



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

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

WITH
REPORT OF INDEPENDENT AUDITORS'

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TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

PART I
INDEPENDENT AUDITORS' REPORT FINANCIAL
STATEMENTS – REGULATORY BASIS



INDEPENDENT AUDITORS' REPORT

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

Report on the Regulatory-Basis Financial Statements

We have audited the accompanying regulatory-basis financial statements 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, 2020 and 2019, and the related statements of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statements of revenues, and the statements of expenditures for the year ended December 31, 2020, 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") as described in Note 2. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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. 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 are prepared by the Township on the basis of the financial reporting provisions of the Division to demonstrate compliance with the Division's regulatory-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory-basis of accounting described in Note 2 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 above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2020 and 2019, the changes in its financial position, and where applicable, its cash flows for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and governmental fixed assets of the Township as of December 31, 2020 and 2019, and the respective results of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statements of revenues and the statements of expenditures of the various funds for the year ended December 31, 2020, 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.

Report on Supplementary Information as Required by the Uniform Guidance

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; and related notes to the schedule of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedule of expenditures of federal awards and related notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Supplementary Information as Required by the Division in Accordance with the Regulatory-Basis

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township. The information included in Part IV – Supplementary Data and Part V – General Comments (collectively, the “Supplementary Information”), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The Supplementary Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
November 9, 2021



Andrew G. Hodulik
Registered Municipal Accountant, No. 406

FINANCIAL STATEMENTS – REGULATORY BASIS

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

CURRENT FUND
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS
 DECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>	<u>Ref.</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>
Cash and Investments - Treasurer	A-4	\$ 21,433,715.80	\$ 19,523,359.09	Liabilities:			
Cash - Change Fund	A	900.00	900.00	Appropriation Reserves	A-3,A-9	\$ 6,115,973.71	\$ 3,562,263.32
CARES Act Funds Receivable	A-7	<u>122,474.65</u>	<u> </u>	Reserve for Encumbrances	A-3,A-9	1,367,171.40	962,723.58
		<u>21,557,090.45</u>	<u>19,524,259.09</u>	Prepaid Taxes	A-6	1,976,149.76	1,527,409.75
				Various Payables	A-12	552,508.80	382,583.63
				Various Reserves	A-12	120,393.91	646,326.67
Receivables With Offsetting Reserves:				Tax Overpayments	A-10	260,839.55	303,871.17
Taxes Receivable	A-6	1,649,119.15	1,568,164.73	Due to State of N.J. per Ch. 20, P.L. 1976	A-5	64,547.68	35,585.04
Tax Title Liens Receivable	A-6	298,633.91	272,804.46	Interfunds Payable	A	<u>294,492.49</u>	<u>1,688,286.79</u>
Property Acquired for Taxes (AT Assessed Valuation)	A-6	1,569,800.00	1,569,800.00			10,752,077.30	9,109,049.95
Revenue Accounts Receivable	A-7	<u>13,091.19</u>	<u>31,868.22</u>				
		<u>3,530,644.25</u>	<u>3,442,637.41</u>	Reserve for Receivables	Reserve	3,530,644.25	3,442,637.41
				Fund Balance	A-1	<u>10,840,013.15</u>	<u>10,485,209.14</u>
Deferred Charges:							
Special Emergency - (40A:4-53):							
Master Plan	A-8	<u>35,000.00</u>	<u>70,000.00</u>				
Total Current Fund		<u>25,122,734.70</u>	<u>23,036,896.50</u>	Total Current Fund		<u>25,122,734.70</u>	<u>23,036,896.50</u>
State and Federal Grant Fund:				State and Federal Grant Fund:			
Grants Receivable	A-13	40,104.17	28,746.89	Reserve for State and Federal Grants:			
Due from Current Fund	A-15	<u>283,137.79</u>	<u>571,906.62</u>	Appropriated	A-14	151,250.80	284,596.72
				Unappropriated	A-16	-	114,965.54
				Reserve for Encumbrances	A-14	<u>171,991.16</u>	<u>201,091.25</u>
Total State and Federal Grant Fund		<u>323,241.96</u>	<u>600,653.51</u>	Total State and Federal Grant Fund		<u>323,241.96</u>	<u>600,653.51</u>
		<u>\$ 25,445,976.66</u>	<u>\$ 23,637,550.01</u>			<u>\$ 25,445,976.66</u>	<u>\$ 23,637,550.01</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, 2020 AND 2019

	<u>REF.</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1,A-2	\$ 9,900,000.00	\$ 8,950,000.00
Miscellaneous Revenues Anticipated	A-2	13,445,588.88	11,103,396.56
Receipts from Delinquent Taxes	A-2	1,509,762.07	1,844,967.80
Receipts from Current Taxes	A-6	212,449,048.97	203,709,683.17
Non-Budget Revenue	A-2	105,566.07	215,942.90
Other Credits to Income:			
Unexpended Balances of Approp. Reserves	A-9	2,278,336.85	2,319,053.37
Tax Overpayments Canceled			7.67
Reserve for Grants Canceled	A-14	290.90	196.00
Prior Year Sr. Cit. & Vet. Deductions Allowed	A-5	750.00	
		<hr/>	<hr/>
Total Revenues		<u>239,689,343.74</u>	<u>228,143,247.47</u>
<u>EXPENDITURES AND OTHER CHARGES</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages	A-3	22,821,088.00	24,466,717.00
Other Expenses	A-3	21,091,515.00	19,583,032.00
State and Federal Programs Off-Set by Revenue	A-3	3,025,513.83	352,633.70
Municipal Debt Service	A-3	7,241,074.89	6,937,312.33
Capital Improvements	A-3	165,000.00	75,000.00
Deferred Charges and Statutory Expend.-Mun.	A-3	5,654,172.88	5,497,519.93
County Tax	A-11	38,104,845.92	36,524,858.13
Local District School Taxes	A-11	117,126,310.00	113,510,163.00
Special District Taxes	A-11	12,944,549.00	12,534,269.00
Municipal Open Space Taxes	A-11	1,202,633.82	1,180,987.73
Prior Year Sr. Cit. & Vet. Deductions Disallowed	A-5	7,373.21	5,301.38
Refund Tax Appeals	A-4	18,231.92	2,703.22
Refund Prior Year Revenues	A-4	31,940.36	17,814.30
Tax Appeals			205,366.13
Grants Receivable Canceled	A-13	290.90	196.00
		<hr/>	<hr/>
Total Expenditures		<u>229,434,539.73</u>	<u>220,893,873.85</u>

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, 2020 AND 2019

	<u>REF.</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
Excess in Revenue/Statutory Excess to Fund Balance		\$ 10,254,804.01	\$ 7,249,373.62
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>10,485,209.14</u>	<u>12,185,835.52</u>
		20,740,013.15	19,435,209.14
Decreased by:			
Utilization as Anticipated Revenue	A-1, A-2	<u>9,900,000.00</u>	<u>8,950,000.00</u>
Balance - December 31	A	<u>\$ 10,840,013.15</u>	<u>\$ 10,485,209.14</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, 2020

	REF.	ANTICIPATED 2020 BUDGET	APPROP. N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 9,900,000.00		\$ 9,900,000.00	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages		20,000.00		37,360.40	17,360.40
Fees and Permits		282,000.00		178,579.12	(103,420.88)
Fines and Costs:					
Municipal Court		300,000.00		211,492.94	(88,507.06)
Interest and Costs on Taxes		385,000.00		474,512.25	89,512.25
Interest on Investments and Deposits		230,000.00		236,358.66	6,358.66
Franchise Tax-Cable Companies					-
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		1,628,000.00		2,330,805.00	702,805.00
Public and Private Revenues Offset with Approps.:					
Body Armor Replacement Grant	A-7	5,452.14		5,452.14	-
Drive Sober or Get Pulled Over Holiday Crackdown	A-7				-
Municipal Court Alcohol Education Rehabilitation Program	A-7		583.48	583.48	-
Clean Communities Program	A-7		85,147.33	85,147.33	-
Recycling Tonnage Grant	A-7	114,965.54		114,965.54	-
Senior Outreach	A-7	8,000.00	-	8,000.00	-
Cultural Arts Council	A-7	3,000.00		3,000.00	-
Drive Sober or Get Pulled Over End of Year Holiday Crackdown	A-7		6,000.00	6,000.00	-
2020 Cares Act Reimbursemnt	A-7		2,765,667.06	2,765,667.06	-
Recycling Enhancement Grant	A-7	4,928.00		4,928.00	-
Bulletproof Vest Partnership Program	A-7		6,413.28	6,413.28	-
Additional Revenues Offset with Appropriations:					
Ambulance Fees		1,600,000.00		1,950,159.49	350,159.49
Clinical Training Fees		26,000.00		2,720.00	(23,280.00)
Other Special Items:					
Utility Operating Surplus of the Prior Year		1,900,000.00		1,900,000.00	-
Capital Fund Balance		333,000.00		333,000.00	-
Franchise Tax-Cable Companies		381,926.00		381,926.19	0.19
Reserve for Debt Service		71,000.00		71,000.00	-
MCIA Loan Reimbursements		74,015.00		74,015.00	-
Total Miscellaneous Revenues	A-7	9,630,789.68	2,863,811.15	13,445,588.88	950,988.05
Receipts from Delinquent Taxes	A-1,A-6	1,550,000.00		1,509,762.07	(40,237.93)
Subtotal General Revenues		21,080,789.68	2,863,811.15	24,855,350.95	910,750.12
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-6	38,838,554.33		43,955,149.68	5,116,595.35
Minimum Library Tax	A-6	3,165,560.55		3,165,560.55	
Total Amount to be Raised by Taxes for Support of Municipal Budget		42,004,114.88	-	47,120,710.23	5,116,595.35
Budget Totals		63,084,904.56	2,863,811.15	71,976,061.18	6,027,345.47
Non-Budget Revenues	A-1,A-7			105,566.07	105,566.07
		<u>\$ 63,084,904.56</u>	<u>\$ 2,863,811.15</u>	<u>\$ 72,081,627.25</u>	<u>\$ 6,132,911.54</u>
	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, 2020

REF.

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:

2020 Collections	A-6	\$ 210,300,950.71	
Prepaid Taxes Applied	A-6	1,527,409.75	
State Share of Sr. Citizens and Veterans Deductions Allowed	A-6	<u>620,688.51</u>	\$ 212,449,048.97

Allocated to:

Local School Tax	A-11	117,126,310.00	
County Taxes	A-11	37,397,562.95	
Added County Taxes	A-11	707,282.97	
Municipal Open Space Tax	A-11	1,202,633.82	
Special District Taxes	A-11	<u>12,944,549.00</u>	<u>169,378,338.74</u>
			43,070,710.23
Add: Reserve for Uncollected Taxes	A-3		<u>4,050,000.00</u>
Amount for Support of Municipal Budget	A-2		<u>\$ 47,120,710.23</u>

Allocation of Delinquent Tax Collections:

Collections	A-6		<u>\$ 1,509,762.07</u>
	A-2		<u>\$ 1,509,762.07</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, 2020

	<u>2020 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	\$ 14,250.00	\$ 14,250.00	\$ 14,250.00	\$ -	\$ -	\$ -
Other Expenses	10,050.00	10,050.00	3,720.00	140.12	6,189.88	
Township Council						
Salaries and Wages	28,975.00	28,975.00	28,974.96	-	0.04	
Other Expenses	19,850.00	19,850.00	15,459.00	-	4,391.00	
Office of the Township Clerk						
Salaries and Wages	380,538.00	380,538.00	325,606.58		24,931.42	30,000.00
Other Expenses	74,750.00	74,750.00	28,287.24	3,210.47	43,252.29	
Elections						
Salaries and Wages	17,910.00	17,910.00	3,152.04	-	14,757.96	
Other Expenses	30,000.00	30,000.00	-	-	30,000.00	
Office of the Business Administrator						
Salaries and Wages	339,078.00	339,078.00	241,866.98		47,211.02	50,000.00
Other Expenses	21,200.00	21,200.00	4,162.95	1,299.00	15,738.05	
Human Resources						
Salaries and Wages	250,070.00	250,070.00	201,093.96		26,976.04	22,000.00
Other Expenses	53,250.00	53,250.00	14,509.81	1,862.14	36,878.05	
Transportation						
Salaries and Wages	539,747.00	539,747.00	488,601.52		51,145.48	
Other Expenses	67,500.00	67,500.00	26,604.53	9,610.25	31,285.22	
Citizens Review Board						
Salaries and Wages	1,482.00	1,482.00	1,482.00		-	
Insurance						
General Liability	334,938.00	334,938.00	334,886.60		51.40	
Workers Compensation	464,859.00	464,859.00	379,858.80		85,000.20	
Employee Group Health	5,677,125.00	5,677,125.00	5,328,303.46	137,589.82	71,231.72	140,000.00
Health Benefit Waiver	439,000.00	439,000.00	369,403.46	-	69,596.54	
Public Information and Public Advocacy						
Salaries and Wages	126,525.00	126,525.00	91,782.37		14,742.63	20,000.00
Other Expenses	59,200.00	59,200.00	33,690.00	16,000.00	9,510.00	
Division of Recreation						
Salaries and Wages	739,559.00	739,559.00	577,394.71		62,164.29	100,000.00
Other Expenses	260,583.00	244,583.00	111,726.26	47,355.90	85,500.84	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020 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	\$ 175,858.00	\$ 175,858.00	\$ 100,871.11	\$ -	\$ 24,986.89	\$ 50,000.00
Other Expenses	87,125.00	87,125.00	70,635.67	5,679.59	10,809.74	
Division of Treasury						
Salaries and Wages	427,156.00	427,156.00	310,629.95		41,526.05	75,000.00
Other Expenses:						
Annual Audit	42,300.00	42,300.00	-	1,400.00	40,900.00	
Special Accounting	25,000.00	25,000.00	-	-	25,000.00	
Data Processing	170,000.00	170,000.00	109,566.92	7,779.83	42,653.25	10,000.00
Miscellaneous Other Expense	25,500.00	25,500.00	8,134.92	218.21	17,146.87	
Division of Revenue Collection						
Salaries and Wages	334,203.00	334,203.00	305,388.24		28,814.76	
Other Expenses:						
Tax Sale Costs	6,500.00	6,500.00	73.16	3,240.00	3,186.84	
Tax Lien Foreclosure	600.00	600.00	-	-	600.00	
Miscellaneous Other Expense	29,400.00	29,400.00	11,230.72	291.22	17,878.06	
Division of Assessment						
Salaries and Wages	451,658.00	451,658.00	435,512.15		16,145.85	
Other Expenses	88,550.00	88,550.00	28,473.44	40,525.61	19,550.95	
Division of Ambulance Services						
Salaries and Wages	2,899,005.00	2,899,005.00	2,369,204.97	-	329,800.03	200,000.00
Other Expenses	58,950.00	58,950.00	17,533.00	3,600.00	37,817.00	
Police						
Salaries and Wages	10,224,167.00	10,224,167.00	9,024,764.59		699,402.41	500,000.00
Other Expenses	723,100.00	714,100.00	422,260.78	132,482.68	159,356.54	
Emergency Management Services						
Salaries and Wages	40,269.00	40,269.00	16,845.00		13,424.00	10,000.00
Other Expenses	248,900.00	248,900.00	8,329.78	11,057.05	149,513.17	80,000.00
Office of the Township Engineer						
Other Expenses:						
Maintenance of Tax Map	59,850.00	59,850.00	35,884.10	23,965.90	-	
Miscellaneous Other Expense	255,250.00	255,250.00	241,520.20	8,729.80	5,000.00	
Division of Streets and Roads						
Salaries and Wages	2,063,426.00	2,063,426.00	1,833,248.60		180,177.40	50,000.00
Other Expenses	414,500.00	414,500.00	174,101.91	7,758.55	232,639.54	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020 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	\$ 311,402.00	\$ 311,402.00	\$ 283,216.95	\$ -	\$ 28,185.05	\$ -
Other Expenses	530,200.00	530,200.00	303,658.09	37,581.10	188,960.81	
Solid Waste and Recycling						
Other Expenses	38,000.00	38,000.00	28,918.50	2,645.00	6,436.50	
Landfill						
Other Expenses	185,000.00	185,000.00	142,960.46	-	42,039.54	
Buildings and Grounds						
Salaries and Wages	818,264.00	818,264.00	588,794.11		129,469.89	100,000.00
Other Expenses	678,750.00	678,750.00	404,801.28	42,920.33	206,028.39	25,000.00
Community Services Act						
Other Expenses	1,343,000.00	1,343,000.00	306,586.99	541,953.38	494,459.63	
Office of the Township Attorney						
Other Expenses	727,729.00	727,729.00	608,308.52	82,102.68	37,317.80	
Municipal Prosecutor						
Salaries and Wages	63,690.00	63,690.00	63,689.72		0.28	
Other Expenses	200.00	200.00	-	-	200.00	
Municipal Court						
Salaries and Wages	409,102.00	409,102.00	390,490.61		18,611.39	
Other Expenses	16,000.00	16,000.00	8,264.00	827.68	6,908.32	
Public Defender						
Salaries and Wages	29,062.00	29,062.00	25,428.96		3,633.04	
Animal Control						
Salaries and Wages	180,395.00	180,395.00	166,316.25		14,078.75	
Other Expenses	9,775.00	9,775.00	5,600.56	992.92	3,181.52	
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	112,622.00	112,622.00	98,336.43		14,285.57	
Other Expenses	39,500.00	39,500.00	27,256.74	7,817.54	4,425.72	
Planning Board						
Salaries and Wages	8,566.00	8,566.00	8,565.96		0.04	
Other Expenses	99,750.00	99,750.00	89,145.46	5,085.50	5,519.04	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020 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	\$ 130,609.00	\$ 130,609.00	\$ 115,465.21	\$ -	\$ 15,143.79	\$ -
Other Expenses	62,250.00	62,250.00	35,186.70	4,277.52	22,785.78	
Shade Tree Commission						
Salaries and Wages	19,714.00	19,714.00	11,885.04		7,828.96	
Other Expenses	4,810.00	20,810.00	18,481.94	184.00	2,144.06	
Cultural Arts Commission						
Salaries and Wages	24,252.00	24,252.00	21,306.85		2,945.15	
Other Expenses	47,965.00	47,965.00	2,251.26	3,000.00	42,713.74	
Environmental & Con. Comm Commission						
Salaries and Wages	3,752.00	3,752.00	3,752.00		-	
Other Expenses	5,725.00	5,725.00	(1,159.35)	-	6,884.35	
Historic Preservation Commission						
Salaries and Wages	3,752.00	3,752.00	3,752.00		-	
Other Expenses	8,300.00	8,300.00	777.32	-	7,522.68	
Senior Services						
Salaries and Wages	575,369.00	575,369.00	457,810.71		42,558.29	75,000.00
Other Expenses	88,900.00	88,900.00	21,383.97	5,425.46	62,090.57	
Recreation and Youth Advisory Board						
Salaries and Wages	3,362.00	3,362.00	3,360.00		2.00	
Other Expenses	5,800.00	5,800.00	416.48		5,383.52	
Human Relations Commission						
Salaries and Wages	2,627.00	2,627.00	2,627.00		-	
Other Expenses	2,050.00	2,050.00	739.45		1,310.55	
Open Space and Farmland Preservation Commission						
Salaries and Wages	2,563.00	2,563.00	2,562.96		0.04	
Other Expenses	750.00	750.00	-	-	750.00	
Celebration of Public Events						
Other Expenses	15,600.00	15,600.00	4,360.17	1,404.33	9,835.50	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020 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>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>						
<u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17):</u>						
Uniform Construction Code						
Salaries & Wages	\$ 1,204,044.00	\$ 1,204,044.00	\$ 1,022,692.80	\$ -	\$ 81,351.20	\$ 100,000.00
Other Expenses	45,900.00	45,900.00	21,303.55	5,304.27	19,292.18	
Accumulated Absences	2,000.00	2,000.00	-		2,000.00	
Central Mailing	56,000.00	65,000.00	43,264.10	8,640.55	13,095.35	
Utilities	1,785,000.00	1,785,000.00	1,132,964.89	49,333.73	602,701.38	
Total Operations Within "CAPS"	38,505,107.00	38,505,107.00	30,624,551.08	1,263,292.13	4,980,263.79	1,637,000.00
Total Operations Including Contingent Within "CAPS"	38,505,107.00	38,505,107.00	30,624,551.08	1,263,292.13	4,980,263.79	1,637,000.00
<u>DETAIL:</u>						
Salaries and Wages	22,959,023.00	22,959,023.00	19,640,723.29	-	1,936,299.71	1,382,000.00
Other Expenses (Including Contingent)	15,546,084.00	15,546,084.00	10,983,827.79	1,263,292.13	3,043,964.08	255,000.00
<u>DEFERRED CHARGES - MUNICIPAL WITHIN "CAPS"</u>						
<u>DEFERRED CHARGES</u>						
Prior Years Bills:						
Campbell Freightliner	370.00	370.00	370.00		-	
Encore Condo Assoc, 2018	2,459.63	2,459.63	2,459.63		-	
<u>STATUTORY EXPENDITURES:</u>						
Contribution to:						
Public Employees' Retirement System	1,890,000.00	1,890,000.00	1,778,863.83		13,136.17	98,000.00
Social Security System (O.A.S.I.)	1,829,302.00	1,829,302.00	1,444,667.31		384,634.69	
Police & Firemen's Retirement System	2,100,568.00	2,100,568.00	1,912,778.47		22,789.53	165,000.00
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	20,577.34		5,422.66	
Total Def. Charges and Statutory Expend. Municipal Within "CAPS"	5,878,699.63	5,878,699.63	5,159,716.58	-	455,983.05	263,000.00
Total General Appropriations for Municipal Purposes Within "CAPS"	44,383,806.63	44,383,806.63	35,784,267.66	1,263,292.13	5,436,246.84	1,900,000.00

