

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 7, 2020

NEW ISSUE – BOOK ENTRY-ONLY

Rating – Moody's: "MIG 1"

(See "RATING" herein.)

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

**OFFICIAL STATEMENT
Relating to
TOWNSHIP OF EAST BRUNSWICK,
IN THE COUNTY OF MIDDLESEX, NEW JERSEY**

**\$18,900,000 NOTES,
CONSISTING OF
\$7,100,000 BOND ANTICIPATION NOTE,
\$1,800,000 WATER UTILITY BOND ANTICIPATION NOTE,
\$8,200,000 PARKING UTILITY BOND ANTICIPATION NOTE
AND
\$1,800,000 POOL UTILITY BOND ANTICIPATION NOTE
(Not Bank-Qualified)**

**DATED DATE: FEBRUARY 26, 2020
MATURITY DATE: FEBRUARY 26, 2021**

**INTEREST RATE: _____ %
RE-OFFER YIELD: _____ %
CUSIP: _____**

The \$18,900,000 Notes, consisting of the (i) \$7,100,000 Bond Anticipation Note, (ii) \$1,800,000 Water Utility Bond Anticipation Note, (iii) \$8,200,000 Parking Utility Bond Anticipation Note and (iv) \$1,800,000 Pool Utility Bond Anticipation Note (collectively, the "Notes"), are being issued by the Township of East Brunswick, in the County of Middlesex, New Jersey (the "Township") to provide funding for various improvements. The Notes will be issued in the form of one certificate for the aggregate principal amount of each series of the Notes and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository. Interest on the Notes will be credited to the Participants (as defined herein) of DTC as listed on the records of DTC as of one business day prior to the maturity date set forth above. See "THE NOTES" –Book-Entry-Only System" herein.

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

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices, to obtain information essential to the making of an informed investment decision.

The Notes are offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Township Attorney, Michael Baker, Esq., New Brunswick, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, served as municipal advisor to the Township in connection with the issuance of the Notes. Delivery is anticipated to be at the offices of the Township's Bond Counsel, McManimon, Scotland & Baumann, LLC, or such other place as agreed to with the Underwriter on or about February 26, 2020.

**BIDS FOR THE NOTES, IN ACCORDANCE WITH THE FULL NOTICE OF SALE, WILL BE
RECEIVED BY THE TOWNSHIP UNTIL 11:30 A.M. ON FEBRUARY 13, 2020.**

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

MAYOR

Doctor Brad Cohen

COUNCIL MEMBERS

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

TOWNSHIP ADMINISTRATOR

Joseph Criscuolo

CHIEF FINANCIAL OFFICER

Angel Albanese

ASSISTANT FINANCE DIRECTOR/TAX COLLECTOR

Michelle A. O'Hara

TOWNSHIP CLERK

Nennette Perry

TOWNSHIP ATTORNEY

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

TOWNSHIP AUDITOR

Wiss & Co., LLP
Livingston, NJ

BOND COUNSEL

McManimon, Scotland, Baumann, LLC
Roseland, NJ

MUNICIPAL ADVISOR

Phoenix Advisors, LLC
Bordentown, NJ

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

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

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

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

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

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

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

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Relating to

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IN THE COUNTY OF MIDDLESEX, NEW JERSEY

\$18,900,000 NOTES
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\$7,100,000 BOND ANTICIPATION NOTE,
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\$8,200,000 PARKING UTILITY BOND ANTICIPATION NOTE
and
\$1,800,000 POOL UTILITY BOND ANTICIPATION NOTE

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of East Brunswick (the "Township"), in the County of Middlesex (the "County"), New Jersey (the "State"), in connection with the sale and the issuance by the Township of the \$18,900,000 Notes, consisting of the (i) \$7,100,000 Bond Anticipation Note (the "Bond Anticipation Note"), (ii) \$1,800,000 Water Utility Bond Anticipation Note (the "Water Utility Bond Anticipation Note"), (iii) \$8,200,000 Parking Utility Bond Anticipation Note (the "Parking Utility Bond Anticipation Note") and (iv) \$1,800,000 Pool Utility Bond Anticipation Note (the "Pool Utility Bond Anticipation Note" and, together with the Bond Anticipation Note, the Water Utility Bond Anticipation Note and the Parking Utility Bond Anticipation Note, the "Notes"). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Notes described herein.

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

THE NOTES

General Description

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

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

The Notes are issuable as fully registered book-entry obligations in the form of one

certificate in the total principal amount of each series of the Notes. Individual purchases may be made in the principal amount of \$5,000 or any integral multiple thereof, through book-entries made on the books and the records of The Depository Trust Company, New York, New York ("DTC"), and its participants. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the Township, acting as Paying Agent, directly to Cede & Co. (or any successor or assign), as nominee for DTC.

Redemption

The Notes are not subject to redemption prior to their stated maturity.

Book-Entry-Only System

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

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

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

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

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

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

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

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

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

be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

Discontinuation of Book-Entry-Only System

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

AUTHORIZATION AND PURPOSE

Notes

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

Ord. #	Date Adopted	Bonds Authorized	Useful Life (Years)	First Issued	Amt of Notes Issued	Date Due	2020 Payment	New Money	Amount to be Issued	Purpose
10-01	2/8/2010	2,340,000	14.44	10/5/2010	800,000	2/26/2020	800,000			Various Capital Improvements
10-07	4/26/2010	1,620,000	10.13	10/5/2010	450,000	2/26/2020	450,000			Various Capital Improvements
11-01	2/28/2011	2,347,000	12.66	9/29/2011	1,400,000	2/26/2020	700,000		700,000	Various Capital Improvements
11-22	12/5/2011	4,385,000	10.00	8/6/2012	500,000	2/26/2020	200,000		300,000	Communication System Upgrade (FCC)
12-04	3/26/2012	1,417,000	11.05	8/6/2012	800,000	2/26/2020	100,000		700,000	Various Capital Improvements
13-11	4/22/2013	1,161,075	9.09	7/31/2013	500,000	2/26/2020	200,000		300,000	Various Capital Improvements
13-25	12/9/2013	717,000	12.21	3/20/2014	100,000	2/26/2020	100,000		-	Bikeway & Phone System
14-01	3/24/2014	2,540,000	14.62	7/29/2014	2,100,000	2/26/2020	200,000		1,900,000	General Capital Improvements
17-38	12/11/2017	1,000,000	5.00	2/26/2020				1,000,000	1,000,000	Phase I Various Redevelop Proj
18-37	12/10/2018	890,500	9.32	2/26/2020				500,000	500,000	Various Capital Improvements
19-30	10/28/2019	4,396,500	10.00	2/26/2020				1,700,000	1,700,000	Various Road Improvements
General					6,650,000		2,750,000	3,200,000	7,100,000	
17-29	8/28/2017	2,000,000	20.00	3/14/2018	2,000,000		200,000		1,800,000	Various Water Utility Improvements
Water					2,000,000		200,000	-	1,800,000	
18-38	12/10/2018	8,200,000	40.00	2/26/2019	8,200,000		-	-	8,200,000	Acquisition of Property
Parking					8,200,000		-	-	8,200,000	
13-24	11/18/2013	1,575,000	15.00	3/20/2014	500,000		100,000		400,000	Various Pool Utility Improvements
14-05	3/24/2014	2,125,000	40.00	1/14/2016	1,600,000		200,000	-	1,400,000	Various Pool Utility Improvements
Pool					2,100,000		300,000	-	1,800,000	
					18,950,000		3,250,000	3,200,000	18,900,000	

Bond Anticipation Note

The proceeds of the Bond Anticipation Note will be used to (i) currently refund \$3,900,000 of the Township’s \$6,650,000 Bond Anticipation Note, dated and issued February 26, 2019 and maturing February 26, 2020 (together with \$2,750,000 principal reduction payments from the 2020 budget), (ii) provide new money in the amount of \$3,200,000 to fund various capital improvements and (iii) pay costs and expenses incidental to the issuance and delivery of the Bond Anticipation Note.

Water Utility Bond Anticipation Note

The proceeds of the Water Utility Bond Anticipation Note will be used to (i) currently refund \$1,800,000 of the Township’s \$2,000,000 Water Utility Bond Anticipation Note, dated and issued February 26, 2019 and maturing February 26, 2020 (together with a \$200,000 principal reduction payment from the 2020 budget), and (ii) pay costs and expenses incidental to the issuance and delivery of the Water Utility Bond Anticipation Note.

Parking Utility Bond Anticipation Note

The proceeds of the Parking Utility Bond Anticipation Note will be used to (i) currently refund the Township’s \$8,200,000 Parking Utility Bond Anticipation Note, dated and issued February 26, 2019 and maturing February 26, 2020, and (ii) pay costs and expenses incidental to the issuance and delivery of the Parking Utility Bond Anticipation Note.

Pool Utility Bond Anticipation Note

The proceeds of the Pool Utility Bond Anticipation Note will be used to (i) currently refund \$1,800,000 of the Township's \$2,100,000 Pool Utility Bond Anticipation Note, dated and issued February 26, 2019 and maturing February 26, 2020 (together with a \$300,000 principal reduction payment from the 2020 budget), and (ii) pay costs and expenses incidental to the issuance and delivery of the Pool Utility Bond Anticipation Note.

SECURITY AND SOURCE OF PAYMENT

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

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

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

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

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the boundaries of Township, as annually determined by the State Director of Taxation, is included in Appendix "A".

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

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

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a

proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

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

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

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

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

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

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

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

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding

fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

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

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

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

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

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three (3) months of the year, to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAP" appropriations nor can transfers be made between excluded from "CAP" appropriations.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate". The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of

Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior year's tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, approved July 13, 2010, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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

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

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. But it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values. A re-evaluation of all property in the Township was last completed in 1983.

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

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

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

Tax Appeals

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

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

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

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2018 for the Township is on file with the Clerk and is available for review during business hours.

TAX MATTERS

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

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Notes. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be

executed on the date of issuance of the Notes, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action that would cause interest on the Notes to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Notes for the purposes of alternative minimum tax.

