



**TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

WITH
REPORT OF INDEPENDENT AUDITORS

HODULIK & MORRISON, P.A.

A division of



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TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

PART I
REPORT ON AUDIT OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Township Council
Township of Monroe
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 Monroe, County of Middlesex, New Jersey (the "Township") 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 (the "Division"). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to 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 and requirements 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 Township'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, the 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 Monroe, County of Middlesex, New Jersey, as of December 31, 2019 and 2018, or the results of its operations and changes in fund balances for the years 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 Monroe, 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.

Emphasis of Matter

As discussed in the 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

Supplementary Information as Required by Uniform Guidance and NJ OMB Circular 15-08

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise of the basic financial statements of the Township of Monroe, County of Middlesex, New Jersey. The information included in Part II – the schedule of expenditures of state financial assistance as required by New Jersey OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is not a required part of the financial statements. The information included in Part II – the accompanying schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates 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.

Supplementary Information Required by the Division of Local Government Services in Accordance with the Regulatory Basis of Accounting

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Monroe, County of Middlesex, New Jersey. The information included in Part III - Supplementary Schedules and Part IV - 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 Monroe, County of Middlesex, New Jersey. The information included in Part III - 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 IV - 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 March 19, 2021 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Hodulik & Morrison, P.A.

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



Andrew G. Hodulik
Registered Municipal Accountant
No. 406
Cranford, New Jersey
March 19, 2021

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

CURRENT FUND
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS
 DECEMBER 31, 2019 AND DECEMBER 31, 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>
Cash and Investments - Treasurer	A-4	\$ 19,523,359.09	\$ 19,126,391.11	Liabilities:			
Cash - Change Fund	A	<u>900.00</u>	<u>900.00</u>	Appropriation Reserves	A-3,A-9	\$ 3,562,263.32	\$ 3,362,844.60
		<u>19,524,259.09</u>	<u>19,127,291.11</u>	Reserve for Encumbrances	A-3,A-9	962,723.58	1,006,866.63
Receivables With Offsetting Reserves:				Prepaid Taxes	A-6	1,527,409.75	1,448,709.68
Taxes Receivable	A-6	1,568,164.73	1,890,005.66	Prepaid Licenses and Fees	A-7	-	15,095.00
Tax Title Liens Receivable	A-6	272,804.46	250,334.43	Various Payables	A-12	382,583.63	339,296.75
Property Acquired for Taxes (At Assessed Valuation)	A-6	1,569,800.00	1,569,800.00	Various Reserves	A-12	646,326.67	229,000.61
Revenue Accounts Receivable	A-7	<u>31,868.22</u>	<u>34,940.47</u>	Tax Overpayments	A-10	303,871.17	6,686.89
		<u>3,442,637.41</u>	<u>3,745,080.56</u>	Due to State of N.J. per Ch. 20, P.L. 1976	A-5	35,585.04	30,964.79
Deferred Charges:				Interfunds Payable	A	<u>1,688,286.79</u>	<u>606,990.64</u>
Special Emergency - (40A:4-53):						9,109,049.95	7,046,455.59
Master Plan	A-8	<u>70,000.00</u>	<u>105,000.00</u>	Reserve for Receivables	Reserve	3,442,637.41	3,745,080.56
		<u>70,000.00</u>	<u>105,000.00</u>	Fund Balance	A-1	<u>10,485,209.14</u>	<u>12,185,835.52</u>
Total Current Fund		<u>23,036,896.50</u>	<u>22,977,371.67</u>	Total Current Fund		<u>23,036,896.50</u>	<u>22,977,371.67</u>
State and Federal Grant Fund:				State and Federal Grant Fund:			
Grants Receivable	A-13	28,746.89	18,746.96	Reserve for State and Federal Grants:			
Due from Current Fund	A-15	<u>571,906.62</u>	<u>606,990.64</u>	Appropriated	A-14	284,596.72	442,862.14
		<u>600,653.51</u>	<u>625,737.60</u>	Unappropriated	A-16	114,965.54	181,541.61
Total State and Federal Grant Fund		<u>600,653.51</u>	<u>625,737.60</u>	Reserve for Encumbrances	A-14	<u>201,091.25</u>	<u>1,333.85</u>
		<u>\$ 23,637,550.01</u>	<u>\$ 23,603,109.27</u>	Total State and Federal Grant Fund		<u>600,653.51</u>	<u>625,737.60</u>
		<u>\$ 23,637,550.01</u>	<u>\$ 23,603,109.27</u>			<u>\$ 23,637,550.01</u>	<u>\$ 23,603,109.27</u>

See Notes to Financial Statements

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, 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>REF.</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1,A-2	\$ 8,950,000.00	\$ 8,100,000.00
Miscellaneous Revenues Anticipated	A-2	11,103,396.56	11,096,088.60
Receipts from Delinquent Taxes	A-2	1,844,967.80	1,734,668.68
Receipts from Current Taxes	A-6	203,709,683.17	197,832,281.22
Non-Budget Revenue	A-2	215,942.90	130,670.13
Other Credits to Income:			
Unexpended Balances of Approp. Reserves	A-9	2,319,053.37	1,827,414.01
Tax Overpayments Canceled	A-10	7.67	3.15
Sale of Municipal Assets Realized			35,316.71
Reserves Canceled			117,463.44
Reserve for Grants Canceled	A-14	196.00	
		<u>228,143,247.47</u>	<u>220,873,905.94</u>
Total Revenues			
<u>EXPENDITURES AND OTHER CHARGES</u>			
Budget Appropriations:			
Operating			
Salaries and Wages	A-3	24,466,717.00	23,055,929.00
Other Expenses	A-3	19,583,032.00	19,516,849.02
State and Federal Programs Off-Set by Revenue	A-3	352,633.70	285,572.14
Municipal Debt Service	A-3	6,937,312.33	7,027,217.96
Capital Improvements	A-3	75,000.00	100,000.00
Deferred Charges and Statutory Expend.-Mun.	A-3	5,497,519.93	5,133,391.70
County Tax	A-11	36,524,858.13	35,716,376.71
Local District School Taxes	A-11	113,510,163.00	109,802,610.00
Special District Taxes	A-11	12,534,269.00	12,025,516.00
Municipal Open Space Taxes	A-11	1,180,987.73	1,155,170.04
Prior Year Sr. Cit. & Vet. Deductions Disallowed	A-5	5,301.38	15,133.57
Refund Tax Appeals	A-4	2,703.22	-
Refund Prior Year Revenues	A-4	17,814.30	38,034.24
Tax Appeals	A-10	205,366.13	
Grants Receivable Canceled	A-13	196.00	-
		<u>220,893,873.85</u>	<u>213,871,800.38</u>
Total Expenditures			

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, 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>REF.</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
Excess in Revenue/Statutory Excess to Fund Balance		7,249,373.62	7,002,105.56
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>12,185,835.52</u>	<u>13,283,729.96</u>
		19,435,209.14	20,285,835.52
Decreased by:			
Utilization as Anticipated Revenue	A-1, A-2	<u>8,950,000.00</u>	<u>8,100,000.00</u>
Balance - December 31	A	<u>\$ 10,485,209.14</u>	<u>\$ 12,185,835.52</u>

See Notes to Financial Statements

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY
 CURRENT FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	REF.	ANTICIPATED 2019 BUDGET	APPROP. N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 8,950,000.00		\$ 8,950,000.00	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages		20,000.00		36,958.00	16,958.00
Fees and Permits		282,000.00		515,291.17	233,291.17
Fines and Costs:					
Municipal Court		400,000.00		438,664.00	38,664.00
Interest and Costs on Taxes		385,000.00		475,802.62	90,802.62
Interest on Investments and Deposits		400,000.00		690,887.29	290,887.29
Franchise Tax-Cable Companies		384,519.00		384,519.13	0.13
Energy Receipts Taxes		2,263,503.00		2,263,503.00	-
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17):					
Uniform Construction Code Fees		1,890,000.00		2,331,452.00	441,452.00
Public and Private Revenues Offset with Approps.:					
Body Armor Replacement Grant		5,868.92		5,868.92	-
Drunk Driving Enforcement Fund		-	\$ 6,868.32	6,868.32	-
Drive Sober or Get Pulled Over Holiday Crackdown			5,500.00	5,500.00	-
Municipal Court Alcohol Education Rehabilitation Program			562.62	562.62	-
Clean Communities Program			94,380.34	94,380.34	-
Recycling Tonnage Grant		181,541.61		181,541.61	-
Senior Outreach		8,000.00	7,000.00	15,000.00	-
Cultural Arts Council		3,000.00		3,000.00	-
Occupant Protection - Click It or Ticket			5,500.00	5,500.00	-
Drive Sober or Get Pulled Over End of Year Holiday Crackdown			5,500.00	5,500.00	-
Recycling Enhancement Grant		4,750.00		4,750.00	-
Bulletproof Vest Partnership Program			7,561.89	7,561.89	-
Additional Revenues Offset with Appropriations:					
Ambulance Fees		2,400,000.00		1,999,640.95	(400,359.05)
Clinical Training Fees		26,000.00		51,375.00	25,375.00
Other Special Items:					
Utility Operating Surplus of the Prior Year		900,000.00		900,000.00	-
Capital Fund Balance		250,000.00		250,000.00	-
Hotel and Motel Occupancy Tax, P.L. 2003, C. 115		42,000.00		38,288.70	(3,711.30)
Reserve for Debt Service		332,000.00		332,000.00	-
MCIA Loan Reimbursements		58,981.00		58,981.00	-
Total Miscellaneous Revenues		10,237,163.53	132,873.17	11,103,396.56	733,359.86
Receipts from Delinquent Taxes		1,600,000.00		1,844,967.80	244,967.80
Subtotal General Revenues		20,787,163.53	132,873.17	21,898,364.36	978,327.66
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes		39,942,181.93		43,909,405.31	3,967,223.38
Budget Totals		60,729,345.46	132,873.17	65,807,769.67	4,945,551.04
Non-Budget Revenues				215,942.90	215,942.90
		\$ 60,729,345.46	\$ 132,873.17	\$ 66,023,712.57	\$ 5,161,493.94

Ref. A-3 A-3

() Denotes Deficit

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

REF.

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:

2019 Collections	A-6	\$ 202,200,532.61	
Prepaid Taxes Applied	A-6	1,448,709.68	
State Share of Sr. Citizens and Veterans Deductions Allowed	A-6	<u>660,440.88</u>	\$ 204,309,683.17

Allocated to:

Local School Tax	A-11	113,510,163.00	
County Taxes	A-11	36,010,575.22	
Added County Taxes	A-11	514,282.91	
Municipal Open Space Tax	A-11	1,180,987.73	
Special District Taxes	A-11	<u>12,534,269.00</u>	<u>163,750,277.86</u>

40,559,405.31

Add: Reserve for Uncollected Taxes	A-3		3,950,000.00
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Less: Reserve for Tax Appeals	A-12		<u>600,000.00</u>
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Amount for Support of Municipal Budget	A-2		<u><u>\$ 43,909,405.31</u></u>
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Allocation of Delinquent Tax Collections:

Collections	A-6		\$ 1,843,474.99
Tax Title Liens	A-6		<u>1,492.81</u>
	A-2		<u><u>\$ 1,844,967.80</u></u>

See Notes to Financial Statements

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

	<u>2019 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT:</u>						
Office of the Mayor						
Salaries and Wages	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -	
Other Expenses	10,050.00	10,050.00	7,981.50	900.00	1,168.50	
Township Council						
Salaries and Wages	30,500.00	30,500.00	30,500.00	-	-	
Other Expenses	19,850.00	19,850.00	15,632.00	1,988.56	2,229.44	
Office of the Township Clerk						
Salaries and Wages	376,104.00	376,104.00	340,727.61		35,376.39	
Other Expenses	74,750.00	74,750.00	34,806.81	15,470.07	24,473.12	
Elections						
Salaries and Wages	17,473.00	17,473.00	17,473.00	-	-	
Other Expenses	25,000.00	28,000.00	27,681.59	-	318.41	
Office of the Business Administrator						
Salaries and Wages	350,813.00	350,813.00	344,812.55		6,000.45	
Other Expenses	21,200.00	21,200.00	8,538.42	703.55	11,958.03	
Human Resources						
Salaries and Wages	243,970.00	243,970.00	223,105.45		20,864.55	
Other Expenses	47,970.00	47,970.00	14,750.25	6,416.97	26,802.78	
Transportation						
Salaries and Wages	635,647.00	635,647.00	544,334.19		91,312.81	
Other Expenses	96,300.00	102,000.00	86,788.74	10,743.26	4,468.00	
Citizens Review Board						
Salaries and Wages	1,446.00	1,446.00	1,446.00		-	
Insurance						
General Liability	344,061.00	344,061.00	343,192.80		868.20	
Workers Compensation	437,961.00	437,961.00	352,960.40		85,000.60	
Employee Group Health	5,286,936.00	5,286,936.00	5,005,591.35	19,236.89	262,107.76	
Health Benefit Waiver	388,167.00	388,167.00	382,050.15	-	6,116.85	
Public Information and Public Advocacy						
Salaries and Wages	118,000.00	118,000.00	106,222.07		11,777.93	
Other Expenses	59,200.00	59,200.00	51,510.46	708.21	6,981.33	
Division of Recreation						
Salaries and Wages	1,140,884.00	1,103,884.00	986,577.65		117,306.35	
Other Expenses	279,983.00	259,983.00	198,950.14	50,435.21	10,597.65	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

	<u>2019 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
Division of Parks						
Salaries and Wages	\$ 432,945.00	\$ 432,945.00	\$ 415,288.59	\$ -	\$ 17,656.41	
Other Expenses	86,125.00	86,125.00	81,233.08	2,447.92	2,444.00	
Division of Treasury						
Salaries and Wages	402,965.00	402,965.00	377,589.47		25,375.53	
Other Expenses:						
Annual Audit	41,400.00	41,400.00	-	-	41,400.00	
Special Accounting	25,000.00	25,000.00	8,450.00	-	16,550.00	
Data Processing	105,000.00	105,000.00	89,783.57	7,815.40	7,401.03	
Miscellaneous Other Expense	25,500.00	25,500.00	13,560.15	591.50	11,348.35	
Division of Revenue Collection						
Salaries and Wages	381,696.00	381,696.00	351,001.33		30,694.67	
Other Expenses:						
Tax Sale Costs	6,500.00	6,500.00	4,224.28	-	2,275.72	
Tax Lien Foreclosure	600.00	600.00	-	-	600.00	
Miscellaneous Other Expense	19,650.00	19,650.00	15,602.36	694.52	3,353.12	
Division of Assessment						
Salaries and Wages	429,042.00	432,542.00	420,420.25		12,121.75	
Other Expenses	88,550.00	88,550.00	62,744.40	9,571.68	16,233.92	
Division of Ambulance Services						
Salaries and Wages	1,941,526.00	1,941,526.00	1,649,794.08	-	291,731.92	
Other Expenses	53,700.00	53,700.00	10,461.86	2,075.27	41,162.87	
Police						
Salaries and Wages	9,990,009.00	9,847,509.00	9,473,535.96		373,973.04	
Other Expenses	698,550.00	698,550.00	488,948.97	109,497.41	100,103.62	
Emergency Management Services						
Salaries and Wages	101,147.00	101,147.00	39,442.08		61,704.92	
Other Expenses	8,900.00	8,900.00	6,067.64		2,832.36	
Office of the Township Engineer						
Other Expenses:						
Maintenance of Tax Map	63,000.00	63,000.00	56,181.35	5,018.65	1,800.00	
Miscellaneous Other Expense	264,500.00	264,500.00	225,935.58	36,064.42	2,500.00	
Division of Streets and Roads						
Salaries and Wages	2,042,504.00	2,042,504.00	1,948,233.97		94,270.03	
Other Expenses	369,000.00	369,000.00	234,441.48	24,194.45	110,364.07	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

	<u>2019 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
Vehicle Maintenance						
Salaries and Wages	\$ 274,528.00	\$ 280,828.00	\$ 273,187.16	\$ -	\$ 7,640.84	
Other Expenses	440,200.00	475,200.00	395,388.66	64,280.70	15,530.64	
Solid Waste and Recycling						
Other Expenses	38,000.00	38,000.00	22,819.00	5,620.00	9,561.00	
Landfill						
Other Expenses	180,000.00	180,000.00	144,282.95	482.22	35,234.83	
Buildings and Grounds						
Salaries and Wages	774,109.00	794,109.00	717,151.02		76,957.98	
Other Expenses	633,750.00	633,750.00	556,021.89	37,078.60	40,649.51	
Community Services Act						
Other Expenses	864,220.00	864,220.00	435,031.76	82,591.83	346,596.41	
Office of the Township Attorney						
Other Expenses	751,807.00	751,807.00	544,215.05	194,191.95	13,400.00	
Municipal Prosecutor						
Salaries and Wages	63,511.00	63,511.00	63,511.00		-	
Other Expenses	200.00	200.00	-	-	200.00	
Municipal Court						
Salaries and Wages	398,024.00	398,024.00	380,298.22		17,725.78	
Other Expenses	15,800.00	15,800.00	9,130.19	856.70	5,813.11	
Public Defender						
Salaries and Wages	24,809.00	24,809.00	24,809.00		-	
Animal Control						
Salaries and Wages	165,291.00	172,291.00	168,231.07		4,059.93	
Other Expenses	9,775.00	19,775.00	8,806.12	1,518.57	9,450.31	
Environmental Protection						
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	
Building Demolition						
Other Expenses	300.00	300.00	-		300.00	
Municipal Land Use Law (NJSA 40:55D-1)						
Zoning Board of Adjustment						
Salaries and Wages	138,345.00	138,345.00	105,318.64		33,026.36	
Other Expenses	39,500.00	39,500.00	33,663.31	4,819.42	1,017.27	
Planning Board						
Salaries and Wages	8,357.00	8,357.00	8,357.00		-	
Other Expenses	100,000.00	100,000.00	88,458.03	7,975.97	3,566.00	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

	<u>2019 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
Division of Planning						
Salaries and Wages	\$ 242,079.00	\$ 242,079.00	\$ 235,861.12	\$ -	\$ 6,217.88	
Other Expenses	34,650.00	34,650.00	17,383.89	7,349.60	9,916.51	
Shade Tree Commission						
Salaries and Wages	20,208.00	20,208.00	14,522.04		5,685.96	
Other Expenses	60,810.00	60,810.00	56,741.64	2,616.34	1,452.02	
Cultural Arts Commission						
Salaries and Wages	23,660.00	23,660.00	23,050.04		609.96	
Other Expenses	70,482.00	70,482.00	40,696.15	272.00	29,513.85	
Environmental & Con. Comm Commission						
Salaries and Wages	3,660.00	3,660.00	3,660.00		-	
Other Expenses	5,725.00	5,725.00	517.50	1,350.49	3,857.01	
Historic Preservation Commission						
Salaries and Wages	3,660.00	3,660.00	3,355.00		305.00	
Other Expenses	8,300.00	8,300.00	762.59	2,280.00	5,257.41	
Senior Services						
Salaries and Wages	535,399.00	538,399.00	506,860.81		31,538.19	
Other Expenses	102,400.00	102,400.00	94,057.63	6,595.35	1,747.02	
Recreation and Youth Advisory Board						
Salaries and Wages	3,280.00	3,280.00	3,280.00		-	
Other Expenses	4,850.00	4,850.00	4,196.70	400.00	253.30	
Human Relations Commission						
Salaries and Wages	2,563.00	2,563.00	2,563.00		-	
Other Expenses	2,050.00	2,050.00	467.93	191.16	1,390.91	
Open Space and Farmland Preservation Commission						
Salaries and Wages	2,500.00	2,500.00	2,500.00		-	
Other Expenses	750.00	750.00	-	-	750.00	
Celebration of Public Events						
Other Expenses	47,600.00	47,600.00	43,843.11	1,779.76	1,977.13	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

	<u>2019 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17):</u>					
Uniform Construction Code					
Salaries & Wages	\$ 1,252,092.00	\$ 1,252,092.00	\$ 1,210,811.14	\$ -	\$ 41,280.86
Other Expenses	45,900.00	45,900.00	29,393.58	2,006.72	14,499.70
Accumulated Absences	2,000.00	2,000.00	-		2,000.00
Central Mailing	56,000.00	56,000.00	44,572.93	216.00	11,211.07
Utilities	1,710,000.00	1,710,000.00	1,260,711.47	58,893.35	390,395.18
Total Operations Within "CAPS"	36,761,218.00	36,655,218.00	32,692,061.92	787,940.67	3,175,215.41
Total Operations Including Contingent Within "CAPS"	36,761,218.00	36,655,218.00	32,692,061.92	787,940.67	3,175,215.41
<u>DETAIL:</u>					
Salaries and Wages	22,589,746.00	22,450,046.00	21,032,830.51	-	1,417,215.49
Other Expenses (Including Contingent)	14,171,472.00	14,205,172.00	11,659,231.41	787,940.67	1,757,999.92
<u>DEFERRED CHARGES - MUNICIPAL WITHIN "CAPS"</u>					
<u>DEFERRED CHARGES</u>					
Prior Years Bills:					
Fairways at Forsgate-Comm. Services Act	4,828.93	4,828.93	4,828.93		-
Pyramid - Tax Appeals 2017	2,475.00	2,475.00	2,475.00		-
Pyramid - Tax Appeals 2015	300.00	300.00	300.00		-
<u>STATUTORY EXPENDITURES:</u>					
Contribution to:					
Public Employees' Retirement System	1,840,000.00	1,840,000.00	1,831,538.21		8,461.79
Social Security System (O.A.S.I.)	1,515,144.00	1,621,144.00	1,562,993.83		58,150.17
Police & Firemen's Retirement System	1,937,772.00	1,937,772.00	1,937,772.00		-
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	30,000.00	30,000.00	-		30,000.00
Defined Contribution Retirement Plan	26,000.00	26,000.00	21,916.40		4,083.60
Total Def. Charges and Statutory Expend. Municipal Within "CAPS"	5,356,519.93	5,462,519.93	5,361,824.37	-	100,695.56
Total General Appropriations for Municipal Purposes Within "CAPS"	42,117,737.93	42,117,737.93	38,053,886.29	787,940.67	3,275,910.97

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

	<u>2019 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
911 System						
Salaries and Wages	\$ 180,407.00	\$ 180,407.00	\$ 180,407.00	\$ -	\$ -	
Other Expenses	24,900.00	24,900.00	20,644.49	916.00	3,339.51	
Maintenance of Free Public Library	3,741,805.00	3,741,805.00	3,741,805.00			
NJPDES Stormwater Permit [N.J.S.A. 40A:4-45.3(cc)]:						
Division of Streets and Roads - Salaries and Wages	216,613.00	216,613.00	216,613.00			
Division of Streets and Roads - Other Expenses	195,824.00	195,824.00	145,718.15	192.00	49,913.85	
Vehicle Maintenance - Salaries and Wages	4,317.00	4,317.00	4,317.00			
Vehicle Maintenance - Other Expenses	7,000.00	7,000.00	7,000.00			
Solid Waste and Recycling - Other Expenses	70,000.00	70,000.00	70,000.00			
Recycling Tax	7,100.00	7,100.00	4,968.13	2,031.87	100.00	
SHARED SERVICE AGREEMENTS:						
Shared Service (Fire Districts and Board)						
Other Expenses	61,650.00	61,650.00	36,249.99	6,249.99	19,150.02	
Shared Service (Recycling)						
Other Expenses	355,000.00	355,000.00	251,752.08	50,000.00	53,247.92	
Shared Service (County Health)						
Other Expenses	95,158.00	95,158.00	95,157.12		0.88	
ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES:						
Ambulance Services						
Salaries and Wages	1,605,334.00	1,605,334.00	1,605,334.00			
Other Expenses	794,666.00	794,666.00	536,432.44	111,721.01	146,512.55	
Clinical Coordinator Training Fees						
Salaries and Wages	10,000.00	10,000.00	10,000.00			
Other Expenses	16,000.00	16,000.00	6,997.34	3,672.04	5,330.62	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

	<u>2019 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
SFSP Fire District Payment	\$ 8,757.00	\$ 8,757.00	\$ -	\$ -	\$ 8,757.00
Drunk Driving Enforcement Fund	-	6,868.32	6,868.32	-	-
Recycling Tonnage Grant	181,541.61	181,541.61	181,541.61	-	-
Clean Communities Program	-	94,380.34	94,380.34	-	-
Recycling Enhancement Grant	4,750.00	4,750.00	4,750.00	-	-
Municipal Court Alcohol Education Rehabilitation Program	-	562.62	562.62	-	-
Senior Outreach	24,600.00	31,600.00	31,600.00	-	-
Drive Sober or Get Pulled Over Holiday Crackdown	-	5,500.00	5,500.00	-	-
Cultural Arts Council	3,000.00	3,000.00	3,000.00	-	-
Bulletproof Vest Partnership Program	-	7,561.89	7,561.89	-	-
Body Armor Replacement Grant	5,868.92	5,868.92	5,868.92	-	-
Occupant Protection - Click It or Ticket	-	5,500.00	5,500.00	-	-
Drive Sober or Get Pulled Over End of Year Holiday Crackdown	-	5,500.00	5,500.00	-	-
Total Operations Excluded from "CAPS"	7,614,291.53	7,747,164.70	7,286,029.44	174,782.91	286,352.35
<u>DETAIL:</u>					
Salaries and Wages	2,041,271.00	2,048,271.00	2,048,271.00	-	-
Other Expenses	5,573,020.53	5,698,893.70	5,237,758.44	174,782.91	286,352.35
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	75,000.00	75,000.00	75,000.00	-	-
Total Capital Improvements Excl. from "CAPS"	75,000.00	75,000.00	75,000.00	-	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	4,227,867.00	4,227,867.00	4,227,867.00	-	-
Interest on Bonds	965,595.00	965,595.00	965,595.00	-	-
Interest on Notes	535,629.00	535,629.00	535,628.32	-	0.68
Green Trust Loan Program Principal and Interest	16,179.00	16,179.00	16,178.02	-	0.98
<u>MCIA Revenue Bonds - Loans:</u>					
Principal	767,938.00	767,938.00	767,937.51	-	0.49
Interest	80,388.00	80,388.00	80,387.68	-	0.32
<u>Capital Lease Obligations</u>					
Principal	287,310.00	287,310.00	287,309.73	-	0.27
Interest	56,410.00	56,410.00	56,409.07	-	0.93
Total Municipal Debt Service - Excl. from "CAPS"	6,937,316.00	6,937,316.00	6,937,312.33	-	3.67

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

			EXPENDED		UNEXPENDED
<u>2019 BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>BALANCE</u>
	<u>MODIFICATION</u>	<u>CHARGED</u>			<u>CANCELLED</u>
<u>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</u>					
Deferred Charges:					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ -	\$ -
Total Deferred Charges - Municipal Excluded from "CAPS"	35,000.00	35,000.00	35,000.00	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	14,661,607.53	14,794,480.70	14,333,341.77	174,782.91	286,352.35
Subtotal General Appropriations	56,779,345.46	56,912,218.63	52,387,228.06	962,723.58	3,562,263.32
Reserve for Uncollected Taxes	3,950,000.00	3,950,000.00	3,950,000.00		-
Total General Appropriations	\$ 60,729,345.46	\$ 60,862,218.63	\$ 56,337,228.06	\$ 962,723.58	\$ 3,562,263.32
<u>Ref.</u>	A-2		A	A	
Adopted Budget	A-2	\$ 60,729,345.46			
Approp. by N.J.S.A. 40A:4-87	A-2	132,873.17			
		\$ 60,862,218.63			
Disbursed	A-4		\$ 51,999,594.36		
Reserve for Uncollected Taxes	A-6		3,950,000.00		
Due to Grant Fund	A-2		336,033.70		
Grants Matching Funds	A-4		16,600.00		
Deferred Charges - Emergency Authorizations	A-8		35,000.00		
			\$ 56,337,228.06		

See Notes to Financial Statements

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

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

<u>ASSETS</u>	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:				Animal Control Fund:			
Cash and Investments	B-1	\$ 15,489.83	\$ 26,001.31	Reserve for Encumbrances	B-1	\$ -	\$ 20,355.00
Due from State of NJ-License Fees	B-1	3.60	-	Reserve for Animal Control Expenditures	B-1	15,493.43	5,646.31
Total		<u>15,493.43</u>	<u>26,001.31</u>	Total		<u>15,493.43</u>	<u>26,001.31</u>
Trust-Other Fund:				Trust-Other Fund:			
Cash and Investments	B-1	5,233,343.82	4,481,535.99	Reserve for Community Development	B-1	315,674.28	153,025.03
Due From Water Sewer Operating	B-1	136,655.95	161,488.15	Reserve for Encumbrances	B-1	234,229.64	338,671.94
Due From Payroll Trust	B-1	9,990.20	-	Due to Payroll Trust	B-1	-	14,842.00
Due From Community Development Grant	B-1	320,902.66	413,790.85	Due to General Capital Fund	B-1	50,000.00	-
Total		<u>5,700,892.63</u>	<u>5,056,814.99</u>	Reserve for Various Deposits	B-1	5,100,988.71	4,550,276.02
Total		<u>5,700,892.63</u>	<u>5,056,814.99</u>	Total		<u>5,700,892.63</u>	<u>5,056,814.99</u>
Affordable Housing Trust Fund:				Affordable Housing Trust Fund:			
Cash and Investments	B-1	12,619,176.84	12,217,953.03	Reserve for Encumbrances	B-1	356,573.37	266,954.40
Total		<u>12,619,176.84</u>	<u>12,217,953.03</u>	Reserve for Affordable Housing Trust	B-1	12,262,603.47	11,950,998.63
Total		<u>12,619,176.84</u>	<u>12,217,953.03</u>	Total		<u>12,619,176.84</u>	<u>12,217,953.03</u>
Unemployment Trust Fund:				Unemployment Trust Fund:			
Cash and Investments	B-1	254,559.13	173,529.54	Reserve for Unemployment Trust	B-1	274,559.13	193,529.54
Due from Water Sewer Operating	B-1	20,000.00	20,000.00	Total		<u>274,559.13</u>	<u>193,529.54</u>
Total		<u>274,559.13</u>	<u>193,529.54</u>	Total		<u>274,559.13</u>	<u>193,529.54</u>
Payroll Trust:				Payroll Trust:			
Cash and Investments	B-1	432,585.99	486,647.27	Payroll Deductions Payable	B-1	425,221.68	504,115.16
Due from Water Sewer operating	B-1	2,625.89	2,625.89	Due to Other Trust	B-1	9,990.20	-
Due from Other Trust	B-1	-	14,842.00	Total		<u>435,211.88</u>	<u>504,115.16</u>
Total		<u>435,211.88</u>	<u>504,115.16</u>	Total		<u>435,211.88</u>	<u>504,115.16</u>