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020 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	\$ 184,917.00	\$ 184,917.00	\$ 184,917.00	\$ -	\$ -	\$ -
Other Expenses	24,900.00	24,900.00	21,255.93	-	3,644.07	
Maintenance of Free Public Library	3,809,904.00	3,809,904.00	3,809,904.00		-	
NJPDES Stormwater Permit [N.J.S.A. 40A:4-45.3(cc)]:						
Division of Streets and Roads - Salaries and Wages	233,757.00	233,757.00	229,736.00		4,021.00	
Division of Streets and Roads - Other Expenses	205,519.00	205,519.00	155,888.77	52.36	49,577.87	
Vehicle Maintenance - Salaries and Wages	8,338.00	8,338.00	8,338.00		-	
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	60,480.00	9,520.00	-	
Recycling Tax	7,100.00	7,100.00	5,260.68	-	1,839.32	
SHARED SERVICE AGREEMENTS:						
Shared Service (Fire Districts and Board)						
Other Expenses	70,000.00	70,000.00	40,000.00	19,680.68	10,319.32	
Shared Service (Recycling)						
Other Expenses	700,000.00	700,000.00	438,374.68	8,663.23	252,962.09	
Shared Service (County Health)						
Other Expenses	97,061.00	97,061.00	24,265.07		72,795.93	
ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES:						
Ambulance Services						
Salaries and Wages	782,453.00	782,453.00	782,453.00		-	
Other Expenses	817,547.00	817,547.00	481,866.88	65,259.98	270,420.14	
Clinical Coordinator Training Fees						
Salaries and Wages	10,000.00	10,000.00	10,000.00		-	
Other Expenses	16,000.00	16,000.00	1,149.85	703.02	14,147.13	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020 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>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>						
SFSP Fire District Payment	\$ 8,757.00	\$ 8,757.00	\$ 8,757.00	\$ -	\$ -	-
Recycling Tonnage Grant	114,965.54	114,965.54	114,965.54	-	-	-
Clean Communities Program	-	85,147.33	85,147.33	-	-	-
Recycling Enhancement Grant	4,928.00	4,928.00	4,928.00	-	-	-
Municipal Court Alcohol Education Rehabilitation Program	-	583.48	583.48	-	-	-
Senior Outreach	24,600.00	24,600.00	24,600.00	-	-	-
Cultural Arts Council	3,000.00	3,000.00	3,000.00	-	-	-
Bulletproof Vest Partnership Program	-	6,413.28	6,413.28	-	-	-
Body Armor Replacement Grant	5,452.14	5,452.14	5,452.14	-	-	-
Cares Act Reimbursement	-	2,765,667.06	2,765,667.06	-	-	-
Drive Sober or Get Pulled Over End of Year Holiday Crackdown	-	6,000.00	6,000.00	-	-	-
Total Operations Excluded from "CAPS"	7,206,198.68	10,070,009.83	9,286,403.69	103,879.27	679,726.87	-
<u>DETAIL:</u>						
Salaries and Wages	1,244,065.00	1,244,065.00	1,240,044.00	-	4,021.00	-
Other Expenses	5,962,133.68	8,825,944.83	8,046,359.69	103,879.27	675,705.87	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	165,000.00	165,000.00	165,000.00	-	-	-
Total Capital Improvements Excl. from "CAPS"	165,000.00	165,000.00	165,000.00	-	-	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	4,037,867.00	4,037,867.00	4,037,867.00	-	-	-
Interest on Bonds	1,789,329.00	1,789,329.00	1,789,328.99	-	-	0.01
Interest on Notes	125,000.00	125,000.00	124,652.78	-	-	347.22
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	622,054.00	622,054.00	622,053.64	-	-	0.36
Interest	52,385.00	52,385.00	52,384.17	-	-	0.83
<u>Capital Lease Obligations</u>						
Principal	508,138.00	508,138.00	508,137.18	-	-	0.82
Interest	90,474.00	90,474.00	90,473.11	-	-	0.89
Total Municipal Debt Service - Excl. from "CAPS"	7,241,426.00	7,241,426.00	7,241,074.89	-	-	351.11

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELLED</u>
				<u>ENCUMBERED</u>	<u>RESERVED</u>	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"						
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ -	\$ -	-
Deferred Charges to Future Taxation-General Capital:			-		-	
2014-12D Federal Perrineville Road Land Acq.	<u>3,473.25</u>	<u>3,473.25</u>	<u>3,473.25</u>		-	
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>38,473.25</u>	<u>38,473.25</u>	<u>38,473.25</u>	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>14,651,097.93</u>	<u>17,514,909.08</u>	<u>16,730,951.83</u>	<u>103,879.27</u>	<u>679,726.87</u>	<u>351.11</u>
Subtotal General Appropriations	59,034,904.56	61,898,715.71	52,515,219.49	1,367,171.40	6,115,973.71	1,900,351.11
Reserve for Uncollected Taxes	<u>4,050,000.00</u>	<u>4,050,000.00</u>	<u>4,050,000.00</u>		-	
Total General Appropriations	<u>\$ 63,084,904.56</u>	<u>\$ 65,948,715.71</u>	<u>\$ 56,565,219.49</u>	<u>\$ 1,367,171.40</u>	<u>\$ 6,115,973.71</u>	<u>\$ 1,900,351.11</u>
<u>Ref.</u>	A-2			A	A	
Adopted Budget	A-2	\$ 63,084,904.56				
Approp. by N.J.S.A. 40A:4-87	A-2		<u>2,863,811.15</u>			
			<u>\$ 65,948,715.71</u>			
Disbursed	A-4		\$ 49,463,462.66			
Disbursed - CARES Act	A-4		122,474.65			
CARES Act Reimbursements	A-7		(122,474.65)			
Reserve for Uncollected Taxes	A-6		4,050,000.00			
Due to Grant Fund	A-2		3,000,156.83			
Grants Matching Funds	A-4		16,600.00			
Deferred Charges - Emergency Authorizations	A-8		<u>35,000.00</u>			
			<u>\$ 56,565,219.49</u>			

See Notes to Financial Statements

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

TRUST FUNDS
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS
 DECEMBER 31, 2020 AND 2019

ASSETS	REF.	BALANCE DEC. 31, 2020	BALANCE DEC. 31, 2019	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC. 31, 2020	BALANCE DEC. 31, 2019
Animal Control Fund:				Animal Control Fund:			
Cash and Investments	B-1	\$ 3,611.68	\$ 15,489.83	Reserve for Animal Control Expenditures	B-1	\$ 3,615.28	\$ 15,493.43
Due from State of NJ-License Fees	B-1	3.60	3.60				
Total		3,615.28	15,493.43	Total		3,615.28	15,493.43
Trust-Other Fund:				Trust-Other Fund:			
Cash and Investments	B-1	6,208,202.70	5,233,343.82	Reserve for Community Development	B-1	481,960.03	315,674.28
CARES Act Funds Receivable	B-1	28,704.40		Reserve for Encumbrances	B-1	199,027.92	234,229.64
Due From Current	B-1	45.00		Due to General Capital Fund	B-1	50,000.00	50,000.00
Due From Water Sewer Operating	B-1	136,655.95	136,655.95	Reserve for Various Deposits	B-1	6,012,423.96	5,100,988.71
Due From Payroll Trust	B-1	9,990.20	9,990.20				
Due From Community Development Grant	B-1	359,813.66	320,902.66				
Total		6,743,411.91	5,700,892.63	Total		6,743,411.91	5,700,892.63
Affordable Housing Trust Fund:				Affordable Housing Trust Fund:			
Cash and Investments	B-1	13,217,008.35	12,619,176.84	Reserve for Encumbrances	B-1	397,197.11	356,573.37
				Reserve for Affordable Housing Trust	B-1	12,819,811.24	12,262,603.47
Total		13,217,008.35	12,619,176.84	Total		13,217,008.35	12,619,176.84
Unemployment Trust Fund:				Unemployment Trust Fund:			
Cash and Investments	B-1	199,585.34	254,559.13	Reserve for Unemployment Trust	B-1	269,098.04	274,559.13
CARES Act Funds Receivable	B-1	49,512.70					
Due from Water Sewer Operating	B-1	20,000.00	20,000.00				
Total		269,098.04	274,559.13	Total		269,098.04	274,559.13
Payroll Trust:				Payroll Trust:			
Cash and Investments	B-1	399,713.18	432,585.99	Payroll Deductions Payable	B-1	394,425.94	425,221.68
Due from Water Sewer Operating	B-1	2,600.97	2,625.89	Due to Other Trust	B-1	9,990.20	9,990.20
Due from Current	B-1	2,101.99					
Total		404,416.14	435,211.88	Total		404,416.14	435,211.88

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

TRUST FUNDS
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS
 DECEMBER 31, 2020 AND 2019

ASSETS	REF.	BALANCE DEC. 31, 2020	BALANCE DEC. 31, 2019	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC. 31, 2020	BALANCE DEC. 31, 2019
Developers' Escrow:				Developers' Escrow:			
Cash and Investments - General Trust	B-1	\$ 12,107,154.15	\$ 12,678,705.91	Reserve for Encumbrances	B-1	\$ 301,817.70	\$ 41,660.38
Cash and Investments - Water-Sewer Trust	B-1	3,819,219.98	3,982,219.43	Due to Water and Sewer Operating Fund	B-1	114,847.52	110,148.71
				Due to Water and Sewer Capital Fund	B-1	1,963.47	1,963.47
				Developers' Escrow Funds-Utility	B-1	3,702,408.99	3,870,107.25
				Developers' Escrow Funds	B-1	11,805,336.45	12,637,045.53
Total		<u>15,926,374.13</u>	<u>16,660,925.34</u>	Total		<u>15,926,374.13</u>	<u>16,660,925.34</u>
Self Insurance:				Self Insurance:			
Cash and Investments	B-1	335,168.73	486,302.34	Reserve for Encumbrances	B-1	23,164.61	34,774.30
Due from Current Fund	B-1	9,207.71	135,000.00	Reserve for Self Insurance	B-1	321,389.13	586,705.93
Due from Water Sewer operating	B-1	<u>177.30</u>	<u>177.89</u>				
Total		<u>344,553.74</u>	<u>621,480.23</u>	Total		<u>344,553.74</u>	<u>621,480.23</u>
Open Space Trust Fund:				Open Space Trust Fund:			
Cash and Investments	B-1	2,360,018.18	2,986,442.27	Reserve for Encumbrances	B-1	136,136.60	165,308.35
Due From General Capital	B-1	<u>107,867.49</u>	<u>107,867.49</u>	Reserve for Open Space	B-1	<u>2,331,749.07</u>	<u>2,929,001.41</u>
Total		<u>2,467,885.67</u>	<u>3,094,309.76</u>	Total		<u>2,467,885.67</u>	<u>3,094,309.76</u>
		<u>\$ 39,376,363.26</u>	<u>\$ 39,422,049.24</u>			<u>\$ 39,376,363.26</u>	<u>\$ 39,422,049.24</u>

See Notes to Financial Statements

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

	<u>Ref.</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>	<u>BALANCE</u> <u>DEC. 31, 2019</u>
<u>ASSETS</u>			
Cash	C-2	\$ 6,354,811.02	\$ 5,621,228.56
Cash - Affordable Housing Capital Fund	C-2	1,647,417.86	1,643,096.85
Due from developer	C-4	111,846.50	111,846.50
Grants receivable	C-7	3,836,098.86	2,862,353.17
CARES Act Fund Receivable	C-7	7,205.28	
Due from trust - other fund	C	50,000.00	50,000.00
Deferred charges to future taxation:			
Funded	C-5	52,109,758.14	57,799,522.21
Unfunded	C-6	<u>24,744,574.50</u>	<u>18,604,640.24</u>
		<u>\$ 88,861,712.16</u>	<u>\$ 86,692,687.53</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Green trust loan program	C-15	\$ 69,290.62	\$ 83,863.87
General serial bonds	C-14	49,515,000.00	54,060,000.00
Bond anticipation notes	C-13	9,700,000.00	5,000,000.00
MCIA loan program	C-15	761,347.97	1,383,401.61
MCIA lease purchase agreements	C-15	1,764,119.55	2,272,256.73
Reserve for encumbrances	C-9	3,929,350.44	1,810,246.78
Improvement authorizations:			
Funded	C-9	6,011,153.46	6,102,518.92
Unfunded	C-9	14,409,032.29	13,498,203.36
Due to Open Space Trust	C-9	107,867.49	107,867.49
Reserve for receivables	Reserve	77,500.00	77,500.00
Reserve for affordable housing assistance	C-8	1,647,417.86	1,643,096.85
Capital improvement fund	C-10	53,025.00	90,700.00
Miscellaneous reserves	C-11	154,030.24	158,752.88
Reserve for debt service	C-12	-	71,000.00
Fund balance	C-1	<u>662,577.24</u>	<u>333,279.04</u>
		<u>\$ 88,861,712.16</u>	<u>\$ 86,692,687.53</u>
Bonds and notes authorized but not issued (Exhibit C-16)		<u>\$ 15,044,574.50</u>	<u>\$ 13,604,640.24</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, 2020 AND 2019

	Ref.	December 31, 2020	December 31, 2019
Balance, January 1	C	\$ 333,279.04	\$ 256,212.07
Increased by:			
Premium on Bond Anticipation Notes	C-2	69,258.00	48,800.00
Premium on Bonds			5,398.83
Canceled Funded Improvement Authorizations	C-9	<u>593,040.20</u>	<u>272,868.14</u>
		<u>995,577.24</u>	<u>583,279.04</u>
Decreased by:			
Appropriated to Budget Revenue	C-2	<u>333,000.00</u>	<u>250,000.00</u>
Balance, December 31	C	<u>\$ 662,577.24</u>	<u>\$ 333,279.04</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, 2020 AND 2019

ASSETS	REF	BALANCE DEC. 31, 2020	BALANCE DEC. 31, 2019	LIABILITIES, RESERVES AND FUND BALANCES	REF.	BALANCE DEC. 31, 2020	BALANCE DEC. 31, 2019
Operating Fund:				Operating Fund:			
Cash and Investments - Treasurer	D-5	\$ 17,746,002.31	\$ 15,379,419.98	Liabilities:			
Due from Developer Escrow	D, D-5	114,847.52	110,148.71	Appropriation Reserves	D-4, D-10	\$ 1,686,025.05	\$ 1,976,767.52
		<u>17,860,849.83</u>	<u>15,489,568.69</u>	Reserve for Encumbrances	D-4, D-10	671,102.28	419,888.26
				Accounts Payable	D-10	312,105.65	184,592.35
				Various Reserves	D-9	195,188.85	230,785.34
				Due to Payroll	D, D-5	2,600.97	2,625.89
				Due to Water-Sewer Capital Fund	D, D-5	5,936,479.32	2,858,715.53
				Due to Trust Fund	D	136,655.95	136,655.95
Receivables and with Full Reserves:				Due to Unemployment Trust	D	20,000.00	20,000.00
Consumer Accounts Receivable	D-7	<u>1,478,911.16</u>	<u>1,274,853.77</u>	Due to Self Insurance Trust	D, D-5	177.30	177.89
				Accrued Interest Payable	D-8	445,338.46	601,337.70
				Bond Indenture Reserve	D-9	<u>2,291,000.00</u>	<u>2,291,000.00</u>
						11,696,673.83	8,722,546.43
				Reserve for Receivables	Reserve	1,478,911.16	1,274,853.77
				Fund Balance	D-1	<u>6,164,176.00</u>	<u>6,767,022.26</u>
Total Operating Fund		<u>19,339,760.99</u>	<u>16,764,422.46</u>	Total Operating Fund		<u>19,339,760.99</u>	<u>16,764,422.46</u>
Capital Fund:				Capital Fund:			
Cash and Investments - Treasurer	D-5	\$ 6,027,626.40	\$ 6,417,986.40	Serial Bonds Payable	D-17	\$ 35,840,000.00	\$ 37,435,000.00
Due from Current Fund	D, D-5		981,380.17	Bond Anticipation Note Payable	D-16	3,130,000.00	1,000,000.00
Due from Water-Sewer Operating Fund	D, D-5	5,936,479.32	2,858,715.53	Loans Payable - NJEIT	D-18	1,083,435.08	1,222,405.07
Due from Developer Escrow	D	1,963.47	1,963.47	Reserve for Encumbrances	D-13	1,410,316.29	1,538,891.50
Fixed Capital	D-11	147,338,667.37	147,338,667.37	Retainage Payable	D	42,058.50	42,058.50
Fixed Capital Authorized and Uncompleted	D-12	<u>64,124,500.00</u>	<u>56,499,500.00</u>	Improvement Authorizations:			
				Funded	D-13	5,863,361.25	5,865,637.25
				Unfunded	D-13	21,115,523.48	13,805,996.85
				Reserve for:			
				Capital Outlay	D-14	207,013.49	207,013.49
				Various Reserves	D	531,897.69	531,897.69
				Amortization	D	150,741,691.76	149,007,721.77
				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>997,210.05</u>	<u>974,861.85</u>
Total Capital Fund		<u>223,429,236.56</u>	<u>214,098,212.94</u>	Total Capital Fund		<u>223,429,236.56</u>	<u>214,098,212.94</u>
		<u>\$ 242,768,997.55</u>	<u>\$ 230,862,635.40</u>			<u>\$ 242,768,997.55</u>	<u>\$ 230,862,635.40</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2020 in the amount of \$19,272,515.00 and December 31, 2019 in the amount of \$13,777,515.00 (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, 2020 AND 2019

<u>REVENUE AND OTHER INCOME</u>	<u>REF.</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
Fund Balance Utilized	D-3	\$ 1,500,000.00	\$ 1,300,000.00
Utility Service Charges	D-3	16,890,876.25	16,703,807.36
Miscellaneous Revenues	D-3	1,101,193.39	1,011,205.31
Other Credits to Income:			
Unexpnd. Balance of Appropriation Reserves	D-10	<u>1,818,250.34</u>	<u>2,144,331.82</u>
Total Revenues		<u>21,310,319.98</u>	<u>21,159,344.49</u>
 <u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D-4	14,404,874.00	14,022,400.00
Capital Improvements	D-4	300,000.00	300,000.00
Debt Service	D-4	3,113,292.24	2,901,060.64
Deferred Charges and Statutory Expend.	D-4	695,000.00	695,000.00
Refund of Prior Year Revenues	D-5	<u>-</u>	<u>3,324.00</u>
Total Expenditures		<u>18,513,166.24</u>	<u>17,921,784.64</u>
Excess in Revenues		2,797,153.74	3,237,559.85
 <u>FUND BALANCE</u>			
Balance - January 1,	D	<u>6,767,022.26</u>	<u>5,729,462.41</u>
		9,564,176.00	8,967,022.26
Decreased by:			
Utilized as Anticipated Revenue	D-1	1,500,000.00	1,300,000.00
Appropriated in Current Fund Budget	D-5, A-2	<u>1,900,000.00</u>	<u>900,000.00</u>
Balance - December 31,	D	<u>\$ 6,164,176.00</u>	<u>\$ 6,767,022.26</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, 2020

	<u>REF.</u>	
Balance - January 1, 2020	D	\$ 974,861.85
Increased by:		
Premium on Sale of Bond Anticipation Notes	D-5	<u>22,348.20</u>
Balance - December 31, 2020	D	<u><u>\$ 997,210.05</u></u>

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, 2020

	2020 BUDGET	REALIZED	EXCESS OR (DEFICIT)
Operating Surplus Anticipated	\$ 1,500,000.00	\$ 1,500,000.00	\$ -
Water-Sewer Utility Service Charges	16,095,909.00	16,890,876.25	794,967.25
Miscellaneous Revenues	<u>950,000.00</u>	<u>1,101,193.39</u>	<u>151,193.39</u>
	<u>\$ 18,545,909.00</u>	<u>\$ 19,492,069.64</u>	<u>\$ 946,160.64</u>

Ref.

D-4

D-1

Analysis of Realized Revenues:

Analysis of Water-Sewer Utility Charges:

Service Charges- Residential and Commercial	\$ 11,443,600.49
Service Charges- Schools, Municipal, Institution	429,196.55
Service Charges- Fire Protection	864,030.37
Service Charges-Interlocals	783,604.85
Service Charges Connection Fees	1,696,855.98
Service Charges-Review and Inspection	254,874.93
Service Charges-Cell Tower Lease	470,104.85
Service Charges-Miscellaneous	<u>948,608.23</u>
	<u>\$ 16,890,876.25</u>

Analysis of Miscellaneous Revenues:

Developer Fees	\$ 902,079.76
Interest on Investments	155,824.38
Interest on Investments-Escrow Account	2,443.33
Interest on Investments-Payroll	24.92
Meter Purchase	4,950.00
Miscellaneous	<u>35,871.00</u>
	<u>\$ 1,101,193.39</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, 2020

	2020 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Operating:						
Salaries and Wages	\$ 4,129,974.00	\$ 4,129,974.00	\$ 3,761,083.42	\$ -	\$ 368,890.58	\$ -
Other Expenses	10,274,900.00	10,274,900.00	8,589,259.92	584,328.44	1,101,311.64	
Capital Improvements:						
Capital Outlay	300,000.00	300,000.00	61,022.97	86,773.84	152,203.19	
Debt Service:						
Payment of Bond Principal	1,595,000.00	1,595,000.00	1,595,000.00		-	-
Interest on Bonds	1,251,250.00	1,251,250.00	1,251,238.41		-	11.59
Interest on Notes	57,000.00	57,000.00	32,912.07		-	24,087.93
NJEIT 2012 Loan	168,770.00	168,770.00	160,126.76		-	8,643.24
Monroe Township MCIA Debt Service	74,015.00	74,015.00	74,015.00		-	
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	385,000.00	385,000.00	369,710.96		15,289.04	
Social Security System (O.A.S.I.)	300,000.00	300,000.00	261,669.40		38,330.60	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	10,000.00	10,000.00	-	-	10,000.00	
	<u>\$ 18,545,909.00</u>	<u>\$ 18,545,909.00</u>	<u>\$ 16,156,038.91</u>	<u>\$ 671,102.28</u>	<u>\$ 1,686,025.05</u>	<u>\$ 32,742.76</u>

	Ref.	D-3	D-3	D	D
Disbursed	D-5			\$ 14,850,731.66	
Accrued interest on notes	D-8			32,912.07	
Interest on NJEIT Loan	D-8			21,156.77	
Accrued interest on bonds	D-8			1,251,238.41	
				<u>\$ 16,156,038.91</u>	

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, 2020 AND 2019

	<u>BALANCE</u> <u>DEC. 31, 2020</u>	<u>BALANCE</u> <u>DEC. 31, 2019</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	24,151,660.08
Equipment	<u>20,965,151.89</u>	<u>19,763,944.16</u>
Total General Fixed Assets	<u>\$ 53,381,415.72</u>	<u>\$ 52,180,207.99</u>
Investment in General Fixed Assets	<u>\$ 53,381,415.72</u>	<u>\$ 52,180,207.99</u>

See Notes to Financial Statements

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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 proportionate share 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. The audited financial information related to OPEB is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Due to delays in the availability of the information needed for disclosure, the State of New Jersey Department of Community Affairs, Division of Local Government Services (DLGS) issued Local Finance Notice 2021-10 on May 26, 2021. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the DLGS discretion to permit the most recent available audited GASB 75 financial information to be incorporated into the audited financial statements. As a result, the latest available audited information is presented in Note 10.

