

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Borough of Metuchen*

*in the*

*County of Middlesex*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2020*



BOROUGH OF METUCHEN

I N D E X

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	4-5
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Change in Fund Balance - Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis - Year Ended December 31, 2020	"A-2"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2020	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
<u>General Capital Fund:</u>	
Balance Sheets - Regulatory Basis	"C"
Statement of Change in Fund Balance - Regulatory Basis	"C-1"
<u>Swimming Pool Utility Fund:</u>	
Balance Sheets - Regulatory Basis	"D"
Statement of Changes in Fund Balance - Regulatory Basis	"D-1"
Statements of Operations and Change in Operating Fund Balance - Regulatory Basis for the Years Ended December 31, 2020 and 2019	"D-2"
Statements of Revenues - Regulatory Basis - Year Ended December 31, 2020	"D-3"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2020	"D-4"
<u>General Fixed Assets Account Group:</u>	
Balance Sheets - Regulatory Basis	"E"
	<u>PAGES</u>
Notes to Financial Statements	6-40

BOROUGH OF METUCHEN

I N D E X (CONTINUED)

Supplementary Schedules - All Funds

EXHIBITS

Current Fund:

Schedule of Cash-Treasurer	"A-4"
Schedule of Petty Cash Fund	"A-5"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-6"
Schedule of Due State of New Jersey Chapter 20, P.L.1971	"A-7"
Schedule of Revenue Accounts Receivable	"A-8"
Schedule of 2019 Appropriation Reserves	"A-9"
Schedule of Prepaid Taxes	"A-10"
Schedule of Tax Title Liens	"A-11"
Schedule of County Taxes Payable	"A-12"
Schedule of Local District School Tax Payable	"A-13"
Schedule of Foreclosed Property	"A-14"
Schedule of Reserve for Tax Overpayments	"A-15"
Schedule of Reserve for Grants Unappropriated - Grant Fund	"A-16"
Schedule of Reserve for Grants Appropriated - Grant Fund	"A-17"
Schedule of Reserve for Grants Receivable - Grant Fund	"A-18"
Schedule of Accounts Payable	"A-19"
Schedule of Various Reserves	"A-20"
Schedule of Deferred Charges	"A-21"
Schedule of Interfunds	"A-22"
Schedule of Special Improvement District Taxes Payable	"A-23"
Schedule of Interfunds - Grant Fund	

Trust Fund:

Schedule of Trust Cash	"B-1"
Schedule of Reserve for Accounts Payable	"B-2"
Schedule of Reserve for Animal Control Fund Expenditures	"B-3"
Schedule of Reserve for Election	"B-4"
Schedule of Miscellaneous Reserves and Deposits	"B-5"
Schedule Due State of New Jersey	"B-6"
Schedule of Reserve for Unemployment Insurance	"B-7"
Schedule of Community Development Block Grants Receivable	"B-8"
Schedule of Reserve for COAH	"B-9"
Schedule of Escrow Deposits	"B-10"
Schedule of Reserve for Police Outside Overtime	"B-11"
Schedule of Reserve for Payroll Deductions Payable	"B-12"
Schedule of Reserve for Recreation	"B-13"
Schedule of Reserve for Law Enforcement	"B-14"
Schedule of Reserve for Forfeiture	"B-15"
Schedule of Reserve for Fire Penalties	"B-16"
Schedule of Reserve for Equitable Sharing Forfeiture	"B-17"
Schedule of Reserve for Accounts Payable - Animal Control Fund	"B-18"
Schedule of Due Current Fund - Other Trust Fund	"B-19"

BOROUGH OF METUCHEN

I N D E X (CONTINUED)

EXHIBITS

General Capital Fund:

Schedule of Cash-Treasurer	"C-2"
Analysis of Cash	"C-3"
Schedule of Deferred Charges to Future Taxation-Funded	"C-4"
Schedule of Deferred Charges to Future Taxation-Unfunded	"C-5"
Schedule of Reserve for Capital Improvements	"C-6"
Schedule of Contracts Payable	"C-7"
Schedule of Capital Improvement Fund	"C-8"
Schedule of Grants Receivable	"C-9"
Schedule of Improvement Authorizations	"C-10"
Schedule of General Serial Bonds	"C-11"
Schedule of Bonds and Notes Authorized But Not Issued	"C-12"
Schedule of Bond Anticipation Notes Payable	"C-13"
Schedule of Interfunds	"C-14"

Swimming Pool Utility Fund

Schedule of Cash	"D-5"
Schedule of Fixed Capital Authorized and Uncompleted	"D-6"
Schedule of 2019 Appropriation Reserves	"D-7"
Schedule of Improvement Authorizations	"D-8"
Schedule of Capital Improvement Fund	"D-9"
Schedule of Accounts Payable	"D-10:"
Schedule of Accrued Interest Payable - Capital Fund	"D-11"
Schedule of Reserve for Amortization - Capital Fund	"D-12"
Schedule of Fixed Capital - Capital Fund	"D-13"
Schedule of General Serial Bonds - Capital Fund	"D-14"
Schedule of Bonds Authorized But Not Issued - Capital Fund	"D-15"
Schedule of Deferred Reserve for Amortization - Capital Fund	"D-16"
Schedule of Bond Anticipation Notes Payable - Capital Fund	"D-17"
Schedule of Interfunds	"D-18"
Schedule of Interfunds - Capital Fund	"D-19"
Schedule of Contracts Payable - Fund	"D-20"

PAGES

PART II

Statistical Data	41-44
Officials in Office and Surety Bonds	45
Comments and Recommendations	46-49



BOROUGH OF METUCHEN

PART I

INDEPENDENT AUDITOR'S REPORT ON  
AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES AND DATA

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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2020 AND 2019



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Metuchen  
County of Middlesex  
Metuchen, New Jersey 08840

### ***Report on the Financial Statements***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Metuchen, as of December 31, 2020 and 2019, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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



## **SUPLEE, CLOONEY & COMPANY**

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

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

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

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough of Metuchen on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of Metuchen as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2020.

### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets of the various individual funds and account group as of December 31, 2020 and 2019, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2020 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

# SUPLEE, CLOONEY & COMPANY

## ***Other Matters***

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Metuchen's regulatory financial statements. The supplementary information, schedules and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information, schedules and data listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, schedules and data listed in the table of contents are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2021 on our consideration of the Borough of Metuchen's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Metuchen's internal control over financial reporting and compliance.

  
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CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 3, 2021



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of Metuchen  
County of Middlesex  
Metuchen, New Jersey 08840

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Metuchen, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated September 3, 2021. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Metuchen prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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

# SUPLEE, CLOONEY & COMPANY

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we noted other matters in the internal controls which are discussed in Part II General Comments and Recommendations section of the audit report.

## ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Borough's regulatory financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, there was an instance of noncompliance which is discussed in Part II, General Comments and Recommendations Section of the audit report.

## ***Purpose of This Report***

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

  
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CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 3, 2021

CURRENT FUND

BOROUGH OF METUCHEN

CURRENT FUND

BALANCE SHEETS-REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2019</u>
<u>ASSETS</u>			
Cash	A-4	\$ 10,491,944.32	\$ 9,266,759.92
Petty Cash	A-5	1,200.00	1,200.00
Due State of NJ - Senior Citizens and Veterans	A-7	35,315.01	34,484.87
		<u>\$ 10,528,459.33</u>	<u>\$ 9,302,444.79</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	\$ 583,790.52	\$ 615,004.40
Tax Title Liens	A-11	136,935.46	128,562.55
Interfunds Receivable	A-22	20,001.47	
Foreclosed Property	A-14	350,300.00	350,300.00
Revenue Accounts Receivable	A-8	8,376.78	35,667.46
	A	<u>\$ 1,099,404.23</u>	<u>\$ 1,129,534.41</u>
Deferred Charges	A-21	\$ 9,900.00	\$ 19,800.00
		<u>\$ 9,900.00</u>	<u>\$ 19,800.00</u>
		<u>\$ 11,637,763.56</u>	<u>\$ 10,451,779.20</u>
Grant Fund:			
Cash	A-4	\$	\$ 42,168.51
Grants Receivable	A-18	2,690,198.68	2,537,134.10
		<u>\$ 2,690,198.68</u>	<u>\$ 2,579,302.61</u>
		<u>\$ 14,327,962.24</u>	<u>\$ 13,031,081.81</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF METUCHEN

CURRENT FUND

BALANCE SHEETS-REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-9	\$ 1,211,043.25	\$ 2,197,157.36
Tax Overpayments	A-15	162,130.07	144,696.69
Prepaid Taxes	A-10	481,672.48	512,950.65
Interfunds	A-22	1,627,540.94	46,212.77
Accounts Payable	A-19	726,089.26	873,381.65
Various Reserves	A-20	98,583.49	99,103.09
Special Improvement District Taxes Payable	A-23	176.12	176.12
		<u>\$ 4,307,235.61</u>	<u>\$ 3,873,678.33</u>
Reserve for Receivables	A	1,099,404.23	1,129,534.41
Fund Balance	A-1	<u>6,231,123.72</u>	<u>5,448,566.46</u>
		<u>\$ 11,637,763.56</u>	<u>\$ 10,451,779.20</u>
Grant Fund:			
Interfunds Payable	A-24	\$ 20,001.47	\$
Grants Appropriated	A-17	2,652,345.78	2,541,911.79
Grants Unappropriated	A-16	<u>17,851.43</u>	<u>37,390.82</u>
		<u>\$ 2,690,198.68</u>	<u>\$ 2,579,302.61</u>
		<u>\$ 14,327,962.24</u>	<u>\$ 13,031,081.81</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

## BOROUGH OF METUCHEN

## CURRENT FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE-REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2020	YEAR ENDED DECEMBER 31, 2019
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,600,000.00	\$ 1,600,000.00
Miscellaneous Revenue Anticipated	A-2	4,592,739.32	8,192,340.07
Receipts from Delinquent Taxes	A-2	601,197.16	563,334.54
Receipts from Current Taxes	A-2	66,371,959.11	63,258,473.68
Non-Budget Revenues	A-2	477,076.24	465,706.34
Other Credits to Income:			
Grants Appropriated Canceled			116,051.87
Tax Overpayments Canceled	A-15	97,054.68	84,259.95
Accounts Payable Canceled			36,520.00
Unexpended Balance of Appropriation Reserves	A-9	738,493.86	463,965.29
<u>TOTAL INCOME</u>		<u>\$ 74,478,520.37</u>	<u>\$ 74,780,651.74</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within CAPS	A-3	\$ 13,334,243.00	\$ 13,791,994.60
Deferred Charges & Statutory Expenditures Within CAPS	A-3	1,584,650.00	1,574,647.22
Operations Excluded from CAPS	A-3	2,639,584.80	4,528,809.18
Capital Improvements	A-3	110,000.00	1,590,000.00
Debt Service	A-3	3,338,513.98	3,375,560.16
Deferred Charges & Statutory Expenditures Outside CAPS	A-3	13,055.00	9,900.00
Local District School Tax	A-13	41,069,544.00	39,006,378.00
County Tax	A-12	9,751,070.15	9,360,583.31
Special Improvement District Tax	A-23	225,000.00	191,298.59
Grants Receivable Canceled			53,560.12
Interfunds Advanced		20,001.47	
Budget Operations	A-4:A-19	10,300.71	5,931.02
<u>TOTAL EXPENDITURES</u>		<u>\$ 72,095,963.11</u>	<u>\$ 73,488,662.20</u>
Excess in Revenue		\$ 2,382,557.26	\$ 1,291,989.54
Fund Balance, January 1	A:A-1	5,448,566.46	5,756,576.92
		<u>\$ 7,831,123.72</u>	<u>\$ 7,048,566.46</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	1,600,000.00	1,600,000.00
Fund Balance, December 31	A:A-1	<u>\$ 6,231,123.72</u>	<u>\$ 5,448,566.46</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.