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

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

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

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

Original Issue Premium

The Notes may be sold at an initial offering price in excess of the amount payable at the maturity date (the "Premium Notes"). The excess, if any, of the tax basis of the Premium Notes to a purchaser (other than a purchaser who holds such Premium Notes as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the

owner's tax cost of the Premium Notes used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Notes. Accordingly, an owner of Premium Notes may have taxable gain from the disposition of the Premium Notes, even though the Premium Notes are sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Notes. Bond premium amortizes over the term of the Premium Notes under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Notes should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Notes.

Additional Federal Income Tax Consequences of Holding the Notes

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Notes, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

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

Changes in Federal Tax Law Regarding the Notes

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

State Taxation

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

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE NOTES ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE

OF THE NOTES, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

LITIGATION

To the knowledge of the Township Attorney, Michael Baker, Esq., of Hoagland, Longo, Moran, Dunst & Doukas LLP, New Brunswick, New Jersey, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

SECONDARY MARKET DISCLOSURE

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to rights of holders of the Notes, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Township;
- (13) The consummation of a merger, consolidation or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive

- agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (15) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Township, any of which affect holders of the Notes, if material; and
 - (16) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Township, any of which reflect financial difficulties.

The term "Financial Obligation" as used in paragraphs (15) and (16) above means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); provided, however, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

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

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

The Township (or The East Brunswick Sewerage Authority, which the Township dissolved and assumed, and previously issued \$4,480,000 Sewer Revenue Bonds, Series 2007 and by this reference is hereby incorporated into the defined term "Township") previously failed to file its annual reports for its outstanding bonds. The annual reports, and the appropriate late notices, have since been completed and applied to the Township's outstanding bonds. In addition, the Township has failed to file or file in a timely manner, as applicable, (i) certain operating and financial data; (ii) its adopted budgets; and (iii) its audited financial statements. While the Township has sold and closed on bonds and/or notes in 2014, 2015, 2016 and 2017 with official statements that contain audited financial statements as well as operating data, such documents were and are available on the MSRB's EMMA dataport; however, in some instances, those documents were not previously assigned or linked to the Township's outstanding bond issues. When applicable, the aforesaid operating and financial data, adopted budgets and audited financial statements, and the appropriate late notices, have since been completed and applied to the applicable Township outstanding bonds. The Township also acknowledges that it previously failed to file event notices in connection with (a) certain bond insurer rating changes and (b) the dissolution of The East Brunswick Sewerage Authority and assumption of same by the Township. The aforesaid event notices, and the appropriate late notices, have since been completed and applied to the applicable Township outstanding bonds. The Township has put certain internal procedures in place to ensure future compliance with the Township's continuing disclosure obligations, including hiring Phoenix Advisors, LLC as its continuing disclosure agent in January of 2018.

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

The Township reached a Settlement (the “Settlement”) with the SEC pursuant to Rule 240(a) when the Township admitted under self-reporting that the Township had not fully complied with Rule 15c2-12 by (a) failing to comply with prior continuing disclosure undertakings by failing to provide continuing disclosure within the timeframes set forth in the continuing disclosure undertakings, and (b) making certain misstatements and omissions in official statements concerning the Township’s failures to comply with prior continuing disclosure undertakings. The violations have been corrected and the Settlement to cease and desist has been approved by the Township Council through Resolution #15863 approved on June 13, 2016. An order was entered memorializing the settlement on August 24, 2016 (the “Order”).

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

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

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

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901 et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditors, rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit any political subdivision of the State, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under said chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

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

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Notes are subject to the approval of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as Appendix "C". Certain legal matters will be passed on for the Township by its Attorney, Michael Baker, Esq., New Brunswick, New Jersey.

MUNICIPAL ADVISOR

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

UNDERWRITING

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

RATING

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

PREPARATION OF OFFICIAL STATEMENT

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

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

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

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

ADDITIONAL INFORMATION

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

MISCELLANEOUS

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

TOWNSHIP OF EAST BRUNSWICK

By: _____
Angel Albanese
Chief Financial Officer

Dated: February , 2020

APPENDIX A

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

GENERAL INFORMATION

Information

The Township of East Brunswick Township (the "Township") was formally established on February 28, 1860 by an Act of the New Jersey Legislature in accordance with the Jersey Town Act of 1798. The Township is located the county of Middlesex in central northeastern New Jersey astride a major transportation corridor, the Township is in close distance to New York City and Philadelphia.

Governmental Structure

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

Utilities

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

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

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

Prior to July 1, 2010 the East Brunswick Sewerage Authority operated the system. The Governing Body, in accordance with state law and approval by the New Jersey Department of Community Affairs Local Finance Board, dissolved the East Brunswick Sewerage Authority and created a Sewer Utility. The results were cost savings to the operation of the system. The Township has assumed all outstanding debt issued by the East Brunswick Sewerage Authority. The Sewer Utility operates on a self-liquidating basis.

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

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

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

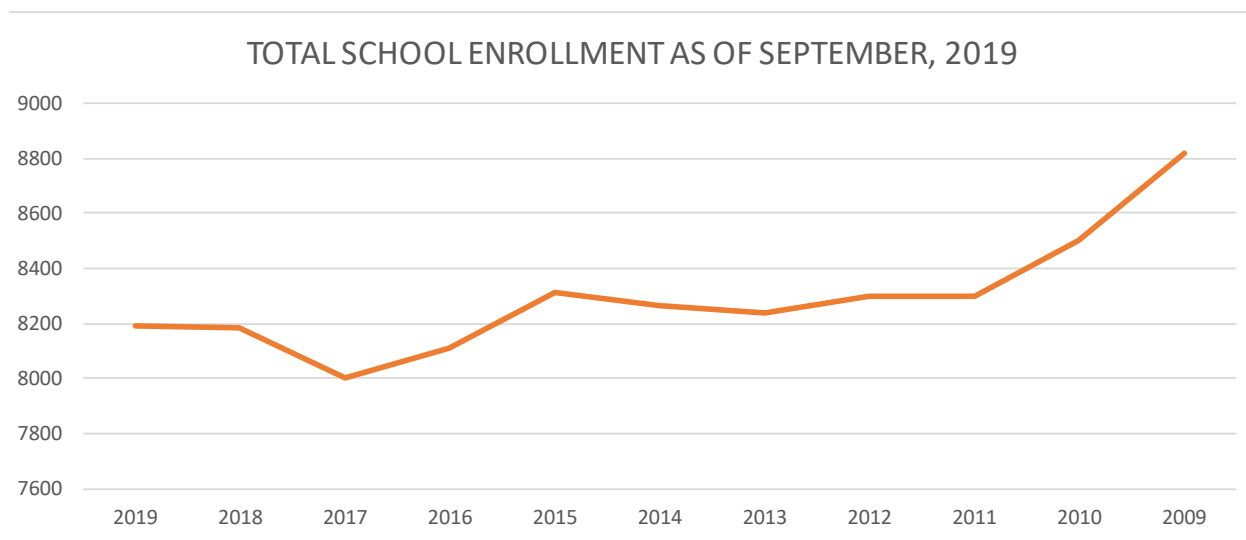
Police Firearms Training Utility. In October 1999, the Township opened a new Police Firearms Training facility which consists of twelve (12) ports permitting twelve (12) individuals to qualify at one time. Beyond the twelve (12) shooting ports, the Township has implemented a program which allows for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

Governmental Services

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

TOTAL SCHOOL ENROLLMENT AS OF SEPTEMBER, 2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Bowne	250	219	224	205	215	214	213	237	238	256
Central	433	414	399	418	439	435	426	407	424	428
Chittick	509	500	437	397	426	419	453	462	515	494
Frost	450	472	463	442	435	432	423	429	457	491
Irwin	429	473	449	464	472	468	459	459	417	409
Law. Brook	422	451	439	406	412	419	426	432	513	524
Memorial	541	570	537	494	525	511	499	489	337	348
Warnsdorfer	478	449	461	472	492	484	443	415	429	461
Hammarskjol	1343	1,280	1,197	1,294	1,318	1,310	1,357	1,298	1,298	1,388
Churchill	1269	1,273	1,335	1,390	1,391	1,382	1,315	1,462	1,462	1,469
High School	2066	2,082	2,064	2,125	2,186	2,190	2,225	2,208	2,208	2,234
	8190	8,183	8,005	8,107	8,311	8,264	8,239	8,298	8,298	8,502



Management, Discussion and Analysis

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

Often a criticism of local government is the amount of time which elapses between the authorization of a project and completion. In some cases, authorizations have been made through capital appropriations and the projects not completed for many years. To provide full disclosure a table summarizing capital authorizations has been prepared. The table delineates the authorization by ordinance for each particular year and the general purpose of the ordinance. The table reports the year the indebtedness was incurred and summary information on annual and total pay down for years 2009 through 2019. Please observe the Township has adopted a very aggressive pay down schedule and expects to continue this aggressiveness into the future.