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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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

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.

Recent Accounting Standards

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.

GASB issued Statement No. 92 *Omnibus 2020* in January 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Due to the COVID-19 pandemic GASB 95 which was issued in May 2020 has extended the implementation date to June 15, 2022. Earlier application is encouraged.

GASB issued Statement No. 93 *Replacement of Interbank Offered Rates* in March 2020. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, and all reporting periods thereafter. Due to the COVID-19 pandemic GASB 95 which was issued in May 2020 has extended the implementation date for one year. Earlier application is encouraged.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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

Recent Accounting Standards (Cont'd.)

GASB issued Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* in March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. Earlier application is encouraged.

GASB issued Statement No. 95 *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

GASB issued Statement No. 96 *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

GASB issued Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* in June 2020. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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

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 basis of accounting as of February 1, 2009.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	2020	2019
<u>Issued:</u>		
General:		
Serial Bonds	\$ 49,515,000.00	\$ 54,060,000.00
Bond Anticipation Notes	9,700,000.00	5,000,000.00
Green Acres Trust Loans	69,290.62	83,863.87
MCIA Loan and Lease Programs	2,525,467.52	3,655,658.34
Water - Sewer Utility:		
Serial Bonds	35,840,000.00	37,435,000.00
NJEIT Loans	1,083,435.08	1,222,405.07
Bond Anticipation Notes	3,130,000.00	1,000,000.00
Total Issued	101,863,193.22	102,456,927.28
Net Issued	101,863,193.22	102,456,927.28
 <u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	15,044,574.50	13,604,640.24
Water - Sewer Utility:		
Bonds and Notes	19,272,515.00	13,777,515.00
Total Authorized But Not Issued	34,317,089.50	27,382,155.24
Total Bonds and Notes Issued and Authorized but not Issued	\$ 136,180,282.72	\$ 129,839,082.52

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 and 2019.

	<u>2020</u>	<u>2019</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%	\$ 14,000,000.00	\$ 16,000,000.00
\$28,235,000, General Obligation Bonds - 2013 serial bond issued 2013 with final maturity 2033, remaining interest rates at 2.25% to 3.00%	19,500,000.00	21,000,000.00
\$2,435,000, General Obligation Refunding Bonds - 2015 serial bond issued 2015 with final maturity 2021, remaining interest rate at 4.00%	425,000.00	840,000.00
\$16,220,000, General Obligation Bonds - 2019 serial bond issued 2019 with final maturity 2033, remaining interest rates at 3.00% to 5.00%	15,590,000.00	16,220,000.00
\$5,000,000, General Capital Bond Anticipation Notes - 2019 issued 6/10/19, matured on 6/10/20, interest 2.50%	-	5,000,000.00
\$9,700,000, General Capital Bond Anticipation Notes - 2020 issued 6/9/20, mature on 6/8/21, interest 1.25%	9,700,000.00	
Subtotal - Bonds and Bond Anticipation Notes	59,215,000.00	59,060,000.00
<u>Loans:</u>		
\$593,245.14, MCIA Loan Program issued 9/17/15 with final maturity 2020 interest 1.50% to 4.00%	-	126,211.59
\$1,272,775.86, MCIA Loan Program issued 9/26/16 with final maturity 2021 interest 2.00% to 4.00%	272,551.60	534,620.45
\$1,169,887.50, MCIA Loan Program issued 9/1/17 with final maturity 2022 interest 3.00%	488,796.37	722,569.57
MCIA Lease Program - Various - Item E	1,764,119.55	2,272,256.73
\$265,600.16, N.J. Green Trust Loan issued 1/11/05 with final maturity 2025 interest 2.000%	69,290.62	83,863.87
Subtotal - Loans	2,594,758.14	3,739,522.21
Subtotal - General Debt	61,809,758.14	62,799,522.21

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 and 2019.

	<u>2020</u>	<u>2019</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%	\$ 25,705,000.00	\$ 26,625,000.00
\$4,750,000, Water-Sewer Revenue Refunding Bonds serial bond issued 2016 with final maturity 2026, interest rates at 2.000% to 4.000%	3,030,000.00	3,500,000.00
\$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%	7,105,000.00	7,310,000.00
\$1,000,000, Water - Sewer Bond Anticipation Notes issued 6/10/19, matured on 6/10/20, interest 2.500%		1,000,000.00
\$3,130,000, Water - Sewer Bond Anticipation Notes issued 6/9/20, mature on 6/8/21, interest 1.250%	3,130,000.00	
\$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%	630,000.00	695,000.00
\$1,060,000, NJ Environmental Infrastructure Trust Loan issued 2012 with final maturity 8/1/28 remaining interest rates at 0.000%	<u>453,435.08</u>	<u>527,405.07</u>
Subtotal - Water and Sewer Utility Debt	<u>40,053,435.08</u>	<u>39,657,405.07</u>
Total Outstanding Debt	<u>\$ 101,863,193.22</u>	<u>\$ 102,456,927.28</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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>2020</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 104,040,000.00	\$ 104,040,000.00	\$ -
Water - Sewer Utility Debt	59,325,950.08	59,325,950.08	-
General Debt	<u>75,090,213.09</u>	<u>14,023,801.00</u>	<u>61,066,412.09</u>
	<u>\$ 238,456,163.17</u>	<u>\$ 177,389,751.08</u>	<u>\$ 61,066,412.09</u>

Net Debt \$ 61,066,412.09 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$ 9,438,300,894.67 = 0.65%

<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%

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

	<u>2020</u>	<u>2019</u>
3 1/2% of Equalized Valuation Basis Municipal Net Debt	<u>\$ 330,340,531.31</u> <u>61,066,412.09</u>	<u>\$ 318,931,849.01</u> <u>61,875,328.45</u>
Remaining Borrowing Power	<u>\$ 269,274,119.22</u>	<u>\$ 257,056,520.56</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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>2020</u> \$ 19,492,069.64	<u>2019</u> \$ 19,015,012.67
Deductions:		
Operating and Maintenance Costs	15,099,874.00	14,717,400.00
Debt Service	3,113,292.24	2,901,060.64
Total Deductions	<u>18,213,166.24</u>	<u>17,618,460.64</u>
Excess in Revenue	<u>\$ 1,278,903.40</u>	<u>\$ 1,396,552.03</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>2020</u> \$ 2,797,153.74	<u>2019</u> \$ 3,237,559.85
Add:		
Capital Improvements	300,000.00	300,000.00
Other Deductions	-	3,324.00
	<u>3,097,153.74</u>	<u>3,540,883.85</u>
Less:		
Unexpend. Balance of Approp. Reserves	1,818,250.34	2,144,331.82
Accounts Payable Cancelled	-	-
Excess in Revenue	<u>\$ 1,278,903.40</u>	<u>\$ 1,396,552.03</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020:

Calendar Year	General		Water - Sewer Utility		Total
	Principal	Interest	Principal	Interest	
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>\$ 49,515,000.00</u>	<u>\$ 9,468,912.50</u>	<u>\$ 35,840,000.00</u>	<u>\$ 18,586,400.00</u>	<u>\$ 113,410,312.50</u>

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

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 Improvement Authority. During the year ended December 31, 2020, the Township made payments to the Middlesex County Improvement Authority with respect to the loan improvement programs in the amount of \$622,053.64.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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 \$69,290.62 and \$83,863.87 at December 31, 2020 and 2019 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, 2020:

Calendar Year	MCIA Loans		NJ Green Trust		Total
	Principal	Interest	Principal	Interest	
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>\$ 761,347.97</u>	<u>\$ 34,144.72</u>	<u>\$ 69,290.62</u>	<u>\$ 3,510.50</u>	<u>\$ 868,293.81</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, 2020, the Township made principal lease payments in the amount of \$508,137.18. 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, 2020:

Year Ended December 31:	
2021	\$ 567,806.26
2022	552,747.23
2023	537,196.98
2024	<u>268,031.28</u>
Total minimum lease payments	1,925,781.75
Less amount representing interest	<u>161,662.20</u>
Present value of future minimum lease payments	<u>\$ 1,764,119.55</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

E. Lease Agreements – Middlesex County Improvement Authority (Cont'd.)

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.

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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

F. Loan Agreements (Cont'd.)

Schedule of Annual Debt Service for Principal and Interest for the NJEIT Debt Issued and Outstanding at December 31, 2020:

Calendar Year	Fund Loan	Trust Loan		Total
	Principal	Principal	Interest	
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>\$ 453,435.08</u>	<u>\$ 630,000.00</u>	<u>\$ 122,500.00</u>	<u>\$ 1,205,935.08</u>

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

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:

	Fund Balance <u>Dec. 31, 2020</u>	Utilized in <u>Succeeding Budget</u>	Utilized in <u>Current Budget</u>
Current Fund	\$ 10,840,013.15	\$ 9,900,000.00	
Water-Sewer Utility Fund	6,164,176.00	1,400,000.00	\$ 1,500,000.00
	Fund Balance <u>Dec. 31, 2019</u>	Utilized in <u>Succeeding Budget</u>	Utilized in <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

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, the Township of Monroe had the following deferred charges to be raised in succeeding budgets:

Current Fund:	<u>2020</u>	<u>2019</u>
Special Emergency – (40A:4-53):		
Master Plan	\$ 35,000.00	\$ 70,000.00

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.

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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

At December 31, 2020 and 2019, the cash and cash equivalents and investments of the Township on deposit and on-hand consisted of the following:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 92,457,821.50	\$ 88,477,079.52
Change Funds (On-Hand)	900.00	900.00
Total	\$ 92,458,721.50	\$ 88,477,979.52

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, 2020, the carrying amount of the Township's deposits and investments was \$91,860,155.63 and the amount on deposit was \$92,457,821.50. As of December 31, 2020, 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 \$90,207,821.50 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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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;
 - 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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 8: FIXED ASSETS

The Township's fixed assets are reported as follows:

	Balance Dec. 31, 2019	<u>Increase</u>	<u>Decrease</u>	Balance Dec. 31, 2020
Land	\$ 3,769,000.00			\$ 3,769,000.00
Land Improvement	4,495,603.75			4,495,603.75
Buildings	24,151,660.08			24,151,660.08
Machinery & equipment	19,763,944.16	\$ 1,201,207.73		20,965,151.89
	<u>\$ 52,180,207.99</u>	<u>\$ 1,201,207.73</u>	<u>\$ -</u>	<u>\$ 53,381,415.72</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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Inactive plan members or beneficiaries currently receiving benefits	182,492	178,748
Inactive plan members entitled to but not yet receiving benefits	942	609
Active plan members	<u>249,045</u>	<u>252,598</u>
 Total	 <u>432,479</u>	 <u>431,955</u>
 Contributing Employers	 1,691	 1,697

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, 2020 and 2019, the Township's total payrolls for all employees were \$31,365,845 and \$31,685,604, respectively. Total PERS covered payrolls were \$17,489,553 and \$16,918,954, 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, Chapter 78, the member contribution rate was 7.50% in State fiscal year 2020. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The Township's cash basis contributions to the Plan for the years ended December 31, 2020 and 2019 were \$2,263,879 and \$2,209,211, 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 OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 9: PENSION PLANS (CONT'D.)

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

Township payments to PERS for the years ending December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Normal Cost	\$202,940	\$267,212
Amortization of Accrued Liability	<u>1,877,963</u>	<u>1,773,862</u>
Total Pension	2,080,903	2,041,074
NCGI Premiums	<u>112,129</u>	<u>97,230</u>
Total Regular Billing	2,193,032	2,138,304
LTD Expense	7,769	7,828
Additional Billings:		
ERI	<u>63,078</u>	<u>63,079</u>
Total PERS Payment	<u>\$2,263,879</u>	<u>\$2,209,211</u>

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

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

The following represents the membership tiers for PERS:

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

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020, the PERS reported a liability of \$16,307,384,832 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 \$38,160,011 or 0.234004%. 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%.

Actuarial Assumptions- The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Price	2.75%
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 Healthy Retiree 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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 9: PENSION PLANS (CONT'D.)

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

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-2020.

The actuarial assumptions used in the July 1, 2019 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 (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

Discount Rate – The discount rate used to measure the total pension liabilities of PERS was 7.00% as of June 30, 2020. 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 78% 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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 9: PENSION PLANS (CONT'D.)

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

Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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, 2020, 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>(6.00%)</u>	At current discount rate <u>(7.00%)*</u>	At 1% increase <u>(8.00%)</u>
State	\$25,353,758,472	\$22,223,967,525	\$19,576,310,991
Local	<u>20,689,699,233</u>	<u>16,435,616,426</u>	<u>12,825,910,903</u>
PERS Plan Total	<u>\$46,043,457,705</u>	<u>\$38,659,583,951</u>	<u>\$32,402,221,894</u>
Township's proportionate share of the net pension liability	<u>\$48,037,088</u>	<u>\$38,160,011</u>	<u>\$29,779,042</u>

*Local Share includes \$128,231,594 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, 2020 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$28,272,160,382	\$39,432,792,871	\$67,704,953,253
Plan Fiduciary Net Position	<u>6,048,192,857</u>	<u>22,997,176,445</u>	<u>29,045,369,302</u>
Net Pension Liability	<u>\$22,223,967,525</u>	<u>\$16,435,616,426</u>	<u>\$38,659,583,951</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 9: PENSION PLANS (CONT'D.)

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

At December 31, 2020, the Township's deferred outflows of resources and deferred inflows 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	\$ 694,831	\$ 134,950
Change in assumptions	1,237,954	15,977,958
Net difference between projected and actual earnings on pension plan investments	1,304,340	
Changes in proportion and differences between Township Contributions and proportionate share of contributions	4,043,637	-
Township contributions subsequent to the measurement date	<u>2,263,879</u>	<u> </u>
 Total	 <u>\$ 9,544,641</u>	 <u>\$ 16,112,908</u>

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – \$2,263,879 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>
2021	\$ (3,232,809)
2022	(3,116,111)
2023	(1,644,108)
2024	(664,832)
2025	<u>(174,286)</u>
 Total	 <u>\$ (8,832,146)</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 9: PENSION PLANS (CONT'D.)

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

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 5.16, 5.21, 5.63, 5.48, 5.57 and 5.72 years for the 2020, 2019, 2018, 2017, 2016, and 2015 amounts, respectively.

Additional Information

Collective balances at June 30, 2020

Collective deferred outflows of resources	\$2,347,583,337
Collective deferred inflows of resources	7,849,949,467
Collective net pension liability – Local group	16,435,616,426
 Township's Proportion	 0.234004481%

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, 2020 and June 30, 2019 are \$1,144,889,253 and \$1,038,892,124, respectively.

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:

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 9: PENSION PLANS (CONT'D.)

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

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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Inactive plan members or beneficiaries currently receiving benefits	45,537	44,567
Inactive plan members entitled to but not yet receiving benefits	65	42
Active plan members	<u>42,520</u>	<u>42,295</u>
 Total	 <u>88,122</u>	 <u>86,904</u>
 Contributing Employers	 582	 584
Contribution Non-employers	1	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, 2020 and 2019, the Township's total payrolls for all employees were \$31,365,845 and \$31,685,604, respectively. Total PFRS covered payrolls were \$8,100,900 and \$7,761,753, respectively. Covered payroll refers to pensionable or base compensation paid by the Township to active employees covered by the Plan.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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 2020. 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, 2020 and 2019 were \$2,100,568 and \$1,937,772, 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, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Normal Cost	\$ 645,313	\$ 581,985
Amortization of Accrued Liability	<u>1,336,279</u>	<u>1,260,971</u>
 Total Pension	 1,981,592	 1,842,956
NCGI Premiums	<u>97,435</u>	<u>73,903</u>
 Total Regular Billing	 2,079,027	 1,916,859
Additional Billings:		
ERI	<u>21,541</u>	<u>20,913</u>
 Total PFRS Payment	 <u>\$ 2,100,568</u>	 <u>\$ 1,937,772</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

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 9: PENSION PLANS (CONT'D.)

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

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

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

At June 30, 2020, the PFRS reported a net pension liability of \$12,921,318,904 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 \$29,607,375 or 0.229136%. 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 \$25,188,089 or 0.205821%.

Actuarial Assumptions- The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
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. For healthy annuitants, 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, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, 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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 9: PENSION PLANS (CONT'D.)

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

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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020, 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>(6.00%)</u>	At current discount rate <u>(7.00%)*</u>	At 1% increase <u>(8.00%)</u>
State	\$ 4,998,864,901	\$ 4,299,009,951	\$ 3,717,851,603
Local	<u>19,849,370,425</u>	<u>14,926,648,722</u>	<u>10,837,952,259</u>
PFRS Plan Total	<u>\$24,848,235,326</u>	<u>\$19,225,658,673</u>	<u>\$14,555,803,862</u>
Township's proportionate share of the net pension liability	<u>\$39,371,714</u>	<u>\$29,607,375</u>	<u>\$21,497,345</u>

*Local Share includes \$2,005,329,818 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, 2020 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 5,717,806,071	\$40,919,980,447	\$46,637,786,518
Plan Fiduciary Net Position	<u>1,418,796,120</u>	<u>25,993,331,725</u>	<u>27,412,127,845</u>
Net Pension Liability	<u>\$ 4,299,009,951</u>	<u>\$14,926,648,722</u>	<u>\$19,225,658,673</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 9: PENSION PLANS (CONT'D.)

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

At December 31, 2020, the Township's deferred outflows of resources and deferred inflows 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	\$ 298,493	\$ 106,257
Change in assumptions	74,507	7,937,560
Net difference between projected and actual earnings on pension plan investments	1,736,019	
Changes in proportion and differences between Township Contributions and proportionate share of contributions	4,943,103	
Township contributions subsequent to the measurement date	<u>2,100,568</u>	
 Total	 <u>\$ 9,152,690</u>	 <u>\$ 8,043,817</u>

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – \$2,100,568 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>
2021	\$ (953,164)
2022	(717,909)
2023	44,543
2024	433,744
2025	<u>201,091</u>
 Total	 <u>\$ (991,695)</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 9: PENSION PLANS (CONT'D.)

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

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 5.90, 5.92, 5.73, 5.59, 5.58, and 5.53 years for the 2020, 2019, 2018, 2017, 2016 and 2015 amounts, respectively.

Additional Information

Collective balances at June 30, 2020

Collective deferred outflows of resources	\$1,601,195,680
Collective deferred inflows of resources	4,191,274,402
Collective net pension liability – Local group	14,926,648,722
 Township's Proportion	 0.2291358561%

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, 2020 and June 30, 2019 are \$1,194,176,430 and \$1,105,874,849, respectively.

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, 2020 was \$154,309,000. The portion of that contribution allocated to the Township was \$353,577 or 0.2291358561%. The State special funding situation pension expense of \$227,263,993 at June 30, 2020 was actuarially determined and represents the required contribution due from the State for the year.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 9: PENSION PLANS (CONT'D.)

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

The special funding situation net pension liability under the special funding situation was reported at \$2,005,329,818 at June 30, 2020 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, 2020 and its share of the special funding situation NPL at that date were \$520,743 and \$4,594,930, 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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 9: PENSION PLANS (CONT'D.)

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

For the year ended December 31, 2020 and 2019, the Township's total payrolls for all employees were \$31,365,845 and \$31,685,604, respectively. Total DCRP covered payrolls were \$724,715 and \$782,123, 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, 2020 were \$21,741 and \$39,859, respectively and for the year ended December 31, 2019 were \$23,464 and \$43,017, 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	\$ 38,160,011	\$ 9,544,641	\$ 16,112,908	\$ 2,396,808
PFRS	<u>29,607,375</u>	<u>9,152,690</u>	<u>8,043,817</u>	<u>3,373,861</u>
Total	<u>\$ 67,767,386</u>	<u>\$ 18,697,331</u>	<u>\$ 24,156,725</u>	<u>\$ 5,770,669</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.

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.

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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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, 2020, the following employees were covered by the benefit terms:

Active employees	297
Retirees and surviving spouses	<u>97</u>
	<u><u>394</u></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 Blue Cross Blue Shield Direct Access or OMNIA plans.

Prescription drug coverage is provided through the Horizon Blue Cross Blue Shield Direct Access or OMNIA plans with co-payments of \$5/\$25/\$50 (generic/preferred/non-preferred). Supplemental coverage is provided to certain grandfathered retirees with \$5/\$15 or \$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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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.

Employees of the PBA/SOA bargaining groups who retire after satisfying the eligibility requirements who have at least 15 years of pensionable service as of December 31, 2014, shall not contribute to the cost of medical premiums. All other employees who retire after satisfying the eligibility requirements who have at least 20 years of pensionable service as of December 31, 2014, shall not contribute to the cost of medical premiums.