BOROUGH OF METUCHEN

CURRENT FUND

BALANCE SHEETS-REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2019</u>
<u>ASSETS</u>			
Cash	A-4	\$ 10,491,944.32	\$ 9,266,759.92
Petty Cash	A-5	1,200.00	1,200.00
Due State of NJ - Senior Citizens and Veterans	A-7	35,315.01	34,484.87
		<u>\$ 10,528,459.33</u>	<u>\$ 9,302,444.79</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	\$ 583,790.52	\$ 615,004.40
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	A	<u>\$ 1,099,404.23</u>	<u>\$ 1,129,534.41</u>
Deferred Charges	A-21	\$ 9,900.00	\$ 19,800.00
		<u>\$ 9,900.00</u>	<u>\$ 19,800.00</u>
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		<u>\$ 2,690,198.68</u>	<u>\$ 2,579,302.61</u>
		<u>\$ 14,327,962.24</u>	<u>\$ 13,031,081.81</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF METUCHEN

CURRENT FUND

BALANCE SHEETS-REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-9	\$ 1,211,043.25	\$ 2,197,157.36
Tax Overpayments	A-15	162,130.07	144,696.69
Prepaid Taxes	A-10	481,672.48	512,950.65
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Various Reserves	A-20	98,583.49	99,103.09
Special Improvement District Taxes Payable	A-23	176.12	176.12
		<u>\$ 4,307,235.61</u>	<u>\$ 3,873,678.33</u>
Reserve for Receivables	A	1,099,404.23	1,129,534.41
Fund Balance	A-1	<u>6,231,123.72</u>	<u>5,448,566.46</u>
		<u>\$ 11,637,763.56</u>	<u>\$ 10,451,779.20</u>
Grant Fund:			
Interfunds Payable	A-24	\$ 20,001.47	\$
Grants Appropriated	A-17	2,652,345.78	2,541,911.79
Grants Unappropriated	A-16	<u>17,851.43</u>	<u>37,390.82</u>
		<u>\$ 2,690,198.68</u>	<u>\$ 2,579,302.61</u>
		<u>\$ 14,327,962.24</u>	<u>\$ 13,031,081.81</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b>OPERATIONS WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
Administrative and Executive:					
Salaries and Wages	205,000.00	209,200.00	200,847.58	8,352.42	\$
Other Expenses	453,100.00	438,900.00	258,125.70	180,774.30	
Mayor and Committee:					
Salaries and Wages	10,000.00	10,000.00	9,200.00	800.00	
Other Expenses	2,100.00	2,100.00	1,356.40	743.60	
Municipal Clerk:					
Salaries and Wages	69,750.00	69,750.00	69,113.50	636.50	
Other Expenses	2,100.00	2,100.00	1,231.19	868.81	
Election:					
Other Expenses	9,500.00	9,500.00	191.14	9,308.86	
<b>DEPARTMENT OF FINANCE</b>					
Financial Administration:					
Salaries and Wages	292,500.00	292,500.00	286,328.15	6,171.85	
Other Expenses	88,550.00	88,550.00	74,817.41	13,732.59	
Collection of Taxes:					
Other Expenses	13,500.00	13,500.00	11,061.22	2,438.78	
Assessment of Taxes:					
Salaries and Wages	68,100.00	68,100.00	68,094.09	5.91	
Other Expenses	10,600.00	10,600.00	7,210.97	3,389.03	
<b>LEGAL SERVICES AND COSTS</b>					
Legal Services:					
Other Expenses	190,000.00	190,000.00	174,424.00	15,576.00	
Municipal Prosecutor:					
Other Expenses	25,000.00	25,000.00	25,000.00		
Public Defender:					
Salaries and Wages	17,000.00	17,000.00	17,000.00		
<b>DEPARTMENT OF PUBLIC WORKS</b>					
Public Works Administration:					
Salaries and Wages	287,000.00	287,000.00	286,909.01	90.99	
Other Expenses	4,500.00	5,000.00	4,996.23	3.77	
Forestry:					
Salaries and Wages	250,000.00	250,000.00	217,506.26	32,493.74	
Other Expenses	15,000.00	25,000.00	23,789.40	1,210.60	

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF METLICHEN  
CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS			EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<b>DEPARTMENT OF PUBLIC WORKS (CONTINUED)</b>						
Public Buildings and Grounds:						
Salaries and Wages	\$ 79,300.00	\$ 79,300.00	\$ 70,839.32	\$ 8,460.68	\$	
Other Expenses	157,000.00	172,000.00	167,714.92	4,285.08		
Planning Board:						
Salaries and Wages	32,700.00	32,700.00	32,616.54	83.46		
Other Expenses	10,000.00	10,000.00	4,601.06	5,398.94		
Zoning Board of Adjustment:						
Salaries and Wages	56,100.00	56,100.00	56,015.14	84.86		
Other Expenses	6,800.00	6,800.00	3,234.88	3,565.12		
Shade Tree Commission:						
Other Expenses	1,000.00	1,000.00		1,000.00		
<b>DEPARTMENT OF PUBLIC SAFETY</b>						
Fire Department:						
Salaries and Wages	25,400.00	25,400.00	12,642.57	12,757.43		
Fire Hydrant Service	330,000.00	330,000.00	323,586.00	6,414.00		
Miscellaneous - Other Expenses	215,534.00	215,534.00	212,807.02	2,726.98		
Police:						
Salaries and Wages	3,819,000.00	3,789,000.00	3,547,904.35	241,095.65		
Other Expenses	169,350.00	169,350.00	119,690.68	49,659.32		
Auxiliary Police Department:						
Salaries and Wages	4,500.00	4,500.00	4,499.95	0.05		
Other Expenses	7,900.00	7,900.00	7,900.00			
Emergency Management:						
Salaries and Wages	10,000.00	10,000.00	10,000.00			
Other Expenses	20,000.00	20,000.00	18,079.21	1,920.79		
First Aid Contribution	20,000.00	20,000.00	20,000.00			
Uniform Fire Safety Act:						
Salaries and Wages	38,000.00	38,000.00	38,000.00			
Municipal Court:						
Salaries and Wages	188,000.00	188,000.00	150,846.96	37,153.04		
Other Expenses	26,750.00	26,750.00	15,843.43	10,906.57		
<b>DEPARTMENT OF PUBLIC WORKS</b>						
Streets and Roads:						
Salaries and Wages	426,000.00	426,000.00	406,566.11	19,433.89		
Other Expenses	233,500.00	203,500.00	170,337.06	33,162.94		
Sewer System:						
Salaries and Wages	160,000.00	165,000.00	155,961.69	9,038.31		
Other Expenses	41,000.00	34,000.00	31,061.81	2,938.19		

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF METUCHEN  
CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED		RESERVED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED			
<b>DEPARTMENT OF PUBLIC WORKS (CONTINUED)</b>						
Garbage and Trash Removal:						
Salaries and Wages	\$ 586,000.00	\$ 586,000.00	\$ 534,972.17	\$ 51,027.83	\$	
Other Expenses	30,400.00	30,400.00	30,270.00	130.00		
Recycling:						
Salaries and Wages	144,000.00	174,000.00	152,862.37	21,137.63		
Landfill/Solid Waste Disposal Costs:						
Other Expenses	320,000.00	320,000.00	317,156.58	2,843.42		
<b>HEALTH AND HUMAN SERVICES</b>						
Board of Health:						
Salaries and Wages	11,100.00	11,100.00	11,036.57	63.43		
Other Expenses	1,200.00	1,200.00	819.98	380.02		
<b>PARKS AND RECREATION</b>						
Recreation Services and Programs:						
Salaries and Wages	78,400.00	78,400.00	76,374.24	25.76		
Other Expenses	15,825.00	15,825.00	14,547.44	1,277.56		
Parks and Playgrounds:						
Salaries and Wages	78,100.00	104,100.00	95,749.53	8,350.47		
Other Expenses	8,000.00	8,000.00	5,618.69	2,381.31		
Senior Citizen Bus Transportation:						
Salaries and Wages	27,000.00	27,000.00	25,940.30	1,059.70		
Senior Citizens Center:						
Salaries and Wages	47,600.00	47,600.00	47,600.00			
Other Expenses	24,425.00	24,425.00	5,925.08	18,499.92		
METV Cable:						
Salaries and Wages	63,500.00	63,500.00	59,771.88	3,728.12		
Other Expenses	42,000.00	42,000.00	31,878.79	10,121.21		
Celebration of Public Events Insurance:						
Group Insurance Waiver	60,000.00	60,000.00				
Group Insurance for Employees	2,123,211.00	2,123,211.00	2,123,211.00			
Other Insurance Premiums	12,000.00	12,000.00	9,625.31	2,374.69		
Joint Insurance Fund	413,270.00	413,270.00	413,205.00	65.00		
Economic Development:						
Other Expenses	75,000.00	75,000.00	75,000.00			
Uniform Construction Code Enforcement Functions:						
Salaries and Wages	250,000.00	250,000.00	218,929.10	31,070.90		
Other Expenses	100,578.00	100,578.00	84,049.67	16,528.33		

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	RESERVED	CANCELED
	BUDGET						
<b>PARKS AND RECREATION (CONTINUED)</b>							
Unclassified:							
Gasoline and Fuel	\$ 200,000.00	\$	172,000.00	\$ 101,868.63	\$ 70,131.37	\$	
Telephone	60,000.00		65,000.00	63,571.78	1,428.22		
Street Lighting	200,000.00		200,000.00	180,357.44	19,642.56		
Utilities	280,000.00		280,000.00	243,618.31	36,381.69		
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>\$ 13,347,743.00</b>	<b>\$</b>	<b>13,334,243.00</b>	<b>\$ 12,304,781.81</b>	<b>\$ 1,029,461.19</b>	<b>\$</b>	
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>							
Detail:							
Salaries and Wages	\$ 7,307,050.00	\$	7,342,250.00	\$ 6,849,127.38	\$ 493,122.62	\$	
Other Expenses	6,040,693.00		5,991,993.00	5,455,654.43	536,338.57		
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</b>							
Statutory Expenditures:							
Contribution to Public Employee's Retirement System	\$ 399,500.00	\$	399,500.00	\$ 399,445.37	\$ 54.63	\$	
Social Security System (O.A.S.I.)	300,000.00		310,000.00	309,989.00	11.00		
Contribution to Police and Firemen's Retirement System	848,650.00		848,650.00	848,614.00	36.00		
State Unemployment System	8,000.00		8,000.00	480.00	7,520.00		
Contribution to Defined Contribution Plan	15,000.00		18,500.00	11,708.01	6,791.99		
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</b>	<b>\$ 1,571,150.00</b>	<b>\$</b>	<b>1,584,650.00</b>	<b>\$ 1,570,236.38</b>	<b>\$ 14,413.62</b>	<b>\$</b>	
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>\$ 14,918,893.00</b>	<b>\$</b>	<b>14,918,893.00</b>	<b>\$ 13,875,018.19</b>	<b>\$ 1,043,874.81</b>	<b>\$</b>	
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>							
Maintenance of Free Public Library	\$ 808,412.92	\$	808,412.92	\$ 744,193.86	\$ 64,219.06	\$	
Authority-Service Charges-MCUA	1,252,000.00		1,252,000.00	1,154,037.12	97,962.88		
Recycling Tax	14,000.00		14,000.00	14,000.00			
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>	<b>\$ 2,074,412.92</b>	<b>\$</b>	<b>2,074,412.92</b>	<b>\$ 1,912,230.98</b>	<b>\$ 162,181.94</b>	<b>\$</b>	

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF METUCHEN  
CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENT</u>					
Township of Edison - Animal Control	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 33.56	
County of Middlesex Health Service Contract	55,200.00	55,200.00	55,166.44	4,952.94	
County of Middlesex Library Consortium	33,000.00	33,000.00	28,047.06		
<b>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENT</b>	<b>\$ 108,200.00</b>	<b>\$ 108,200.00</b>	<b>\$ 103,213.50</b>	<b>\$ 4,986.50</b>	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
County Cultural Arts Program	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$	
Recycling Tonnage Grant	15,322.73	15,322.73	15,322.73		
DOT Grove Avenue Bike Lane	307,000.00	307,000.00	307,000.00		
Body Armor Grant	2,934.10	2,934.10	2,934.10		
Clean Communities (40A:4-87 + \$25,373.87)	28,150.82	53,524.69	53,524.69		
Pedestrian Safety (40A:4-87 + \$33,000.00)	9,240.00	42,240.00	42,240.00		
Cops In Shops (40A:4-87 + \$3,520.00)		3,520.00	3,520.00		
Drive Sober (40A:4-87 + \$6,000.00)		6,000.00	6,000.00		
Bulletproof Vests (40A:4-87 + \$2,430.36)		2,430.36	2,430.36		
Middlesex County Census (40A:4-87 + \$15,000.00)		15,000.00	15,000.00		
ALA Plagoogle (40A:4-87 + \$2,000.00)		2,000.00	2,000.00		
ANJEC Open Space Partnership (40A:4-87 + \$1,500.00)		1,500.00	1,500.00		
<b>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>	<b>\$ 368,147.65</b>	<b>\$ 456,971.88</b>	<b>\$ 456,971.88</b>	<b>\$</b>	
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>	<b>\$ 2,550,760.57</b>	<b>\$ 2,639,584.80</b>	<b>\$ 2,472,416.36</b>	<b>\$ 167,168.44</b>	
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>					
Capital Improvement Fund	\$ 110,000.00	\$ 110,000.00	\$ 110,000.00	\$	
<b>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>	<b>\$ 110,000.00</b>	<b>\$ 110,000.00</b>	<b>\$ 110,000.00</b>	<b>\$</b>	
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 2,967,000.00	\$ 2,967,000.00	\$ 2,967,000.00	\$	
Payment of Note Principal	43,000.00	43,000.00	43,000.00		
Interest on Notes	43,500.00	43,500.00	43,413.98		
Interest on Bonds	285,100.00	285,100.00	285,100.00		
<b>TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</b>	<b>\$ 3,338,600.00</b>	<b>\$ 3,338,600.00</b>	<b>\$ 3,338,513.98</b>	<b>\$ 86.02</b>	

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF METUCHEN

CURRENT FUND

STATEMENT OF EXPENDITURES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
<b>DEFERRED CHARGES</b>	\$	9,900.00	\$	9,900.00	\$	
Emergency Authorizations						
Deferred Charges To Future Taxation		3,155.00		3,155.00		
<b>TOTAL DEF. CHARGES - MUNI - EXCLUD. FROM "CAPS"</b>	\$	13,055.00	\$	13,055.00	\$	
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</b>	\$	6,012,415.57	\$	6,101,239.80	\$	167,168.44
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	\$	20,931,308.57	\$	21,020,132.80	\$	1,211,043.25
<b>RESERVE FOR UNCOLLECTED TAXES</b>	\$	1,325,161.39	\$	1,325,161.39	\$	
<b>TOTAL GENERAL APPROPRIATIONS</b>	\$	22,256,469.96	\$	22,345,294.19	\$	1,211,043.25
REF.		A-2-A-3		A-1		A-A-1
Budget	\$		\$	22,256,469.96		
Amendment - NJSA 40A: 4-87				88,824.23		
	\$		\$	22,345,294.19		
Reserve for Uncollected Taxes			\$	1,325,161.39		
Accounts Payable				473,900.96		
Reserve for Grants Appropriated				456,971.88		
Disbursements				18,868,230.69		
Deferred Charges				9,900.00		
	\$		\$	21,134,164.92		86.02

The accompanying Notes to the Financial Statements are an integral part of this statement.