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

History - General Capital 2009 -2019

Year	Ord. #	Description	Indebtedness		Annual Principal Paydown		Status
			Incurring by Year	New Debt By Year	Bond Principal Retired	Note Paydown	
2019	19-16	Various Water Improvements	3,000,000				In Process
	19-20	Various School Capital	13,870,000				In Process
	19-30	Various Road Improvements	<u>4,396,500</u>	21,266,500			In Process
2019		Debt Paydown 2019			950,000	8,331,000	
2018	18-06	Various School Capital Improvements	5,800,000				In Process
	18-24	Various Road Improvements	2,970,500				In Process
	18-37	Various Capital Improvements	<u>890,500</u>	9,661,000			In Process
2018		Debt Paydown 2018			905,000	7,183,075	
2017	17-18	Various Capital	5,535,000				In Process
	17-29	Various Water Utility Improvements	2,000,000				In Process
	17-30	Refunding Certain Sewer Revenue Bonds	2,010,000				In Process
	17-31	Various Shared Services Cap. Improvement	1,155,000				In Process
	17-39	FD #2 Pumper Truck	<u>800,000</u>	11,500,000			
2017		Debt Paydown 2017			895,000	7,162,050	
2016	16-07	Fire District 3 Truck & Various Cap. Imprv.	1,243,500				Completed
	16-10	School HVAC & Computers	<u>6,200,000</u>	7,443,500			Completed
2016		Debt Payment 2016			875,000	6,282,000	
2015	15-02	General Capital Improvements	2,906,050				Completed
	15-08	Board of Education Building Improvements	5,800,000				Completed
	15-30	Utility Capital	<u>2,048,579</u>	10,754,629			Completed
2015		Debt Payment 2015	0	0	2,170,000	6,619,000	Completed
2014	14-05	Crystal Springs Improvement	2,125,000	2,125,000		100,000	Completed
2014	14-01	Various General Capital Improvements	2,540,000	2,540,000	850,000	5,881,000	In Process
2013	13-01	Amending 11-22-FD #2 Radio purchase	200,000		905,000	6,591,000	Completed
	13-11	Various Capital Improvements	1,161,075				Completed
	13-17	Acquisition of DPW Vehicles & Equipment	890,000				Completed
	13-23	Acquisition of a Fire Engine for F.D. #1	750,000				Completed
	13-24	Various Crystal Springs Improvements	1,575,000				Completed
	13-25	Various Capital Improvements Bike Path	<u>717,000</u>	5,293,075			In Process
2012	12-04	Multi Purpose Bond Ordinance	1,417,000		680,000	8,123,220	Completed
	12-11	Fire House Renovation-Fire District #3	2,000,000			100,000	In Process
	12-12	Various Water Line Replacements	<u>1,250,000</u>	4,667,000			Completed
2011	11-01	Various Capital Improvements	2,347,000				Completed
	11-18	Refunding Bonds	1,077,000				Completed
	11-22	Communication System Upgrade	<u>4,185,000</u>	7,609,000	680,000	7,695,000	Completed
2010	10-01	Multi Purpose Bond Ordinance	2,340,000				Completed
	10-07	Various Capital Improvements	1,620,000				Completed
	10-21	Refunding Bonds	485,000				Completed
	10-26	Various Capital Improvements	<u>1,655,000</u>	6,100,000	710,000	5,811,249	Completed
2009	09-02	Reconstruction of Various Roads	1,500,000				Completed
	09-05	Fire District #3 - New Fire Truck	570,000				Completed
	09-08	Water Main Replacement	3,700,000				Completed
	09-14	Reconstruction of Harts Lane	<u>400,000</u>	6,170,000	730,000	7,815,294	Completed
Totals			95,129,704	95,129,704	10,350,000	77,693,888	

Post Employment Health Benefits

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

GASB Statement 75 requires that the Township disclose its annual OPEB liability and cost and related changes to the liability for the plan, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actual amounts paid for the OPEB medical benefits, accounted for on the pay-as-you-go basis, for retired Township employees and their spouses for 2018, 2017 and 2016 totaled \$7,511,564, \$4,037,780, \$3,507,054, respectively.

As of December 31, 2018, there were two-hundred and seventy-two retired employees and two-hundred and thirty-three active employees covered by the plan. The total OPEB actuarial accrued liability from the Township's plan as of December 31, 2018 and 2017 all of which is unfunded is \$145,957,431 and \$142,998,870, respectively.

The actuarial valuation date is December 31, 2018. Actuarial valuations involve estimates of the value reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

For the December 31, 2018 actuarial valuation, actuarial assumptions included a 4.1% discount rate and an annual healthcare cost trend rate of 5.8% for Medical, 10.0% for prescription and 3.5% for Dental. Of the 276 former employees receiving benefits, currently 23 receiving single benefits and 88 receiving family coverage are under 65; and, 100 are receiving family coverage and 65 are receiving single coverage are 65 or older. Those retirees 65 or older are obligated to pay their Medicare Part B portion and the Township only funds the exceptions to Medicare. Additionally, as of December 31, 2018, there are 254 active participants in the plan, with 179 and 75 receiving family and single coverage respectively. The cost of family coverage before employee contribution is \$24,372.00 per family unit and single coverage is \$10,644 per participant for medical, dental and prescription drug.

Accrued Sick and Vacation Benefits

Under contractual agreements with the various collective bargaining groups, unused sick time is accumulated toward future use or payment upon separation from employment. Under past policy, the Township appropriated sufficient funds to pay the liability to employees who retired or left their position on a current basis. This appropriation was included in the regular appropriations for salary and wages. Effective in 1983, a separate line item appropriation was provided for this purpose in the current fund. Beginning in 1986, employees were limited on payment of unused sick and vacation time so the Township has a very limited liability to fund. The Township offers two deferred compensation programs. Both are under Internal Revenue Code Section 457 and approved by the State Department of Community Affairs. Cash payments are charged as though current income to the employees whereas taxes are deferred on deposits, to the Trust Fund. The "Benefit Trust Funds" amounted to \$40,776,601 and \$3,216,211 on

December 31, 2018 and appears on the General Trust Fund balance sheet and is subject to the claims of general creditors of the Township.

There is also an estimated current liability as of December 31, 2018 in the sum of \$3,334,106 existing for potential claims if everyone would be paid their accumulated sick and vacation time. This amount represents the current value of all accumulations and is not intended to portray amounts that would be recorded under GAAP. The Township has not discounted the total based upon study of utilization or the likelihood of the amount of accumulations vesting with employees. The expected pays for these accruals are funded through the annual budget, Self-Insurance Plan, the Fringe Benefit Fund and the Cost of Living Pension Health Fund. No amount is accrued for this estimated liability in the financial statements.

Pension Net Liability (GASB 68) Reporting:

The Audit firm of KPMG reported net pension liability for State of New Jersey Pension Systems of which the Township is a participant in two. The net system liabilities as reported for the Public Employee Retirement System (PERS) and the Police and Fire Retirement System (PFRS) for the past five (5) years are detailed below. This reporting complies with Local Finance Notice LFN2015-24 and is further detailed in the Township's annual audited financial statements.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2018	\$51,027,971	\$40,799,959
2017	40,494,966	45,488,684
2016	50,949,453	56,133,234
2015	39,180,500	48,706,191
2014	32,144,301	36,116,560

HISTORICAL ECONOMIC INFORMATION BUILDING PERMITS

Year	Permits	Construction Value	All Other # of Certificates of Occupancy Issued	# of COs Issued for New Residential Units
2019	2698	\$ 120,203,043	3227	36
2018	2804	67,959,964	4261	45
2017	3168	65,078,071	4876	22
2016	2916	61,960,552	1691	15
2015	2673	52,518,442	399	32
2014	3361	54,232,954	340	54
2013	3197	56,126,335	264	11
2012	3000	46,085,679	283	24
2011	3427	39,723,210	288	24
2010	2470	37,435,294	291	13
2009	2733	30,241,699	323	38
2008	2773	48,426,248	351	28
2007	2751	43,415,715	408	84
2006	2880	136,953,299	379	117
2005	3307	60,015,006	457	77
2004	3209	52,252,314	611	30
2003	3243	103,412,481	448	126
2002	3209	127,950,898	528	101

CONSTRUCTION VALUE OF BUILDING PERMITS

	2019	2018	2017	2016
New Residential	\$ 8,168,481	\$ 20,120,851	\$ 9,988,381	\$ 3,213,700
Res. Alterations/Additions	18,346,145	16,931,100	23,064,387	22,168,843
New Commercial/Industrial	61,623,618	10,067,315	6,355,204	4,822,697
Comm'l Alternations/Additions	32,064,799	20,840,697	25,670,100	31,755,312
	\$ 120,203,043	\$ 67,959,963	\$ 65,078,071	\$ 61,960,552

	2015	2014	2013	2012
New Residential	\$ 3,703,655	\$ 9,104,309	\$ 7,190,100	\$ 2,057,000
Res. Alterations/Additions	19,204,099	19,882,003	19,150,151	16,031,925
New Commercial/Industrial	839,700	6,916,213	13,227,723	20,502,895
Comm'l Alternations/Additions	28,770,988	18,330,429	21,966,087	7,493,859
	\$ 52,518,442	\$ 54,232,954	\$ 61,534,061	\$ 46,085,679