Any employee who retires after satisfying the eligibility requirements, and does not meet the December 31, 2014 provision, must contribute toward the cost of medical premiums. The retiree contributions are based on a percentage of the postretirement healthcare cost. The contribution percentages vary based on healthcare coverage tier and amount of PERS and PFRS pension amounts, pursuant to the requirements 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>2020</u>	<u>2019</u>
Balance - beginning of year	\$ 185,788,679	\$ 155,095,238
Changes for the year:		
Service cost	7,033,501	5,227,760
Interest cost	5,267,778	6,526,088
Benefit payments	(2,533,236)	(2,300,242)
Actuarial assumption changes	29,127,339	21,239,835
Actuarial demographic (gain) or loss	16,656,134	
Net changes	<u>55,551,516</u>	<u>30,693,441</u>
Balance - end of year	<u>\$ 241,340,195</u>	<u>\$ 185,788,679</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

Changes in plan fiduciary net position during year

	<u>2020</u>	<u>2019</u>
Balance - beginning of year	\$ -	\$ -
Changes for the year:		
Employer contributions	2,533,236	2,300,242
Benefit payments	<u>(2,533,236)</u>	<u>(2,300,242)</u>
Net changes	<u>-</u>	<u>-</u>
Balance - end of year	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability at end of year	<u>\$ 241,340,195</u>	<u>\$ 185,788,679</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%
Covered-employee payroll	\$ 25,522,440	\$ 22,951,325
Total OPEB liability as a percentage of covered-employee payroll	945.60%	809.49%

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 \$148.50. 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-2020 to the PUB-2010 (headcount-weighted) with Scale MP-2020 to reflect the latest mortality study published by the Society of Actuaries and the discount rate was decreased from 2.75% to 2.15% to reflect current market rates.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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, 2.75% at December 31, 2019, and 2.15% at December 31, 2020. Inflation is assumed at 2.50% per year.

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-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>1.15%</u>	Current Rate <u>2.15%</u>	1% Increase <u>3.15%</u>
Total OPEB liability	<u>\$304,616,831</u>	<u>\$241,340,195</u>	<u>\$194,204,204</u>

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-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$188,851,055</u>	<u>\$241,340,195</u>	<u>\$314,699,016</u>

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

At December 31, 2020, 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	\$ 14,771,457	\$ -
Change in assumptions	<u>43,638,441</u>	<u>11,845,950</u>
Total	<u>\$ 58,409,898</u>	<u>\$ 11,845,950</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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,

2021	\$	5,606,114
2022		5,606,114
2023		4,495,043
2024		8,377,913
2025		8,377,913
Thereafter		<u>14,100,851</u>
Total	\$	<u>46,563,948</u>

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 \$4,019,218 and \$3,144,196 for 2020 and 2019, 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 January 1, 2019, the Township joined the Garden State Municipal Joint Insurance Fund (GSMJIF) covering risk of loss. At December 31, 2020, the most recent report made available, the GSMJIF reported for all years combined, total assets of \$63,089,500; liabilities and reserves of \$62,738,588; which includes case reserves of \$41,993,173 and IBNR of \$20,424,642 and an excess fund balance for all years of \$350,912. At December 31, 2019, 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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 12: RISK MANAGEMENT (CONT'D.)

See Note 17 to Financial Statements with respect to the Township's previous participation with Middlesex County Joint Insurance Fund (MCJIF).

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 7 direct tax appeals pending, requesting a reduction of assessed valuation for 2020 and prior years, of which 1 are considered to be small claim appeals and 6 non-small claim appeals. The aggregate assessed valuation of the properties under appeal totals \$97,385,067. 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 2020.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 16: INTERFUNDS

The following interfund balances were on the balance sheets of the respective funds at December 31, 2020:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ -	\$ 294,492.49
Grant Fund	283,137.79	-
Trust - Other	146,691.15	50,000.00
Unemployment Trust	20,000.00	-
Developers' Escrow	-	116,810.99
Self Insurance	9,385.01	-
Payroll Trust	4,702.96	9,990.20
Open Space Trust	107,867.49	
General Capital	50,000.00	107,867.49
Water-Sewer Operating	114,847.52	6,095,913.54
Water-Sewer Capital	5,938,442.79	-
Totals	<u>\$ 6,675,074.71</u>	<u>\$ 6,675,074.71</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.

Supplemental Insurance Assessments

Effective December 31, 2018, the Township exited the Middlesex County Joint Insurance Fund (MCJIF). Based upon exiting the MCJIF, the Township was advised during 2021 that its supplemental assessment for fund years 2010 through 2018 is \$1,249,333.87. The terms of the payment of the supplemental assessment is being reviewed by the Township, which is expected to be over a ten-year period.

Contractual Commitments

As of December 31, 2020, the Township of Monroe was a party to various construction contracts and commitments that totaled \$3,929,350.44 in its General Capital Fund and \$1,410,316.29 in its Water and Sewer Utility Fund. The ordinances for which these commitments have been charged are presented within the Township's improvement authorization schedules.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

Note 17: COMMITMENTS AND CONTINGENCIES (CONT'D.)

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, 2020 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.

The following bond ordinances were adopted subsequent to December 31, 2020:

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>Debt Authorized</u>
	General Capital:		
05/03/21	Various Capital Improvements	\$2,535,000	\$1,853,750
08/02/21	Various Capital Improvements	3,328,500	3,169,300
	Utility Capital:		
08/02/21	Various Utility Improvements	\$3,975,000	\$3,975,000

Subsequent to December 31, 2020, the Township issued Bond Anticipation Notes dated June 7, 2021 with a maturity date of June 7, 2022. The BAN's were issued for \$6,400,000 with a coupon rate of 2.00% with a net interest cost of 0.17%. \$4,400,000 were for the General Capital Fund and \$2,000,000 were for the Water and Sewer Utility Fund. The Township issued General Obligation Bonds dated June 7, 2021. The Bonds were issued for \$12,310,000, consisting of \$9,295,000 General Improvement Bonds and \$3,015,000 Water-Sewer Utility Bonds with interest rate of 2.00%. The Township also issued General Obligation Refunding Bonds dated October 20, 2021. The Refunding Bonds were issued for \$25,290,000 with interest rate ranging from 4.00% to 5.00%.

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

**PART II
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2020**

CURRENT FUND

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>CURRENT FUND</u>
Balance December 31, 2019	A	\$ 19,523,359.09
Increased by Cash Receipts		
Interfunds	A	\$ 11,354.70
Miscellaneous Revenue Not Anticipated	A-2	105,566.07
Due NJ Sr. Citizens and Veterans Deductions	A-5	643,027.94
Taxes Receivable	A-6	213,786,862.54
Miscellaneous Anticipated Revenue	A-7	10,445,432.05
Tax Overpayments	A-10	405,445.36
Various Accounts Payable & Reserves	A-12	<u>3,044,350.10</u>
Total Cash Receipts		228,442,038.76
Decreased by Disbursements		
Interfunds	A	1,405,149.00
Refund State Tax Appeals	A-1	18,231.92
Prior Years' Revenue Refunded	A-1	31,940.36
Budget Appropriations	A-3	49,585,937.31
Grants Matching Funds	A-3	16,600.00
Appropriation Reserves	A-9	2,069,925.84
Tax Overpayments	A-10	448,476.98
Taxes Payable	A-11	169,378,338.74
Various A/P, & Reserves	A-12	<u>3,577,081.90</u>
Total Cash Disbursements		<u>226,531,682.05</u>
Balance December 31, 2020	A	<u>\$ 21,433,715.80</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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, 2019	A	\$ (35,585.04)
Increased by:		
Allowable Deductions per Tax Billings 2020 Sr. Citizens and Vet. Deductions Allowed by Collector	A-5	\$ 614,750.00
2019 Sr. Citizens And Vet. Ded. Allowed by Collector	A-5	9,941.95
	A-1, A-6	<u>750.00</u>
		<u>625,441.95</u>
		589,856.91
Decreased by:		
Collected 2020 Sr. Citizens and Vet. Deductions Disallowed by Collector	A-4	643,027.94
2019 Sr. Citizens and Vet. Deductions Disallowed by Collector	A-5	4,003.44
	A-1	<u>7,373.21</u>
		<u>654,404.59</u>
Balance - December 31, 2020	A	<u><u>\$ (64,547.68)</u></u>
<u>Analysis of Sr. Citizens & Veterans Deductions Allowed - 2020 Taxes</u>		
Per Tax Billings	A-5	\$ 614,750.00
Allowed (Disallowed) by Tax Collector (Net)	A-5	<u>5,938.51</u>
	A-6	<u><u>\$ 620,688.51</u></u>

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

	Total	Prepaid	Current	Delinquent	Arrears	Tax Liens	Property Acquired for Taxes
Balance 12/31/2019.....	\$ 1,883,359.44	\$ (1,527,409.75)	\$ -	\$ 1,556,384.47	\$ 11,780.26	\$ 272,804.46	\$ 1,569,800.00
Billings / Levy:							
Original Levy.....	210,702,765.39		210,702,765.39				
Added & Omitted.....	3,889,929.19		3,889,929.19				
Adjustments.....	8,925.19			8,925.19			
Canceled Taxes.....	(536,240.98)		(505,503.80)	(30,605.76)	(131.42)		
Transfers							
Tax Lien.....	-		(24,229.00)	(477.29)	(157.04)	24,863.33	
Tax Sale and Adjustments.....	966.12					966.12	
Revenue							
Sr. Citizens & Vets.....	(621,438.51)		(620,688.51)	(750.00)			
Cash Receipts.....	(213,786,862.54)	(1,976,149.76)	(210,300,950.71)	(1,502,571.02)	(7,191.05)		
Prepaid Applied.....	-	1,527,409.75	(1,527,409.75)				
Balance 12/31/2020.....	\$ 1,541,403.30	\$ (1,976,149.76)	\$ 1,613,912.81	\$ 30,905.59	\$ 4,300.75	\$ 298,633.91	\$ 1,569,800.00

Ref.

A

A

A

A

A

A

Analysis of 2020 Property Tax Levy:

Tax Yield:

General Purpose Tax	\$ 210,702,765.39
Added Taxes	<u>3,889,929.19</u>
	<u>\$ 214,592,694.58</u>

Tax Levy:

Local School District Tax	A-11	\$ 117,126,310.00
County Tax	A-11	34,523,292.16
County Open Space	A-11	2,874,270.79
Due County - Added & Omitted	A-11	707,282.97
Special District Taxes	A-11	12,944,549.00
Municipal Open Space	A-11	<u>1,202,633.82</u>
		169,378,338.74
Local Tax for Municipal Purposes	A-2	38,838,554.33
Minimum Library Tax	A-2	3,165,560.55
Add: Additional Tax Levied		<u>3,210,240.96</u>

\$ 214,592,694.58

Current

<u>Taxes Realized:</u>	<u>Ref.</u>	
Sr. Citizens & Vets	A-2	\$ 620,688.51
Cash Receipts	A-2	210,300,950.71
Prepayments	A-2	<u>1,527,409.75</u>
Subtotal		212,449,048.97
Res. For Uncoll. Tax	A-3	<u>4,050,000.00</u>
		216,499,048.97
Allocated to School, County and Fire Districts		<u>(169,378,338.74)</u>
	A-2	<u>\$ 47,120,710.23</u>

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF NONBUDGET REVENUES AND VARIOUS ACCOUNTS RECEIVABLES

	December 31, 2019	Cash Receipts - Prior Year Accruals	Current Year Accrued/ Adjustments	Cash Receipts - Current Year Accruals	December 31, 2020
CARES Act Funding Receivable	\$ -	\$ -	\$ 122,474.65	\$ -	\$ 122,474.65
Total	\$ -	\$ -	\$ 122,474.65	\$ -	\$ 122,474.65
	<u>Ref.</u>		A-3		A
Revenue Accounts Receivable:					
Municipal Court - Fines and Costs	\$ 31,868.22	\$ (31,868.22)	\$ 211,492.94	\$ (198,401.75)	\$ 13,091.19
					-
	<u>31,868.22</u>	<u>(31,868.22)</u>	<u>211,492.94</u>	<u>(198,401.75)</u>	<u>13,091.19</u>
Non - Budget Revenue:					
Administrative Fee - Senior Citizens and Veterans			12,860.56	(12,860.56)	-
Prior Year Reimbursements			9,650.89	(9,650.89)	-
NSF Fees			940.00	(940.00)	-
Cell Tower Lease			35,763.00	(35,763.00)	-
Facility Rental Fees			1,000.00	(1,000.00)	-
NJ DMV Fines			1,772.00	(1,772.00)	-
Vending Machine			2,849.70	(2,849.70)	-
Closeout Prior Year MCIA			2.75	(2.75)	-
Public Defender			3,150.00	(3,150.00)	-
Refunds and Rebates			10,442.26	(10,442.26)	-
Insite Wireless			26,119.03	(26,119.03)	-
Miscellaneous			1,015.88	(1,015.88)	-
	A-2	-	-	105,566.07	(105,566.07)
Total	\$ 31,868.22	\$ (31,868.22)	\$ 317,059.01	\$ (303,967.82)	\$ 13,091.19
	<u>Ref.</u>		A		A
<u>Analysis of Miscellaneous Revenues:</u>					
Account Receivable Collections				\$ 31,868.22	
Current Year Collections				10,413,563.83	
Subtotal	A-4			<u>10,445,432.05</u>	
Grants Realized - Grant Fund	A-2			3,000,156.83	
	A-2			<u>\$ 13,445,588.88</u>	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF DEFERRED CHARGES

	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>RAISED IN</u> <u>2020 BUDGET</u>	<u>BALANCE</u> <u>DEC. 31, 2020</u>
Special Emergency(40A:4-53): Preparation of master plan	<u>\$ 70,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 35,000.00</u>
	<u><u>\$ 70,000.00</u></u>	<u><u>\$ 35,000.00</u></u>	<u><u>\$ 35,000.00</u></u>
<u>Ref.</u>	A	A-3	A

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF 2019 APPROPRIATION RESERVES

	Balance December 31, 2019		Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbrances			
Office of the Mayor					
Other expenses	\$ 1,168.50	\$ 900.00	\$ 2,068.50	\$ 900.00	\$ 1,168.50
Township Council					
Other expenses	2,229.44	1,988.56	4,218.00	2,262.63	1,955.37
Office of the Township Clerk					
Salaries and wages	35,376.39	-	35,376.39	10,631.05	24,745.34
Other expenses	24,473.12	15,470.07	39,943.19	21,218.46	18,724.73
Elections					
Other expenses	318.41	-	318.41	-	318.41
Division of Administration					
Salaries and wages	6,000.45	-	6,000.45	5,645.09	355.36
Other expenses	11,958.03	703.55	12,661.58	901.03	11,760.55
Human Resources					
Salaries and wages	20,864.55	-	20,864.55	5,940.65	14,923.90
Other expenses	26,802.78	6,416.97	33,219.75	5,706.76	27,512.99
Transportation					
Salaries and wages	91,312.81	-	91,312.81	12,076.49	79,236.32
Other expenses	4,468.00	10,743.26	15,211.26	9,732.00	5,479.26
Insurance					
General Liability	868.20	-	868.20	-	868.20
Workers Compensation	85,000.60	-	185,000.60	-	185,000.60
Employee Group Health	262,107.76	19,236.89	281,344.65	-	281,344.65
Health Benefit Waiver	6,116.85	-	6,116.85	-	6,116.85
Office of Information and Public Advocacy					
Salaries and wages	11,777.93	-	11,777.93	2,872.46	8,905.47
Other expenses	6,981.33	708.21	7,689.54	942.21	6,747.33
Division of Recreation					
Salaries and wages	117,306.35	-	67,306.35	18,708.75	48,597.60
Other expenses	10,597.65	50,435.21	61,032.86	51,481.79	9,551.07
Division of Parks					
Salaries and wages	17,656.41	-	17,656.41	11,378.68	6,277.73
Other expenses	2,444.00	2,447.92	4,891.92	1,648.89	3,243.03
Division of Treasury					
Salaries and wages	25,375.53	-	25,375.53	13,035.30	12,340.23
Other expenses:					
Annual audit	41,400.00	-	41,400.00	41,400.00	-
Special accounting services	16,550.00	-	16,550.00	7,500.00	9,050.00
Data processing	7,401.03	7,815.40	15,216.43	7,815.40	7,401.03
Miscellaneous other expenses	11,348.35	591.50	11,939.85	3,159.12	8,780.73
Division of Revenue Collection					
Salaries and wages	30,694.67	-	30,694.67	10,062.06	20,632.61
Division of Revenue Collection					
Other expenses:					
Tax sale costs	2,275.72	-	2,275.72	-	2,275.72
Tax lien foreclosure	600.00	-	600.00	-	600.00
Miscellaneous other expenses	3,353.12	694.52	4,047.64	2,121.02	1,926.62
Division of Assessments					
Salaries and wages	12,121.75	-	12,121.75	11,941.89	179.86
Other expenses	16,233.92	9,571.68	25,805.60	1,513.65	24,291.95
Division of First Aid					
Salaries and wages	291,731.92	-	241,731.92	217,138.08	24,593.84
Other expenses	41,162.87	2,075.27	43,238.14	13,245.64	29,992.50
Police					
Salaries and wages	373,973.04	-	373,973.04	291,412.32	82,560.72
Other expenses	100,103.62	109,497.41	209,601.03	78,617.31	130,983.72
Emergency Management Services					
Salaries and wages	61,704.92	-	11,704.92	-	11,704.92
Other expenses	2,832.36	-	2,832.36	-	2,832.36

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF 2019 APPROPRIATION RESERVES

	Balance December 31, 2019		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	\$ 1,800.00	\$ 5,018.65	\$ 6,818.65	\$ 5,018.65	\$ 1,800.00
Miscellaneous other expenses	2,500.00	36,064.42	38,564.42	36,064.42	2,500.00
Department of Public Works:					
Division of Streets and Roads					
Salaries and wages	94,270.03	-	94,270.03	82,895.69	11,374.34
Other expenses	110,364.07	24,194.45	134,558.52	70,791.97	63,766.55
Vehicle Maintenance					
Salaries and wages	7,640.84	-	7,640.84	7,482.57	158.27
Other expenses	15,530.64	64,280.70	79,811.34	66,167.34	13,644.00
Solid Waste and Recycling					
Other expenses	9,561.00	5,620.00	15,181.00	5,620.50	9,560.50
Landfill					
Other expenses	35,234.83	482.22	35,717.05	-	35,717.05
Buildings and Grounds					
Salaries and wages	76,957.98	-	76,957.98	46,463.88	30,494.10
Other expenses	40,649.51	37,078.60	77,728.11	42,367.10	35,361.01
Community Services Act					
Other expenses	346,596.41	82,591.83	429,188.24	312,667.43	116,520.81
Department of Law:					
Office of the Township Attorney					
Other expenses	13,400.00	194,191.95	207,591.95	198,932.27	8,659.68
Municipal Prosecutor					
Other expenses	200.00		200.00	-	200.00
Municipal Court					
Salaries and wages	17,725.78		17,725.78	8,672.95	9,052.83
Other expenses	5,813.11	856.70	6,669.81	556.80	6,113.01
Department of Health and Welfare:					
Animal Control					
Salaries and wages	4,059.93		4,059.93	4,059.64	0.29
Other expenses	9,450.31	1,518.57	10,968.88	5,254.20	5,714.68
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	33,026.36	-	33,026.36	5,444.52	27,581.84
Other expenses	1,017.27	4,819.42	5,836.69	2,123.31	3,713.38
Planning Board					
Other expenses	3,566.00	7,975.97	11,541.97	6,841.92	4,700.05
Division of Planning					
Salaries and wages	6,217.88		6,217.88	5,299.16	918.72
Other expenses	9,916.51	7,349.60	17,266.11	8,911.32	8,354.79
Shade Tree Commission					
Salaries and wages	5,685.96		5,685.96	5,685.96	-
Other expenses	1,452.02	2,616.34	4,068.36	610.24	3,458.12
Cultural Arts Commission					
Salaries and wages	609.96		609.96		609.96
Other expenses	29,513.85	272.00	29,785.85	660.00	29,125.85
Environmental and Conservation Commission (R.S. 40:56A-1)					
Other expenses	3,857.01	1,350.49	5,207.50	1,550.50	3,657.00
Historic Preservation Commission					
Salaries and wages	305.00		305.00	-	305.00
Other expenses	5,257.41	2,280.00	7,537.41	2,611.66	4,925.75

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF 2019 APPROPRIATION RESERVES

	Balance December 31, 2019		Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbrances			
Senior Services					
Salaries and wages	\$ 31,538.19		\$ 31,538.19	\$ 14,689.24	\$ 16,848.95
Other expenses	1,747.02	6,595.35	8,342.37	6,419.64	1,922.73
Recreational and Youth Advisory Bd.					
Other expenses	253.30	400.00	653.30	400.00	253.30
Human Relations Commission					
Other expenses	1,390.91	191.16	1,582.07	191.16	1,390.91
Open Space and Farmland Preservation Commission					
Other expenses	750.00	-	750.00	-	750.00
Celebration of Public Events					
Other expenses	1,977.13	1,779.76	3,756.89	1,629.76	2,127.13
State Uniform Construction Code (N.J.S.A. 52:270-120D et seq.)					
Salaries and wages	41,280.86		41,280.86	31,718.58	9,562.28
Other expenses	14,499.70	2,006.72	16,506.42	2,720.95	13,785.47
Unclassified:					
Accumulated absences	2,000.00		52,000.00	-	52,000.00
Central mailing services	11,211.07	216.00	11,427.07	524.68	10,902.39
Utilities	390,395.18	58,893.35	449,288.53	189,014.18	260,274.35
Contribution to:					
Social Security System (O.A.S.I.)	58,150.17	-	58,150.17	42,060.54	16,089.63
Defined Contribution Retirement Plan	4,083.60		4,083.60	-	4,083.60
Unemployment Compensation	30,000.00		30,000.00	-	30,000.00
Public Employees' Retirement System 9-1-1 System	8,461.79	-	8,461.79	-	8,461.79
Other expenses	3,339.51	916.00	4,255.51	1,128.50	3,127.01
NJPDES Stormwater Permit: Division of Streets and Roads					
Other expenses	49,913.85	192.00	50,105.85	207.00	49,898.85
Recycling Tax					
Other expenses	100.00	2,031.87	2,131.87	-	2,131.87
Shared Service Agreements Shared Service (Fire District & BOE)					
Other expenses	19,150.02	6,249.99	25,400.01	-	25,400.01
Shared Service (Recycling)					
Other expenses	53,247.92	50,000.00	103,247.92	62,004.81	41,243.11
Shared Service (Health)					
Other expenses	0.88		0.88	-	0.88
Ambulance Services (Increased Fee)					
Other expenses	146,512.55	111,721.01	258,233.56	87,642.27	170,591.29
Clinical Coord. Training Fees					
Other expenses	5,330.62	3,672.04	9,002.66	3,779.01	5,223.65
SFSP Payment	8,757.00		8,757.00	8,757.00	-
Total General Appropriations	\$ 3,562,263.32	\$ 962,723.58	\$ 4,524,986.90	\$ 2,246,650.05	\$ 2,278,336.85

