

BOROUGH OF MIDDLESEX
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2020

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COUNTY OF MIDDLESEX, NEW JERSEY
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**BOROUGH OF MIDDLESEX
COUNTY OF MIDDLESEX**

**AUDIT REPORT FOR THE
THE YEAR ENDED DECEMBER 31, 2020**



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Middlesex
County of Middlesex
Middlesex, New Jersey 08846

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Middlesex as of December 31, 2020 and 2019, and the related statement of operations and changes in fund balance - regulatory basis for the year then ended, the related statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the Borough's basic 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 accounting principles and practices 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough'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 financial statements.

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

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1, the financial statements are prepared by the Borough of Middlesex on the basis of the financial reporting provisions of 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 the State 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 Accounting Principles Generally Accepted in the United States of America

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 Borough, as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough, as of December 31, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the statement of revenues - regulatory basis, statement of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2020 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the basic financial statements. The schedule of expenditures and state financial assistance is presented for purposes of additional analysis as required by New Jersey OMB’s Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021 on our consideration of the Borough'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
September 30, 2021

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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

Honorable Mayor and Members
of the Borough Council
Borough of Middlesex
County of Middlesex
Middlesex, New Jersey 08846

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Borough of Middlesex, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated September 30, 2021. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's 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 one instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
September 30, 2021

BOROUGH OF MIDDLESEX
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

	REFERENCE	<u>2020</u>	<u>2019</u>
ASSETS			
Current Fund:			
Cash and Investments - Treasurer	A-4	\$ 5,306,241.41	\$ 4,409,188.51
Cash - Change Funds	A-5	500.00	500.00
Due from State of N.J. per Ch. 129 P.L. 1976	A-11	<u>46,333.08</u>	<u>49,191.31</u>
Total		<u>5,353,074.49</u>	<u>4,458,879.82</u>
Receivables With Offsetting Reserves:			
Taxes Receivable	A-6	553,291.95	633,345.83
Tax Title Liens	A-12	415,884.70	419,307.69
Property Acquired for Taxes	A	1,423,139.00	1,423,139.00
Revenue Accounts Receivable	A-7	5,006.02	15,678.42
Sewer Flow Charges Receivable	A-10	23,133.38	49,458.18
Interfunds Receivable	A-8	<u>297,781.62</u>	<u>411,033.05</u>
Total Receivables & Other Assets With Full Reserves		<u>2,718,236.67</u>	<u>2,951,962.17</u>
Total Current Fund		<u>8,071,311.16</u>	<u>7,410,841.99</u>
State and Federal Grant Fund:			
Cash	A-4	-	61,644.18
Grants Receivable	A-16	888,891.61	834,134.30
Due From General Capital Fund	A	<u>23,775.00</u>	<u>23,775.00</u>
Total State and Federal Grant Fund		<u>912,666.61</u>	<u>919,553.48</u>
Total Assets		<u>\$ 8,983,977.77</u>	<u>\$ 8,330,395.47</u>

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

BOROUGH OF MIDDLESEX
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

	REFERENCE	<u>2020</u>	<u>2019</u>
LIABILITIES RESERVES & FUND BALANCE			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-9	\$ 1,341,045.60	\$ 1,015,316.75
Reserve for Encumbrances	A-3, A-9	221,696.89	233,034.69
Prepaid Taxes	A-4	334,690.95	245,302.70
Tax Overpayments	A	136,028.82	47,089.74
School Taxes Payable	A-15	722,740.00	555,868.00
Various Payables	A-14	123,000.47	113,836.47
Various Reserves	A-14	47,786.52	653,267.32
Interfunds Payable	A-8	<u>97,248.68</u>	<u>97,248.68</u>
Subtotal Current Fund		<u>3,024,237.93</u>	<u>2,960,964.35</u>
Reserve for Receivables & Other Assets	A	2,718,236.67	2,951,962.17
Fund Balance	A-1	<u>2,328,836.56</u>	<u>1,497,915.47</u>
Total Current Fund		<u>8,071,311.16</u>	<u>7,410,841.99</u>
State and Federal Grant Fund:			
Unappropriated	A-18	-	6,493.53
Appropriated	A-17	777,963.11	690,462.85
Reserve for Encumbrance	A-17	63,600.63	222,597.10
Due to Current Fund	A-19	<u>71,102.87</u>	<u>-</u>
Total State and Federal Grant Fund		<u>912,666.61</u>	<u>919,553.48</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 8,983,977.77</u>	<u>\$ 8,330,395.47</u>

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

**BOROUGH OF MIDDLESEX
CURRENT FUND
STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	REFERENCE	2020	2019
Revenue & Other Income Realized:			
Fund Balance Utilized	A-1, A-2	\$ 1,100,000.00	\$ 2,200,000.00
Miscellaneous Revenue Anticipated	A-2	5,934,806.28	4,933,827.68
Receipts From Delinquent Taxes	A-2	600,695.74	561,026.18
Receipts From Current Taxes	A-2	45,808,928.24	44,609,463.47
Nonbudget Revenue	A-2	227,180.30	232,694.93
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-9	848,060.18	508,638.47
Grants Cancelled (Net)	A-17,A-18, A-19	-	48,787.67
Total Income		54,519,670.74	53,094,438.40
Expenditures:			
Budget Appropriations:			
Operating			
Salaries & Wages	A-3	6,662,023.00	6,843,098.00
Other Expenses	A-3	10,839,438.04	10,411,945.00
State and Federal Programs Off-Set by Revenue	A-3	237,565.89	276,920.53
Municipal Debt Service	A-3	2,069,513.95	2,211,183.54
Capital Improvements	A-3	80,000.00	65,000.00
Deferred Charges and Statutory Expend.-Mun.	A-3	-	150,000.00
County Tax	A-13	6,026,740.39	6,040,553.83
Local District School Taxes	A-13	26,438,319.00	25,948,909.00
Interfunds Advanced	A-10	235,149.38	34,999.92
Total Expenditures		52,588,749.65	51,982,609.82
Excess/(Deficit) in Revenue		1,930,921.09	1,111,828.58
Statutory Excess to Fund Balance		1,930,921.09	1,111,828.58
Fund Balance January 1	A	1,497,915.47	2,586,086.89
Total		3,428,836.56	3,697,915.47
Decreased by: Utilization as Anticipated Revenue	A-2	1,100,000.00	2,200,000.00
Fund Balance December 31	A	\$ 2,328,836.56	\$ 1,497,915.47

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

**BOROUGH OF MIDDLESEX
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 1,100,000.00	\$ -	\$ 1,100,000.00	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	13,510.00	-	13,534.00	24.00
Other	39,350.00	-	31,667.25	(7,682.75)
Fees & Permits - Other	5,475.00	-	6,082.77	607.77
Fines & Costs - Municipal Court	261,400.00	-	112,195.21	(149,204.79)
Interest & Costs on Taxes	135,000.00	-	162,903.52	27,903.52
Interest on Investments & Deposits	82,850.00	-	71,909.40	(10,940.60)
Cable Franchise Fees	94,018.59	-	94,018.59	-
Sewer Rents Receivable	1,038,750.00	-	992,084.50	(46,665.50)
Interfunds Returned	289,748.52	-	289,748.52	-
Payments in Lieu of Taxes-Presbyterian Homes	58,980.00	-	57,620.50	(1,359.50)
Payments in Lieu of Taxes- 150 Lofts, LLC	301,250.00	-	458,621.86	157,371.86
Host Community Benefit Funds	78,100.00	-	67,265.85	(10,834.15)
Consolidated Municipal Property Tax Relief Aid	14,397.00	-	14,397.00	-
Energy Receipts Taxes	1,765,417.00	-	1,765,417.00	-
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17)				
Uniform Construction Code Fees	475,100.00	-	846,013.00	370,913.00
Hazardous Waste Facilities Sitting Act (N.J.S.A. 13-15-80)	20,000.00	-	20,000.00	-
Public and Private Revenues Offset with Approps.:				
Recycling Tonnage Grant	19,834.48	-	19,834.48	-
Drunk Driving Enforcement Fund	6,493.53	-	6,493.53	-
Municipal Alliance on Alcoholism and Drug Abuse	19,494.00	3,834.28	23,328.28	-
Body Armor Replacement Grant - CY	3,101.97	-	3,101.97	-
Information Assistance - Older American Act	6,500.00	-	6,500.00	-
Transportation Assistance- Older American Act	10,000.00	-	10,000.00	-
CDBG - County HUD Funds	63,854.00	-	63,854.00	-
Clean Communities	-	26,323.50	26,323.50	-
CARES ACT	-	73,256.63	73,256.63	-
Other Special Items:				
Reserve for Sale of Municipal Assets - Cell Tower	600,000.00	-	600,000.00	-
Reserve for Payment of Debt Service	98,634.92	-	98,634.92	-
Total Miscellaneous Revenues	5,501,259.01	103,414.41	5,934,806.28	330,132.86
Receipts From Delinquent Taxes	419,000.00	-	600,695.74	181,695.74
Subtotal General Revenues	7,020,259.01	103,414.41	7,635,502.02	511,828.60
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including				
Reserve for Uncollected Taxes	13,391,306.58	-	13,580,262.85	188,956.27
Minimum Library Tax	513,606.00	-	513,606.00	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	13,904,912.58	-	14,093,868.85	188,956.27
Budget Totals	20,925,171.59	103,414.41	21,729,370.87	700,784.87
Nonbudget Revenues	-	-	227,180.30	227,180.30
Total	\$ 20,925,171.59	\$ 103,414.41	\$ 21,956,551.17	\$ 927,965.17

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

**BOROUGH OF MIDDLESEX
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020
ANALYSIS OF REALIZED REVENUES**

Revenue From Collections	\$	45,808,928.24
Allocation of Current Tax Collections:		
School District	\$	26,438,319.00
County Taxes		<u>6,026,740.39</u>
		<u>32,465,059.39</u>
Balance for Support of Municipal Budget Appropriations		13,343,868.85
Add: Budget Appropriation - Reserve for Uncollected Taxes		<u>750,000.00</u>
Total Amount for Support of Municipal Budget Appropriation	\$	<u><u>14,093,868.85</u></u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	\$	<u>600,695.74</u>
Total Receipts From Delinquent Taxes	\$	<u><u>600,695.74</u></u>

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Receipts:		
Duplicate Tax Bill Fees	\$	1,210.00
Library Health Contributions		42,514.32
Sale of Municipal Assets		35,147.00
Property Tax Listing		290.00
Easement -Silverline		625.00
Outside Police Admin		19,057.50
Property Maintenance Admin Fee		6,849.23
Abandoned Property Registration		46,000.00
Landlord Registration		19,300.00
Containers		2,444.80
Other Miscellaneous Revenue		38,581.00
Senior Vet Admin Fee		1,982.79
JIF Reimbursement		<u>13,178.66</u>
Total	\$	<u><u>227,180.30</u></u>

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

	APPROPRIATIONS				PAID OR CHARGED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELED
	OPERATIONS	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			
OPERATIONS WITHIN "CAPS"							
<u>GENERAL GOVERNMENT</u>							
General Administration:							
Salaries and Wages	\$	127,500.00	\$	119,999.88	\$	2,500.12	\$ 5,000.00
Other Expenses		4,250.00		772.02	24.95	3,453.03	-
Mayor & Council							
Salaries and Wages		12,000.00		8,533.18	-	3,466.82	-
Other Expenses		5,500.00		3,807.24	19.39	1,673.37	-
Municipal Clerk:							
Salaries and Wages		163,000.00		138,815.55	-	4,184.45	20,000.00
Other Expenses		8,800.00		6,171.07	600.00	2,028.93	-
Postage for All Departments							
Other Expenses		25,000.00		20,602.02	184.93	4,213.05	-
Printing and Advertising							
Other Expenses		10,000.00		7,053.53	349.90	2,596.57	-
Financial Administration (Treasury):							
Salaries and Wages		108,000.00		105,880.30	-	2,119.70	-
Other Expenses		66,000.00		62,057.45	1,815.19	2,127.36	-
Elections							
Other Expenses		10,000.00		600.00	-	9,400.00	-
Annual Audit							
Other Expenses		45,000.00		15,000.00	-	30,000.00	-
Tax Assessment Administration:							
Salaries and Wages		27,000.00		26,910.00	-	90.00	-
Other Expenses		3,900.00		2,693.20	-	1,206.80	-
Revenue Administration (Tax Collection):							
Salaries and Wages		63,700.00		63,652.97		47.03	-
Other Expenses		6,900.00		5,728.47	202.07	969.46	-
Legal Services							
Other Expenses		160,000.00		151,274.25		8,725.75	-
Engineering Services:							
Other Expenses		93,400.00		66,123.20	-	27,276.80	-
Animal Control & Board of Health:							
Other Expenses		70,850.00		35,343.28	50.00	35,456.72	-
Computer Data Services							
Other Expenses		250,350.00		215,818.72	7,197.68	27,333.60	-
Environmental Legal & Engineering Services and Costs							
Other Expenses		11,000.00		3,043.50		7,956.50	-

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

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

	APPROPRIATIONS			PAID OR CHARGED			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED		
OPERATIONS							
<u>LAND USE ADMINISTRATION</u>							
Code Enforcement							
Salaries and Wages	74,000.00	59,000.00	52,228.98	-	-	6,771.02	-
Other Expenses	20,400.00	20,400.00	5,309.24	-	-	15,090.76	-
Purchasing Agent							
Other Expenses	1,750.00	1,750.00	352.94	-	-	1,397.06	-
Joint Land Use Board							
Salaries and Wages	17,000.00	17,000.00	3,250.00	-	-	3,750.00	10,000.00
Other Expenses	33,500.00	33,500.00	15,723.32	1,137.50	-	16,639.18	-
INSURANCE							
Temporary Disability Insurance	30,000.00	30,000.00	26,440.35	-	-	3,559.65	-
Long-Term Disability Insurance	20,000.00	20,000.00	18,457.74	-	-	1,542.26	-
Liability Insurance	260,000.00	260,000.00	253,405.10	-	-	6,594.90	-
Workmen's Compensation	191,800.00	191,800.00	180,273.20	-	-	11,526.80	-
Employee Group Insurance	2,400,000.00	2,400,000.00	1,956,162.41	240.00	-	293,597.59	150,000.00
<u>Flood Plain Management</u>							
Other Expenses	15,000.00	15,000.00	4,074.24	800.00	-	10,125.76	-
PUBLIC SAFETY							
Police Department							
Salaries and Wages	3,855,000.00	3,855,000.00	3,662,957.60	-	-	87,042.40	105,000.00
Other Expenses	139,500.00	139,500.00	33,789.51	102,193.34	-	3,517.15	-
Juvenile Conference Committee							
Salaries and Wages	2,135.00	2,135.00	2,134.92	-	-	0.08	-
Other Expenses	250.00	250.00	-	-	-	250.00	-
Office of Emergency Management							
Salaries and Wages	5,000.00	5,000.00	5,000.00	-	-	-	-
Other Expenses	8,300.00	8,300.00	4,477.44	3,355.24	-	467.32	-
Public Defender							
Other Expenses	15,000.00	15,000.00	2,720.00	390.00	-	11,890.00	-
Aid to Volunteer Ambulance Companies (Rescue Squad)	20,000.00	20,000.00	20,000.00	-	-	-	-
Fire Department							
Other Expenses	120,300.00	125,300.00	117,727.54	7,268.53	-	303.93	-
Fire Hydrant Fees							
Other Expenses	215,000.00	215,000.00	195,477.14	-	-	19,522.86	-
Municipal Prosecutor's Office							
Other Expenses	21,000.00	21,000.00	18,066.66	1,500.00	-	1,433.34	-
Municipal Court							
Salaries and Wages	165,000.00	165,000.00	153,708.27	-	-	11,291.73	-
Other Expenses	8,700.00	8,700.00	3,948.42	130.34	-	4,621.24	-