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

TRUST FUNDS
 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>
Developers' Escrow:				Developers' Escrow:			
Cash and Investments	B-1	12,678,705.91	12,815,154.81	Reserve for Encumbrances	B-1	41,660.38	36,362.05
Cash and Investments	B-1	3,982,219.43	5,234,643.36	Due to Water and Sewer Operating Fund	B-1	110,148.71	106,807.77
				Due to Water and Sewer Capital Fund	B-1	1,963.47	1,963.47
				Developers' Escrow Funds-Utility	B-1	3,870,107.25	5,125,872.12
				Developers' Escrow Funds	B-1	<u>12,637,045.53</u>	<u>12,778,792.76</u>
Total		<u>16,660,925.34</u>	<u>18,049,798.17</u>	Total		<u>16,660,925.34</u>	<u>18,049,798.17</u>
Self Insurance:				Self Insurance:			
Cash and Investments	B-1	486,302.34	652,251.81	Reserve for Encumbrances	B-1	34,774.30	42,789.78
Due from Current Fund	B-1	135,000.00		Reserve for Self Insurance	B-1	586,705.93	609,642.55
Due from Water Sewer operating	B-1	<u>177.89</u>	<u>180.52</u>				
Total		<u>621,480.23</u>	<u>652,432.33</u>	Total		<u>621,480.23</u>	<u>652,432.33</u>
Open Space Trust Fund:				Open Space Trust Fund:			
Cash and Investments	B-1	2,986,442.27	6,204,627.82	Reserve for Encumbrances	B-1	165,308.35	132,155.81
Due From General Capital	B-1	<u>107,867.49</u>		Reserve for Open Space	B-1	<u>2,929,001.41</u>	<u>6,072,472.01</u>
Total		<u>3,094,309.76</u>	<u>6,204,627.82</u>	Total		<u>3,094,309.76</u>	<u>6,204,627.82</u>
		<u>\$ 39,422,049.24</u>	<u>\$ 42,905,272.35</u>			<u>\$ 39,422,049.24</u>	<u>\$ 42,905,272.35</u>

See Notes to Financial Statements

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

		December 31,	
	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>			
Cash	C-2	\$ 5,621,228.56	\$ 6,172,527.35
Cash - affordable housing capital fund	C-2	1,643,096.85	1,625,265.77
Due from developer	C-4	111,846.50	-
Grants receivable	C-7	2,862,353.17	3,702,440.01
Due from trust - other fund	C	50,000.00	-
Deferred charges to future taxation:			
Funded	C-5	57,799,522.21	46,185,063.54
Unfunded	C-6	18,604,640.24	36,602,809.75
		<u>\$ 86,692,687.53</u>	<u>\$ 94,288,106.42</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Green trust loan program	C-15	\$ 83,863.87	\$ 98,149.96
General serial bonds	C-14	54,060,000.00	42,575,000.00
Bond anticipation notes	C-13	5,000,000.00	20,072,000.00
MCIA loan program	C-15	1,383,401.61	2,151,339.12
MCIA lease purchase agreements	C-15	2,272,256.73	1,360,574.46
Reserve for encumbrances	C-9	1,810,246.78	2,588,634.24
Improvement authorizations:			
Funded	C-9	6,102,518.92	3,648,248.43
Unfunded	C-9	13,498,203.36	18,504,091.69
Due to Open Space Trust	C-9	107,867.49	-
Reserve for receivables	Reserve	77,500.00	310,000.00
Reserve for affordable housing	C-8	1,643,096.85	1,625,265.77
Capital improvement fund	C-10	90,700.00	147,600.00
Miscellaneous reserves	C-11	158,752.88	547,990.68
Reserve for debt service	C-12	71,000.00	403,000.00
Fund balance	C-1	333,279.04	256,212.07
		<u>\$ 86,692,687.53</u>	<u>\$ 94,288,106.42</u>
Bonds and notes authorized but not issued (Exhibit C-16)		<u>\$ 13,604,640.24</u>	<u>\$ 16,532,909.75</u>

See Notes to the Financial Statements

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Balance, January 1	C	\$ 256,212.07	\$ 515,549.07
Increased by:			
Premium on Bond Anticipation Notes	C-2	48,800.00	240,663.00
Premium on Bonds	C-2	5,398.83	
Canceled Funded Improvement Authorizations	C-9	<u>272,868.14</u>	
		<u>583,279.04</u>	<u>756,212.07</u>
Decreased by:			
Appropriated to Budget Revenue	C-2, A-2	<u>250,000.00</u>	<u>500,000.00</u>
Balance, December 31	C	<u>\$ 333,279.04</u>	<u>\$ 256,212.07</u>

See Notes to the Financial Statements

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

WATER-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 BALANCES</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>
Operating Fund:				Operating Fund:			
Cash and Investments - Treasurer	D- 5	\$ 15,379,419.98	\$ 14,800,451.13	Liabilities:			
Due from Developer Escrow	D, D-5	110,148.71	106,807.77	Appropriation Reserves	D- 4, D-10	\$ 1,976,767.52	\$ 2,204,397.20
				Reserve for Encumbrances	D- 4, D-10	419,888.26	514,221.51
		<u>15,489,568.69</u>	<u>14,907,258.90</u>	Accounts Payable	D, D-5, D-10	184,592.35	179,976.14
				Various Reserves	D-9	230,785.34	271,841.42
				Due to Payroll	D, D-5	2,625.89	2,625.89
				Due to Water-Sewer Capital Fund	D	2,858,715.53	2,940,827.07
				Due to Trust Fund	D, D-5	136,655.95	161,488.15
Receivables and with Full Reserves:				Due to Unemployment Trust	D, D-5	20,000.00	20,000.00
Consumer Accounts Receivable	D-7	<u>1,274,853.77</u>	<u>1,063,714.10</u>	Due to Self Insurance Trust	D, D-5	177.89	180.52
		<u>1,274,853.77</u>	<u>1,063,714.10</u>	Accrued Interest Payable	D-8	601,337.70	591,238.59
				Bond Indenture Reserve	D-9	<u>2,291,000.00</u>	<u>2,291,000.00</u>
						8,722,546.43	9,177,796.49
				Reserve for Receivables	Reserve	1,274,853.77	1,063,714.10
				Fund Balance	D- 1	<u>6,767,022.26</u>	<u>5,729,462.41</u>
Total Operating Fund		<u>16,764,422.46</u>	<u>15,970,973.00</u>	Total Operating Fund		<u>16,764,422.46</u>	<u>15,970,973.00</u>
Capital Fund:				Capital Fund:			
Cash and Investments - Treasurer	D- 5	\$ 6,417,986.40	\$ 6,892,728.97	Serial Bonds Payable	D-17	\$ 37,435,000.00	\$ 31,490,000.00
Due from Current Fund	D	981,380.17	-	Bond Anticipation Note Payable	D-16	1,000,000.00	7,928,000.00
Due from Water-Sewer Operating Fund	D	2,858,715.53	2,940,827.07	Loans Payable - NJEIT	D-18	1,222,405.07	1,356,375.06
Due from Developer Escrow	D	1,963.47	1,963.47	Reserve for Encumbrances	D-13	1,538,891.50	1,443,106.59
Fixed Capital	D-11	147,338,667.37	147,338,667.37	Retainage Payable	D	42,058.50	42,058.50
Fixed Capital Authorized				Improvement Authorizations:			
and Uncompleted	D-12	<u>56,499,500.00</u>	<u>55,369,500.00</u>	Funded	D-13	5,865,637.25	4,422,303.47
				Unfunded	D-13	13,805,996.85	14,802,740.11
				Reserve for:			
				Capital Outlay	D-14	207,013.49	207,013.49
				Various Reserves	D, D-5	531,897.69	531,897.69
				Amortization	D	149,007,721.77	146,890,751.78
				Deferred Amortization	D	1,181,000.00	1,181,000.00
				Reserve for Debt Service	D	267,757.23	267,757.23
				Reserve for Bond Resolution	D-15	1,017,971.74	1,017,971.74
				Fund Balance	D-2	<u>974,861.85</u>	<u>962,711.22</u>
Total Capital Fund		<u>214,098,212.94</u>	<u>212,543,686.88</u>	Total Capital Fund		<u>214,098,212.94</u>	<u>212,543,686.88</u>
		<u>\$ 230,862,635.40</u>	<u>\$ 228,514,659.88</u>			<u>\$ 230,862,635.40</u>	<u>\$ 228,514,659.88</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2019 in the amount of \$13,777,515.00 and December 31, 2018 in the amount of \$13,647,515.00 (See Exhibit D-19).

See Notes to Financial Statements

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

WATER-SEWER 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>REF.</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
Fund Balance Utilized	D-3	\$ 1,300,000.00	\$ 1,577,040.00
Utility Service Charges	D-3	16,703,807.36	16,899,034.74
Miscellaneous Revenues	D-3	1,011,205.31	1,372,839.85
Non Budget Revenues		-	146.34
Other Credits to Income:			
Accounts Payable Canceled		-	1,619.90
Unexpend. Balance of Appropriation Reserves	D-10	<u>2,144,331.82</u>	<u>1,402,332.65</u>
Total Revenues		<u>21,159,344.49</u>	<u>21,253,013.48</u>
 <u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D-4	14,022,400.00	14,309,687.00
Capital Improvements	D-4	300,000.00	300,000.00
Debt Service	D-4	2,901,060.64	2,744,990.81
Deferred Charges and Statutory Expend.	D-4	695,000.00	650,000.00
Refund of Prior Year Revenues	D-5	<u>3,324.00</u>	<u>-</u>
Total Expenditures		<u>17,921,784.64</u>	<u>18,004,677.81</u>
Excess in Revenues		3,237,559.85	3,248,335.67
 <u>FUND BALANCE</u>			
Balance - January 1,	D	<u>5,729,462.41</u>	<u>5,058,166.74</u>
		8,967,022.26	8,306,502.41
Decreased by:			
Utilized as Anticipated Revenue	D-1	1,300,000.00	1,577,040.00
Appropriated in Current Fund Budget	D-5, A-2	<u>900,000.00</u>	<u>1,000,000.00</u>
Balance - December 31,	D	<u>\$ 6,767,022.26</u>	<u>\$ 5,729,462.41</u>

See Notes to Financial Statements

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

WATER-SEWER UTILITY CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	
Balance - January 1, 2019	D	\$ 962,711.22
Increased by:		
Premium on Sale of Bond Anticipation Notes	D-5	12,150.63
Balance - December 31, 2019	D	\$ 974,861.85

See Notes to Financial Statements

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	<u>2019</u> <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
Operating Surplus Anticipated	\$ 1,300,000.00	\$ 1,300,000.00	\$ -
Water-Sewer Utility Service Charges	15,720,000.00	16,703,807.36	983,807.36
Miscellaneous Revenues	<u>950,000.00</u>	<u>1,011,205.31</u>	<u>61,205.31</u>
	<u>\$ 17,970,000.00</u>	<u>\$ 19,015,012.67</u>	<u>\$ 1,045,012.67</u>
<u>Ref.</u>	D-4	D-1	

Analysis of Realized Revenues:

Analysis of Water-Sewer Utility Charges:

Service Charges- Residential and Commercial	\$ 10,784,613.41
Service Charges- Schools, Municipal, Institution	173,220.04
Service Charges- Fire Protection	1,101,278.95
Service Charges-Interlocals	849,397.93
Service Charges Connection Fees	1,957,318.61
Service Charges-Review and Inspection	365,576.65
Service Charges-Cell Tower Lease	414,934.79
Service Charges-Miscellaneous	<u>1,057,466.98</u>
	<u>\$ 16,703,807.36</u>

Analysis of Miscellaneous Revenues:

Developer Fees	\$ 671,618.50
Interest on Investments	325,338.48
Meter Purchase	5,400.00
Miscellaneous	<u>8,848.33</u>
	<u>\$ 1,011,205.31</u>

See Notes to Financial Statements

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

	<u>2019</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED</u> <u>BALANCE</u> <u>CANCELLED</u>
			<u>PAID OR</u> <u>CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
Operating:						
Salaries and Wages	\$ 3,759,300.00	\$ 3,759,300.00	\$ 3,578,430.54	\$ -	\$ 180,869.46	\$ -
Other Expenses	10,263,100.00	10,263,100.00	8,408,073.89	419,888.26	1,435,137.85	
Capital Improvements:						
Capital Outlay	300,000.00	300,000.00	4,335.50	-	295,664.50	
Debt Service:						
Payment of Bond Principal	1,365,000.00	1,365,000.00	1,365,000.00		-	-
Interest on Bonds	1,190,000.00	1,190,000.00	1,190,000.00		-	-
Interest on Notes	171,749.00	171,749.00	120,603.43		-	51,145.57
NJEIT 2012 Loan	166,870.00	166,870.00	166,476.21		-	393.79
Monroe Township MCIA Debt Service	58,981.00	58,981.00	58,981.00		-	
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	385,000.00	385,000.00	382,872.00		2,128.00	
Social Security System (O.A.S.I.)	300,000.00	300,000.00	247,032.29		52,967.71	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	10,000.00	10,000.00	-	-	10,000.00	
	<u>\$ 17,970,000.00</u>	<u>\$ 17,970,000.00</u>	<u>\$ 15,521,804.86</u>	<u>\$ 419,888.26</u>	<u>\$ 1,976,767.52</u>	<u>\$ 51,539.36</u>

Ref.

D-3

D-3

D

D

Disbursed

D-5

\$ 14,178,301.43

Accrued interest on notes

D-8

120,603.43

Interest on NJEIT Loan

D-8

32,900.00

Accrued interest on bonds

D-8

1,190,000.00

\$ 15,521,804.86

See Notes to Financial Statements.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS
 REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019 AND 2018

	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>
General Fixed Assets:		
Land	\$ 3,769,000.00	\$ 3,769,000.00
Land Improvements	4,495,603.75	4,495,603.75
Buildings	24,151,660.08	22,703,740.16
Equipment	<u>19,763,944.16</u>	<u>18,779,987.62</u>
Total General Fixed Assets	<u>\$ 52,180,207.99</u>	<u>\$ 49,748,331.53</u>
Investment in General Fixed Assets	<u>\$ 52,180,207.99</u>	<u>\$ 49,748,331.53</u>

See Notes to Financial Statements

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2019 AND 2018

Note 1: FORM OF GOVERNMENT

The Township is managed under the Faulkner Act form of government authorized under NJSA: 40:69A-31 et. seq. Voters elect the Township Council of five (5) members to staggered, four-year terms. The Mayor is the chief executive and is directly elected to a four-year term. The Township Council is the legislative body of the municipality. The Mayor appoints department heads with Council approval. By ordinance, the business administrator supervises administration of departments, subject to the Mayor's direction.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Description of Funds

The accounting policies of the Township of Monroe conform to the accounting principles applicable to municipalities that 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 Monroe accounts for its financial transactions through the following separate funds:

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

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purposes for which each reserve was created.

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.

Water and Sewer Utility Fund - resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Water and Sewer Utility.

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

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

C. Basis of Accounting and Measurement Focus

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 required by GAAP.

As indicated above, the basis of accounting utilized by New Jersey municipalities is as prescribed by the Division of Local Government Services. The basis of accounting for 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 other more significant differences are as follows:

Revenues – Revenues are recorded as received in cash except for statutory reimbursements and grant funds that 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 utility consumer charges are recorded with offsetting reserves within the Current Fund and Water and Sewer Utility Fund, respectively. Other amounts that are due to the Township, which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of utility consumer charges, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township "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 un-liquidated 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.

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

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

For the purpose 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 over-expenditures and emergency appropriations. Over-expenditures 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. Over-expenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet. GAAP does not permit the deferral of over-expenditures 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.

Compensated Absences - 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 (Utility) fund on a full accrual basis.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the governmental fixed asset account group at the lower of cost or fair market value.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the accounting period the receivables are liquidated. 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 cost of inventories is 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. Year-end balances of reserved proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

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

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

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 Utility Fund are recorded in their capital accounts at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund 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.

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 the Notes to the Financial Statements 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.

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.

Governmental Fixed Assets – New Jersey Administrative Code 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. Fixed assets used in governmental operations are accounted for in the Governmental Fixed Assets. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets, sidewalks and drainage systems are not capitalized. All fixed assets have been valued at cost or estimated historical cost if the actual cost is not available, except for land and buildings at January 1, 1996, which have been valued at the assessed value.

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 instruments.

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.

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

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

GASB issued Statement No. 88 “Certain Disclosures Relate to Debt, Including Direct Borrowings and Direct Placements” in April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB issued Statement No. 89 “Accounting for Interest Cost Incurred before the End of a Construction Period” in June 2018. The objectives of this Statement are (1) to 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. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

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. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

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. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

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

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

The Township does not prepare its financial statements in accordance with generally accepted accounting principles in the United States of America. The adoption of these new standards will not adversely affect the reporting on the Township's financial condition.

Use of Estimates – The preparation of the 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.

Water and Sewer Utility Fund – Effective February 1, 2009, pursuant to N.J.S.A. 40A:5A-20, the adoption of local ordinances and resolutions and the approval of the Local Finance Board, Department of Community Affairs, State of New Jersey, the Monroe Township Municipal Utilities Authority (MUA) was dissolved and its operations were absorbed by the Township of Monroe. The activity of the utility operations are recorded and reported within the Water and Sewer Utility Fund section of the Township's financial statements. The MUA, the previous entity, operated as a separate authority and reported its financial statements in accordance with accounting principles generally accepted in the United States. Upon this transition, the Township Water and Sewer Utility Fund reports its financial statements for the period February 1, 2009 through December 31, 2009, under the OCBOA form of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The primary differences between these accounting principles are as described above. In accordance with the establishment of the Water and Sewer Utility Fund, the Township converted the balance sheet reported by the MUA under the GAAP basis of accounting at January 31, 2009, to a balance sheet prepared by the Township as the Water and Sewer Utility Fund under the Township's OCBOA form of accounting as of February 1, 2009.

NOTES TO FINANCIAL STATEMENTS

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 is summarized as follows.

A. Summary of Municipal Debt for Capital Projects

	<u>2019</u>	<u>2018</u>
<u>Issued:</u>		
General:		
Serial Bonds	\$ 54,060,000.00	\$ 42,575,000.00
Bond Anticipation Notes	5,000,000.00	20,072,000.00
Green Acres Trust Loans	83,863.87	98,149.96
MCIA Loan and Lease Programs	3,655,658.34	3,511,913.58
Water - Sewer Utility:		
Serial Bonds	37,435,000.00	31,490,000.00
NJEIT Loans	1,222,405.07	1,356,375.06
Bond Anticipation Notes	<u>1,000,000.00</u>	<u>7,928,000.00</u>
Total Issued	<u>102,456,927.28</u>	<u>107,031,438.60</u>
Net Issued	<u>102,456,927.28</u>	<u>107,031,438.60</u>
 <u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	13,604,640.24	16,532,909.75
Water - Sewer Utility:		
Bonds and Notes	<u>13,777,515.00</u>	<u>13,647,515.00</u>
Total Authorized But Not Issued	<u>27,382,155.24</u>	<u>30,180,424.75</u>
Total Bonds and Notes Issued and Authorized but not Issued	<u><u>\$129,839,082.52</u></u>	<u><u>\$137,211,863.35</u></u>

NOTES TO FINANCIAL STATEMENTS

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

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

Summarized below are the Township's individual bond and loan issues which were outstanding at December 31, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
<u>General Debt:</u>		
<u>Serial Bonds and Bond Anticipation Notes:</u>		
\$30,075,000, General Obligation Bonds - 2012 serial bond issued 2012 with final maturity 2027, remaining interest rates at 2.00% to 3.00%	\$ 16,000,000.00	\$ 18,000,000.00
\$5,055,000, General Obligation Refunding Bonds - 2012 serial bond issued 2012 with final maturity 2019	-	820,000.00
\$28,235,000, General Obligation Bonds - 2013 serial bond issued 2013 with final maturity 2033, remaining interest rates at 2.25% to 3.00%	21,000,000.00	22,500,000.00
\$2,435,000, General Obligation Refunding Bonds - 2015 serial bond issued 2015 with final maturity 2021, remaining interest rates at 3.00% to 4.00%	840,000.00	1,255,000.00
\$16,220,000, General Obligation Bonds - 2019 serial bond issued 2019 with final maturity 2033, remaining interest rates at 3.00% to 5.00%	16,220,000.00	
\$20,072,000, General Capital Bond Anticipation Notes - 2018 issued 6/12/18, due on 6/11/19, interest 3.00%	-	20,072,000.00
\$5,000,000, General Capital Bond Anticipation Notes - 2019 issued 6/10/19, due on 6/10/20, interest 2.50%	5,000,000.00	
Subtotal - Bonds and Bond Anticipation Notes	59,060,000.00	62,647,000.00
<u>Loans:</u>		
\$796,721.23, MCIA Loan Program issued 9/30/14 with final maturity 2019 interest 1.50% to 3.00%	-	167,626.66
\$593,245.14, MCIA Loan Program issued 9/17/15 with final maturity 2020 interest 1.50% to 4.00%	126,211.59	247,568.89
\$1,272,775.86, MCIA Loan Program issued 9/26/16 with final maturity 2021 interest 2.00% to 4.00%	534,620.45	786,609.73
\$1,169,887.50, MCIA Loan Program issued 9/1/17 with final maturity 2022 interest 3.00%	722,569.57	949,533.84
MCIA Lease Program - Various - Item E	2,272,256.73	1,360,574.46
\$265,600.16, N.J. Green Trust Loan issued 1/11/05 with final maturity 2025 interest 2.000%	83,863.87	98,149.96
Subtotal - Loans	3,739,522.21	3,610,063.54
Subtotal - General Debt	62,799,522.21	66,257,063.54

NOTES TO FINANCIAL STATEMENTS

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

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

Summarized below are the Township's individual bond and loan issues which were outstanding at December 31, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
<u>Water and Sewer Utility Debt:</u>		
<u>Serial Bonds, Bond Anticipation Notes and Loans:</u>		
\$30,000,000, Water-Sewer Capital Revenue Bonds serial bond issued 2015 with final maturity 2039, remaining interest rates at 3.000% to 4.000%	\$ 26,625,000.00	\$ 27,550,000.00
\$4,750,000, Water-Sewer Revenue Refunding Bonds serial bond issued 2016 with final maturity 2026, interest rates at 2.000% to 4.000% & NIC of 1.926%	3,500,000.00	3,940,000.00
\$7,310,000, Water-Sewer Capital Revenue Bonds serial bond issued 2019 with final maturity 2038, remaining interest rates at 3.000% to 5.000%	7,310,000.00	
\$7,928,000, Water - Sewer Bond Anticipation Notes issued 6/12/18, due on 6/11/19, interest 3.000%		7,928,000.00
\$1,000,000, Water - Sewer Bond Anticipation Notes issued 6/10/19, due on 6/10/20, interest 2.500%	1,000,000.00	
\$1,060,000, NJ Environmental Infrastructure Trust Loan issued 2012 with final maturity 8/1/28 remaining interest rates at 3.000% to 5.000%	695,000.00	755,000.00
\$1,060,000, NJ Environmental Infrastructure Trust Loan issued 2012 with final maturity 8/1/28 remaining interest rates at 0.000%	<u>527,405.07</u>	<u>601,375.06</u>
Subtotal - Water and Sewer Utility Debt	<u>39,657,405.07</u>	<u>40,774,375.06</u>
Total Outstanding Debt	<u><u>\$102,456,927.28</u></u>	<u><u>\$107,031,438.60</u></u>

NOTES TO FINANCIAL STATEMENTS

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 net debt of:

<u>2019</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 109,840,000.00	\$ 109,840,000.00	\$ -
Water - Sewer Utility Debt	53,434,920.07	53,434,920.07	-
General Debt	<u>76,406,262.45</u>	<u>14,530,934.00</u>	<u>61,875,328.45</u>
	<u>\$ 239,681,182.52</u>	<u>\$ 177,805,854.07</u>	<u>\$ 61,875,328.45</u>

Net Debt \$ 61,875,328.45 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$ 9,112,338,543.00 = 0.68%

<u>2018</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 116,320,000.00	\$ 116,320,000.00	\$ -
Water - Sewer Utility Debt	54,421,890.06	54,421,890.06	-
General Debt	<u>82,789,973.29</u>	<u>17,208,240.00</u>	<u>65,581,733.29</u>
	<u>\$ 253,531,863.35</u>	<u>\$ 187,950,130.06</u>	<u>\$ 65,581,733.29</u>

Net Debt \$ 65,581,733.29 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$ 8,761,371,331.67 = 0.75%

The Township's Borrowing Power Under N.J.S.A. 40A:2-6 as Amended, at December 31, was as follows:

	<u>2019</u>	<u>2018</u>
3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$ 318,931,849.01 <u>61,875,328.45</u>	\$ 306,647,996.61 <u>65,581,733.29</u>
Remaining Borrowing Power	<u>\$ 257,056,520.56</u>	<u>\$ 241,066,263.32</u>

NOTES TO FINANCIAL STATEMENTS

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

B. Summary of Statutory Debt Condition – Annual Debt Statement (Cont'd.)

Calculation of “Self-Liquidating Purpose”
Water and Sewer Utility per N.J.S.A. 40A:2-45

The calculation of “Self-Liquidating Purpose” for the Water and Sewer Utility Fund per N.J.S.A. 40A:2-45 is as follows:

Cash Receipts From Fees, Rents or Other Charges for the year	<u>2019</u> \$ 19,015,012.67	<u>2018</u> \$ 19,849,060.93
Deductions:		
Operating and Maintenance Costs	14,717,400.00	14,959,687.00
Debt Service	<u>2,901,060.64</u>	<u>2,744,990.81</u>
Total Deductions	<u>17,618,460.64</u>	<u>17,704,677.81</u>
Excess in Revenue	<u>\$ 1,396,552.03</u>	<u>\$ 2,144,383.12</u>

The differences between the excess revenues for debt statement purposes and the statutory cash basis for the Water and Sewer Utility Fund is as follows:

Excess in Revenues - Cash Basis (D-1)	<u>2019</u> \$ 3,237,559.85	<u>2018</u> \$ 3,248,335.67
Add: Capital Improvements	300,000.00	300,000.00
Other Deductions	<u>3,324.00</u>	<u>-</u>
	3,540,883.85	3,548,335.67
Less: Unexpend. Balance of Appropriation Reserves	2,144,331.82	1,402,332.65
Accounts Payable Cancelled	<u>-</u>	<u>1,619.90</u>
Excess in Revenue	<u>\$ 1,396,552.03</u>	<u>\$ 2,144,383.12</u>

NOTES TO FINANCIAL STATEMENTS

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

C. Schedule of Annual Debt Service for Principal and Interest for the Bonded Debt Issued and Outstanding at December 31, 2019:

Calendar Year	General		Water - Sewer Utility*		Total
	Principal	Interest	Principal	Interest	
2020	\$ 4,545,000.00	\$ 1,987,745.00	\$ 1,595,000.00	\$ 1,618,865.00	\$ 9,746,610.00
2021	4,785,000.00	1,539,575.00	1,765,000.00	1,541,875.00	9,631,450.00
2022	4,405,000.00	1,373,450.00	1,795,000.00	1,478,025.00	9,051,475.00
2023	4,475,000.00	1,247,075.00	1,860,000.00	1,417,050.00	8,999,125.00
2024	4,495,000.00	1,120,637.50	1,930,000.00	1,358,300.00	8,903,937.50
2025	4,545,000.00	969,325.00	2,005,000.00	1,291,475.00	8,810,800.00
2026	4,590,000.00	810,950.00	2,065,000.00	1,228,125.00	8,694,075.00
2027	4,615,000.00	656,400.00	1,910,000.00	1,180,450.00	8,361,850.00
2028	2,660,000.00	505,900.00	1,910,000.00	1,119,050.00	6,194,950.00
2029	2,685,000.00	324,000.00	1,910,000.00	1,057,650.00	5,976,650.00
2030	2,730,000.00	349,350.00	1,910,000.00	998,300.00	5,987,650.00
2031	2,750,000.00	267,150.00	1,910,000.00	941,000.00	5,868,150.00
2032	2,760,000.00	184,500.00	1,910,000.00	883,700.00	5,738,200.00
2033	2,760,000.00	101,700.00	1,910,000.00	824,525.00	5,596,225.00
2034	1,260,000.00	18,900.00	1,910,000.00	765,350.00	3,954,250.00
2035	-	-	1,910,000.00	704,300.00	2,614,300.00
2036	-	-	1,910,000.00	643,250.00	2,553,250.00
2037	-	-	1,910,000.00	582,200.00	2,492,200.00
2038	-	-	1,910,000.00	519,275.00	2,429,275.00
2039	-	-	1,500,000.00	52,500.00	1,552,500.00
Total	<u>\$ 54,060,000.00</u>	<u>\$ 11,456,657.50</u>	<u>\$ 37,435,000.00</u>	<u>\$ 20,205,265.00</u>	<u>\$ 123,156,922.50</u>

The details of the Township financing are contained within the supplementary schedules section included within this report.