<u>Ref.</u>	A	A	A-1
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Accounts Payable	A-12	\$ 174,724.21
Reserve for Union Education Fund	A-12	2,000.00
Cash Disbursements	A-4	<u>2,069,925.84</u>
		<u>\$ 2,246,650.05</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF PROPERTY TAX OVERPAYMENTS

		Total	Current Taxes	Prior Years
Balance - December 31, 2019	<u>Ref.</u> A	\$ 303,871.17	\$ -	\$ 303,871.17
Cash Receipts	A-4	405,445.36	384,542.48	20,902.88
Cash Payments - Refunds	A-4	<u>(448,476.98)</u>	<u>(123,892.13)</u>	<u>(324,584.85)</u>
Balance - December 31, 2020	A	<u>\$ 260,839.55</u>	<u>\$ 260,650.35</u>	<u>\$ 189.20</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF TAXES PAYABLE

	December 31, 2019	Taxes Levied	Cash Disbursements	December 31, 2020
County - General	\$ -	\$ 34,523,292.16	(34,523,292.16)	\$ -
County - Open Space	-	2,874,270.79	(2,874,270.79)	-
County - Added & Omitted	-	707,282.97	(707,282.97)	-
Local School District Taxes	-	117,126,310.00	(117,126,310.00)	-
Municipal Open Space Tax	-	1,202,633.82	(1,202,633.82)	-
Special District Taxes:				
Fire District 1	-	2,391,808.00	(2,391,808.00)	-
Fire District 2	-	4,629,006.00	(4,629,006.00)	-
Fire District 3	-	5,923,735.00	(5,923,735.00)	-
Total	\$ -	\$ 169,378,338.74	\$ (169,378,338.74)	\$ -
<u>Ref.</u>	A	A-1, A-6	A-4	A

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES AND RESERVES

	December 31, 2019	Transfer from Budget	Cash Receipts	Cash Disbursements	December 31, 2020
Accounts Payable:					
N.J. Marriage/Civil Union License Filing Fees	\$ 525.00	\$ -	\$ 2,675.00	\$ (2,275.00)	\$ 925.00
N.J. State Building Code Enforcement Fees	23,274.00		147,316.00	(139,088.00)	31,502.00
Vendor Accounts Payable	326,784.63	174,724.21	791.38	(21,604.93)	480,695.29
Library	-		2,893,567.72	(2,888,181.21)	5,386.51
Union Education Fund	32,000.00	2,000.00			34,000.00
Subtotal	<u>382,583.63</u>	<u>176,724.21</u>	<u>3,044,350.10</u>	<u>(3,051,149.14)</u>	<u>552,508.80</u>
Reserve for:					
Tax Appeals	616,194.58			(514,502.76)	101,691.82
Codification of Ordinances	17,867.00			(7,080.00)	10,787.00
Reserve for Master Plan	4,350.00			(4,350.00)	-
Reserve for Energy Aggregation	7,915.09				7,915.09
Subtotal	<u>646,326.67</u>	<u>-</u>	<u>-</u>	<u>(525,932.76)</u>	<u>120,393.91</u>
Total	<u>\$ 1,028,910.30</u>	<u>\$ 176,724.21</u>	<u>\$ 3,044,350.10</u>	<u>\$ (3,577,081.90)</u>	<u>\$ 672,902.71</u>
<u>Ref.</u>	A	A-6, A-9	A-4	A-4	A

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

<u>GRANTS</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BUDGET REVENUE REALIZED</u>	<u>CHAPTER 159</u>	<u>CANCELLED</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2020</u>
<u>2016</u>						
Sustainable NJ Small Grant	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00
<u>2017</u>						
Middlesex County Area Senior Outreach	353.00				353.00	-
<u>2018</u>						
Middlesex County Area Senior Outreach	1.00				1.00	-
<u>2019</u>						
Click It or Ticket	5,500.00			290.90	5,209.10	-
USDOJ Bulletproof Vest Partnership Program	7,561.89					7,561.89
Middlesex County Area Senior Outreach	4,581.00				4,581.00	-
Middlesex County Cultural Arts	750.00				750.00	-
<u>2020</u>						
Clean Communities Program			85,147.33		85,147.33	-
NJ DEP Recycling Tonnage Grant		114,965.54			114,965.54	-
Drive Sober or Get Pulled Over			6,000.00			6,000.00
Body Armor Replacement Fund		5,452.14			5,452.14	-
Municipal Court Alcohol Education Rehabilitation Fund			583.48		583.48	-
USDOJ Bulletproof Vest Partnership Program			6,413.28			6,413.28
2020 Cares Act Reimbursement			2,765,667.06		2,765,667.06	-
Middlesex County Area Senior Outreach		8,000.00			3,549.00	4,451.00
Middlesex County Recycling Enhancement Grant		4,928.00				4,928.00
Middlesex County Cultural Arts		3,000.00			2,250.00	750.00
	<u>\$ 28,746.89</u>	<u>\$ 136,345.68</u>	<u>\$ 2,863,811.15</u>	<u>\$ 290.90</u>	<u>\$ 2,988,508.65</u>	<u>\$ 40,104.17</u>
<u>Ref.</u>	A	A-13	A-14	A-15		A
Unappropriated Reserves	A-16				\$ 114,965.54	
Receipts	A-15				<u>2,873,543.11</u>	
					<u>\$ 2,988,508.65</u>	

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED

<u>GRANT</u>	BALANCE	ENCUMBERED	TOTAL	<u>CHAPTER 159</u>	<u>CANCELLED</u>	<u>PAID OR</u>	ENCUMBERED	BALANCE
	DECEMBER 31, <u>2019</u>	DECEMBER 31 <u>2019</u>	TRANSFERRERD FROM 2020 <u>BUDGET</u>				DECEMBER 31 <u>2020</u>	DECEMBER 31, <u>2020</u>
Drunk Driving Enforcement Fund	\$ 6,050.78	\$ -	\$ -	\$ -	\$ -	\$ 4,021.79	\$ -	\$ 2,028.99
NJ DEP Recycling Tonnage Grant	190,279.07	195,028.79	114,965.54			285,579.14	124,596.75	90,097.51
Municipal Court Alcohol Education Rehabilitation Fund	3,512.20			583.48				4,095.68
Drive Sober or Get Pulled Over End of Year Holiday Crackdown	1,494.54				290.90	1,203.64		-
Drive Sober or Get Pulled Over	-			6,000.00		3,938.10		2,061.90
Body Armor Replacement Fund	5,868.92		5,452.14			10,688.80		632.26
USDOJ Bulletproof Vest Partnership Program	7,561.89			6,413.28		2,137.76		11,837.41
Clean Communities	65,825.82	6,062.45		85,147.33		78,391.23	47,144.40	31,499.97
2020 Cares Act Reimbursement				2,765,667.06		2,765,667.06		-
Middlesex County Area Senior Outreach	-		24,600.00			24,600.00		-
Middlesex County Recycling Enhancement Grant			4,928.00			2,684.42	250.00	1,993.58
Middlesex County Cultural Arts	-		3,000.00					3,000.00
Sustainable New Jersey - Small Grant	4,003.50	0.01		-			0.01	4,003.50
	<u>\$ 284,596.72</u>	<u>\$ 201,091.25</u>	<u>\$ 152,945.68</u>	<u>\$ 2,863,811.15</u>	<u>\$ 290.90</u>	<u>\$ 3,178,911.94</u>	<u>\$ 171,991.16</u>	<u>\$ 151,250.80</u>
<u>Ref.</u>	A	A	A-13	A-13	A-15	A-15	A	A

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF DUE FROM CURRENT FUND
GRANT FUND

	<u>Ref.</u>		
Balance - December 31, 2019	A		\$ 571,906.62
Increased by:			
Grants Received deposited into Current Fund	A-13	\$ 2,873,543.11	
Grant Receivable Canceled	A-13	290.90	
Grant Appropriations Budgeted	A-14	<u>152,945.68</u>	
			<u>3,026,779.69</u>
			3,598,686.31
Decreased by:			
Grant Revenues Budgeted	A-13	136,345.68	
Grant Appropriations Expended	A-14	3,178,911.94	
Reserve for Grants Canceled	A-14	<u>290.90</u>	
			<u>3,315,548.52</u>
Balance - December 31, 2020	A		<u><u>\$ 283,137.79</u></u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE AND FEDERAL GRANTS
GRANT FUND

<u>GRANTS</u>	BALANCE DECEMBER 31, <u>2019</u>	TRANSFERRED TO 2020 BUDGET <u>APPROPRIATIONS</u>	BALANCE DECEMBER 31, <u>2020</u>
Recycling Tonnage Grant	\$ 114,965.54	\$ 114,965.54	\$ -
	<u>\$ 114,965.54</u>	<u>\$ 114,965.54</u>	<u>\$ -</u>
<u>Ref.</u>	A	A-13	A

TRUST FUND

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance 12/31/2019	Encumbrances/ Adjustments 12/31/2019	Cash Receipts	Disbursements	CARES Act Reimbursements	Adjustments	Balance 12/31/2020
Animal Control:							
Due to NJ - State License Fees.....	\$ (3.60)	\$ -	\$ 3,496.20	\$ (3,496.20)	\$ -	\$ -	\$ (3.60)
Animal Control Reserves.....	15,493.43	-	24,244.71	(36,122.86)	-	-	3,615.28
Total	15,489.83	-	27,740.91	(39,619.06)	-	-	3,611.68
Affordable Housing Trust:							
Reserve for Encumbrances.....	356,573.37	(356,573.37)	-	-	-	397,197.11	397,197.11
Reserves for Affordable Housing Trust.....	12,262,603.47	356,573.37	1,474,138.94	(876,307.43)	-	(397,197.11)	12,819,811.24
Total	12,619,176.84	-	1,474,138.94	(876,307.43)	-	-	13,217,008.35
Unemployment Trust:							
Reserves for Unemployment.....	274,559.13	-	139,940.23	(194,914.02)	49,512.70	(49,512.70)	269,098.04
CARES Act Funds Receivable.....	-	-	-	-	-	-	(49,512.70)
Due from Water Sewer Operating Fund.....	(20,000.00)	-	-	-	-	-	(20,000.00)
Total	254,559.13	-	139,940.23	(194,914.02)	-	-	199,585.34
Payroll:							
Payroll and Payroll Deductions.....	401,274.74	-	37,622,587.20	(37,653,395.85)	-	-	370,466.09
Due from/to Trust Other.....	9,990.20	-	-	-	-	-	9,990.20
Due from/to Water-Sewer Operating.....	(2,625.89)	-	24.92	-	-	-	(2,600.97)
Due from/to Current.....	-	-	-	(2,101.99)	-	-	(2,101.99)
Utility Payroll.....	23,946.94	-	3,820,804.23	(3,820,791.32)	-	-	23,959.85
Total	432,585.99	-	41,443,416.35	(41,476,289.16)	-	-	399,713.18
Developers' Escrow:							
Reserve for Encumbrances.....	41,660.38	(41,660.38)	-	-	-	301,817.70	301,817.70
Performance Bond Deposits.....	10,229,341.50	5,298.33	282,161.85	(885,106.68)	-	(265,455.65)	9,366,239.35
Engineering Escrow Deposits.....	1,670,105.41	12,750.81	554,311.66	(588,213.94)	-	(12,750.81)	1,636,203.13
Professional Fees Deposits.....	737,598.62	23,611.24	445,589.69	(380,294.34)	-	(23,611.24)	802,893.97
Due to Water Sewer Operating.....	110,148.71	-	4,698.81	-	-	-	114,847.52
Due to Water Sewer Capital.....	1,963.47	-	-	-	-	-	1,963.47
Utility Escrow Deposits.....	3,870,107.25	-	1,040,636.10	(1,208,334.36)	-	-	3,702,408.99
Total	16,660,925.34	-	2,327,398.11	(3,061,949.32)	-	-	15,926,374.13
Self Insurance:							
Reserve for Encumbrances.....	34,774.30	(34,774.30)	-	-	-	23,164.61	23,164.61
Reserve for Self Insurance.....	586,570.56	34,774.30	43,704.44	(320,630.93)	-	(23,164.61)	321,253.76
Due From Current Fund.....	(135,000.00)	-	135,000.00	(9,207.71)	-	-	(9,207.71)
Due from Water Sewer Operating.....	(177.89)	-	0.59	-	-	-	(177.30)
Reserve for Self Insurance Utility.....	135.37	-	-	-	-	-	135.37
Total	486,302.34	-	178,705.03	(329,838.64)	-	-	335,168.73
Open Space Trust:							
Reserve for Encumbrances.....	165,308.35	(165,308.35)	-	-	-	136,136.60	136,136.60
Due from General Capital.....	(107,867.49)	-	-	-	-	-	(107,867.49)
Open Space Reserves.....	2,929,001.41	165,308.35	1,202,742.36	(1,829,166.45)	-	(136,136.60)	2,331,749.07
Total	2,986,442.27	-	1,202,742.36	(1,829,166.45)	-	-	2,360,018.18

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance 12/31/2019	Encumbrances/ Adjustments 12/31/2019	Cash Receipts	Disbursements	CARES Act Reimbursements	Adjustments	Balance 12/31/2020
Other Trust Funds:							
Due from Comm. Develop Grant	\$ (320,902.66)	\$ -	\$ 127,469.00	\$ (166,380.00)	\$ -	\$ -	\$ (359,813.66)
Reserve for Comm. Develop. Block Grant.....	315,674.28	4,353.75	166,380.00	(4,448.00)			481,960.03
Reserve for Encumbrances.....	234,229.64	(234,229.64)				199,027.92	199,027.92
Due to General Capital.....	50,000.00	-	-	-			50,000.00
Due from Current Fund.....	-	-		(45.00)			(45.00)
Due to Payroll Trust - Utility.....	(9,990.20)						(9,990.20)
Due to Water-Sewer Operating.....	(136,655.95)						(136,655.95)
CARES Act Funds Receivable.....					(28,704.40)		(28,704.40)
Miscellaneous Reserves:							
Accumulated Absences.....	44,884.33			(40,597.10)			4,287.23
Accumulated Absences-Utility.....	132,255.04						132,255.04
Animal Control Donations.....	225.00						225.00
Charlotte Eder Bequest.....	487,217.30	9,390.34		(40,312.27)		(5,725.00)	450,570.37
Cultural Arts Commission Donations.....	300.69	-					300.69
Cultural Arts Commission Trust.....	-		3,833.71				3,833.71
Detention Basin Escrows.....	1,605,638.18	10,942.51	15,175.71	(114,886.55)		(28,465.65)	1,488,404.20
Environmental Disturbance Fund.....	18,500.00	-					18,500.00
Historic Preservation Donations.....	9,439.14	-					9,439.14
LEAD Program Contributions.....	6,914.63	-					6,914.63
Mining Escrow.....	13,565.89	-					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.....	38,049.11	6,718.43	2,250.00	(500.00)		(991.18)	45,526.36
Parking Offense Adjudication Act.....	1,514.01	-	14.00				1,528.01
Police Donations.....	1,252.04	-	4,025.00			(485.00)	4,792.04
Police Forfeited Funds.....	10,559.33	20,481.08	2,015.53	(20,410.26)		-	12,645.68
Police Forfeited Funds.....	3.13	-					3.13
Police Off-Duty Trust.....	593,164.22	2,892.24	721,624.37	(715,221.03)		(440.00)	602,019.80
Premium on Tax Sale.....	1,340,800.00	-	1,515,300.00	(485,100.00)			2,371,000.00
Public Defender.....	-	-	3,150.00	(3,150.00)			-
Recreation Trips.....	0.00	300.00		(14.00)			286.00
Recycling Trust.....	76,744.49	7,508.22	33,281.15	(10,718.00)		(1,390.22)	105,425.64
Road Opening Deposits.....	40,177.22	12,810.00	4,429.00	(3,898.00)		(12,610.00)	40,908.22
Senior Center Facility Donation.....	100.00	-					100.00
Senior Center Trust Donation.....	60,775.98	11,702.62	28,410.35	(48,310.69)		(6,200.00)	46,378.26
Shade Tree Commission Donations.....	4,950.75	-					4,950.75
Shade Tree Replacement.....	549,252.63	29,635.07	51,106.00	(89,280.00)		(95,655.07)	445,058.63
Storm Recovery Fund.....	37,761.51	117,495.38	175,000.00	(135,334.04)	28,704.40	(47,065.80)	176,561.45
Street Vacation Escrow.....	11,756.85	-					11,756.85
Transportation Contribution.....	34.00	-					34.00
Total	5,233,343.82	-	2,853,463.82	(1,878,604.94)	-	-	6,208,202.70
Total	\$ 38,688,825.56	\$ -	\$ 49,647,545.75	\$ (49,686,689.02)	\$ -	\$ -	\$ 38,649,682.29

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
2018	\$ 24,332.00
2019	23,320.00
	<u>\$ 47,652.00</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, 2019	C		\$ 7,264,325.41
Increased by Receipts:			
Current Fund Appropriations:			
Capital Improvement Fund	C-10	\$ 165,000.00	
Deferred Charges to Future Taxation	C-6	3,473.25	
Premium on Bond Anticipation Notes	C-1	69,258.00	
Grants Received	C-7	101,254.31	
Interest-Affordable Housing Capital	C-8	4,321.01	
Miscellaneous Reserves	C-11	71,605.45	
Bond Anticipation Notes	C-13	<u>9,700,000.00</u>	
			<u>10,114,912.02</u>
			17,379,237.43
Decreased by:			
Anticipated Revenue - Current Fund:	C-1	333,000.00	
Improvement Authorizations	C-9	3,889,475.18	
Improvement Authorizations - CARES Act	C-9	7,205.28	
Miscellaneous Reserves	C-11	76,328.09	
Anticipated Revenue - Current Fund:	C-12	71,000.00	
Bond Anticipation Notes	C-13	<u>5,000,000.00</u>	
			<u>9,377,008.55</u>
Balance, December 31, 2020	C		<u><u>\$ 8,002,228.88</u></u>
Cash	C		\$ 6,354,811.02
Cash - Affordable Housing Fund	C		<u>1,647,417.86</u>
			<u><u>\$ 8,002,228.88</u></u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	Balance Dec. 31, 2019	Balance Dec. 31, 2020
Fund Balance	\$ 333,279.04	\$ 662,577.24
Capital Improvement Fund	90,700.00	53,025.00
Reserve for Encumbrances	1,810,246.78	3,929,350.44
Miscellaneous Reserves	158,752.88	154,030.24
Reserve for Debt Service	71,000.00	-
Due to Trust Open Space Fund	107,867.49	107,867.49
Due from Developer	(111,846.50)	(111,846.50)
Grants Receivable/Reserve	(2,784,853.17)	(3,758,598.86)
Due from Trust-Other Fund	(50,000.00)	(50,000.00)
CARES Act Grant Fund Receivable		(7,205.28)
Improvement Authorizations - Funded	6,102,518.92	6,011,153.46
Unexpended Proceeds of Bond Anticipation Notes	1,343,318.30	1,628,943.55
Deferred Charges - Unfunded - Expenditures	(1,449,755.18)	(2,264,485.76)
	<u>\$ 5,621,228.56</u>	<u>\$ 6,354,811.02</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, 2020 and 2019	C	<u>\$ 111,846.50</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

	<u>Ref.</u>	<u>Total</u>	<u>Serial Bonds</u>	<u>MCIA Loans</u>	<u>Green Trust Loans</u>	<u>MCIA Lease Purchase Agreements</u>
Balance, December 31, 2019	C	\$ 57,799,522.21	\$ 54,060,000.00	\$ 1,383,401.61	\$ 83,863.87	\$ 2,272,256.73
Decreased by: Obligations Paid	C-14, C-15	5,689,764.07	4,545,000.00	622,053.64	14,573.25	508,137.18
Balance, December 31, 2020	C	<u>\$ 52,109,758.14</u>	<u>\$ 49,515,000.00</u>	<u>\$ 761,347.97</u>	<u>\$ 69,290.62</u>	<u>\$ 1,764,119.55</u>

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, 2019	Authorized 2020	Canceled	Other Funding	Balance Dec. 31, 2020	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Balance of Improvement Authorizations
2000-26A	Recreation and Open Space	\$ 6,381,150.00	\$ -	\$ -	\$ -	\$ 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 Road	59,833.75				59,833.75			59,833.75
2002-17F	Improvements to Outcalt Park	931.00				931.00			931.00
2003-11E	Traffic Light at Perrineville Road and Schoolhouse Road	148,354.00				148,354.00			148,354.00
2007-03	James Monroe Park Improvements	158,500.00				158,500.00			158,500.00
2007-25A	Expansion of Park and Ride	33,032.00				33,032.00	33,032.00		
2011-17B	2010 Paving/Sidewalk Program	200.00				200.00			200.00
2011-17F	Improvements to Disbrow Hill Road	146,000.00				146,000.00	35,000.00		111,000.00
2011-17H	Intersection Improv.- Prospect Plains and Applegarth Road	456,000.00		456,000.00		-			
2012-29B	2012 Paving/Sidewalk Program	200.00				200.00			200.00
2012-29C	2012 Drainage Program	-				-			
2012-29D	Narrow Banding Radio Upgrades	131,500.00				131,500.00		124,698.40	6,801.60
2014-12B	2014 Paving/Sidewalk Program	400.00				400.00			400.00
2014-12C	2014 Drainage Program	200.00				200.00			200.00
2014-12D	Federal/Perrineville Rd Land Acq.	380,800.00		372,003.00	3,473.25	5,323.75		5,323.75	
2015-10D	Radio System Upgrades	276,000.00				276,000.00		274,346.94	1,653.06
2015-10E	Perrineville Road and Federal Road Traffic Signal	248,789.49		248,789.49		-			
2015-10I	Walkable Community - Bike Routes	95,200.00				95,200.00			95,200.00
2015-21A	Soccer Complex Improvements	571,000.00				571,000.00	571,000.00		
2016-15	Imp Pergola Ave and Spotswood Intersection Gravel Hill Road	119,000.00				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	800,000.00	388,408.06	384,191.94
2016-22H	Concrete Repair -sidewalks, curbs	102,600.00				102,600.00	100,000.00		2,600.00
2017-14B	Paving, Sidewalks, Curbs	423,800.00				423,800.00	423,800.00		
2017-14C	Monmouth Road Pedestrian Improvements	138,500.00				138,500.00	138,500.00		
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	60,000.00	15,778.75	305,121.25
2017-14G	Park and Ride Pavement and Lighting								
	Perrineville Road and Schoolhouse Road	238,000.00				238,000.00	238,000.00		
2017-14I	Intersection and ADA Improvements	238,000.00				238,000.00			238,000.00
2017-20	Acquisition of Real Property	542,800.00				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 Rd	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 Equipment	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		
2018-24IN	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