TRUST FUND

"B"

## BOROUGH OF METUCHEN

## TRUST FUND

## BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2020	BALANCE DECEMBER 31, 2019
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 6,442.67	\$ 1,723.79
	B	\$ <u>6,442.67</u>	\$ <u>1,723.79</u>
Other Funds:			
Cash	B-1	\$ 3,391,961.93	\$ 3,131,141.81
Due Current Fund	B-19	214,356.20	46,212.77
Community Development Block Grants Receivable	B-8	179,211.98	117,416.98
	B	\$ <u>3,785,530.11</u>	\$ <u>3,294,771.56</u>
<u>TOTAL ASSETS</u>	B	\$ <u>3,791,972.78</u>	\$ <u>3,296,495.35</u>
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-3	\$ 6,150.57	\$ 1,639.49
Reserve for Accounts Payable	B-18	277.70	84.30
Due State of New Jersey	B-6	14.40	
	B	\$ <u>6,442.67</u>	\$ <u>1,723.79</u>
Other Funds:			
Reserve for:			
Trust Other	B-5	\$ 1,834,724.44	\$ 1,348,891.39
Payroll Deductions Payable	B-12	93,754.31	102,259.35
COAH	B-9	557,624.49	617,362.26
Recreation	B-13	134,857.74	139,836.29
Unemployment	B-7	29,915.97	19,624.26
Police Outside Overtime	B-11	124,164.37	122,431.87
Law Enforcement	B-14	1,819.91	1,815.82
Developers Escrow	B-10	803,629.22	765,860.15
Forfeiture	B-15	81,858.93	46,237.53
Equitable Sharing Forfeiture	B-17	30,757.36	30,301.13
Election	B-4	1,617.23	1,612.32
Fire Penalties	B-16	1,888.27	1,884.02
Accounts Payable	B-2	88,917.87	96,655.17
	B	\$ <u>3,785,530.11</u>	\$ <u>3,294,771.56</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	B	\$ <u>3,791,972.78</u>	\$ <u>3,296,495.35</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL CAPITAL FUND

"C"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 1,415,005.77	\$ 2,146,929.27
Deferred Charges to Future Taxation:			
Funded	C-4	5,695,000.00	8,662,000.00
Unfunded	C-5	8,733,049.00	3,237,604.00
Interfunds Receivable	C-14	1,413,184.74	
Grants Receivable	C-9	1,182,854.76	1,194,106.01
		<u>\$ 18,439,094.27</u>	<u>\$ 15,240,639.28</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-11	\$ 5,695,000.00	\$ 8,662,000.00
Bond Anticipation Notes Payable	C-13	4,693,049.00	3,294,449.00
Contracts Payable	C-7	2,107,734.07	2,183,640.36
Capital Improvement Fund	C-8	15,265.00	11,665.00
Reserve for Capital Improvements	C-6	1,836,126.44	426,096.70
Improvement Authorizations:			
Funded	C-10	80,101.57	117,259.33
Unfunded	C-10	3,941,663.56	475,374.26
Fund Balance	C-1	70,154.63	70,154.63
		<u>\$ 18,439,094.27</u>	<u>\$ 15,240,639.28</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

STATEMENT OF CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
Balance, January 1	C	\$ 70,154.63	\$ 49,999.36
Increased by:			
Improvement Authorizations Canceled			<u>20,155.27</u>
Balance, December 31	C	\$ <u>70,154.63</u>	\$ <u>70,154.63</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

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SWIMMING POOL UTILITY FUND

"D"

BOROUGH OF METUCHEN  
SWIMMING POOL UTILITY FUND  
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>ASSETS</u>			
Operating Fund:			
Cash	D-5	\$ 143,272.07	\$ 277,429.25
Interfunds Receivable	D-18	27.53	39.28
		<u>\$ 143,299.60</u>	<u>\$ 277,468.53</u>
Capital Fund:			
Cash	D-5	\$ 13,332.82	\$ 20,844.57
Fixed Capital	D-13	1,095,731.00	1,095,731.00
Fixed Capital Authorized and Uncompleted	D-6	411,000.00	411,000.00
		<u>\$ 1,520,063.82</u>	<u>\$ 1,527,575.57</u>
		<u>\$ 1,663,363.42</u>	<u>\$ 1,805,044.10</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-7	\$ 6,499.80	\$ 54,621.99
Accounts Payable	D-10	22,483.58	3,991.66
Accrued Interest Payable	D-11	1,660.21	1,535.11
Fund Balance	D-2	112,656.01	217,319.77
		<u>\$ 143,299.60</u>	<u>\$ 277,468.53</u>
Capital Fund:			
Improvement Authorizations:			
Unfunded	D-8	\$ 2,630.83	\$ 12,630.83
Contracts Payable	D-20	2,500.00	
Interfunds Payable	D-19	27.53	39.28
Bonds Payable	D-14	140,000.00	160,000.00
Bond Anticipation Notes Payable	D-17	103,300.00	107,150.00
Reserve for Amortization	D-12	1,095,531.00	1,095,531.00
Deferred Reserve for Amortization	D-16	167,300.00	143,450.00
Capital Improvement Fund	D-9	8,338.46	8,338.46
Fund Balance	D-1	436.00	436.00
		<u>\$ 1,520,063.82</u>	<u>\$ 1,527,575.57</u>
		<u>\$ 1,663,363.42</u>	<u>\$ 1,805,044.10</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.



BOROUGH OF METUCHEN

SWIMMING POOL CAPITAL UTILITY FUND

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>REF.</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
Balance, January 1	D	\$ <u>436.00</u>	\$ <u>436.00</u>
Balance, December 31	D	\$ <u><u>436.00</u></u>	\$ <u><u>436.00</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGE IN OPERATING FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>REF.</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	D-2: D-3	\$ 160,590.00	\$ 60,000.00
Membership and Guest Fees			364,514.00
Non-budget Revenue	D-3	669.39	30,432.61
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-7	<u>55,256.85</u>	<u>82,803.29</u>
		<u>\$ 216,516.24</u>	<u>\$ 537,749.90</u>
<u>TOTAL INCOME</u>			
<u>EXPENDITURES</u>			
Operating	D-4	\$ 130,000.00	\$ 359,950.00
Debt Service	D-4	29,340.00	30,550.00
Deferred Charges and Statutory Expenditures	D-4	<u>1,250.00</u>	<u>14,500.00</u>
		<u>\$ 160,590.00</u>	<u>\$ 405,000.00</u>
<u>TOTAL EXPENDITURES</u>			
Excess in Revenue		\$ 55,926.24	\$ 132,749.90
<u>Fund Balance</u>			
Balance, January 1	D	<u>217,319.77</u>	<u>144,569.87</u>
		<u>\$ 273,246.01</u>	<u>\$ 277,319.77</u>
Less:			
Fund Balance Utilized	D-2	<u>160,590.00</u>	<u>60,000.00</u>
Balance, December 31	D	<u>\$ 112,656.01</u>	<u>\$ 217,319.77</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF METUCHEN  
SWIMMING POOL UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Fund Balance Utilized	D-2	\$ <u>160,590.00</u>	\$ <u>160,590.00</u>	\$ _____
		\$ <u>160,590.00</u>	\$ <u>160,590.00</u>	\$ _____
	<u>REF.</u>	D-4		
Non-Budget Revenue	D-2:D-5		\$ <u>669.39</u>	
			\$ <u>161,259.39</u>	

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Operating:				
Salaries and Wages	\$ 30,000.00	\$ 20,000.00	\$ 16,140.02	\$ 3,859.98
Other Expenses	100,000.00	110,000.00	107,360.18	2,639.82
<u>Total Operating</u>	<u>\$ 130,000.00</u>	<u>\$ 130,000.00</u>	<u>\$ 123,500.20</u>	<u>\$ 6,499.80</u>
Debt Service:				
Principal on Bonds	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$
Interest on Bonds	4,075.00	4,075.00	4,075.00	
Payment of Notes	3,850.00	3,850.00	3,850.00	
Interest on Notes	1,415.00	1,415.00	1,415.00	
<u>Total Debt Service</u>	<u>\$ 29,340.00</u>	<u>\$ 29,340.00</u>	<u>\$ 29,340.00</u>	<u>\$</u>
Statutory Expenditures:				
Public Employees Retirement System	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$
<u>Total Statutory Expenditures</u>	<u>\$ 1,250.00</u>	<u>\$ 1,250.00</u>	<u>\$ 1,250.00</u>	<u>\$</u>
	\$ 160,590.00	\$ 160,590.00	\$ 154,090.20	\$ 6,499.80
REF.	D-3			D:D-2
Disbursements			\$ 128,116.62	
Accrued Interest			5,490.00	
Accounts Payable			20,483.58	
D-2			\$ 154,090.20	

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF METUCHEN

STATEMENT OF GENERAL FIXED ASSETS

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2020</u>	BALANCE DECEMBER <u>31, 2019</u>
Fixed Assets:		
Land	\$ 12,195,500.00	\$ 11,895,500.00
Buildings and Improvements	6,531,600.00	6,131,600.00
Machinery and Equipment	<u>10,375,772.96</u>	<u>9,637,576.39</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 29,102,872.96</u>	<u>\$ 27,664,676.39</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 29,102,872.96</u>	<u>\$ 27,664,676.39</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF METUCHEN

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020 AND 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Metuchen is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Metuchen include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Metuchen, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Metuchen do not include the operations of the municipal library or regional and local boards of education, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Metuchen conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Metuchen are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Borough accounts for its financial transactions through the following individual funds and account groups:



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including grant funds.

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

General Capital Fund - receipts and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Swimming Pool Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned swimming pool.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and State grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amount that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31<sup>st</sup> of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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

General Fixed Assets - N.J.A.C. 5:30-5.6 Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued) - Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of the purchase and are not capitalized in their own respective funds. The Borough has valued its land and buildings at assessed values. GAAP requires capital assets to be recorded at their historical cost or estimated historical cost. Additionally, GAAP requires depreciation to be calculated on capital assets, with the exception of land.

General Fixed Assets that have been acquired and that are utilized in the Current and General Capital Funds are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported in the financial statements.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Fixed Capital - Swim Pool Utility - Accounting for utility fund "fixed capital" is done in compliance with N.J.A.C. 5:30-5.6. Property and equipment purchased by the Swim Pool Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized.

The balance in the Reserve for Amortization account in the utility capital fund represents changes to operations for the cost of acquisitions of property, equipment, and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions - In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

GASB approved Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued) - Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Assets area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, and cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Under GUDPA, if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Borough of Metuchen had the following cash and cash equivalents at December 31, 2020:

<u>Fund</u>	<u>Cash In Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current Fund	\$ 10,437,771.61	\$ 54,172.71	\$ 10,491,944.32
Animal Control Trust Fund	6,508.27	(65.60)	6,442.67
Trust Other Fund	3,544,225.25	(152,263.32)	3,391,961.93
General Capital Fund	2,002,340.54	(587,334.77)	1,415,005.77
Swim Pool Utility Operating Fund	147,248.77	(3,976.70)	143,272.07
Swim Pool Utility Capital Fund	13,844.48	(511.66)	13,332.82
<u>Total</u>	<u>\$ 16,151,938.92</u>	<u>\$ (689,979.34)</u>	<u>\$ 15,461,959.58</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2020, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance in the bank was exposed to custodial credit risk. Of the cash balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$15,651,903.90 was covered by NJGUDPA. The New Jersey Cash Management Fund is an investment pool and is not insured by either FDIC or GUDPA. The Borough has \$35.02 in the New Jersey Cash Management Fund.

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

NOTE 2: CASH AND CASH EQUIVALENT (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by local units.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Metuchen's investment activities during the year were in accordance with the above New Jersey Statute.

As of December 31, 2020, the Borough has \$35.02 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.



NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, are included in the below Summary of Municipal Debt and Summary of Statutory Debt Condition Annual Debt Statement:

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
Issued:			
General:			
Bonds and Notes	\$ 10,388,049.00	\$ 11,956,449.00	\$ 15,171,665.00
Swim Pool:			
Bonds and Notes	<u>243,300.00</u>	<u>267,150.00</u>	<u>291,000.00</u>
Debt Issued	<u>\$ 10,631,349.00</u>	<u>\$ 12,223,599.00</u>	<u>\$ 15,462,665.00</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ 4,100,000.00	\$ 3,155.00	\$ 3,155.00
Swim Pool			
Bonds and Notes	<u>600.00</u>	<u>600.00</u>	<u>600.00</u>
Total Authorized But Not Issued	<u>\$ 4,100,600.00</u>	<u>\$ 3,755.00</u>	<u>\$ 301,400.00</u>
Total Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 14,731,949.00</u>	<u>\$ 12,227,354.00</u>	<u>\$ 17,161,250.00</u>

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.609%:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 12,005,000.00	\$ 12,005,000.00	\$
Swim Pool Utility Debt	243,900.00		243,900.00
General Debt	<u>14,488,049.00</u>		<u>14,488,049.00</u>
	<u>\$ 26,736,949.00</u>	<u>\$ 12,005,000.00</u>	<u>\$ 14,731,949.00</u>

Net debt \$14,731,949.00 divided by equalized valuation basis per N.J.S. 40A:2-2, \$2,417,611,281.33 equals 0.609%

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

Equalized Valuation Basis - December 31, 2020	\$ <u>2,417,611,281.33</u>
3 1/2% of Equalized Valuation Basis	\$ 84,616,394.85
Net Debt	<u>14,731,949.00</u>
Remaining Borrowing Power	\$ <u>69,884,445.85</u>

Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements and the assessed valuation of Class II railroad property of the Borough of Metuchen for the last three (3) preceding years.