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

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

OPERATIONS	APPROPRIATIONS				UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	PAID OR CHARGED ENCUMBERED	
<u>PUBLIC WORKS</u>					
Road Repairs and Maintenance					
Salaries and Wages	855,000.00	847,000.00	770,582.67	-	36,417.33
Other Expenses	115,850.00	115,850.00	64,904.00	10,130.07	40,815.93
Shade Tree Commission					
Salaries and Wages	2,688.00	2,688.00	2,557.88	-	130.12
Other Expenses	35,000.00	35,000.00	17,999.00	17,000.00	1.00
Solid Waste Collection					
Salaries and Wages	152,000.00	152,000.00	118,396.94	-	18,603.06
Garbage and Trash Removal					
Salaries and Wages	395,000.00	395,000.00	374,344.36	-	20,655.64
Other Expenses	40,500.00	40,500.00	28,783.52	407.57	11,308.91
Community Services Act (Condominium Costs)					
Other Expenses	45,000.00	45,000.00	44,752.07	-	247.93
Buildings and Grounds					
Salaries and Wages	24,000.00	24,000.00	23,747.36	-	252.64
Other Expenses	107,000.00	107,000.00	83,865.73	10,830.74	12,303.53
Rental of Rescue Squad Building					
Other Expenses	7,200.00	7,200.00	7,200.00	-	-
<u>HEALTH AND HUMAN SERVICES</u>					
Animal Control					
Other Expenses	30,000.00	30,000.00	28,300.00	-	1,700.00
Senior Nutrition - Program Costs					
Salaries and Wages	7,500.00	7,500.00	6,963.00	-	537.00
Title III Senior Medical Transportation - Program Costs					
Salaries and Wages	11,500.00	11,500.00	4,050.00	-	2,450.00
Title III Information & Assistance - Program Costs					
Salaries and Wages	38,500.00	38,500.00	38,366.90	-	133.10
<u>PARKS AND RECREATION</u>					
Recreation Services and Programs					
Salaries and Wages	118,000.00	118,000.00	89,400.37	-	8,599.63
Other Expenses	11,800.00	11,800.00	7,349.38	370.82	4,079.80
Parks and Playgrounds					
Salaries and Wages	425,500.00	435,500.00	430,123.59	-	5,376.41
Other Expenses	54,350.00	54,350.00	33,088.01	9,882.80	11,379.19
Senior Citizens Bus Transportation					
Salaries and Wages	20,000.00	20,000.00	-	-	-
Other Expenses	7,500.00	7,500.00	285.85	-	7,214.15

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

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

OPERATIONS	APPROPRIATIONS			PAID OR CHARGED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			
Senior Citizens Coordinator						
Salaries and Wages	53,000.00	53,000.00	52,577.97	-	422.03	-
Other Expenses	11,000.00	11,000.00	3,976.02	448.57	6,575.41	-
OTHER COMMON OPERATING FUNCTIONS - UNCLASSIFIED						
Accumulated Sick Leave Compensation						
Salaries and Wages	35,000.00	35,000.00	34,677.83	-	322.17	-
Housing and Community Advisory Board						
Salaries and Wages	500.00	500.00	500.00	-	-	-
Other Expenses	100.00	100.00	-	-	100.00	-
Construction Dept						
Salaries and Wages	152,500.00	157,500.00	157,363.35	-	136.65	-
Other Expenses	5,200.00	5,200.00	2,980.85	19.52	2,199.63	-
Multi-Family Solid Waste Collection						
Other Expenses	35,000.00	35,000.00	17,282.25	-	17,717.75	-
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	180,000.00	180,000.00	146,210.43	-	33,789.57	-
Street Lighting	170,000.00	170,000.00	144,975.90	-	25,024.10	-
Telephone (Excluding Equipment Acquis.)	70,000.00	70,000.00	59,182.16	1,796.97	9,020.87	-
Water	30,000.00	30,000.00	19,595.35	-	10,404.65	-
Gas (Natural or Propane)	30,000.00	30,000.00	20,109.45	-	9,890.55	-
Fuel Oil (Diesel Fuel)	75,000.00	75,000.00	37,547.58	-	37,452.42	-
Gasoline	80,000.00	80,000.00	65,211.66	-	14,788.34	-
Sewer Processing and Disposal						
Salaries and Wages	86,000.00	89,000.00	83,152.07	-	5,847.93	-
Other Expenses	29,150.00	29,150.00	22,474.64	5,716.00	959.36	-
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Sanitary Landfill Fees						
Other Expenses	375,000.00	375,000.00	339,097.33	12,788.27	23,114.40	-
CODE ENFORCEMENT AND ADMINISTRATION						
Celebration of Public Events						
Other Expenses	3,750.00	3,750.00	233.95	-	3,516.05	-
Total Operation Within "CAPS"	12,835,873.00	12,835,873.00	11,177,774.27	196,850.39	1,071,248.34	390,000.00
Contingent	25,000.00	25,000.00	3,120.00	2,802.50	19,077.50	-

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

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

OPERATIONS	APPROPRIATIONS			PAID OR CHARGED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED	
Detail:	6,910,023.00	6,902,023.00	6,446,723.87	-	215,299.13	240,000.00
Salaries and Wages	5,950,850.00	5,958,850.00	4,734,170.40	199,652.89	875,026.71	150,000.00
Other Expenses (Including Contingent)						
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
Statutory Expenditures:						
Social Security System(O.A.S.I.)	320,000.00	320,000.00	299,113.71	-	20,886.29	-
Public Employees' Retirement System of NJ	425,000.00	425,000.00	414,192.69	-	10,807.31	-
Police & Fire Retirement System of NJ	953,817.00	953,817.00	953,817.00	-	-	-
Pension and Firemen's Widow	5,000.00	5,000.00	5,000.00	-	-	-
Defined Contribution Plan (DCRP)	12,000.00	12,000.00	10,121.59	-	1,878.41	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	1,715,817.00	1,715,817.00	1,682,244.99	-	33,572.01	-
Judgements	56,062.00	56,062.00	56,061.96	-	-	0.04
Total General Appropriations for Municipal Purposes Within "CAPS"	14,632,752.00	14,632,752.00	12,919,201.22	199,652.89	1,123,897.85	390,000.04
OPERATIONS EXCLUDED FROM "CAPS":						
Maintenance of Free Public Library (NJSA-40:54-8)	527,000.00	527,000.00	527,000.00	-	-	-
Other Expenses						
Middlesex County Utilities Authority Sewerage Treatment Contractual	1,600,000.00	1,710,000.00	1,686,713.43	-	23,286.57	-
Piscataway Sewerage Authority - Share of Costs	475,000.00	365,000.00	323,513.21	-	41,486.79	-
Middlesex County Improvement Authority - Curbside Recycling Collection	245,000.00	245,000.00	187,959.93	22,044.00	34,996.07	-
LOSAP	115,000.00	115,000.00	-	-	115,000.00	-
Stormwater Pollution Programs: NJDES/Stormwater Permit	286,664.00	286,664.00	286,664.00	-	-	-
Salaries and Wages	6,000.00	6,000.00	3,621.68	-	2,378.32	-
Other Expenses						

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

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

OPERATIONS	APPROPRIATIONS				PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED			
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES							
Body Armor Replacement Grant - CY	3,101.97	3,101.97	3,101.97	-	-	-	-
Recycling Tonnage Grant	19,834.48	19,834.48	19,834.48	-	-	-	-
Drunk Driving Enforcement Fund	6,493.53	6,493.53	6,493.53	-	-	-	-
Clean Communities Grant	-	26,323.50	26,323.50	-	-	-	-
CDBG	63,854.00	63,854.00	63,854.00	-	-	-	-
CARES act	-	73,256.63	73,256.63	-	-	-	-
Municipal Alliance on Alcohol & Drug Abuse	19,494.00	19,494.00	19,494.00	-	-	-	-
Municipal Alliance on Alcohol & Drug Abuse-Match	4,873.50	4,873.50	4,873.50	-	-	-	-
N.J. Alcohol Education & Rehabilitation - Municipal Court	-	3,834.28	3,834.28	-	-	-	-
Older Americans Act - Information Assist	6,500.00	6,500.00	6,500.00	-	-	-	-
Older Americans Act - Transportation Assist	10,000.00	10,000.00	10,000.00	-	-	-	-
Total Public and Private Programs Offset By Revenues:	134,151.48	237,565.89	237,565.89	-	-	-	-
Total Operations Excluded from "CAPS"	3,388,815.48	3,492,229.89	3,253,038.14	22,044.00	217,147.75	-	-
Detail:							
Salaries and Wages	286,664.00	299,664.00	299,664.00	6,500.00	-	-	-
Other Expenses	3,102,151.48	3,192,565.89	2,953,374.14	15,544.00	217,147.75	-	-
Capital Improvements - Excluded from "CAPS":							
Capital Improvement Fund	80,000.00	80,000.00	80,000.00	-	-	-	-
Total Capital Improvements Excluded from "CAPS"	80,000.00	80,000.00	80,000.00	-	-	-	-
Municipal Debt Service - Excluded from "CAPS":							
Payment of Bond Principal	1,026,475.00	1,026,475.00	1,026,475.00	-	-	3.00	-
Interest on Bonds	179,850.00	179,850.00	179,847.22	-	-	2.78	-
Loan Payment for Principal and Interest	118,847.39	118,847.39	118,517.25	-	-	330.14	-
Loan Payment for Principal and Interest	12,997.00	12,997.00	12,996.30	-	-	0.70	-
MCIA Loan	487,175.45	487,175.45	487,175.45	-	-	-	-
Fire Truck	148,014.27	148,014.27	148,014.27	-	-	-	-
Environmental Infrastructure Loan	100,245.00	100,245.00	98,536.54	-	-	1,708.46	-
Total Municipal Debt Service Excluded from "CAPS"	2,073,604.11	2,073,604.11	2,071,559.03	-	-	2,045.08	-

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

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

	APPROPRIATIONS			PAID OR CHARGED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			
OPERATIONS						
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	5,542,419.59	5,645,834.00	5,404,597.17	22,044.00	217,147.75	2,045.08
Subtotal General Appropriations	20,175,171.59	20,278,586.00	18,323,798.39	221,696.89	1,341,045.60	392,045.12
Reserve For Uncollected Taxes	750,000.00	750,000.00	750,000.00	-	-	-
Total General Appropriations	\$ 20,925,171.59	\$ 21,028,586.00	\$ 19,073,798.39	\$ 221,696.89	\$ 1,341,045.60	\$ 392,045.12
Budget	\$ 20,925,171.59	20,925,171.59				
Appropriation by 40A:4-87		103,414.41				
Total	\$	21,028,586.00				
Reserve for Uncollected Taxes			\$ 750,000.00			
Appropriated Reserves for Federal & State Grants			237,565.89			
Cash Disbursements			18,086,232.50			
Total			\$ 19,073,798.39			

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

**BOROUGH OF MIDDLESEX
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

ASSETS		2020	2019
Assessment Trust Fund:			
Cash and Investments - Treasurer	B-2	\$ 11,889.07	\$ 25,990.14
Assessment Liens Receivable	B-3	1,470.00	1,470.00
Total Assessment Trust Fund		<u>13,359.07</u>	<u>27,460.14</u>
Animal Control Fund:			
Cash	B-2	24,938.14	54,617.00
Total Animal Control Fund		<u>24,938.14</u>	<u>54,617.00</u>
Trust-Other Fund:			
Cash and Investments - Treasurer	B-2	706,861.00	426,981.86
Due from Current Fund	A	97,248.68	97,248.68
Due from General Capital Fund	C	522,787.01	522,787.01
Total Trust-Other Fund		<u>1,326,896.69</u>	<u>1,047,017.55</u>
Escrow Trust Fund:			
Cash and Investments - Treasurer	B-2	1,018,902.21	624,722.97
Total Escrow Trust Fund		<u>1,018,902.21</u>	<u>624,722.97</u>
Payroll Fund:			
Cash and Investments - Treasurer	B-2	167,306.02	142,587.88
Total Payroll Trust Fund		<u>167,306.02</u>	<u>142,587.88</u>
Public Assistance Trust Fund			
Cash and Investments - Treasurer	B-2	9,836.41	9,841.34
Total Public Assistance Trust Fund		<u>9,836.41</u>	<u>9,841.34</u>
Total Assets		<u>\$ 2,561,238.54</u>	<u>\$ 1,906,246.88</u>

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

**BOROUGH OF MIDDLESEX
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

LIABILITIES, RESERVES & FUND BALANCE		2020	2019
Assessment Trust Fund			
Due to General Capital Fund	B-6	\$ 7,164.08	\$ 7,164.08
Due to Current Fund	B-7	629.22	14,730.29
Fund Balance	B-1	5,565.77	5,565.77
Total Assessment Trust Fund		<u>13,359.07</u>	<u>27,460.14</u>
Animal Control Fund:			
Due to State of New Jersey	B-5	1.20	1.20
Due to Current Fund	B	12,888.48	41,351.22
Reserve for Animal Control Expenditures	B-4	12,048.46	13,264.58
Total Animal Control Fund		<u>24,938.14</u>	<u>54,617.00</u>
Trust-Other Fund:			
Reserve for Unemployment Insurance	B-8	192,617.04	194,846.61
Reserve for Various Deposits	B-8	1,134,279.65	852,170.94
Total Trust-Other Fund		<u>1,326,896.69</u>	<u>1,047,017.55</u>
Escrow Trust Fund:			
Developers' Escrow - Water & Soil	B-9	20,062.00	20,062.00
Developers' Escrow Funds	B-9	998,840.21	604,660.97
Total Escrow Trust Fund		<u>1,018,902.21</u>	<u>624,722.97</u>
Payroll Fund:			
Payroll Deductions Payable	B-11	167,306.02	142,587.88
Total Payroll Trust Fund		<u>167,306.02</u>	<u>142,587.88</u>
Public Assistance Trust Fund			
Reserve for Public Assistance	B-10	9,836.41	9,841.34
Total Public Assistance Trust Fund		<u>9,836.41</u>	<u>9,841.34</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 2,561,238.54</u>	<u>\$ 1,906,246.88</u>

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

**BOROUGH OF MIDDLESEX
TRUST ASSESSMENT FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	<u>\$ 5,565.77</u>
Balance, December 31, 2020	<u><u>\$ 5,565.77</u></u>

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

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

ASSETS	REFERENCE	2020	2019
Cash and Investments - Treasurer	C-2	\$ 1,726,093.92	\$ 2,194,983.85
Grants - In - Aid, Loans and Other Receivable	C-7	2,912,642.77	2,610,587.02
Interfunds Receivable	C-10	7,164.08	7,164.08
Deferred Charges to Future Taxation:			
Funded	C-4	6,235,729.51	8,027,076.47
Unfunded	C-5	10,802,986.64	9,379,247.14
Total Assets		<u>\$ 21,684,616.92</u>	<u>\$ 22,219,058.56</u>
LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-12	\$ 5,244,500.00	\$ 6,493,000.00
Capital Leases Payable	C-11	640,000.00	1,083,822.55
NJ Infrastructure Trust Loan	C-14	898,891.00	898,891.00
Loans Payable - N.J. Green Trust Fund - 1989	C-16	31,538.30	43,720.79
Loans Payable - N.J. Infrastructure	C-13	319,691.21	406,533.13
Bond Anticipation Notes	C-15	6,550,524.00	5,282,106.00
Reserve for Encumbrances Payable	C-8	1,270,876.06	1,897,315.68
Interfunds Payable	C-10	645,196.93	786,987.42
Improvement Authorizations			
Funded	C-8	773,466.70	2,220,084.56
Unfunded	C-8	4,307,548.61	2,306,892.44
Reserve For:			
Capital Improvement Fund	C-6	23,287.43	7,347.93
Grants and Loans Receivable	C-9	559,772.11	688,348.49
Insurance Refund	C-9	4,838.08	4,838.08
To Pay Debt Service	C-9	-	98,634.92
Fund Balance	C-1	<u>414,486.49</u>	<u>535.57</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 21,684,616.92</u>	<u>\$ 22,219,058.56</u>

There were bonds authorized but not issued on December 31, 2020 in the amount of \$3,369,421.05 and on December 31, 2019 of \$3,340,196.90.