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, 2019	Authorized 2020	Canceled	Other Funding	Balance Dec. 31, 2020	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Balance of Improvement Authorizations
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	142,800.00		
2019-22B	Paving, Sidewalks, Curbs	95,200.00				95,200.00	95,200.00		
2019-22C	EMS Building Improvements	95,200.00				95,200.00	95,200.00		
2019-22D	Parks Improvements and Equipment	161,900.00				161,900.00	161,900.00		
2019-22E	Community Center Improvements and Equipment	75,200.00				75,200.00	75,200.00		
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	21,900.00		
2019-23H	DPW Front Loader	236,000.00				236,000.00	236,000.00		
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		
2020-003	Pedestrian/Roadway Improvements-Costco Dr and Camelot Neighborhood		1,200,000.00			1,200,000.00			1,200,000.00
2020-04A	Road, Sidewalk, Drainage Improvements		1,333,300.00			1,333,300.00	1,333,300.00		
2020-04B	Matchaponix/Pergola Intersection		361,900.00			361,900.00	358,368.00		3,532.00
2020-17A	County Radios and 911		1,142,500.00			1,142,500.00		882,133.17	260,366.83
2020-17B	Purchase of Library Books		142,800.00			142,800.00		135,800.00	7,000.00
2020-17C	Police Body Cameras		104,700.00			104,700.00		100,204.00	4,496.00
2020-17D	Police SUV Vehicles		133,300.00			133,300.00		84,474.10	48,825.90
2020-17E	Police Alcotest unit, computer equipment		67,600.00			67,600.00		36,952.50	30,647.50
2020-17F	Construction/EMS SUVs		133,200.00			133,200.00		50,395.34	82,804.66
2020-17G	Ambulances and Equipment		571,400.00			571,400.00			571,400.00
2020-17H	Office Equipment		10,400.00			10,400.00			10,400.00
2020-17I	Community Center Equipment		29,000.00			29,000.00		6,280.00	22,720.00
2020-17J	Senior Center Furniture and Equipment		28,500.00			28,500.00			28,500.00
2020-17K	Computer Equipment/ Servers		142,800.00			142,800.00		31,031.40	111,768.60
2020-17L	DPW Pick Up Truck, Mini Excavator, Wood Chipper		142,700.00			142,700.00		102,177.75	40,522.25
2020-17M	Parks Equipment		37,100.00			37,100.00		26,481.60	10,618.40
2020-17N	Building Improvements		139,000.00			139,000.00			139,000.00
2020-22	Refunding Bond Ordinance 2012 and 2013 Bonds		1,500,000.00			1,500,000.00			1,500,000.00
		<u>\$ 18,604,640.24</u>	<u>\$ 7,220,200.00</u>	<u>\$ 1,076,792.49</u>	<u>\$ 3,473.25</u>	<u>\$ 24,744,574.50</u>	<u>\$ 9,700,000.00</u>	<u>\$ 2,264,485.76</u>	<u>\$ 12,780,088.74</u>
<u>Ref.</u>		C	C-9	C-9	C-2	C	C-13		

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, 2019	Authorized 2020	Canceled	Other Funding	Balance Dec. 31, 2020	Analysis of Balance		Unexpended Balance of Improvement Authorizations
							Bond Anticipation Notes	Expenditures	
							Improvement Authorizations - Unfunded		\$ 14,409,032.29
							Less: Unexpended Proceeds of Bond Anticipation Notes Issued		
							<u>Ordinance</u>		
							2011-17A	\$ 684.39	
							2015-21A	16,384.07	
							2016-15	4,275.46	
							2016-22H	224.00	
							2017-14B	11,336.70	
							2017-14C	125,069.81	
							2017-14G	33,749.83	
							2017-20	7,387.91	
							2018-24A	1,711.11	
							2018-24B	12,590.00	
							2018-24C	11,335.00	
							2018-24D	83,100.00	
							2018-24E	26,350.91	
							2018-24F	107,433.77	
							2018-24G	263,834.32	
							2018-24H	19,000.00	
							2018-24I	20.09	
							2018-24K	480.00	
							2018-24M	64,981.27	
							2018-24IN	1,355.00	
							2019-08	150,993.35	
							2019-22A	2,337.30	
							2019-22B	20,000.00	
							2019-22C	77,000.00	
							2019-22D	118,812.86	
							2019-22E	2,083.70	
							2019-22F	61,900.00	
							2019-22G	4,216.42	
							2019-22H	31,273.00	
							2019-22I	52,300.00	
							2020-04A	13,700.00	
							2020-04B	295,818.00	
							2017-14F - COVID-19	4,650.00	
							2020-17K - COVID-19	2,555.28	
									1,628,943.55
									<u>\$ 12,780,088.74</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Awarded</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2020</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
	1,956,454.06	-	-	1,956,454.06
Department of Transportation:				
Monmouth Road Improvements (2017-14)	77,500.00			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)	118,750.00			118,750.00
Schoolhouse Rd. Pedestrian/Roadway Improvements(2019-15)	284,649.11		26,254.31	258,394.80
Costco Drive (2020-03)		600,000.00		600,000.00
Camelot Neighborhood(2020-03)		475,000.00		475,000.00
	805,899.11	1,075,000.00	101,254.31	1,779,644.80
Due From State:				
Senior Center (2006-14C)	100,000.00	-	-	100,000.00
	100,000.00	-	-	100,000.00
CARES Act Reimbursement:				
Police and EMS Building Preliminary Planning (2017-14F)	-	4,650.00		4,650.00
Computer Equipment/Servers (2020-17K)	-	2,555.28		2,555.28
	-	7,205.28	-	7,205.28
	\$ 2,862,353.17	\$ 1,082,205.28	\$ 101,254.31	\$ 3,843,304.14
<u>Ref.</u>	C	C-9	C-2	Below
			<u>Ref.</u>	
			C	\$ 3,836,098.86
			C	7,205.28
				\$ 3,843,304.14
				Above

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING ASSISTANCE

	<u>Ref.</u>	
Balance, December 31, 2019	C	\$ 1,643,096.85
Increased by:		
Interest Earned	C-2	<u>4,321.01</u>
Balance, December 31, 2020	C	<u>\$ 1,647,417.86</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	2020 Authorizations										
		Balance, Dec. 31, 2019		2019 Encumbered	Capital Improvement Fund	Deferred Charges to Future Taxation	Grants, Refunds and Other Contributions	Canceled	2020		Balance, Dec. 31, 2020	
		Funded	Unfunded						Encumbered	Expended	Funded	Unfunded
2005-35	Affordable Housing 2005	\$ 123,739.42	\$ -	\$ 5,185.83	\$ -	\$ -	\$ -	\$ -	\$ 2,606.33	\$ 5,805.38	\$ 120,513.54	\$ -
1998-24E	Farmland Preservation	47,869.15									47,869.15	
1999-17	Recreation and Open Space	91,200.50									91,200.50	
2000-12	Municipal Complex Improvements	8,079.64		3,502.17						8,122.32	3,459.49	
2000-26A	Recreation and Open Space	1,543,026.26	6,381,150.00	2,258.70				1,169.20	1,089.50	1,543,026.26	6,381,150.00	
2000-26B	Farmland Preservation	523,183.41	190,450.00							523,183.41	190,450.00	
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 Outcallt Park	11,524.39	931.00								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.	145,568.29									145,568.29	
2006-10C	New Senior Center	32,177.14		9,303.61				3,510.53	13,552.39	24,417.83		
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
2007-29B												
	Construction of EMS Fire Facility Fire District 2	28,823.08									28,823.08	
2007-29D	Farmland Preservation	20,679.11									20,679.11	
2008-08	Signal Applegarth Rd / Cranbury Station Rd/ Union Valley Rd	425,697.86									425,697.86	
2008-09	Open Space Acquisition	200,623.77		9,759.06				9,759.06			200,623.77	
2009-11	Computer Equipment/Software	1,291.23							1.89		1,289.34	
2009-20	Applegarth/Clearbrook Traffic Light	274,143.01									274,143.01	
2009-22	Forge Road Drainage Improvements	119,867.05		2,157.33							122,024.38	
2009-23D	Perrineville Road Sidewalks	78,405.00									78,405.00	
2010-13A	Purchase of Computers	7,335.07		1,480.77						7,315.84	1,500.00	
2010-13E	Public Safety Base Station	35,293.20						33,793.20			1,500.00	
2010-13G	Recreation Radio/Sound System	9,400.00									9,400.00	
2010-16	2010 MCIA Revenue Bonds Equipment	11,153.16		1,230.00						1,230.00	11,153.16	
2011-17A	Library Books	3,630.03									3,630.03	
2011-17B	2010 Paving/Sidewalk Program	2,403.10	200.00							2,403.10		200.00
2011-17C	2010 Drainage Program			5,000.00							5,000.00	
2011-17F	Improvements to Disbrow Hill Road		111,684.39	22,393.25				22,393.25				111,684.39
2011-17G	Municipal Facility Improvements	32,080.00		22,900.04						5,336.77	49,643.27	
2011-17H	Intersection Improv. - Prospect Plains and Applegarth Road	24,625.00	456,000.00							480,625.00		
2011-19	Dey Farm Homestead Property Improvements	19,078.44									19,078.44	
2011-29	2011 MCIA Revenue Bonds Equipment	785.11									785.11	
2012-26	2012 MCIA Revenue Bonds Equipment	16,234.46								2,244.05	13,990.41	
2012-29A	Library Books	1,730.75									1,730.75	
2012-29B	2012 Paving/Sidewalk Program	8,754.61	200.00							8,754.61		200.00
2012-29C	2012 Drainage Program	23,550.88		14,701.00						33,550.88	4,701.00	
2012-29D	Narrow Banding Radio Upgrades	13,030.30	131,500.00							137,728.70		6,801.60
2013-11A	Library Books	1,275.90									1,275.90	
2013-11B	2013 Paving/Sidewalk Program	3,348.63								3,348.63		
2013-11C	2013 Drainage Program	63,005.05		4,701.00						20,809.76	46,896.29	
2013-11D	Cedar Pond Improvements			17,556.51						17,556.51		
2013-11E	Municipal Facility Improvements	190,780.73		40,571.51						31,370.00	75,137.43	124,844.81
2013-19	2013 MCIA Revenue Bonds Equipment	8,935.38								914.93	8,020.45	
2014-12A	Library Books	1,222.81									1,222.81	
2014-12B	2014 Paving/Sidewalk Program	8,361.33	400.00							3,748.81	4,612.52	400.00
2014-12C	2014 Drainage Program	78,453.96	200.00	6,109.00					6,109.00		78,453.96	200.00
2014-12D	Federal/Perrineville Rd Land Acq.		372,003.00	5,323.75						372,003.00	5,323.75	

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	2020 Authorizations										
		Balance, Dec. 31, 2019		2019 Encumbered	Capital Improvement Fund	Deferred Charges to Future Taxation	Grants, Refunds and Other Contributions	Canceled	2020 Encumbered	Expended	Balance, Dec. 31, 2020	
		Funded	Unfunded								Funded	Unfunded
2014-12E	Municipal Facilities Improvements	\$ 237,873.53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 237,873.53	\$ -
2014-12F	9-1-1 System Upgrades/Reverse 9-1-1	45,031.60						41,074.38			3,957.22	
2014-12G	Soccer Field Lighting	2,334.50									2,334.50	
2014-16	2014 MCIA Revenue Bonds Equipment	5,961.78									5,961.78	
2015-10A	Library Books	1,505.63									1,505.63	
2015-10B	2015 Paving/Sidewalk Program	11,849.20									11,849.20	
2015-10C	2015 Drainage and GIS Mapping	59,903.75									59,903.75	
2015-10D	Radio System Upgrades		269,904.09	325,271.19								1,653.06
2015-10E	Perrineville Road and Federal Road Traffic Signal	593,040.20	248,789.49					841,829.69	586,133.62	7,388.60	-	-
2015-10G	Sidewalks and Curbs Improvements	1,957.90									1,957.90	
2015-10H	Soccer Field Fence	1,451.88		1,311.25							2,763.13	
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	26,118.58		222.00					222.00	2,214.08	23,904.50	
2015-21A	Soccer Complex Improvements		16,384.07	71,856.17					68,216.17	3,640.00		16,384.07
2016-15	Imp Pergola Ave and Spotswood Intersection Gravel Hill Road		114,275.46								110,000.00	4,275.46
2016-22A	Library Books	1,505.63									1,505.63	
2016-22B	Spotswood Ave and Ellingham-Milling, Paving, Drainage and Concrete improvements	6,419.30									6,419.30	
2016-22D	Police and EMS Building Preliminary Planning			263,005.39					40.00	262,965.39		
2016-22F	Traffic- ADA & Intersection Signal Matchaponix, Pergola Ave., Spotswood-Gravel Hill Road	31,185.74	1,572,600.00	40,306.15					522,783.97	737,115.98	384,191.94	2,824.00
2016-22H	Concrete Repair -sidewalks, curbs		2,824.00									2,824.00
2016-27	2016 MCIA Revenue Bonds Equipment	30,316.51		16,862.98					36.98	17,271.51	29,871.00	
2017-14A	Library Books	2,035.13									2,035.13	
2017-14B	Paving, Sidewalks, Curbs		12,136.70	4,415.00					4,415.00	800.00		11,336.70
2017-14C	Monmouth Road Pedestrian Improvements		6,988.20	170,043.48					11,389.38	40,572.49		125,069.81
2017-14D	Traffic Signal Calming Devices	6,065.00									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		353,516.25	10,381.06					16,837.06	37,289.00		309,771.25
2017-14G	Park and Ride Pavement and Lighting		4,457.34	47,167.89						17,875.40		33,749.83
2017-14H	Library Improvements including Drive Through	159,810.57									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
2017-14K	Community Center Bleacher improvements and Furniture	7,335.25									7,335.25	
2017-17	2017 MCIA Revenue Bonds Equipment	111,383.57									111,383.57	
2017-20	Acquisition of Real Property	84,587.91	542,800.00							620,000.00		7,387.91
2018-24A	Purchase of Library Books		2,511.11							800.00		1,711.11
2018-24B	Paving, Sidewalks, Curbs		16,590.00	15,498.04					4,603.54	14,894.50		12,590.00
2018-24C	Road Improvements - Daniel and 10th (DOT 475,000)		43,475.00	121,887.33							88,446.38	41,335.00
2018-24D	Traffic Signal Mount Mills/Englishtown Rd	16,700.00	333,300.00						32,500.00			317,500.00
2018-24E	Police Department Equipment		27,500.91							1,150.00		26,350.91
2018-24F	Municipal Facility Upgrades - EMS		121,639.77	58,036.65					3,327.04	68,915.61		107,433.77
2018-24G	Police Facility Upgrades		284,137.84	34.39					34.39	20,303.52		263,834.32
2018-24H	Pedestrian Improvements/Cranbury/Half Acre	500.00	19,000.00								500.00	19,000.00
2018-24I	Planning and Zoning Office Equipment		20.09									20.09
2018-24J	EMS Radio Upgrades		2,455.55							2,455.55		-
2018-24K	Replacement Lights - Recreation		480.00									480.00
2018-24M	Daniel Ryan Restrooms		65,581.27							600.00		64,981.27
2018-24IN	Traffic Signal Butcher, Applegarth, Route 33		1,355.00									1,355.00
2019-08	Various Roadway And Concrete Imp		146,947.76	44,246.86					19,118.00	20,783.27		151,293.35
2019-15	Schoolhouse Rd. Pedestrian/Roadway Improvements	3,530.81	262,800.00	132,308.28					118,845.17	13,463.11	3,530.81	262,800.00
2019-22A	Purchase of Library Books		7,000.00	111,879.00					13,582.44	102,959.26		2,337.30
2019-22B	Paving, Sidewalks, Curbs		20,000.00									20,000.00
2019-22C	EMS Building Improvements		77,000.00	23,000.00					23,000.00			77,000.00

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	2020 Authorizations										
		Balance, Dec. 31, 2019		2019 Encumbered	Capital Improvement Fund	Deferred Charges to Future Taxation	Grants, Refunds and Other Contributions	Canceled	2020		Balance, Dec. 31, 2020	
		Funded	Unfunded						Encumbered	Expended	Funded	Unfunded
2019-22D	Parks Improvements and Equipment	\$ -	\$ 119,312.86	\$ 38,814.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,314.10	\$ -	\$ 118,812.86
2019-22E	Community Center Improvements and Equipment		29,000.00	42,400.00					39,133.40	30,182.90		2,083.70
2019-22F	Pedestrian Improvements Federal/Half Acre Road	3,100.00	61,900.00								3,100.00	61,900.00
2019-22G	Computer Equipment		6,061.46	16,938.54						18,783.58		4,216.42
2019-22H	DPW Front Loader		213,353.00	33,997.00						216,077.00		31,273.00
2019-22I	Federal Road Engineer Study	2,700.00	52,300.00								2,700.00	52,300.00
2019-22J	GIS- Roads, Plotting, Basin			45,632.50					36,881.25	8,751.25		
2020-03	Pedestrian/Roadway Improvements-Costco Dr and Camelot Neighborhood					1,200,000.00	1,075,000.00		208,430.70	37,219.30	829,350.00	1,200,000.00
2020-04A	Road, Sidewalk, Drainage Improvements				66,700.00	1,333,300.00			468,725.81	917,574.19		13,700.00
2020-04B	Matchaponix/Pergola Intersection				18,100.00	361,900.00				80,650.00		299,350.00
2020-17A	County Radios and 911				57,500.00	1,142,500.00			939,633.17			260,366.83
2020-17B	Purchase of Library Books				7,200.00	142,800.00			143,000.00			7,000.00
2020-17C	Police Body Cameras				5,300.00	104,700.00			61,697.50	43,806.50		4,496.00
2020-17D	Police SUV Vehicles				6,700.00	133,300.00			91,174.10			48,825.90
2020-17E	Police Alcotest unit, computer equipment				3,400.00	67,600.00			13,500.00	26,852.50		30,647.50
2020-17F	Construction/EMS SUVs				6,800.00	133,200.00			57,195.34			82,804.66
2020-17G	Ambulances and Equipment				28,600.00	571,400.00					28,600.00	571,400.00
2020-17H	Office Equipment				600.00	10,400.00					600.00	10,400.00
2020-17I	Community Center Equipment				1,500.00	29,000.00			7,780.00			22,720.00
2020-17J	Senior Center Furniture and Equipment				1,500.00	28,500.00					1,500.00	28,500.00
2020-17K	Computer Equipment/ Servers				7,200.00	142,800.00			35,676.12			114,323.88
2020-17L	DPW Pick Up Truck, Mini Excavator, Wood Chipper				7,300.00	142,700.00				109,477.75		40,522.25
2020-17M	Parks Equipment				1,900.00	37,100.00				28,381.60		10,618.40
2020-17N	Building Improvements				7,000.00	139,000.00					7,000.00	139,000.00
2020-22	Refunding Bond Ordinance 2012 and 2013 Bonds					1,500,000.00						1,500,000.00
		\$ 6,102,518.92	\$ 13,498,203.36	\$ 1,810,246.78	\$ 227,300.00	\$ 7,220,200.00	\$ 1,075,000.00	\$ 1,694,457.69	\$ 3,929,350.44	\$ 3,889,475.18	\$ 6,011,153.46	\$ 14,409,032.29
Ref.	C	C	C	C-10	C-6	C-7	Below	C	Below	C	C	
						Ref.						
						C-1	\$ 593,040.20					
						C-10	24,625.00					
						C-6	1,076,792.49					
							<u>\$ 1,694,457.69</u>					
							Above					
						Expended		Ref.				
						Expended-CARES Act		C-2	\$ 3,889,475.18			
						CARES Act Reimbursements		C-2	7,205.28			
								C-7	<u>(7,205.28)</u>			
									<u>\$ 3,889,475.18</u>			
									Above			

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2019	C	\$ 90,700.00
Increased by:		
Canceled Improvement Authorizations	C-9	24,625.00
2020 Budget Appropriation	C-2	<u>165,000.00</u>
		280,325.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	<u>227,300.00</u>
Balance, December 31, 2020	C	<u><u>\$ 53,025.00</u></u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF MISCELLANEOUS RESERVES