COMPARATIVE REALIZED REVENUE - CURRENT FUND

Revenue Item	2015	2016	2017	2018
Fund Balance Anticipated	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 3,300,000
Miscellaneous Revenues:				
Alcoholic Beverage License	58,375	59,875	56,875	58,625
Fees and Other Permits	267,514	252,015	249,607	340,094
Hotel Tax	645,432	624,457	660,169	645,968
Capital Surplus	700,000	700,000	700,000	317,874
Interest and Costs on Taxes	469,259	477,425	487,630	454,777
Int. on Investments & Deposits	155,450	158,800	311,833	695,118
Recreation Fees	1,287,269	424,894	276,551	257,329
Camp Fees	-	976,468	1,006,402	1,151,031
Sports Camp	61,820	71,093	40,721	70,242
Sports Programs	63,849	69,016	92,283	-
Housing Grant (COACH Fees)	39,269	39,269	39,269	102,489
In Lieu of Taxes	714,511	515,993	742,236	1,456,313
Escrow Trustee (Open Space)	500,000	500,000	500,000	500,000
Discovery Fees	918	-	-	-
Utility Operating Surplus of Prior	225,000	50,000	50,000	-
Sale of Assets - Trust Account	230,770	64,955	65,201	23,378
C M P T R A	105,167	105,167	84,219	-
Energy Receipts Tax	4,061,430	4,061,430	4,082,378	4,166,597
Watershed Moratorium Offset Ai	7,567	7,567	7,567	7,567
Municipal Allience on Alcoholism & D	46,172	46,350	46,350	49,464
ROID State Handicap Rec	20,000	20,000	20,000	20,000
FEMA - Storm Sandy Emergency	105,000	105,000	175,000	5,000
Dept. Forestry Mgmt. Grant	3,000	-	-	30,000
Public Safety Body Armor	6,800	7,400	7,236	7,168
Alcohol Education & Rehab	38,000	38,000	38,000	-
Clean Community Grant	86,674	112,000	112,000	110,000
Click It or Ticket It	4,000	5,000	-	5,500
Nat'l Crime Statistics Exchange	-	-	-	20,000
Matching Grant	5,000	-	-	-
Distracted Driver Crckdwn/Cops in Sho	-	-	5,500	-
Drive Sober Enforcement	5,000	10,000	7,500	-
Pedestrian Safety Grant	-	5,000	7,000	-
County Narcotics Grant	30,000	30,000	-	-
County Outreach Grant - Seniors	16,500	17,000	17,000	17,000
Autism Speaks	-	-	5,000	-
EB Daisy Association	20,000	20,000	28,000	20,000
Municipal Recycling Asst Prg MC	42,637	-	-	-
Interlocal Service Agree - EB BOE	1,743,000	2,903,000	3,537,360	4,139,667
Interlocal Service Agree. FD 1, 2 & 3	967,784	902,732	1,004,442	983,591
Interlocal Service Agree - Radio C	94,161	113,506	124,362	122,279
East Brunswick Housing Corp.	15,000	15,000	15,000	-
MCUA-Host Community Benefits	3,132,573	3,145,000	3,173,142	3,100,000
MCUA Fees-Add	1,167,002	1,140,000	1,202,747	1,200,000
Municipal Court	1,024,652	1,009,408	982,612	923,345
Municipal Recycling Asst Prg MC	2,500	-	-	7,500
Total Miscellaneous Revenues:	18,169,055	18,802,821	19,961,192	21,007,916
Receipts from Delinquent Taxes	1,994,491	2,107,785	1,789,997	1,708,385
TOTAL REVENUE	\$ 22,663,546	\$ 23,410,606	\$ 24,251,189	\$ 26,016,301

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

COMPARATIVE ANALYSIS REVENUE

WATER UTILITY Revenues	2015 Realized	2016 Realized	2017 Realized	2018 Realized
Surplus	\$ 1,381,690	\$ 2,940,281	\$ 2,223,992	\$ -
Connection Fees	165,970	308,633	349,065	121,365
Interest on Investments	1,913	-	-	44,132
Water Rents	7,397,168	7,561,006	7,368,882	8,411,288
Non Budgeted Revenue	449,205	130,599	152,783	183,779
TOTAL WATER UTILITY	\$ 9,395,946	\$ 10,940,519	\$ 10,094,722	\$ 8,760,564

POOL UTILITY Revenues	2015 Realized	2016 Realized	2017 Realized	2018 Realized
Surplus	\$ 173,230	\$ 256,240	\$ 312,800	\$ 399,361
Food Stand	18,500	21,000	17,825	18,355
Pool Fees	1,089,405	1,172,964	1,181,696	1,253,438
Non Budgeted Revenue	36,257	114,682	7,865	13,435
TOTAL POOL UTILITY	\$ 1,317,392	\$ 1,564,886	\$ 1,520,186	\$ 1,684,589

Parking Utility Revenues	2015 Realized	2016 Realized	2017 Realized	2018 Realized
Surplus	\$ 561,358	\$ 138,700	\$ 72,500	\$ 489,060
Parking Fees	2,123,322	2,385,233	2,399,663	2,418,207
Rent-Suburban Transit	1,097,843	940,000	960,000	968,449
Non Budgeted Revenue	3,628	6,361	12,199	64,943
TOTAL PARKING UTILITY	\$ 3,786,151	\$ 3,470,294	\$ 3,444,362	\$ 3,940,659

Sewer Utility Anticipated Revenues	2015 Realized	2016 Realized	2017 Realized	2018 Realized
Surplus	\$ 1,197,117	\$ 701,388	\$ 400,500	\$ 2,388,310
Connection Fees	181,394	217,530	1,192,206	206,949
Service Fees	5,857,451	5,696,212	5,885,639	6,336,585
Interest on Investments	6,498	-	-	37,548
Non Budgeted Revenue	-	21,665	90,165	63,101
TOTAL SEWER UTILITY	\$ 7,242,460	\$ 6,636,795	\$ 7,568,510	\$ 9,032,493

COMPARATIVE SCHEDULE FUND BALANCE UTILITIZED

CURRENT FUND		
	Balance	Utilized in Budget
Year	December 31	of Succeeding Year
2018	\$ 11,803,787	\$ 4,325,000
2017	10,206,188	3,300,000
2016	7,635,416	2,500,000
2015	3,076,567	2,500,000
2014	5,056,012	2,500,000
2013	2,729,923	2,500,000
2012	2,785,907	2,500,000
2011	2,812,467	2,500,000
2010	3,163,790	2,500,000
2009	4,289,404	2,900,000

WATER UTILITY		
	Balance	Utilized in Budget
Year	December 31	of Succeeding Year
2018	\$ 936,745	\$ 284,000
2017	510,410	-
2016	2,223,992	2,223,992
2015	4,172,611	2,940,281
2014	4,535,934	1,381,690
2013	4,042,430	1,373,690
2012	4,109,458	1,105,665
2011	3,374,505	996,747
2010	3,237,346	1,255,431
2009	2,584,816	1,075,341

PARKING UTILITY		
	Balance	Utilized in Budget
Year	December 31	of Succeeding Year
2018	\$ 3,270,510	\$ 397,500
2017	3,500,069	489,060
2016	3,181,656	72,500
2015	2,523,097	138,700
2014	2,579,825	561,358
2013	1,840,432	587,100
2012	1,122,105	587,100
2011	516,249	-
2010	202,610	-
2009	659,600	659,000

POOL UTILITY		
	Balance	Utilized in Budget
Year	December 31	of Succeeding Year
2018	\$ 537,807	\$ 472,625
2017	754,405	399,361
2016	884,873	312,800
2015	678,477	256,240
2014	405,451	173,230
2013	317,224	120,270
2012	394,034	75,270
2011	210,682	29,088
2010	185,476	103,763
2009	115,093	83,763

SEWER UTILITY		
	Balance	Utilized in Budget
Year	December 31	of Succeeding Year
2018	\$ 3,608,504	\$ 1,655,200
2017	5,043,636	2,388,310
2016	2,851,770	400,500
2015	2,817,270	701,388
2014	2,805,165	1,197,117
2013	3,372,746	1,043,613
2012	3,808,012	781,328
2011	3,447,710	613,422
2010	2,425,646	10,000

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

Year 2017	\$7,501,956,393.00
Year 2018	\$7,793,050,287.00
Year 2019	\$7,604,130,044.00

\$7,633,045,574.67

Percentage of Net Debt to Average Equalized Valuation	0.589%
Percentage of Gross Debt to Average Equalized Valuation	2.55%
Statutory Debt Ceiling of 3.5% for East Brunswick permits authorization up to	\$267,156,595.11

OVERLAPPING DEBT

	<u>Total Debt</u>	<u>Overlapping Debt</u>
Middlesex County as of 12/31/18	\$465,543,163	\$32,461,805
Middlesex County Utility Authority as of 12/31/18	<u>\$ 90,366,119</u>	<u>\$ 3,453,815</u>
Total	\$555,909,282	\$35,915,620

Overlapping Debt: Middlesex County has been determined by the ratio of Township Valuation to total County equalization valuation which is 6.097%. Middlesex County Utility Authority overlapping debt is 3.82%.

OUTSTANDING BOND ANTICIPATION NOTES AS OF 12/31/19

Description	Amount	Maturity
General Capital	\$ 4,777,000	1/11/2020
	6,650,000	2/26/2020
	20,674,000	7/17/2020
	14,530,000	9/24/2020
Water Capital	2,000,000	2/26/2020
	2,500,000	7/17/2020
Pool Capital	100,000	1/10/2020
	2,100,000	2/26/2020
Parking Capital	8,200,000	2/26/2020
Sub Total	\$ 61,531,000	

Authorized But Not Issued

General Various	22,734,322
Sewer	290,000
Water	3,000,000
Total	\$ 87,555,322

RATIO OF ASSESSED TO TRUE VALUATION

Year	Assessed Personal Property	Assessed Valuation Real Property	State Equalized Ratio	Equalized Valuation
2019	\$2,227,252	\$1,903,313,750	25.03	\$7,613,029,465
2018	2,146,634	1,898,954,650	25.34	7,506,988,327
2017	2,031,934	1,901,488,650	26.22	7,259,803,905
2016	2,077,187	1,895,809,750	26.49	7,171,369,479
2015	2,143,448	1,893,167,400	16.49	7,146,724,801
2014	2,044,733	1,890,414,300	26.39	7,031,039,855
2013	2,654,186	1,900,518,900	26.39	7,201,663,129
2012	3,075,073	1,930,811,500	25.67	7,521,665,368
2011	3,056,266	1,961,448,900	25.16	7,999,205,000
2010	3,275,529	2,012,600,700	24.54	8,201,306,845

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

Year*	Rate	School	Municipal	Library	County	Municipal Open Space	County Open Space
2019	11.02	7.115	2.164	0.136	1.463	0.019	0.123
2018	10.829	7.026	2.087	0.131	1.447	0.019	0.119
2017	10.651	6.900	2.085	0.126	1.406	0.019	0.115
2016	10.431	6.801	2.015	0.124	1.358	0.020	0.113
2015	10.178	6.652	1.882	0.126	1.391	0.020	0.113
2014	9.961	6.489	1.821	0.127	1.316	0.019	0.114
2013	9.600	6.311	1.714	0.128	1.255	0.019	0.112
2012	9.290	6.089	1.680	0.131	1.208	0.019	0.116
2011	9.097	5.907	1.843		1.131	0.020	0.119
2010	8.635	5.688	1.715		1.090	0.019	0.082