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

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$ 535.57
Increased by Receipts:	
Cancellation of Ordinances	<u>413,950.92</u>
Balance, December 31, 2020	<u><u>\$ 414,486.49</u></u>

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

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

ASSETS	REFERENCE	2020	2019
Operating Fund:			
Cash and Investments - Treasurer	D-5	\$ 161,999.92	\$ 266,176.85
Cash - Snack Bar Fund	D-5	3,008.51	3,013.15
Due from Swimming Pool Capital Fund	D-11	94,320.11	94,320.11
		<u>259,328.54</u>	<u>363,510.11</u>
Total Operating Fund			
Capital Fund:			
Fixed Capital	D-7	666,291.56	666,291.56
Fixed Capital Authorized and Uncompleted	D-8	1,650,000.00	1,650,000.00
		<u>2,316,291.56</u>	<u>2,316,291.56</u>
Total Capital Fund			
		<u>\$ 2,575,620.10</u>	<u>\$ 2,679,801.67</u>
Total Assets			

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

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2020	2019
Operating Fund:			
Appropriation Reserves	D-4	\$ 114,723.85	\$ 42,710.98
Reserve for Encumbrances	D-4	1,100.44	12,065.58
Accounts Payable	D-9	-	34,693.93
Due to Current Fund	D-11	114,526.13	114,526.13
Accrued Interest on Bonds	D-17	6,706.56	7,820.31
Subtotal Swimming Pool Fund		<u>237,056.98</u>	<u>211,816.93</u>
Fund Balance	D-1	<u>22,271.56</u>	<u>151,693.18</u>
Total Operating Fund		<u>259,328.54</u>	<u>363,510.11</u>
Capital Fund:			
General Serial Bonds	D-18	663,500.00	785,000.00
Improvement Authorizations:			
Funded	D-16	51,660.79	51,660.79
Unfunded	D-16	93,670.00	93,670.00
Capital Improvement Fund	D-13	7,730.10	7,730.10
Due to Swimming Pool Operating Fund	D-15	94,320.11	94,320.11
Reserve for:			
Amortization	D-12	1,237,791.56	1,116,291.56
Deferred Amortization	D-14	165,000.00	165,000.00
Fund Balance	D-2	<u>2,619.00</u>	<u>2,619.00</u>
Total Capital Fund		<u>2,316,291.56</u>	<u>2,316,291.56</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 2,575,620.10</u>	<u>\$ 2,679,801.67</u>

There were bonds and notes authorized but not issued on December 31, 2020 and 2019 of \$250,000.00

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

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Reference	<u>2020</u>	<u>2019</u>
Revenue & Other Income Realized:			
Fund Balance Utilized	D-1, D-3	\$ 75,028.00	\$ 78,628.00
Fees - Membership	D-3	144,264.25	273,291.00
Miscellaneous	D-3	51,906.29	128,035.26
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	43,628.16	68,264.72
Cancellation of Accrued Interest on Bonds	D-3	1,113.75	-
Cancellation of Accounts Payable	D-3	34,693.93	-
 Total Revenue		 <u>350,634.38</u>	 <u>548,218.98</u>
Expenditures:			
Budget and Emergency Appropriations			
Operating	D-4	<u>405,028.00</u>	<u>504,430.00</u>
 Total Expenditures		 <u>405,028.00</u>	 <u>504,430.00</u>
 Excess/(Deficit) in Revenue		 <u>(54,393.62)</u>	 <u>43,788.98</u>
 Fund Balance January 1		 151,693.18	 186,532.20
Decreased by: Utilization as Anticipated Revenue	D-4	<u>75,028.00</u>	<u>78,628.00</u>
Balance December 31	D	<u>\$ 22,271.56</u>	<u>\$ 151,693.18</u>

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

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	<u>\$ 2,619.00</u>
Balance, December 31, 2020	<u><u>\$ 2,619.00</u></u>

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

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 75,028.00	\$ 75,028.00	\$ -
Fees - Membership	230,000.00	144,264.25	(85,735.75)
Miscellaneous	100,000.00	51,906.29	(48,093.71)
	<hr/>		
Total Revenues	<u>\$ 405,028.00</u>	<u>\$ 271,198.54</u>	<u>\$ (133,829.46)</u>

ANALYSIS OF MISCELLANEOUS REVENUES

Miscellaneous Receipts:	
Interest	\$ 1,113.27
Miscellaneous Revenues	<u>50,793.02</u>
	<u>\$ 51,906.29</u>

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

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	APPROPRIATIONS		PAID OR CHARGED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBRANCES	RESERVED
Operating:					
Salaries & Wages	\$ 165,000.00	\$ 165,000.00	\$ 135,364.47	\$ -	\$ 29,635.53
Other Expenses	150,000.00	150,000.00	64,950.37	1,100.44	83,949.19
Total Operating	315,000.00	315,000.00	200,314.84	1,100.44	113,584.72
Debt Service:					
Payment of Bond Principal	78,528.00	78,528.00	78,528.00	-	-
Total Debt Service	78,528.00	78,528.00	78,528.00	-	-
Statutory Expenditures:					
Social Security System (O.A.S.I.)	11,500.00	\$ 11,500.00	10,360.87	-	1,139.13
Total Statutory Expenditures	11,500.00	11,500.00	10,360.87	-	1,139.13
Total Expenditures	\$ 405,028.00	\$ 405,028.00	\$ 289,203.71	\$ 1,100.44	\$ 114,723.85
Cash Disbursed			\$ 289,203.71		
Total			\$ 289,203.71		

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

**BOROUGH OF MIDDLESEX
MIDDLESEX COUNTY, NEW JERSEY
STATEMENT OF GOVERNMENTAL FIXED ASSETS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
General Fixed Assets:		
Land	\$ 5,864,700.00	\$ 5,864,700.00
Buildings	6,533,000.00	6,533,000.00
Machinery and Equipment	<u>10,114,287.23</u>	<u>9,444,013.00</u>
Total Assets	<u>\$ 22,511,987.23</u>	<u>\$ 21,841,713.00</u>
Investment in Governmental Fixed Assets	<u>\$ 22,511,987.23</u>	<u>\$ 21,841,713.00</u>

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

**MIDDLESEX, BOROUGH OF
COUNTY OF MIDDLESEX**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough of Middlesex, County of Middlesex, New Jersey (hereafter referred to as the "Borough") operates under the legislative Borough of N.J.S.A. 40A:60-1 et seq., which provides for the election of a mayor to serve a term of four years and a council of six members serving three-year terms. At its annual meeting, the council elects a president of the council who shall preside at all its meetings when the mayor is not present. The mayor is the head of the municipal government and the council is the legislative body. The Borough has adopted an administrative code, which provides for the delegation of a portion of executive responsibilities to an administrator and the organization of the council into standing committees to oversee various Borough activities.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80, 90 and 97, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61, 80, 90 and 97.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the "Requirements", the Borough accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

General Capital Fund – This fund accounts for receipt 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 – This fund accounts for the operations and acquisition of capital facilities of the municipally owned Swimming Pool.

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Borough.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its Current and Swimming Pool Operating Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. Property and equipment purchased by the Current Fund and the General Capital Fund are recorded as expenditures at the time of purchase and are not capitalized. Contributions in aid of construction are not capitalized. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. Contributions in aid of construction are not capitalized. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets. the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Foreclosed property – Foreclosed Property or “Property Acquired for Taxes” is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Sale of Municipal Assets – Cash proceeds from the sale of Borough owned property are reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year-end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued)

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Fund Balance – Fund Balance included in the Current and Swimming Pool Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough’s budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough’s Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Swimming Pool Revenues – Swimming pool utility revenues are for charges to residents for membership fees. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough’s utility operating fund.

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Borough’s annual budget, but also the amounts required in support of the budgets of the County of Middlesex, and School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Middlesex. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Middlesex School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district July 1 to June 30.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July I to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

Reserve for Uncollected Taxes – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Borough’s annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Borough’s financial statements.

The following GASB Statements became effective for the fiscal year ended December 31, 2020:

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

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to section 1, paragraph 4 are effective immediately. All other requirements will be effective for reporting periods beginning June 15, 2021. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the Borough's financial statements.

Management has determined that the implementation of these Statements did not have a significant impact on the Borough's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 87, *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021.

Note 2. Deposits and Investments

The Borough is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 2. Deposits and Investments (Continued)

As of December 31, 2020, the Borough's bank balance of \$9,112,020.05 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 8,541,232.19
NJ Cash Management Fund	138,226.46
Uninsured and Uncollateralized	<u>432,561.40</u>
	<u><u>\$ 9,112,020.05</u></u>

Investments

The Borough had no investments as of December 31, 2020.

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$ 9.422</u>	<u>\$ 9.167</u>	<u>\$ 8.889</u>
Apportionment of Tax Rate:			
Municipal	2.721	2.575	2.503
Municipal Library	0.104	0.105	0.099
County General	1.130	1.129	1.103
County Open Space	0.095	0.095	0.091
Local School	5.372	5.263	5.093

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 492,104,366.00
2019	493,000,675.00
2018	495,020,711.00

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 3. Property Taxes (Continued):

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2020	\$46,402,353.48	\$45,808,928.24	98.72%
2019	45,326,701.46	44,609,463.47	98.41%
2018	44,114,362.11	43,420,174.67	98.42%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2020	\$ 415,884.70	\$ 553,291.95	\$ 969,176.65	2.09%
2019	419,307.69	633,345.83	1,052,653.52	2.32%
2018	360,646.06	650,184.50	1,010,830.56	2.29%

Note: 4: Property Acquired By Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2020	\$ 1,423,139.00
2019	1,423,139.00
2018	1,423,139.00

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 5. Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and two previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2020	\$ 2,328,836.56	\$ 1,400,000.00	60.12%
2019	1,497,915.47	1,100,000.00	73.44%
2018	2,586,086.89	2,200,000.00	85.07%
Swimming Pool Operating Fund:			
2020	\$ 22,271.56	\$ 21,157.81	95.00%
2019	151,693.18	75,028.00	49.46%
2018	186,532.20	78,628.00	42.15%

Note 6 Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

Note 7. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2020:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 297,781.62	\$ 97,248.68
State and Federal Grant Fund	23,775.00	71,102.87
Animal Control Trust	-	12,888.48
Trust Other Fund	620,035.69	-
Assessment Trust	-	7,793.30
Capital Fund	7,164.08	645,196.93
Swim Utility Operating Fund	94,320.11	114,526.13
Swim Utility Capital Fund	-	94,320.11
	<u>\$ 1,043,076.50</u>	<u>\$ 1,043,076.50</u>

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 7. Interfund Receivables, Payables and Transfers (Continued)

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 289,748.52	\$ -
Animal Control Trust	-	34,592.82
Assessment Trust	-	14,730.29
Capital Fund	-	240,425.51
	<u>\$ 289,748.52</u>	<u>\$ 289,748.62</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

Note 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2020.

	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2020</u>
Land	\$ 5,864,700.00	\$ -	\$ -	\$ 5,864,700.00
Buildings and Improvements	6,533,000.00	-	-	6,533,000.00
Machinery & Equipment	9,444,013.00	670,274.23	-	10,114,287.23
	<u>\$ 21,841,713.00</u>	<u>\$ 670,274.23</u>	<u>\$ -</u>	<u>\$ 22,511,987.23</u>

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Contributions - 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 insurance benefits is based on actual claims paid. For the fiscal year 2019, 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. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2020, the Borough's contractually required contribution to PERS plan was \$428,293.

Components of Net Pension Liability - At December 31, 2020, the Borough's proportionate share of the PERS net pension liability was \$6,384,516. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from 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 the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Borough's proportion measured as of June 30, 2020, was 0.0391510737% which was a decrease of 0.001166153% from its proportion measured as of June 30, 2019.

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/2020</u>	<u>12/31/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 1,185,371	\$ 1,810,814
Deferred Inflows of Resources	2,898,511	2,664,990
Net Pension Liability	6,384,516	7,255,627
Borough's portion of the Plan's total Net Pension Liability	0.03915%	0.04027%

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2020 measurement date is \$444,687. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$428,293 to the plan in 2020.

At December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 116,252	\$ 22,578
Changes of Assumptions	207,121	2,673,257
Net Difference between Projected and Actual Earnings on Pension Plan Investments	218,228	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>643,770</u>	<u>202,676</u>
	<u>\$ 1,185,371</u>	<u>\$ 2,898,511</u>

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The Borough will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending	<u>Dec 31,</u>	<u>Amount</u>
2021		\$ (197,620)
2022		(989,880)
2023		(225,789)
2024		(255,554)
2025		<u>(44,297)</u>
		<u>\$ (1,713,140)</u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

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.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

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

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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

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 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 were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 8,100,239	\$ 6,384,516	\$ 5,021,482

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

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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

The following represents the membership tiers for PFRS:

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

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

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

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - 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. For fiscal year 2020, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2020, the Borough's contractually required contributions to PFRS plan was \$1,065,546.

Net Pension Liability and Pension Expense - At December 31, 2020 the Borough's proportionate share of the PFRS net pension liability was \$12,324,220. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Borough's proportion measured as of June 30, 2020, was 0.0953789652%, which was an increase of 0.0055746404% from its proportion measured as of June 30, 2019.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/2020</u>	<u>12/31/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 2,768,937	\$ 2,061,435
Deferred Inflows of Resources	3,430,285	3,914,130
Net Pension Liability	12,324,220	10,990,091
Borough's portion of the Plan's total net pension Liability	0.09538%	0.08980%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2020, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2020 measurement date was \$1,208,329. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$1,065,546 to the plan in 2020.

At December 31, 2020, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 124,249	\$ 44,230
Changes of Assumptions	31,014	3,304,050
Net Difference between Projected and Actual Earnings on Pension Plan Investments	722,627	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>1,891,047</u>	<u>82,005</u>
	<u>\$ 2,768,937</u>	<u>\$ 3,430,285</u>

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92
June 30, 2020	5.90	5.90

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2021	\$ (511,107)
2022	(259,784)
2023	142,802
2024	267,383
2025	<u>(300,642)</u>
	<u>\$ (661,348)</u>

Special Funding Situation – Under 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.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers 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 non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Borough is \$1,912,663 as of December 31, 2020. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The State’s proportion of the net pension liability associated with the Borough 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 members, actuarially determined. The State’s proportion measured as of June 30, 2020 was 0.0953789652%, which was an increase of 0.0055746404% from its proportion measured as of June 30, 2019, which is the same proportion as the Borough’s. At December 31, 2020, the Borough’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 12,324,220
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,912,663</u>
	<u>\$ 14,236,883</u>

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

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

At December 31, 2020, the State’s proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2020 measurement date was \$216,762.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

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%
Mortality Rate Table		
PFRS		Pub-2010 Safety Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based		July 1, 2013 - June 30, 2018

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. 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 (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 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.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

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 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 were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 16,388,676	\$ 12,324,220	\$ 8,948,379
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	2,543,448	1,912,663	1,388,748
	\$ 18,932,124	\$ 14,236,883	\$ 10,337,127

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

Note 10. Postemployment Benefits Other Than Pensions

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other post-employment obligations for the year ended June 30, 2020. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2019.