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Reserve for Roadway, Curb, Sidewalk Improvements	\$ 158,752.88	\$ 71,605.45	\$ 76,328.09	\$ 154,030.24
	<u>\$ 158,752.88</u>	<u>\$ 71,605.45</u>	<u>\$ 76,328.09</u>	<u>\$ 154,030.24</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, 2019</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Reserve for Debt Service: Senior Center	\$ 71,000.00	\$ 71,000.00	\$ -
	<u>\$ 71,000.00</u>	<u>\$ 71,000.00</u>	<u>\$ -</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 Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Increase	Decrease	Balance Dec. 31, 2020
2007-25A	Expansion of Park and Ride	06/09/20	06/09/20	06/08/21	1.25%	\$ -	\$ 33,032.00	\$ -	\$ 33,032.00
2011-17F	Improvements to Disbrow Hill Road	06/09/20	06/09/20	06/08/21	1.25%		35,000.00		35,000.00
2015-21A	Soccer Complex Improvements	06/09/20	06/09/20	06/08/21	1.25%		571,000.00		571,000.00
2016-15	Imp Pergola Ave and Spotswood Intersection Gravel Hill Road	06/09/20	06/09/20	06/08/21	1.25%		119,000.00		119,000.00
2016-22F	Traffic- ADA & Intersection Signal Matchaponix, Pergola Ave., Spotswood-Gravel Hill Road	06/09/20	06/09/20	06/08/21	1.25%		800,000.00		800,000.00
2016-22H	Concrete Repair -sidewalks, curbs	06/10/19	06/09/20	06/08/21	1.25%	100,000.00	100,000.00	100,000.00	100,000.00
2017-14B	Paving, Sidewalks, Curbs	06/10/19	06/09/20	06/08/21	1.25%	400,000.00	423,800.00	400,000.00	423,800.00
2017-14C	Monmouth Road Pedestrian Improvements	06/09/20	06/09/20	06/08/21	1.25%		138,500.00		138,500.00
2017-14F	Police and EMS Building Preliminary Planning	06/09/20	06/09/20	06/08/21	1.25%		60,000.00		60,000.00
2017-14G	Park and Ride Pavement and Lighting	06/09/20	06/09/20	06/08/21	1.25%		238,000.00		238,000.00
2017-20	Acquisition of Real Property	06/10/19	06/09/20	06/08/21	1.25%	542,800.00	542,800.00	542,800.00	542,800.00
2018-24A	Purchase of Library Books	06/10/19	06/09/20	06/08/21	1.25%	142,800.00	142,800.00	142,800.00	142,800.00
2018-24B	Paving, Sidewalks, Curbs	06/10/19	06/09/20	06/08/21	1.25%	1,047,600.00	1,047,600.00	1,047,600.00	1,047,600.00
2018-24C	Road Improvements -Daniel and 10th	06/10/19	06/09/20	06/08/21	1.25%	145,000.00	145,000.00	145,000.00	145,000.00
2018-24D	Traffic Signal Mount Mills/Englishtown Rd	06/10/19	06/09/20	06/08/21	1.25%	98,900.00	98,900.00	98,900.00	98,900.00
2018-24E	Police Department Equipment	06/10/19	06/09/20	06/08/21	1.25%	218,000.00	218,000.00	218,000.00	218,000.00
2018-24F	Municipal Facility Upgrades - EMS	06/10/19	06/09/20	06/08/21	1.25%	238,000.00	238,000.00	238,000.00	238,000.00
2018-24G	Police Facility Upgrades	06/10/19	06/09/20	06/08/21	1.25%	414,200.00	414,200.00	414,200.00	414,200.00
2018-24H	Pedestrian Improvements/Cranbury/Half Acre	06/10/19	06/09/20	06/08/21	1.25%	19,000.00	19,000.00	19,000.00	19,000.00
2018-24I	Planning and Zoning Office Equipment	06/10/19	06/09/20	06/08/21	1.25%	7,600.00	7,600.00	7,600.00	7,600.00
2018-24J	EMS Radio Upgrades	06/10/19	06/09/20	06/08/21	1.25%	19,000.00	19,000.00	19,000.00	19,000.00
2018-24K	Replacement Lights - Recreation	06/10/19	06/09/20	06/08/21	1.25%	11,400.00	11,400.00	11,400.00	11,400.00
2018-24L	GIS - Roads. Plotting, basin	06/10/19	06/09/20	06/08/21	1.25%	28,500.00	28,500.00	28,500.00	28,500.00
2018-24M	Daniel Ryan Restrooms	06/10/19	06/09/20	06/08/21	1.25%	190,400.00	190,400.00	190,400.00	190,400.00
2018-24IN	Traffic Signal Butcher,Applegarth, Route 33	06/10/19	06/09/20	06/08/21	1.25%	43,800.00	43,800.00	43,800.00	43,800.00
2019-08	Various Roadway And Concrete	06/10/19	06/09/20	06/08/21	1.25%	1,333,000.00	1,333,000.00	1,333,000.00	1,333,000.00
2019-22A	Purchase of Library Books	06/09/20	06/09/20	06/08/21	1.25%		142,800.00		142,800.00
2019-22B	Paving, Sidewalks, Curbs	06/09/20	06/09/20	06/08/21	1.25%		95,200.00		95,200.00
2019-22C	EMS Building Improvements	06/09/20	06/09/20	06/08/21	1.25%		95,200.00		95,200.00
2019-22D	Parks Improvements and Equipment	06/09/20	06/09/20	06/08/21	1.25%		161,900.00		161,900.00
2019-22E	Community Center Improvements and Equipment	06/09/20	06/09/20	06/08/21	1.25%		75,200.00		75,200.00
2019-22F	Pedestrian Improvements Federal/Half Acre Roac	06/09/20	06/09/20	06/08/21	1.25%		61,900.00		61,900.00
2019-22G	Computer Equipment	06/09/20	06/09/20	06/08/21	1.25%		21,900.00		21,900.00
2019-23H	DPW Front Loader	06/09/20	06/09/20	06/08/21	1.25%		236,000.00		236,000.00
2019-23I	Federal Road Engineer Study	06/09/20	06/09/20	06/08/21	1.25%		52,300.00		52,300.00
2019-23J	GIS- Roads, Plotting, Basin	06/09/20	06/09/20	06/08/21	1.25%		47,600.00		47,600.00
2020-004	Road, Sidewalk, Drainage Improvements	06/09/20	06/09/20	06/08/21	1.25%		1,691,668.00		1,691,668.00
						\$ 5,000,000.00	\$ 9,700,000.00	\$ 5,000,000.00	9,700,000.00
<u>Ref.</u>						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, 2020		Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
			Date	Amount				
General Obligation Bonds 2012	08/01/12	\$ 30,075,000.00	12/15/21	\$ 2,000,000.00	3.000%	\$ 16,000,000.00	\$ 2,000,000.00	\$ 14,000,000.00
			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 Bonds 2013	02/06/13	28,235,000.00	01/15/21	1,500,000.00	3.000%	21,000,000.00	1,500,000.00	19,500,000.00
			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			
General Obligation Bonds 2019	06/10/19	16,220,000.00	01/15/21	860,000.00	5.000%	16,220,000.00	630,000.00	15,590,000.00
			01/15/22	905,000.00	5.000%			
			01/15/23	975,000.00	5.000%			
			01/15/24	995,000.00	5.000%			
			01/15/25	1,045,000.00	5.000%			
			01/15/26	1,090,000.00	5.000%			
			01/15/27	1,115,000.00	4.000%			
			01/15/28	1,160,000.00	4.000%			
			01/15/29	1,185,000.00	4.000%			
			01/15/30	1,230,000.00	3.000%			
			01/15/31	1,250,000.00	3.000%			
			01/15/32	1,260,000.00	3.000%			
			01/15/33	1,260,000.00	3.000%			
			01/15/34	1,260,000.00	3.000%			
						<u>\$ 54,060,000.00</u>	<u>\$ 4,545,000.00</u>	<u>\$ 49,515,000.00</u>
						C	C-5	C

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF LOANS AND LEASE PROGRAMS

	<u>Date</u>	<u>Amount</u>	<u>Schedule of Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Decreased</u>	<u>Balance</u>
						<u>Dec. 31, 2019</u>		<u>Dec. 31, 2020</u>
<u>Green Trust Loans:</u>								
Ballfield Improvements	01/11/05	\$ 265,600.16	04/14/21	\$ 7,396.11	2.00%			
			10/14/21	7,470.07	2.00%			
			04/14/22	7,544.77	2.00%			
			10/14/22	7,620.21	2.00%			
			04/14/23	7,696.42	2.00%			
			10/14/23	7,773.38	2.00%			
			04/14/24	7,851.12	2.00%			
			10/14/24	7,929.63	2.00%			
			04/14/25	8,008.91	2.00%	\$ 83,863.87	\$ 14,573.25	\$ 69,290.62
						<u>\$ 83,863.87</u>	<u>\$ 14,573.25</u>	<u>\$ 69,290.62</u>
					<u>Ref.</u>	C	C-5	C
			Maturities of Bonds Outstanding December 31, 2020					
			<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Decreased</u>	<u>Balance</u>
						<u>Dec. 31, 2019</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2020</u>
<u>MCIA Program Loans:</u>								
MCIA Revenue Bonds 2015 Loan	09/30/15	\$ 593,245.14				\$ 126,211.59	\$ 126,211.59	\$ -
MCIA Revenue Bonds 2016 Loan	09/29/16	1,272,775.86	07/15/21	\$ 272,551.60	4.000%	534,620.45	262,068.85	272,551.60
MCIA Revenue Bonds 2017 Loan	09/28/17	1,169,887.50	07/15/21	240,786.39	3.000%	722,569.57	233,773.20	488,796.37
			07/15/22	248,009.98	3.000%			
						<u>\$ 1,383,401.61</u>	<u>\$ 622,053.64</u>	<u>\$ 761,347.97</u>
					<u>Ref.</u>	C	C-5	C
						<u>Balance</u>	<u>Decreased</u>	<u>Balance</u>
						<u>Dec. 31, 2019</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2020</u>
<u>MCIA Equipment Lease Program:</u>								
MCIA Equipment Lease Program 2015	09/30/15	\$ 112,024.94				\$ 23,833.06	\$ 23,833.06	\$ -
MCIA Equipment Lease Program 2016	09/29/16	67,618.63	07/15/21	\$ 14,479.82	4.000%	28,402.73	13,922.91	14,479.82
MCIA Equipment Lease Program 2017	09/28/17	71,215.63	07/15/21	14,657.61	3.000%	43,985.64	14,230.69	29,754.95
			07/15/22	15,097.34	3.000%			
MCIA Equipment Lease Program 2018	09/20/18	1,198,918.33	07/15/21	239,287.33	4.000%	977,043.30	230,083.97	746,959.33
			07/15/22	248,858.82	4.000%			
			07/15/23	258,813.18	4.000%			
MCIA Equipment Lease Program 2019	10/31/19	1,198,992.00	07/15/21	229,114.26	4.000%	1,198,992.00	226,066.55	972,925.45
			07/15/22	238,278.83	4.000%			
			07/15/23	247,809.98	4.000%			
			07/15/24	257,722.38	4.000%			
						<u>\$ 2,272,256.73</u>	<u>\$ 508,137.18</u>	<u>\$ 1,764,119.55</u>
					<u>Ref.</u>	C	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, 2019</u>	<u>Authorized 2020</u>	<u>Budget Appropriation</u>	<u>Canceled</u>	<u>Bond Anticipation Notes</u>	<u>Balance Dec. 31, 2020</u>
2000-26	Recreation and Open Space	\$ 6,381,150.00	\$ -	\$ -	\$ -	\$ -	\$ 6,381,150.00
2000-26B	Farmland Preservation	190,450.00					190,450.00
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	33,032.00				33,032.00	-
2011-17B	2010 Paving/Sidewalk Program	200.00					200.00
2011-17F	Improvements to Disbrow Hill Road	146,000.00				35,000.00	111,000.00
2011-17H	Intersection Improv.- Prospect Plains and Applegarth Road	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
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		3,473.25	372,003.00		5,323.75
2015-10D	Radio System Upgrades	276,000.00					276,000.00
2015-10E	Perrineville Rd and Federal Rd Traffic Signal	248,789.49			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 Road	119,000.00				119,000.00	-
2016-22F	Pergola Ave. , Spotswood-Gravel Hill Road	1,572,600.00				800,000.00	772,600.00
2016-22H	Concrete Repair -sidewalks, curbs	2,600.00					2,600.00
2017-14B	Paving, Sidewalks, Curbs	23,800.00				23,800.00	-
2017-14C	Monmouth Road Pedestrian Improvements	138,500.00				138,500.00	-
2017-14E	Playground Equipment Improvements	95,200.00					95,200.00
2017-14F	Police and EMS Building Preliminary Planning	380,900.00				60,000.00	320,900.00
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
2018-24C	Road Improvements -Daniel and 10th(DOT 475,000)	30,000.00					30,000.00
2018-24D	Traffic Signal Mount Mills/Englishtown Rd	234,400.00					234,400.00
2019-08	Various Roadway And Concrete	300.00					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	-

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, 2019</u>	<u>Authorized 2020</u>	<u>Budget Appropriation</u>	<u>Canceled</u>	<u>Bond Anticipation Notes</u>	<u>Balance Dec. 31, 2020</u>
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	-
2020-003	Pedestrian/Roadway Improvements-Costco Dr and Camelot Neighborhood		1,200,000.00				1,200,000.00
2020-04A	Road, Sidewalk, Drainage Improvements		1,333,300.00			1,333,300.00	-
2020-04B	Matchaponix/Pergola Intersection		361,900.00			358,368.00	3,532.00
2020-17A	County Radios and 911		1,142,500.00				1,142,500.00
2020-17B	Purchase of Library Books		142,800.00				142,800.00
2020-17C	Police Body Cameras		104,700.00				104,700.00
2020-17D	Police SUV Vehicles		133,300.00				133,300.00
2020-17E	Police Alcotest unit, computer equipment		67,600.00				67,600.00
2020-17F	Construction/EMS SUVs		133,200.00				133,200.00
2020-17G	Ambulances and Equipment		571,400.00				571,400.00
2020-17H	Office Equipment		10,400.00				10,400.00
2020-17I	Community Center Equipment		29,000.00				29,000.00
2020-17J	Senior Center Furniture and Equipment		28,500.00				28,500.00
2020-17K	Computer Equipment/ Servers		142,800.00				142,800.00
2020-17L	DPW Pick Up Truck, Mini Excavator, Wood Chipper		142,700.00				142,700.00
2020-17M	Parks Equipment		37,100.00				37,100.00
2020-17N	Building Improvements		139,000.00				139,000.00
2020-22	Refunding Bond Ordinance 2012 and 2013 Bonds		1,500,000.00				1,500,000.00
		<u>\$13,604,640.24</u>	<u>\$7,220,200.00</u>	<u>\$ 3,473.25</u>	<u>\$1,076,792.49</u>	<u>\$ 4,700,000.00</u>	<u>\$15,044,574.50</u>
<u>Ref.</u>		C	C-9	C-6	C-9	C-2, C-13	C

WATER-SEWER UTILITY FUND

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF WATER-SEWER UTILITY
 CASH AND INVESTMENTS - TREASURER

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - January 1, 2020	D	\$ 15,379,419.98	\$ 6,417,986.40
Increased by Receipts:			
Water-Sewer Utility Service Charges	D-7	\$ 16,890,876.25	
Miscellaneous Revenues	D-3	1,101,193.39	
Due to Operating Fund/Capital Fund	D-6	3,077,763.79	
Due from Current Fund	D		\$ 981,380.17
Various Reserves	D-9	7,500.00	
Bond Anticipation Notes	D-16		3,130,000.00
Premium on Sale of BANs	D-2		<u>22,348.20</u>
		<u>21,077,333.43</u>	<u>4,133,728.37</u>
		36,456,753.41	10,551,714.77
Decreased by Disbursements:			
Budget Expenditures	D-4	14,850,731.66	
Fund Balance Transfer as Revenue-Current Fund	D-1	1,900,000.00	
Improvement Authorizations	D-13		446,324.58
Appropriation Reserves	D-10	449,651.14	
Various Reserves	D-9	43,096.49	
Accrued Interest on Bonds, Notes and Loans	D-8	1,461,306.49	
Accounts Payable	D-10	1,241.00	
Due from Developer Escrow	D	4,698.81	
Due to Trust Fund	D	24.92	
Due to Self Insurance	D	0.59	
Due From Operating Fund/Capital Fund	D		3,077,763.79
Bond Anticipation Notes	D-16		<u>1,000,000.00</u>
		<u>18,710,751.10</u>	<u>4,524,088.37</u>
Balance - December 31, 2020	D	<u>\$ 17,746,002.31</u>	<u>\$ 6,027,626.40</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

WATER-SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH BALANCE

	<u>December 31, 2019</u>	<u>December 31, 2020</u>
Reserve for Encumbrances	\$ 1,538,891.50	\$ 1,410,316.29
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	(2,858,715.53)	(5,936,479.32)
Due (from) Trust Fund	(1,963.47)	(1,963.47)
Fund Balance	974,861.85	997,210.05
 <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	74,557.94	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	295,035.73	295,035.73
2012-28 Various Water-Sewer Improvements	10,039.92	10,039.92
2013-17 Various Water Sewer Improvements	580,977.31	580,977.31
2014-11 Various Water Sewer Improvements	1,971,859.98	1,971,859.98
2014-23 Acq. Of Water Allocation Rights	79,750.00	79,750.00
2015-11 Various Water Sewer Improvements	531,479.38	531,479.38
2015-24 Acq. Of Water Allocation Rights/Well 25 Imp	799,107.55	799,107.55
2016-21 Various Water Sewer Improvements	1,080,520.90	78,244.90
2017-15 Various Water Sewer Improvements	(454,211.15)	1,543,513.85
2019-21 Various Water Sewer Improvements	(517,307.00)	610,268.02
2020-16 Various Water Sewer Improvements		(310,773.39)
Total	<u>\$ 6,417,986.40</u>	<u>\$ 6,027,626.40</u>
	<u>Ref.</u>	
	D	D

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
WATER-SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ 1,274,853.77
Increased by:		
Consumer Accounts Billed (Net)	Reserve	<u>17,094,933.64</u>
		18,369,787.41
Decreased by:		
Collections	D-3, D-5	<u>16,890,876.25</u>
Balance - December 31, 2020	D	<u><u>\$ 1,478,911.16</u></u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF ACCRUED INTEREST PAYABLE
WATER-SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Balance - December 31, 2019	D	\$ 601,337.70
Increased by:		
Charged to Budget	D-4	<u>1,305,307.25</u>
		1,906,644.95
Decreased by:		
Disbursed	D-5	<u>1,461,306.49</u>
Balance - December 31, 2020	D	<u><u>\$ 445,338.46</u></u>

Analysis of Accrued Interest December 31, 2020

	Principal Outstanding Dec. 31, 2020	Interest Rate	From	To	Period	Amount
Serial Bonds						
\$ 7,105,000.00	3.00% to 5.00%		12/01/20	12/31/20	5 Months	\$ 11,214.58
3,030,000.00	4.00%		08/01/20	12/31/20	5 Months	50,500.00
25,705,000.00	2.50% to 4.00%		08/01/20	12/31/20	5 Months	<u>349,781.25</u>
Serial Bonds Total						<u>411,495.83</u>
Interest on Notes						
3,130,000.00	1.25%		06/09/20	12/31/20	6 Months 21 days	<u>22,217.63</u>
Interest on Loans						
695,000.00	3.00% to 5.00%		08/01/20	12/31/20	5 Months	<u>11,625.00</u>
Total						<u><u>\$ 445,338.46</u></u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF VARIOUS RESERVES
WATER-SEWER UTILITY OPERATING FUND

	<u>Balance</u> <u>December 31, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>December 31, 2020</u>
Various Reserves:				
Refund Agreement - Old Bridge Township	\$ 26,100.00	\$ -	\$ -	\$ 26,100.00
Developer Deposits Payable	132,808.18	7,500.00	15,000.00	125,308.18
Water-Sewer Overpayments	<u>71,877.16</u>	<u>-</u>	<u>28,096.49</u>	<u>43,780.67</u>
Subtotal - Various Reserves	<u>230,785.34</u>	<u>7,500.00</u>	<u>43,096.49</u>	<u>195,188.85</u>
Bond Indenture Reserve - 1977 General Bond Resolution	<u>2,291,000.00</u>	<u>-</u>	<u>-</u>	<u>2,291,000.00</u>
	<u>\$ 2,521,785.34</u>	<u>\$ 7,500.00</u>	<u>\$ 43,096.49</u>	<u>\$ 2,486,188.85</u>
<u>Ref.</u>	D	D-5	D-5	D

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF APPROPRIATION RESERVES
WATER-SEWER UTILITY OPERATING FUND

	Balance - December 31, 2019		Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbrances			
Operating:					
Salaries and Wages	\$ 180,869.46	\$ -	\$ 180,869.46	\$ 88,242.46	\$ 92,627.00
Other Expenses	1,435,137.85	419,888.26	1,855,026.11	447,631.87	1,407,394.24
Capital Outlay	295,664.50	-	295,664.50	42,531.11	253,133.39
Public Employees' Retirement System	2,128.00	-	2,128.00	-	2,128.00
Social Security System (O.A.S.I.)	52,967.71	-	52,967.71	-	52,967.71
Unemployment Compensation Insurance	10,000.00	-	10,000.00	-	10,000.00
Total	\$ 1,976,767.52	\$ 419,888.26	\$ 2,396,655.78	\$ 578,405.44	\$ 1,818,250.34

Ref.	D	D	Ref.	D-1
	Accounts Payable		Below	\$ 128,754.30
	Cash Disbursements		D-5	449,651.14
				<u>\$ 578,405.44</u>
	<u>Accounts Payable:</u>			
	Balance - December 31, 2019		D	\$ 184,592.35
	Increased by:			
	Appropriation Reserves		Above	128,754.30
	Decreased by:			
	Cash Disbursement		D-5	<u>1,241.00</u>
	Balance - December 31, 2020		D	<u>\$ 312,105.65</u>

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF FIXED CAPITAL
WATER-SEWER UTILITY CAPITAL FUND

	<u>BALANCE</u> <u>DEC. 31, 2019</u>	<u>BALANCE</u> <u>DEC. 31, 2020</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.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>2020 FIXED CAPITAL AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2020</u>
<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
2020-16	Various Water Sewer Improvements	09/02/20	_____	\$ 7,625,000.00	7,625,000.00
			<u>\$ 56,499,500.00</u>	<u>\$ 7,625,000.00</u>	<u>\$ 64,124,500.00</u>
		<u>Ref.</u>	D	D-13	D