*Includes Water-Sewer Refunding bonds issued 2/10/16

As described previously within the Notes to the Financial Statements, effective February 1, 2009, the Township dissolved the Monroe Township Utilities Authority and created a Municipal Water and Sewer Utility. In connection with this transition, the Water and Sewer Utility assumed the responsibility for the MUA's previously issued debt. Pursuant to the 1977 General Bond Resolution, certain reserves are required to be maintained until the bonds are retired.

D. Loan Agreements

Loan Agreements – Middlesex County Improvement Authority

The Township has entered into various financings with the Middlesex County Improvement Authority for improvement programs. The improvement programs are financed through debt issued by the Middlesex County Improvements Authority. During the year ended December 31, 2019, the Township made payments to the Middlesex County Improvement Authority with respect to the loan improvement programs in the amount of \$767,937.51.

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

D. Loan Agreements (Cont'd.)

New Jersey Green Trust Loan

The Township has contracted for the funding of Ballfield Improvements through the N.J. Green Trust Loan Program in the amount of \$265,600.16. Pursuant to the provisions of N.J.S.A. 40A:2-1 et seq. the loan principal in the amount of \$83,863.87 and \$98,149.96 at December 31, 2019 and 2018 has been included in the calculation of the Township's statutory debt condition.

Schedule of Annual Debt Service for Principal and Interest for the Loan Agreements Issued and Outstanding at December 31, 2019

Calendar Year	MCIA Loans		NJ Green Trust		Total
	Principal	Interest	Principal	Interest	
2020	\$ 622,053.64	\$ 52,384.17	\$ 14,573.25	\$ 1,604.77	\$ 690,615.83
2021	513,337.99	26,704.42	14,866.18	1,311.86	556,220.45
2022	248,009.98	7,440.30	15,164.98	1,013.04	271,628.30
2023			15,469.80	708.22	16,178.02
2024	-	-	15,780.75	397.29	16,178.04
2025	-	-	8,008.91	80.09	8,089.00
Total	<u>\$ 1,383,401.61</u>	<u>\$ 86,528.89</u>	<u>\$ 83,863.87</u>	<u>\$ 5,115.27</u>	<u>\$ 1,558,909.64</u>

The payment schedules for the respective loan agreements are set forth in the General Capital section of this report.

E. Lease Agreements – Middlesex County Improvement Authority

The Township has entered into various lease/purchase agreements with the Middlesex County Improvement Authority for capital equipment. During the year ended December 31, 2019, the Township made principal lease payments in the amount of \$287,309.73. The lease payment schedules for the respective lease agreements are set forth in the General Capital section of this report. The following is a combined schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at December 31, 2019.

Year Ended December 31:	
2020	\$ 592,292.62
2021	567,806.26
2022	552,747.23
2023	537,196.98
2024	268,031.28
Total minimum lease payments	<u>2,518,074.37</u>
Less amount representing interest	<u>245,817.64</u>
Present value of future minimum lease payments	<u>\$ 2,272,256.73</u>

As a result of legislation that impacted and provided for limitations on increases in tax levy amounts (P.L. 2007, c62), the characterization of certain lease payment obligations have been modified as of July 1, 2007. As of and subsequent to that date, any lease obligations that involve asset acquisitions or projects with estimated lives of five (5) years or greater, those obligations due to the conduit issuer are to be classified as debt, in accordance with debt authorized under N.J.S.A. 40A:2-3 et seq. Lease obligations issued with respect to assets with estimated useful lives of less than five years and all lease obligations issued prior to July 1, 2007, are not considered debt of the local unit.

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

F. Loan Agreements

Department of Environmental Protection Environmental Infrastructure Loans

The Township has contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred for improvements to wells 17 and 19. Total final loan amount was \$2,612,985 which included \$522,595 of Principal Forgiveness. Information relating to these loans is as follows:

	<u>Loan #1</u>	<u>Loan #2</u>
Drawn Down Date	11/21/2016	11/21/2016
Final Loan Amount	\$1,060,000.00	1,183,520.00
Interest Rates	Various	0.00%
Due Dates	Aug. 1 & Feb. 1	Feb. 1 & Aug. 1
Number of Payments	19	19
Final Payment Date	08/01/28	08/01/27

Pursuant to the provisions of N.J.S.A. 40A:2-1 et seq. the combined outstanding principal of these loans has been included in the calculation of the Township's statutory debt condition within the Water and Sewer Utility.

Schedule of Annual Debt Service for Principal and Interest for the NJEIT Debt Issued and Outstanding at December 31, 2019:

<u>Calendar Year</u>	<u>Fund Loan</u>	<u>Trust Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$ 73,969.99	\$ 65,000.00	\$ 31,150.00	\$ 170,119.99
2021	73,969.99	65,000.00	27,900.00	166,869.99
2022	73,969.99	70,000.00	24,650.00	168,619.99
2023	73,969.99	75,000.00	21,150.00	170,119.99
2024	73,969.99	75,000.00	17,400.00	166,369.99
2025	73,969.99	80,000.00	13,650.00	167,619.99
2026	73,969.99	85,000.00	9,650.00	168,619.99
2027	9,615.14	90,000.00	5,400.00	105,015.14
2028	-	90,000.00	2,700.00	92,700.00
Total	<u>\$527,405.07</u>	<u>\$ 695,000.00</u>	<u>\$ 153,650.00</u>	<u>\$1,376,055.07</u>

The details of the Township financings are contained within the supplementary schedules section included within this report.

NOTES TO FINANCIAL STATEMENTS

Note 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective funds for the succeeding years were as follows:

	<u>Fund Balance</u> <u>Dec. 31, 2019</u>	<u>Utilized in</u> <u>Succeeding Budget</u>	<u>Utilized in</u> <u>Current Budget</u>
Current Fund	\$ 10,485,209.14	\$ 9,900,000.00	
Water-Sewer Utility Fund	6,767,022.26	1,500,000.00	\$ 1,900,000.00

	<u>Fund Balance</u> <u>Dec. 31, 2018</u>	<u>Utilized in</u> <u>Succeeding Budget</u>	<u>Utilized in</u> <u>Current Budget</u>
Current Fund	\$ 12,185,835.52	\$ 8,950,000.00	N/A
Water-Sewer Utility Fund	5,729,462.41	1,300,000.00	\$ 900,000.00

Note 5: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019 and 2018, the Township of Monroe had the following deferred charges to be raised in succeeding budgets:

	<u>2019</u>	<u>2018</u>
Special Emergency – (40A:4-53): Master Plan	\$ 70,000.00	\$ 105,000.00

Note 6: 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.

Note 6: DEPOSITS AND INVESTMENTS (CONT'D.)

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.

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

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 88,477,079.52	\$ 94,614,271.37
Change Funds (On-Hand)	<u>900.00</u>	<u>900.00</u>
Total	<u>\$ 88,477,979.52</u>	<u>\$ 94,615,171.37</u>

Based upon GASB criteria, the Township considers change funds, cash in banks and investments in certificates of deposit as cash and cash equivalents. At December 31, 2019, the carrying amount of the Township's deposits and investments was \$87,274,816.44 and the amount on deposit was \$88,477,079.52. As of December 31, 2019, with respect to Custodial Credit Risk for Township, the amounts reported were as follows; \$2,250,000.00 was covered by the Federal Depository Insurance Corporation and \$86,227,079.52 was considered covered under the provisions of NJGUDPA.

The Township has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposits and Investment Risk Disclosures" (GASB 40) and accordingly the Township has assessed the Custodial Risk, the Concentration of Credit Risk and Interest Rate Risk of its cash and investments.

- (a) Custodial Credit Risk – The Township's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but no in the depositor-governments name. The deposit risk is that, in the event of the failure of a depository financial institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Township's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either: the counterparty or the counterparty's trust department or agent but not in the Township's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the Township will not be able to recover the value of the investment or collateral securities that in possession of an outside party.
- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments that Township has with any one issuer that exceeds 5 percent or more of its total investments. Investment issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

Note 6: DEPOSITS AND INVESTMENTS (CONT'D.)

- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

In general, the Township does not have an investment policy regarding Credit Risk except to the extent outlined under the Township’s investment policy. The New Jersey Cash Management Fund is not rated.

- (d) Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

The Township does not have a deposit policy for custodial risk. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks (FDIC and NJGUDPA coverage’s) for its deposits and investments; concentration of credit risks and interest rate risks for its investments; nor is it exposed to foreign currency risks for its deposits and investments.

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. 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;

Note 6: DEPOSITS AND INVESTMENTS (CONT'D.)

- 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.

Note 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Local School District and County 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 Tax Collector on or before May 13th.

Tax bills are prepared and mailed by the Collector of Taxes 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 New Jersey Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% may 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 8: FIXED ASSETS

The Township's fixed assets are reported as follows:

	Balance <u>Dec. 31, 2018</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>Dec. 31, 2019</u>
Land	\$ 3,769,000.00			\$ 3,769,000.00
Land Improvement	4,495,603.75			4,495,603.75
Buildings	22,703,740.16	\$ 1,447,919.92		24,151,660.08
Machinery & equipment	18,779,987.62	983,956.54		19,763,944.16
	<u>\$49,748,331.53</u>	<u>\$ 2,431,876.46</u>	<u>\$ -</u>	<u>\$52,180,207.99</u>

Note 9. 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) and the Police and Firemen's Retirement System (PFRS), 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 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 Employees' Retirement System (PERS) - The Public Employees' 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 local jurisdiction's pension fund.

Note 9. PENSION PLANS (CONT'D.)

A. Public Employees' Retirement System (PERS) (Cont'd.)

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

	<u>2019</u>	<u>2018</u>
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	<u>252,598</u>	<u>254,780</u>
Total	<u>431,955</u>	<u>430,273</u>
Contributing Employers	1,697	1,708

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 payrolls for all employees were \$31,685,604 and \$30,401,395, respectively. Total PERS covered payrolls were \$16,918,954 and \$15,969,979, respectively. Covered payroll refers to all 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. Pursuant to the provisions of P.L. 2011, C. 78, 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' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended December 31, 2019 and 2018 were \$2,209,211 and \$2,019,115, respectively. Township Contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contribution requirements were calculated.

Note 9. PENSION PLANS (CONT'D.)

A. Public Employees' Retirement System (PERS) (Cont'd.)

Township payments to PERS for the years ending December 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Normal Cost	\$267,212	\$255,249
Amortization of Accrued Liability	<u>1,773,862</u>	<u>1,589,506</u>
Total Pension	2,041,074	1,844,755
NCGI Premiums	<u>97,230</u>	<u>94,526</u>
Total Regular Billing	2,138,304	1,939,281
LTD Expense	7,828	16,606
Additional Billings:		
ERI	<u>63,079</u>	<u>63,228</u>
Total PERS Payment	<u>\$2,209,211</u>	<u>\$2,019,115</u>

Ch. 19, P.L. 2009 billings reflect the recoupment of the 50% deferral of normal and accrued liability costs due on April 1, 2009. The law set a fifteen-year repayment schedule for the deferred amount, with additional annual adjustments to reflect the return on investment of actuarial net assets of the plan on deferred principal balances.

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.

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

Note 9. PENSION PLANS (CONT'D.)

A. Public Employees' Retirement System (PERS) (Cont'd.)

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

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 liability of \$18,018,482,972 for its Non-State Employer Member Group. The Township’s proportionate share of the net pension liability for the Non-State Employer Group that is attributable to the Township was \$40,623,718 or 0.225456%. At June 30, 2018, the PERS reported a liability of \$19,689,501,539 for its Non-State Employer Member Group. The Township’s proportionate share of the net pension liability for the Non-State Employer Group that is attributable to the Township was \$42,327,453 or 0.214975%.

Actuarial Assumptions- The collective total 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. This actuarial valuation used the following actuarial assumptions:

Price	2.25%
Wage	3.25%
Salary Increases: Through 2026	2.00-6.00% Based on years of service
Thereafter	3.00-7.00% Based on years of service
Investment rate of return	7.00%

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, and 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 Employee mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 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.

Note 9. PENSION PLANS (CONT'D.)

A. Public Employees' Retirement System (PERS) (Cont'd.)

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.

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<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%
US 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%	

Discount Rate – The discount rate used to measure the total pension liabilities of PERS was 6.28% as of June 30, 2019. 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.

Note 9. PENSION PLANS (CONT'D.)

A. Public Employees' Retirement System (PERS) (Cont'd.)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate – The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease <u>(5.28%)</u>	At current discount rate <u>(6.28%)*</u>	At 1% increase <u>(7.28%)</u>
State	\$26,475,719,181	\$23,012,420,340	\$20,102,167,445
Local	<u>22,918,608,260</u>	<u>18,143,832,135</u>	<u>14,120,406,763</u>
PERS Plan Total	<u>\$49,394,327,441</u>	<u>\$41,156,252,475</u>	<u>\$34,222,574,208</u>
Township's proportionate share of the net pension liability	<u>\$51,314,357</u>	<u>\$40,623,718</u>	<u>\$31,615,340</u>

*Local Share includes \$125,349,163 of Special Funding Situation allocated to the State of NJ as a non-employer.

Components of Net Pension Liability – The components of the net pension liability for PERS, including the State of New Jersey, at June 30, 2019 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$29,512,766,255	\$41,491,463,886	\$71,004,230,141
Plan Fiduciary Net Position	<u>6,500,345,915</u>	<u>23,347,631,751</u>	<u>29,847,977,666</u>
Net Pension Liability	<u>\$23,012,420,340</u>	<u>\$18,143,832,135</u>	<u>\$41,156,252,475</u>

At December 31, 2019, the Township's deferred outflow of resources and deferred inflow of resources related to PERS were from the following sources, if GASB 68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 729,143	\$ 179,458
Change in assumptions	4,056,427	14,100,364
Net difference between projected and actual earnings on pension plan investments		641,261
Changes in proportion and differences between Township Contributions and proportionate share of contributions	3,648,942	44,951
Township contributions subsequent to the measurement date	<u>2,209,211</u>	
Total	<u>\$ 10,643,723</u>	<u>\$ 14,966,034</u>

Note 9. PENSION PLANS (CONT'D.)

A. Public Employees' Retirement System (PERS) (Cont'd.)

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – \$2,209,211 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions would be recognized in pension expense as follows:

<u>Year ending</u>	<u>Amount</u>
2020	\$ (188,315)
2021	(2,654,146)
2022	(2,537,448)
2023	(1,065,444)
2024	<u>(86,169)</u>
Total	<u>\$ (6,531,522)</u>

Changes in Proportion - The previous amounts include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57 and 5.72 years for the 2019, 2018, 2017, 2016, and 2015 amounts, respectively.

Additional Information

Collective balances at June 30, 2019

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	0.225455818%

State Contribution Payable Dates

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. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

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.

Note 9. PENSION PLANS (CONT'D.)

B. Police and Firemen’s Retirement System (PFRS) - 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 or 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:

	<u>2019</u>	<u>2018</u>
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	<u>42,295</u>	<u>41,517</u>
 Total	 <u>86,904</u>	 <u>85,311</u>
 Contributing Employers	 584	 586
Contribution Non-employers	1	

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 payrolls for all employees were \$31,685,604 and \$30,401,395, respectively. Total PFRS covered payrolls were \$7,761,753 and \$7,099,193, respectively. Covered payroll refers to pensionable or base compensation paid by the Township to active employees covered by the Plan.

Note 9. PENSION PLANS (CONT'D.)

B. Police and Firemen's Retirement System (PFRS) (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 was 10.0% in State fiscal year 2018. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended December 31, 2019 and 2018 were \$1,937,772 and \$1,741,037, respectively. Township Contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contribution requirements were calculated. Township payments to PFRS for the years ending December 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Normal Cost	\$ 581,985	\$ 518,313
Amortization of Accrued Liability	<u>1,260,971</u>	<u>1,131,799</u>
Total Pension	1,842,956	1,650,112
NCGI Premiums	<u>73,903</u>	<u>70,551</u>
Total Regular Billing	1,916,859	1,720,663
Additional Billings:		
ERI	<u>20,913</u>	<u>20,374</u>
Total PFRS Payment	<u>\$ 1,937,772</u>	<u>\$ 1,741,037</u>

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

The following represents the membership tiers for PFRS:

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

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.

Note 9. PENSION PLANS (CONT'D.)

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

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 fiscal period in which such payments will become due and payable.

At June 30, 2019, the PFRS reported a net pension liability of \$12,237,818,793 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 \$25,189,089 or 0.205821%. At June 30, 2018, the PFRS reported a net pension liability of \$13,531,648,591 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 \$26,531,308 or 0.196069%.

Actuarial Assumptions- The collective total 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. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.27%
Wage	3.25%
Salary Increases:	
Through all future years	3.25-15.25%
	Based on years of service
Investment rate of return	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 a 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 a 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.

Note 9. PENSION PLANS (CONT'D.)

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

In accordance with State statute, the long-term expected rate of return on 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 and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

<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%
US 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%	

Discount Rate - The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. 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 and the nonemployer contributing entity 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.

Note 9. PENSION PLANS (CONT'D.)

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate – The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease <u>(5.85%)</u>	At current discount rate <u>(6.85%)*</u>	At 1% increase <u>(7.85%)</u>
State	\$ 4,914,378,549	\$ 4,201,687,763	\$ 3,612,283,063
Local	<u>19,152,938,066</u>	<u>14,170,193,618</u>	<u>10,046,254,662</u>
PFRS Plan Total	<u>\$24,067,316,615</u>	<u>\$18,371,881,381</u>	<u>\$13,658,537,725</u>
Township's proportionate share of the net pension liability	<u>\$34,046,469</u>	<u>\$25,189,089</u>	<u>\$17,858,331</u>

*Local Share includes \$1,932,374,825 of Special Funding Situation allocated to the State of NJ as a non-employer.

Components of Net Pension Liability – The components of the net pension liability for PFRS, including the State of New Jersey, at June 30, 2019 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 5,682,770,577	\$40,481,531,749	\$46,164,302,326
Plan Fiduciary Net Position	<u>1,481,082,814</u>	<u>26,311,338,131</u>	<u>27,792,420,945</u>
Net Pension Liability	<u>\$ 4,201,687,763</u>	<u>\$14,170,193,618</u>	<u>\$18,371,881,381</u>

At December 31, 2019, the Township's deferred outflow of resources and deferred inflow of resources related to PFRS were from the following sources, if GASB 68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 212,620	\$ 159,470
Change in assumptions	863,081	8,140,560
Net difference between projected and actual earnings on pension plan investments		341,290
Changes in proportion and differences between Township Contributions and proportionate share of contributions	2,971,660	3,001
Township contributions subsequent to the measurement date	<u>1,937,772</u>	
Total	<u>\$ 5,985,133</u>	<u>\$ 8,644,321</u>

Note 9. PENSION PLANS (CONT'D.)

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

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – \$1,937,772 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions would be recognized in pension expense if the financial statements were prepared in accordance with generally accepted accounting principles as follows:

<u>Year ending</u>	<u>Amount</u>
2020	\$ (237,838)
2021	(1,744,748)
2022	(1,509,493)
2023	(747,041)
2024	<u>(357,840)</u>
Total	<u>\$ (4,596,960)</u>

Changes in Proportion - The previous amounts include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.92, 5.73, 5.59, 5.58, and 5.53 years for the 2019, 2018, 2017, 2016 and 2015 amounts, respectively.

Additional Information

Collective balances at June 30, 2019

Collective deferred outflows of resources	\$1,198,936,924
Collective deferred inflows of resources	4,874,748,912
Collective net pension liability – Local group	14,170,193,818
 Township's Proportion	 0.2058217197%

State Contribution Payable Dates

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. As such, contributions are assumed to be made on a quarterly basis.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

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.

Note 9. PENSION PLANS (CONT'D.)

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

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 these 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 year ended June 30, 2019 was \$130,202,000. The portion of that contribution allocated to the Township was \$267,984 or 0.2058217197%. The State special funding situation pension expense of \$224,526,138 at June 30, 2019 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 \$462,124 and \$3,977,247, respectively.

C. Defined Contribution Retirement System (DCRP)

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 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 TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF 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 TPAF 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.

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.

Note 9. PENSION PLANS (CONT'D.)

C. Defined Contribution Retirement System (DCRP) (Cont'd.)

For the year ended December 31, 2019 and 2018, the Township's total payrolls for all employees were \$31,685,604 and \$30,401,395, respectively. Total DCRP covered payrolls were \$782,123 and \$720,469, respectively. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan. Township and employee contributions to the DCRP for the year ended December 31, 2019 were \$23,464 and \$43,017, respectively and for the year ended December 31, 2018 were \$21,614 and \$39,626, respectively.

D. Cumulative PERS and PFRS Deferred Outflows of Resources and Deferred Inflows of Resources

	<u>Net Pension Liability</u>	<u>Deferred Outflow</u>	<u>Deferred Inflows</u>	<u>Total Pension Expense</u>
PERS	\$ 40,623,718	\$ 10,643,723	\$14,966,034	\$ 2,959,927
PFRS	<u>25,189,089</u>	<u>5,985,133</u>	<u>8,644,321</u>	<u>3,353,127</u>
Total	<u>\$ 65,812,807</u>	<u>\$ 16,628,856</u>	<u>\$23,610,355</u>	<u>\$ 6,313,054</u>

Note 10: POST-RETIREMENT HEALTH CARE BENEFITS

The Township provides medical, prescription drug and Medicare Part B reimbursement to retirees and their covered dependents, in accordance with applicable resolutions and collective bargaining agreements. The Township maintains a single-employer, defined benefit health plan with benefits provided through insurance carriers and by third party claims administrators. All active employees who retire from the Township and meet the eligibility criteria receive these benefits.

The Township currently funds the costs to provide postemployment benefits on a pay-as-you-go basis. The Township establishes and has the power to amend benefits and contribution obligations, subject to collective bargaining agreements.

Based upon the requirements set forth by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, the Township's reporting obligation is to issue standalone financial statements, prepared on a GAAP basis. With respect to the Authority, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after June 15, 2017, which supersedes GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and which was implemented by the Township during the year ended December 31, 2018, requires the reporting of annual post-employment benefit (OPEB) cost (expense) on a full accrual basis, including the amortization of unfunded accrued liability, as opposed to the other comprehensive basis of accounting (OCBOA) reporting requirements imposed by the Division of Local Government Services for Counties and Municipalities, which requires note disclosure only for OPEB costs. As such, under OCBOA standards, the Township's unrestricted net assets would be increased by the amount of OPEB costs accrued at each balance sheet date.

The Township's annual post-employment benefit (OPEB) cost (expense) is calculated based on amounts actuarially determined in accordance with the parameters of GASB Statement 75.

Note 10: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health-care cost trend. Amounts determined regarding the funded status of the plan and the annual contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Employees covered by benefit terms

At December 31, 2018, the following employees were covered by the benefit terms:

Active employees	283
Retirees and surviving spouses	85
	<u>368</u>

Summary of Post-Retirement Welfare (Health) Benefits

A. Eligibility

Post-retirement medical benefits are provided to bargained and non-bargained employees who:

- Retired with 25 or more years of service in the Public Employees Retirement System (PERS) or the Police and Firemen’s Retirement System (PFRS) and have at least 15 years of service to the Township if non-bargained or at least 25 years of service to the Township if bargained;
- Retire under a disability retirement in the PERS or PFRS and have at least 15 years of service to the Township.

B. Health Benefits

Major medical and hospitalization benefits are provided through the Horizon NJ Health Direct Access Plan.

Prescription drug coverage is provided through the Horizon NJ Health Direct Access plan with co-payments of \$5 Generic and \$15 Brand Name. Supplemental coverage is provided to certain grandfathered retirees with \$2/\$4 co-pays.

C. Dental and Vision

No dental or vision benefits are provided to retirees.

D. Survivor Medical Benefits

In the event of the death of an active employee with 25 or more years of service, medical and prescription drug coverage is provided for the lifetime of the surviving spouse and to age 26 for dependents.

Note 10: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

Summary of Post-Retirement Welfare (Health) Benefits (Cont'd.)

E. Contributions

Current retirees, dependents and survivors are not required to contribute toward the cost of the post-retirement medical and prescription drug coverage. All costs are paid 100% by the Township.

Any employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS as of June 28, 2011, shall be required to contribute toward the cost of post-retirement healthcare benefits. The retiree contributions are based on a percentage of the post-retirement healthcare cost. The contribution percentages vary based on healthcare coverage tier and amount of PERS or PFRS pension amounts, pursuant to the requirement of P.L. 2011 c. 78 (Chapter 78).

F. Medicare

The Township reimburses Medicare Part B premium charges for retirees and their dependents who met the eligibility rules in Section A above. Any Medicare Part D subsidy for which the Township may be eligible is not considered in this valuation. The accounting treatment for the Retiree Drug Subsidy is defined under GASB Technical Bulletin No. 2006-1.

G. Death Benefits

There are no death benefits paid to retirees by the Township.

Change in the Total OPEB Liability

	<u>2019</u>	<u>2018</u>
Balance - beginning of year	\$ 155,095,238	\$ 169,634,059
Changes for the year:		
Service cost	5,227,760	4,932,058
Interest cost	6,526,088	6,070,541
Benefit payments	(2,300,242)	(2,244,200)
Actuarial assumption changes	21,239,835	(23,691,900)
Actuarial demographic (gain) or loss	<u>394,680</u>	<u>394,680</u>
Net changes	<u>30,693,441</u>	<u>(14,538,821)</u>
Balance - end of year	<u>\$ 185,788,679</u>	<u>\$ 155,095,238</u>

NOTES TO FINANCIAL STATEMENTS

Note 10: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

Changes in plan fiduciary net position during year

	<u>2019</u>	<u>2018</u>
Balance - beginning of year	\$ -	\$ -
Changes for the year:		
Employer contributions	2,300,242	2,244,200
Benefit payments	<u>(2,300,242)</u>	<u>(2,244,200)</u>
Net changes	<u>-</u>	<u>-</u>
Balance - end of year	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability at end of year	<u>\$ 185,788,679</u>	<u>\$ 155,095,238</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%
Covered-employee payroll	\$ 22,951,325	\$ 22,282,838
Total OPEB liability as a percentage of covered-employee payroll	809.49%	696.03%

Total employer contributions for the retiree plan were for benefit payments and there were no fiduciary plan assets at the beginning or end of the year.

Benefit assumptions are based upon blended plan rates to produce annual composite rates. The monthly per capita claims cost for post-65 Medicare Part B premium reimbursements is \$135.50. Salary increases are scheduled at 3% per year. Retiree contributions assumes the cost for current Premium Free retirees and their dependents is 100% paid by the Township Administration prior to the application of Chapter 78. Direct Bill retirees and their dependents pay 100% of the costs to continue medical coverage.

In accordance with Local Finance Notice 2007-15 issued by the New Jersey Department of Community Affairs, the Township demographic and health care assumptions utilized are consistent with the assumptions used by the New Jersey Division of Pensions and Benefits and the State Health Benefits Plan as reported in their July 1, 2016 Actuarial Valuation to value the GASB obligations.

Changes since prior valuation – The mortality assumption was revised from the RP-2014 (headcount-weighted) with Scale MP-2018 to the PUB-2010 (headcount-weighted) with Scale MP-2019 to reflect the latest mortality study published by the Society of Actuaries and the discount rate was decreased from 4.1% to 2.75% to reflect current market rates.

The assumptions for the plan used the “20-Bond GO Index” to establish a discount rate of 3.50% at December 31, 2017, 4.10% at December 31, 2018, and 2.75% at December 31, 2019. Inflation is assumed at 2.5% per year.

NOTES TO FINANCIAL STATEMENTS

Note 10: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

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 was calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate:

	1% Decrease <u>1.75%</u>	Current Rate <u>2.75%</u>	1% Increase <u>3.75%</u>
Total OPEB liability	\$233,593,698	\$185,788,679	\$150,167,894

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate

The following represents 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-percent-point lower or 1-percent-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$144,990,203	\$185,788,679	\$242,957,603

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At December 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual demographic experience	\$ 263,120	\$ -
Change in assumptions	<u>21,918,069</u>	<u>15,794,600</u>
Total	<u>\$ 22,181,189</u>	<u>\$ 15,794,600</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB would be recognized in OPEB expenses had the Township followed generally accepted accounting principles as follows:

Year ended December 31,

2020	\$ (116,820)
2021	(116,820)
2022	(116,820)
2023	(1,227,891)
2024	<u>2,654,979</u>
Total	<u>\$ 1,076,628</u>

Note 10: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

The actuarial cost method used to determine the GASB 75 plan's cost is the Entry Age Normal Cost Method. Under the entry age normal cost method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The Service Cost is the portion of this actuarial present value allocated to a valuation year. The Total Pension Liability is the portion of this actuarial present value not provided for at the valuation date by the actuarial present value of future service costs. The plan is currently unfunded.