General Information about the OPEB Plan

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. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Postemployment Benefits Other Than Pensions (continued):

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Postemployment Benefits Other Than Pensions (continued):

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775.00 and \$8,182,092,807.00, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Initial Fiscal Year Applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PERS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

* - Salary Increases are based on the defined benefit plan that the member is enrolled in and his or her age.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Postemployment Benefits Other Than Pensions (continued):

OPEB Obligation and OPEB (benefit) Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2019 was \$15,989,105.00. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.1180349998%, which was a decrease of 0.0123199997% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$(355,698.00) for the State's proportionate share of the OPEB (benefit) expense attributable to the Borough. This OPEB (benefit) expense was based on the OPEB plans June 30, 2019 measurement date.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Postemployment Benefits Other Than Pensions (continued):

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 18,487,472.80	\$ 15,989,105.00	\$ 13,958,850.94
State of New Jersey's Total Nonemployer OPEB Liability	15,662,704,137.00	13,546,071,100.00	11,826,026,995.00

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:

The following presents the net OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Borough	\$ 13,492,834.19	\$ 15,989,105.00	\$ 19,173,518.65
State of New Jersey's Total Nonemployer OPEB Liability	11,431,214,644.00	13,546,071,100.00	16,243,926,531.00

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2019:

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Postemployment Benefits Other Than Pensions (continued):

Collective Balances at December 31, 2019 and December 31, 2018

	12/31/2019	12/31/2018
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Collective Deferred Outflows of Resources	\$ 11,158,226.00	\$ 8,279,239.00
Collective Deferred Inflows of Resources	8,761,825,481.00	7,154,925,195.00
Collective Net OPEB Liability	13,546,071,100.00	15,666,618,141.00
Borough's Portion	0.118035%	0.130355%

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2020	\$ (1,425,201,517.00)
2021	(1,425,201,517.00)
2022	(1,426,076,187.00)
2023	(1,427,489,995.00)
2024	(1,428,781,861.00)
Thereafter	(1,617,916,178.00)
	\$ (8,750,667,255.00)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for the 2019, 2018 and 2017 amounts, respectively.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Postemployment Benefits Other Than Pensions (continued):

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

	June 30, 2018
Active Plan Members	63,032
Retirees Currently Receiving Benefits	27,871
Total Plan Members	90,903

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

Service Cost	\$ 666,574,660.00
Interest on the Total OPEB Liability	636,082,461.00
Change of Benefit Terms	(1,903,958.00)
Differences Between Expected and Actual Experience	(1,399,921,930.00)
Changes of Assumptions	(1,635,760,217.00)
Contributions From the Employer	(346,415,056.00)
Contributions From Non-Employer Contributing Entity	(43,854,500.00)
Net Investment Income	(4,826,936.00)
Administrative Expense	9,478,435.00
Net Change in Total OPEB Liability	(2,120,547,041.00)
Total OPEB Liability (Beginning)	15,666,618,141.00
Total OPEB Liability (Ending)	\$ 13,546,071,100.00

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-2019.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 11. Municipal Debt

The following schedule represents the Borough's summary of debt, as filed in the Borough's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 13,685,144.51	\$ 14,208,073.47	\$ 13,098,288.15
Utility:			
Bonds, Notes and Loans	663,500.00	785,000.00	902,000.00
Total Debt Issued	14,348,644.51	14,993,073.47	14,000,288.15
 Authorized but not issued:			
General:			
Bonds, Notes and Loans	3,369,421.05	3,340,196.90	4,568,881.79
Utility:			
Bonds, Notes and Loans	250,000.00	250,000.00	250,000.00
Total Authorized But Not Issued	3,619,421.05	3,590,196.90	4,818,881.79
Total Gross Debt	\$ 17,968,065.56	\$ 18,583,270.37	\$ 18,819,169.94
 Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Utility:			
Self Liquidating Debt	-	1,035,000.00	1,128,091.20
Total Deductions	-	1,035,000.00	1,128,091.20
Total Net Debt	\$ 17,968,065.56	\$ 17,548,270.37	\$ 17,691,078.74

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 875,000.00	\$ 875,000.00	\$ -
Regional School Debt			-
General Debt	17,054,565.56	-	17,054,565.56
Utility Debt	913,500.00		913,500.00
	\$ 18,843,065.56	\$ 875,000.00	\$ 17,968,065.56

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 11. Municipal Debt (continued)

Net Debt \$39,123,089.76 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,602,257,725, equals 1.058%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2020 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 56,079,020.40	
Net Debt		16,955,930.64
Remaining Borrowing Power		\$ 39,123,089.76

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 196,170.54
Deductions:		
Operating and Maintenance Costs	\$ 315,000.00	
Debt Service	78,528.00	
		393,528.00
Total Deductions		\$ (197,357.46)
Excess/(Deficit) in Revenue		\$ (197,357.46)

*If Excess in Revenues all Utility Debt is Deducted

General Debt

A. Serial Bonds Payable

On February 15, 2010, the Borough issued \$9,865,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00% to 4.00% and mature on February 15, 2025.

On September 15, 2010, the Borough issued \$2,878,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00% to 4.00% and mature on September 15, 2025.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 11. Municipal Debt (continued)

On December 5, 2019, the Borough issued \$3,700,000 of Refunding Bonds to refund the callable portion of the outstanding 2010 Bond Issue. The Refunding Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on February 15, 2025.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	1,000,500.00	202,075.00	1,202,575.00
2022	1,041,000.00	167,230.00	1,208,230.00
2023	1,053,000.00	125,750.00	1,178,750.00
2024	1,073,500.00	79,450.00	1,152,950.00
2025	1,076,500.00	30,450.00	1,106,950.00
	<u>\$ 5,244,500.00</u>	<u>\$ 604,955.00</u>	<u>\$ 5,849,455.00</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2020:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2020</u>
Series 2020 A	6/25/2020	6/24/2021	0.500%	<u>\$ 5,282,106.00</u>
				<u>\$ 5,282,106.00</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2020, the Borough had \$3,369,421.05 in various General Capital bonds and notes authorized but not issued.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 11. Municipal Debt (continued)

D. Loans Payable

New Jersey 1989 Green Trust Fund

The Borough has contracted with Department of Environmental Protection to fund costs related to Mountainview Phase II Project. The Borough has been awarded a loan amount of \$209,000. Pursuant to the provisions of N.J.S.A 40A:2-1 et seq. the loan principal in the amount of \$43,720.79 and \$55,663.23 at December 31, 2019 and 2018 has been included in the calculation of the Borough's statutory debt condition. Terms of the above loans are included in their respective supplemental schedules (Exhibit C-16).

New Jersey Environmental Infrastructure Trust

The Borough has contracted with the New Jersey Environmental Infrastructure Trust to fund cost related to sewer system. Information on these loans and as included in their respective supplemental schedule is as followed:

Infrastructure Trust Loan:

Dated Date	Oct. 15, 2004
Draw Down Date- Expected	Nov. 4, 2004
Loan Amount	\$ 895,000.00
Principal Due Dates	Sept. 1
Interest Rates	2.110%-5.160%
Interest Due Dates	Mar. 1 & Sept. 1
Number of Payments	19
Final Payments	Sept. 1 2024

Infrastructure Fund Loan (Principal Only):

Dated Date	Oct. 15, 2004
Draw Down Date- Expected	Nov. 4, 2004
Loan Amount	\$ 844,827.50
Principal Due Dates	Feb. 1 & Aug. 1
Non-Interest Loan	
Number of Payments	38
Final Payments	Aug. 1, 2024

New Jersey Infrastructure Bank Loan

On September 16, 2019 the Borough was issued a note from the New Jersey Infrastructure Trust Act in the amount of \$898,891.00. The note matures on June 30, 2022. No payments of principal or interest on this short-term loan will be required until construction completion. This note does not yet have a repayment schedule available nor has the interest been determined.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 11. Municipal Debt (continued)

MCIA Loan Agreements

Capital Equipment and Improvement Revenue Bonds, Series 2013

The Borough entered into a capital equipment loan agreement with Middlesex County Improvement Authority – Capital Equipment and Improvement Revenue Bonds, Series 2013 in the amount of \$2,900,567.38 acquisition of 10-year capital equipment. The loan obligation is due in ten annual installment commencing with principal payment of \$360,260.22 for 2014 and remaining principal payments spread over a nine year period with amounts ranging from \$360,034.60 through \$220,000 and bearing interest rates between 2% for calendar year 2015 and 4% for calendar year 2023.

Capital Equipment and Improvement Revenue Bonds, Series 2015

The Borough entered into a capital equipment loan agreement with Middlesex County Improvement Authority – Capital Equipment and Improvement Revenue Bonds, Series 2013 in the amount of \$1,146,063.89 acquisition of 5-year capital equipment. The loan obligation is due in ten annual installment commencing with principal payment of \$219,193.63 for 2016 and remaining principal payments spread over a four-year period with amounts ranging from \$220,986.67 through \$243,822.55 and bearing interest rates between 1.5% for calendar year 2016 and 4% for calendar year 2020.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	84,438.34	14,106.26	98,544.60
2022	90,167.01	11,356.26	101,523.27
2023	90,044.84	8,606.26	98,651.10
2024	55,041.02	5,606.26	60,647.28
	\$ 319,691.21	\$ 39,675.04	\$ 359,366.25

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 11. Municipal Debt (continued)

Swimming Pool Utility Debt

A. Serial Bonds Payable

In 2015 the Borough issued \$1,235,000 of Utility Revenue Bonds. The Bonds were issued at interest rates varying from 2.00% to 2.50% and mature on July 15, 2025.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 124,500.00	\$ 14,632.50	\$ 139,132.50
2022	129,000.00	12,142.50	141,142.50
2023	132,000.00	9,562.50	141,562.50
2024	136,500.00	6,922.50	143,422.50
2025	141,000.00	3,643.55	144,643.55
	<u>\$ 663,000.00</u>	<u>\$ 46,903.55</u>	<u>\$ 709,903.55</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The Borough had no bond anticipation notes outstanding in the Utility Capital Fund at December 31, 2020.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2020 the Borough had \$250,000.00 in various Utility bonds and notes authorized but not issued.

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Borough is as follows:

	Balance December 31, <u>2019</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2020</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 6,493,000.00	\$ -	\$ 1,248,500.00	\$ 5,244,500.00	\$ 1,000,500.00
Bond Anticipation Notes	6,180,997.00	6,550,524.00	5,282,106.00	7,449,415.00	6,550,524.00
Loans	1,534,076.47	-	542,846.96	991,229.51	401,749.49
	<u>\$ 14,208,073.47</u>	<u>\$ 6,550,524.00</u>	<u>\$ 7,073,452.96</u>	<u>\$ 13,685,144.51</u>	<u>\$ 7,952,773.49</u>
Utility Capital:					
Utility Bonds	\$ 785,000.00	\$ -	\$ 121,500.00	\$ 663,500.00	\$ 124,500.00
	<u>\$ 785,000.00</u>	<u>\$ -</u>	<u>\$ 121,500.00</u>	<u>\$ 663,500.00</u>	<u>\$ 124,500.00</u>

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 12. Deferred School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

<u>Local Taxes</u>	Balance, December 31,	
	<u>2020</u>	<u>2019</u>
Total Balance of Local Tax	\$ 13,291,232.00	\$ 13,124,360.00
Deferred Taxes	12,568,492.00	12,568,492.00
Local Tax Payable	\$ 722,740.00	\$ 555,868.00

Note 13. Accrued Sick, Vacation and Compensation Time

The Borough has permitted employees to accrue unused sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost of such unpaid sick and vacation pay would approximate \$128,102.64 for 2020. This amount represents the current value of all accumulations and is not intended to portray amounts that would be recorded under GAAP. Expenditures for payments of accrued sick and vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriation. In addition, the Police are entitled to compensation hours capped at a maximum of 480 hours per officer. The estimated cost of such would approximate \$455,864.45 for 2020.

Note 14. 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.

Joint Insurance Pool

The Borough is a member of the Garden State Municipal Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductible. The Fund's governing board based upon actuarial and budgetary requirements calculates payments to the Fund. Each participant in the Fund is jointly and several obligated for any deficiency in the amount available to pay all claims. Lines of coverage provided by the fund include property; boiler and machinery; equipment floater; auto physical; blanket bond; auto liability; general liability; law enforcement liability; public official liability and worker compensation and employer liability.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 14. Risk Management (Continued):

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough’s unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 2,072.31	\$ 4,301.88	\$ 192,617.04
2019	2,688.95	8,636.23	194,846.61
2018	2,771.43	9,961.37	200,793.89

Note 15. Contingencies

Grantor Agencies

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2020 the Borough estimates that no material liabilities will result from such audits.

Litigation

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2020.

**BOROUGH OF MIDDLESEX
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 16: Long Term Tax Exemptions

The Borough provides for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes, N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemption provided by the Borough are predominately for affordable housing projects. Taxes are abated include municipal, local, school and county taxes. The Borough is required to remit five percent (5.00%) to the County for any payments received in lieu of taxes (PILOT payments). The Borough PILOT billing in 2020 were \$507,425.00 and taxes in 2020 that otherwise would have been due on these long-term tax exemptions amount to \$885,950.64, based upon the assessed valuations of the long-term tax exemption properties.

Note 17. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2020 and September 30, 2021, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

The Borough began participating in a Length of Service Plan, for their EMS and Firefighters during the 2021. The payments were for participation in the 2020 EMS and fire department.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**BOROUGH OF MIDDLESEX
CURRENT/GRANT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

	CURRENT FUND	GRANT FUND
Balance, December 31, 2019	\$ 4,409,188.51	\$ 61,644.18
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 227,180.30	\$ -
Due NJ Sr Citizens and Veterans Deductions	99,139.72	-
Taxes Receivable	46,063,917.18	-
Miscellaneous Anticipated Revenue	3,830,953.27	-
Sewer Rents Collections	983,693.63	-
Interfunds	289,748.52	1,412.00
Various Accounts Payable & Reserves	78,858.85	-
Prepaid Taxes	334,690.95	-
Tax Overpayments	-	-
Interfund Grants Accounts Receivable	-	158,025.55
Grants Unappropriated	-	-
	51,908,182.42	159,437.55
Subtotal	56,317,370.93	221,081.73
Decreased by Disbursements:		
Budget Appropriations	18,086,232.50	-
Interfunds	150,742.72	74,564.37
Appropriation Reserves	400,291.26	-
County Taxes Payable	6,026,740.39	-
School Taxes Payable	26,271,447.00	-
Various A/P, & Reserves	75,175.65	-
Interfund Grant	-	146,517.36
	51,010,629.52	146,517.36
Total Cash Disbursements	51,010,629.52	221,081.73
Balance, December 31, 2020	\$ 5,306,741.41	\$ -

**BOROUGH OF MIDDLESEX
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

OFFICE	BALANCE DECEMBER 31, 2019	INCREASE	DECREASE	BALANCE DECEMBER 31, 2020
Collector - Treasurer	\$ 200.00	\$ -	\$ -	\$ 200.00
Municipal Court	150.00	-	-	150.00
Construction	50.00	-	-	50.00
Borough Clerk	50.00	-	-	50.00
Swim Pool Utility	50.00	-	-	50.00
	<hr/>			
Total	\$ 500.00	\$ -	\$ -	\$ 500.00
	<hr/> <hr/>			

