and reporting system during CY 2019. General ledgers were maintained for all funds. The Township is currently in compliance with New Jersey Administration Code 5:30-5.7, establishment and maintenance of a general ledger for at least the current fund.

Statement on Auditing Standards 115 identifies inadequate documentation of internal controls as a possible deficiency, significant deficiency or material weakness. In prior audits we had suggested that the Township utilize the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. We also had suggested that the documentation include the internal controls that exist over grant compliance. In February of 2020, the Township prepared a draft of an Internal Control Manual that included the above suggestions.

Cybersecurity

As part of its overall risk management, the Township reviews security measures in place relating to its Information Technology (IT), including the use of specialized assessments. With the ever increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with the utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Compliance with N.J.A.C 5:30

The Local Finance Board, State of New Jersey, adopted the following requirements, previously identified as "technical accounting directives", as codified in the New Jersey Administration Code as follows:

N.J.A.C. 5:30-5.2 - Encumbrance Systems: This directive requires the development and implementation of accounting systems, which can reflect the commitment of funds at the point of commitment. The Township of Piscataway is in compliance with this directive.

N.J.A.C. 5:30-5.6 – Accounting for Governmental Fixed Assets: This directive requires the development and implementation of accounting systems which assign values to covered assets and can track additions, retirements and transfers of inventoried assets. Our review indicated that the Township of Piscataway has established a Governmental Fixed Asset Accounting System.

N.J.A.C. 5:30 – 5.7 – General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, at least, the Current Fund. The Township is in compliance with this directive.

Compliance with Local Finance Notices

In accordance with Local Finance Notice No. CFO-10, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c) 2, and no exceptions were noted for those items tested.

The Township of Piscataway, County of Middlesex was not required to file a corrective action plan for the CY 2018, pursuant to Local Finance Board Notice Number 92-15.

RECOMMENDATIONS

None

During the course of our audit we received the complete cooperation of the various officials of the Township, and the courtesies extended to us were greatly appreciated.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

Very truly yours,

HODULIK & MORRISON, P.A.
a division of PKF O'Connor Davies



Andrew G. Hodulik, CPA, RMA
No. 406