Note 11: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost of such unpaid sick and vacation pay would approximate \$3,144,196 and \$3,108,796 for 2019 and 2018, respectively. This amount represents the current value of all accumulations, and is not intended to portray amounts that would be recorded under GAAP. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriations.

Note 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; natural disasters; workers. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur.

Effective August 1, 2010, the Township joined the Middlesex County Joint Insurance Fund (MCJIF) covering risk of loss. The MCJIF, 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. Payments to the MCJIF are calculated by the MCJIF's governing board based upon actuarial and budgetary requirements. Each participant in the MCJIF is jointly and severally obligated for any deficiency in the amount available to pay all claims. At December 31, 2017, the most recent report made available, the MCJIF reported for all years combined, total assets of \$19,726,709; liabilities and reserves of \$43,180,360; which includes case reserves of \$13,770,742 and IBNR of \$28,804,089 and a deficit fund balance for all years of \$24,881,465. The Township exited the MCJIF effective December 31, 2018. Upon exiting the MCJIF, the possibility exists for a contingent liability based upon any fund year deficits that may be allocated to the Township. The amount of any residual assessment is not known as of the date of this report.

Effective January 1, 2019, the Township joined the Garden State Municipal Joint Insurance Fund (GSMJIF) covering risk of loss. At December 31, 2019, the most recent report made available, the GSMJIF reported for all years combined, total assets of \$57,285,513; liabilities and reserves of \$57,856,093; which includes case reserves of \$38,911,571 and IBNR of \$18,415,501 and a deficit fund balance for all years of \$570,580.

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 Township is billed quarterly for amounts due to the State.

Note 13: DEFERRED COMPENSATION

The Township has instituted a Deferred Compensation Plan 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 has engaged a private contractor to administer the plan.

Note 14: TAX APPEALS

There are 15 direct tax appeals pending, requesting a reduction of assessed valuation for 2019 and prior years, of which 3 are considered to be small claim appeals and 12 non-small claim appeals. The aggregate assessed valuation of the properties under appeal totals \$117,518,300. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement. The Township has established a reserve for tax appeals that is funded by either budget appropriations or charges to the current year Current Fund operations. To the extent tax appeals exceed the amount of reserves established, appeals may be funded from the Township's tax levy, direct charges to the Township's operations or through the issuance of refunding bonds per N.J.S.A. 40A:2-51.

Note 15: 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. The exemptions provided by the Township are predominately for affordable housing projects. 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 did not have any PILOT programs during 2019.

Note 16: INTERFUNDS

The following interfund balances were on the balance sheets of the respective funds at December 31, 2019:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ -	\$ 1,688,286.79
Grant Fund	571,906.62	-
Trust - Other	146,646.15	50,000.00
Unemployment Trust	20,000.00	-
Developers' Escrow	-	112,112.18
Self Insurance	135,177.89	-
Payroll Trust	2,625.89	9,990.20
Open Space Trust	107,867.49	
General Capital	50,000.00	107,867.49
Water-Sewer Operating	110,148.71	3,018,175.26
Water-Sewer Capital	3,842,059.17	-
Totals	<u>\$4,986,431.92</u>	<u>\$ 4,986,431.92</u>

Note 17: 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. The Township does not believe that any material liabilities would result from such audits, should they occur. As discussed in Note 12 to the financial statements, the possibility of a contingent liability exists based upon the Township exiting the Middlesex County Joint Insurance Fund effective December 31, 2018.

Contractual Commitments

As of December 31, 2019, the Township of Monroe was a party to various construction contracts and commitments that totaled \$1,806,745. Various Capital Improvements with total commitments of \$1,343,686; Housing Improvements with total commitments of \$5,186; Computer Equipment/Software with total commitments of \$16,939; Forge Road Drainage Improvements with total commitments of \$2,157; Acquisition of Federal/Perrineville Rd Land with total commitments of \$5,324; Acquisition of Open Space with total commitments of \$9,759; Purchase of Police Department Equipment of \$263,005; Purchase of Public Works Department Equipment of \$33,997; Purchase of Library Books of \$111,879; MCIA Revenue Bonds Equipment with total commitments of \$18,315.

Litigation

As of the date of this report, the Township has litigation pending that traditionally would be covered through the procurement of liability insurance coverages.

Note 18: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2019 through 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, sewer utility collections, interest earnings, fees, 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 fiscal year 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.

Note 18: SUBSEQUENT EVENTS (CONT'D.)

The following bond ordinances were adopted subsequent to December 31, 2019:

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>Debt Authorized</u>
	General Capital:		
03/02/20	Pedestrian and Roadway Improvements	\$2,275,000	\$1,200,000
	Various Capital Improvements	1,780,000	1,695,200
09/02/20	Various Capital Improvements	2,967,500	2,825,000
	Utility Capital:		
09/02/20	Various Utility Improvements	\$7,625,000	\$7,625,000

Subsequent to December 31, 2019, the Township issued Bond Anticipation Notes dated June 9, 2020 with a maturity date of June 8, 2021. The BAN's were issued for \$12,830,000 with a coupon rate of 1.25% with a net interest cost of 0.43%. \$9,700,000 were for the General Capital Fund and \$3,130,000 were for the Water and Sewer Utility Fund.

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

**PART II
SINGLE AUDIT SECTION
YEAR ENDED DECEMBER 31, 2019**

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 Monroe
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 Monroe, County of Middlesex, New Jersey (the "Township") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon date March 19, 2021. 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 unmodified based upon that Other Comprehensive Basis of Accounting.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

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'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 Monroe 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 Township'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



Andrew G. Hodulik
Registered Municipal Accountant
No. 406
Cranford, New Jersey
March 19, 2021

HODULIK & MORRISON, P.A.

A division of



REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major State Program

We have audited the Township of Monroe's compliance with the types of compliance requirements described in the New Jersey Compliance Manual "State Grant Compliance Supplement" that could have a direct and material effect on each of the Township of Monroe's major state programs for the year ended December 31, 2019. The Township of Monroe's major state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Monroe's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; audit requirements as prescribed by New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants and State Aid". Those standards and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

20 Commerce Drive, Suite 301, Cranford, NJ 07016
Tel: 908.272.6200 Fax: 908.272.2416

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An audit includes examining, on a test basis, evidence about the Township of Monroe's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion for each major state program. However, our audit does not provide a legal determination on the Township of Monroe's compliance.

Opinion on each Major State Program

In our opinion, the Township of Monroe complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

The management of the Township of Monroe is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Township of Monroe's internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Monroe's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above.

Purpose of Report

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

Hodulik & Morrison, P.A.

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



Andrew G. Hodulik
Registered Municipal Accountant
No. 406

Cranford, New Jersey
March 19, 2021

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

STATE FUNDING <u>DEPARTMENT AND DESCRIPTION</u>	STATE ACCOUNT <u>NUMBER</u>	GRANT <u>PERIOD</u>	PROGRAM OR AWARD <u>AMOUNT</u>	RECEIPTS OR REVENUE <u>RECOGNIZED</u>	<u>EXPENDITURES</u>	MEMO CUMULATIVE <u>EXPENDITURES</u>
Direct Funding:						
Dept. of Environmental Protection						
2017 Clean Communities Program	17-765-042-4900-004	2017	\$ 89,328.64		\$ 13,404.10	\$ 89,328.64
2018 Clean Communities Program	18-765-042-4900-004	2018	85,474.25		85,474.25	85,474.25
2019 Clean Communities Program	19-765-042-4900-004	2019	94,380.34	\$ 94,380.34	22,492.07	22,492.07
Recycling Tonnage Grant	18-100-042-4910-224	2018	171,436.12		122,702.85	122,702.85
Recycling Tonnage Grant	19-100-042-4910-224	2019	181,541.61	<u>114,965.54</u>		
Total Dept. of Environmental Protection				<u>209,345.88</u>	<u>244,073.27</u>	<u>319,997.81</u>
Dept. of Justice						
Municipal Court Alcohol Education and Rehabilitation Fund	19-760-098-9735-001	2019	562.62	<u>562.62</u>	<u>371.70</u>	<u>371.70</u>
Total Dept. of Justice				<u>562.62</u>	<u>371.70</u>	<u>371.70</u>
Dept. of Law and Public Safety						
Body Armor Replacement Fund	19-718-066-1020-001	2019	5,868.92	5,868.92	2,167.70	2,167.70
Drunk Driving Enforcement Fund	N/A	2018	8,996.61		6,087.43	8,996.61
Drunk Driving Enforcement Fund	N/A	2019	6,868.32	<u>6,868.32</u>	<u>817.54</u>	<u>817.54</u>
Total Dept. of Law and Public Safety				<u>12,737.24</u>	<u>9,072.67</u>	<u>11,981.85</u>
Dept. of Transportation						
Municipal Aid Program (Monmouth Rd. Improvement)	17-480-078-6320-AMQ	2017	310,000.00	232,500.00	310,000.00	310,000.00
Municipal Aid Program (Daniel Rd. & 10th St. Improvement)	18-480-078-6320-AM2	2018	475,000.00	356,250.00	416,029.42	416,029.42
Municipal Aid Program (Schoolhouse Rd. Improvement)	19-480-078-6320-ANP	2019	557,200.00	<u>272,550.89</u>	<u>383,502.62</u>	<u>383,502.62</u>
Total Dept. of Transportation				<u>861,300.89</u>	<u>1,109,532.04</u>	<u>1,109,532.04</u>
Total State Financial Assistance				<u>\$ 1,083,946.63</u>	<u>\$ 1,363,049.68</u>	<u>\$ 1,441,883.40</u>

NOTE: See accompanying Notes to Schedules of Expenditures of State Financial Assistance.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1: GENERAL

The accompanying schedules of expenditures of awards present the activity of all state financial assistance programs of the Township of Monroe, County of Middlesex. Township of Monroe is defined in Note 1(A) to the financial statements. All state awards received directly from state agencies, as well as state awards passed through other government agencies are included on the schedule of expenditures of state awards.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of state awards is presented using the modified accrual basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to Township of Monroe's financial statements. In addition, Township of Monroe has elected not to use the 10 percent de minimis indirect cost rate under NJOMB Circular 15-08, which requires adherence to federal Uniform Guidance, and has not charged any indirect costs to its funded programs.

NOTE 3: RELATIONSHIP TO GENERAL FINANCIAL STATEMENTS

Unless specifically noted, the amounts reported in the accompanying schedules agree with amounts reported in Township of Monroe's financial statements.

NOTE 4: RELATIONSHIP TO STATE FINANCIAL REPORTS

Unless specifically required, the amounts reported in the accompanying schedules agree with the amounts reported in the related state financial reports, where required.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5: STATE LOANS OUTSTANDING

Township of Monroe's state loans outstanding at December 31, 2019, which are not required to be reported on the schedules of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>Total</u>
State of New Jersey Green Acres Trust Loan	\$83,863.87

TOWNSHIP OF MONROE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

Section 1 - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on the financial statements: Unmodified (OCBOA)

Internal Control over financial reporting:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to basic financial statements noted? _____ Yes X No

Federal Awards

Not Applicable

Internal Control over major federal programs:

1) Material weakness(es) identified? _____ Yes _____ No

2) Significant deficiency(ies) identified? _____ Yes _____ None reported

Type of auditor's report issued on compliance for major federal programs: _____

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes _____ No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster

Dollar threshold used to distinguish between Type A and B programs: \$750,000.00

Auditee qualified as low-risk auditee? _____ Yes X No

TOWNSHIP OF MONROE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

State Financial Assistance

Dollar threshold used to distinguish between Type A and B programs: \$750,000.00

Auditee qualified as low-risk auditee? _____ Yes X No

Type of auditor's report issued on compliance for major state programs: Unmodified

Internal Control over major programs:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiency(ies) identified? _____ Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? _____ Yes X No

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>480-078-6320</u>	<u>Municipal Aid Programs</u>
_____	_____
_____	_____
_____	_____

TOWNSHIP OF MONROE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section II - Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with chapter 5.18 of *Government Auditing Standards*.

Significant Deficiency(ies)/Material Weaknesses

None noted.

Noncompliances

None noted.

Section III - State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major state programs, as required by NJ OMB Circular 15-08.

State Award Programs:

Significant Deficiency(ies)/Material Weaknesses:

None noted.

Noncompliance:

None noted.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section 1 – Summary of Prior Year State Findings

SUMMARY OF PRIOR YEAR FINDINGS

None

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

PART III
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2019

CURRENT FUND

SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>CURRENT FUND</u>
Balance December 31, 2018	A	\$ 19,126,391.11
Increased by Cash Receipts		
Miscellaneous Revenue Not Anticipated	A-2	\$ 215,942.90
Due NJ Sr. Citizens and Veterans Deductions	A-5	659,759.75
Taxes Receivable	A-6	205,572,910.16
Miscellaneous Anticipated Revenue	A-7	10,752,267.86
Interfunds	A	981,380.17
Various Accounts Payable & Reserves	A-12	4,138,066.64
Tax Overpayments	A-10	<u>449,888.72</u>
Total Cash Receipts		222,770,216.20
Decreased by Disbursements		
Budget Appropriations	A-3	51,999,594.36
Interfunds	A	35,084.02
Grants Matching Funds	A-3	16,600.00
Appropriation Reserves	A-9	1,863,541.90
Tax Overpayments	A-10	358,062.90
Taxes Payable	A-11	163,750,277.86
Various A/P, & Reserves	A-12	4,329,569.66
Refund State Tax Appeals	A-1	2,703.22
Prior Years' Revenue Refunded	A-1	<u>17,814.30</u>
Total Cash Disbursements		<u>222,373,248.22</u>
Balance December 31, 2019	A	<u>\$ 19,523,359.09</u>

SCHEDULE OF DUE TO STATE OF NEW JERSEY -
FOR ALLOWABLE DEDUCTIONS PER CHAPTER 20, P.L. 1976
CURRENT FUND

	<u>REF.</u>		
Balance - December 31, 2018	A		\$ (30,964.79)
Increased by:			
Allowable Deductions per Tax Billings	A-5	\$ 649,500.00	
2019 Sr. Citizens and Vet. Deductions			
Allowed by Collector	A-5	<u>15,000.00</u>	
			<u>664,500.00</u>
			633,535.21
Decreased by:			
Collected	A-4	659,759.75	
2019 Sr. Citizens and Vet. Deductions			
Disallowed by Collector	A-5	4,059.12	
2018 Sr. Citizens and Vet. Deductions			
Disallowed by Collector	A-1	4,833.48	
State Audit Adjustment	A-1	<u>467.90</u>	
			<u>669,120.25</u>
Balance - December 31, 2019	A		<u>\$ (35,585.04)</u>
<u>Analysis of Sr. Citizens & Veterans</u>			
<u>Deductions Allowed - 2019 Taxes</u>			
Per Tax Billings	A-5		\$ 649,500.00
Allowed (Disallowed) by Tax Collector (Net)	A-5		<u>10,940.88</u>
	A-6		<u>\$ 660,440.88</u>

SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

	Total	Prepaid	Current	Delinquent	Arrears	Tax Liens	Property Acquired for Taxes
Balance 12/31/2018.....	\$ 2,261,430.41	\$ (1,448,709.68)	\$ -	\$ 1,801,238.65	\$ 88,767.01	\$ 250,334.43	\$ 1,569,800.00
Billings / Levy:							
Original Levy.....	203,178,341.59		203,178,341.59				
Added & Omitted.....	2,913,877.35		2,913,877.35				
Adjustments.....	4,833.48			4,833.48			
Canceled Taxes.....	(241,772.35)		(202,188.46)	(718.57)	(38,865.32)		
Transfers							
Tax Lien.....	-		(23,962.84)			23,962.84	
Tax Sale and Adjustments.....	-						
Revenue							
Sr.Citizens & Vets.....	(660,440.88)		(660,440.88)				
Cash Receipts.....	(205,572,910.16)	(1,527,409.75)	(202,200,532.61)	(1,797,184.45)	(46,290.54)	(1,492.81)	
Prepaid Applied.....	-	1,448,709.68	(1,448,709.68)				
Balance 12/31/2019.....	\$ 1,883,359.44	\$ (1,527,409.75)	\$ 1,556,384.47	\$ 8,169.11	\$ 3,611.15	\$ 272,804.46	\$ 1,569,800.00

Ref.

A

A

A

A

Analysis of 2019 Property Tax Levy:

Tax Yield:

General Purpose Tax \$ 203,178,341.59
 Added Taxes 2,913,877.35

\$ 206,092,218.94

Tax Levy:

Local School District Tax \$ 113,510,163.00
 County Tax 33,221,142.67
 County Open Space 2,789,432.55
 Due County - Added & Omitted 514,282.91
 Special District Taxes 12,534,269.00
 Municipal Open Space 1,180,987.73
 Local Tax for Municipal Purposes 39,942,181.93
 Add: Additional Tax Levied 2,399,759.15

\$ 206,092,218.94

Current

Taxes Realized:
 Sr. Citizens & Vets \$ 660,440.88
 Cash Receipts 202,200,532.61
 Prepayments 1,448,709.68
 Subtotal 204,309,683.17
 Reserve for Tax Appeals (600,000.00)
 Res. For Uncoll. Tax 203,709,683.17
 3,950,000.00
 207,659,683.17
 Allocated to School, County and Fire Districts (163,750,277.86)

\$ 43,909,405.31

SCHEDULE OF NONBUDGET REVENUES AND VARIOUS ACCOUNTS RECEIVABLES

	December 31, 2018	Cash Receipts - Prior Year Accruals	Current Year Accrued/ Adjustments	Cash Receipts - Current Year Accruals	December 31, 2019
Revenue Accounts Receivable:					
Municipal Court - Fines and Costs	\$ 34,940.47	\$ (34,940.47)	\$ 435,591.75	\$ (403,723.53)	\$ 31,868.22
					-
	<u>34,940.47</u>	<u>(34,940.47)</u>	<u>435,591.75</u>	<u>(403,723.53)</u>	<u>31,868.22</u>
Non - Budget Revenue:					
Administrative Fee - Senior Citizens and Veterans			13,204.55	(13,204.55)	-
Prior Year Reimbursements			18,007.54	(18,007.54)	-
NSF Fees			985.00	(985.00)	-
Cell Tower Lease			42,034.60	(42,034.60)	-
Facility Rental Fees			16,000.00	(16,000.00)	-
Homestead Rebate Administrative Fee			6,557.40	(6,557.40)	-
NJ DMV Fines			3,400.00	(3,400.00)	-
Vending Machine			6,387.25	(6,387.25)	-
Police Applications			42,200.00	(42,200.00)	-
Closeout Prior Year MCIA			15,172.30	(15,172.30)	-
Public Defender			7,649.00	(7,649.00)	-
Tax Collector Fees			4,285.05	(4,285.05)	-
Refunds and Rebates			14,152.33	(14,152.33)	-
Sale of Scrap/Auction			1,099.70	(1,099.70)	-
Insite Wireless			10,208.59	(10,208.59)	-
First Energy Year 1			13,459.59	(13,459.59)	-
Miscellaneous			1,140.00	(1,140.00)	-
	-	-	215,942.90	(215,942.90)	-
					-
Total	<u>\$ 34,940.47</u>	<u>\$ (34,940.47)</u>	<u>\$ 651,534.65</u>	<u>\$ (619,666.43)</u>	<u>\$ 31,868.22</u>
	A				A
Analysis of Miscellaneous Revenues:					
Account Receivable Collections			\$ 34,940.47		
Current Year Collections			<u>10,717,327.39</u>		
Subtotal	A-4		10,752,267.86		
Prepaid License and Fees Realized			15,095.00		
Grants Realized - Grant Fund			<u>336,033.70</u>		
	A-2		<u>\$ 11,103,396.56</u>		

SCHEDULE OF DEFERRED CHARGES

	<u>BALANCE</u> <u>DEC. 31, 2018</u>	<u>RAISED IN</u> <u>2019 BUDGET</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>
Special Emergency(40A:4-53): Preparation of master plan	<u>\$ 105,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 70,000.00</u>
	<u><u>\$ 105,000.00</u></u>	<u><u>\$ 35,000.00</u></u>	<u><u>\$ 70,000.00</u></u>
<u>Ref.</u>	A	A-3	A

SCHEDULE OF 2018 APPROPRIATION RESERVES

	Balance December 31, 2018		Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbrances			
Office of the Mayor					
Other expenses	\$ 2,042.70	\$ 249.99	\$ 2,292.69	\$ 249.99	\$ 2,042.70
Township Council					
Other expenses	3,766.91	18.00	3,784.91	18.00	3,766.91
Office of the Township Clerk					
Salaries and wages	21,614.62	-	21,614.62	8,836.08	12,778.54
Other expenses	42,810.52	3,157.72	45,968.24	3,514.39	42,453.85
Elections					
Other expenses	5,021.78	-	5,021.78	-	5,021.78
Division of Administration					
Salaries and wages	16,894.49	-	16,894.49	9,776.44	7,118.05
Other expenses	14,115.52	677.49	14,793.01	721.21	14,071.80
Human Resources					
Salaries and wages	3,336.59	-	3,336.59	3,336.59	-
Other expenses	23,063.86	2,012.86	25,076.72	2,370.98	22,705.74
Transportation					
Salaries and wages	54,743.89	-	54,743.89	11,048.10	43,695.79
Other expenses	1,521.54	3,404.03	4,925.57	2,683.86	2,241.71
Insurance					
General Liability	10,057.00	1,000.00	11,057.00	-	11,057.00
Employee Group Health	443,458.82	0.36	443,459.18	-	443,459.18
Workers Compensation	85,000.00	-	135,000.00	135,000.00	-
Health Benefit Waiver	11,147.76	-	11,147.76	-	11,147.76
Office of Information and Public Advocacy					
Salaries and wages	22,329.35	-	22,329.35	2,298.86	20,030.49
Other expenses	6,255.52	16,175.13	22,430.65	475.13	21,955.52
Division of Recreation					
Salaries and wages	58,877.66	-	58,877.66	17,565.81	41,311.85
Other expenses	44,301.28	27,864.12	72,165.40	30,327.89	41,837.51
Division of Parks					
Salaries and wages	70,383.84	-	70,383.84	7,041.23	63,342.61
Other expenses	7,317.35	11,436.59	18,753.94	10,276.69	8,477.25
Division of Treasury					
Salaries and wages	19,801.00	-	19,801.00	12,233.04	7,567.96
Other expenses:					
Annual audit	-	39,000.00	39,000.00	39,000.00	-
Special accounting services	25,000.00	-	25,000.00	1,350.00	23,650.00
Data processing	24,366.27	2,043.06	26,409.33	1,097.50	25,311.83
Miscellaneous other expenses	11,071.22	741.36	11,812.58	2,597.56	9,215.02
Division of Revenue Collection					
Salaries and wages	12,252.00	-	12,252.00	7,649.51	4,602.49
Division of Revenue Collection					
Other expenses:					
Tax sale costs	1,978.35	411.65	2,390.00	411.65	1,978.35
Tax lien foreclosure	600.00	-	600.00	-	600.00
Miscellaneous other expenses	5,005.02	557.00	5,562.02	969.80	4,592.22
Division of Assessments					
Salaries and wages	10,564.16	-	10,564.16	9,165.20	1,398.96
Other expenses	7,908.40	10,176.15	43,084.55	27,301.17	15,783.38
Division of First Aid					
Salaries and wages	186,690.40	-	128,690.40	76,030.74	52,659.66
Other expenses	16,549.91	6,361.83	22,911.74	2,857.53	20,054.21
Police					
Salaries and wages	509,533.09	-	366,533.09	215,353.13	151,179.96
Other expenses	103,768.22	74,962.44	178,730.66	72,983.19	105,747.47
Emergency Management Services					
Other expenses	3,395.94	-	3,395.94	-	3,395.94

SCHEDULE OF 2018 APPROPRIATION RESERVES

	Balance December 31, 2018		Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbrances			
Department of Engineering:					
Office of the Township Engineer					
Other expenses:					
Maintenance of tax map		5,807.19	5,807.19	5,807.19	-
Miscellaneous other expenses	2,500.00	18,000.00	20,500.00	18,000.00	2,500.00
Department of Public Works:					
Division of Streets and Roads					
Salaries and wages	82,681.01	-	82,681.01	47,584.51	35,096.50
Other expenses	62,203.40	56,858.92	194,062.32	91,300.10	102,762.22
Vehicle Maintenance					
Salaries and wages	22,096.27	-	22,096.27	5,997.31	16,098.96
Other expenses	58,991.19	36,211.82	95,203.01	35,979.26	59,223.75
Solid Waste and Recycling					
Other expenses	11,009.50	387.50	11,397.00	1,334.50	10,062.50
Landfill					
Other expenses	7,300.00	2,715.01	11,015.01	10,914.40	100.61
Buildings and Grounds					
Salaries and wages	30,482.84	-	30,482.84	19,144.20	11,338.64
Other expenses	43,641.70	85,398.83	129,040.53	79,517.97	49,522.56
Community Services Act					
Other expenses	242,047.30	197,464.44	439,511.74	391,158.45	48,353.29
Department of Law:					
Office of the Township Attorney					
Other expenses	135,411.16	98,146.29	233,557.45	81,588.97	151,968.48
Municipal Prosecutor					
Salaries and wages	761.40	-	761.40	-	761.40
Other expenses	200.00	-	200.00	-	200.00
Municipal Court					
Salaries and wages	7,860.60	-	7,860.60	6,694.52	1,166.08
Other expenses	4,286.77	1,564.93	5,851.70	1,796.90	4,054.80
Department of Health and Welfare:					
Animal Control					
Salaries and wages	5,949.23	-	5,949.23	3,337.34	2,611.89
Other expenses	3,686.65	2,930.55	6,617.20	2,923.46	3,693.74
Environmental Protection					
Other expenses	1,000.00	-	1,000.00	-	1,000.00
Building Demolition					
Other expenses	300.00	-	300.00	-	300.00
Other Township Agencies:					
Municipal Land Use Law (N.J.S.A. 40:55D-1)					
Zoning Board of Adjustment					
Salaries and wages	3,001.73	-	3,001.73	1,694.28	1,307.45
Other expenses	3,241.30	6,551.25	9,792.55	1,499.87	8,292.68
Planning Board					
Other expenses	2,842.00	6,077.51	8,919.51	5,760.88	3,158.63
Division of Planning					
Salaries and wages	19,536.13	-	19,536.13	4,828.90	14,707.23
Other expenses	8,128.59	9,411.47	17,540.06	6,817.63	10,722.43
Shade Tree Commission					
Other expenses	12,343.17	6,489.66	18,832.83	11,660.15	7,172.68
Cultural Arts Commission					
Other expenses	23,747.72	5,078.40	28,826.12	9,562.64	19,263.48
Environmental and Conservation Commission (R.S. 40:56A-1)					
Other expenses	4,725.38	824.62	5,550.00	978.88	4,571.12
Historic Preservation Commission					
Other expenses	6,632.25	-	6,632.25	-	6,632.25

SCHEDULE OF 2018 APPROPRIATION RESERVES

	<u>Balance December 31, 2018</u>		Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbrances			
Senior Services					
Salaries and wages	55,850.49		55,850.49	11,737.93	44,112.56
Other expenses	14,488.49	4,460.24	18,948.73	5,436.88	13,511.85
Recreational and Youth Advisory Bd.					
Salaries and wages	662.33		662.33	-	662.33
Other expenses	889.54	527.05	1,416.59	527.05	889.54
Human Relations Commission					
Salaries and wages	25.03		25.03	-	25.03
Other expenses	1,242.21		1,242.21	-	1,242.21
Open Space and Farmland Preservation Commission					
Other expenses	515.32	-	515.32	-	515.32
Celebration of Public Events					
Other expenses	4,292.43	1,521.00	5,813.43	1,521.00	4,292.43
State Uniform Construction Code (N.J.S.A. 52:270-120D et seq.)					
Salaries and wages	44,266.73		44,266.73	26,583.40	17,683.33
Other expenses	17,717.71	3,431.91	21,149.62	4,670.17	16,479.45
Unclassified:					
Accumulated absences	2,000.00		52,000.00	-	52,000.00
Central mailing services	13,132.48	8,251.65	21,384.13	8,486.65	12,897.48
Utilities	257,280.89	136,377.71	393,658.60	246,424.87	147,233.73
Contribution to:					
Social Security System (O.A.S.I.)	62,734.11	-	62,734.11	37,231.96	25,502.15
Defined Contribution Retirement Plan	5,582.15		5,582.15	367.77	5,214.38
Public Employees Retirement System	12,965.00	-	12,965.00	-	12,965.00
9-1-1 System					
Other expenses	2,732.07	404.60	3,136.67	806.09	2,330.58
Division of Streets and Roads					
Other expenses	36,596.26	13,244.78	49,841.04	13,210.37	36,630.67
Recycling Tax					
Other expenses	299.73	1,209.58	1,509.31	392.79	1,116.52
Shared Service Agreements					
Shared Service (Fire District & BOE)					
Other expenses	1,884.75	1,287.27	3,172.02	1,287.27	1,884.75
Shared Service (Recycling)					
Other expenses	55,202.83	16,473.99	71,676.82	43,163.47	28,513.35
Shared Service (Health)					
Other expenses	3,866.71		3,866.71	-	3,866.71
Ambulance Services (Increased Fee)					
Other expenses	69,304.36	75,594.76	144,899.12	82,241.52	62,657.60
Clinical Coord. Training Fees					
Other expenses	6,160.71	3,913.92	10,074.63	6,145.09	3,929.54
Total General Appropriations	\$ 3,362,844.60	\$ 1,006,866.63	\$ 4,369,711.23	\$ 2,050,657.86	\$ 2,319,053.37