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

ASSESSED VALUE BY CLASSIFICATION OF REAL PROPERTY

Year	Total	Residential	Commercial	Industrial	Apartment	Vacant Land/Farm
2019	\$1,903,313,750	\$1,502,220,000	\$281,921,250	\$83,170,450	\$19,723,100	\$16,279,000
2018	1,898,387,050	1,495,898,800	281,670,250	84,108,700	19,733,100	14,581,900
2017	1,901,488,650	1,492,910,200	268,380,850	85,346,700	19,733,160	14,646,301
2016	1,895,809,750	1,489,679,700	286,964,750	83,421,100	19,733,100	16,011,100
2015	1,893,167,400	1,485,430,500	287,524,800	85,132,900	19,733,100	15,346,100
2014	1,890,414,300	1,484,263,200	285,010,100	85,197,400	19,733,100	14,019,200
2013	1,900,518,900	1,487,821,400	289,836,100	87,643,100	19,733,100	12,697,200
2012	1,930,811,500	1,498,633,500	303,218,900	91,231,200	21,457,100	13,483,800
2011	1,961,839,900	1,517,369,700	309,715,700	93,508,000	24,317,200	14,551,600
2010	2,012,600,700	1,555,083,900	337,851,900	94,190,800	28,205,900	14,551,600

CURRENT REAL PROPERTY TAX COLLECTION EXPERIENCE

Year	Tax Levy		Taxes Collected		Percent Collection
2019	\$	214,813,811	\$	212,920,878	99.00%
2018		210,667,581		208,471,893	98.96
2017		207,196,248		205,178,691	99.02
2016		202,811,293		200,931,110	98.98
2015		197,053,302		193,403,302	98.15
2014		192,533,752		190,184,075	98.97
2013		186,398,317		183,475,912	98.85
2012		183,778,664		179,004,295	98.20
2011		181,056,096		178,256,096	98.41
2010		176,665,195		174,215,848	98.61

DELINQUENT TAXES AS OF 12/31 YEAR END

Year	Delinquent Taxes		Tax Title Liens		Delinquent Taxes		Delinquent Taxes	
	Balance Dec. 31		Balance Dec. 31		Budgeted		Collected	
2019	\$	1,936,601	\$	5,812	\$	1,555,000	\$	1,874,534
2018		1,918,202		5,185		1,555,000		1,708,385
2017		1,718,453		-		1,555,000		1,789,997
2016		1,783,945		14,489		1,555,000		2,107,785
2015		2,131,263		20,768		1,555,000		1,959,705
2014		195,823		20,755		1,953,823		2,173,771
2013		2,061,694		5,109		1,555,000		2,716,977
2012		2,698,582		8,848		1,355,000		2,435,314
2011		2,372,945		62,377		1,355,000		2,338,346
2010		2,301,789		52,738		1,355,000		2,339,539

TEN HIGHEST RATABLE

	<u>2019 Assessed</u>
	Valuation
Brunswick Square Mall	\$ 26,196,900
Mid State Mall	15,460,000
Tower Center II	15,159,000
Tower Center I	12,000,000
East Brunswick UE, LLC	9,500,000
L.P.E. Partners	7,813,800
Wyndmoor Apts.	7,500,000
Summerhill Square LLC	7,377,100
East Coast Cranbury Crossing	5,100,000
3 Tower Center Blvd., LLC	5,032,000
	<hr/>
Total	\$ 111,138,800
	<hr/>
% of Total Asset Valuation	5.85%
	<hr/>

SUMMARY TAX APPEALS 2018 REAL PROPERTY ASSESSMENTS (2019 Filing by April 1)

County Board of Taxation Appeals by Property Class

Class 1 Vacant	0
Class 2 Single Family	99
Class 2 Condos	40
Class 3A Farm House	0
Class 4A Commercial	29
Class 4B Industrial	6
Class 4C	<u>7</u>
	181

State Tax Court Direct Appeals*

Class 1 Vacant	0
Class 2 Single Family	3
Class 4A Commercial	23
Class 4B Industrial	8
Class 4C Apartments	<u>2</u>
Total	36

HOST COMMUNITY BENEFITS

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

The Township has received Host Community Benefits in accordance with NJSA 13:1E-136 since 1985. The Township will continue to receive Host Community Benefits for the next twenty years which is the life expectancy of the landfill. The current agreement with the MCUA continues paying the minimum of \$3.5 million each year. The Township had a Host Community Benefit Agreement based upon the recycling of cardboard and paper. It pays \$100,000 each year through 2016. The plant started up on October 1, 2013. The following table illustrates the revenue provided by Host Community Benefits for the past ten (10) years.

Host Community Benefits

<u>Year</u>	<u>\$ Received</u> <u>Annually</u>
2019	4,340,340
2018	4,330,000
2017	4,387,228
2016	4,300,000
2015	4,314,575
2014	4,282,501
2013	4,243,880
2012	4,346,380
2011	4,599,018
2010	3,728,584

SUBDIVISIONS AND DEVELOPMENT

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

AMERICANS WITH DISABILITY ACT (ADA)

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

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

INSURANCE

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

There are statewide seventeen (19) Joint Insurance Funds like CJJIF which have pooled to provide excess liability through a Municipal Excess Liability Joint Insurance Fund (MEL) established in 1987. The MEL provides adequate levels of excess liability insurance at the lowest cost.

The Municipal Excess Liability Insurance fund (MEL) operates under the fleet concept of nineteen (19) affiliated local JIFs, consisting of 400 plus entities. The MEL's annual financial statement is on file with the rating agencies and New Jersey Department of Banking and Insurance and Department of Community Affairs.

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

General Liability, Police Professional Liability, and Automobile Liability

Limit of Liability:	\$7,000,000
Deductible/Self Insured Retention:	\$100,000

Workers Compensation/Employers Liability

Limit of Liability:	Statutory\$1,000,000
Deductible/Self Insured Retention:	\$100,000

Public Officials/Employment Practices Liability

Limit of Liability:	\$2,000,000
Deductible/Self Insured Retention:	\$20,000 and 20% of the first \$250,000

Property Coverage, including Crime

Limit of Liability:	As Scheduled
Deductible/Self Insured Retention:	\$2,500

Cyber

Limit of Liability:	\$5,000,000
Deductible/Self Insured Retention:	\$25,000

The following coverage is provided to East Brunswick through the New Jersey Environmental Risk Management Fund:

Underground Storage Tank and Pollution Liability

Limit of Liability:	\$1,000,000
Deductible/Self Insured Retention:	None

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

Health Benefits

The Township offers to its employees a comprehensive health benefit program which consists of medical, dental and prescription in accordance with various collective bargaining agreements. The collective bargaining agreements provides for continuation of medical coverage upon retirement if an employee has worked for the Township for a period of 25 years, for PFRS employees with 20 years of service as of January 1, 2017 who retire prior to December 31, 2019 or the employee has worked for the Township for 15 years and has reached the age of 62 or older at time of retirement. Currently, the Township has 293 retired employees who receive continuation of medical benefits. The cost of providing this post retirement coverage is on a pay as you go budget and funds are fully appropriated as part of the Township's self-insurance program.

MISCELLANEOUS REVENUES OTHER THAN PROPERTY TAX

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

REAL ESTATE TAXES

The same general principal is carried forward in regards to property taxes. Section 40A:4-29

delineates how one may anticipate delinquent tax collections as part of the annual budget.

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

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

RESERVE FOR UNCOLLECTED TAXES

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

Levy required to balance budget

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

PENSION INFORMATION

Full time Township employees who are eligible for pension coverage are enrolled in one of two State of New Jersey pension systems. The pension systems are established by act of the State Legislature and benefits, contributions, means of funding and the manner of administration are determined by State Legislation. All levies are paid in full each year.

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

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

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

The Township makes two types of contributions on an annual basis to fund the Township's obligations under the Pension System, consisting of a "normal" contribution to cover costs of members and an "unfunded accrued liability contribution" representing pension benefits earned in prior years which, pursuant to standard actuarial practices, are not yet fully funded. The local portion of PERS in 2014 was funded as billed and payment will be made April 1, 2020. The PFRS was funded as billed and payment by the Township will be made April 1, 2020.

Employees enrolled in PERS and PFRS are required to make contributions to the pension as well. Employees in PERS contribute an additional 7.5%. Members of PFRS contribute 10%.

Employees who are not eligible to enroll in PERS because they do not work the required minimum of 35 hours per week, but earn a minimum annual base salary of \$5,000 or more must be enrolled in the Defined Contribution Retirement Program (DCRP). DCRP was established under the provisions of N.J.S.A. 43:15C-1 et. seq. The DCRP provides eligible members with a tax-sheltered defined contribution retirement benefit, along with life insurance and long-term disability coverage.

Employees enrolled in DCRP are required to make contributions of 5.5%. The Township makes monthly contributions. The amounts are provided by the state and cover retirement, life insurance and long-term disability coverage. The total employer contribution is approximated 4.25% and is paid monthly.