LONG-TERM DEBT

General Serial Bonds:

\$8,402,000.00 General Improvement Bonds of 2014 due in annual installments of \$440,000.00 to \$880,000.00 with interest from 2% to 3%	\$ 5,695,000.00
\$258,000.00 Pool Utility Bonds of 2014 due in annual installments of \$18,000.00 to \$20,000.00 with interest from 2% to 3%	<u>140,000.00</u>
	\$ <u>5,835,000.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2020, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 4,100,000.00
Swim Pool Capital Fund	<u>600.00</u>
Total	\$ <u>4,100,600.00</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SWIMMING POOL UTILITY  
PER N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year and Anticipated Surplus	\$ 161,258.45
<u>Deductions:</u>	
Operation and Maintenance	\$ 212,785.88
Debt Service	<u>29,340.00</u>
Total Deductions	<u>242,125.88</u>
Excess/(Deficit) in Revenue - Self- Liquidating/(Not Self Liquidating)	\$ <u>(80,867.43)</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING

<u>Year</u>	<u>General Capital</u>		<u>Swim Pool Utility Capital</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	\$ 755,000.00	\$ 150,387.50	\$ 20,000.00	\$ 3,675.00	\$ 929,062.50
2022	775,000.00	133,400.00	20,000.00	3,225.00	931,625.00
2023	790,000.00	115,962.50	20,000.00	2,775.00	928,737.50
2024	810,000.00	97,200.00	20,000.00	2,300.00	929,500.00
2025	830,000.00	76,950.00	20,000.00	1,800.00	928,750.00
2026	855,000.00	52,050.00	20,000.00	1,200.00	928,250.00
2027	880,000.00	26,400.00	20,000.00	600.00	927,000.00
<b>Total</b>	<b>\$5,695,000.00</b>	<b>\$652,350.00</b>	<b>\$140,000.00</b>	<b>\$15,575.00</b>	<b>\$6,502,925.00</b>

In accordance with NJSA 40A:2-8.1, a local unit may, in anticipation of the issuance of bonds, borrow money and issue notes if the bond ordinance or subsequent resolution so provides. Any such note shall be designated as a "bond anticipation note" and shall be subject to the following provisions:

- (1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;
- (2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and
- (3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

The Borough had the following outstanding bond anticipation note(s) at year end:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	0.46%	9/27/2021	\$ 4,693,049.00
Swim Pool Capital	0.46%	9/27/2021	103,300.00

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance, at December 31, 2020, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2020, was \$1,375,000.00 for the Current Fund and \$50,000.00 for the Swim Pool Utility Operating Fund.

NOTE 5: PROPERTY TAXES

Property Taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Local High School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	Balance December <u>31, 2020</u>	Balance December <u>31, 2019</u>
Prepaid Taxes	\$ <u>481,672.48</u>	\$ <u>512,950.65</u>

NOTE 6: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 6: PENSION PLANS

Vesting and Benefit Provisions (Continued)

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2020, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2020, the State contributed an amount less than the actuarially determined amount. During 2020, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Borough's share of pension, which is based upon the annual billings received from the State, amounted to \$1,261,017.38 for 2020, \$1,231,647.22 for 2019, and \$1,132,582.10 for 2018.

Certain Borough employees are also covered by the Federal Insurance Contribution Act.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 “Accounting and Financial Reporting for Public Employees Pensions” which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen’s Retirement System (PFRS) of the participating municipality as of December 31, 2020. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year’s budget and no liability is accrued at December 31, 2020.

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$6,605,630.00 for the Borough’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough’s proportion of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Borough’s proportion was 0.0405069863 percent, which was an increase of 0.0014610443 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$193,523.00 for the Borough’s proportionate share of the total pension expense. The pension expense recognized in the Borough’s financial statements based on the April 1, 2020 billing was \$379,802.00.



NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 120,278.00	\$ 23,360.00
Changes of assumptions	214,294.00	2,765,840.00
Net difference between projected and actual earnings on pension plan investments	225,786.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>403,205.00</u>	<u>114,581.00</u>
	<u>\$ 963,563.00</u>	<u>\$ 2,903,781.00</u>

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended <u>June 30,</u>	<u>Amount</u>
2021	(\$771,161.20)
2022	(697,967.20)
2023	(374,134.20)
2024	(116,911.20)
2025	<u>19,955.80</u>
	<u>(\$1,940,218.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

	<u>June 30, 2020</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.00-6.00%
Thereafter	3.00-7.00%
	Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the Borough's proportionate share of net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$8,315,386.00	\$6,605,630.00	\$5,154,855.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$10,760,899.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

At June 30, 2020, the Borough’s proportion was 0.0832801891 percent, which was an increase of 0.0030956031 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$868,033.00. The pension expense recognized in the Borough’s financial statements based on the April 1, 2020 billing was \$809,953.00.

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 108,488.00	\$ 38,620.00
Changes of assumptions	27,080.00	2,884,933.00
Net difference between projected and actual earnings on pension plan investments	630,962.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>843,575.00</u>	<u>121,835.00</u>
	<u>\$ 1,610,105.00</u>	<u>\$ 3,045,388.00</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		<u>Amount</u>
<u>June 30</u>		
2021	\$	(862,260.00)
2022		(534,990.00)
2023		(132,215.00)
2024		39,872.00
2025		<u>54,310.00</u>
	\$	<u>(1,435,283.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

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

	<u>June 30, 2020</u>
Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	
Through All Future Years	3.25-15.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2020 are summarized in the following table:

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$14,309,780.00	\$10,760,899.00	\$7,813,281.00



NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At June 30, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,670,042.00 and \$1,549,467.00, respectively.

At June 30, 2020, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$10,760,899.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,670,042.00</u>
	<u>\$12,430,941.00</u>

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

**NOTE 7: COMPENSATED ABSENCES**

Under the terms of various contracts, employees are compensated for unused sick and vacation time. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements. The Borough appropriates annually the amount required to be paid in that year's budget, if applicable, and no liability is accrued at December 31, 2020.

**NOTE 8: DEFERRED COMPENSATION PLAN**

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the Plan are held by an independent administrator, the Equitable Life Assurance Society of the United States (the "Equitable").

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities. The Borough's Deferred Compensation Plan is fully contributory and the Borough has no liabilities in conjunction with the plan.

**NOTE 9: LITIGATION**

The Borough's Attorney's letters did not indicate any litigation, claims or contingent liabilities which would materially affect the financial statements of the Borough.

**NOTE 10: TAX APPEALS**

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2020. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from current tax revenues, through the establishment of a reserve, or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Borough has a reserve of \$82,893.22 at December 31, 2020.

NOTE 11: CONTINGENT LIABILITIES

The Borough participated in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2020, the Borough does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough maintains insurance coverage through the Middlesex County Joint Insurance Fund (JIF) covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. Below is a summary of Borough's contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Interest on Deposits</u>	<u>Municipal and Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 52.57	\$ 27,283.86	\$ 17,044.72	\$ 29,915.97
2019	337.64	18,400.62	36,601.80	19,624.26
2018	277.21	25,694.75	25,506.84	37,487.80

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" which is effective for fiscal years beginning after June 15, 2017. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Single Employer Plan

Plan Description

The Borough's defined benefit OPEB plan, Borough of Metuchen Post-Employment Healthcare Plan (the Plan), provides OPEB for all employees of the Borough and their eligible dependents in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Borough. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Summary of Benefits

The Plan provides retirees and their eligible dependents medical and prescription benefits provided that they have met the eligibility requirements contained in the Borough's various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	32
Inactive employees entitled to but not currently receiving benefits payments	20
Active employees	<u>45</u>
	<u>97</u>

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Single Employer Plan (Continued)

Contributions

The contribution requirements of the Borough and Plan members are established and maybe be amended by the Borough’s governing body.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical and prescription coverage in accordance with the provisions set forth under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Borough’s plan document, ranging from 3.5% to 35%.

Total OPEB Liability

The Borough’s total OPEB liability of \$39,552,760 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation 2.5%

Salary Increases 2.5%

Healthcare cost trend rates:

<u>Year</u>	Medical (Decreasing .10% <u>per year</u> )	Prescription Drugs (Decreasing .05%/1.0% <u>per year</u> )
2020	5.6%	9.0%
Ultimate Rate (2026 and later years)	5.00%	5.00%

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Single Employer Plan (Continued)

Actuarial Assumptions (Continued)

Mortality

RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2020–December 31, 2020.

Discount Rate

The discount rate for unfunded plans should be the single rate that reflects a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAA or higher (or an equivalent quality on another scale). The plan is currently unfunded. We used the “Bond Buyers 20 Index” to establish a discount rate of 2.12% as of December 31, 2020.

Changes in the Total OPEB Liability:

	Total OPEB <u>Liability</u>
Balance at 12/31/19	\$36,639,536.00
Changes for the year:	
Service Cost	357,374.00
Interest Cost	1,002,855.00
Difference Between Expected and Actual Experience	467,745.00
Change in Assumptions	1,877,971.00
Benefit Payments	<u>(792,721.00)</u>
Net Change in OPEB Liability	<u>\$2,913,224.00</u>
Balance at 12/31/20	<u><u>\$39,552,760.00</u></u>

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan (Continued)

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12 percent) or 1-percentage point higher (3.12 percent) than the current discount rate:

	December 31, 2020		
	<u>1.00% Decrease (1.12)</u>	<u>At Discount Rate (2.12)</u>	<u>1.00% Increase (3.12%)</u>
Total OPEB Liability	\$42,965,948.00	\$39,552,760.00	\$36,719,795

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates

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

	December 31, 2020		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Total OPEB	\$36,291,346.00	\$39,552,760.00	\$43,469,541.00

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

For the year ended December 31, 2020, the actuarially determined OPEB expense reflected in the Plan report was \$2,018,635. The OPEB expense recognized in the Borough's financial statement based on actual billing was \$792,721.00.

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52: 14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Special Funding Situation

The Borough, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.



NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation (Continued)

Special Funding Situation (Continued)

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net Net OPEB Liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

At June 30, 2019 and 2018, the State's proportionate share of the net OPEB liability attributable to the Borough for the special funding situation is \$5,560,586.00 and \$6,250,693.00 respectively.

At June 30, 2019, the Borough's and State of New Jersey's proportionate share of the OPEB liability were as follows:

Borough's proportionate share of the OPEB liability	\$ - 0 -
State of New Jersey's proportionate share of OPEB liability associated with the Borough	<u>5,560,586.00</u>
	<u><u>\$5,560,586.00</u></u>

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 14: DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, the following deferred charges are shown:

	Balance December 31, <u>2020</u>	2021 <u>Budget</u>
Current Fund	\$9,900.00	\$ 9,900.00

NOTE 15: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through September 3, 2021 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that the following subsequent event needed to be disclosed:

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 20,001.47	\$ 1,627,540.94
Trust Other Fund		20,001.47
Trust Other Fund	214,356.20	
General Capital Fund	1,413,184.74	
Swim Pool Utility Operating Fund	27.53	
Swim Pool Utility Capital Fund	<u>                                </u>	<u>27.53</u>
	<u>\$ 1,647,569.94</u>	<u>\$ 1,647,569.94</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

BOROUGH OF METUCHEN  
SUPPLEMENTARY SCHEDULES – ALL FUNDS  
YEAR ENDED DECEMBER 31, 2020

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF CASH-TREASURER

REF.		CURRENT FUND	GRANT FUND
A	Balance, December 31, 2019	\$ 9,266,759.92	\$ 42,168.51
A-6	Increased by Receipts:		
A-22:A-24	Taxes Receivable	\$ 66,396,322.62	\$
A-15	Interfunds	1,581,328.17	20,001.47
A-10	Tax Overpayments	144,321.76	
A-7	Prepaid Taxes	481,672.48	
A-2	State of New Jersey-Senior Citizens Deductions	57,906.85	
A-20	Miscellaneous Revenue Not Anticipated	477,076.24	
A-18	Various Reserves	60,550.57	
A-16	Grants Receivable		266,516.48
A-8	Grants Unappropriated		17,851.43
	Revenue Accounts Receivable	4,135,767.44	
		\$ 73,334,946.13	\$ 304,369.38
		\$ 82,601,706.05	\$ 346,537.89
A-3	Decreased by Disbursements:		
A-9	Appropriations	\$ 18,868,230.69	\$
A-19	Appropriation Reserves	2,051,884.26	
A-13	Accounts Payable	32,844.49	
A-12	Local District School Taxes	41,069,544.00	
A-22	County Taxes	9,751,070.15	
A-23	Interfunds	20,001.47	
A-1	Special Improvement District Taxes	225,000.00	
A-15	Budget Operations	5,428.81	
A-20	Tax Overpayments	24,687.69	
A-17	Various Reserves	61,070.17	
	Grants Appropriated		346,537.89
A	Balance, December 31, 2020	\$ 10,491,944.32	\$

BOROUGH OF METUCHEN  
CURRENT FUND  
SCHEDULE OF PETTY CASH

REF.