	<u>Ref.</u>	A	A		A-1
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Accounts Payable	A-12			\$ 50,115.96	
Due to Self Insurance Fund				135,000.00	
Reserve for Union Education Fund	A-12			2,000.00	
Cash Disbursements	A-4			1,863,541.90	
				<u>\$ 2,050,657.86</u>	

SCHEDULE OF PROPERTY TAX OVERPAYMENTS

		Total	Current Taxes	Prior Years
Balance - December 31, 2018	<u>Ref.</u> A	\$ 6,686.89	\$ -	\$ 6,686.89
Cash Receipts	A-4	449,888.72	448,209.49	1,679.23
Tax Appeals charged to Operations	A-1	205,366.13		205,366.13
Overpayments Canceled	A-1	(7.67)		(7.67)
Cash Payments - Refunds	A-4	<u>(358,062.90)</u>	<u>(348,082.94)</u>	<u>(9,979.96)</u>
Balance - December 31, 2019	A	<u>\$ 303,871.17</u>	<u>\$ 100,126.55</u>	<u>\$ 203,744.62</u>

SCHEDULE OF TAXES PAYABLE

	December 31, 2018	Taxes Levied	Cash Disbursements	December 31, 2019
County - General	\$ -	\$ 33,221,142.67	\$ (33,221,142.67)	\$ -
County - Open Space		2,789,432.55	(2,789,432.55)	-
County - Added & Omitted		514,282.91	(514,282.91)	-
Local School District Taxes		113,510,163.00	(113,510,163.00)	-
Municipal Open Space Tax		1,180,987.73	(1,180,987.73)	-
Special District Taxes:				-
Fire District 1		2,377,484.00	(2,377,484.00)	-
Fire District 2		4,455,908.00	(4,455,908.00)	-
Fire District 3		5,700,877.00	(5,700,877.00)	-
Total	\$ -	\$ 163,750,277.86	\$ (163,750,277.86)	\$ -
<u>Ref.</u>	A	A-1, A-6	A-4	A

SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES AND RESERVES

	December 31, 2018	Transfer from Budget	Cash Receipts	Cash Disbursements	December 31, 2019
Accounts Payable:					
N.J. Marriage/Civil Union License Filing Fees	\$ -	\$ -	\$ 2,175.00	\$ (1,650.00)	\$ 525.00
N.J. State Building Code Enforcement Fees			141,572.00	(118,298.00)	23,274.00
Vendor Accounts Payable	309,296.75	50,115.96		(32,628.08)	326,784.63
Library	-		3,994,319.64	(3,994,319.64)	-
Union Education Fund	30,000.00	2,000.00			32,000.00
Subtotal	339,296.75	52,115.96	4,138,066.64	(4,146,895.72)	382,583.63
Reserve for:					
Tax Appeals	198,868.52	600,000.00		(182,673.94)	616,194.58
Codification of Ordinances	17,867.00				17,867.00
Reserve for Master Plan	4,350.00				4,350.00
Reserve for Energy Aggregation	7,915.09				7,915.09
Subtotal	229,000.61	600,000.00	-	(182,673.94)	646,326.67
Total	\$ 568,297.36	\$ 652,115.96	\$ 4,138,066.64	\$ (4,329,569.66)	\$ 1,028,910.30
<u>Ref.</u>	A	A-6, A-9	A-4	A-4	A

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

<u>GRANTS</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>BUDGET REVENUE REALIZED</u>	<u>CHAPTER 159</u>	<u>CANCELLED</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2019</u>
<u>2016</u>						
Sustainable NJ Small Grant	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00
<u>2017</u>						
USDOJ Bulletproof Vest Partnership Program	1,922.96				1,922.96	-
Middlesex County Area Senior Outreach	353.00					353.00
<u>2018</u>						
Middlesex County Area Senior Outreach	5,221.00				5,220.00	1.00
Middlesex County Cultural Arts	1,250.00				1,250.00	-
<u>2019</u>						
Clean Communities Program			94,380.34		94,380.34	-
NJ DEP Recycling Tonnage Grant		181,541.61			181,541.61	-
Drunk Driving Enforcement Fund			6,868.32		6,868.32	-
Drive Sober or Get Pulled Over Labor Day			5,500.00		5,500.00	-
Drive Sober or Get Pulled Over End of Year			5,500.00	196.00	5,304.00	-
Click It or Ticket			5,500.00			5,500.00
Body Armor Replacement Fund		5,868.92			5,868.92	-
USDOJ Bulletproof Vest Partnership Program			7,561.89			7,561.89
Municipal Court Alcohol Education Rehabilitation Fund			562.62		562.62	-
Middlesex County Area Senior Outreach		8,000.00	7,000.00		10,419.00	4,581.00
Middlesex County Recycling Enhancement Grant		4,750.00			4,750.00	-
Middlesex County Cultural Arts		3,000.00			2,250.00	750.00
	<u>\$ 18,746.96</u>	<u>\$ 203,160.53</u>	<u>\$ 132,873.17</u>	<u>\$ 196.00</u>	<u>\$ 325,837.77</u>	<u>\$ 28,746.89</u>
<u>Ref.</u>	A	A-13	A-14	A-15		A
		Unappropriated Reserves		<u>Ref.</u>		
		Receipts		A-16	\$ 181,541.61	
				A-15	144,296.16	
					<u>\$ 325,837.77</u>	

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>ENCUMBERED DECEMBER 31 2018</u>	<u>TOTAL TRANSFERRED FROM 2019 BUDGET</u>	<u>CHAPTER 159</u>	<u>CANCELLED</u>	<u>PAID OR CHARGED</u>	<u>ENCUMBERED DECEMBER 31 2019</u>	<u>BALANCE DECEMBER 31, 2019</u>
Drunk Driving Enforcement Fund	\$ 6,087.43	\$ -	\$ -	\$ 6,868.32	\$ -	\$ 6,904.97	\$ -	\$ 6,050.78
NJ DEP Recycling Tonnage Grant	326,468.60	0.50	181,541.61			122,702.85	195,028.79	190,279.07
Municipal Court Alcohol Education Rehabilitation Fund	3,321.28			562.62		371.70		3,512.20
Drive Sober or Get Pulled Over End of Year Holiday Crackdown				5,500.00		4,005.46		1,494.54
Drive Sober or Get Pulled Over				5,500.00		5,500.00		-
Occupant Protection - Click It or Ticket				5,500.00	196.00	5,304.00		-
Body Armor Replacement Fund	2,167.70		5,868.92			2,167.70		5,868.92
USDOJ Bulletproof Vest Partnership Program	1,935.28			7,561.89		1,935.28		7,561.89
Clean Communities	98,878.35			94,380.34		121,370.42	6,062.45	65,825.82
Middlesex County Area Senior Outreach			24,600.00	7,000.00		31,600.00		-
Middlesex County Recycling Enhancement Grant			4,750.00			4,750.00		-
Middlesex County Cultural Arts			3,000.00			3,000.00		-
Sustainable New Jersey - Small Grant	4,003.50	1,333.35		-		1,333.34	0.01	4,003.50
	<u>\$ 442,862.14</u>	<u>\$ 1,333.85</u>	<u>\$ 219,760.53</u>	<u>\$ 132,873.17</u>	<u>\$ 196.00</u>	<u>\$ 310,945.72</u>	<u>\$ 201,091.25</u>	<u>\$ 284,596.72</u>
<u>Ref.</u>	A	A	A-13	A-13	A-15	A-15	A	A

SCHEDULE OF DUE FROM CURRENT FUND
GRANT FUND

	<u>Ref.</u>		
Balance - December 31, 2018	A		\$ 606,990.64
Increased by:			
Grants Received deposited into Current Fund	A-13	\$ 144,296.16	
Grant Receivable Canceled	A-13	196.00	
Grant Appropriations Budgeted	A-14	219,760.53	
Reserve for Unappropriated Grants	A-16	<u>114,965.54</u>	
			<u>479,218.23</u>
			1,086,208.87
Decreased by:			
Grant Revenues Budgeted	A-13	203,160.53	
Grant Appropriations Expended	A-14	310,945.72	
Reserve for Grants Canceled	A-14	<u>196.00</u>	
			<u>514,302.25</u>
Balance - December 31, 2019	A		<u><u>\$ 571,906.62</u></u>

SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE AND FEDERAL GRANTS
GRANT FUND

<u>GRANTS</u>	BALANCE DECEMBER 31, <u>2018</u>	TRANSFERRED TO 2019 BUDGET <u>APPROPRIATIONS</u>	<u>RECEIVED</u>	BALANCE DECEMBER 31, <u>2019</u>
Recycling Tonnage Grant	\$ 181,541.61	\$ 181,541.61	\$ 114,965.54	\$ 114,965.54
	<u>\$ 181,541.61</u>	<u>\$ 181,541.61</u>	<u>\$ 114,965.54</u>	<u>\$ 114,965.54</u>
<u>Ref.</u>	A	A-13	A-15	A

TRUST FUND

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Encumbrances/		Cash		Adjustments	Balance 12/31/2019
	Balance 12/31/2018	Adjustments 12/31/2018	Receipts	Disbursements		
Animal Control:						
Due to NJ - State License Fees.....	\$ (1.20)	\$ -	\$ 3,993.00	\$ (3,995.40)	\$ -	\$ (3.60)
Reserve for Encumbrances.....	20,355.00	(20,355.00)				-
Animal Control Reserves.....	5,647.51	20,355.00	28,604.02	(39,113.10)		15,493.43
Total	26,001.31	-	32,597.02	(43,108.50)	-	15,489.83
Affordable Housing Trust:						
Reserve for Encumbrances.....	266,954.40	(266,954.40)			356,573.37	356,573.37
Reserves for Affordable Housing Trust.....	11,950,998.63	266,954.40	1,087,889.16	(686,665.35)	(356,573.37)	12,262,603.47
Total	12,217,953.03	-	1,087,889.16	(686,665.35)	-	12,619,176.84
Unemployment Trust:						
Reserves for Unemployment.....	193,529.54		114,369.21	(33,339.62)		274,559.13
Due from Water Sewer Operating Fund	(20,000.00)					(20,000.00)
Total	173,529.54	-	114,369.21	(33,339.62)	-	254,559.13
Payroll:						
Payroll and Payroll Deductions.....	479,576.77		37,919,578.38	(37,997,880.41)		401,274.74
Due from/to Trust Other.....	(14,842.00)		24,832.20			9,990.20
Due from/to Water-Sewer Operating.....	(2,625.89)					(2,625.89)
Utility Payroll.....	24,538.39		3,572,800.09	(3,573,391.54)		23,946.94
Total	486,647.27	-	41,517,210.67	(41,571,271.95)	-	432,585.99
Developers' Escrow:						
Reserve for Encumbrances.....	36,362.05	(36,362.05)			41,660.38	41,660.38
Performance Bond Deposits.....	10,614,461.94		372,085.08	(751,907.19)	(5,298.33)	10,229,341.50
Engineering Escrow Deposits.....	1,425,036.86	12,750.81	908,790.78	(663,722.23)	(12,750.81)	1,670,105.41
Professional Fees Deposits.....	739,293.96	23,611.24	478,792.12	(480,487.46)	(23,611.24)	737,598.62
Due to Water Sewer Operating.....	106,807.77		3,340.94			110,148.71
Due to Water Sewer Capital.....	1,963.47					1,963.47
Utility Escrow Deposits.....	5,125,872.12		791,212.67	(2,046,977.54)		3,870,107.25
Total	18,049,798.17	-	2,554,221.59	(3,943,094.42)	-	16,660,925.34
Self Insurance:						
Reserve for Encumbrances	42,789.78	(42,789.78)			34,774.30	34,774.30
Reserve for Self Insurance.....	609,215.38	42,789.78	211,316.20	(241,976.50)	(34,774.30)	586,570.56
Due From Current Fund.....			(135,000.00)			(135,000.00)
Due from Water Sewer Operating.....	(180.52)		2.63			(177.89)
Reserve for Self Insurance Utility.....	427.17		357.20	(649.00)		135.37
Total	652,251.81	-	76,676.03	(242,625.50)	-	486,302.34

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

TRUST FUNDS
 SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance 12/31/2018	Encumbrances/ Adjustments 12/31/2018	Cash		Adjustments	Balance 12/31/2019
			Receipts	Disbursements		
Open Space Trust:						
Reserve for Encumbrances.....	132,155.81	(132,155.81)			165,308.35	165,308.35
Open Space Reserves.....	6,072,472.01	132,155.81	1,292,988.52	(4,403,306.58)	(165,308.35)	2,929,001.41
Total	6,204,627.82	-	1,292,988.52	(4,403,306.58)	-	3,094,309.76
Other Trust Funds:						
Due from Comm. Develop Grant	(413,790.85)		308,308.19	(215,420.00)		(320,902.66)
Reserve for Comm. Develop. Block Grant.....	153,025.03	144,174.54	215,420.00	(192,591.54)	(4,353.75)	315,674.28
Reserve for Encumbrances.....	338,671.94	(338,671.94)			234,229.64	234,229.64
Due to Payroll Trust - Utility.....	14,842.00			(24,832.20)		(9,990.20)
Due to Water-Sewer Operating.....	(161,488.15)			24,832.20		(136,655.95)
Miscellaneous Reserves:						
Accumulated Absences.....	133,060.84			(88,176.51)		44,884.33
Accumulated Absences-Utility.....	132,255.04					132,255.04
Animal Control Donations.....	225.00					225.00
Charlotte Eder Bequest.....	577,220.85	3,025.00		(83,638.21)	(9,390.34)	487,217.30
Cultural Arts Commission Donations.....	300.69					300.69
Detention Basin Escrows.....	1,673,360.58	39,531.58	26,632.70	(122,944.17)	(10,942.51)	1,605,638.18
Environmental Disturbance Fund.....	18,500.00					18,500.00
Historic Preservation Donations.....	8,914.14		525.00			9,439.14
LEAD Program Contributions.....	7,044.63		80.00	(210.00)		6,914.63
Mining Escrow.....	9,104.89		5,000.00	(539.00)		13,565.89
Miscellaneous Donations.....	489.00					489.00
MTUD Payroll Prior	14,391.11					14,391.11
Municipal Alliance Donations.....	273.13					273.13
Other Escrows.....	44,536.21	7,018.43	2,500.00	(9,287.10)	(6,718.43)	38,049.11
Parking Offense Adjudication Act.....	1,468.01		46.00			1,514.01
Police Donations.....	227.04		1,025.00			1,252.04
Police Forfeited Funds.....	34,621.59	3,654.78	9,566.25	(16,802.21)	(20,481.08)	10,559.33
Police Forfeited Funds.....	3.13					3.13
Police Off-Duty Trust.....	394,610.86	312.00	1,006,063.00	(804,929.40)	(2,892.24)	593,164.22
Premium on Tax Sale.....	770,900.00		1,087,200.00	(517,300.00)		1,340,800.00
Public Defender.....	940.00		6,709.00	(7,649.00)		-
Recreation Trips.....	17,252.71	300.00	233,360.63	(250,613.34)	(300.00)	0.00
Recycling Trust.....	72,082.28	5,226.22	15,991.98	(9,047.77)	(7,508.22)	76,744.49
Road Opening Deposits.....	47,312.39	10,197.50	9,241.33	(13,764.00)	(12,810.00)	40,177.22
Senior Center Facility Donation.....	100.00					100.00
Senior Center Trust Donation.....	-		237,496.45	(165,017.85)	(11,702.62)	60,775.98
Shade Tree Commission Donations.....	4,950.75					4,950.75
Shade Tree Replacement.....	433,240.29	35,485.07	148,380.00	(38,217.66)	(29,635.07)	549,252.63
Storm Recovery Fund.....	141,100.01	89,746.82		(75,589.94)	(117,495.38)	37,761.51
Street Vacation Escrow.....	11,756.85					11,756.85
Transportation Contribution.....	34.00					34.00
Total	4,481,535.99	-	3,313,545.53	(2,611,737.70)	-	5,183,343.82
Total	\$ 42,292,344.94	\$ -	\$ 49,989,497.73	\$ (53,535,149.62)	\$ -	\$ 38,746,693.05

Ref. B B

Footnote:

Animal Control Reserve for Expenditures:
 R.S. 4:19-15.11 - Any amount in this account which is in excess of the total amount paid into the Animal Control Account during the last two fiscal years next preceding shall be transferred to the Current Fund.

Year	Amount
2017	\$ 24,587.20
2018	24,332.00
	<u>\$ 48,919.20</u>

GENERAL CAPITAL FUND

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL FUND CASH

	<u>Ref.</u>		
Balance, December 31, 2018	C		\$ 7,797,793.12
Increased by Receipts:			
Current Fund Appropriations:			
Capital Improvement Fund	C-10	75,000.00	
Premium on Bonds	C-1	5,398.83	
Premium on Bond Anticipation Notes	C-1	48,800.00	
NJDOT Payment	C-6	232,500.00	
Bonds Proceeds	C-6	17,904,000.00	
Open Space Trust Fund	C-6	2,168,000.00	
County Share Federal and Perrineville Road	C-6	379,210.51	
Grants Received	C-7	1,164,786.84	
Interest-Affordable Housing Capital	C-8	17,831.08	
Miscellaneous Reserves	C-11	10,936.19	
Bond Anticipation Notes	C-13	5,000,000.00	
		<u>27,006,463.45</u>	
			34,804,256.57
Decreased by:			
Anticipated Revenue - Current Fund	C-1	250,000.00	
Due From Developer	C-4	111,846.50	
Improvement Authorizations	C-9	6,323,910.67	
Miscellaneous Reserves	C-11	400,173.99	
Reserve for Debt Service	C-12	332,000.00	
Bond Anticipation Notes	C-13	20,072,000.00	
Due From Trust Fund	C	50,000.00	
Sutotal		<u>27,539,931.16</u>	
Balance, December 31, 2019	C		<u>\$ 7,264,325.41</u>
Cash	C		\$ 5,621,228.56
Cash - Affordable Housing Fund	C		<u>1,643,096.85</u>
			<u>\$ 7,264,325.41</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	Balance Dec. 31, 2018	Balance Dec. 31, 2019	
Fund balance	\$ 256,212.07	\$ 333,279.04	
Capital improvement fund	147,600.00	90,700.00	
Reserve for encumbrances	2,588,634.24	1,810,246.78	
Miscellaneous Reserves	547,990.68	158,752.88	
Reserve for Debt Service	403,000.00	71,000.00	
Bond Anticipation Notes-Excess Funding	2,100.00	-	
Due to Trust Fund		107,867.49	
Schedule of Due From Middlesex County		(111,846.50)	
Ord.			
<u>No.</u>	<u>Improvement Authorizations</u>		
2005-35	Affordable housing 2005	130,321.86	123,739.42
1998-24E	Farmland preservation	47,869.15	47,869.15
2002-40	Intersection of Prospect Plains and Applegarth Road	10,704.76	-
1999-17	Recreation and open space	91,200.50	91,200.50
2000-12	Municipal Complex improvements	19,306.57	8,079.64
2000-26A	Recreation and open space	1,556,358.26	1,543,026.26
2000-26B	Farmland Preservation	523,183.41	523,183.41
2002-17B	Intersection of Forsgate Drive/Applegarth Road/ Possum Hollow Road	(321,737.03)	(321,737.03)
2002-17E	Curbs and sidewalks Spotswood Englishtown Road	26,739.97	26,739.97
2002-17F	Improvements to Outcalt Park	13,524.39	11,524.39
2003-11E	Traffic light at Pernvl. & Schoolhouse	(194,423.96)	(194,423.96)
2003-11F	Traffic light at Pernvl. & Union Valley	141,518.29	145,568.29
2005-32B	2005 road paving and sidewalk program	(250,000.00)	(250,000.00)
2006-10A	Library expansion	824.36	-
2006-10B	Community Center addition	3,045.50	-
2006-10C	New Senior Center	(28,772.74)	(67,822.86)
2006-14C	Daniel P. Ryan Field restrooms	2,847.40	-
2006-14E	Dey Farm England House	-	1,341.87
2007-03	James Monroe Park improvements	3.72	3.72
2007-25A	Expansion of Park and Ride	62,609.88	(33,032.00)
2007-29B	Construction of EMS Fire Facility Fire District 2	28,823.08	28,823.08
2007-29D	Farmland Preservation	20,679.11	20,679.11
2007-29E	Links Drive and Forsgate Drive	4,132.92	-
2008-08	Signal Applegarth Rd / Cranbury Station Rd/ Union Valley Rd	(256,332.03)	(256,332.03)
2008-09	Open Space Acquisition	213,887.53	200,623.77
2008-10D	Purchase of Radio Equipment	17,270.21	-
2009-10	Veterans Park Phase II	107,867.49	-
2009-11	Computer Equipment/Software	2,203.00	1,291.23
2009-20	Applegarth/Clearbrook Traffic Light	(125,856.99)	(125,856.99)
2009-22	Forge Road Drainage Improvements	119,867.05	119,867.05
2009-23B	Applegarth Park and Ride	122,685.22	-
2009-23D	Perrineville Road Sidewalks	78,405.00	78,405.00
2010-13A	Purchase of Computers	11,568.44	7,335.07
2010-13D	2010 Drainage Program	13,900.06	-
2010-13E	Public Safety Base Station	42,963.20	35,293.20
2010-13G	Recreation Radio/Sound System	9,400.00	9,400.00
2010-16	2010 MCIA Revenue Bonds Equipment	14,124.21	11,153.16
2011-17A	Library Books	3,630.03	3,630.03
2011-17B	2010 Paving/Sidewalk Program	9,608.92	2,403.10
2011-17C	2010 Drainage Program	115,000.00	-
2011-17D	Traffic Signal Perrineville Rd and Federal Rd	2,717.15	-
2011-17E	Traffic Signal Route 522 and Regency	80,826.30	-
2011-17F	Improvements to Disbrow Hill Road	4,000.00	(34,315.61)
2011-17G	Municipal Facility Improvements	93,108.39	32,080.00

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	Balance Dec. 31, 2018	Balance Dec. 31, 2019
2011-17H Intersection Improv.- Prospect Plains and Applegarth Road	4,000.00	24,625.00
2011-19 Dey Farm Homestead Property Improvements	550.00	19,078.44
2011-29 2011 MCIA Revenue Bonds Equipment	335.11	785.11
2012-26 2012 MCIA Revenue Bonds Equipment	16,911.41	16,234.46
2012-29A Library Books	2,730.75	1,730.75
2012-29B 2012 Paving/Sidewalk Program	10,454.61	8,754.61
2012-29C 2012 Drainage Program	115,000.00	23,550.88
2012-29D Narrow Banding Radio Upgrades	14,230.30	13,030.30
2013-11A Library Books	2,275.90	1,275.90
2013-11B 2013 Paving/Sidewalk Program	5,648.63	3,348.63
2013-11C 2013 Drainage Program	63,005.05	63,005.05
2013-11D Cedar Pond Improvements	(400,000.00)	-
2013-11E Municipal Facility Improvements	270,334.26	190,780.73
2013-11F Generators Senior Center/Community Center	84,176.43	-
2013-11G Perrineville Rd/Union Valley Road Traffic Signal	12,000.00	-
2013-19 2013 MCIA Revenue Bonds Equipment	8,935.38	8,935.38
2014-12A Library Books	2,422.81	1,222.81
2014-12B 2014 Paving/Sidewalk Program	11,061.33	8,361.33
2014-12C 2014 Drainage Program	79,453.96	78,453.96
2014-12D Federal/Perrineville Rd Land Acq.	(8,797.00)	(8,797.00)
2014-12E Municipal Facilities Improvements	238,873.53	237,873.53
2014-12F 9-1-1 System Upgrades/Reverse 9-1-1	46,608.88	45,031.60
2014-12G Soccer Field Lighting	3,534.50	2,334.50
2014-16 2014 MCIA Revenue Bonds Equipment	5,961.78	5,961.78
2015-10A Library Books	2,705.63	1,505.63
2015-10B 2015 Paving/Sidewalk Program	16,594.80	11,849.20
2015-10C 2015 Drainage and GIS Mapping	59,903.75	59,903.75
2015-10D Radio System Upgrades	4.09	(6,095.91)
2015-10E Perrineville Road and Federal Road Traffic Signal	136,153.84	593,040.20
2015-10G Sidewalks and Curbs Improvements	4,057.90	1,957.90
2015-10H Soccer Field Fence	1,451.88	1,451.88
2015-10I Walkable Community - Bike Routes	4,800.00	4,800.00
2015-15 2015 MCIA Revenue Bonds Equipment	38,618.58	26,118.58
2015-21A Soccer Complex Improvements	105,254.88	(554,615.93)
2016-15 Imp Pergola Ave and Spotswood Intersection Grave Hill Road	(4,724.54)	(4,724.54)
2016-22A Library Books	2,705.63	1,505.63
2016-22B Spotswood Ave and Ellingham-Milling, Paving, Drainage and Concrete improvements	(66,880.70)	(68,580.70)
2016-22D Police and EMS Building Preliminary Planning	50.00	-
2016-22E Recreation Improvements - Daniel Ryan Field Restrooms, Gym floor	14,423.06	-
2016-22F Traffic - ADA & Intersection Signal Matchaponix, Pergola Ave. Spotswood-Gravel Hill Road	75,735.74	31,185.74
2016-22G Library Parking Lot lighting	67,130.63	-
2016-22H Concrete Repair -sidewalks, curbs	(72,622.37)	224.00
2016-22I Heavy Truck Lift	1,912.24	-
2016-27 2016 MCIA Revenue Bonds Equipment	48,623.28	30,316.51
2017-14A Library Books	2,707.20	2,035.13
2017-14B Paving, Sidewalks, Curbs	(342,556.81)	(11,663.30)
2017-14C Monmouth Road Pedestrian Improvements	128,588.20	(131,511.80)
2017-14D Traffic Signal Calming Devices	10,000.00	6,065.00
2017-14E Playground Equipment Improvements	4,800.00	4,800.00
2017-14F Police and EMS Building Preliminary Planning	(17,400.00)	(27,383.75)
2017-14G Park and Ride Pavement and Lighting	12,000.00	(233,542.66)
2017-14H Library Improvements including Drive Through	160,370.57	159,810.57
2017-14I Perrineville Road and Schoolhouse Road Intersection and ADA Improvements	12,000.00	12,000.00

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	Balance Dec. 31, 2018	Balance Dec. 31, 2019
2017-14J Improvements to Welding Bay	657.13	-
2017-14K Community Center Bleacher improvements and Furniture	7,169.36	7,335.25
2017-17 2017 MCIA Revenue Bonds Equipment	176,028.57	111,383.57
2017-20 Acquisition of Real Property	70,237.91	627,387.91
2018-24A Purchase of Library Books	(136,598.00)	2,511.11
2018-24B Paving, Sidewalks, Curbs	(948,250.00)	16,590.00
2018-24C Road Improvements -Daniel and 10th(DOT 475,000)	(74,872.00)	(105,275.00)
2018-24D Traffic Signal Mount Mills/Englishtown Rd	16,700.00	115,600.00
2018-24E Police Department Equipment	(212,030.94)	27,500.91
2018-24F Municipal Facility Upgrades - EMS	(8,000.00)	121,639.77
2018-24G Police Facility Upgrades	(28,080.06)	284,137.84
2018-24H Pedestrian Improvements/Cranbury/Half Acre	1,000.00	19,500.00
2018-24I Planning and Zoning Office Equipment	(7,579.91)	20.09
2018-24J EMS Radio Upgrades	(16,044.45)	2,455.55
2018-24K Replacement Lights - Recreation	(10,920.00)	480.00
2018-24L GIS - Roads. Plotting, basin	(28,500.00)	-
2018-24M Daniel Ryan Restrooms	(141,844.93)	15,581.27
2018-24IN Traffic Signal Butcher,Applegarth, Route 33	2,200.00	1,355.00
2019-08 Various Roadway And Concrete Imp	-	146,647.76
2019-15 Schoolhouse Rd. Pedestrian/Roadway Improvements	-	(281,118.30)
2019-22A Purchase of Library Books	-	(135,800.00)
2019-22B Paving, Sidewalks, Curbs	-	(75,200.00)
2019-22C EMS Building Improvements	-	(18,200.00)
2019-22D Parks Improvements and Equipment	-	(42,587.14)
2019-22E Community Center Improvements and Equipment	-	(46,200.00)
2019-22F Pedestrian Improvements Federal/Half Acre Road	-	3,100.00
2019-22G Computer Equipment	-	(15,838.54)
2019-22H DPW Front Loader	-	(22,647.00)
2019-22I Federal Road Engineer Study	-	2,700.00
2019-22J GIS- Roads, Plotting, Basin	-	(47,600.00)
	<u>\$ 6,172,527.35</u>	<u>\$ 5,621,228.56</u>
	C	C