APPENDIX B

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

CURRENT FUND
COMPARATIVE BALANCE SHEET

	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
ASSETS:					
Cash & Cash Equivalents	\$ 13,335,017	\$ 37,077,519	\$ 14,143,489	\$ 9,338,664	\$ 12,035,790
Change Funds	2,000	2,000	2,000	2,000	2,000
Investments	7,275,867	-	-	-	-
Exempt Due from State of NJ	7,830	9,501	13,370	15,080	12,369
	20,620,714	37,089,020	14,158,859	9,355,744	12,050,159
Receivables with Full Reserves:					
Taxes Receivable	1,918,202	1,718,453	1,783,945	2,131,264	1,955,660
Tax Title Lines	5,185	-	14,849	20,768	54,450
Foreclosed Property	15,768	15,768	-	-	89,434
Revenue Accounts Receivable	65,525	66,993	75,222	79,995	104,647
Interfunds - Trust	2,613,375	3,365,636	4,159,313	5,587,702	360,344
Special District Taxes Receivable	-	-	-	-	2,389
Other Receivables	6,500	11,024	25,700	20,915	18,322
	4,624,555	5,177,874	6,059,029	7,840,644	2,585,246
TOTAL ASSETS	\$ 25,245,269	\$ 42,266,894	\$ 20,217,888	\$ 17,196,388	\$ 14,635,405
Federal & State Grant Fund					
Cash	610,987	153,720	114,739	87,869	164,834
Fed & St Grant Fund Receivable	274,835	196,847	346,997	422,162	346,622
Interfund Receivable	18,264	418,333	200,000	10,629	-
Deferred Charges	-	-	-	1,664	1,664
	\$ 904,086	\$ 768,900	\$ 661,736	\$ 522,324	\$ 513,120
LIABILITIES, RESERVES & FUND BALANCE					
Expenditure Reserves:					
Encumbrances	\$ 1,467,664	\$ 1,099,328	\$ 813,935	\$ 830,174	\$ 319,967
Appropriation Reserves	3,122,533	2,440,418	2,571,490	2,289,073	3,427,266
Accounts Payable	296,510	130,292	38,882	32,117	39,166
Payables:					
Fees due to St. of NJ	20,361	18,396	39,206	16,035	47,776
Tax Overpayments	175,928	127,165	200,776	178,374	68,365
Reserve for Tax Appeals	871,867	1,000,000	1,010,455	1,258,315	1,413,548
County Taxes Payable	89,535	53,931	144,548	82,259	85,641
Prepaid Taxes	1,227,393	16,523,130	1,005,984	846,507	756,635
Reserve for Public Defender	23,659	23,659	23,659	23,659	23,659
Rec/Parks Refund	4,151	436	-	-	-
Interfunds Payable	1,517,325	5,466,077	674,508	731,674	812,124
	8,816,926	26,882,832	6,523,443	6,288,187	6,994,147
Fund Balance	11,803,788	5,177,874	6,059,029	7,840,644	2,585,246
Liabilities & Reserves	4,624,555	10,206,188	7,635,416	3,067,557	5,056,012
LIABILITIES, RESERVES AND FUND BALANCE	\$ 25,245,269	\$ 42,266,894	\$ 20,217,888	\$ 17,196,388	\$ 14,635,405
Federal & State Grant Fund					
Interfunds Payable	595,268	465,813	428,704	226,231	140,948
Reserve for Encumbrances	19,349	26,694	13,139	32,430	-
Accounts Payable	400	200	200	200	200
Unappropriated Reserves	38,471	53,084	63,438	75,308	34,580
Appropriation Reserves	250,598	223,109	156,255	188,155	337,392
	\$ 904,086	\$ 768,900	\$ 661,736	\$ 522,324	\$ 513,120

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

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS & CHANGES IN FUND BALANCE

	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
Revenue & Other Income:					
Fund Balance Utilized	\$ 3,300,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Misc. Revenue Anticipated	21,009,384	19,961,192	18,802,821	18,169,055	18,505,402
Receipts from Delinquent Taxes	1,708,385	1,789,997	2,107,785	1,994,491	2,173,771
Receipts from Current Taxes	208,471,893	205,178,692	200,931,109	194,817,685	189,684,075
Non Budget Revenue	217,688	207,159	202,004	181,617	122,650
Other Credits to Income:					
Unexpended Bal. of Appr. Reserve	1,481,013	2,141,815	2,062,290	2,605,820	2,184,173
Prior Year Interfunds Refund	3,365,636	4,159,313	5,587,702	360,344	355,539
Grant Appropriated Reserves Canceled	-	-	-	10,000	77,148
Refunds	17,451	-	-	-	-
	239,571,450	235,938,168	232,193,711	220,639,012	215,602,758
Expenditures					
Operations:					
Operating	42,274,938	42,087,139	44,857,912	42,895,214	41,406,846
State & Fed. Programs Off-Set by Rev.	5,369,148	4,522,786	538,019	653,616	584,956
Other Expenses	-	-	-	26,481	3,387
Capital Improvements	750,000	330,000	200,000	30,000	20,000
Municipal Debt Service	9,030,100	9,027,036	7,866,170	6,824,168	7,586,631
Deferred Charges & Statutory Expenditures	6,206,731	6,049,263	6,010,400	5,329,000	5,239,561
Cash Deficit of Preceeding Year	-	-	1,664	-	-
Local District School Tax	133,530,328	131,301,007	129,058,216	126,077,799	122,792,611
County Taxes	29,817,656	28,982,986	28,046,772	28,462,755	28,538,580
Fire District Tax	4,233,882	4,111,204	3,993,849	3,843,597	3,751,090
Municipal Open Space Reserve	381,088	381,278	379,578	379,062	378,490
Interfunds	2,566,691	3,339,870	4,159,313	5,587,702	360,344
Grant Receivable Cancelled	-	-	-	5,000	99,347
Sr Cit/Vets Accts. Rec.	13,288	2,376	13,959	13,073	14,826
	234,173,850	230,134,945	225,125,852	220,127,467	210,776,669
STATUTORY EXCESS TO					
FUND BALANCE	4,897,600	5,070,772	7,067,859	511,545	4,826,089
Fund Balance, January 1 Restatement	10,206,188	7,635,416	3,067,557	5,056,012	2,729,923
	15,103,788	12,706,188	10,135,416	5,567,557	7,556,012
Decreased by:					
Utilized as Anticipated Revenue	3,300,000	2,500,000	2,500,000	2,500,000	2,500,000
FUND BALANCE, DEC. 31	\$ 11,803,788	\$ 10,206,188	\$ 7,635,416	\$ 3,067,557	\$ 5,056,012

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

**WATER UTILITY
COMPARATIVE BALANCE SHEET**

	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
ASSETS:					
Operating Fund:					
Cash-Treasurer	\$ 2,779,110	\$ 1,661,293	\$ 2,728,660	\$ 4,361,705	\$ 3,867,989
Change Funds	250	250	250	250	250
Interfunds Receivable	6,695	68,108	1,669,243	1,341,920	1,402,108
	2,786,055	1,729,651	4,398,153	5,703,875	5,270,347
Receivables with Full Reserves:					
Consumer Accounts Receivable	674,816	435,148	763,207	808,754	509,895
	674,816	435,148	763,207	808,754	509,895
Capital Fund:					
CashTreasurer-Anticipated Rev.	178,522	386,494	720,473	4,688,888	1,532,613
Investments	2,561,530	1,101,760	316,000	-	-
Interfunds Receivable	860,053	-	792,200	792,200	-
Fixed Capital	34,404,945	34,268,628	32,500,254	32,309,901	32,091,639
Fixed Cap. Authorized & Uncompleted	9,750,000	9,750,000	7,750,000	7,750,000	7,979,019
Total Capital Fund	47,755,050	45,506,882	42,078,927	45,540,989	41,603,271
TOTAL ASSETS	\$ 51,215,921	\$ 47,671,681	\$ 47,240,287	\$ 52,053,618	\$ 47,383,513
LIABILITIES, RESERVES & FUND BALANCE:					
Operating Fund - Cash Liabilities:					
Accounts Payable	50,472	4,965	1,824	1,824	18,131
Various Reserves	89,780	104,212	301,096	284,978	273,742
Encumbrances	477,295	323,838	161,462	65,028	64,188
Appropriation Reserves	756,862	697,517	1,621,820	497,976	266,487
Accrued Interest	88,858	31,825	39,522	38,422	14,624
Water Rent Overpayments	40,468	56,884	46,787	53,869	49,202
Interfunds Payables	345,575	-	1,650	589,167	48,039
	1,849,310	1,219,241	2,174,161	1,531,264	734,413
Reserve for Receivables	674,816	435,148	763,207	808,754	509,895
Fund Balance	936,745	510,410	2,223,992	4,172,611	4,535,934
	3,460,871	2,164,799	5,161,360	6,512,629	5,780,242
Capital Fund:					
Reserve for Refunded Assessments					
Capital Fund:					
Interfunds Payable	1,425,000	25,000	1,058	2,639,701	-
Serial Bonds Payable	-	2,900,000	3,800,000	4,700,000	2,850,000
Reserve for Encumbrances	-	-	-	422,570	-
Bond Anticipation Notes	4,825,000	-	-	-	-
Reserve for Specific Expenditure	140,405	40,405	40,405	40,405	40,405
Reserve for Debt Service	175,961	207,199	207,199	208,597	308,597
Improvement Authorizations:					
Funded	377,477	477,680	-	-	-
Unfunded	760,376	2,075,752	927,035	1,561,469	3,560,704
Capital Improvement Fund	264,965	264,965	289,965	289,965	289,965
Reserve for Amortization	38,870,350	38,659,033	35,990,659	34,900,306	33,961,063
Def. Res. For Amortization	459,595	459,595	459,595	459,595	459,595
Fund Balance	455,921	397,253	363,011	318,381	132,942
Total Capital Fund	47,755,050	45,506,882	42,078,927	45,540,989	41,603,271
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	\$ 51,215,921	\$ 47,671,681	\$ 47,240,287	\$ 52,053,618	\$ 47,383,513