Balance, December 31, 2019 and December 31, 2020	A	\$ <u>1,200.00</u>
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ANALYSIS OF BALANCE:

Finance	\$ 300.00
Police	450.00
Public Works	300.00
Library	<u>150.00</u>
	\$ <u>1,200.00</u>

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2019	LEVY & ADDED	COLLECTIONS 2019	COLLECTIONS 2020	TRANSFERRED TO LIENS	CANCELED	BALANCE DECEMBER 31, 2020
Prior	\$ 615,004.40	\$	\$	601,197.16	\$	\$	13,807.24
2020		66,964,892.88	512,950.65	65,859,008.46	8,372.91	14,577.58	569,983.28
	\$ 615,004.40	\$ 66,964,892.88	\$ 512,950.65	\$ 66,460,205.62	\$ 8,372.91	\$ 14,577.58	\$ 583,790.52

REF.	A	A-2-A-10	A-2	A-11	A
Cash					
Overpayments Applied			\$ 66,396,322.62		
State Share of Senior Citizens and Veterans Deductions			5,146.01		
			58,736.99		
			\$ 66,460,205.62		

ANALYSIS OF 2020 PROPERTY TAX LEVY

TAX YIELD:							
General Purpose Tax							\$ 66,964,892.88
TAX LEVY:							
Local District School Tax							
County Taxes:							
County Tax							
County Open Space Preservation Tax							
County Taxes Added and Omitted							
							9,751,070.15
Local Tax for Municipal Purposes							
Local Tax for Library Purposes							
Special Improvement District Tax							
Add: Additional Tax Levied							
Local Tax for Municipal Purposes Levied							16,144,278.73
							\$ 66,964,892.88

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY  
CHAPTER 73, P.L. 1976

	<u>REF.</u>		
Balance, December 31, 2019 (Due From)	A		\$ 34,484.87
Increased by:			
Deductions Per Tax Billings	A-7	\$ 59,375.00	
Deductions Allowed By Collector	A-7	<u>1,750.00</u>	
			\$ <u>61,125.00</u>
			\$ <u>95,609.87</u>
Decreased by:			
Received in Cash From State	A-4	\$ 57,906.85	
Senior Citizens Deductions Disallowed By Collector	A-7	<u>2,388.01</u>	
			<u>60,294.86</u>
Balance, December 31, 2020 (Due From)	A		\$ <u><u>35,315.01</u></u>

ANALYSIS OF STATE SHARE OF 2020 SENIOR  
CITIZENS AND VETERANS DEDUCTIONS

Deductions Per Tax Billing	A-7	\$ 59,375.00	
Deductions Allowed By Collector	A-7	<u>1,750.00</u>	
			\$ 61,125.00
Less:			
Senior Citizens Deductions Disallowed	A-7		<u>2,388.01</u>
	A-6		\$ <u><u>58,736.99</u></u>

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2019</u>	<u>ACCRUED</u> <u>IN 2020</u>	<u>COLLECTED BY</u> <u>TREASURER</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2020</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	\$ 16,600.00	\$ 16,600.00	\$
Other	A-2		320.00	320.00	
Fees and Permits	A-2		37,767.00	37,767.00	
Interest and Costs on Taxes	A-2		150,552.26	150,552.26	
Interest on Investments and Deposits	A-2		43,690.58	43,690.58	
Construction Code Official	A-2		387,953.00	387,953.00	
Planning and Zoning:					
Fees and Permits	A-2		22,485.00	22,485.00	
Sidewalk Inspections:					
Fees and Permits	A-2		2,950.00	2,950.00	
Engineering:					
Fees and Permits	A-2		286.00	286.00	
Board of Health:					
Other Licenses	A-2		8,265.00	8,265.00	
Municipal Court:					
Fines and Costs	A-2	35,667.46	197,331.12	224,621.80	8,376.78
Police:					
Fees and Permits	A-2		1,871.00	1,871.00	
Parking Meters	A-2		125,891.20	125,891.20	
Cable TV Franchise Fees	A-2		59,798.00	59,798.00	
Energy Receipts Tax	A-2		1,448,955.00	1,448,955.00	
Uniform Fire Safety	A-2		45,903.67	45,903.67	
Senior Housing Service Charge	A-2		29,509.00	29,509.00	
Prior Year Parking Authority	A-2		1,000,000.00	1,000,000.00	
Parking Authority	A-2		500,000.00	500,000.00	
Sewer Service Charge	A-2		28,348.93	28,348.93	
		<u>\$ 35,667.46</u>	<u>\$ 4,108,476.76</u>	<u>\$ 4,135,767.44</u>	<u>\$ 8,376.78</u>
	<u>REF.</u>	<u>A</u>		<u>A-4</u>	<u>A</u>



BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2019	TRANSFERS AND PRIOR ACCOUNTS PAYABLE	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<b>SALARIES AND WAGES:</b>					
Administrative and Executive	\$ 3,769.25	\$	\$ 3,769.25	\$	\$ 3,769.25
Mayor and Council	5,686.56		5,686.56		5,686.56
Clerk	69.26		69.26		69.26
Financial Administration	3,157.94		3,157.94		3,157.94
Assessment of Taxes	41.09		41.09		41.09
Public Works Administration	16.66		16.66		16.66
Forestry	27,915.40		27,915.40	6,577.68	21,337.72
Public Buildings and Grounds	13,358.21		13,358.21	2,172.59	11,185.62
Planning Board	23.00		23.00		23.00
Zoning Board of Adjustments	83.20		83.20		83.20
Fire Department	5,375.15		5,375.15	276.00	5,099.15
Police	181,814.73		181,814.73	2,340.34	179,474.39
Auxiliary	0.05		0.05		0.05
Court	1,092.53		1,092.53	433.26	659.27
Streets & Roads	19,052.20		19,052.20	9,416.85	9,635.35
Sewers	16,136.39		16,136.39	3,873.30	12,263.09
Garbage & Trash	36,760.72		36,760.72	11,175.84	25,584.88
Health	46.00		46.00		46.00
Parks & Playgrounds	10,895.00		10,895.00	3,197.04	7,697.96
Senior Bus	842.89		842.89	160.52	682.37
Senior Center	60.36		60.36		60.36
METV	15,512.29		15,512.29		15,512.29
Construction	15,457.21		15,457.21	495.00	14,962.21
<b>OTHER EXPENSES:</b>					
Administrative and Executive	4,591.24	238,299.23	242,890.47	211,249.18	31,641.29
Mayor and Council	562.80		562.80		562.80
Municipal Clerk	1,204.72	7.72	1,212.44	7.72	1,204.72
Election	581.43		581.43		581.43
Financial Administration	12,884.35	4,471.75	17,356.10	2,208.25	15,147.85
Collection of Taxes	1,912.00	1,550.92	3,462.92	503.50	2,959.42
Assessment of Taxes	1,556.25	434.01	1,990.26	1,024.45	965.81
Legal Services and Costs	43,386.64	90,116.10	133,502.74	7,183.00	126,319.74
Prosecutor		2,083.37	2,083.37	2,083.33	0.04
Public Works	4,841.79	1,363.27	6,205.06	423.71	5,781.35
Forestry	2,454.48	2,281.89	4,736.37	2,281.10	2,455.27
Public Buildings and Grounds	19,957.89	39,101.68	59,059.57	13,532.08	45,527.49
Planning Board	4,093.13		4,093.13		4,093.13
Zoning Board of Adjustment	2,683.06	66.47	2,749.53	66.47	2,683.06
Fire Department	1,294.89	103,909.35	105,204.24	98,118.90	7,085.34
Fire Hydrant Service	1,970.92	26,919.09	28,890.01	26,919.09	1,970.92
Police	2,636.37	62,369.44	65,005.81	55,370.40	9,635.41
Auxiliary Police Department		7,799.00	7,799.00	7,799.00	
Emergency Management Services	1,707.99	1,774.10	3,482.09	1,779.10	1,702.99
Municipal Court	2,497.04	2,532.81	5,029.85	2,277.80	2,752.05
Streets and Road Maintenance	41,920.54	14,269.27	56,189.81	50,659.14	5,530.67
Sewer System	18,200.19	6,008.59	24,208.78	5,671.12	18,537.66
Garbage and Trash Removal	547.60	3,590.97	4,138.57	3,331.43	807.14
Recycling	21,607.88	11,497.88	33,105.76	21,609.28	11,496.48
Solid Waste Collection	545.07	23,542.12	24,087.19	23,542.12	545.07
Shade Tree	900.00		900.00		900.00
Board of Health	1,002.35	249.01	1,251.36		1,251.36
Recreation Services and Programs	190.22		190.22		190.22
Parks and Playgrounds	2,267.82	815.50	3,083.32	863.99	2,219.33
Senior Citizen Center	16.67	652.07	668.74	113.85	554.89
METV Cable	10,211.82	1,100.00	11,311.82	1,100.00	10,211.82
J.I.F.	8,216.00		8,216.00		8,216.00

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2019</u>	<u>TRANSFERS AND PRIOR ACCOUNTS PAYABLE</u>	<u>ADJUSTED BALANCE</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
<u>OTHER EXPENSES (CONTINUED):</u>					
Group Insurance	\$ 3,086.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 3,086.00
Other Insurance	287.33		2,468.90		307.81
Construction	30,934.73	2,181.57	2,468.90	2,161.09	10,906.89
Gasoline/Diesel	1,387.12	(4,661.66)	26,273.07	15,366.18	472.99
Telephone	37,908.75	721.65	2,108.77	1,635.78	29,608.75
Street Lighting	26,336.01	(8,300.00)	29,608.75		25,643.54
Utilities	3,744.02		26,336.01	692.47	3,744.02
DCRP	23,221.36		3,744.02		23,221.36
Social Security	34,661.62	41,805.01	23,221.36	76,466.63	
Library	44,319.12	58,300.00	76,466.63	102,580.84	38.28
MCUA	870.52	2,260.79	102,619.12	2,260.79	870.52
Animal Control	7,842.26		3,131.31	7,842.26	
SUI	15.28		7,842.26	15.28	15.28
County Health Service	1,408,934.00	16,878.99	15.28	1,425,812.99	
Purchase of Property			1,425,812.99		
<u>TOTAL</u>	<u>\$ 2,197,157.36</u>	<u>\$ 757,491.96</u>	<u>\$ 2,954,649.32</u>	<u>\$ 2,216,155.46</u>	<u>\$ 738,493.86</u>

REF.

A

A-19

A-1

Disbursements  
Accounts Payable

A-4  
A-19

\$ 2,051,884.26  
164,271.20

\$ 2,216,155.46

"A-10"

BOROUGH OF METUCHEN  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES

	<u>REF.</u>	
Balance, December 31, 2019	A	\$ 512,950.65
Increased by:		
Receipts	A-4	481,672.48
		<u>\$ 994,623.13</u>
Decreased by:		
Applied to Taxes Receivable	A-6	<u>512,950.65</u>
Balance, December 31, 2020	A	<u><u>\$ 481,672.48</u></u>

"A-11"

SCHEDULE OF TAX TITLE LIENS

Balance, December 31, 2019	A	\$ 128,562.55
Increased by:		
Transferred From Taxes Receivable	A-6	<u>8,372.91</u>
Balance, December 31, 2020	A	<u><u>\$ 136,935.46</u></u>

"A-12"

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

REF.

Increased by:		
Tax Levy	A-1:A-6	\$ <u>9,751,070.15</u>
Decreased by:		
Payments	A-4	\$ <u>9,751,070.15</u>

"A-13"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:		
Levy-Calendar Year	A-1:A-6	\$ <u>41,069,544.00</u>
Decreased by:		
Payments	A-4	\$ <u>41,069,544.00</u>

"A-14"

BOROUGH OF METUCHEN  
CURRENT FUND  
SCHEDULE OF FORECLOSED PROPERTY

	<u>REF.</u>	
Balance, December 31, 2019 and December 31, 2020	A	\$ <u>350,300.00</u>

"A-15"

SCHEDULE OF RESERVE FOR TAX OVERPAYMENTS

Balance, December 31, 2019	A	\$ 144,696.69
Increased by:		
Receipts	A-4	144,321.76
		\$ <u>289,018.45</u>
Decreased by:		
Refunds	A-4	\$ 24,687.69
Applied To Taxes Receivable	A-6	5,146.01
Canceled	A-1	<u>97,054.68</u>
		<u>126,888.38</u>
Balance, December 31, 2020	A	\$ <u>162,130.07</u>

BOROUGH OF METUCHEN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS UNAPPROPRIATED

	BALANCE DECEMBER 31, <u>2019</u>	<u>RECEIPTS</u>	APPLIED TO <u>RECEIVABLE</u>	BALANCE DECEMBER 31, <u>2020</u>
Pedestrian Safety Grant	\$ 9,240.00	\$	\$ 9,240.00	\$
Clean Communities	28,150.82		28,150.82	
DOT FHWA Safe Routes To Schools		<u>17,851.43</u>		<u>17,851.43</u>
	<u>\$ 37,390.82</u>	<u>\$ 17,851.43</u>	<u>\$ 37,390.82</u>	<u>\$ 17,851.43</u>
<u>REF.</u>	A	A-4	A-18	A

## BOROUGH OF METUCHEN

## GRANT FUND

## SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2019	APPROPRIATION	EXPENDED	BALANCE DECEMBER 31, 2020
2014 Alcohol Education and Rehab Fund	\$ 827.12	\$	\$ 827.12	\$
2015 DDEF	4,089.43		1,717.52	2,371.91
2015 Middlesex County History Grant	1,356.23			1,356.23
2015 Safe Routes to School	192,000.00		192,000.00	
2015 Alcohol Education and Rehab Fund	1,060.80		191.88	868.92
2016 Clean Communities	19,133.14		17,115.93	2,017.21
2017 DDEF	6,976.04			6,976.04
2017 Middlesex County History Grant	1,604.00			1,604.00
2017 Clean Communities	5,249.07			5,249.07
2017 NJ DOT Federal Highway Admin Safe Routes to School De	1,612.42			1,612.42
2018 Pedestrian Safety	3,300.00		2,475.00	825.00
2018 Alcohol Rehab	2,363.32			2,363.32
2018 Recycling Tonnage	1,011.58		1,011.58	
2018 Cops in Shops Summer 2018	220.00			220.00
2018 Cops in Shops Fall 2017-18	1,480.00			1,480.00
2018 Middlesex County Open Space Kentnor Park	68,528.75			68,528.75
2018 Clean Communities	16,346.67			16,346.67
2018 DDEF	5,022.44			5,022.44
2019 Municipal Alliance	14,888.01		10,570.79	4,317.22
2019 Recycling Tonnage	13,701.94		13,701.94	
2019 Middlesex County Capital-Arts	2,118,595.26		69,455.32	2,049,139.94
2019 Body Armor	1,386.37		1,386.37	
2019 DOT National Highway Safety	935.00			935.00
2019 Dept Law Public Safety Drive Sober	4,840.00			4,840.00
2019 DDEF	2,771.85			2,771.85
2019 Sustainable NJ	2,000.00			2,000.00
2019 DOT FHWA Safe Routes to Schools- Design	50,612.35			50,612.35
2020 Cops In Shops		3,520.00	3,300.00	220.00
2020 Drive Sober		6,000.00	4,370.00	1,630.00
2020 Pedestrian Safety		42,240.00		42,240.00
2020 Body Armor		2,934.10	2,069.92	864.18
2020 Federal Bulletproof Vests		2,430.36	2,430.36	
2020 Middlesex County Census		15,000.00	3,127.68	11,872.32
2020 ALA Plagoogle		2,000.00		2,000.00
2020 County Cultural Arts		5,500.00	5,500.00	
2020 ANJEC Open Space Stewardship		1,500.00		1,500.00
2020 Clean Communities		53,524.69		53,524.69
2020 Recycling Tonnage		15,322.73	15,286.48	36.25
2020 DOT Gove Ave Bike Lane		307,000.00		307,000.00
	<u>\$ 2,541,911.79</u>	<u>\$ 456,971.88</u>	<u>\$ 346,537.89</u>	<u>\$ 2,652,345.78</u>
REF.	A	A-3:A-18	A-4	A