**BOROUGH OF MIDDLESEX
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2020**

YEAR	BALANCE DECEMBER 31, 2019	2020 LEVY	ADDED TAXES	2019	2020	DUE FROM STATE OF NEW JERSEY	TRANSFER TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2020
2018	\$ 28,740.78	\$ -	\$ -	\$ -	\$ 11,658.80	\$ -	\$ -	\$ 17,081.98	\$ -
2019	604,605.05	-	-	-	589,036.94	(4,122.61)	-	15,840.58	3,850.14
Total	633,345.83	-	-	-	600,695.74	(4,122.61)	-	32,922.56	3,850.14
2020	-	46,366,213.09	36,140.39	245,302.70	45,463,221.44	100,404.10	17,300.01	26,683.42	549,441.81
Total	\$ 633,345.83	\$ 46,366,213.09	\$ 36,140.39	\$ 245,302.70	\$ 46,063,917.18	\$ 96,281.49	\$ 17,300.01	\$ 59,605.98	\$ 553,291.95

ANALYSIS OF 2020 PROPERTY TAX LEVY

General Purpose Tax	\$ 46,366,213.09
Added & Omitted Taxes (54:4-6 et seq)	36,140.39
Total	\$ 46,402,353.48
TAX LEVY:	
Local District School Tax	\$ 26,438,319.00
County Taxes:	
County Tax	\$ 5,559,178.04
County Open Space Preservation	462,856.12
Due County for Added & Omitted Taxes	4,706.23
Local Tax for Municipal Purposes	13,391,306.58
Local Library Taxes	513,606.00
Local Library Taxes	13,904,912.58
Add: Additional Taxes Levied	32,381.51
Total	\$ 46,402,353.48

**BOROUGH OF MIDDLESEX
CURRENT FUND
SCHEDULE OF NONBUDGET REVENUES & REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	ACCRUED IN 2020	COLLECTED	BALANCE DECEMBER 31, 2020
Non-Budget Revenue				
Licenses:				
Alcoholic Beverages	\$ -	\$ 13,534.00	\$ 13,534.00	\$ -
Other	-	31,667.25	31,667.25	-
Fees & Permits - Other		6,082.77	6,082.77	
Fines & Costs - Municipal Court	15,678.42	112,195.21	122,867.61	5,006.02
Interest & Costs on Taxes	-	162,903.52	162,903.52	-
Interest on Investments & Deposits	-	71,909.40	71,909.40	-
Cable Franchise Fees	-	94,018.59	94,018.59	-
Payments in Lieu of Taxes-Presbyterian Homes	-	57,620.50	57,620.50	-
Payments in Lieu of Taxes- 150 Lofts, LLC	-	458,621.86	458,621.86	-
Host Community Benefit Funds	-	67,265.85	67,265.85	-
Consolidated Municipal Property Tax Relief Aid	-	14,397.00	14,397.00	-
Energy Receipts Taxes	-	1,765,417.00	1,765,417.00	-
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17)				
Uniform Construction Code Fees	-	846,013.00	846,013.00	-
Hazardous Waste Facilities Sitting Act (N.J.S.A. 13-15-80)	-	20,000.00	20,000.00	-
Reserve for Debt Service Payment	-	98,634.92	98,634.92	-
Total Anticipated Revenues	<u>\$ 15,678.42</u>	<u>\$ 3,820,280.87</u>	<u>\$ 3,830,953.27</u>	<u>\$ 5,006.02</u>

**BOROUGH OF MIDDLESEX
CURRENT FUND
STATEMENT OF INTERFUNDS RECEIVABLE/PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	Decreaseses	Increase	BALANCE DECEMBER 31, 2020
Interfunds				
Animal Control Fund	\$ 41,351.22	\$ 34,592.82	\$ 6,130.08	12,888.48
Trust Assessment Fund	14,730.29	14,730.29	629.22	629.22
Trust - Other Fund	(97,248.68)	-	-	(97,248.68)
General Capital Fund	240,425.41	240,425.41	98,634.92	98,634.92
Swimming Pool Utility Operating Fund	114,526.13	-	-	114,526.13
Grant Fund	-	-	71,102.87	71,102.87
<hr/>				
Total Federal and State Grants Receivable	\$ 313,784.37	\$ 289,748.52	\$ 176,497.09	\$ 200,532.94
<hr/>				
Receivables	\$ 411,033.05			\$ 297,781.62
Payables	(97,248.68)			(97,248.68)
Total	\$ 313,784.37			\$ 200,532.94

**BOROUGH OF MIDDLESEX
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>OPERATIONS</u>	<u>ENCUMBERED</u>	<u>RESERVE</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Administrative & Executive:					
General Administration:					
Salaries and Wages	\$ -	\$ 769.30	769.30	\$ -	\$ 769.30
Other Expenses	231.72	1,973.38	2,205.10	344.65	1,860.45
Mayor & Council:					
Salaries and Wages	-	0.24	0.24	-	0.24
Other Expenses	200.00	235.21	435.21	-	435.21
Municipal Clerk:					
Salaries and Wages	-	6,718.85	6,718.85	175.00	6,543.85
Other Expenses	829.67	3,934.58	4,764.25	2,402.68	2,361.57
Postage for All Departments					
Other Expenses	-	5,915.43	5,915.43	-	5,915.43
Printing and Advertising					
Other Expenses	-	145.43	1,645.43	1,083.31	562.12
Financial Administration (Treasury):					
Salaries and Wages	-	11,040.71	11,040.71	-	11,040.71
Other Expenses	2,094.72	5,296.59	7,391.31	7,387.79	3.52
Annual Audit					
Other Expenses	-	35,370.00	35,370.00	22,030.00	13,340.00
Tax Assessment Administration:					
Salaries and Wages	-	2,955.79	2,955.79	-	2,955.79
Other Expenses	252.00	200.61	452.61	252.00	200.61
Revenue Administration (Tax Collection):					
Salaries and Wages	-	0.03	0.03	-	0.03
Other Expenses	164.54	2,482.44	2,646.98	164.54	2,482.44
Legal Services (Legal Department):					
Other Expenses	-	13,153.84	13,153.84	11,820.17	1,333.67
Engineering Services:					
Other Expenses	3,302.66	9,723.63	13,026.29	7,197.52	5,828.77
Animal Control and Board of Health					
Other Expenses	25.00	808.86	833.86	25.00	808.86
Computer Data Services					
Other Expenses	14,441.80	3,196.14	17,637.94	15,425.06	2,212.88
Purchasing Agent					
Other Expenses	67.72	1,410.72	1,478.44	67.72	1,410.72
LAND USE ADMINISTRATION					
Environmental Legal & Engineering Services and Costs					
Other Expenses	-	5,043.25	5,043.25	-	5,043.25
Planning Board					
Salaries and Wages	-	1,150.00	1,150.00	-	1,150.00
Other Expenses	640.00	11,985.20	12,625.20	2,627.50	9,997.70
Zoning Board of Adjustment					
Salaries and Wages	-	1,900.00	1,900.00	-	1,900.00
Other Expenses	140.00	3,206.14	3,346.14	1,065.00	2,281.14
Code Enforcement					
Salaries and Wages	-	7,718.99	7,718.99	-	7,718.99
Other Expenses	376.39	2,990.69	3,367.08	376.39	2,990.69
INSURANCE					
Temporary Disability Insurance	-	2,946.84	2,946.84	-	2,946.84
Long-Term Disability Insurance	-	1,736.11	1,736.11	-	1,736.11
Workmen's Compensation	-	342.51	342.51	-	342.51
Employees Group Insurance	420.00	333,072.57	301,992.57	420.00	301,572.57

**BOROUGH OF MIDDLESEX
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>OPERATIONS</u>	<u>ENCUMBERED</u>	<u>RESERVE</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
PUBLIC SAFETY					
Police Department					
Salaries and Wages	-	131,706.24	131,706.24	4,611.66	127,094.58
Other Expenses	7,941.22	28,896.59	36,837.81	7,569.49	29,268.32
Juvenile Conference Committee					
Salaries and Wages	-	0.08	0.08	-	0.08
Other Expenses	-	250.00	250.00	-	250.00
Office of Emergency Management					
Other Expenses	1,056.00	7,871.05	8,927.05	831.46	8,095.59
Fire Department					
Other Expenses	22,247.30	3,062.04	25,309.34	20,830.13	4,479.21
Hazardous Waste Facilities Tax-					
Other Expenses	-	2,000.00	2,000.00	-	2,000.00
Fire Hydrant Fees					
Other Expenses	-	30,003.61	30,003.61	16,320.00	13,683.61
Municipal Prosecutor's Office					
Salaries and Wages	2,033.37	-	2,033.37	2,033.37	-
Municipal Court					
Salaries and Wages	545.00	891.55	1,436.55	545.00	891.55
Other Expenses	300.00	5,742.57	6,042.57	398.86	5,643.71
PUBLIC WORKS					
Road Repairs and Maintenance					
Salaries and Wages	-	22,220.03	22,220.03	-	22,220.03
Other Expenses	5,901.70	30,534.70	36,436.40	8,526.99	27,909.41
Shade Tree Commission					
Salaries and Wages	-	130.12	130.12	-	130.12
Other Expenses	14,550.00	191.16	14,741.16	14,400.00	341.16
Solid Waste Collection					
Salaries and Wages	-	8,922.00	8,922.00	-	8,922.00
Garbage and Trash Removal					
Salaries and Wages	-	10,844.37	10,844.37	-	10,844.37
Other Expenses	2,647.90	6,839.20	9,487.10	2,261.75	7,225.35
Community Services Act (Condominium Community Costs)					
Other Expenses	-	415.39	415.39	(6,834.70)	7,250.09
Building and Grounds					
Salaries and Wages	-	53.44	53.44	-	53.44
Other Expenses	11,577.78	27,264.27	38,842.05	11,396.73	27,445.32
Rental of Rescue Squad Building					
Other Expenses	1,200.00	-	1,200.00	1,200.00	-
HEALTH AND HUMAN SERVICES					
Animal Control					
Other Expenses	-	11,600.00	11,600.00	7,100.00	4,500.00
Title III Senior Medical Transportation-Program Costs					
Salaries and Wages	-	11,502.17	11,502.17	-	11,502.17
Title III Information & Assistance-Program Costs					
Salaries and Wages	-	9,150.20	9,150.20	-	9,150.20
PARKS AND RECREATION					
Recreation Services and Programs					
Salaries and Wages	-	9,449.63	9,449.63	-	9,449.63
Other Expenses	1,679.01	2,560.20	4,239.21	1,704.75	2,534.46
Parks and Playgrounds					
Salaries and Wages	-	10,370.41	10,370.41	-	10,370.41
Other Expenses	5,133.52	8,449.43	13,582.95	2,158.96	11,423.99
Celebration of Public Events					

**BOROUGH OF MIDDLESEX
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>OPERATIONS</u>	<u>ENCUMBERED</u>	<u>RESERVE</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Other Expenses	1,152.39	3,677.80	4,830.19	1,350.27	3,479.92
Senior Citizens Bus Transportation					
Salaries and Wages	-	5,329.00	5,329.00	-	5,329.00
Other Expenses	252.58	1,507.20	1,759.78	248.58	1,511.20
Senior Citizen Coordinator					
Salaries and Wages	-	75.03	75.03	-	75.03
Other Expenses	188.23	4,591.54	4,779.77	188.23	4,591.54
<u>OTHER COMMON OPERATING FUNCTIONS- UNCLASSIFIED</u>					
Accumulated Sick Leave Compensation					
Salaries and Wages	-	6,700.88	6,700.88	-	6,700.88
Housing and Community Advisory Board					
Salaries and Wages	-	375.00	375.00	-	375.00
Other Expenses	-	100.00	100.00	-	100.00
Beautification Committee					
Other Expenses	-	120.00	120.00	-	120.00
Construction Department					
Salaries and Wages	-	1,016.18	1,016.18	-	1,016.18
Other Expenses	607.15	3,509.43	4,116.58	551.96	3,564.62
Multi Family Solid Waste Collection					
Other Expenses	-	1,036.15	1,036.15	-	1,036.15
<u>UTILITY EXPENSES AND BULK PURCHASES</u>					
Electricity	-	9,999.93	9,999.93	9,621.16	378.77
Street Lighting	-	26,486.21	26,486.21	19,995.74	6,490.47
Telephone (Excluding Equipment Acquis.)	-	11,454.70	11,454.70	5,347.39	6,107.31
Water	-	7,728.39	7,728.39	3,095.44	4,632.95
Gas (Natural or Propane)	-	12,245.07	12,245.07	3,384.57	8,860.50
Fuel Oil (Diesel Fuel)	-	10,791.94	10,791.94	5,346.06	5,445.88
Sewer Processing and Disposal					
Salaries and Wages	-	4,291.03	4,291.03	-	4,291.03
Other Expenses	2,257.05	1,548.63	3,805.68	1,570.82	2,234.86
<u>LANDFILL/SOLID WASTE DISPOSAL COSTS</u>					
Landfill Fees					
Other Expenses	10,633.23	14,943.68	55,576.91	52,770.11	2,806.80
<u>CODE ENFORCEMENT AND ADMINISTRATION</u>					
Total Operations Within "CAPS"	115,089.65	985,872.32	1,100,961.97	271,389.11	829,572.86
Contingent	-	3,468.13	3,468.13	130.00	3,338.13
Total Operations Including Contingent Within "CAPS"	115,089.65	989,340.45	1,104,430.10	271,519.11	832,910.99
<u>Statutory Expenditures:</u>					
Social Security System (O.A.S.I.)	-	5,102.43	5,102.43	-	5,102.43
Defined Contribution Retirement Program (DCRP)	-	1,418.12	1,418.12	1,036.74	381.38
Total General Appropriations for Municipal Purposes Within "CAPS"	115,089.65	995,861.00	1,110,950.65	272,555.85	838,394.80

**BOROUGH OF MIDDLESEX
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>OPERATIONS</u>	<u>ENCUMBERED</u>	<u>RESERVE</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
OPERATIONS EXCLUDED FROM "CAPS":					
Middlesex County Utilities Authority Sewerage Treatment					
Contractual	108,154.67	2,149.57	110,304.24	108,154.67	2,149.57
Piscataway Sewerage Authority - Share of Costs	-	2,517.34	2,517.34	-	2,517.34
Stormwater Pollution Programs: NJDES/Stormwater Permit					
Other Expenses	-	3,000.00	3,000.00	-	3,000.00
Middlesex County Improvement Authority					
County Curbside Collection Program	9,790.37	11,788.84	21,579.21	19,580.74	1,998.47
Total Operations - Excluded from "CAPS"	117,945.04	19,455.75	137,400.79	127,735.41	9,665.38
Total General Appropriations	\$ 233,034.69	\$ 1,015,316.75	1,248,351.44	400,291.26	848,060.18

**BOROUGH OF MIDDLESEX
CURRENT FUND
SCHEDULE OF SEWER FLOW CHARGES RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance - December 31, 2019	\$ 49,458.18
Increased by:	
Sewer Flow Charges:	
User Charges	<u>\$ 957,368.83</u>
	<u>957,368.83</u>
	1,006,827.01
Decreased by:	
Collected - Current Year	<u>983,693.63</u>
Balance - December 31, 2020	<u><u>\$ 23,133.38</u></u>

**BOROUGH OF MIDDLESEX
CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY
SENIOR CITIZENS & VETERANS DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 49,191.31
Increased by:		
Allowable Deductions per Tax Billings	\$ 102,250.00	
2020 Sr. Citizens and Vet. Ded. Allowed by Collector	500.00	102,750.00
Subtotal		151,941.31
Decreased by:		
Deductions Disallowed By Collector - 2020	2,345.90	
Deductions Disallowed By Collector - Prior Years	4,122.61	
Cash Received	99,139.72	105,608.23
Balance, December 31, 2020		\$ 46,333.08