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

WATER UTILITY

COMPARATIVE STATEMENT OF OPERATIONS & CHANGES IN FUND BALANCE

	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
Revenue & Other Income:					
Fund Balance Utilized	\$ -	\$ 2,223,992	\$ 2,940,281	\$ 1,381,690	\$ 1,373,690
Rents	8,411,288	7,368,884	7,561,006	7,397,168	7,614,225
Connection Fees	121,365	349,065	308,633	165,970	145,650
Interest on Investments	44,132	-		1,913	1,765
Non Budget Revenue	183,779	152,783	130,599	449,205	894,748
Other Credits to Income:					
PERS Rate Adj. Reserve Released	-	30,255	-	-	-
Appropriation Reserve Lapsed	335,771	421,357	191,424	110,528	167,810
Accounts Payable Cancelled	-	-	-	16,307	-
	9,096,335	10,546,336	11,131,943	9,522,781	10,197,888
Expenditures:					
Operations:					
Salaries & Wages	1,430,800	1,415,200	1,322,281	1,212,280	1,178,980
Other Expenses	6,672,200	6,697,424	6,173,000	5,746,960	5,794,060
Capital Improvements	87,723	700,000	1,400,000	150,000	100,000
Municipal Debt Service	169,276	968,302	975,000	900,174	842,655
Statutory Expenditures	260,000	255,000	270,000	270,000	190,000
Prior Year Adjustment	50,001	-	-	-	-
	8,670,000	10,035,926	10,140,281	8,279,414	8,105,695
EXCESS (DEFICIT) IN REVENUE	426,335	510,410	991,662	1,243,367	2,092,193
Fund Balance, January 1	510,410	2,223,992	4,172,611	4,535,934	4,042,431
	936,745	2,734,402	5,164,273	5,779,301	6,134,624
Decreased by:					
Utilized above As Anticipated Revenue	-	2,223,992	2,940,281	1,381,690	1,373,690
Surplus Transferred to Current Fund	-	-	-	225,000	225,000
FUND BALANCE, DEC. 31	\$ 936,745	\$ 510,410	\$ 2,223,992	\$ 4,172,611	\$ 4,535,934

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

PARKING UTILITY
COMPARATIVE BALANCE SHEET

	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
ASSETS:					
<i>Operating Fund</i>					
Cash & Investments - Treasurer	\$ 4,273,219	\$ 4,617,053	\$ 3,761,019	\$ 3,584,549	\$ 2,409,782
Interfund Receivables	12,946	2,665	1,613	165,209	169,643
Cash - change fund	400	400	400	400	400
	4,286,565	4,620,118	3,763,032	3,750,158	2,579,825
<i>Capital Fund:</i>					
Cash & Investments - Treasurer	788,506	757,125	944,569	945,083	944,460
Uncompleted	8,200,000	-	-	-	-
Fixed Capital Amount	50,814,099	50,243,796	49,981,985	49,798,015	49,594,955
	59,802,605	51,000,921	50,926,554	50,743,098	50,539,415
TOTAL ASSETS:	\$ 64,089,170	\$ 55,621,039	\$ 54,689,586	\$ 54,493,256	\$ 53,119,240
LIABILITIES, RESERVES & FUND BALANCE:					
<i>Operating Fund</i>					
Appropriate Reserves	362,228	370,837	274,389	393,202	609,806
Accounts Payable	9,316	5,475	5,475	284	284
Accrued Interest	92,320	95,532	98,528	102,080	104,783
Encumbrances	442,566	153,872	202,984	161,177	24,520
Interfunds Payable - Current Fur	109,626	494,333	-	570,318	-
	1,016,056	1,120,049	581,376	1,227,061	739,393
Fund Balance	3,270,509	3,500,069	3,181,656	2,523,097	1,840,432
	4,286,565	4,620,118	3,763,032	3,750,158	2,579,825
<i>Capital Fund:</i>					
Serial Bonds Payable	23,160,000	24,360,000	25,480,000	26,600,000	27,600,000
<i>Improvement Authorizations:</i>					
Improvement Authorizations	8,200,000	-	-	-	-
Capital Improvement Fund	52,984	52,984	52,984	242,984	242,984
Inter Fund Payable	12,946	2,665	190,109	623	-
Unfunded	-	-	-	-	31,162
<i>Reserves for Future Debt Service</i>					
Costs	27,290	27,290	27,290	27,290	27,290
Reserve for Amoritization	27,654,099	25,883,796	24,501,985	23,198,015	21,994,955
Reserved for Basement Repairs	27,100	6,000	6,000	6,000	6,000
Fund Balance	668,186	668,186	668,186	668,186	637,024
	59,802,605	51,000,921	50,926,554	50,743,098	50,539,415
TOTAL LIABILITIES, RESERVES & FUND BALANCE	\$ 64,089,170	\$ 55,621,039	\$ 54,689,586	\$ 54,493,256	\$ 53,119,240

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

PARKING UTILITY

COMPARATIVE STATEMENT OF OPERATIONS & CHANGES IN FUND BALANCE

	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
Revenue & Other Income					
Fund Balance Utilized	\$ 489,060	\$ 72,500	\$ 138,700	\$ 561,358	\$ 587,100
Parking Fees	2,418,207	2,399,663	2,385,233	2,123,322	2,206,056
Rents and Other	968,449	960,000	940,000	1,097,842	880,710
Non-Budgeted Revenue	64,963	12,199	6,361	3,628	440
Interest on Investments	-	-	-	-	1,725
Other Credits to Income:					
Appropriation Reserves Lapsed	93,732	281,406	398,140	629,662	42,690
	<u>4,034,411</u>	<u>3,725,768</u>	<u>3,868,434</u>	<u>4,415,812</u>	<u>3,718,721</u>
Expenditures					
Operations:					
Salaries & Wages	487,560	478,000	372,300	367,000	338,000
Other	746,500	460,500	407,400	413,835	413,835
Capital Improvements	600,000	500,000	400,000	650,000	613,700
Municipal Debt Service	1,840,850	1,782,355	1,802,475	1,702,954	1,717,700
Surplus (General Budget)	-	50,000	50,000	-	-
Statutory Expenditures	100,000	64,000	39,000	38,000	38,000
	<u>3,774,910</u>	<u>3,334,855</u>	<u>3,071,175</u>	<u>3,171,789</u>	<u>3,121,235</u>
EXCESS IN REVENUE	259,501	390,913	797,259	1,244,023	597,486
Fund Balance, January 1	3,500,069	3,181,656	2,523,097	1,840,432	1,830,046
	<u>3,759,570</u>	<u>3,572,569</u>	<u>3,320,356</u>	<u>3,084,455</u>	<u>2,427,532</u>
Decreased by:					
Utilized As Anticipated Revenue	489,060	72,500	138,700	561,358	587,100
FUND BALANCE, DEC. 31	<u><u>\$ 3,270,510</u></u>	<u><u>\$ 3,500,069</u></u>	<u><u>\$ 3,181,656</u></u>	<u><u>\$ 2,523,097</u></u>	<u><u>\$ 1,840,432</u></u>

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

**POOL UTILITY
COMPARATIVE BALANCE SHEET**

	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
ASSETS:					
<i>Operating Fund:</i>	\$ 797,038	\$ 317,682	\$ 987,032	\$ 301,611	\$ 510,406
Interfunds Receivable	2,642	576,186	7,675	440,519	5,448
	799,680	893,868	994,707	742,130	515,854
<i>Capital Fund:</i>					
Cash	465,270	513,945	640,893	54,681	365,057
Investments	-	-	254,000	-	-
Fixed Capital - Completed	4,473,598	4,357,978	4,250,290	4,172,894	3,038,833
Fixed Capital - Authorized & uncompleted	2,673,726	2,673,726	2,673,726	2,673,726	3,700,000
Interfund Receivable	23,610			262,814	435,748
Total Capital Fund	7,636,204	7,545,649	7,818,909	7,164,115	7,539,638
TOTAL ASSETS	\$ 8,435,884	\$ 8,439,517	\$ 8,813,616	\$ 7,906,245	\$ 8,055,492
LIABILITIES, RESERVES & FUND BALANCE:					
<i>Operating Fund:</i>					
Encumbrances	52,848	29,729	16,586	35,486	6,800
Appropriation Reserves	101,310	87,239	62,879	13,778	88,234
Current Fund					
Interfund Payable	41,240	-	1	-	-
Accrued Int. on Notes	63,521	20,917	27,340	11,361	12,341
Accounts Payable	2,954	1,578	3,028	3,028	3,028
Principal	261,873	139,463	109,834	63,653	110,403
Fund Balance	537,807	754,405	884,873	678,477	405,451
	\$ 799,680	\$ 893,868	\$ 994,707	\$ 742,130	\$ 515,854
<i>Capital Fund:</i>					
Bond Anticipation Notes	2,650,000	2,020,000	2,375,000	1,450,000	1,575,000
Improve Author. - Unfunded	173,175	234,753	1,841,399	2,097,782	2,899,208
Reserve for Encumbrances	-	-	-	38,356	-
Reserve for Amortization	4,497,324	4,011,704	3,549,016	3,271,620	3,038,833
Interfund Payable	233,642	1,226,165	467	269,422	-
Fund Balance	82,063	53,027	53,027	36,935	26,597
	7,636,204	7,545,649	7,818,909	7,164,115	7,539,638
TOTAL LIABILITIES, RESERVES & FUND BALANCE	\$ 8,435,884	\$ 8,439,517	\$ 8,813,616	\$ 7,906,245	\$ 8,055,492

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

POOL UTILITY

COMPARATIVE STATEMENT OF OPERATIONS & CHANGES IN FUND BALANCE

	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
Revenue & Other Income					
Fund Balance Utilized	\$ 399,361	\$ 312,800	\$ 256,240	\$ 173,230	\$ 120,270
Pool Fees	1,253,438	1,181,696	1,172,964	1,089,405	755,019
Food Stand Revenue	18,355	17,825	21,000	18,500	13,000
Non Budget Revenue	13,435	7,865	114,682	36,257	7,828
Other Credits to Income:					
Accounts Payable Cancelled	-	1,450	-	-	-
Appropriation Reserves Lapsed	14,534	68,791	26,990	70,065	48,491
TOTAL RECEIVED	1,699,123	1,590,427	1,591,876	1,387,457	944,608
Expenditures					
Operations:					
Salaries & Wages	518,657	475,000	490,000	429,000	387,000
Other Expenses	380,861	397,800	280,740	251,230	208,270
Capital Outlay	150,000	120,000	100,000	92,700	100,000
Municipal Debt Service	436,343	384,795	230,000	139,771	12,341
Statutory Expenditures	30,500	30,500	28,500	28,500	28,500
	1,516,361	1,408,095	1,129,240	941,201	736,111
EXCESS IN REVENUE	182,762	182,332	462,636	446,256	208,497
Fund Balance, January 1	754,405	884,873	678,477	405,451	317,224
	937,167	1,067,205	1,141,113	851,707	525,721
Decreased by:					
Utilized as Anticipated Revenue	399,361	312,800	256,240	173,230	120,270
FUND BALANCE, DEC. 31	\$ 537,806	\$ 754,405	\$ 884,873	\$ 678,477	\$ 405,451