BOROUGH OF METUCHEN

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2019	ACCRUED 2020	RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2020
2015 Middlesex County History Grant	\$ 1.00	\$		\$	1.00
2015 Middlesex County History Grant	2,138.00				2,138.00
2015 Safe Routes to School	192,000.00		192,000.00		5,000.00
2016 DHTS Drive Sober Pulled Over Holiday Crackdown	5,000.00				7,291.41
2017 NJ DOT Federal Highway Admin Safe Routes to School	7,291.41				303,225.75
2018 Middlesex County Open Space Kentor Park	303,225.75		12,500.78		2,589.52
2019 Municipal Alliance	15,090.30				1,250.00
2019 Middlesex County Cultural Arts	1,250.00				2,000,000.00
2019 Middlesex County Capital-Arts	2,000,000.00				3,300.00
2019 DOT National Highway Safety	3,300.00		4,070.00		1,430.00
2019 Dept. Law Public Safety Drive Sober	5,500.00				2,337.64
2019 DOT FHWA Safe Routes To Schools-Design	2,337.64				
2020 Cops In Shops		3,520.00	3,520.00		
2020 Drive Sober		6,000.00			
2020 Pedestrian Safety		33,000.00	2,420.00		
2020 Body Armor		2,934.10	2,934.10		
2020 Federal Bulletproof Vests		2,430.36			
2020 Middlesex County Census		15,000.00			
2020 ALA Plagoogle		2,000.00	2,000.00		
2020 County Cultural Arts		5,500.00	5,375.00		
2020 ANJEC Open Space Stewardship		1,500.00	1,000.00		
2020 Clean Communities		25,373.87	25,373.87		
2020 Recycling Tonnage		15,322.73	15,322.73		
2020 DOT Grove Ave Bike Lane		307,000.00		9,240.00	
2019 Pedestrian Safety		9,240.00		28,150.82	
2019 Clean Communities		28,150.82			
	\$ 2,537,134.10	\$ 456,971.88	\$ 266,516.48	\$ 37,390.82	\$ 2,690,198.68
REF.	A	A-2:A-17	A-4	A-16	A



"A-19"

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	A		\$ 873,381.65
Increased by:			
2020 Appropriations	A-3	\$ 473,900.96	
2019 Appropriation Reserves	A-9	164,271.20	
Other Charges	A-1	<u>4,871.90</u>	
			643,044.06
			<u>\$ 1,516,425.71</u>
Decreased by:			
Transferred to 2019 Appropriation Reserves	A-9	\$ 757,491.96	
Disbursements	A-4	<u>32,844.49</u>	
			<u>790,336.45</u>
Balance, December 31, 2020	A		<u>\$ 726,089.26</u>

"A-20"

SCHEDULE OF VARIOUS RESERVES

Balance, December 31 2019	A		\$ 99,103.09
Increased by:			
Receipts	A-4		<u>60,550.57</u>
			<u>\$ 159,653.66</u>
Decreased by:			
Disbursements	A-4		<u>61,070.17</u>
Balance, December 31, 2020	A		<u>\$ 98,583.49</u>
<u>Analysis of Balance:</u>			
Reserve for Redevelopment			\$ 10,830.21
Reserve for Due to Parking Authority			4,860.06
Reserve for Tax Appeals			<u>82,893.22</u>
			<u>\$ 98,583.49</u>

"A-21"

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	<u>REF.</u>	
Balance, December 31, 2019	A	\$ 19,800.00
Decreased by:		
Appropriated	A-3	<u>9,900.00</u>
Balance, December 31, 2020	A	<u>\$ 9,900.00</u>

"A-22"

SCHEDULE OF INTERFUNDS

Balance, December 31, 2019 (Due To Trust Other)	A	\$ 46,212.77
Increased by:		
Receipts	A-4	<u>1,581,328.17</u>
		\$ <u>1,627,540.94</u>
Decreased by:		
Disbursements	A-4	<u>20,001.47</u>
Balance, December 31, 2020	A-22	<u>\$ 1,607,539.47</u>

Analysis of Balance:

Due To Trust Other-Insurance Reserve		\$ 214,356.20	
Due To General Capital Fund		<u>1,413,184.74</u>	
	A		\$ 1,627,540.94
Due From Grant Fund	A		<u>(20,001.47)</u>
	A-22		<u>\$ 1,607,539.47</u>

"A-23"

BOROUGH OF METUCHEN

CURRENT FUND

SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2019	A	\$ 176.12
Increased by:		
Levy	A-1:A-6	225,000.00
		<u>\$ 225,176.12</u>
Decreased by:		
Disbursements	A-4	<u>225,000.00</u>
Balance, December 31, 2020	A	<u>\$ 176.12</u>

"A-24"

GRANT FUND

SCHEDULE OF INTERFUNDS

Increased by:		
Receipts	A-4	<u>\$ 20,001.47</u>
Balance, December 31, 2020 (Due To)	A	<u>\$ 20,001.47</u>

BOROUGH OF METUCHEN  
TRUST FUND  
SCHEDULE OF TRUST CASH

	<u>REF.</u>	<u>ANIMAL CONTROL</u>		<u>OTHER</u>
Balance, December 31, 2019	B	\$ 1,723.79		\$ 3,131,141.81
Increased by Receipts:				
Due State of New Jersey	B-6	\$ 612.60	\$	
Reserve for:				
Animal Control Expenditures	B-3	6,159.70		
Trust Other	B-5			1,392,770.97
Payroll Deductions Payable	B-12			4,558,268.28
COAH	B-9			80,749.73
Recreation	B-13			61,416.35
Unemployment	B-7			27,336.43
Police Outside Overtime	B-11			1,025,547.00
Law Enforcement	B-14			4.09
Developers Escrow	B-10			343,117.43
Forfeiture	B-15			46,719.06
Equitable Sharing Forfeiture	B-17			69.23
Election	B-4			6,504.91
Fire Penalties	B-16			4.25
		<u>6,772.30</u>		<u>7,542,507.73</u>
		\$ 8,496.09		\$ 10,673,649.54
Decreased by Disbursements:				
Due State of New Jersey	B-6	\$ 598.20	\$	
Reserve for:				
Animal Control Expenditures	B-3	1,455.22		
Trust Other	B-5			976,790.83
Payroll Deductions Payable	B-12			4,566,773.32
COAH	B-9			140,487.50
Recreation	B-13			67,461.15
Unemployment	B-7			17,044.72
Police Outside Overtime	B-11			1,023,814.50
Developers Escrow	B-10			305,348.36
Forfeiture	B-15			9,323.80
Election	B-4			6,500.00
Due Current Fund	B-19			168,143.43
			<u>2,053.42</u>	<u>7,281,687.61</u>
Balance, December 31, 2020	B	\$ 6,442.67		\$ 3,391,961.93

BOROUGH OF METUCHEN

OTHER TRUST FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	B		\$ 96,655.17
Increased by:			
Trust Other	B-5	\$ 85,128.01	
Equitable Sharing Forfeiture	B-17	1,773.86	
Recreation	B-13	<u>2,016.00</u>	
			<u>88,917.87</u>
			\$ <u>185,573.04</u>
Decreased by:			
Trust Other	B-5	\$ 93,185.92	
Equitable Sharing Forfeiture	B-17	387.00	
Recreation	B-13	<u>3,082.25</u>	
			<u>96,655.17</u>
Balance, December 31, 2020	B		\$ <u><u>88,917.87</u></u>

ANALYSIS OF BALANCE

Trust Other		\$ 85,128.01
Forfeiture		1,773.86
Recreation		<u>2,016.00</u>
		\$ <u><u>88,917.87</u></u>

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2019	B		\$ 1,639.49
Increased by:			
Dog and Cat License Fees	B-1	\$ 6,159.70	
Prior Year Accounts Payable	B-18	<u>84.30</u>	
			\$ <u>6,244.00</u>
			\$ 7,883.49
Decreased by:			
Disbursements	B-1	\$ 1,455.22	
Accounts Payable	B-18	<u>277.70</u>	
			<u>1,732.92</u>
Balance, December 31, 2020	B		\$ <u><u>6,150.57</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2018	\$ 4,974.90
2019	<u>5,997.60</u>
	\$ <u><u>10,972.50</u></u>

SCHEDULE OF RESERVE FOR ELECTION

Balance, December 31, 2019	B	\$ 1,612.32
Increased by:		
Receipts	B-1	<u>6,504.91</u>
		\$ 8,117.23
Decreased by:		
Disbursements	B-1	<u>6,500.00</u>
Balance, December 31, 2020	B	\$ <u><u>1,617.23</u></u>

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF MISCELLANEOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2019	INCREASES	DECREASES	BALANCE DECEMBER 31, 2020
Fire Inspections	\$ 94,097.17	\$ 52,299.25	\$ 60,200.32	\$ 86,196.10
Insurance Reserves	535,159.09	864,743.99	358,862.88	1,041,040.20
Lien Redemption	49,250.50	351,458.48	385,457.59	15,251.39
Donations	17,596.46	4,270.00	12,351.00	9,515.46
Senior Citizen	14,219.54	3,835.00	1,540.00	16,514.54
Tax Premiums	510,500.00	109,600.00	166,000.00	454,100.00
Public Defender	7,560.50	4,250.00	2,050.00	9,760.50
Community Development Block Grants	33,741.75	136,592.17	74,797.17	95,536.75
Replacement Tree Planting	81,324.50	19,951.00		101,275.50
POAA	4,612.26	752.00	659.88	4,704.38
Copier Leases	600.73			600.73
Other	228.89			228.89
	<u>\$ 1,348,891.39</u>	<u>\$ 1,547,751.89</u>	<u>\$ 1,061,918.84</u>	<u>\$ 1,834,724.44</u>
	REF. B			B
Receipts		\$ 1,392,770.97		
Community Development Block Grants		61,795.00		
Prior Year Accounts Receivable		93,185.92		
		<u>\$ 1,547,751.89</u>		
Disbursements			\$ 976,790.83	
Accounts Payable			85,128.01	
			<u>\$ 1,061,918.84</u>	

"B-6"

BOROUGH OF METUCHEN

ANIMAL CONTROL FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

	<u>REF.</u>		
Increased by:			
License Fees Due to the State	B-1	\$	612.60
Decreased by:			
Payments	B-1		<u>598.20</u>
Balance, December 31, 2020	B	\$	<u><u>14.40</u></u>

"B-7"

SCHEDULE OF RESERVE FOR  
UNEMPLOYMENT COMPENSATION INSURANCE

Balance, December 31, 2019	B	\$	19,624.26
Increased by:			
Receipts	B-1		<u>27,336.43</u>
		\$	<u>46,960.69</u>
Decreased by:			
Disbursement	B-1		<u>17,044.72</u>
Balance, December 31, 2020	B	\$	<u><u>29,915.97</u></u>



"B-8"

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2019	B	\$ 117,416.98
Increased by:		
Community Development Block Grants	B-5	<u>61,795.00</u>
Balance, December 31, 2020	B	<u>\$ 179,211.98</u>

"B-9"

SCHEDULE OF RESERVE FOR COAH

Balance, December 31, 2019	B	\$ 617,362.26
Increased by:		
Receipts	B-1	<u>80,749.73</u>
		\$ <u>698,111.99</u>
Decreased by:		
Disbursements	B-1	<u>140,487.50</u>
Balance, December 31, 2020	B	<u>\$ 557,624.49</u>

"B-10"

BOROUGH OF METUCHEN  
TRUST FUND  
SCHEDULE OF ESCROW DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2019	B	\$	765,860.15
Increased by:			
Receipts	B-1		343,117.43
		\$	<u>1,108,977.58</u>
Decreased by:			
Disbursements	B-1		<u>305,348.36</u>
Balance, December 31, 2020	B	\$	<u><u>803,629.22</u></u>

"B-11"

SCHEDULE OF RESERVE FOR  
POLICE OUTSIDE OVERTIME

Balance, December 31, 2019	B	\$	122,431.87
Increased by:			
Receipts	B-1		1,025,547.00
		\$	<u>1,147,978.87</u>
Decreased by:			
Disbursements	B-1		<u>1,023,814.50</u>
Balance, December 31, 2020	B	\$	<u><u>124,164.37</u></u>

"B-12"

SCHEDULE OF RESERVE FOR  
PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2019	B	\$	102,259.35
Increased by:			
Deposits-Payroll Deductions	B-1		4,558,268.28
		\$	<u>4,660,527.63</u>
Decreased by:			
Payments	B-1		<u>4,566,773.32</u>
Balance, December 31, 2020	B	\$	<u><u>93,754.31</u></u>

"B-13"

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF RESERVE FOR RECREATION

	<u>REF.</u>		
Balance, December 31, 2019	B		\$ 139,836.29
Increased by:			
Receipts	B-1	\$ 61,416.35	
Prior Year Accounts Payable	B-2	<u>3,082.25</u>	
			\$ <u>64,498.60</u>
			\$ 204,334.89
Decreased by:			
Disbursements	B-1	\$ 67,461.15	
Accounts Payable	B-2	<u>2,016.00</u>	
			<u>69,477.15</u>
Balance, December 31, 2020	B		\$ <u><u>134,857.74</u></u>