**BOROUGH OF MIDDLESEX
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 419,307.69
Increased by:		
Transfer from Current Year Taxes	\$ 17,300.01	
Transfer from PY Taxes	-	17,300.01
		436,607.70
Subtotal		
		436,607.70
Decreased by:		
Payments		20,723.00
		20,723.00
Balance, December 31, 2020		\$ 415,884.70

**SCHEDULE OF DUE COUNTY TAXES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ -
Increased by:		
County Share of 2020 Levy:		
County Tax	\$ 5,559,178.04	
County Open Space Fund Tax	462,856.12	
County Portion of Added & Omitted Taxes	4,706.23	6,026,740.39
		6,026,740.39
Subtotal		
		6,026,740.39
Decreased by:		
Payments		6,026,740.39
		6,026,740.39
Balance December 31, 2020		\$ -

**BOROUGH OF MIDDLESEX
CURRENT FUND
SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES & RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	TRANSFER FROM/(TO) BUDGET	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2020
Accounts Payable:					
Vendor Accounts Payable	\$ 100,253.47	\$ -			\$ 100,253.47
Marriage License Filing Fees	550.00	-	2,350.00	1,675.00	1,225.00
State Training Fees	13,033.00	-	54,573.00	46,084.00	21,522.00
Subtotal	<u>113,836.47</u>	<u>-</u>	<u>56,923.00</u>	<u>47,759.00</u>	<u>123,000.47</u>
Reserve for:					
Codification of Ordinances	6,389.15	-	-	-	6,389.15
FEMA/NJDEP Buyout	171.76	-	-	-	171.76
Master Plan	1,161.96	-	-	-	1,161.96
Tax Appeals	30,000.00	-	-	5,503.80	24,496.20
Sewer Overpayment	172.49	-	-	-	172.49
Farmers Market	215.00	-	-	-	215.00
RAB Payments	500.00	-	-	-	500.00
Other Liens	12.00	-	21,935.85	21,912.85	35.00
Sale of Assets - Cell Tower	614,644.96	(600,000.00)	-	-	14,644.96
Subtotal	<u>653,267.32</u>	<u>(600,000.00)</u>	<u>21,935.85</u>	<u>27,416.65</u>	<u>47,786.52</u>
Total	<u>\$ 767,103.79</u>	<u>\$ (600,000.00)</u>	<u>\$ 78,858.85</u>	<u>\$ 75,175.65</u>	<u>\$ 170,786.99</u>

**BOROUGH OF MIDDLESEX
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE - DEFERRED SCHOOL TAXES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019			
Deferred School Taxes	\$	12,568,492.00	
School Taxes Payable		555,868.00	
			13,124,360.00
Increased by:			
Levy School Year July 1, 2019 to June 30, 2020			26,438,319.00
Subtotal			39,562,679.00
Decreased by:			
School Taxes Requirement - Calendar Year Taxes Payable			26,271,447.00
Balance December 31, 2020			
School Taxes Payable	\$	722,740.00	
Deferred School Taxes		12,568,492.00	
		13,291,232.00	\$ 13,291,232.00
 <u>2020 Liability for Local School District Tax</u>			
Levy for School Year July 1, 2019 to June 30, 2020			\$ 26,438,319.00
Add:			
School Tax Deferred - December 31, 2019			12,568,492.00
			39,006,811.00
Less:			
School Tax Deferred - December 31, 2020			12,568,492.00
Amount Charged to 2020 Operations			\$ 26,438,319.00

**BOROUGH OF MIDDLESEX
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

PROGRAM	BALANCE DECEMBER 31, 2019	BUDGET REVENUE REALIZED 2020	COLLECTED 2020	TRANSFER FROM UNAPPROPRIATED RESERVE	CANCELLED	BALANCE DECEMBER 31, 2020
Middlesex County - Info. Assis & Transp. Assist - Older American Act of 1965	\$ 7,910.00	\$ -	\$ 7,658.00	\$ -	\$ -	\$ 252.00
Middlesex County Open Space	667,631.79	-	-	-	-	667,631.79
Municipal Alliance on Alcoholism and Drug Abuse-2018	5,280.25	-	-	-	-	5,280.25
Municipal Alliance on Alcoholism and Drug Abuse-2019	16,783.15	-	10,674.49	-	-	6,108.66
N.J. Div of Highway Traffic Safety - 2018 Udrive, Utext, Upay	6,600.00	-	-	-	-	6,600.00
Body Armor Replacement Grant - CY	-	3,101.97	3,101.97	-	-	-
Clean Communities Program	-	26,323.50	26,323.50	-	-	-
Community Development Block Grant	-	-	-	-	-	-
CDBG- County HUD Funds (2012/2013-2016/2017)	8,450.15	-	-	-	-	8,450.00
CDBG- County HUD Funds (2017/2018)	15,346.00	-	-	-	-	15,346.00
CDBG- County HUD Funds --Adjustment	15,346.00	-	-	-	-	15,346.00
CDBG- County HUD Funds (2018/2019)	1,249.98	-	-	-	-	1,250.00
CDBG- County HUD Funds (2019/2020)	63,486.00	-	-	-	-	63,486.00
CDBG- County HUD Funds (2020/2021)	-	63,854.00	-	-	-	63,854.00
Drunk Driving Enforcement Fund	-	6,493.53	-	6,493.53	-	-
Middlesex County - Info. Assis & Transp. Assist - Older American Act of 1965	-	16,500.00	11,345.00	-	-	5,155.00
Recycling Tonnage Grant	26,050.98	19,834.48	19,834.48	-	-	26,050.98
CARES ACT	-	73,256.63	73,256.63	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse-2020	-	23,328.28	5,831.48	-	13,416.00	4,080.80
Total Federal and State Grants Receivable	\$ 834,134.30	\$ 232,692.39	\$ 158,025.55	\$ 6,493.53	\$ 13,416.00	\$ 888,891.48

Original Budget	\$ 129,277.98
Chapter 159	103,414.41
Total	\$ 232,692.39

**BOROUGH OF MIDDLESEX
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS
AND MATCHING FUNDS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	TRANSFERRED FROM 2020 BUDGET APPROPRIATION	TRANSFER FROM RESERVE FOR ENCUMBRANCES	EXPENDED	RESERVE FOR ENCUMBRANCES	TRANSFER/ CANCELED	BALANCE DECEMBER 31, 2020
<u>Year 2005</u>							
N.J. Hepatitis "B" Grant	\$ 2,549.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,549.00
Subtotal	2,549.00	-	-	-	-	-	2,549.00
<u>Year 2006</u>							
Livable Communities Grant	24.43	-	-	-	-	-	24.43
County of Middlesex - Victor Crowell Park	198,625.66	-	-	-	-	-	198,625.66
Subtotal	198,650.09	-	-	-	-	-	198,650.09
<u>Year 2008</u>							
County of Middlesex - Mountain View Park	3,745.75	-	-	-	-	-	3,745.75
Subtotal	3,745.75	-	-	-	-	-	3,745.75
<u>Year 2011</u>							
N.J. Clean Communities Grant	134.36	-	-	134.36	-	-	-
Alcohol Education & Rehab	1,121.54	-	-	-	-	-	1,121.54
Subtotal	1,255.90	-	-	134.36	-	-	1,121.54
<u>Year 2012</u>							
Haz-Mat Grant	136.44	-	-	-	-	-	136.44
CDBG- Manhole Retrofit	139.00	-	-	-	-	-	139.00
Middlesex County - Mountainview Park	119,386.51	-	-	-	-	-	119,386.51
N.J. Alcohol Education & Rehabilitation - Municipal Court	161.80	-	-	-	-	-	161.80
N.J. Clean Communities Grant	3,568.19	-	4,333.30	7,901.49	-	-	-
Older Americans Act - Information Assist	167.44	-	-	-	-	-	167.44
Subtotal	123,559.38	-	4,333.30	7,901.49	-	-	119,991.19
<u>Year 2013</u>							
CDBG- Lincoln Fire House Doors	800.00	-	-	-	-	-	800.00
CDBG- Passive Improvements	365.15	-	-	-	-	-	365.15
N.J. Alcohol Education & Rehabilitation - Municipal Court	53.96	-	-	-	-	-	53.96
Subtotal	1,219.11	-	-	-	-	-	1,219.11
<u>Year 2014</u>							
N.J. Alcohol Education & Rehabilitation - Municipal Court	52.77	-	-	-	-	-	52.77
Forestry Grant Match	875.00	-	-	-	-	-	875.00
N.J. Clean Communities Grant	1,726.90	-	-	1,695.45	-	-	31.45
Subtotal	2,654.67	-	-	1,695.45	-	-	959.22
<u>Year 2015</u>							
Municipal Alliance on Alcoholism and Drug Abuse	575.26	-	-	-	-	-	575.26
Subtotal	575.26	-	-	-	-	-	575.26
<u>Year 2016</u>							
Alcohol Education & Rehabilitation	362.59	-	-	-	-	-	362.59
N.J. Clean Communities Grant	39,795.19	-	-	39,795.19	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse	20,965.00	-	-	-	-	-	20,965.00
CDBG- Senior Center Improvements	7,146.00	-	-	-	-	-	7,146.00
DWI - Municipal Court	58.93	-	-	-	-	-	58.93
Body Armor Replacement Fund	1,696.13	-	-	1,696.13	-	-	-
Middlesex County Open Space	26,087.80	-	213,868.57	48,403.17	61,046.61	-	130,506.59
Subtotal	96,111.64	-	213,868.57	89,894.49	61,046.61	-	159,039.11
<u>Year 2017</u>							
Body Armor Replacement Fund	2,990.70	-	-	1,389.30	-	-	1,601.40
Drunk Driving Enforcement Fund	1,719.62	-	42.84	1,734.21	28.25	-	(0.00)
Clean Communities Grant	3,568.42	-	-	3,350.82	-	-	217.60
Municipal Alliance on Alcoholism and Drug Abuse	41,930.00	-	-	13,956.32	-	-	27,973.68
N.J. Alcohol Education & Rehabilitation - Municipal Court	64.34	-	-	-	-	-	64.34
Older Americans Act - Information Assist	20,950.00	-	-	-	-	-	20,950.00
Subtotal	71,223.08	-	42.84	20,430.65	28.25	-	50,807.02

**BOROUGH OF MIDDLESEX
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS
AND MATCHING FUNDS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	TRANSFERRED FROM 2020 BUDGET APPROPRIATION	TRANSFER FROM RESERVE FOR ENCUMBRANCES	EXPENDED	RESERVE FOR ENCUMBRANCES	TRANSFER/ CANCELED	BALANCE DECEMBER 31, 2020
Year 2018							
Body Armor Replacement Fund	3,320.96	-	-	-	-	-	3,320.96
Clean Communities Grant	255.56	-	-	-	-	-	255.56
CDBG	12,237.94	-	-	-	-	-	12,237.94
Drunk Driving Enforcement	6,156.73	-	-	1,575.39	140.20	-	4,441.14
Municipal Alliance on Alcoholism and Drug Abuse	-	-	-	-	-	-	-
N.J. Alcohol Education & Rehabilitation - Municipal Court	2,196.67	-	-	-	-	-	2,196.67
Older Americans Act - Information Assist	552.85	-	-	-	-	-	552.85
Subtotal	24,720.71	-	-	1,575.39	140.20	-	23,005.12
Year 2019							
Body Armor Replacement Fund	5,367.83	-	-	5,259.07	-	-	108.76
CDBG	-	-	-	-	-	-	-
Senior Nutrition	7,500.00	-	-	7,500.00	-	-	-
Senior Van Driver	7,500.00	-	-	1,593.00	-	-	5,907.00
Code Enforcement	7,500.00	-	-	7,500.00	-	-	-
Senior Coordinator	11,075.00	-	-	11,075.00	-	-	-
Senior Center Improvements	29,911.00	-	-	-	-	-	29,911.00
Clean Communities Grant	23,307.90	-	-	-	-	-	23,307.90
Clean Communities Grant-CH 159	29,194.76	-	-	-	-	-	29,194.76
DDEF	1,744.50	-	-	-	-	-	1,744.50
Municipal Alliance on Alcoholism and Drug Abuse	10,284.81	-	2,310.00	10,957.01	-	-	1,637.80
Municipal Alliance Match Grant	6,241.25	-	-	6,241.25	-	-	-
N.J. Alcohol Education & Rehabilitation - Municipal Court	562.62	-	-	-	-	-	562.62
Recycling Tonnage Grant	24,008.59	-	2,042.39	25,714.78	-	-	336.20
Subtotal	164,198.26	-	4,352.39	75,840.11	-	-	92,710.54
Year 2020							
Recycling Tonnage Grant	-	19,834.48	-	1,924.00	2,385.57	-	15,524.91
Community Development Block Grant	-	63,854.00	-	-	-	-	63,854.00
Municipal Alliance on Alcohol & Drug Abuse	-	19,494.00	-	-	-	13,416.00	6,078.00
Municipal Alliance on Alcohol & Drug Abuse - Match	-	4,873.50	-	-	-	-	4,873.50
N.J. Alcohol Education & Rehabilitation - Municipal Court	-	3,834.28	-	-	-	-	3,834.28
DDEF	-	6,493.53	-	6,493.53	-	-	-
Body Armor Grant	-	3,101.97	-	-	-	-	3,101.97
Older Americans - Information Assistance	-	16,500.00	-	16,500.00	-	-	-
CAREs Act	-	73,256.63	-	73,256.63	-	-	-
Clean Communities Program	-	26,323.50	-	-	-	-	26,323.50
Subtotal	-	237,565.89	-	98,174.16	2,385.57	13,416.00	123,590.16
Total Federal and State Grants	\$ 690,462.85	\$ 237,565.89	\$ 222,597.10	\$ 295,646.10	\$ 63,600.63	\$ 13,416.00	\$ 777,963.11

**BOROUGH OF MIDDLESEX
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2020**

GRANT	BALANCE DECEMBER 31, 2019	ANTICIPATED AS REVENUE	BALANCE DECEMBER 31, 2020
State Grants:			
Drunk Driving Enforcement Fund	\$ 6,493.53	\$ 6,493.53	\$ -
Total Grants	\$ 6,493.53	\$ 6,493.53	\$ -

**BOROUGH OF MIDDLESEX
FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance - December 31, 2019		\$ -
Increased by:		
Interfund Current		<u>4,873.50</u>
		4,873.50
Decreased by:		
Cash Receipts	1,412.00	
Interfund Current	<u>74,564.37</u>	
		<u>75,976.37</u>
Balance - December 31, 2020		<u><u>\$ (71,102.87)</u></u>

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TRUST FUND

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**BOROUGH OF MIDDLESEX
TRUST FUND
ANALYSIS OF CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Trust Assessment	Animal Control	Trust- Other	Escrow Trust	Payroll Fund	Public Assistance Fund
Balance, December 31, 2019	\$ 25,990.14	\$ 54,617.00	\$ 426,981.86	\$ 624,722.97	\$ 142,587.88	\$ 9,841.34
Increased by Receipts:						
Due to State of New Jersey	-	774.60	-	-	-	-
Animal License Fees	-	5,339.72	-	-	-	-
Payroll	-	-	-	-	9,589,240.50	-
Various Receipts	-	-	502,919.36	564,014.30	-	-
Interfund Receipts	629.22	-	-	-	-	-
Total Receipts	<u>629.22</u>	<u>6,114.32</u>	<u>502,919.36</u>	<u>564,014.30</u>	<u>9,589,240.50</u>	<u>-</u>
Decreased by Disbursements:						
Animal Control Expenditures	-	425.76	-	-	-	-
Due to State of New Jersey	-	774.60	-	-	-	-
Payroll	-	-	-	-	9,564,522.36	-
Interfund Disbursement	14,730.29	34,592.82	-	-	-	-
Various Disbursements	-	-	223,040.22	169,835.06	-	5.30
Total Disbursements	<u>14,730.29</u>	<u>35,793.18</u>	<u>223,040.22</u>	<u>169,835.06</u>	<u>9,564,522.36</u>	<u>5.30</u>
Balance, December 31, 2020	<u>\$ 11,889.07</u>	<u>\$ 24,938.14</u>	<u>\$ 706,861.00</u>	<u>\$ 1,018,902.21</u>	<u>\$ 167,306.02</u>	<u>\$ 9,836.04</u>