() Denotes Deficit

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM DEVELOPER

	<u>Ref.</u>	
Balance, December 31, 2018	C	\$ -
Increased by:		
Developer Refunds	C-2	<u>111,846.50</u>
Balance, December 31, 2019	C	<u><u>\$ 111,846.50</u></u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

	Ref.	Total	Serial Bonds	MCIA Loans	Green Trust Loans	MCIA Lease Purchase Agreements
Balance, December 31, 2018	C	\$ 46,185,063.54	\$ 42,575,000.00	\$ 2,151,339.12	\$ 98,149.96	\$ 1,360,574.46
Increased by:						
Obligations Issued	C-14, C-15	17,418,992.00	16,220,000.00	-	-	1,198,992.00
		<u>63,604,055.54</u>	<u>58,795,000.00</u>	<u>2,151,339.12</u>	<u>98,149.96</u>	<u>2,559,566.46</u>
Decreased by:						
Obligations Paid	C-14, C-15	5,804,533.33	4,735,000.00	767,937.51	14,286.09	287,309.73
Balance, December 31, 2019	C	<u>\$ 57,799,522.21</u>	<u>\$ 54,060,000.00</u>	<u>\$ 1,383,401.61</u>	<u>\$ 83,863.87</u>	<u>\$ 2,272,256.73</u>

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

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

Analysis of Balance

Ord. No.	Improvement Description	Balance Dec. 31, 2018	Authorized 2019	Canceled	Other Funding	Bond Sale	Balance Dec. 31, 2019	Analysis of Balance		Unexpended Balance of Improvement Authorizations
								Bond Anticipation Notes	Expenditures	
2002-40G	Intersection of Prospect Plains Rd. and Applegarth Rd	\$ 158,790.00	\$ -	\$ 158,790.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2000-26A	Recreation and Open Space	8,457,150.00			2,076,000.00		6,381,150.00			6,381,150.00
2000-26B	Farmland Preservation	190,450.00					190,450.00			190,450.00
2002-17E	Curbs and Sidewalks on Spotswood Englishtown Roac	59,833.75					59,833.75			59,833.75
2002-17F	Improvements to Outcalt Park	73,931.00				73,000.00	931.00			931.00
2003-11E	Traffic Light at Perrineville Road and Schoolhouse Roac	148,354.00					148,354.00			148,354.00
2004-24F	Woodcrest Circle Improvements	46,034.00		46,034.00			-			-
2007-03	James Monroe Park Improvements	158,500.00					158,500.00			158,500.00
2007-25A	Expansion of Park and Ride	33,094.00		62.00			33,032.00		33,032.00	-
2007-29E	Links Drive and Forsgate Drive	66,200.00				66,200.00	-			-
2009-10	Veterans Park Phase II	92,073.00		73.00	92,000.00		-			-
2011-17A	Library Books	168,400.00				168,400.00	-			-
2011-17B	2010 Paving/Sidewalk Program	556,200.00					200.00			200.00
2011-17C	2010 Drainage Program	134,800.00				134,800.00	-			-
2011-17D	Traffic Signal Perrineville Rd and Federal Rc	307,200.00				307,200.00	-			-
2011-17E	Traffic Signal Route 522 and Regency	219,000.00				219,000.00	-			-
2011-17F	Improvements to Disbrow Hill Road	169,000.00				23,000.00	146,000.00		34,315.61	111,684.39
2011-17G	Municipal Facility Improvements	256,000.00				256,000.00	-			-
2011-17H	Intersection Improv.- Prospect Plains and Applegarth Roac	474,000.00				18,000.00	456,000.00			456,000.00
2012-29A	Library Books	168,400.00				168,400.00	-			-
2012-29B	2012 Paving/Sidewalk Program	556,200.00					200.00			200.00
2012-29C	2012 Drainage Program	134,800.00				134,800.00	-			-
2012-29D	Narrow Banding Radio Upgrades	532,500.00					131,500.00			131,500.00
2013-11A	Library Books	126,800.00				126,800.00	-			-
2013-11B	2013 Paving/Sidewalk Program	463,000.00				463,000.00	-			-
2013-11C	2013 Drainage Program	134,800.00				134,800.00	-			-
2013-11D	Cedar Pond Improvements	89,200.00				89,200.00	-			-
2013-11E	Municipal Facility Improvements	269,600.00				269,600.00	-			-
2013-11F	Generators Senior Center/Community Center	481,800.00				481,800.00	-			-
2013-11G	Perrineville Rd/Union Valley Road Traffic Signa	238,000.00		238,000.00			-			-
2014-12A	Library Books	126,800.00				126,800.00	-			-
2014-12B	2014 Paving/Sidewalk Program	880,400.00				880,000.00	400.00			400.00
2014-12C	2014 Drainage Program	95,200.00				95,000.00	200.00			200.00
2014-12D	Federal/Perrineville Rd Land Acq	380,800.00					380,800.00		8,797.00	372,003.00
2014-12E	Municipal Facilities Improvements	225,000.00				225,000.00	-			-
2014-12F	9-1-1 System Upgrades/Reverse 9-1-1	263,600.00				263,600.00	-			-
2014-12G	Soccer Field Lighting	263,600.00				263,600.00	-			-
2015-10A	Library Books	142,800.00				142,800.00	-			-
2015-10B	2015 Paving/Sidewalk Program	747,000.00				747,000.00	-			-
2015-10C	2015 Drainage and GIS Mapping	95,200.00				95,200.00	-			-
2015-10D	Radio System Upgrades	2,856,000.00				2,580,000.00	276,000.00		6,095.91	269,904.09
2015-10E	Perrineville Road and Federal Road Traffic Signa	1,428,000.00			379,210.51	800,000.00	248,789.49			248,789.49
2015-10F	Matchaponix and Spotswood Gravel Hill Road Traffic Signal	95,200.00				95,200.00	-			-
2015-10G	Sidewalks and Curbs Improvements	104,700.00				104,700.00	-			-
2015-10H	Soccer Field Fence	47,600.00				47,600.00	-			-
2015-10I	Walkable Community - Bike Routes	95,200.00					95,200.00			95,200.00
2015-21A	Soccer Complex Improvements	1,713,000.00				1,142,000.00	571,000.00		554,615.93	16,384.07
2015-21B	Tennis Courts at High School	285,700.00				285,700.00	-			-
2016-15	Imp Pergola Ave and Spotswood Intersection Gravel Hill Rd	119,000.00					119,000.00		4,724.54	114,275.46
2016-22A	Library Books	142,800.00				142,800.00	-			-
2016-22B	Spotswood Ave and Ellingham-Milling, Paving, Drainage and Concrete improvements	575,000.00				575,000.00	-			-
2016-22C	Drainage GIS Mapping	71,400.00				71,400.00	-			-

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

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

Ord. No.	Improvement Description	Balance Dec. 31, 2018	Authorized 2019	Canceled	Other Funding	Bond Sale	Balance Dec. 31, 2019	Analysis of Balance		
								Bond Anticipation Notes	Expenditures	Unexpended Balance of Improvement Authorizations
2016-22D	Police and EMS Building Preliminary Planning	571,000.00				571,000.00	-			-
2016-22E	Recreation Improvements - Daniel Ryan Field Restrooms, Gym floor	138,000.00				138,000.00	-			-
2016-22F	Traffic - ADA & Intersection Signal Matchaponix, Pergola Ave. Spotswood-Gravel Hill Road	1,761,900.00				189,300.00	1,572,600.00			1,572,600.00
2016-22G	Library Parking Lot Lighting	378,800.00				378,800.00	-			-
2016-22H	Concrete Repair -sidewalks, curbs	104,700.00				2,100.00	102,600.00	\$ 100,000.00		2,600.00
2016-22I	Heavy Truck Lift	32,400.00				32,400.00	-			-
2017-14A	Library Books	142,800.00				142,800.00	-			-
2017-14B	Paving, Sidewalks, Curbs	723,800.00				300,000.00	423,800.00	400,000.00	11,663.30	12,136.70
2017-14C	Monmouth Road Pedestrian Improvements	571,000.00			232,500.00	200,000.00	138,500.00		131,511.80	6,988.20
2017-14D	Traffic Signal Calming Devices	9,500.00				9,500.00	-			-
2017-14E	Playground Equipment Improvements	95,200.00					95,200.00			95,200.00
2017-14F	Police and EMS Building Preliminary Planning	380,900.00					380,900.00		27,383.75	353,516.25
2017-14G	Park and Ride Pavement and Lighting	238,000.00					238,000.00		233,542.66	4,457.34
2017-14H	Library Improvements including Drive Through Perrineville Road and Schoolhouse Road	166,600.00				166,600.00	-			-
2017-14I	Intersection and ADA Improvements	238,000.00					238,000.00			238,000.00
2017-14J	Improvements to Welding Bay	42,800.00		400.00		42,400.00	-			-
2017-14K	Community Center Bleacher improvements and Furniture	25,700.00				25,700.00	-			-
2017-20	Acquisition of Real Property	2,375,000.00	\$ 542,800.00			2,375,000.00	542,800.00	542,800.00		-
2018-24A	Purchase of Library Books	142,800.00					142,800.00	142,800.00		-
2018-24B	Paving, Sidewalks, Curbs	1,047,600.00					1,047,600.00	1,047,600.00		-
2018-24C	Road Improvements -Daniel and 10th(DOT 475,000)	175,000.00					175,000.00	145,000.00		30,000.00
2018-24D	Traffic Signal Mount Mills/Englishtown Rc	333,300.00					333,300.00	98,900.00		234,400.00
2018-24E	Police Department Equipment	218,000.00					218,000.00	218,000.00		-
2018-24F	Municipal Facility Upgrades - EMS	238,000.00					238,000.00	238,000.00		-
2018-24G	Police Facility Upgrades	414,200.00					414,200.00	414,200.00		-
2018-24H	Pedestrian Improvements/Cranbury/Half Acre	19,000.00					19,000.00	19,000.00		-
2018-24I	Planning and Zoning Office Equipmen	7,600.00					7,600.00	7,600.00		-
2018-24J	EMS Radio Upgrades	19,000.00					19,000.00	19,000.00		-
2018-24K	Replacement Lights - Recreation	11,400.00					11,400.00	11,400.00		-
2018-24L	GIS - Roads. Plotting, basin	28,500.00					28,500.00	28,500.00		-
2018-24M	Daniel Ryan Restrooms	190,400.00					190,400.00	190,400.00		-
2018-24N	Traffic Signal Butcher,Applegarth, Route 33	43,800.00					43,800.00	43,800.00		-
2019-08	Various Roadway And Concrete		1,333,300.00				1,333,300.00	1,333,000.00		300.00
2019-15	Schoolhouse Rd. Pedestrian/Roadway Improvements		262,800.00				262,800.00			262,800.00
2019-22A	Purchase of Library Books		142,800.00				142,800.00		135,800.00	7,000.00
2019-22B	Paving, Sidewalks, Curbs		95,200.00				95,200.00		75,200.00	20,000.00
2019-22C	EMS Building Improvements		95,200.00				95,200.00		18,200.00	77,000.00
2019-22D	Parks Improvements and Equipment		161,900.00				161,900.00		42,587.14	119,312.86
2019-22E	Community Center Improvements and Equipment		75,200.00				75,200.00		46,200.00	29,000.00
2019-22F	Pedestrian Improvements Federal/Half Acre Road		61,900.00				61,900.00			61,900.00
2019-22G	Computer Equipment		21,900.00				21,900.00		15,838.54	6,061.46
2019-23H	DPW Front Loader		236,000.00				236,000.00		22,647.00	213,353.00
2019-23I	Federal Road Engineer Study		52,300.00				52,300.00			52,300.00
2019-23J	GIS- Roads, Plotting, Basin		47,600.00				47,600.00		47,600.00	-
		\$36,602,809.75	\$ 3,128,900.00	\$ 443,359.00	\$ 2,779,710.51	\$ 17,904,000.00	\$ 18,604,640.24	\$ 5,000,000.00	\$ 1,449,755.18	\$ 12,154,885.06

<u>Ref.</u>	C	C-9	C-9	Below	C-2	C	C-13
			<u>Ref.</u>				
		Open Space Trust	C-2	\$ 2,168,000.00			
		NJDOT Payment	C-2	232,500.00			
		Payment by County	C-2	379,210.51			
				<u>\$ 2,779,710.51</u>			

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance <u>Dec. 31, 2018</u>	<u>Awarded</u>	<u>Received</u>	Balance <u>Dec. 31, 2019</u>
County of Middlesex:				
Intersection of Forsgate Dr./Applegarth Rd./ Possum Hollow Rd. (2002-17B)	\$ 680,000.00	\$ -	\$ -	\$ 680,000.00
Traffic Light at Perrineville Rd. and Schoolhouse Rd. (2003-11E)	194,424.17			194,424.17
Traffic Light at Applegarth and Cranbury Station Rd. (2008-08)	682,029.89			682,029.89
Applegarth/Clearbrook Traffic Light (2009-20)	400,000.00			400,000.00
Cedar Pond Improvements(2013-11D)	400,000.00		400,000.00	-
Soccer Complex Improvements (2015-21A)	135,985.95		135,985.95	-
	<u>2,492,440.01</u>	-	535,985.95	<u>1,956,454.06</u>
Department of Transportation:				
Monmouth Road Improvements (2017-14)	310,000.00		232,500.00	77,500.00
2005 Road Paving and Sidewalk Program (2005-32B)	250,000.00			250,000.00
Spotswood Ave and Ellingham-Milling, Paving, Drainage and Concrete improvements(2016-22B)	75,000.00			75,000.00
Daniel and 10th-Milling, Paving, Drainage and Concrete improvements(2018-24C)	475,000.00		356,250.00	118,750.00
Schoolhouse Rd. Pedestrian/Roadway Improvements(2019-15)	-	557,200.00	272,550.89	284,649.11
	<u>1,110,000.00</u>	<u>557,200.00</u>	<u>861,300.89</u>	<u>805,899.11</u>
Due From State:				
Senior Center (2006-14C)	100,000.00	-	-	100,000.00
	<u>100,000.00</u>	-	-	<u>100,000.00</u>
	<u>\$ 3,702,440.01</u>	<u>\$ 557,200.00</u>	<u>\$ 1,397,286.84</u>	<u>\$ 2,862,353.17</u>
	<u>Ref.</u>	<u>C</u>	<u>C-9</u>	<u>C</u>
Cash Receipts	C-2		\$ 1,164,786.84	
Reserve for receivables	Reserve		<u>232,500.00</u>	
			<u>\$ 1,397,286.84</u>	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING ASSISTANCE

	<u>Ref.</u>	
Balance, December 31, 2018	C	\$ 1,625,265.77
Increased by:		
Interest Earned	C-2	<u>17,831.08</u>
Balance, December 31, 2019	C	<u>\$ 1,643,096.85</u>

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY
 GENERAL CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	2019 Authorizations										
		Balance, Dec. 31, 2018		2018 Encumbered	Capital Improvement Fund	Deferred Charges to Future Taxation	Grants, Refunds and Other Contributions	Canceled	2019		Balance, Dec. 31, 2019	
		Funded	Unfunded						Expended	Encumbered	Funded	Unfunded
2005-35	Affordable Housing 2005	\$ 130,321.86	\$ -	\$ 3,338.66	\$ -	\$ -	\$ -	\$ -	\$ 5,185.83	\$ 4,735.27	\$ 123,739.42	\$ -
1994-16	Cultural and Heritage Museum			683.78				683.78				-
1998-24D	Historic Site Improvements			199.05				199.05				-
1998-24E	Farmland Preservation	47,869.15									47,869.15	-
2002-40	Intersection of Applegarth Rd./ Prospect Plains Road	10,704.76	158,790.00					169,494.76				-
1999-17	Recreation and Open Space	91,200.50									91,200.50	-
2000-12	Municipal Complex Improvements	19,306.57		26,793.78					3,502.17	34,518.54	8,079.64	-
2000-26A	Recreation and Open Space		7,937,508.26	12,168.00					2,258.70	23,241.30	1,543,026.26	6,381,150.00
2000-26B	Farmland Preservation	523,183.41	190,450.00								523,183.41	190,450.00
2000-26C	Historic Site Improvements			5,855.80				5,855.80				-
2002-17B	Intersection of Forsgate Dr./Applegarth Rd./Possum Hollow Rd.	358,262.97									358,262.97	-
2002-17E	Curbs and Sidewalks on Spotswood Englishtown Road	26,739.97	59,833.75								26,739.97	59,833.75
2002-17F	Improvements to Outcalt Park		14,455.39							2,000.00	11,524.39	931.00
2003-11E	Traffic Light at Perrineville Road and Schoolhouse Rd.	0.21	148,354.00								0.21	148,354.00
2003-11F	Traffic Light at Union Valley Road and Perrineville Rd.	141,518.29		4,050.00							145,568.29	-
2003-46	Various Applegarth Road Intersections			1,534.00				1,534.00				-
2004-24F	Woodcrest Circle Improvements		46,034.00					46,034.00				-
2006-10A	Library Expansion	824.36						824.36				-
2006-10B	Community Center Addition	3,045.50								3,045.50		-
2006-10C	New Senior Center	71,227.26		30,297.61					9,303.61	60,044.12	32,177.14	-
2006-14C	Daniel P. Ryan Field Restrooms	2,847.40		133,440.00						136,287.40		-
2006-14D	2006 Drainage Program			598.00					598.00			-
2006-14E	Dey Farm England House			1,341.87							1,341.87	-
2007-03	James Monroe Park Improvements	3.72	158,500.00								3.72	158,500.00
2007-25A	Expansion of Park and Ride	62,609.88	33,094.00					62.00		95,641.88		-
2007-29B	Construction of EMS Fire Facility Fire District 2	28,823.08									28,823.08	-
2007-29D	Farmland Preservation	20,679.11									20,679.11	-
2007-29E	Links Drive and Forsgate Drive		4,132.92					4,132.92				-
2008-08	Signal Applegarth Rd / Cranbury Station Rd/ Union Valley Rd	425,697.86									425,697.86	-
2008-09	Open Space Acquisition	213,887.53		6,286.10					9,759.06	9,790.80	200,623.77	-
2008-10C	Improvements to Municipal Facilities			5,872.61						5,872.61		-
2008-10D	Purchase of Radio Equipment	17,270.21						17,270.21				-
2009-10	Veterans Park Phase II		107,940.49					107,940.49				-
2009-11	Computer Equipment/Software	2,203.00		1,001.89						1,913.66	1,291.23	-
2009-20	Applegarth/Clearbrook Traffic Light	274,143.01									274,143.01	-
2009-22	Forge Road Drainage Improvements	119,867.05		2,157.33					2,157.33		119,867.05	-
2009-23B	Applegarth Park and Ride	122,685.22								122,685.22		-
2009-23D	Perrineville Road Sidewalks	78,405.00									78,405.00	-
2010-13A	Purchase of Computers	11,568.44							1,480.77	2,752.60	7,335.07	-
2010-13D	2010 Drainage Program	13,900.06								13,900.06		-
2010-13E	Public Safety Base Station	42,963.20								7,670.00	35,293.20	-
2010-13G	Recreation Radio/Sound System	9,400.00									9,400.00	-
2010-16	2010 MCIA Revenue Bonds Equipment	14,124.21							1,230.00	1,741.05	11,153.16	-
2011-17A	Library Books		3,630.03								3,630.03	-
2011-17B	2010 Paving/Sidewalk Program		9,808.92							7,205.82	2,403.10	200.00
2011-17C	2010 Drainage Program		115,000.00	5,000.00					5,000.00	115,000.00		-
2011-17D	Traffic Signal Perrineville Rd and Federal Rd		2,717.15					1,517.15		1,200.00		-
2011-17E	Traffic Signal Route 522 and Regency		80,826.30					79,626.30		1,200.00		-
2011-17F	Improvements to Disbrow Hill Road		150,000.00	24,010.25					22,393.25	39,932.61		111,684.39
2011-17G	Municipal Facility Improvements		93,108.39	37,095.30					22,900.04	75,223.65	32,080.00	-
2011-17H	Intersection Improv.- Prospect Plains and Applegarth Road		460,000.00	21,625.00						1,000.00	24,625.00	456,000.00
2011-19	Dey Farm Homestead Property Improvements	550.00		18,528.44							19,078.44	-
2011-29	2011 MCIA Revenue Bonds Equipment	335.11		10,122.75						9,672.75	785.11	-
2012-26	2012 MCIA Revenue Bonds Equipment	16,911.41								676.95	16,234.46	-
2012-29A	Library Books		2,730.75							1,000.00	1,730.75	-
2012-29B	2012 Paving/Sidewalk Program		10,654.61							1,700.00	8,754.61	200.00
2012-29C	2012 Drainage Program		115,000.00	4,701.00					14,701.00	81,449.12	23,550.88	-
2012-29D	Narrow Banding Radio Upgrades		145,730.30							1,200.00	13,030.30	131,500.00

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	2019 Authorizations											
		Balance, Dec. 31, 2018		2018 Encumbered	Capital Improvement Fund	Deferred Charges to Future Taxation	Grants, Refunds and Other Contributions	Canceled	2019		Balance, Dec. 31, 2019		
		Funded	Unfunded						Expended	Encumbered	Funded	Unfunded	
2013-11A	Library Books		2,275.90							1,000.00		1,275.90	-
2013-11B	2013 Paving/Sidewalk Program		5,648.63							2,300.00		3,348.63	-
2013-11C	2013 Drainage Program		63,005.05	4,701.00				4,701.00				63,005.05	-
2013-11D	Cedar Pond Improvements			18,849.51				17,556.51		1,293.00			-
2013-11E	Municipal Facility Improvements		270,334.26					40,571.51		38,982.02		190,780.73	-
2013-11F	Generators Senior Center/Community Center		84,176.43							2,400.00			-
2013-11G	Perrineville Rd/Union Valley Road Traffic Signal	12,000.00	238,000.00								81,776.43		-
2013-19	2013 MCIA Revenue Bonds Equipment	8,935.38										8,935.38	-
2014-12A	Library Books		2,422.81							1,200.00		1,222.81	-
2014-12B	2014 Paving/Sidewalk Program		11,461.33							2,700.00		8,361.33	400.00
2014-12C	2014 Drainage Program		79,653.96	7,903.50				6,109.00		2,794.50		78,453.96	200.00
2014-12D	Federal/Perrineville Rd Land Acq.		372,003.00	5,323.75				5,323.75					372,003.00
2014-12E	Municipal Facilities Improvements	873.53	238,000.00							1,000.00		237,873.53	-
2014-12F	9-1-1 System Upgrades/Reverse 9-1-1		46,608.88							1,577.28		45,031.60	-
2014-12G	Soccer Field Lighting		3,534.50							1,200.00		2,334.50	-
2014-16	2014 MCIA Revenue Bonds Equipment	5,961.78										5,961.78	-
2015-10A	Library Books		2,705.63							1,200.00		1,505.63	-
2015-10B	2015 Paving/Sidewalk Program		16,594.80	35,447.59						40,193.19		11,849.20	-
2015-10C	2015 Drainage and GIS Mapping		59,903.75									59,903.75	-
2015-10D	Radio System Upgrades		276,004.09	325,271.19				325,271.19		6,100.00		269,904.09	-
2015-10E	Perrineville Road and Federal Road Traffic Signal		764,153.84	106,415.03						28,739.18		593,040.20	248,789.49
2015-10G	Sidewalks and Curbs Improvements		4,057.90							2,100.00		1,957.90	-
2015-10H	Soccer Field Fence		1,451.88	1,311.25					1,311.25			1,451.88	-
2015-10I	Walkable Community - Bike Routes	4,800.00	95,200.00									4,800.00	95,200.00
2015-15	2015 MCIA Revenue Bonds Equipment	38,618.58		222.00						222.00		12,500.00	-
2015-21A	Soccer Complex Improvements		812,240.83	145,498.35				71,856.17		869,498.94			16,384.07
2016-15	Imp Pergola Ave and Spotswood Intersection Gravel Hill Road		114,275.46	10,000.00						10,000.00			114,275.46
2016-22A	Library Books		2,705.63							1,200.00		1,505.63	-
2016-22B	Concrete improvements		8,119.30	14,677.12						16,377.12		6,419.30	-
2016-22D	Police and EMS Building Preliminary Planning		50.00	262,955.39					263,005.39				-
2016-22E	Recreation Improvements - Daniel Ryan Field Restrooms, Gym floor		14,423.06	111,000.00						125,423.06			-
2016-22F	Spotswood-Gravel Hill Road		1,648,335.74	108,670.49				40,306.15		112,914.34		31,185.74	1,572,600.00
2016-22G	Library Parking Lot lighting		67,130.63	1,323.38						780.00			-
2016-22H	Concrete Repair -sidewalks, curbs		32,077.63					67,674.01		29,253.63			2,824.00
2016-22I	Heavy Truck Lift		1,912.24					912.24		1,000.00			-
2016-27	2016 MCIA Revenue Bonds Equipment	48,623.28		39,871.29						16,862.98		30,316.51	-
2017-14A	Library Books		2,707.20							672.07		2,035.13	-
2017-14B	Paving, Sidewalks, Curbs		81,243.19	4,415.00					4,415.00	69,106.49			12,136.70
2017-14C	Monmouth Road Pedestrian Improvements		499,588.20	7,813.75					170,043.48	330,370.27			6,988.20
2017-14D	Traffic Signal Calming Devices	500.00	9,500.00							3,935.00		6,065.00	-
2017-14E	Playground Equipment Improvements	4,800.00	95,200.00									4,800.00	95,200.00
2017-14F	Police and EMS Building Preliminary Planning		363,500.00	397.31					10,381.06				353,516.25
2017-14G	Park and Ride Pavement and Lighting	12,000.00	238,000.00						47,167.89	198,374.77			4,457.34
2017-14H	Library Improvements including Drive Through		160,370.57							560.00		159,810.57	-
2017-14I	Perrineville Road and Schoolhouse Road Intersection and ADA Improvements	12,000.00	238,000.00									12,000.00	238,000.00
2017-14J	Improvements to Welding Bay		1,057.13					557.13		500.00			-
2017-14K	Community Center Bleacher improvements and Furniture		7,169.36	5,265.88						5,099.99		7,335.25	-
2017-17	2017 MCIA Revenue Bonds Equipment	176,028.57		324,973.91						389,618.91		111,383.57	-
2017-20	Acquisition of Real Property		70,237.91	9,000.00		27,200.00	542,800.00			21,850.00		84,587.91	542,800.00
2018-24A	Purchase of Library Books		6,202.00	112,117.63						115,808.52			2,511.11
2018-24B	Paving, Sidewalks, Curbs		99,350.00	11,831.64					15,498.04	79,093.60			16,590.00
2018-24C	Road Improvements -Daniel and 10th (DOT 475,000)	400,128.00	175,000.00	74,872.00					121,887.33	484,637.67			43,475.00
2018-24D	Traffic Signal Mount Mills/Englishtown Rd	16,700.00	333,300.00									16,700.00	333,300.00
2018-24E	Police Department Equipment		5,969.06	223,030.94						201,499.09			27,500.91
2018-24F	Municipal Facility Upgrades - EMS		230,000.00	20,000.00					58,036.65	70,323.58			121,639.77
2018-24G	Police Facility Upgrades		386,119.94	40,115.49					34.39	142,063.20			284,137.84
2018-24H	Pedestrian Improvements/Cranbury/Half Acre	1,000.00	19,000.00							500.00		500.00	19,000.00

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2018	C	\$ 147,600.00
Increased by:		
Canceled Improvement Authorizations	C-9	12,000.00
2019 Budget Appropriation	C-2	<u>75,000.00</u>
		234,600.00
Decreased by:		
Appropriated to Improvement Authorizations	C-9	<u>143,900.00</u>
Balance, December 31, 2019	C	<u><u>\$ 90,700.00</u></u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF MISCELLANEOUS RESERVES

	<u>Balance</u> <u>Dec.31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec.31, 2019</u>
Reserve for Roadway, Curb, Sidewalk Improvements	\$ 547,990.68	\$ 10,936.19	\$ 400,173.99	\$ 158,752.88
	<u>\$ 547,990.68</u>	<u>\$ 10,936.19</u>	<u>\$ 400,173.99</u>	<u>\$ 158,752.88</u>
<u>Ref.</u>	C	C-2	C-2	C

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>Balance</u> <u>Dec.31, 2018</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec.31, 2019</u>
Reserve for Debt Service: Senior Center	\$ 403,000.00	\$ 332,000.00	\$ 71,000.00
	<u>\$ 403,000.00</u>	<u>\$ 332,000.00</u>	<u>\$ 71,000.00</u>
<u>Ref.</u>	C	C-2	C