"B-14"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT

Balance, December 31, 2019	B		\$ 1,815.82
Increased by:			
Interest	B-1		<u>4.09</u>
Balance, December 31, 2020	B		\$ <u><u>1,819.91</u></u>

"B-15"

BOROUGH OF METUCHEN

TRUST FUND

SCHEDULE OF RESERVE FOR FORFEITURE

	<u>REF.</u>		
Balance, December 31, 2019	B	\$	46,237.53
Increased by:			
Receipts	B-1		<u>46,719.06</u>
		\$	92,956.59
Decreased by:			
Disbursements	B-1	\$	9,323.80
Accounts Payable	B-2		<u>1,773.86</u>
			<u>11,097.66</u>
Balance, December 31, 2020	B	\$	<u><u>81,858.93</u></u>

"B-16"

SCHEDULE OF RESERVE FOR FIRE PENALTIES

Balance, December 31, 2019	B	\$	1,884.02
Increased by:			
Receipts	B-1		<u>4.25</u>
Balance, December 31, 2020	B	\$	<u><u>1,888.27</u></u>

"B-17"

BOROUGH OF METUCHEN

OTHER TRUST FUND

SCHEDULE OF RESERVE FOR EQUITABLE SHARING FORFEITURE

	<u>REF.</u>		
Balance, December 31, 2019	B		\$ 30,301.13
Decreased by:			
Receipts	B-1	\$ 69.23	
Prior Accounts Payable	B-2	<u>387.00</u>	
			<u>456.23</u>
Balance, December 31, 2020	B		<u>\$ 30,757.36</u>

"B-18"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE - ANIMAL CONTROL FUND

Balance, December 31, 2019	B		\$ 84.30
Increased by:			
Accounts Payable	B-3		<u>277.70</u>
			\$ <u>362.00</u>
Decreased by:			
Prior Year Accounts Payable	B-3		<u>84.30</u>
Balance, December 31, 2020	B		<u>\$ 277.70</u>

"B-19"

SCHEDULE OF DUE CURRENT FUND- OTHER TRUST FUND

Balance, December 31, 2019	B		\$ 46,212.77
Increased by:			
Disbursements	B-1		<u>168,143.43</u>
Balance, December 31, 2020	B		<u>\$ 214,356.20</u>

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2019	C		\$ 2,146,929.27
Increased by Receipts:			
Grants Receivable	C-9	\$ 591,251.25	
Bond Anticipation Notes Payable	C-13	4,693,049.00	
Deferred Charges to Future Taxation Unfunded	C-5	46,155.00	
Reserve for Capital Improvements	C-6	1,410,029.74	
Capital Improvement Fund	C-8	110,000.00	
		<u>6,850,484.99</u>	
			\$ 8,997,414.26
Decreased by Disbursements:			
Contracts Payable	C-7	\$ 2,874,774.75	
Interfunds	C-14	1,413,184.74	
Bond Anticipation Notes Payable	C-13	3,294,449.00	
		<u>7,582,408.49</u>	
Balance, December 31, 2020	C		\$ <u><u>1,415,005.77</u></u>

"C-3"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>
Fund Balance		\$ 70,154.63
Interfunds Receivable		(1,413,184.74)
Capital Improvement Fund		15,265.00
Improvement Authorizations-Funded		80,101.57
Unfunded Improvements Expended - Listed on "C-5"		(636,690.00)
Contracts Payable		2,107,734.07
Unexpended Proceeds of Bond Anticipation Notes - Listed on "C-5"		478,353.56
Cash on Hand to Pay Notes(Listed on C-5)		60,000.00
Grants Receivable		(1,182,854.76)
Reserve for Capital Improvements		<u>1,836,126.44</u>
	C	<u>\$ 1,415,005.77</u>

"C-4"

SCHEDULE OF DEFERRED CHARGES TO  
FUTURE TAXATION - FUNDED

Balance, December 31, 2018	C	\$ 8,662,000.00
Decreased by:		
Bonds Paid	C-11	<u>2,967,000.00</u>
Balance, December 31, 2019	C	<u>\$ 5,695,000.00</u>

BOROUGH OF METUCHEN  
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE OF BALANCE DECEMBER 31, 2020				ANALYSIS OF BALANCE DECEMBER 31, 2020	
		BALANCE DECEMBER 31, 2019	NEW AUTHORIZATIONS	BUDGET PAYDOWN	BALANCE DECEMBER 31, 2020	BOND ANTICIPATION NOTES	EXPENDITURES
2000-07	Various Improvements	\$ 2,680.00	\$	\$ 2,680.00	\$	\$	\$
2008-07	Various Improvements	475.00		475.00			
2016-17	Various Improvements	998,850.00		43,000.00	955,850.00	955,850.00	
2017-17	Various Improvements	297,645.00			297,645.00	297,645.00	
2018-12	Various Improvements	1,015,170.00			1,015,170.00	1,015,170.00	
2019-10	Various Improvements	922,784.00			922,784.00	922,784.00	
2020-04	Construction-New Pump Station		4,100,000.00		4,100,000.00		3,463,310.00
2020-14	Various Improvements		1,441,600.00		1,441,600.00	1,441,600.00	
		<u>\$ 3,237,604.00</u>	<u>\$ 5,541,600.00</u>	<u>\$ 46,155.00</u>	<u>\$ 8,733,049.00</u>	<u>\$ 4,633,049.00</u>	<u>\$ 3,463,310.00</u>
		C	C-10	C-2	C	C-3	
	REE.						
	Bond Anticipation Notes Payable				\$ 4,693,049.00	\$	\$ 3,941,663.56
	Less: Cash on Hand to Pay Notes				<u>(60,000.00)</u>		<u>(478,353.56)</u>
					<u>\$ 4,633,049.00</u>		<u>\$ 3,463,310.00</u>
	Improvement Authorizations Unfunded						\$ 3,941,663.56
	Less: Unexpended Proceeds of Bond Anticipations Notes						<u>(478,353.56)</u>
							<u>\$ 3,463,310.00</u>



"C-6"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENTS

	<u>REF.</u>	
Balance, December 31, 2019	C	\$ 426,096.70
Increased by:		
Receipts	C-2	<u>1,410,029.74</u>
Balance, December 31, 2020	C	<u>\$ 1,836,126.44</u>

"C-7"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2019	C	\$ 2,183,640.36
Increased by:		
Improvement Authorizations	C-10	<u>3,005,274.73</u>
		\$ 5,188,915.09
Decreased by:		
Disbursements	C-2	\$ 2,874,774.75
Canceled	C-10	<u>206,406.27</u>
		<u>3,081,181.02</u>
Balance, December 31, 2020	C	<u>\$ 2,107,734.07</u>

"C-8"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2019	C	\$ 11,665.00
Increased by:		
2020 Budget Appropriation	C-2	<u>110,000.00</u>
		\$ <u>121,665.00</u>
Decreased by:		
New Improvement Authorization Funding	C-10	<u>106,400.00</u>
Balance, December 31, 2020	C	\$ <u><u>15,265.00</u></u>

"C-9"

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2019	C	\$ 1,194,106.01
Increased by:		
New Authorizations Funded by Grants	C-10	<u>580,000.00</u>
		\$ <u>1,774,106.01</u>
Decreased by:		
Receipts	C-2	<u>591,251.25</u>
Balance, December 31, 2020	C	\$ <u><u>1,182,854.76</u></u>

BOROUGH OF METUCHEN  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATIONS	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2019		NEW AUTHORIZATIONS	CONTRACTS PAYABLE	CONTRACTS PAYABLE CANCELED	BALANCE DECEMBER 31, 2020	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
00-07	Various Improvements	4/3/00	\$ 1,220,000.00	\$ 0.50	\$ 2,680.00	\$	\$	\$	2,680.50	\$
02-01/04-11	Construction of Municipal Building	2/19/02	7,220,000.00	9,848.72					9,848.72	
03-09	Various Improvements	6/17/03	472,000.00	1,499.83					1,499.83	
04-05	Various Improvements	4/19/04	1,212,000.00				195.52		195.52	
05-04	Various Improvements	4/4/05	1,819,100.00	251.45					251.45	
06-05	Various Improvements	6/2/06	1,611,000.00	594.98					594.98	
07-03	Various Improvements	4/16/07	1,677,100.00	224.97					224.97	
08-07	Various Improvements	7/22/08	1,312,500.00	554.70	475.00				1,029.70	
10-03	Various Improvements	2/16/10	1,093,100.00	3,816.21					3,816.21	
11-07	Various Improvements	6/20/11	1,970,100.00	4,243.99					4,243.99	
12-04	Various Improvements	5/21/12	1,088,700.00	0.16				5,890.50	10,134.49	
13-9	Various Improvements	12/2/13	854,064.00	4,973.20					4,973.20	
14-9	Various Improvements	6/23/14	734,129.00	91,250.62					44,851.84	
16-17	Various Improvements	7/8/16	2,823,000.00		106,209.61					6,209.61
17-17	Various Improvements	10/16/17	1,213,100.00	39,308.92					39,308.92	
18-12	Various Improvements	6/4/18	1,068,600.00	36,078.30					36,078.30	
19-10	Various Improvements	6/24/19	1,816,100.00	290,622.43				200,320.15	173,500.00	117,122.43
20-04	Pump Station	2/3/20	4,100,000.00			4,100,000.00			636,690.00	3,463,310.00
20-14	Various Improvements	7/13/20	2,128,000.00			2,128,000.00			1,848,365.70	279,634.30
				\$ 117,259.33	\$ 475,374.26	\$ 6,228,000.00	\$ 3,005,274.63	\$ 206,406.17	\$ 80,101.57	\$ 3,941,663.56
				C	C		C-7	C-7	C	C:C-5
	Deferred Charges to Future Taxation - Unfunded					\$ 5,541,600.00				
	Grants Receivable					580,000.00				
	Capital Improvement Fund					106,400.00				
						\$ 6,228,000.00				

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>			
Refunding Bonds	03/01/14	\$ 10,830,000.00				\$ 2,510,000.00	\$ 2,510,000.00
General Improvement	09/01/14	8,402,000.00	09/01/21	\$ 755,000.00	2.25%		
			09/01/22	775,000.00	2.25%		
			09/01/23	790,000.00	2.38%		
			09/01/24	810,000.00	2.50%		
			09/01/25	830,000.00	3.00%		
			09/01/26	855,000.00	3.00%		
			09/01/27	880,000.00	3.00%	6,152,000.00	457,000.00
						<u>\$ 8,662,000.00</u>	<u>\$ 2,967,000.00</u>
						<u>\$ 8,662,000.00</u>	<u>\$ 5,695,000.00</u>

REF.

C

C-4

C

"C-12"

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2020</u>
2020-04	Various Improvements	\$ <u>4,100,000.00</u>
		\$ <u><u>4,100,000.00</u></u>

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>
2016-17	9/30/19	9/29/20	1.32%	\$ 1,058,850.00		\$ 1,058,850.00	\$
2017-17	9/30/19	9/29/20	1.32%	297,645.00		297,645.00	
2018-12	9/30/19	9/29/20	1.32%	1,015,170.00		1,015,170.00	
2019-10	9/30/19	9/29/20	1.32%	922,784.00		922,784.00	
2016-17	9/28/20	9/27/21	0.46%		1,015,850.00		1,015,850.00
2017-17	9/28/20	9/27/21	0.46%		297,645.00		297,645.00
2018-12	9/28/20	9/27/21	0.46%		1,015,170.00		1,015,170.00
2019-10	9/28/20	9/27/21	0.46%		922,784.00		922,784.00
2020-14	9/28/20	9/27/21	0.46%		1,441,600.00		1,441,600.00
				<u>\$ 3,294,449.00</u>	<u>\$ 4,693,049.00</u>	<u>\$ 3,294,449.00</u>	<u>\$ 4,693,049.00</u>
			<u>REF.</u>	C	C-2	C-2	C

BOROUGH OF METUCHEN

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

REF.

Increased by:		
Disbursements	C-2	\$ <u>1,413,184.74</u>
Balance, December 31, 2020 (Due From)	C	\$ <u><u>1,413,184.74</u></u>

Analysis of Balance

Due From Current Fund		\$ <u>1,413,184.74</u>
		\$ <u><u>1,413,184.74</u></u>

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY FUND

SCHEDULE OF CASH

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance, December 31, 2019	D	\$ 277,429.25	\$ 20,844.57
Increased by Receipts:			
Non-Budget Revenue	D-3	\$ 669.39	\$
Interfunds	D-18:D-19	58.79	47.04
Deferred Reserve for Amortization	D-16		3,850.00
Bond Anticipation Note	D-17		103,300.00
		<u>728.18</u>	<u>107,197.04</u>
		\$ 278,157.43	\$ 128,041.61
Decreased by Disbursements:			
Appropriations	D-4	\$ 128,116.62	\$
Appropriation Reserves	D-7	1,356.80	
Accrued Interest on Bonds	D-11	5,364.90	
Interfunds	D-18:D-19	47.04	58.79
Improvement Authorizations	D-8		7,500.00
Bond Anticipation Note	D-17		107,150.00
		<u>134,885.36</u>	<u>114,708.79</u>
Balance, December 31, 2020	D	\$ 143,272.07	\$ 13,332.82



BOROUGH OF METUCHEN

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

REF.