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
WATER-SEWER UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DECEMBER 31, 2019		2020 AUTHOR.	ENCUMB. DEC. 31, 2019	PAID OR CHARGED	ENCUMB. DEC. 31, 2020	BALANCE - DECEMBER 31, 2020	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
2009-12	Computer Equipment, Software and Information Systems	05/04/09	\$ 350,000.00	\$ 7,485.97	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,485.97	\$ -
2009-25	Various Water-Sewer Improvements	06/29/09	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. 20, 21 and 23	05/03/10	9,000,000.00	74,557.94			8,152.85		8,152.85	74,557.94	-
2010-12	Various Water Sewer Improvements	08/02/10	2,240,000.00	1,004,024.62			1,018.00		1,018.00	1,004,024.62	-
2011-18	Various Water Sewer Improvements	06/07/11	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	07/02/12	2,020,000.00	1,771.26						1,771.26	-
2012-28	Various Water Sewer Improvements	08/27/12	1,470,000.00	10,039.92			135,238.63	20,366.79	114,871.84	10,039.92	-
2013-17	Various Water Sewer Improvements	09/09/13	5,200,000.00	580,977.31			62,790.14	7,975.40	54,814.74	580,977.31	-
2014-11	Various Water Sewer Improvements	07/07/14	3,455,000.00	1,971,859.98			113,763.94	9,579.02	104,184.92	1,971,859.98	-
2014-23	Acq. Of Water Allocation Rights	11/05/14	5,500,000.00	79,750.00			133,152.28		133,152.28	79,750.00	-
2015-11	Various Water Sewer Improvements	07/06/15	5,275,000.00	531,479.38	2,275,000.00		541,277.79		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	799,107.55	3,156,015.00					799,107.55	3,156,015.00
2016-21	Various Water Sewer Improvements	07/06/16	4,035,000.00	80,520.90	3,035,000.00		783.09	2,276.00	783.09	78,244.90	3,035,000.00
2017-15	Various Water Sewer Improvements	07/05/17	6,105,000.00		4,650,788.85		107,845.73	2,275.00	107,845.73	-	4,648,513.85
2019-21	Various Water Sewer Improvements	06/24/19	1,130,000.00		612,693.00		415,048.20	403,852.37	13,620.81	-	610,268.02
2020-16	Various Water Sewer Improvements	09/20/20	7,625,000.00			7,625,000.00			310,773.39	-	7,314,226.61
				<u>\$ 5,865,637.25</u>	<u>\$ 13,805,996.85</u>	<u>\$ 7,625,000.00</u>	<u>\$ 1,538,891.50</u>	<u>\$ 446,324.58</u>	<u>\$ 1,410,316.29</u>	<u>\$ 5,863,361.25</u>	<u>\$ 21,115,523.48</u>
		<u>Ref.</u>		D	D	D-12	D	D-5	D	D	D

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF CAPITAL OUTLAY RESERVE
WATER-SEWER UTILITY CAPITAL FUND

	<u>Balance</u> <u>December 31, 2019</u>	<u>Balance</u> <u>December 31, 2020</u>
Route 613 Water Main	\$ 115,579.44	\$ 115,579.44
Collection System and Pump Station Replacement	<u>91,434.05</u>	<u>91,434.05</u>
	<u>\$ 207,013.49</u>	<u>\$ 207,013.49</u>
<u>Ref.</u>	D	D

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

	<u>Balance</u> <u>December 31, 2019</u>	<u>Balance</u> <u>December 31, 2020</u>
Bond Reserve Account	\$ 17,971.74	\$ 17,971.74
Renewal and Replacement Account	<u>1,000,000.00</u>	<u>1,000,000.00</u>
	<u>\$ 1,017,971.74</u>	<u>\$ 1,017,971.74</u>
<u>Ref.</u>	D	D

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

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

<u>Ord. No.</u>	<u>Description</u>	<u>Date of Ordinance</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2020</u>
2017-15	Various Water-Sewer Improvements	07/05/17	06/10/19	06/09/20	06/08/21	1.25%	\$ 1,000,000.00	\$ 2,000,000.00	\$ 1,000,000.00	\$ 2,000,000.00
2019-21	Various Water-Sewer Improvements	06/14/19	06/09/20	06/09/20	06/08/21	1.25%		1,130,000.00		1,130,000.00
							<u>\$ 1,000,000.00</u>	<u>\$ 3,130,000.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 3,130,000.00</u>
						<u>Ref.</u>	D	D-5	D-5	D

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

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

DESCRIPTION	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DEC. 31, 2019	DECREASED	BALANCE DEC. 31, 2020	
			DATE	AMOUNT					
2015 General Obligation Revenue Bonds	8/6/2015	\$ 30,000,000.00	8/1/2021	\$ 950,000.00	4.000%	\$ 26,625,000.00	\$ 920,000.00	\$ 25,705,000.00	
			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%				
2016 Refunding Revenue Bonds	2/10/2016	4,750,000.00	2/1/2021	485,000.00	4.000%	3,500,000.00	470,000.00	3,030,000.00	
			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%				
			2019 General Obligation Revenue Bonds	5/29/2019	7,310,000.00				6/1/2021
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>	<u>205,000.00</u>	<u>7,105,000.00</u>	
						<u>\$ 37,435,000.00</u>	<u>\$ 1,595,000.00</u>	<u>\$ 35,840,000.00</u>	
						Ref.	D	D-4	D

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY
 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, 2019</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>				
NJ Environmental Infrastructure Trust Loan	5/3/2012	\$ 1,060,000.00	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%	\$ 695,000.00	\$ 65,000.00	\$ 630,000.00
NJ Environmental Infrastructure Fund Loan	5/3/2012	1,183,520.00	2/1/2021-2/1/2026	24,656.66	0.000%			
			8/1/2021-8/1/2026	49,313.33	0.000%			
			2/1/2027	9,615.14	0.000%			
						527,405.07	73,969.99	453,435.08
						<u>\$ 1,222,405.07</u>	<u>\$ 138,969.99</u>	<u>\$ 1,083,435.08</u>
				<u>Ref.</u>	D	D-4	D	

TOWNSHIP OF MONROE
 COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
WATER-SEWER UTILITY CAPITAL FUND

<u>ORD. NO.</u>	<u>DATE OF ORD.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DEC. 31, 2019</u>	<u>AUTHORIZED 2020</u>	<u>BOND ANTICIPATION NOTES</u>	<u>BALANCE DEC. 31, 2020</u>
2011-18	6/07/11	Various Water Sewer Improvements	\$ 76,500.00	\$ -	\$ -	\$ 76,500.00
2015-11	7/06/15	Various Water Sewer Improvements	2,275,000.00			2,275,000.00
2015-24	12/28/15	Acq. Of Water Allocation Rights/Well 25 Imp	3,156,015.00			3,156,015.00
2016-21	7/06/16	Various Water Sewer Improvements	3,035,000.00			3,035,000.00
2017-15	7/05/17	Various Water Sewer Improvements	4,105,000.00		1,000,000.00	3,105,000.00
2019-21	6/24/19	Various Water Sewer Improvements	1,130,000.00		1,130,000.00	-
2020-16	9/02/20	Various Water Sewer Improvements	<u>7,625,000.00</u>	<u>7,625,000.00</u>	<u>7,625,000.00</u>	<u>7,625,000.00</u>
			<u>\$ 13,777,515.00</u>	<u>\$ 7,625,000.00</u>	<u>\$ 2,130,000.00</u>	<u>\$ 19,272,515.00</u>
		<u>Ref.</u>	Footnote D	D-13	D-16	Footnote D

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

**PART III
SINGLE AUDIT SECTION
YEAR ENDED DECEMBER 31, 2020**



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

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Township Council
Township of 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 regulatory-basis financial statements of the Township of Monroe, County of Middlesex, New Jersey (the "Township") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated November 9, 2021 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

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.

We also noted other matters involving compliance and internal control over financial reporting that we have reported to management of the Township 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
November 9, 2021



Andrew G. Hodulik
Registered Municipal Accountant, No. 406



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB UNIFORM GUIDANCE**

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal Program

We have audited the Township of Monroe's, County of Middlesex, New Jersey ("Township") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2020. The Township's major federal 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major federal 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, and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("*Uniform Guidance*"). Those standards and the Uniform Guidance, 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 the major federal program occurred. An audit includes examining, on a test basis, evidence about the Township'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on Each Major Federal Program

In our opinion, the Township 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 federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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'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 federal 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 federal 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 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purposes.

PKF O'Connor Davies, LLP

Cranford, New Jersey
November 9, 2021



Andrew G. Hodulik
Registered Municipal Accountant, No. 406

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-Through <u>Grantor/Program Title</u>	Federal CFDA <u>Number</u>	<u>Grant Period</u> From To		Revised <u>Budget</u>	Provided to <u>Subrecipients</u>	Total Federal <u>Expenditures</u>
U.S. Department of Housing and Urban Development: Pass-through County of Middlesex CDBG - Entitlement Grants Cluster Community Development Block Grant	14.218	7/1/2016	Completion	\$ 127,469.00	<u> </u>	\$ 4,448.00
Total U.S. Department of Housing and Urban Development					<u> -</u>	<u>4,448.00</u>
U.S. Department of the Treasury: Pass-through County of Middlesex COVID-19 Coronavirus Relief Fund - CARES Act	21.019	3/1/2020	12/31/2020	2,964,001.74	\$ 34,857.71	<u>2,964,001.74</u>
Total U.S. Department of the Treasury					<u>34,857.71</u>	<u>2,964,001.74</u>
U.S. Department of Justice: Pass-through NJ Department of Law and Public Safety Bulletproof Vest Partnership Program	16.607	1/1/2019	Completion	7,561.89	<u> </u>	<u>2,137.76</u>
Total U.S. Department of Justice					<u> -</u>	<u>2,137.76</u>
U.S. Department of Transportation: Pass-through NJ Division of Highway Traffic Safety Highway Safety Cluster National Priority Safety Programs - Drive Sober or Get Pulled Over Year End Crackdown Grant	20.616	1/1/2019	12/31/2019	5,500.00	<u> </u>	1,203.64
Drive Sober or Get Pulled Over Year End Crackdown Grant	20.616	1/1/2020	12/31/2020	6,000.00	<u> </u>	3,938.10
Total U.S. Department of Transportation					<u> -</u>	<u>5,141.74</u>
Total Federal Awards					<u>\$ 34,857.71</u>	<u>\$ 2,975,729.24</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
DECEMBER 31, 2020

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal 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 (OCBOA), which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units and as detailed in the Notes to the Financial Statements. The federal awards expended amounts included in the respective expenditure schedules do not reflect amounts encumbered, which encumbered amounts are considered as expended as reported in the NJ OCBOA financial statements.

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

Unless specifically noted, the amounts reported in the accompanying schedules agree with amounts reported in Township's financial statements. During 2020, the Township expended \$2,964,001.74 due to the COVID-19 pandemic. The funds were accounted for in the Current Fund (\$2,878,579.36), Trust Fund (\$78,217.10) and General Capital Fund (\$7,205.28).

NOTE 4: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 5: INDIRECT COST RATE

The Township has elected not to use the ten percent de minimis indirect cost rate as allowed by the Uniform Guidance.

TOWNSHIP OF MONROE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Section 1 - Summary of Auditors' Results

Financial Statements

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

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

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

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

Internal Control over major federal programs:

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

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

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

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

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
21.019	COVID-19 Coronavirus Relief Fund - CARES Act

TOWNSHIP OF MONROE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

State Financial Assistance Not Applicable

Dollar threshold used to distinguish between Type A and B programs: _____

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

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

Internal Control over major programs:

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

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

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

Identification of major state programs:

GMIS Number(s)	Name of State Program or Cluster

TOWNSHIP OF MONROE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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(a) of *Government Auditing Standards*.

Significant Deficiency(ies)/Material Weaknesses

None noted.

Noncompliances

None noted.

Section III - Federal Awards 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 federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200.

Federal 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 AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I – Summary of Prior Year Findings

None.

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

PART IV
SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2020

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY
COMBINED BALANCE SHEET ALL FUNDS
DECEMBER 31, 2020

ASSETS	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	WATER-SEWER UTILITY FUND	GOVERNMENTAL FIXED ASSETS	MEMORANDUM ONLY TOTALS	
						DECEMBER 31, 2020	DECEMBER 31, 2019
Cash and Investments	\$ 21,434,615.80	\$ 38,649,682.29	\$ 8,002,228.88	\$ 23,773,628.71		\$ 91,860,155.68	\$ 87,274,816.44
Accounts Receivable:							
State and Federal Grants	40,104.17	359,813.66	3,836,098.86			4,236,016.69	3,212,002.72
Due from State of N.J.		3.60				3.60	3.60
Taxes, Assessments, Liens and Utility Charges	1,947,753.06			1,478,911.16		3,426,664.22	3,115,822.96
Interfund Loans	283,137.79	288,646.61	50,000.00	6,053,290.31		6,675,074.71	4,986,431.92
Other Accounts Receivable	135,565.84	78,217.10	119,051.78			332,834.72	143,714.72
Property Acquired for Taxes at Assessed Value	1,569,800.00					1,569,800.00	1,569,800.00
Fixed Assets - Governmental					\$ 53,381,415.72	53,381,415.72	52,180,207.99
Fixed Assets - Utility				147,338,667.37		147,338,667.37	147,338,667.37
Fixed Capital Authorized and Uncompleted - Utility				64,124,500.00		64,124,500.00	56,499,500.00
Deferred Charges to Revenue of Succeeding Years	35,000.00					35,000.00	70,000.00
Deferred Charges to Future Taxation General Capital			76,854,332.64			76,854,332.64	76,404,162.45
Total Assets	\$ 25,445,976.66	\$ 39,376,363.26	\$ 88,861,712.16	\$ 242,768,997.55	\$ 53,381,415.72	\$ 449,834,465.35	\$ 432,795,130.17
LIABILITIES, RESERVES AND FUND BALANCE							
Bonds and Notes Payable			\$ 59,976,347.97	\$ 38,970,000.00		\$ 98,946,347.97	\$ 98,878,401.61
Leases and Loans Payable			1,833,410.17	1,083,435.08		2,916,845.25	3,578,525.67
Prepaid Taxes, Assessments and Utility Charges	\$ 1,976,149.76					1,976,149.76	1,527,409.75
Tax, Assessment Lien and Utility Charge Overpayments	260,839.55					260,839.55	303,871.17
Appropriation Reserves	6,267,224.51			1,686,025.05		7,953,249.56	5,938,593.10
Reserve for Encumbrances/Accounts Payable	2,091,671.36	\$ 1,057,343.94	3,929,350.44	2,435,582.72		9,513,948.46	6,374,621.89
Other Liabilities	64,547.68	394,425.94		445,338.46		904,312.08	1,062,144.42
Amts. Pledged to Specific Purposes	120,393.91	22,240,046.75	1,854,473.10	4,510,829.00		28,725,742.76	28,641,328.25
Interfund Loans	294,492.49	176,801.19	107,867.49	6,095,913.54		6,675,074.71	4,986,431.92
Escrow Funds		15,507,745.44				15,507,745.44	16,507,152.78
Improvement Authorizations			20,420,185.75	26,978,884.73		47,399,070.48	39,272,356.38
Investments in Governmental Fixed Assets					\$ 53,381,415.72	53,381,415.72	52,180,207.99
Res. for Amort. of Costs of Fixed Capital Acquired or Author.				151,922,691.76		151,922,691.76	150,188,721.77
Reserve for Certain Assets Acquired or Receivable and Inventories	3,530,644.25		77,500.00	1,478,911.16		5,087,055.41	4,794,991.18
Fund Balance	10,840,013.15		662,577.24	7,161,386.05		18,663,976.44	18,560,372.29
Total Liabilities, Reserves and Fund Balance	\$ 25,445,976.66	\$ 39,376,363.26	\$ 88,861,712.16	\$ 242,768,997.55	\$ 53,381,415.72	\$ 449,834,465.35	\$ 432,795,130.17

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

Revenue and Other Income Realized	Year 2020		Year 2019	
	Amount	%	Amount	%
Fund Balance Utilized	\$ 9,900,000.00	4.13	\$ 8,950,000.00	3.92
Miscellaneous - From Other Than				
Local Property Tax Levies	15,830,532.70	6.60	13,638,596.50	5.98
Collection of Delinquent Taxes and Tax Title Liens	1,509,762.07	0.63	1,844,967.80	0.81
Collection of Current Tax Levy	212,449,048.97	88.64	203,709,683.17	89.29
 Total Income	 239,689,343.74	 100.00	 228,143,247.47	 100.00
 <u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	59,998,364.60	26.15	56,912,214.96	25.76
County Taxes	38,104,845.92	16.61	36,524,858.13	16.54
Local School Taxes	117,126,310.00	51.05	113,510,163.00	51.39
Municipal Open Space Taxes	1,202,633.82	0.52	1,180,987.73	0.53
Special District Taxes	12,944,549.00	5.64	12,534,269.00	5.67
Other Expenditures	57,836.39	0.03	231,381.03	0.11
 Total Expenditures	 229,434,539.73	 100.00	 220,893,873.85	 100.00
 Statutory Excess to Fund Balance	 10,254,804.01		 7,249,373.62	
 Fund Balance January 1	 10,485,209.14		 12,185,835.52	
	20,740,013.15		19,435,209.14	
Less:				
Utilization as Anticipated Revenue	9,900,000.00		8,950,000.00	
 Fund Balance December 31	 \$ 10,840,013.15		 \$ 10,485,209.14	

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

Revenue and Other <u>Income Realized</u>	Year 2020		Year 2019	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Fund Balance Utilized	\$ 1,500,000.00	7.04	\$ 1,300,000.00	6.14
Utility Service Charge	16,890,876.25	79.26	16,703,807.36	78.94
Miscellaneous Revenues	1,101,193.39	5.17	1,011,205.31	4.78
Other Credits to Income	1,818,250.34	8.53	2,144,331.82	10.13
Total Income	<u>21,310,319.98</u>	<u>100.00</u>	<u>21,159,344.49</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	14,404,874.00	77.81	14,022,400.00	78.24
Capital Improvements	300,000.00	1.62	300,000.00	1.67
Debt Service	3,113,292.24	16.82	2,901,060.64	16.19
Deferred Charges and Statutory Expenditures	695,000.00	3.75	695,000.00	3.88
Refund of Prior Year Revenues			3,324.00	0.02
Total Expenditures	<u>18,513,166.24</u>	<u>100.00</u>	<u>17,921,784.64</u>	<u>100.00</u>
Excess in Revenue	2,797,153.74		3,237,559.85	
Fund Balance January 1	<u>6,767,022.26</u>		<u>5,729,462.41</u>	
	9,564,176.00		8,967,022.26	
Less:				
Utilization as Anticipated Revenue	1,500,000.00		1,300,000.00	
Appropriated in Current Fund Budget	<u>1,900,000.00</u>		<u>900,000.00</u>	
Fund Balance December 31	<u>\$ 6,164,176.00</u>		<u>\$ 6,767,022.26</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$2.513</u>	<u>\$2.456</u>	<u>\$2.436</u>
Apportionment of Tax Rate:			
Municipal	<u>0.493</u>	<u>0.474</u>	<u>0.475</u>
Municipal Open Space	<u>0.015</u>	<u>0.015</u>	<u>0.015</u>
Municipal Library Tax	<u>0.040</u>	<u>0.039</u>	<u>0.038</u>
County	<u>0.439</u>	<u>0.429</u>	<u>0.429</u>
Local School	<u>1.489</u>	<u>1.463</u>	<u>1.443</u>
Open Space Tax - County	<u>0.037</u>	<u>0.036</u>	<u>0.036</u>
Special District			
Fire District No.1	<u>0.125</u>	<u>0.125</u>	<u>0.125</u>
Fire District No.2	<u>0.145</u>	<u>0.142</u>	<u>0.142</u>
Fire District No.3	<u>0.217</u>	<u>0.210</u>	<u>0.202</u>

Assessed Valuation:

2020	<u>\$ 7,867,518,563</u>	
2019		<u>\$ 7,761,809,219</u>
2018		<u>\$ 7,611,921,370</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 2020 to be \$590,250.

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>
2020	\$ 214,592,694.58	\$ 212,449,048.97	99.00%
2019	206,092,218.94	204,309,683.17	99.14%
2018	199,787,792.96	197,832,281.22	99.02%

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>
2020	\$ 298,633.91	\$ 1,649,119.15	\$ 1,947,753.06	0.91%
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%

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>
2020	\$ 1,569,800.00
2019	1,569,800.00
2018	1,569,800.00

COMPARISON OF WATER AND SEWER UTILITY LEVIES AND COLLECTIONS

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2020	\$ 17,094,733.64	\$ 16,890,876.25
2019	16,914,947.03	16,703,807.36
2018	16,950,534.36	16,899,034.74

*Cash collections include amounts which were levied in prior years

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u> <u>Ended</u>		<u>Balance</u>		<u>Utilized in</u> <u>Budget of</u> <u>Succeeding</u> <u>Year</u>
Current Fund	2020	\$	10,840,013.15	\$	9,900,000.00
	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
Water-Sewer Operating Utility Fund	2020	\$	6,164,176.00	\$	1,400,000.00
	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

OFFICIALS IN OFFICE AND SURETY BOND COVERAGES

The following officials were in office as at December 31, 2020:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Gerald W. Tamburro	Mayor	
Miriam Cohen	Council President	
Elizabeth Schneider	Council Vice President	
Leonard Baskin	Councilperson	
Stephen Dalina	Councilperson	
Charles Dipierro	Councilperson	
Alan M. Weinberg	Business Administrator	
George J. Lang	Chief Financial Officer	\$ 1,000,000.00 (A)
Samantha Rampacek	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)
Louis Rainone, Esq.	Township Attorney	
Lou Buonocore	Construction Code Official	
Mitchell Elias	Assessor	
Michael Biennas	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, 2020**

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020, 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, 2020, 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 November 9, 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:

2020-1 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 June 24, 2020, the Local Public Contracts Law was amended, effective for periods beginning on July 1, 2020. The amendment addresses the bid threshold (N.J.S.A. 40A:11-3(c)), thereby increasing the amount from \$40,000.00 to \$44,000.00 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, 2020, 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; Vehicle Repair and Maintenances.

State Approved Contracts for the Following Purchases:

On January 1, 2020, 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 \$44,000 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.

GENERAL COMMENTS

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.

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, 2020. A review of surety bond coverage as of December 31, 2020, 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 8, 2020 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, 2020 are as follows:

<u>CATEGORY</u>	<u>AMOUNT</u>
Delinquent Taxes	\$ 1,649,119.15
Tax Title Liens	<u>298,633.91</u>
	\$ <u>1,947,753.06</u>

GENERAL COMMENTS

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 2020. Earnings from the investments are shown as revenue in the various accounts of the Township for 2020.

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

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, 2020: 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

AU Section 325 sets forth requirements upon the auditee that includes the documentation of its internal controls. 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 \$21,310,319.98 and expenditures amounted to \$18,513,166.24 resulting in excess revenues of \$2,797,153.74. 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 \$1,278,903.40, 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, 2020.

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 2020, 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 2020 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,

PKF O'Connor Davies, LLP

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Andrew G. Hodulik, CPA, RMA
No. 406