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES

Ord. No.	Description	Date of Ordinance	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Increase	Decrease	Balance Dec. 31, 2019
2000-26	Recreation and Open Space	08/28/00	08/06/15	06/12/18	06/11/19	3.00%	\$ 2,076,000.00	\$ -	\$ 2,076,000.00	\$ -
2002-17	Improvements to Outcalt Park	05/06/02	08/04/16	06/12/18	06/11/19	3.00%	73,000.00		73,000.00	-
2007-29E	Links Drive and Forsgate Drive	07/25/07	08/06/15	06/12/18	06/11/19	3.00%	66,200.00		66,200.00	-
2009-10	Veterans Park Phase II	05/04/09	08/04/16	06/12/18	06/11/19	3.00%	92,000.00		92,000.00	-
2011-17A	Library Books	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	168,400.00		168,400.00	-
2011-17B	2010 Paving/Sidewalk Program	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	556,000.00		556,000.00	-
2011-17C	2010 Drainage Program	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	134,800.00		134,800.00	-
2011-17D	Traffic Signal Perrineville Rd and Federal Rd	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	307,200.00		307,200.00	-
2011-17E	Traffic Signal Route 522 and Regency	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	219,000.00		219,000.00	-
2011-17F	Improvements to Disbrow Hill Road	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	23,000.00		23,000.00	-
2011-17G	Municipal Facility Improvements	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	256,000.00		256,000.00	-
2011-17H	Intersection Improv.- Prospect Plains and Applegarth Road	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	18,000.00		18,000.00	-
2012-29A	Library Books	08/27/12	08/06/15	06/12/18	06/11/19	3.00%	168,400.00		168,400.00	-
2012-29B	2012 Paving/Sidewalk Program	08/27/12	08/06/15	06/12/18	06/11/19	3.00%	556,000.00		556,000.00	-
2012-29C	2012 Drainage Program	08/27/12	08/06/15	06/12/18	06/11/19	3.00%	134,800.00		134,800.00	-
2012-29D	Narrow Banding Radio Upgrades	08/27/12	08/06/15	06/12/18	06/11/19	3.00%	401,000.00		401,000.00	-
2013-11A	Library Books	07/01/13	08/06/15	06/12/18	06/11/19	3.00%	126,800.00		126,800.00	-
2013-11B	2013 Paving/Sidewalk Program	07/01/13	08/06/15	06/12/18	06/11/19	3.00%	463,000.00		463,000.00	-
2013-11C	2013 Drainage Program	07/01/13	08/06/15	06/12/18	06/11/19	3.00%	134,800.00		134,800.00	-
2013-11D	Cedar Pond Improvements	07/01/13	08/06/15	06/12/18	06/11/19	3.00%	89,200.00		89,200.00	-
2013-11E	Municipal Facility Improvements	07/01/13	08/06/15	06/12/18	06/11/19	3.00%	269,600.00		269,600.00	-
2013-11F	Generators Senior Center/Community Center	07/01/13	08/06/15	06/12/18	06/11/19	3.00%	481,800.00		481,800.00	-
2014-12A	Library Books	07/07/14	08/06/15	06/12/18	06/11/19	3.00%	126,800.00		126,800.00	-
2014-12B	2014 Paving/Sidewalk Program	07/07/14	08/06/15	06/12/18	06/11/19	3.00%	880,000.00		880,000.00	-
2014-12C	2014 Drainage Program	07/07/14	08/02/17	06/12/18	06/11/19	3.00%	95,000.00		95,000.00	-
2014-12E	Municipal Facilities Improvements	07/07/14	08/06/15	06/12/18	06/11/19	3.00%	225,000.00		225,000.00	-
2014-12F	9-1-1 System Upgrades/Reverse 9-1-1	07/07/14	08/06/15	06/12/18	06/11/19	3.00%	263,600.00		263,600.00	-
2014-12G	Soccer Field Lighting	07/07/14	08/06/15	06/12/18	06/11/19	3.00%	263,600.00		263,600.00	-
2015-10A	Library Books	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	142,800.00		142,800.00	-
2015-10B	2015 Paving/Sidewalk Program	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	747,000.00		747,000.00	-
2015-10C	2015 Drainage and GIS Mapping	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	95,200.00		95,200.00	-
2015-10D	Radio System Upgrades	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	2,580,000.00		2,580,000.00	-
2015-10E	Perrineville Rd and Federal Rd Traffic Signal	07/06/15	08/02/17	06/12/18	06/11/19	3.00%	800,000.00		800,000.00	-
2015-10F	Matchaponix and Spotswood Gravel Hill Road - Traffic Signal	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	95,200.00		95,200.00	-
2015-10G	Sidewalks and Curbs Improvements	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	104,700.00		104,700.00	-
2015-10H	Soccer Field Fence	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	47,600.00		47,600.00	-
2015-21A	Soccer Complex Improvements	11/04/15	08/04/16	06/12/18	06/11/19	3.00%	1,142,000.00		1,142,000.00	-
2015-21B	Tennis Courts at High School	11/04/15	08/04/16	06/12/18	06/11/19	3.00%	285,700.00		285,700.00	-
2016-22A	Library Books	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	142,800.00		142,800.00	-
2016-22B	Spotswood Ave and Ellingham-Milling, Paving, Drainage and Concrete improvements	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	575,000.00		575,000.00	-
2016-22C	Drainage GIS Mapping	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	71,400.00		71,400.00	-
2016-22D	Police and EMS Building Preliminary Planning	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	571,000.00		571,000.00	-

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES

Ord. No.	Description	Date of Ordinance	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Increase	Decrease	Balance Dec. 31, 2019
2016-22E	Recreation Improvements - Daniel Ryan Field Restrooms, Gym floor	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	138,000.00		138,000.00	-
2016-22F	Traffic-ADA & Intersection Signal Matchaponix, Pergola Ave. Spotswood-Gravel Hill Road	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	189,300.00		189,300.00	-
2016-22G	Library Parking Lot lighting	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	378,800.00		378,800.00	-
2016-22H	Concrete Repair -sidewalks, curbs	06/06/16					2,100.00	100,000.00	2,100.00	100,000.00
2016-22I	Heavy Truck Lift	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	32,400.00		32,400.00	-
2017-14A	Library Books	07/05/17	06/12/18	06/12/18	06/11/19	3.00%	142,800.00		142,800.00	-
2017-14B	Paving, Sidewalks, Curbs	07/05/17	06/12/18	06/12/18	06/11/19	3.00%	300,000.00	400,000.00		400,000.00
2017-14C	Monmouth Road Pedestrian Improvements	07/05/17	06/12/18	06/12/18	06/11/19	3.00%	200,000.00		200,000.00	-
2017-14D	Traffic Signal Calming Devices	07/05/17	06/12/18	06/12/18	06/11/19	3.00%	9,500.00		9,500.00	-
2017-14H	Library Improvements including Drive Through	07/05/17	06/12/18	06/12/18	06/11/19	3.00%	166,600.00		166,600.00	-
2017-14J	Improvements to Welding Bay	07/05/17	06/12/18	06/12/18	06/11/19	3.00%	42,400.00		42,400.00	-
2017-14K	Community Center Bleacher improvements and Furniture	07/05/17	06/12/18	06/12/18	06/11/19	3.00%	25,700.00		25,700.00	-
2017-20	Acquisition of Real Property	09/06/17	06/12/18	06/12/18	06/11/19	2.50%	2,375,000.00	542,800.00	2,375,000.00	542,800.00
2018-24A	Purchase of Library Books	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		142,800.00		142,800.00
2018-24B	Paving, Sidewalks, Curbs	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		1,047,600.00		1,047,600.00
2018-24C	Road Improvements -Daniel and 10th	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		145,000.00		145,000.00
2018-24D	Traffic Signal Mount Mills/Englishtown Rd	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		98,900.00		98,900.00
2018-24E	Police Department Equipment	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		218,000.00		218,000.00
2018-24F	Municipal Facility Upgrades - EMS	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		238,000.00		238,000.00
2018-24G	Police Facility Upgrades	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		414,200.00		414,200.00
2018-24H	Pedestrian Improvements/Cranbury/Half Acre	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		19,000.00		19,000.00
2018-24I	Planning and Zoning Office Equipment	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		7,600.00		7,600.00
2018-24J	EMS Radio Upgrades	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		19,000.00		19,000.00
2018-24K	Replacement Lights - Recreation	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		11,400.00		11,400.00
2018-24L	GIS - Roads. Plotting, basin	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		28,500.00		28,500.00
2018-24M	Daniel Ryan Restrooms	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		190,400.00		190,400.00
2018-24IN	Traffic Signal Butcher,Applegarth, Route 33	07/02/18	06/10/19	06/10/19	06/10/20	2.50%		43,800.00		43,800.00
2019-08	Various Roadway And Concrete	03/04/19	06/10/19	06/10/19	06/10/20	2.50%		1,333,000.00		1,333,000.00
							<u>\$ 20,072,000.00</u>	<u>\$ 5,000,000.00</u>	<u>\$ 20,072,000.00</u>	<u>\$ 5,000,000.00</u>

Ref. C C-2 C-2 C

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY
 GENERAL CAPITAL FUND
 SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2019		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
General Obligation Bonds 2012	08/01/12	\$ 30,075,000.00	12/15/20	\$ 2,000,000.00	2.000%	\$ 18,000,000.00	\$ -	\$ 2,000,000.00	\$ 16,000,000.00
			12/15/21	2,000,000.00	3.000%				
			12/15/22	2,000,000.00	2.000%				
			12/15/23	2,000,000.00	2.125%				
			12/15/24	2,000,000.00	3.000%				
			12/15/25	2,000,000.00	3.000%				
			12/15/26	2,000,000.00	3.000%				
12/15/27	2,000,000.00	3.000%							
General Obligation Refunding Bonds 2012	12/07/12	5,055,000.00				820,000.00	-	820,000.00	-
General Obligation Bonds 2013	02/06/13	28,235,000.00	01/15/20	1,500,000.00	3.000%	22,500,000.00	-	1,500,000.00	21,000,000.00
			01/15/21	1,500,000.00	3.000%				
			01/15/22	1,500,000.00	3.000%				
			01/15/23	1,500,000.00	2.250%				
			01/15/24	1,500,000.00	2.375%				
			01/15/25	1,500,000.00	3.000%				
			01/15/26	1,500,000.00	3.000%				
			01/15/27	1,500,000.00	3.000%				
			01/15/28	1,500,000.00	3.000%				
			01/15/29	1,500,000.00	3.000%				
			01/15/30	1,500,000.00	3.000%				
			01/15/31	1,500,000.00	3.000%				
			01/15/32	1,500,000.00	3.000%				
			01/15/33	1,500,000.00	3.000%				
General Obligation Refunding Bonds 2015	08/01/15	2,435,000.00	08/01/20	415,000.00	4.000%	1,255,000.00	-	415,000.00	840,000.00
			08/01/21	425,000.00	4.000%				
General Obligation Bonds 2019	06/10/19	16,220,000.00	06/01/20	630,000.00	5.000%	-	16,220,000.00	-	16,220,000.00
			06/01/21	860,000.00	5.000%				
			06/01/22	905,000.00	5.000%				
			06/01/23	975,000.00	5.000%				
			06/01/24	995,000.00	5.000%				
			06/01/25	1,045,000.00	5.000%				
			06/01/26	1,090,000.00	5.000%				
			06/01/27	1,115,000.00	4.000%				
			06/01/28	1,160,000.00	4.000%				
			06/01/29	1,185,000.00	4.000%				
			06/01/30	1,230,000.00	3.000%				
			06/01/31	1,250,000.00	3.000%				
			06/01/32	1,260,000.00	3.000%				
			06/01/33	1,260,000.00	3.000%				
06/01/34	1,260,000.00	3.000%							
						\$ 42,575,000.00	\$ 16,220,000.00	\$ 4,735,000.00	\$ 54,060,000.00
						C	C-5	C-5	C

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF LOANS AND LEASE PROGRAMS

<u>Green Trust Loans:</u>	<u>Date</u>	<u>Amount</u>	<u>Schedule of Maturities</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2018</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2019</u>	
Ballfield Improvements	01/11/05	\$ 265,600.16	2020-2025		2.000%	\$ 98,149.96	\$ 14,286.09	\$ 83,863.87	
						<u>\$ 98,149.96</u>	<u>\$ 14,286.09</u>	<u>\$ 83,863.87</u>	
					<u>Ref.</u>	C	C-5	C	
			<u>Maturities of Bonds Outstanding December 31, 2019</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2018</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2019</u>	
			<u>Date</u>	<u>Amount</u>					
<u>MCIA Program Loans:</u>									
MCIA Revenue Bonds 2014 Loan	09/30/14	\$ 796,721.23			3.000%	\$ 167,626.66	\$ 167,626.66	\$ -	
MCIA Revenue Bonds 2015 Loan	09/30/15	593,245.14	07/15/20	\$ 126,211.59	4.000%	247,568.89	121,357.30	126,211.59	
MCIA Revenue Bonds 2016 Loan	09/29/16	1,272,775.86	07/15/20	262,068.85	4.000%	786,609.73	251,989.28	534,620.45	
			07/15/21	272,551.60	4.000%				
MCIA Revenue Bonds 2017 Loan	09/28/17	1,169,887.50	07/15/20	233,773.20	3.000%	949,533.84	226,964.27	722,569.57	
			07/15/21	240,786.39	3.000%				
			07/15/22	248,009.98	3.000%				
						<u>\$2,151,339.12</u>	<u>\$ 767,937.51</u>	<u>\$ 1,383,401.61</u>	
					<u>Ref.</u>	C	C-5	C	
<u>MCIA Equipment Lease Program:</u>						<u>Balance Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2019</u>
MCIA Equipment Lease Purchase Agreements - Principal						\$ 1,360,574.46	\$ 1,198,992.00	\$ 287,309.73	\$ 2,272,256.73
						<u>\$ 1,360,574.46</u>	<u>\$ 1,198,992.00</u>	<u>\$ 287,309.73</u>	<u>\$ 2,272,256.73</u>
					<u>Ref.</u>	C	C-5	C-5	C

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>	<u>Authorized 2019</u>	<u>Bond Sale</u>	<u>Canceled</u>	<u>Grants</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2019</u>
2000-26	Recreation and Open Space	\$ 6,381,150.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,381,150.00
2000-27=6B	Farmland Preservation	190,450.00						190,450.00
2004-24F	Woodcrest Circle Improvements	46,034.00			46,034.00			-
2002-40G	Intersection Applegarth/Prospect Plains Rds.	158,790.00			158,790.00			-
2002-17E	Curbs and Sidewalks Spotswood/Englishtown Road	59,833.75						59,833.75
2002-17F	Improvements to Outcalt Park	931.00						931.00
2003-11E	Traffic Light at Perrineville Road and Schoolhouse Road	148,354.00						148,354.00
2007-03	James Monroe Park Improvements	158,500.00						158,500.00
2007-25A	Expansion of Park and Ride	33,094.00			62.00			33,032.00
2009-10	Veterans Park Phase II	73.00			73.00			-
2011-17B	2010 Paving/Sidewalk Program	200.00						200.00
2011-17F	Improvements to Disbrow Hill Road	146,000.00						146,000.00
2011-17H	Intersection Improv.- Prospect Plains and Applegarth Rd.	456,000.00						456,000.00
2012-29B	2012 Paving/Sidewalk Program	200.00						200.00
2012-29D	Narrow Banding Radio Upgrades	131,500.00						131,500.00
2013-11G	Perrineville Rd/Union Valley Road Traffic Signal	238,000.00			238,000.00			-
2014-12B	2014 Paving/Sidewalk Program	400.00						400.00
2014-12C	2014 Drainage Program	200.00						200.00
2014-12D	Federal/Perrineville Rd Land Acq.	380,800.00						380,800.00
2015-10D	Radio System Upgrades	276,000.00						276,000.00
2015-10E	Perrineville Rd and Federal Rd. Traffic Signal	628,000.00				379,210.51		248,789.49
2015-10I	Walkable Community - Bike Routes	95,200.00						95,200.00
2015-21A	Soccer Complex Improvements	571,000.00						571,000.00
2016-15	Imp Pergola Ave and Spotswood Intersection Gravel Hill Rd.	119,000.00						119,000.00
2016-22F	Traffic-ADA & Intersection Signal Matchaponix, Pergola Ave. Spotswood-Gravel Hill Road	1,572,600.00						1,572,600.00
2016-22H	Concrete Repair -sidewalks, curbs	104,700.00		2,100.00			100,000.00	2,600.00
2017-14A	Library Books							-
2017-14B	Paving, Sidewalks, Curbs	423,800.00					400,000.00	23,800.00
2017-14C	Monmouth Road Pedestrian Improvements	371,000.00				232,500.00		138,500.00
2017-14D	Traffic Signal Calming Devices							-
2017-14E	Playground Equipment Improvements	95,200.00						95,200.00
2017-14F	Police and EMS Building Preliminary Planning	380,900.00						380,900.00
2017-14G	Park and Ride Pavement and Lighting	238,000.00						238,000.00
2017-14I	Perrineville Road and Schoolhouse Road Intersection and ADA Improvements	238,000.00						238,000.00
2017-14J	Improvements to Welding Bay	400.00			400.00			-
2017-20	Acquisition of Real Property		542,800.00				542,800.00	-
2018-24A	Purchase of Library Books	142,800.00					142,800.00	-
2018-24B	Paving, Sidewalks, Curbs	1,047,600.00					1,047,600.00	-

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>	<u>Authorized 2019</u>	<u>Bond Sale</u>	<u>Canceled</u>	<u>Grants</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2019</u>
2018-24C	Road Improvements -Daniel and 10th (DOT 475,000)	175,000.00					145,000.00	30,000.00
2018-24D	Traffic Signal Mount Mills/Englishtown Rd	333,300.00					98,900.00	234,400.00
2018-24E	Police Department Equipment	218,000.00					218,000.00	-
2018-24F	Municipal Facility Upgrades - EMS	238,000.00					238,000.00	-
2018-24G	Police Facility Upgrades	414,200.00					414,200.00	-
2018-24H	Pedestrian Improvements/Cranbury/Half Acre	19,000.00					19,000.00	-
2018-24I	Planning and Zoning Office Equipment	7,600.00					7,600.00	-
2018-24J	EMS Radio Upgrades	19,000.00					19,000.00	-
2018-24K	Replacement Lights - Recreation	11,400.00					11,400.00	-
2018-24L	GIS - Roads. Plotting, basin	28,500.00					28,500.00	-
2018-24M	Daniel Ryan Restrooms	190,400.00					190,400.00	-
2018-24IN	Traffic Signal Butcher,Applegarth, Route 33	43,800.00					43,800.00	-
2019-08	Various Roadway And Concrete		1,333,300.00				1,333,000.00	300.00
2019-15	Schoolhouse Rd. Pedestrian/Roadway Improvements		262,800.00					262,800.00
2019-22A	Purchase of Library Books		142,800.00					142,800.00
2019-22B	Paving, Sidewalks, Curbs		95,200.00					95,200.00
2019-22C	EMS Building Improvements		95,200.00					95,200.00
2019-22D	Parks Improvements and Equipment		161,900.00					161,900.00
2019-22E	Community Center Improvements and Equipment		75,200.00					75,200.00
2019-22F	Pedestrian Improvements Federal/Half Acre Road		61,900.00					61,900.00
2019-22G	Computer Equipment		21,900.00					21,900.00
2019-23H	DPW Front Loader		236,000.00					236,000.00
2019-23I	Federal Road Engineer Study		52,300.00					52,300.00
2019-23J	GIS- Roads, Plotting, Basin		47,600.00					47,600.00
		<u>\$ 16,532,909.75</u>	<u>\$ 3,128,900.00</u>	<u>\$ 2,100.00</u>	<u>\$ 443,359.00</u>	<u>\$ 611,710.51</u>	<u>\$ 5,000,000.00</u>	<u>\$ 13,604,640.24</u>

Ref. C C-9 C-3 C-9 C-6 C-2, C-13 C

WATER-SEWER UTILITY FUND

SCHEDULE OF WATER-SEWER UTILITY
CASH AND INVESTMENTS - TREASURER

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - January 1, 2019	D	\$ 14,800,451.13	\$ 6,892,728.97
Increased by Receipts:			
Water-Sewer Utility Service Charges	D-7	\$ 16,703,807.36	
Miscellaneous Revenues	D-3	1,011,205.31	
Due From Operating Fund/Capital Fund	D-6		\$ 82,111.54
Various Reserves	D-9	16,785.59	
Bond Anticipation Notes	D-16		1,000,000.00
Bonds Issued	D-17		7,310,000.00
Fund Balance	D-2		12,150.63
		<u>17,731,798.26</u>	<u>8,404,262.17</u>
		32,532,249.39	15,296,991.14
Decreased by Disbursements:			
Refund of Prior Year Revenues	D-1	3,324.00	
Budget Expenditures	D-4	14,178,301.43	
Fund Balance Transfer as Revenue-Current Fund	D-1	900,000.00	
Improvement Authorizations	D-13		587,624.57
Appropriation Reserves	D-10	569,670.68	
Various Reserves	D-9	57,841.67	
Due from Trust	D	28,173.14	
Due From Current Fund	D-6		981,380.17
Accrued Interest on Bonds, Notes and Loans	D-8	1,333,404.32	
Due to Self Insurance	D	2.63	
Bond Anticipation Notes	D-16		7,310,000.00
Interfunds Receivable/Payable	D-6	82,111.54	
		<u>17,152,829.41</u>	<u>8,879,004.74</u>
Balance - December 31, 2019	D	<u>\$ 15,379,419.98</u>	<u>\$ 6,417,986.40</u>

WATER-SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH BALANCE

	<u>December 31, 2018</u>	<u>December 31, 2019</u>
Reserve for Encumbrances	\$ 1,443,106.59	\$ 1,538,891.50
Retainage Payable	42,058.50	42,058.50
Various Reserves	24,107.69	24,107.69
Reserve for Debt Service	267,757.23	267,757.23
Reserve for Bond Resolution	1,017,971.74	1,017,971.74
Capital Outlay	207,013.49	207,013.49
Due (from) Current Fund	-	(981,380.17)
Due (from) Water/Sewer Operating Fund	(2,940,827.07)	(2,858,715.53)
Due (from) Trust Fund	(1,963.47)	(1,963.47)
Fund Balance	962,711.22	974,861.85
<u>Improvement Authorizations</u>		
2009-12 Computer Equipment, Software and Information Systems	7,485.97	7,485.97
2009-25 Various Water-Sewer Improvements	485.47	485.47
2009-34 Various Water-Sewer Improvements	112,654.72	112,654.72
2010-06 Improvements to Well No.s 20,21 and 23	74,621.01	74,557.94
2010-12 Various Water-Sewer Improvements	1,004,024.62	1,004,024.62
2011-18 Various Water-Sewer Improvements	595,279.23	595,279.23
2011-35 Imp to Wells No. 17 and 19	15,643.00	15,643.00
2012-15 Ashmall Pumping Station Improvements	295,090.40	295,035.73
2012-28 Various Water-Sewer Improvements	10,039.92	10,039.92
2013-17 Various Water Sewer Improvements	585,042.46	580,977.31
2014-11 Various Water Sewer Improvements	2,021,938.00	1,971,859.98
2014-23 Acq. Of Water Allocation Rights	79,750.00	79,750.00
2015-11 Various Water Sewer Improvements	608,684.56	531,479.38
2015-24 Acq. Of Water Allocation Rights/Well 25 Imp	803,975.55	799,107.55
2016-21 Various Water Sewer Improvements	1,085,196.90	1,080,520.90
2017-15 Various Water Sewer Improvements	(1,429,118.76)	(454,211.15)
2019-21 Various Water Sewer Improvements	-	(517,307.00)
Total	<u>\$ 6,892,728.97</u>	<u>\$ 6,417,986.40</u>
	D	D

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
WATER-SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Balance -December 31, 2018	D	\$ 1,063,714.10
Increased by:		
Consumer Accounts Billed (Net)	Reserve	<u>16,914,947.03</u>
		17,978,661.13
Decreased by:		
Collections	D-3, D-5	<u>16,703,807.36</u>
Balance - December 31, 2019	D	<u><u>\$ 1,274,853.77</u></u>

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

	<u>REF.</u>	
Balance - December 31, 2018	D	\$ 591,238.59
Increased by:		
Charged to Budget	D-4	<u>1,343,503.43</u>
		1,934,742.02
Decreased by:		
Disbursed	D-5	<u>1,333,404.32</u>
Balance - December 31, 2019	D	<u><u>\$ 601,337.70</u></u>

Analysis of Accrued Interest December 31, 2019

	Principal Outstanding Dec. 31, 2019	Interest Rate	From	To	Period	Amount
Serial Bonds						
\$ 7,310,000.00	3.00% to 5.00%	06/01/19	12/31/19	7 Months	\$ 150,674.51	
3,500,000.00	3.00% to 4.00%	08/01/19	12/31/19	5 Months	58,333.33	
26,625,000.00	2.50% to 4.01%	08/01/19	12/31/19	5 Months	<u>365,114.58</u>	
Serial Bonds Total					<u>574,122.42</u>	
Interest on Notes	2.50%	06/10/19	12/31/19	6 Months 20 days	<u>14,236.11</u>	
Interest on Loans						
695,000.00	3.00% to 5.00%	08/01/19	12/31/19	5 Months	<u>12,979.17</u>	
Total					<u><u>\$ 601,337.70</u></u>	

SCHEDULE OF VARIOUS RESERVES
WATER-SEWER UTILITY OPERATING FUND

	<u>Balance</u> <u>December 31, 2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>December 31, 2019</u>
Various Reserves:				
Refund Agreement - Old Bridge Township	\$ 26,100.00	\$ -	\$ -	\$ 26,100.00
Developer Deposits Payable	128,994.45	16,785.59	12,971.86	132,808.18
Water-Sewer Overpayments	116,746.97	-	44,869.81	71,877.16
	<u>271,841.42</u>	<u>16,785.59</u>	<u>57,841.67</u>	<u>230,785.34</u>
Subtotal - Various Reserves				
Bond Indenture Reserve - 1977 General Bond Resolution	<u>2,291,000.00</u>	<u>-</u>	<u>-</u>	<u>2,291,000.00</u>
	<u>\$ 2,562,841.42</u>	<u>\$ 16,785.59</u>	<u>\$ 57,841.67</u>	<u>\$ 2,521,785.34</u>
<u>Ref.</u>	D	D-5	D-5	D

**SCHEDULE OF APPROPRIATION RESERVES
WATER-SEWER UTILITY OPERATING FUND**

	<u>Balance December 31, 2018</u>		Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbrances			
Operating:					
Salaries and Wages	\$ 316,025.35	\$ -	\$ 316,025.35	\$ 71,015.14	\$ 245,010.21
Other Expenses	1,678,970.48	441,839.96	2,120,810.44	365,043.42	1,755,767.02
Capital Outlay	140,600.00	72,381.55	212,981.55	133,987.84	78,993.71
Public Employees Retirement System	3,865.00		3,865.00	-	3,865.00
Social Security System (O.A.S.I.)	54,936.37	-	54,936.37	4,240.49	50,695.88
Unemployment Compensation Insurance	10,000.00	-	10,000.00	-	10,000.00
TOTAL GENERAL APPROPRIATIONS	\$ 2,204,397.20	\$ 514,221.51	\$ 2,718,618.71	\$ 574,286.89	\$ 2,144,331.82

<u>Ref.</u>	D	D	<u>Ref.</u>	D-1
	Accounts Payable			\$ 4,616.21
	Cash Disbursements		D-5	<u>569,670.68</u>
				<u>\$ 574,286.89</u>

SCHEDULE OF FIXED CAPITAL
WATER-SEWER UTILITY CAPITAL FUND

	<u>BALANCE</u> <u>DEC. 31, 2018</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>
Land	\$ 1,088,665.68	\$ 1,088,665.68
Building	1,274,312.39	1,274,312.39
Machinery and Equipment	3,427,705.81	3,427,705.81
Vehicles	579,472.61	579,472.61
Infrastructure	<u>140,968,510.88</u>	<u>140,968,510.88</u>
	<u>\$ 147,338,667.37</u>	<u>\$ 147,338,667.37</u>
<u>Ref.</u>	D	D

The Fixed Capital as reported is taken from the municipal records and does not necessarily reflect the true condition of such Fixed Capital.