**BOROUGH OF MIDDLESEX
SCHEDULE OF ASSESSMENT LIENS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>ORD NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DEC. 31, 2019</u>	<u>BALANCE DEC. 31, 2020</u>	<u>BALANCE PLEGDED TO GENERAL CAPITAL</u>
1106	Curbs and Gutters	<u>\$ 1,470.00</u>	<u>\$ 1,470.00</u>	<u>\$ 1,470.00</u>

**BOROUGH OF MIDDLESEX
 COUNTY OF MIDDLESEX, NEW JERSEY
 ANIMAL CONTROL TRUST FUND
 SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 13,264.58
Increased By:		
Fees Collected	<u>\$ 5,339.72</u>	<u>5,339.72</u>
		18,604.30
Decreased By:		
Statutory Excess due to Current Fund	6,130.08	
Expenditures Under R.S. 4:19-15.11	<u>425.76</u>	
		<u>6,555.84</u>
Balance, December 31, 2020		<u><u>\$ 12,048.46</u></u>

2018 Fees	\$	6,348.18
2019 Fees		<u>5,700.28</u>
	\$	<u><u>12,048.46</u></u>

**BOROUGH OF MIDDLESEX
 COUNTY OF MIDDLESEX, NEW JERSEY
 ANIMAL CONTROL FUND
 SCHEDULE OF DUE TO STATE OF NEW JERSEY DEPARTMENT OF HEALTH
 FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$	1.20
Increased By:		
2020 License Fees		774.60
		775.80
Decreased By:		
Payments		774.60
Balance, December 31, 2020	\$	1.20

**BOROUGH OF MIDDLESEX
ASSESSMENT TRUST FUND
SCHEDULE OF DUE TO GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	<u>\$ 7,164.08</u>
Balance December 31, 2020	<u><u>\$ 7,164.08</u></u>

**SCHEDULE OF DUE TO CURRENT FUND
ASSESSMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$ 14,730.29
Increased by:	
Interest Earned	<u>629.22</u>
Subtotal	15,359.51
Decreased by:	
Cash Disbursements	<u>14,730.29</u>
Balance December 31, 2020	<u><u>\$ 629.22</u></u>

**BOROUGH OF MIDDLESEX
TRUST FUND - OTHER
SCHEDULE OF RESERVES ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2020
Other Trust Funds:				
Reserve for Unemployment Insurance	\$ 194,846.61	\$ 2,072.31	\$ 4,301.88	\$ 192,617.04
Miscellaneous Reserves:				
Affordable Housing	100,333.69	-	-	100,333.69
Commodity Resale Program				
Gasoline - Borough of Dunellen	93,604.95	72,705.94	10,190.09	156,120.80
Developers Escrow Unclaimed Funds	15,812.00	-	-	15,812.00
Development	28,866.24	-	4,198.70	24,667.54
Federal Asset Forfeitures	4,836.91	-	-	4,836.91
Municipal Law Enforcement Trust	18,515.30	1,769.14	1,320.00	18,964.44
Older Americans Act	2,670.18	4,290.00	5,624.00	1,336.18
Outside Police Services	15,556.36	105,860.43	112,643.63	8,773.16
Police Found Money	3,958.24	52.00	659.88	3,350.36
Parking Offense Adjudication Act	3,930.50	-	-	3,930.50
Police Application Fees	318.85	-	-	318.85
Public Defender Fees	507.50	1,200.00	-	1,707.50
Police Communities Education	4,730.64	-	-	4,730.64
Premium on Tax Sale	133,900.00	230,600.00	36,600.00	327,900.00
Police Memorial Fund	50.00	-	-	50.00
Police Donations	6,298.21	1,100.00	494.98	6,903.23
Police - DARE	1,635.00	-	-	1,635.00
Police 911 Fund	19.84	-	-	19.84
Recreation Fund	119,236.04	16,470.00	31,380.71	104,325.33
Recycling Trust	24,280.94	14,141.09	12,714.35	25,707.68
Restitution	5,731.10	51.89	-	5,782.99
Sanitary Sewer	880.00	-	-	880.00
Senior Assisted Transportation	9,164.76	395.00	327.00	9,232.76
Special Inspection	3,672.28	-	-	3,672.28
Street Opening Deposits	138,845.81	6,500.00	875.00	144,470.81
Third Party Outside Lien Redemption	97,602.44	-	-	97,602.44
Tree Replacement Fund	1,760.50	45,711.56	1,710.00	45,762.06
UFC Dedicated Penalties	53.86	-	-	53.86
Uniform Fire Safety Penalties	12,405.53	-	-	12,405.53
100th Anniversary	2,993.27	-	-	2,993.27
Total	\$ 1,047,017.55	\$ 502,919.36	\$ 223,040.22	\$ 1,326,896.69

**BOROUGH OF MIDDLESEX
TRUST FUND - OTHER
SCHEDULE OF DEVELOPERS ESCROW
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2020
Developers' Escrow - Water & Soil	\$ 20,062.00	\$ -	\$ -	\$ 20,062.00
Reserve for Various Deposits	604,660.97	564,014.30	169,835.06	998,840.21
Total	<u>\$ 624,722.97</u>	<u>\$ 564,014.30</u>	<u>\$ 169,835.06</u>	<u>\$ 1,018,902.21</u>

**BOROUGH OF MIDDLESEX
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$ 9,841.71
Increased by:	
Cash Receipts-Interest	<u> </u>
Subtotal	9,841.71
Decreased by:	
Cash Disbursements	<u> 5.30</u>
Balance December 31, 2020	<u><u>\$ 9,836.41</u></u>

**BOROUGH OF MIDDLESEX
PAYROLL TRUST FUND
SCHEDULE OF PAYROLL RESERVE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$ 142,587.88
Increased by:	
Cash Receipts	<u>9,589,240.50</u>
Subtotal	9,731,828.38
Decreased by:	
Cash Disbursements	<u>9,564,522.36</u>
Balance December 31, 2020	<u><u>\$ 167,306.02</u></u>

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GENERAL CAPITAL FUND

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**BOROUGH OF MIDDLESEX
SCHEDULE OF GENERAL CAPITAL FUND
CASH AND INVESTMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$ 2,194,983.85
Increased by Receipts:		
Grants, Loans and Other Receivables	\$ 70,271.38	
Bond Anticipation Note	6,550,524.00	
Capital Improvement Fund	80,000.00	
Deferred Charges to Future Taxation-Unfunded	18,410.00	
		6,719,205.38
Subtotal		8,914,189.23
Decreased by Disbursements:		
Bond Anticipation Note	5,282,106.00	
Various Reserves	70,271.38	
Interfund Receivable	240,425.41	
Improvement Authorizations	1,595,292.52	
		7,188,095.31
Balance December 31, 2020		\$ 1,726,093.92

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2020
Grants Receivable	\$ (2,912,642.77)
Due from Assessment Trust	(7,164.08)
Due to Current Fund	98,634.92
Due to Grant Fund	23,775.00
Due to Trust Fund	522,787.01
Encumbrance Payable	1,270,876.06
Capital Improvement Fund	23,287.43
Fund Balance	414,486.49
Various Reserves	564,610.19
Excess Financing	15,850.00

Ordinance Number	Improvement Description	
1808-12	Acq and Demolition of Certain Flood Prone Properties	(78,131.56)
1857-14	Improvements to Marlborough Ave (NJDOT - \$300,000)	(4,823.27)
1893-16	Various Capital Improvements	40,149.13
1899-16	Various Capital Improvements	82,932.49
1900-16	Milling and Paving of Various Roads	98,968.74
1907-17	Sanitary Sewer Improvements	(921,176.12)
1909-17	South Ave Improvements	(100,000.00)
1920-17	2017 Capital Improvements	47,891.19
1922-17	Warrenville Rd Improvements	(51,438.87)
1924-17	George Ave Improvements	48,729.32
1947-18	Various Capital Improvements	234,976.78
1961-19	Various Capital Improvements	564,147.30
1962-19	Bound Brook	945,915.26
1968-19	2019 Library HVAC & Tax Revaluation	86,171.68
1979-19	Tax Maps, Various Capital Improvements	593,401.42
2002-20	Various Capital Improvements and Acquisition of Various Capital Assets	123,880.77
		\$ 1,726,094.51

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$	8,027,076.47
Decreased by:		
2020 Budget Appropriations:		
Bonds Payable	\$	1,248,500.00
MCIA Leases		443,822.55
NJEIT		86,841.92
Green Acres Loan		12,182.49
		<u>1,791,346.96</u>
Balance December 31, 2020	\$	<u><u>6,235,729.51</u></u>

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2020**

ORDINANCE NUMBER	DESCRIPTION	INCREASED BY					ANALYSIS OF BALANCE				
		BALANCE DECEMBER 31, 2019	IMPROVEMENT AUTHORIZATIONS	CASH RECEIPTS	BALANCE DECEMBER 31, 2020	BOND ANTICIPATION NOTES	NET NOTE	EXPENDITURES	EXCESS FINANCING	UNEXPENDED IMPROVEMENT AUTHORIZATIONS	
1808-12	Acq and Demolition of Certain Flood Prone Properties	\$ 166,547.55	\$ -	\$ -	\$ 166,547.55	\$ -	\$ -	\$ 78,131.56	\$ -	\$ 88,415.99	
1857-14	Improvements to Marlborough Ave	30,400.00	-	-	30,400.00	-	-	4,823.27	-	25,576.73	
1893-16	Various Capital Improvements	989,780.00	-	-	989,780.00	989,780.00	-	-	-	-	
1907-17	Sanitary Sewer Improvements	2,327,500.00	-	-	2,327,500.00	-	898,891.00	921,176.12	-	507,432.88	
1909-17	South Ave Improvements	100,000.00	-	-	100,000.00	-	-	100,000.00	-	-	
1920-17	2017 Capital Improvements	1,745,625.00	-	-	1,745,625.00	-	-	-	-	-	
1922-17	Warrenville Road Improvements	380,000.00	-	-	380,000.00	1,745,625.00	-	51,438.87	-	152,836.13	
1924-17	George Ave Improvements	488,870.00	-	-	488,870.00	488,870.00	-	-	-	-	
1947-18	Various Capital Improvements	1,740,159.24	-	-	1,740,159.24	1,740,159.00	-	0.24	-	-	
1961-19	Various Capital Improvements	62,800.00	-	-	62,800.00	62,800.00	-	-	-	-	
1962-19	Bound Brook	104,440.00	-	-	104,440.00	104,440.00	-	-	-	-	
1975-19	Sewer Study and Improvements	47,500.00	-	-	47,500.00	47,500.00	-	-	-	-	
1979-19	Tax Maps, Various Capital Improvements	1,195,625.35	-	15,850.00	1,179,775.35	1,195,625.00	-	0.35	(15,850.00)	-	
2002-20	Various Capital Improvements	-	1,442,149.50	2,560.00	1,439,589.50	-	-	-	-	1,439,589.50	
Total		\$ 9,379,247.14	\$ 1,442,149.50	\$ 18,410.00	\$ 10,802,986.64	\$ 6,550,524.00	\$ 898,891.00	\$ 1,155,570.41	\$ (15,850.00)	\$ 2,213,851.23	

IMPROVEMENT AUTHORIZATION UNFUNDED PER EXH. C-08	LESS: UNEXPENDED PROCEEDS OF BOND ANTICIPATION:	NET
1893-16		40,149
1920-17		47,891
1924-17		48,729
1947-18		234,977
1961-19		96,463
1962-19		945,915
1968-19		86,172
1979-19		593,401
Total		\$ 2,213,851.23

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$ 7,347.93
Increased by:	
2020 Budget Appropriation - Current Fund	<u>80,000.00</u>
Subtotal	7,347.93
Decreased by:	
Appropriated to Finance Improvements	<u>64,060.50</u>
Balance December 31, 2020	<u><u>\$ 23,287.43</u></u>

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
SCHEDULE OF RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019		\$ 2,610,587.02
Increased by:		
Grant Award		525,000.00
Subtotal		3,135,587.02
Decreased by:		
Grant Received	\$ 70,271.38	
Cancellation	152,672.87	222,944.25
Balance, December 31, 2020		\$ 2,912,642.77

ANALYSIS OF BALANCE

Federal Homeland Security	1643-05	\$ 24,000.00
Middlesex County	1643-05	35,966.00
Recycling Trust	1676-05	2,350.00
State of NJ DCA - Livable Communities	1688-06	130.00
Federal Homeland Security	1688-06	8,805.00
State of NJ DOT - Beechwood Ave.	1715-07	69,476.44
State of NJ DOT - Greenbrook Rd	1736-08	56,250.00
State of NJ DOT - Beechwood Ave.	1772-10	16,361.77
State of NJ DOT - Parker Street	1797-11	15,238.34
State of NJ OEM	1808-12	140,250.00
Federal Emergency Management Agency (FEMA)	1808-12	26,297.55
Various Capital Improvements (MCIA)	1855-14	125,000.00
State of NJ DOT - Marlborough Avenue	1857-14	22,708.56
State of NJ DOT - Warrenville Road	1893-16	83,478.74
State of NJ DOT - South Avenue	1909-17	100,000.00
Due from Township of Piscataway - South Avenue	1909-17	25,199.16
State of NJ DOT - Runyon Avenue	1947-18	48,371.21
State of NJ DOT- Harris Avenue, Ashland Road, Fischer Avenue	1961-19	557,200.00
State of NJ DOT- Bound Brook Road	1962-19	1,030,560.00
State of NJ DOT-	2002-20	525,000.00
		\$ 2,912,642.77