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

**POLICE TRAINING UTILITY
COMPARATIVE BALANCE SHEET**

	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
ASSETS:					
Operating Fund:					
Cash - Treasurer	\$ 644,486	\$ 577,149	\$ 505,812	\$ 474,818	\$ 416,927
Interfund Receivable	-	240	-	-	4,656
TOTAL ASSETS	\$ 644,486	\$ 577,389	\$ 505,812	\$ 474,818	\$ 421,583
LIABILITIES, RESERVES & FUND BALANCE:					
Reserve for Encumbrances	65,300	55,847	10,112	2,523	463
Interfund Payable	-	-	-	34,379	-
Appropriation Reseres	100,629	76,009	154,618	180,176	194,197
Accounts Payable	615	545	545	-	-
	166,544	132,401	165,275	217,078	194,660
 Fund Balance	 477,943	 444,988	 340,537	 257,740	 226,923
TOTAL LIABILITIES, RESERVES & FUND BALANCE	\$ 644,487	\$ 577,389	\$ 505,812	\$ 474,818	\$ 421,583

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

POLICE TRAINING UTILITY

COMPARATIVE STATEMENT OF OPERATIONS & CHANGES IN FUND BALANCE

	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
Revenue and Other Income:					
Fund Balance	\$ 94,200	\$ 93,000	\$ 165,000	\$ 190,000	\$ 190,000
Shooting Qualifications	172,865	182,443	152,941	109,810	126,250
Non-Budgeted Revenue	28,538	37,958	17,648	25,252	28,095
Other Credits to Income:					
Unexpended Bal. of Appr. Reserve	77,752	127,050	180,208	188,755	107,467
	373,355	440,451	515,797	513,817	451,812
Expenditures:					
Salaries & Wages	61,200	60,000	60,000	53,000	53,000
Other Expenses	85,000	83,000	103,000	140,000	140,000
Capital Outlay	100,000	100,000	100,000	100,000	100,000
Statutory Expenditures	-	-	5,000	-	-
	246,200	243,000	268,000	293,000	293,000
EXCESS IN REVENUE	127,155	197,451	247,797	220,817	158,812
Fund Balance, January 1	444,988	340,537	257,740	226,923	258,111
	572,143	537,988	505,537	447,740	416,923
Decreased by:					
Utilization as Anticipated Revenue	94,200	93,000	165,000	190,000	190,000
FUND BALANCE, DEC. 31	\$ 477,943	\$ 444,988	\$ 340,537	\$ 257,740	\$ 226,923

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

**SEWER UTILITY
COMPARATIVE BALANCE SHEET**

	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
ASSETS:					
Operating Fund:					
Cash Investments	\$ 6,786,862	\$ 891,035	\$ 8,041,622	\$ 6,443,643	\$ 5,010,116
Interfunds Receivable	-	5,241,363	7,343	441,080	-
Due from Sewer Utility Cap. Fund	3,890	-	-	-	-
	6,790,752	6,132,398	8,048,965	6,884,723	5,010,116
Receivables with Full Reserves:					
Consumer Accts. Receivable	967,805	371,614	377,162	386,189	422,300
Deferred Charge:					
Emergency Appropriations	-	-	-	176,117	176,117
Over Expenditure of an Appropriation	-	-	-	20,221	20,221
Total Operating Fund	7,758,557	6,504,012	8,426,127	7,467,250	5,628,754
Capital Fund					
Cash & Investments	319,025	324,526	845,351	852,414	855,162
Interfund Receivable	-	109,615	-	2,872	-
Fixed Capital	27,515,483	26,970,072	25,872,736	25,872,736	25,790,404
Fixed Capital - Authorized & Uncompleted	2,010,000	2,250,000	5,353,773	5,353,773	5,353,773
Due from General Capital					
Total Capital Fund	29,844,508	29,654,213	32,071,860	32,081,795	31,999,339
TOTAL ASSETS	\$ 37,603,065	\$ 36,158,225	\$ 40,497,987	\$ 39,549,045	\$ 37,628,093
LIABILITIES, RESERVES & FUND BALANCE:					
Operating Fund - Cash Liabilities:					
Appropriation Reserves	904,415	796,011	1,021,200	469,539	150,000
Encumbrances Payable	352,187	104,877	32,250	25,885	139,593
Accounts Payable	2,214	3,286	2,935	2,907	29,585
Interfund Payable	1,815,326	79,199	3,525,743	3,145,619	1,431,405
Accrued Interest on Bonds	-	8,481	4,331	4,892	5,598
Reserve for Bond Resere Fund	-	-	250,000	289,000	318,500
Capital Improvement Fund	-	-	258,000	250,000	250,000
Various Reserves	74,403	74,403	74,403	74,403	74,403
Due to:					
Rent Overpayments	18,499	22,505	28,333	1,549	2,205
	3,167,044	1,088,762	5,197,195	4,263,794	2,401,289
Reserve for Receivables	967,805	371,614	377,162	386,189	422,300
Fund Balance	3,623,708	5,043,636	2,851,770	2,817,270	2,805,165
Total Operating Fund	7,758,557	6,504,012	8,426,127	7,467,253	5,628,754
Capital Fund					
Bond Anticipation Notes	-	1,720,000	-	-	-
Interfund Payable	53,890	20,000	2,014	11,949	-
Serial Bonds	-	-	2,260,000	2,580,000	2,890,000
Resere for Amoritization	29,235,483	26,740,072	24,382,736	24,062,736	23,670,404
Reserve to Pay Note Principal	-	470,000	470,000	470,000	470,000
Reserve for Debt Service	210,456	260,456	381,456	381,456	393,281
Capital Improvement FUnd	2,116	2,116	122,116	122,116	122,116
Fund Balance	112,927	112,927	24,896	24,896	24,896
Improvement Authorizations:					
Funded	153,286	243,642	314,869	314,869	314,869
Unfunded	76,350	85,000	4,113,773	4,113,773	4,113,773
Total Capital Fund	29,844,508	29,654,213	32,071,860	32,081,795	31,999,339
TOTAL LIABILITIES, RESERVES & FUND BALANCE	\$ 37,603,065	\$ 36,158,225	\$ 40,497,987	\$ 39,549,048	\$ 37,628,093

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

SEWER UTILITY
COMPARATIVE STATEMENT OF OPERATIONS & CHANGES IN FUND BALANCE

	Balance 12/31/2018	Balance 12/31/2017	Balance 12/31/2016	Balance 12/31/2015	Balance 12/31/2014
Revenue & Other Income Realized:					
Fund Balance Utilized	\$ 2,388,310	\$ 400,500	\$ 701,388	\$ 1,197,117	\$ 1,043,613
Rents	6,336,585	5,885,639	5,696,212	5,857,451	5,680,106
Connection Fees	206,949	1,192,207	217,530	181,394	52,127
Interest on Investment	37,548	-	-	6,498	2,938
Non-budgeted Revenue	63,101	90,165	21,665	39,158	30,442
Other Credits to Income:					
Transfer of Reserves, net	-	-	31,000	29,500	18,974
Canceled Accounts Payable	-	508,000	-	28,413	-
Unexpended Bal. of Approp. Res.	479,418	697,217	458,632	104,808	150,794
Total Revenue	9,511,911	8,773,728	7,126,427	7,444,339	6,978,994
Expenditures:					
Operations:					
Salary & Wages	771,310	730,500	745,500	766,200	717,000
Other Expenses	4,852,000	4,531,000	4,532,550	4,534,400	4,632,038
Debt Service	2,160,219	434,862	431,151	421,582	1,037,552
Capital Improvements	500,000	185,000	300,000	329,935	150,000
Deferred Charges	-	-	176,117	-	-
Statutory Expenditures	260,000	300,000	185,000	183,000	155,000
Deficit in Operations in prior year	-	-	20,221	-	7,710
Total Expenditures	8,543,529	6,181,362	6,390,539	6,235,117	6,699,300
EXCESS IN REVENUE	968,382	2,592,366	735,888	1,209,222	279,694
Adjustments to income before fund balance:					
Deferred Charges to Budgets of Succeeding Years:					
Emergency Appropriation	-	-	-	-	176,117
Overexpenditure of an Appropriation	-	-	-	-	20,221
Total Adjustments to Income Before Fund Bal.	-	-	-	-	196,338
Excess in Revenue	968,382	2,592,366	735,888	1,209,222	476,032
Fund Balance January 1	5,043,636	2,851,770	2,817,270	2,805,165	3,372,746
	6,012,018	5,444,136	3,553,158	4,014,387	3,848,778
Decreased by:					
Utilized as Anticipated Revenue	2,388,310	400,500	701,388	1,197,117	1,043,613
FUND BALANCE, DEC. 31	\$ 3,623,708	\$ 5,043,636	\$ 2,851,770	\$ 2,817,270	\$ 2,805,165

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

AUDITED FINANCIAL STATEMENTS
Are available at

https://www.eastbrunswick.org/filestorage/1137/1159/2018_Audit_.pdf

APPENDIX C

Form of Approving Legal Opinion of Bond Counsel for the Note

_____, 2020

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

Dear Council Members:

We have acted as bond counsel to the Township of East Brunswick, in the County of Middlesex, New Jersey (the "*Township*"), in connection with the issuance by the Township of \$18,900,000 Notes, consisting of the \$7,100,000 Bond Anticipation Note, the \$1,800,000 Water Utility Bond Anticipation Note, the \$8,200,000 Parking Utility Bond Anticipation Note and the \$1,800,000 Pool Utility Bond Anticipation Note (collectively, the "*Notes*"), each dated the date hereof. In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction and have undertaken such research and analyses as we have deemed necessary.

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

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

On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "*Certificate*") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. We express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

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

Very truly yours,