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
WATER-SEWER UTILITY CAPITAL FUND

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	BALANCE DECEMBER 31, 2018	2019 FIXED CAPITAL AUTHORIZED	BALANCE DECEMBER 31, 2019
<u>General Improvements:</u>					
2009-12	Computer Equipment, Software and Information Systems	05/04/09	\$ 350,000.00	\$ -	\$ 350,000.00
2009-25	Various Water-Sewer Improvements	06/29/09	630,000.00		630,000.00
2009-34	Various Water-Sewer Improvements	11/30/09	2,800,000.00		2,800,000.00
2010-06	Improvements to Well No.s 20,21 and 23	05/03/10	8,306,000.00		8,306,000.00
2010-12	Various Water Sewer Improvements	08/02/10	1,769,000.00		1,769,000.00
2011-18	Various Water Sewer Improvements	08/02/10	2,344,500.00		2,344,500.00
2011-35	Imp to Wells No. 17 and 19	08/02/10	2,404,000.00		2,404,000.00
2012-15	Ashmall Pumping Station Improvements	07/02/12	1,095,000.00		1,095,000.00
2012-28	Various Water Sewer Improvements	08/27/12	1,220,000.00		1,220,000.00
2013-17	Various Water Sewer Improvements	09/09/13	4,281,000.00		4,281,000.00
2014-11	Various Water Sewer Improvements	07/07/14	3,455,000.00		3,455,000.00
2014-23	Acq. Of Water Allocation Rights	11/05/14	5,500,000.00		5,500,000.00
2015-11	Various Water Sewer Improvements	07/06/15	5,275,000.00		5,275,000.00
2015-24	Acq. Of Water Allocation Rights/Well 25 Improvements	12/28/15	5,800,000.00		5,800,000.00
2016-21	Various Water Sewer Improvements	07/06/16	4,035,000.00		4,035,000.00
2017-15	Various Water Sewer Improvements	07/05/17	6,105,000.00		6,105,000.00
2019-21	Various Water Sewer Improvements	06/24/19	_____	1,130,000.00	1,130,000.00
			<u>\$ 55,369,500.00</u>	<u>\$ 1,130,000.00</u>	<u>\$ 56,499,500.00</u>
	<u>Ref.</u>		D	D-13	D

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
WATER-SEWER UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DECEMBER 31, 2018		2019 AUTHOR.	ENCUMB. DEC. 31, 2018	PAID OR CHARGED	ENCUMB. DEC. 31, 2019	BALANCE - DECEMBER 31, 2019	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
<u>General Improvements:</u>											
2009-12	Computer Equipment, Software and Information Systems	5/04/09	\$ 350,000.00	\$ 7,485.97	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,485.97	\$ -
2009-25	Various Water-Sewer Improvements	6/29/09	675,000.00	485.47						485.47	-
2009-34	Various Water-Sewer Improvements	11/30/09	2,800,000.00	112,654.72			688.82		688.82	112,654.72	-
2010-06	Improvements to Well No.s 20,21 and 23	5/03/10	9,000,000.00		74,621.01		8,152.85	63.07	8,152.85	74,557.94	-
2010-12	Various Water Sewer Improvements	8/02/10	2,240,000.00	1,004,024.62			1,018.00		1,018.00	1,004,024.62	-
2011-18	Various Water Sewer Improvements	6/07/11	2,344,500.00	595,279.23	76,500.00		19,097.11		19,097.11	595,279.23	76,500.00
2011-35	Imp to Wells No. 17 and 19	12/28/11	4,900,000.00	15,643.00			34.92		34.92	15,643.00	-
2012-15	Ashmall Pumping Station Improvements	7/02/12	2,020,000.00		1,825.93			54.67		1,771.26	-
2012-28	Various Water Sewer Improvements	8/27/12	1,470,000.00		10,039.92		135,238.63		135,238.63	10,039.92	-
2013-17	Various Water Sewer Improvements	9/09/13	5,200,000.00	585,042.46			62,790.14	4,065.15	62,790.14	580,977.31	-
2014-11	Various Water Sewer Improvements	7/07/14	3,455,000.00	2,021,938.00			131,308.94	67,623.02	113,763.94	1,971,859.98	-
2014-23	Acq. Of Water Allocation Rights	11/05/14	5,500,000.00	79,750.00			133,754.28	602.00	133,152.28	79,750.00	-
2015-11	Various Water Sewer Improvements	7/06/15	5,275,000.00		2,883,684.56		562,399.66	98,327.05	541,277.79	531,479.38	2,275,000.00
2015-24	Acq. Of Water Allocation Rights/Well 25 Improvements	12/28/15	5,800,000.00		3,959,990.55			4,868.00		799,107.55	3,156,015.00
2016-21	Various Water Sewer Improvements	7/06/16	4,035,000.00		3,120,196.90		251,982.51	255,875.42	783.09	80,520.90	3,035,000.00
2017-15	Various Water Sewer Improvements	7/05/17	6,105,000.00		4,675,881.24		136,640.73	53,887.39	107,845.73	-	4,650,788.85
2019-21	Various Water Sewer Improvements	6/24/19	1,130,000.00			1,130,000.00		102,258.80	415,048.20	-	612,693.00
				<u>\$ 4,422,303.47</u>	<u>\$ 14,802,740.11</u>	<u>\$ 1,130,000.00</u>	<u>\$ 1,443,106.59</u>	<u>\$ 587,624.57</u>	<u>\$ 1,538,891.50</u>	<u>\$ 5,865,637.25</u>	<u>\$ 13,805,996.85</u>
	<u>Ref.</u>			D	D	D-12	D	D-5	D	D	D

SCHEDULE OF CAPITAL OUTLAY RESERVE
WATER-SEWER UTILITY CAPITAL FUND

	Balance December 31, 2018	Balance December 31, 2019
Route 613 Water Main	\$ 115,579.44	\$ 115,579.44
Collection System and Pump Station Replacement	91,434.05	91,434.05
	\$ 207,013.49	\$ 207,013.49
<u>Ref.</u>	D	D

SCHEDULE OF RESERVE FOR BOND RESOLUTION
WATER-SEWER UTILITY CAPITAL FUND

	Balance December 31, 2018	Balance December 31, 2019
Bond Reserve Account	\$ 17,971.74	\$ 17,971.74
Renewal and Replacement Account	1,000,000.00	1,000,000.00
	\$ 1,017,971.74	\$ 1,017,971.74
<u>Ref.</u>	D	D

SCHEDULE OF WATER-SEWER UTILITY BOND ANTICIPATION NOTES
WATER-SEWER UTILITY CAPITAL FUND

Ord. No.	Description	Date of Ordinance	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Increase	Decrease	Balance Dec. 31, 2019	
2010-06	Improvements to Well No.s 20,21 and 23	05/03/10	08/04/16	06/12/18	06/11/19	3.00%	\$ 306,000.00	\$ -	\$ 306,000.00	\$ -	
2012-15	Ashmall Pumping Station Improvements	07/02/12	08/04/16	06/12/18	06/11/19	3.00%	402,000.00	-	402,000.00	-	
2012-28	Various Water-Sewer Improvements	08/27/12	08/04/16	06/12/18	06/11/19	3.00%	1,220,000.00	-	1,220,000.00	-	
2015-11	Various Water-Sewer Improvements	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	3,000,000.00	-	3,000,000.00	-	
2015-24	Acquisition of Water Allocation Rights	11/05/14	08/04/16	06/12/18	06/11/19	3.00%	1,000,000.00	-	1,000,000.00	-	
2016-21	Various Water-Sewer Improvements	07/06/16	08/02/17	06/12/18	06/11/19	3.00%	1,000,000.00	-	1,000,000.00	-	
2017-15	Various Water-Sewer Improvements	07/05/17	06/12/18	06/10/19	06/10/20	2.50%	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	
							<u>\$ 7,928,000.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 7,928,000.00</u>	<u>\$ 1,000,000.00</u>	
							<u>Ref.</u>	D	D-5	D-5	D
									<u>Ref.</u>		
									D-5	\$ 7,310,000.00	
										<u>618,000.00</u>	
										<u>\$ 7,928,000.00</u>	
										<u>618,000.00</u>	
										<u>\$ 7,928,000.00</u>	

SCHEDULE OF WATER-SEWER SERIAL BONDS
WATER-SEWER UTILITY CAPITAL FUND

<u>DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>MATURITIES OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2018</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2019</u>
			<u>DATE</u>	<u>AMOUNT</u>					
2015 General Obligation Revenue Bonds	8/6/2015	\$ 30,000,000.00	8/1/2020	\$ 920,000.00	4.000%				
			8/1/2021	950,000.00	4.000%				
			8/1/2022	985,000.00	4.000%				
			8/1/2023	1,015,000.00	4.000%				
			8/1/2024	1,050,000.00	4.000%				
			8/1/2025	1,085,000.00	2.500%				
			8/1/2026	1,120,000.00	3.000%				
			8/1/2027	1,500,000.00	3.000%				
			8/1/2028	1,500,000.00	3.000%				
			8/1/2029	1,500,000.00	3.000%				
			8/1/2030	1,500,000.00	3.000%				
			8/1/2031	1,500,000.00	3.000%				
			8/1/2032	1,500,000.00	3.125%				
			8/1/2033	1,500,000.00	3.125%				
			8/1/2034	1,500,000.00	3.250%				
			8/1/2035	1,500,000.00	3.250%				
			8/1/2036	1,500,000.00	3.250%				
			8/1/2037	1,500,000.00	3.375%				
			8/1/2038	1,500,000.00	3.375%				
			8/1/2039	1,500,000.00	3.500%				
				<u>26,625,000.00</u>		\$ 27,550,000.00	\$ -	\$ 925,000.00	\$ 26,625,000.00
2016 Refunding Revenue Bonds	2/10/2016	4,750,000.00	2/1/2020	470,000.00	4.000%				
			2/1/2021	485,000.00	4.000%				
			2/1/2022	470,000.00	4.000%				
			2/1/2023	490,000.00	4.000%				
			2/1/2024	505,000.00	4.000%				
			2/1/2025	530,000.00	4.000%				
			2/1/2026	550,000.00	4.000%				
				<u>3,500,000.00</u>		3,940,000.00	-	440,000.00	3,500,000.00
2019 General Obligation Revenue Bonds	5/29/2019	7,310,000.00	6/1/2020	205,000.00	5.000%				
			6/1/2021	330,000.00	5.000%				
			6/1/2022	340,000.00	5.000%				
			6/1/2023	355,000.00	5.000%				
			6/1/2024	375,000.00	5.000%				
			6/1/2025	390,000.00	5.000%				
			6/1/2026	395,000.00	5.000%				
			6/1/2027	410,000.00	4.000%				
			6/1/2028	410,000.00	4.000%				
			6/1/2029	410,000.00	4.000%				
			6/1/2030	410,000.00	3.000%				
			6/1/2031	410,000.00	3.000%				
			6/1/2032	410,000.00	3.000%				
			6/1/2033	410,000.00	3.000%				
			6/1/2034	410,000.00	3.000%				
			6/1/2035	410,000.00	3.000%				
			6/1/2036	410,000.00	3.000%				
			6/1/2037	410,000.00	3.000%				
			6/1/2038	410,000.00	3.000%				
				<u>7,310,000.00</u>			7,310,000.00	-	7,310,000.00
						<u>\$ 31,490,000.00</u>	<u>\$ 7,310,000.00</u>	<u>\$ 1,365,000.00</u>	<u>\$ 37,435,000.00</u>

Ref. D D-5 D-4 D

SCHEDULE OF WATER-SEWER NJEIT LOANS
WATER-SEWER UTILITY CAPITAL FUND

<u>DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>MATURITIES OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2018</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2019</u>
			<u>DATE</u>	<u>AMOUNT</u>				
NJ Environmental Infrastructure Trust Loan	5/3/2012	\$ 1,060,000.00	8/1/2020	\$ 65,000.00	5.000%			
			8/1/2021	65,000.00	5.000%			
			8/1/2022	70,000.00	5.000%			
			8/1/2023	75,000.00	5.000%			
			8/1/2024	75,000.00	5.000%			
			8/1/2025	80,000.00	5.000%			
			8/1/2026	85,000.00	5.000%			
			8/1/2027	90,000.00	3.000%			
			8/1/2028	90,000.00	3.000%			
					<u>695,000.00</u>			
NJ Environmental Infrastructure Fund Loan	5/3/2012	1,183,520.00	2/1/2020-2/1/2026	24,656.66	0.000%			
			8/1/2020-8/1/2026	49,313.33	0.000%			
			2/1/2027	9,615.14	0.000%			
				<u>83,585.13</u>				
					<u>\$ 1,356,375.06</u>	<u>\$ 133,969.99</u>	<u>\$ 1,222,405.07</u>	
					<u>Ref.</u>	D	D	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

PART IV
SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2019

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY
COMBINED BALANCE SHEET ALL FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2019

ASSETS	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	WATER-SEWER UTILITY FUND	GOVERNMENTAL FIXED ASSETS	MEMORANDUM ONLY TOTALS	
						DECEMBER 31, 2019	DECEMBER 31, 2018
Cash and Investments	\$ 19,524,259.09	\$ 38,688,825.56	\$ 7,264,325.41	\$ 21,797,406.38		\$ 87,274,816.44	\$ 90,910,609.27
Accounts Receivable:							
State and Federal Grants	28,746.89	320,902.66	2,862,353.17			3,212,002.72	4,134,977.82
Due from State of N.J.		3.60				3.60	1.20
Taxes, Assessments, Liens and Utility Charges	1,840,969.19			1,274,853.77		3,115,822.96	3,204,054.19
Interfund Loans	571,906.62	412,317.42	50,000.00	3,952,207.88		4,986,431.92	3,855,725.51
Other Accounts Receivable	31,868.22		111,846.50			143,714.72	34,940.47
Property Acquired for Taxes at Assessed Value	1,569,800.00					1,569,800.00	1,569,800.00
Fixed Assets - Governmental					\$ 52,180,207.99	52,180,207.99	49,748,331.53
Fixed Assets - Utility				147,338,667.37		147,338,667.37	147,338,667.37
Fixed Capital Authorized and Uncompleted - Utilities				56,499,500.00		56,499,500.00	55,369,500.00
Deferred Charges to Revenue of Succeeding Years	70,000.00					70,000.00	105,000.00
Deferred Charges to Future Taxation General Capital			76,404,162.45			76,404,162.45	82,787,873.29
Total Assets	\$ 23,637,550.01	\$ 39,422,049.24	\$ 86,692,687.53	\$ 230,862,635.40	\$ 52,180,207.99	\$ 432,795,130.17	\$ 439,059,480.65
LIABILITIES, RESERVES AND FUND BALANCE							
Bonds and Notes Payable			\$ 60,443,401.61	\$ 38,435,000.00		\$ 98,878,401.61	\$ 104,216,339.12
Leases and Loans Payable			2,356,120.60	1,222,405.07		3,578,525.67	2,815,099.48
Prepaid Taxes, Assessments and Utility Charges	\$ 1,527,409.75					1,527,409.75	1,448,709.68
Prepaid Licenses and Fees						-	15,095.00
Tax, Assessment Lien and Utility Charge Overpayments	303,871.17					303,871.17	6,686.89
Appropriation Reserves	3,961,825.58			1,976,767.52		5,938,593.10	6,191,645.55
Reserve for Encumbrances/Accounts Payable	1,546,398.46	\$ 832,546.04	1,810,246.78	2,185,430.61		6,374,621.89	6,952,783.19
Other Liabilities	35,585.04	425,221.68		601,337.70		1,062,144.42	1,126,318.54
Amts. Pledged to Specific Purposes	646,326.67	21,485,026.36	1,963,549.73	4,546,425.49		28,641,328.25	31,075,929.92
Interfund Loans	1,688,286.79	172,102.38	107,867.49	3,018,175.26		4,986,431.92	3,855,725.51
Escrow Funds		16,507,152.78				16,507,152.78	17,904,664.88
Improvement Authorizations			19,600,722.28	19,671,634.10		39,272,356.38	41,377,383.70
Investments in Governmental Fixed Assets					\$ 52,180,207.99	52,180,207.99	49,748,331.53
Res. for Amort. of Costs of Fixed Capital Acquired or Author.				150,188,721.77		150,188,721.77	148,071,751.78
Reserve for Certain Assets Acquired or Receivable and Inventories	3,442,637.41		77,500.00	1,274,853.77		4,794,991.18	5,118,794.66
Fund Balance	10,485,209.14		333,279.04	7,741,884.11		18,560,372.29	19,134,221.22
Total Liabilities, Reserves and Fund Balance	\$ 23,637,550.01	\$ 39,422,049.24	\$ 86,692,687.53	\$ 230,862,635.40	\$ 52,180,207.99	\$ 432,795,130.17	\$ 439,059,480.65

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

Revenue and Other Income Realized	Year 2019		Year 2018	
	Amount	%	Amount	%
Fund Balance Utilized	\$ 8,950,000.00	3.92	\$ 8,100,000.00	3.67
Miscellaneous - From Other Than				
Local Property Tax Levies	13,638,596.50	5.98	13,206,956.04	5.98
Collection of Delinquent Taxes and Tax Title Liens	1,844,967.80	0.81	1,734,668.68	0.79
Collection of Current Tax Levy	203,709,683.17	89.29	197,832,281.22	89.57
 Total Income	 228,143,247.47	 100.00	 220,873,905.94	 100.00
 <u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	56,912,214.96	25.76	55,118,959.82	25.77
County Taxes	36,524,858.13	16.54	35,716,376.71	16.70
Local School Taxes	113,510,163.00	51.39	109,802,610.00	51.34
Municipal Open Space Taxes	1,180,987.73	0.53	1,155,170.04	0.54
Special District Taxes	12,534,269.00	5.67	12,025,516.00	5.62
Other Expenditures	231,381.03	0.11	53,167.81	0.03
 Total Expenditures	 220,893,873.85	 100.00	 213,871,800.38	 100.00
 Statutory Excess to Fund Balance	 7,249,373.62		 7,002,105.56	
 Fund Balance January 1	 12,185,835.52		 13,283,729.96	
	19,435,209.14		20,285,835.52	
Less:				
Utilization as Anticipated Revenue	8,950,000.00		8,100,000.00	
 Fund Balance December 31	 \$ 10,485,209.14		 \$ 12,185,835.52	

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

Revenue and Other <u>Income Realized</u>	Year 2019		Year 2018	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Fund Balance Utilized	\$ 1,300,000.00	6.14	\$ 1,577,040.00	7.42
Utility Service Charge	16,703,807.36	78.94	16,899,034.74	79.51
Miscellaneous Revenues	1,011,205.31	4.78	1,372,839.85	6.46
Non Budget Revenues			146.34	0.00
Other Credits to Income	2,144,331.82	10.14	1,403,952.55	6.61
Total Income	21,159,344.49	100.00	21,253,013.48	100.00
<u>Expenditures</u>				
Budget Expenditures:				
Operating	14,022,400.00	78.24	14,309,687.00	79.48
Capital Improvements	300,000.00	1.67	300,000.00	1.67
Debt Service	2,901,060.64	16.19	2,744,990.81	15.24
Deferred Charges and Statutory Expenditures	695,000.00	3.88	650,000.00	3.61
Refund of Prior Year Revenues	3,324.00	0.02		
Total Expenditures	17,921,784.64	100.00	18,004,677.81	100.00
Excess in Revenue	3,237,559.85		3,248,335.67	
Fund Balance January 1	5,729,462.41		5,058,166.74	
	8,967,022.26		8,306,502.41	
Less:				
Utilization as Anticipated Revenue	1,300,000.00		1,577,040.00	
Appropriated in Current Fund Budget	900,000.00		1,000,000.00	
Fund Balance December 31	\$ 6,767,022.26		\$ 5,729,462.41	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Tax Rate</u>	<u>\$2.456</u>	<u>\$2.436</u>	<u>\$2.400</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	<u>0.474</u>	<u>0.475</u>	<u>0.457</u>
Municipal Open Space	<u>0.015</u>	<u>0.015</u>	<u>0.015</u>
Municipal Library Tax	<u>0.039</u>	<u>0.038</u>	<u>0.037</u>
County	<u>0.429</u>	<u>0.429</u>	<u>0.423</u>
Local School	<u>1.463</u>	<u>1.443</u>	<u>1.433</u>
Open Space Tax - County	<u>0.036</u>	<u>0.036</u>	<u>0.035</u>
Special District			
Fire District No.1	<u>0.125</u>	<u>0.125</u>	<u>0.111</u>
Fire District No.2	<u>0.142</u>	<u>0.142</u>	<u>0.138</u>
Fire District No.3	<u>0.210</u>	<u>0.202</u>	<u>0.198</u>

Assessed Valuation:

2019	<u>7,761,809,219.00</u>	
2018		<u>7,611,921,370.00</u>
2017		<u>7,467,121,344.00</u>

*Per Abstract of Ratables, Middlesex County, NJ

Note: Under the provisions of Chapter 129, P.L. 1976, the County Board of Taxation estimated the amount of approved Veterans and Senior Citizens Tax Deductions for 2019 to be \$649,500.

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>Cash Collections</u>	<u>Percentage of Collection</u>
2019	\$ 206,092,218.94	\$ 204,309,683.17	99.14%
2018	199,787,792.96	197,832,281.22	99.02%
2017	193,367,694.24	191,281,583.62	98.92%

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 three 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	\$ 272,804.46	\$ 1,568,164.73	\$ 1,840,969.19	0.89%
2018	250,334.43	1,890,005.66	2,140,340.09	1.07%
2017	248,358.57	1,818,542.03	2,066,900.60	1.07%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2019	\$ 1,569,800.00
2018	1,569,800.00
2017	1,569,800.00

COMPARISON OF WATER AND SEWER UTILITY LEVIES AND COLLECTIONS

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2019	\$ 16,914,947.03	\$ 16,703,807.36
2018	16,950,534.36	16,899,034.74
2017	15,213,703.97	15,475,439.47

*Cash collections include amounts which were levied in prior years

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u> <u>Ended</u>	<u>Balance</u>	Utilized in Budget of Succeeding <u>Year</u>
Current Fund	2019	\$ 10,485,209.14	\$ 9,900,000.00
	2018	12,185,835.52	8,950,000.00
	2017	13,283,729.96	8,100,000.00
	2016	13,198,468.92	7,400,000.00
	2015	10,748,130.38	5,500,000.00
Water-Sewer Operating Utility Fund	2019	\$ 6,767,022.26	\$ 1,500,000.00
	2018	5,729,462.41	1,300,000.00
	2017	5,058,166.74	1,577,040.00
	2016	7,002,406.57	1,385,575.00
	2015	7,926,166.96	600,000.00

OFFICIALS IN OFFICE AND SURETY BOND COVERAGES

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Gerald W. Tamburro	Mayor	
Stephen Dalina	Council President	
Elizabeth Schneider	Council Vice President	
Leonard Baskin	Councilperson	
Miriam Cohen	Councilperson	
Charles Dipierro	Councilperson	
Alan M. Weinberg	Business Administrator	
George J. Lang	Chief Financial Officer	\$ 1,000,000.00 (A)
Luann McGraw	Tax Collector	1,000,000.00 (A)
Patricia Reid	Clerk	
Donna Linke	Court Administrator	1,000,000.00 (A)
George M. Boyd	Judge	1,000,000.00 (A)
Marguerite Schaffer, Esq.	Township Attorney	
Lou Buonocore	Construction Code Official	
Mitchell Elias	Assessor	
Michael Lloyd	Chief of Police	

(A) Garden State Municipal Joint Insurance Fund

Comments related to the surety bond coverages are located in the General Comments section of the report.

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

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

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Township of Monroe, 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 Outside Offices/Other Officials Collecting Fees of the Township of Monroe, 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. These details were necessarily covered by the internal review and control before approval of such claims by the Governing Body. 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 the Township of Monroe, County of Middlesex, New Jersey as of and for the fiscal 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.

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (Cont'd)

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.

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.

During our audit, we noted certain matters involving the internal control and other operational matters that have been discussed with management. These matters do not affect our report dated March 19, 2021 on the financial statements of the Township of Monroe. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies.

We identified certain deficiencies in internal control, as follows:

Internal Control Deficiencies:

2019-1 Segregation of Duties - Other Offices and Officials Collecting Fees

Conditions exist whereby the same individual may collect, record and deposit/remit cash receipts to the Finance Office in the following offices/departments: Township Clerk, Zoning/Planning, Construction Code Official, Police Department, Recreation/Parks Department and Clinical Coordinator. This is the result of officials performing multi-tasks within the various departments.

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 Township has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Council's opinion should be sought before a commitment is made.

GENERAL COMMENTS

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

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. As of December 31, 2019, the Township has a Qualified Purchasing Agent.

The Township's official minutes indicate that bids were requested by public advertising for the following items tested:

Materials, Supplies, Construction, Repairs and Other Services:

Professional Engineering Services; Water Well Improvements; Computer Repairs and Replacements; Security Monitoring and Maintenances; Landscaping Services; Grass Bags; Janitorial Supplies; Concrete Improvements; Buildings & Grounds Repairs and Maintenances; Web Design Implementation

State Approved Contracts for the Following Purchases:

On January 2, 2019, the Township Council approved a resolution approving purchases from multiple state contract vendors.

In as much 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 testing of purchases did not reveal any individual payments, contracts or agreements over the \$40,000 bid thresholds, "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 advertising or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A: 11-4.

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.

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

Pay-to-Play and Business Registration Requirements

The threshold for Pay-to-Play is set at \$17,500, with no escalator provision. Any contract that does not meet "fair and open" standards requires the Township to obtain the necessary c. 271 documents. The provisions of c. 271 became effective on January 1, 2006.

A non-compliance would result with the issuance of purchase order exceeding \$17,500 during the fiscal period without a "fair and open" process, and without obtaining the requisite disclosures.

GENERAL COMMENTS

Pay-to-Play and Business Registration Requirements (Cont'd.)

Tests of expenditures indicated the Township had the required documentation for compliance with P.L. 2005, c.271 for items tested.

Surety Bond Coverage

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverage's in effect at December 31, 2019. A review of surety bond coverage as of December 31, 2019, disclosed compliance with requirements, as promulgated by the Local Finance Board, State of New Jersey, for the Municipal Court and Collector.

During July 1998, the Local Finance Board completed a readopting of the Board's general rules in the New Jersey Administrative Code. Based upon the new provisions of N.J.A.C. 5:30-8.3 and 8.4, local units are encouraged to utilize new recommended amounts in lieu of the minimum amounts in order to provide a higher level of security of public funds. We suggest that the Township review these revised regulations and determine their applicability and also determine if other positions should be bonded separately or covered with increased blanket coverage.

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 2, 2019 adopted a resolution authorizing interest to be charged on delinquent taxes.

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 real estate taxes and tax title liens at December 31, 2019 are as follows:

<u>CATEGORY</u>	<u>AMOUNT</u>
Delinquent Taxes	\$ 1,568,164.73
Tax Title Liens	<u>272,804.46</u>
	<u>\$ 1,840,969.19</u>

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 2019. Earnings from the investments are shown as revenue in the various accounts of the Township for 2019.

The Township has adopted a formal cash management plan as required by state rules and regulations

GENERAL COMMENTS

Bank Reconciliation Process

During the audit of the bank reconciliation process, we noted that there were outstanding checks greater than one year. The Township should make an annual review of outstanding checks and write off outstanding checks greater than one year.

We suggest that the outstanding checks older than one year be investigated to determine their proper disposition.

Purchase Order System/ Encumbrance Accounting System and Payment of Claim

The Township's budgetary operation is on a full encumbrance accounting system. In addition, actions authorizing commitments on behalf of the Township should be preceded by the confirmation of availability of funds in all cases.

Claims were examined on a test basis for the year under review and voucher packages were found to be complete in all respects, primarily with respect to approval signatures and supporting documentation.

Municipal Court

The financial records maintained by the Municipal Court during the period were reviewed. The examination of the general account indicated that deposits were recorded and spread by receipt category and cash was reconciled monthly. The examination of the bail account's financial and supporting records maintained by the Municipal Court indicated that the analysis of outstanding bail was reconciled to the book balance.

The processing of traffic and criminal cases entered on the State's on-line computer system indicated no exceptions with respect to items tested.

Condition of Records – Outside Offices and Departments

Our reviews of records maintained by Outside Offices 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, that amounts charged were in accordance with the provisions of the Township Code and that monthly financial reports are being submitted to the Finance Department on a timely basis.

The examination of the records of the various outside offices and departments indicated the following for the fiscal year ended December 31, 2019: The outside offices and departments maintain cashbooks and prepare and submit monthly reports to the Finance Department and no exceptions were noted for items tested.

GENERAL COMMENTS

Internal Control Documentation

Statement on Auditing Standards 115 identifies inadequate documentation of internal controls as a possible deficiency, significant deficiency or material weakness. As the Township has initiated the process of documenting its controls, we suggest the Township consider utilizing 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. In addition, we suggest the documentation also include the internal controls that exist over grant compliance.

Water-Sewer Utility Fund

The result of operation for the Water-Sewer Utility Operating Fund is set forth in Exhibit "D-1" of this report. Realized revenues amounted to \$21,159,344.49 and expenditures amounted to \$17,921,784.64 resulting in excess revenues of \$3,237,559.85. The calculation of "Self-Liquidating Purpose" utility operations per N.J.S.A. 40A: 2-45 resulted in a statutory excess for debt statement purposes of \$1,396,552.03, which allows for the total deduction of Water-Sewer Utility Debt in the calculation of the statutory net debt of the Township at December 31, 2019.

A reconciliation of the excess revenues from operations (Exhibit - D-1) and the excess in revenues for debt statement purposes is included in the Notes to the Financial Statements.

General Capital Fund

There exist several improvement authorizations from previous years with no activity that should be reviewed as to their current status. In addition, improvement authorizations should be reviewed on a continuing basis to determine their status for consideration as to funding requirements.

There also exist several old outstanding grants receivables within the General Capital Fund in which no collection activity has occurred in recent years. We suggest the outstanding General Capital grants receivables be reviewed for their collectability and proper disposition of these outstanding grant receivables occur.

Administration and Accounting of State & Federal Grants

The Township operated various programs during 2019, which were funded in whole or in part by State or Federal grant assistance. These programs often vary as to the application and approval process; matching funds requirements, grant periods, required approvals for modification of budgets and the timing and frequency of financial reporting.

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.

The acceptance of grant funds also places additional requirements upon the Township with respect to the Township's system of internal controls. Based upon the matrix of requirements applicable to a specific grant, the Township's internal controls are required to include systems and policies and procedures designed to ensure compliance with the applicable requirements.

GENERAL COMMENTS

Administration and Accounting of State & Federal Grants (Cont'd.)

It was noted in the previous and current audit that there are certain grant receivables recorded within the Township's financial statements where no recent activity has occurred. The Township has made some progress during 2019 in the review of these balances. We suggest the Township continue to review older receivable balances for proper disposition within all Township funds.

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.

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 Accounting: 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 Monroe is in compliance with this directive.

N.J.A.C. 5:30 – 5.6 - Fixed Asset Accounting: 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. The Township is in compliance with this directive.

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 was not required to prepare and file a corrective action plan for the year 2018, pursuant to Local Finance Notice No. 92-15 issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as there were no recommendations.

RECOMMENDATIONS

None.

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During the course of our audit we received the complete cooperation of the various officials of the Township of Monroe, 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.,
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