Balance, December 31, 2019  
and December 31, 2020

D

\$ 411,000.00

Analysis of Balance:

<u>Number</u>	<u>Description</u>	<u>Date</u>	
08-08	Improvements to Swimming Pool	04/21/08	\$ 300,000.00
16-16	Improvements to Swimming Pool	07/18/16	<u>111,000.00</u>
			\$ <u>411,000.00</u>

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>EXPENDED</u>	<u>BALANCE LAPSED</u>
Operating:				
Salaries and Wages	\$ 5,183.76	\$ 5,183.76	\$	\$ 5,183.76
Other Expenses	48,438.23	51,429.89	1,356.80	50,073.09
Statutory Expenditures:				
Unemployment	1,000.00	1,000.00	1,000.00	
	<u>\$ 54,621.99</u>	<u>\$ 57,613.65</u>	<u>\$ 2,356.80</u>	<u>\$ 55,256.85</u>
		D:D-7		D-2
Appropriation Reserves	\$	54,621.99		
Transferred from Accounts Payable		<u>2,991.66</u>		
	\$	<u>57,613.65</u>		
Disbursements	\$	1,356.80		
Accounts Payable		<u>1,000.00</u>		
	\$	<u>2,356.80</u>		

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DECEMBER 31, 2019		DECREASED BY: EXPENDITURES	BALANCE DECEMBER 31, 2020	
				FUNDED	UNFUNDED		FUNDED	UNFUNDED
16-16	Improvements to Swimming Pool	7/18/2016	\$ 111,000.00	\$ - 0 -	\$ 12,630.83	\$ 10,000.00	\$ - 0 -	\$ 2,630.83
			\$	\$ - 0 -	\$ 12,630.83	\$ 10,000.00	\$ - 0 -	\$ 2,630.83
			REF.					
	Disbursements					\$ 7,500.00		
	Contracts Payable					2,500.00		
						\$ 10,000.00		

D

D

"D-9"

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2019 and December 31, 2020	D		\$ <u>8,338.46</u>

"D-10"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2019	D		\$ 3,991.66
Increased by:			
Appropriations	D-4	\$ 20,483.58	
Appropriation Reserves	D-7	<u>1,000.00</u>	
			\$ <u>21,483.58</u>
			\$ <u>25,475.24</u>
Decreased by:			
Transferred to Appropriation Reserve	D-7		<u>2,991.66</u>
Balance, December 31, 2020	D		\$ <u>22,483.58</u>

"D-11"

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF ACCRUED INTEREST PAYABLE

	<u>REF.</u>	
Balance, December 31, 2019	D	\$ 1,535.11
Increased by:		
Budget Appropriation	D-4	5,490.00
		<u>\$ 7,025.11</u>
Decreased by:		
Disbursements	D-5	<u>5,364.90</u>
Balance, December 31, 2020	D	<u>\$ 1,660.21</u>

"D-12"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2019 and December 31, 2020	D	<u>\$ 1,095,531.00</u>
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ANALYSIS OF BALANCE:

Swimming Pool and Bathhouse	\$ 344,027.00
Cover for Swimming Pool	6,449.00
Landscape	2,598.00
Improvements to Swimming Pool	524,577.00
Improvements to Wading Pool	8,365.00
Improvements to Swimming Pool	200,000.00
Improvements to Swimming Pool	<u>9,715.00</u>
	<u>\$ 1,095,731.00</u>

BOROUGH OF METUCHEN  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

REF.

Balance, December 31, 2019 and December 31, 2020	D	\$ <u>1,095,731.00</u>
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ANALYSIS OF BALANCE:

Swimming Pool and Bathhouse	\$ 344,027.00
Cover for Swimming Pool	6,449.00
Landscape	2,598.00
Improvements to Swimming Pool	524,577.00
Improvements to Wading Pool	8,365.00
Improvements to Swimming Pool	200,000.00
Improvements to Swimming Pool	<u>9,715.00</u>
	\$ <u>1,095,731.00</u>

BOROUGH OF METUCHEN

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>OUTSTANDING DECEMBER 31, 2020</u>	<u>PAID</u>			
	<u>DATE</u>		<u>AMOUNT</u>				
Pool Improvements	12/17/14	\$ 258,000.00			2.25%		
			\$ 20,000.00		2.38%		
			20,000.00		2.50%		
			20,000.00		3.00%	\$ 160,000.00	\$ 140,000.00
					\$ 160,000.00	\$ 140,000.00	

REF.

D

D-16

D

"D-15"

BOROUGH OF METUCHEN

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF BONDS AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
93-14	Improvement to Swimming Pool	\$ 200.00
08-8	Improvement to Swimming Pool	400.00
		<u>600.00</u>
		<u>\$ 600.00</u>

"D-16"

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2019	D		\$ 143,450.00
Increased by:			
Bonds Paid	D-14	\$ 20,000.00	
Appropriated To Finance Improvements	D-5	<u>3,850.00</u>	
			<u>23,850.00</u>
Balance, December 31, 2020	D		<u>\$ 167,300.00</u>

Analysis of Balance:

<u>Number</u>	<u>Description</u>	<u>Date</u>	
08-08	Improvements to Swimming Pool	04/21/08	\$ 159,600.00
16-16	Improvements to Swimming Pool	07/18/16	<u>7,700.00</u>
			<u>\$ 167,300.00</u>



BOROUGH OF METUCHEN  
SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>
2016-16	9/30/19	9/29/20	1.32%	\$ 107,150.00	\$	\$ 107,150.00	\$
2016-16	9/28/20	9/27/21	0.46%		103,300.00		103,300.00
				<u>\$ 107,150.00</u>	<u>\$ 103,300.00</u>	<u>\$ 107,150.00</u>	<u>\$ 103,300.00</u>
			<u>REF.</u>	D	D-5	D-5	D

"D-18"

BOROUGH OF METUCHEN  
SWIMMING POOL UTILITY FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>		
Balance, December 31, 2019 (Due From)	D	\$	39.28
Increased by:			
Disbursements	D-5		47.04
		\$	<u>86.32</u>
Decreased by:			
Receipts	D-5	\$	<u>58.79</u>
Balance, December 31, 2020 (Due From)	D	\$	<u><u>27.53</u></u>

"D-19"

SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF INTERFUNDS

Balance, December 31, 2019 (Due To)	D	\$	39.28
Increased by:			
Receipts	D-5		47.04
		\$	<u>86.32</u>
Decreased by:			
Disbursements	D-5		<u>58.79</u>
Balance, December 31, 2020 (Due To)	D	\$	<u><u>27.53</u></u>

BOROUGH OF METUCHEN

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

REF.

Increased by:		
Improvement Authorizations	D-8	\$ <u>2,500.00</u>
Balance, December 31, 2020	D	\$ <u><u>2,500.00</u></u>

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BOROUGH OF METUCHEN

PART II

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

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

	YEAR 2020		YEAR 2019	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,600,000.00	2.15%	\$ 1,600,000.00	2.14%
Miscellaneous - From Other Than Local Property Tax Levies	5,905,364.10	7.93%	9,358,843.52	12.52%
Collection of Delinquent Taxes and Tax Title Liens	601,197.16	0.81%	563,334.54	0.75%
Collections of Current Tax Levy	<u>66,371,959.11</u>	<u>89.11%</u>	<u>63,258,473.68</u>	<u>84.59%</u>
<u>Total Revenue</u>	<u>\$ 74,478,520.37</u>	<u>100.00%</u>	<u>\$ 74,780,651.74</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 21,020,046.78	29.16%	\$ 24,870,911.16	33.84%
County Taxes	9,751,070.15	13.53%	9,360,583.31	12.74%
Local School District Taxes	41,069,544.00	56.96%	39,006,378.00	53.08%
Special Improvement District Taxes	225,000.00	0.31%	191,298.59	0.26%
Other Expenditures	<u>30,302.18</u>	<u>0.04%</u>	<u>59,491.14</u>	<u>0.08%</u>
<u>Total Expenditures</u>	<u>\$ 72,095,963.11</u>	<u>100.00%</u>	<u>\$ 73,488,662.20</u>	<u>100.00%</u>
Excess in Revenue	\$ 2,382,557.26		\$ 1,291,989.54	
Fund Balance - January 1	<u>5,448,566.46</u>		<u>5,756,576.92</u>	
	\$ 7,831,123.72		\$ 7,048,566.46	
Less: Utilization as Anticipated Revenue	<u>1,600,000.00</u>		<u>1,600,000.00</u>	
Fund Balance, December 31	<u>\$ 6,231,123.72</u>		<u>\$ 5,448,566.46</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - SWIM POOL UTILITY OPERATING FUND

	<u>YEAR 2020</u>		<u>YEAR 2019</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 160,590.00	74.17%	\$ 60,000.00	11.16%
Collection of Pool Membership & Guest Fees		0.00%	364,514.00	67.78%
Miscellaneous	<u>55,926.24</u>	<u>25.83%</u>	<u>113,235.90</u>	<u>21.06%</u>
<u>Total Revenue</u>	<u>\$ 216,516.24</u>	<u>100.00%</u>	<u>\$ 537,749.90</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 130,000.00	80.95%	\$ 359,950.00	88.88%
Capital Improvements	29,340.00	18.27%	30,550.00	7.54%
Statutory Expenditures	<u>1,250.00</u>	<u>0.78%</u>	<u>14,500.00</u>	<u>3.58%</u>
<u>Total Expenditures</u>	<u>\$ 160,590.00</u>	<u>100.00%</u>	<u>\$ 405,000.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 55,926.24		\$ 132,749.90	
Fund Balance - January 1	<u>217,319.77</u>		<u>144,569.87</u>	
	\$ 273,246.01		\$ 277,319.77	
Less: Utilization as Anticipated Revenue	<u>160,590.00</u>		<u>60,000.00</u>	
Fund Balance, December 31	<u>\$ 112,656.01</u>		<u>\$ 217,319.77</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	\$ <u>6.143</u>	\$ <u>5.962</u>	\$ <u>5.940</u>
Municipal	\$ 1.374	\$ 1.328	\$ 1.278
Municipal Library	0.074	0.073	0.074
County	0.829	0.809	0.845
County Open Space	0.069	0.068	0.070
Local School	<u>3.797</u>	<u>3.684</u>	<u>3.673</u>

Assessed Valuations:

2020	<u>\$1,081,688,100.00</u>
2019	<u>\$1,058,860,300.00</u>
2018	<u>\$1,034,016,200.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2020	\$ 66,964,892.88	\$ 66,371,959.11	99.11%
2019	\$ 63,906,508.08	\$ 63,258,473.68	98.98%
2018	\$ 62,510,702.59	\$ 61,963,742.92	99.13%



DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2020	\$136,935.46	\$583,790.52	\$720,725.98	1.08%
2019	128,562.55	615,004.40	743,566.95	1.16%
2018	164,377.42	517,360.67	681,738.09	1.09%

PROPERTY ACQUIRED BY TAX LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2020	\$350,300.00
2019	350,300.00
2018	350,300.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance Current Fund</u>	<u>Utilized in Budget of Succeeding Year</u>
2020	\$6,231,123.72	\$1,375,000.00
2019	5,448,566.46	1,600,000.00
2018	5,756,576.92	1,600,000.00
2017	3,976,465.30	1,350,000.00
2016	3,469,151.45	1,500,000.00

<u>Year</u>	<u>Balance Swim Pool Utility Fund</u>	<u>Utilized in Budget of Succeeding Year</u>
2020	\$112,656.01	\$50,000.00
2019	217,319.77	160,590.00
2018	144,569.85	60,000.00
2017	78,939.32	65,000.00
2016	88,862.07	80,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Jonathan Busch	Mayor	*
Linda Koskoski	Council President	*
Jason Delia	Council Member	*
Daniel Hirsch	Council Member	*
Todd Pagel	Council Member	*
Dorothy Rasmussen	Council Member	*
Sheri-Rose Rubin	Council Member	*
Melissa Perilstein	Administrator	*
Jay Muldoon	Director of Special Projects	*
Susan Jackson	Borough Clerk	*
Rebecca Cuthbert	Chief Financial Officer / Tax Collector	*
James Hoebich	Magistrate	*
Wahjira Williams-Fisher	Court Administrator	*
John Kawczynski	Prosecutor	*
Denis G. Murphy	Borough Attorney	*
John Soltesz	Construction Code Official	*
Anand Verma	Tax Assessor	*
David Irizarry	Police Chief	*
Rob Donnan	Fire Chief	*

Officials and employees handling and collecting funds are covered by the Middlesex County JIF blanket coverage up to \$1,000,000.00.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A.40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c. 198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2015, the bid threshold in accordance with N.J.A.C. 40A:11-3 was increased to \$40,000 by resolution of the governing body. The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items in 2020:

- IT Support and Consulting
- Fire Apparatus Service and Repair
- Replacement of Sewage Pump Station Construction
- Oakland Park Tennis Court
- Pool Maintenance
- Theatre Consultant Services
- Senior Center Restroom Renovations

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

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$40,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6."

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 for the following services:

- |                    |                           |
|--------------------|---------------------------|
| Borough Attorney   | Bond Counsel              |
| Borough Engineer   | Labor Counsel             |
| Borough Prosecutor | Borough Planner           |
| Borough Auditor    | Other Consulting Services |

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body, on January 1, 2020, adopted the following resolutions authorizing interest to be charged on delinquent taxes:

“WHEREAS, under N.J.S.A. 54:4-67 the Governing Body may fix the rate of interest to be charged for the nonpayment of taxes or assessments;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Metuchen that the interest rate to be charged by the Borough of Metuchen on delinquent taxes, assessment and other municipal liens, is hereby fixed at 8% per annum on the first \$1,500 on the delinquency and 18% on any amount in excess of \$1,500, to be calculated from the date the tax was payable until the date of actual payment, effective immediately”

It appears from an examination of the Tax Collector’s records that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 22, 2020 and was complete.

The following comparison is made up of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2020	3
2019	3
2018	4

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	
Information Tax Positive Confirmation	50
Delinquent Tax Positive Confirmation	25

## OTHER COMMENTS

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule, all interfund balances should be closed out as of the end of the year. It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

Our examination of records and conversations with finance staff revealed that the general ledger is not maintained and bank reconciliations are not performed in a timely fashion subsequent to the end of each month, but that accounts are reconciled several months later, which limits the procedure's effectiveness as an internal control.

## RECOMMENDATIONS

\*That all general ledgers be maintained and bank reconciliations prepared in a timely fashion to preserve the effectiveness of internal controls.

\*Unresolved Prior Year Recommendation