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	2019		2020		RESERVE FOR ENCUMBRANCES	2020		BALANCE DECEMBER 31, 2020 UNFUNDED	
				BALANCE DECEMBER 31, 2019 FUNDED	UNFUNDED	IMPROVEMENT AUTHORIZATION	EXPENDED		RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2020 FUNDED		
1611-04	Improvement to the Sanitary Sewer System (Infrastructure Trust \$1,689,635)	7/13/2004	\$ 1,627,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1687-06	Various Capital Improvements (NJDOT - \$200,000)	10/20/2006	1,358,900.00	3,075.53	-	-	-	-	-	-	-	
1808-12	Acq and Demolition of Certain Flood Prone Properties	3/27/2012	2,540,000.00	88,415.99	-	-	-	-	-	-	88,415.99	
1818-12	Various Capital Improvements	8/28/2012	1,116,450.00	40,026.91	-	-	-	-	-	-	-	
1842-13	Reconstruction of Fairview Ave (NJDOT - \$300,000)	8/27/2013	380,000.00	64,062.83	-	-	-	-	-	-	-	
1855-14	Various Capital Improvements (MCHA)	9/9/2014	888,325.00	-	-	100,000.00	-	23,425.00	-	-	-	
1857-14	Improvements to Marlborough Ave (NJDOT - \$300,000)	9/9/2014	332,000.00	-	-	-	-	-	-	-	25,576.73	
1879-15	Various Capital Improvements (MCHA)	7/19/2015	1,176,500.00	231,479.30	-	-	-	-	-	-	-	
1893-16	Various Capital Improvements	8/9/2016	1,393,000.00	51,300.87	-	-	-	-	-	-	-	
1899-16	Various Capital Improvements	10/11/2016	614,202.14	82,932.49	-	-	-	-	-	-	40,149.13	
1900-16	Milling and Paving of Various Roads	10/11/2016	300,000.00	98,968.74	-	-	-	-	-	-	82,932.49	
1907-17	Sanitary Sewer Improvements	2/14/2017	2,450,000.00	807,685.60	-	-	-	-	-	-	98,968.74	
1920-17	2017 Capital Improvements	5/23/2017	1,837,500.00	50,667.19	-	-	-	-	-	-	507,432.88	
1922-17	Warrenville Rd Improvements	7/25/2017	400,000.00	152,836.13	-	-	-	-	-	-	47,891.19	
1924-17	George Ave Improvements	9/19/2017	514,600.00	48,729.32	-	-	-	-	-	-	152,836.13	
1947-18	Various Capital Improvements	8/14/2018	1,981,165.00	166,697.16	-	-	-	-	-	-	48,729.32	
1961-19	Various Capital Improvements	6/11/2019	620,000.00	501,347.30	-	-	-	-	-	-	234,976.78	
1962-19	Bound Brook	6/11/2019	1,135,000.00	935,492.50	-	-	-	-	-	-	96,463.60	
1968-19	2019 Library HVAC & Tax Revaluation	8/13/2019	344,816.68	86,171.68	-	-	-	-	-	-	86,171.68	
1975-19	Sewer Study and Improvements	9/10/2019	50,000.00	-	-	-	-	-	-	-	-	
1979-19	Tax Maps, Various Capital Improvements	10/22/2019	1,258,553.00	747,743.45	-	-	-	-	-	-	593,401.42	
2002-20	Various Acquisitions and Improvements	6/23/2020	2,031,210.00	-	-	2,031,210.00	-	207,731.35	-	-	1,439,589.50	
Total				\$ 2,220,084.56	\$ 2,306,892.44	\$ 2,031,210.00	\$ -	\$ 1,897,315.68	\$ 508,318.79	\$ 1,595,292.52	\$ 773,466.70	\$ 4,307,548.61

Capital Improvement Fund	\$ 64,060.50
Deferred Charges to Future Taxation- Unfunded	1,442,149.50
Grants	525,000.00
Total	\$ 2,031,210.00

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Ordinance Number	Balance December 31, 2019	Increases	Decreases	Balance December 31, 2020
Reserve for:					
Cash or Appropriated Reserves:					
Insurance Refund - Landfill (Payment of Bonds)		\$ 4,838.08	-	-	\$ 4,838.08
Payment of Debt Service		98,634.92	-	98,634.92	-
Subtotal		103,473.00	-	98,634.92	4,838.08
Grants, Loans & Other Receivables					
New Jersey Environmental Infrastructure Trust	1611-04	58,305.00	-	58,305.00	-
Middlesex County - Cedar Ave	1643-05	56.00	-	-	56.00
State of NJ OEM	1808-12	98,598.63	-	-	98,598.63
Federal Emergency Management Agency (FEMA)	1808-12	67,948.92	-	-	67,948.92
State of NJ DOT - South Avenue	1909-17	100,000.00	-	-	100,000.00
Township of Piscataway - South Avenue	1909-17	95,470.54	-	70,271.38	25,199.16
State of NJ DOT - Runyon Avenue	1947-18	138,053.24	-	-	138,053.24
2014 Loan Reimbursement		129,916.16	-	-	129,916.16
Subtotal		688,348.49	-	128,576.38	559,772.11
		\$ 791,821.49	-	\$ 227,211.30	\$ 564,610.19

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>TOTAL</u>	<u>CURRENT</u>	<u>ASSESSMENT TRUST</u>	<u>TRUST - OTHER</u>	<u>GRANT FUND</u>
Balance December 31, 2019					
Due From	\$ 7,164.08	\$ -	\$ 7,164.08	\$ -	\$ -
Due To	786,987.43	240,425.41	-	522,787.01	23,775.00
Increased by:					
Cash Disbursed		240,425.41			
Subtotal	-	240,425.41	-	-	-
Decreased by:					
Current Fund Revenue	98,634.92	98,634.92			
Subtotal	98,634.92	98,634.92	-	-	-
Balance December 31, 2020					
Due From	\$ 7,164.08	\$ -	\$ 7,164.08	\$ -	\$ -
Due To	645,196.93	98,634.92	-	522,787.01	23,775.00

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL LEASES PAYABLE
MIDDLESEX COUNTY IMPROVEMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

PROJECT DESCRIPTION	AMOUNT OF LOAN	FEE PAYABLE	MATURITIES OF LOAN PRINCIPAL AND INTEREST			INTEREST RATE	BALANCE DECEMBER 31, 2019	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2020
			DATE	AMOUNT	DECEMBER 31, 2020				
Capital Equipment - 2013	\$ 2,900,567.38	\$ 56,064.13	8/15/2021	205,000.00	4.000%	\$ 840,000.00	\$ 200,000.00	\$ 640,000.00	
			8/15/2022	215,000.00	4.000%				
			8/15/2023	220,000.00	4.000%				
Capital Equipment - 2015	1,146,063.89	6,123.76				243,822.55	243,822.55	-	
<hr/>									
Total						\$ 1,083,822.55	\$ 443,822.55	\$ 640,000.00	

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING			INTEREST RATE	BALANCE DECEMBER 31, 2019	DECREASED	BALANCE DECEMBER 31, 2020
			DATE	AMOUNT	DECEMBER 31, 2019				
General Improvement Bonds of 2010	02/15/10	\$ 9,865,000.00			\$	965,000.00	\$ 965,000.00	\$ -	
Refunding Bonds 2019	12/5/2019	3,700,000.00	02/15/21	710,000.00	4.000%	3,700,000.00	-	3,700,000.00	
			02/15/22	740,000.00	4.000%				
			02/15/23	745,000.00	5.000%				
			02/15/24	755,000.00	5.000%				
			02/15/25	750,000.00	5.000%				
General Obligation Bonds of 2015	07/16/15	2,878,000.00	7/15/21	290,500.00	2.000%	1,828,000.00	283,500.00	1,544,500.00	
			7/15/22	301,000.00	2.000%				
			7/15/23	308,000.00	2.000%				
			7/15/24	318,500.00	2.500%				
			7/15/25	326,500.00	2.500%				
Total							\$ 6,493,000.00	\$ 1,248,500.00	\$ 5,244,500.00

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST AND FUND LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

DESCRIPTION	DATE ISSUE	AMOUNT ISSUE	BALANCE DECEMBER 31, <u>2019</u>	<u>DECREASED</u>	BALANCE DECEMBER 31, <u>2020</u>
New Jersey Environmental-Trust Loan Infrastructure Trust Series 2004 A	8/1/2005	\$ 850,000.00	\$ 239,121.82	\$ 41,958.12	\$ 197,163.70
New Jersey Environmental-Fund Loan Infrastructure Trust 2004 A	8/1/2005	844,828.00	167,411.31	44,883.80	122,527.51
		Total	<u>\$ 406,533.13</u>	<u>\$ 86,841.92</u>	<u>\$ 319,691.21</u>

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOAN
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$	<u>898,891.00</u>
Balance, December 31, 2020	\$	<u><u>898,891.00</u></u>

**BOROUGH OF MIDDLESEX
COUNTY OF MIDDLESEX, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2019	Change		Balance December 31, 2020
							Increased	Decreased	
1893-16	Various Capital Improvements	6/28/2018	6/25/2020	6/24/2021	0.95%	\$ 989,780.00	\$ 989,780.00	\$ -	\$ 989,780.00
1920-17	2017 Capital Improvements	6/28/2018	6/25/2020	6/24/2021	0.95%	1,745,625.00	1,745,625.00	1,745,625.00	1,745,625.00
1922-17	Warrenville Rd Improvements	6/28/2018	6/25/2020	6/24/2021	0.95%	175,725.00	175,725.00	175,725.00	175,725.00
1924-17	George Ave Improvements	6/28/2018	6/25/2020	6/24/2021	0.95%	488,870.00	488,870.00	488,870.00	488,870.00
1947-18	Various Capital Improvements	6/26/2019	6/25/2020	6/24/2021	0.95%	1,882,106.00	1,740,159.00	1,882,106.00	1,740,159.00
1961-19	Various Capital Improvements	6/25/2020	6/25/2020	6/24/2021	0.95%	-	62,800.00	-	62,800.00
1962-19	Bound Brook	6/25/2020	6/25/2020	6/24/2021	0.95%	-	104,440.00	-	104,440.00
1975-19	Sewer Study and Improvements	6/25/2020	6/25/2020	6/24/2021	0.95%	-	47,500.00	-	47,500.00
1979-19	Tax Maps, Various Capital Improvements	6/25/2020	6/25/2020	6/24/2021	0.95%	-	1,195,625.00	-	1,195,625.00
						\$ 5,282,106.00	\$ 6,550,524.00	\$ 5,282,106.00	\$ 6,550,524.00

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
NEW JERSEY GREEN TRUST FUND-1989
FOR THE YEAR ENDED DECEMBER 31, 2020**

PAYMENT NUMBER	PAYMENT DATE	INTEREST PAYMENTS	PRINCIPAL PAYMENTS	BALANCE LOANS PAYABLE
				\$ 31,538.30
35	January 15, 2021	315.38	6,182.76	25,355.54
36	July 15, 2021	253.56	6,244.59	19,110.95
37	January 15, 2022	191.11	6,307.03	12,803.92
38	July 15, 2022	128.04	6,370.10	6,433.82
39	January 15, 2023	64.30	6,433.82	-
Total Balance Due				
Principal and Interest		\$ 952.39	\$ 31,538.30	

**BOROUGH OF MIDDLESEX
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2020**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE			BALANCE DECEMBER 31, 2020
		DECEMBER 31, 2019	2020 AUTHORIZATIONS	Decreased	
1808-12	Acq and Demolition of Certain Flood Prone Properties	\$ 166,547.55	\$ -	\$ -	\$ 166,547.55
1857-14	Improvements to Marlborough Ave	30,400.00	-	-	30,400.00
1907-17	Sanitary Sewer Improvements	1,428,609.00	-	-	1,428,609.00
1909-17	South Ave Improvements	100,000.00	-	-	100,000.00
1922-17	Warrenville Road Improvements	204,275.00	-	-	204,275.00
1961-19	Various Capital Improvements	62,800.00	-	62,800.00	-
1962-19	Bound Brook	104,440.00	-	104,440.00	-
1975-19	Sewer Study and Improvements	47,500.00	-	47,500.00	-
1979-19	Tax Maps, Various Capital Improvements	1,195,625.35	-	1,195,625.35	-
2002-20	Various Capital Improvements and Acquisition of Various Capital Assets	-	1,442,149.50	2,560.00	1,439,589.50
	Total	\$ 3,340,196.90	\$ 1,442,149.50	\$ 1,412,925.35	\$ 3,369,421.05

SWIM POOL UTILITY FUND

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**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY
SCHEDULE OF CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	OPERATING FUND	SNACK BAR ACCOUNT
Balance, December 31, 2019	\$ 266,176.85	\$ 3,013.15
Increased by Receipts:		
Memberships Fees	\$ 144,264.25	-
Miscellaneous Revenues	51,906.29	-
Snack Bar Operation	-	10,267.57
Due from Swimming Pool Capital	-	-
Due to Current Fund	-	-
Transfer from Snack Bar Account	4.64	-
Total Receipts	196,175.18	10,267.57
Total	462,352.03	13,280.72
Decreased by Disbursements:		
2020 Budget Appropriations	289,203.71	-
2019 Appropriation Reserves	11,148.40	-
Snack Bar Operations	-	10,267.57
Due To Current Fund	-	-
Due to Swimming Pool Capital	-	-
Accrued Interest	-	-
Transfer to Operating Fund	-	4.64
Total Disbursements	300,352.11	10,272.21
Balance, December 31, 2020	\$ 161,999.92	\$ 3,008.51

**BOROUGH OF MIDDLESEX
SWIMMING POOL CAPITAL FUND
ANALYSIS OF CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

		BALANCE DECEMBER 31, 2020
Capital Improvement Fund		\$ 7,730.10
Due (from)/to Swimming Pool Operating Fund		94,320.11
Fund Balance		2,619.00
Improvement Authorizations		
Ordinance		
<u>Number</u>	<u>Improvement Description</u>	
1771-10	Swim Pool Improvements	(156,330.00)
1852-14	Swim Pool Improvements	51,660.79
		-
		-

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019	TRANSFERRED FROM AUTHORIZED & UNCOMPLETED	BALANCE DECEMBER 31, 2020
Swimming Pool and Grounds Improvement - 1987	\$ 234,000.00	-	\$ 234,000.00
Improvement - 1991	217,721.56	-	217,721.56
Improvement - 1997	65,300.00	-	65,300.00
	149,270.00	-	149,270.00
	<u>\$ 666,291.56</u>	<u>-</u>	<u>\$ 666,291.56</u>
Total	<u>\$ 666,291.56</u>	<u>-</u>	<u>\$ 666,291.56</u>

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2020**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AMOUNT	BALANCE DECEMBER 31, 2019	FIXED CAPITAL COMPLETED	BALANCE DECEMBER 31, 2020
1771-10	Swim Pool Improvements	\$ 350,000.00	\$ 350,000.00	\$ -	\$ 350,000.00
1852-14	Swim Pool Improvements	1,300,000.00	1,300,000.00	-	1,300,000.00
	Total		\$ 1,650,000.00	\$ -	\$ 1,650,000.00

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$ 34,693.93
Decreased by:	
Cancelled	<u>34,693.93</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BALANCE DECEMBER 31, 2019		BALANCE	PAID OR CHARGED	BALANCE
	ENCUMBERED	RESERVED	AFTER TRANSFERS		LAPSED
Operations:					
Salaries & Wages	\$ -	\$ 23,902.54	\$ 23,902.54	\$ -	\$ 23,902.54
Other Expenses	12,065.58	16,715.80	28,781.38	11,148.40	17,632.98
Statutory Expenditures:					
Contribution to:					
Social Security System	-	92.64	92.64	-	92.64
State Unemployment Insurance	-	2,000.00	2,000.00	-	2,000.00
Total	\$ 12,065.58	\$ 42,710.98	\$ 54,776.56	\$ 11,148.40	\$ 43,628.16

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS RECEIVABLE/PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>TOTAL</u>	<u>SWIMMING POOL CAPITAL</u>	<u>CURRENT FUND</u>
Balance December 31, 2019			
Due From	\$ 94,320.11	\$ 94,320.11	\$ -
Due To	114,526.13	-	114,526.13
Balance December 31, 2020			
Due From	\$ 94,320.11	\$ 94,320.11	\$ -
Due To	114,526.13	-	114,526.13

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 1,116,291.56
Increased by:	
Bonds Paid by Swim Budget Appropriation	\$ 78,528.00
Bonds Paid by Current Budget Appropriation	42,972.00
	<u>121,500</u>
Balance, December 31, 2020	<u>\$ 1,237,791.56</u>

**SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2020 & 2019	<u>\$ 7,730.10</u>
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**BOROUGH OF MIDDLESEX
 SWIMMING POOL UTILITY CAPITAL FUND
 SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2020**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORD.	BALANCE DECEMBER 31, 2019	BALANCE DECEMBER 31, 2020
1771-10	Swim Pool Improvements	7/27/2010	\$ 100,000.00	\$ 100,000.00
1852-14	Swim Pool Improvements	6/24/2014	65,000.00	65,000.00
			<u>\$ 165,000.00</u>	<u>\$ 165,000.00</u>

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS RECEIVABLE/PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	TOTAL	SWIMMING POOL OPERATING
Balance December 31, 2019		
Due From	\$ -	\$ -
Due To	94,320.11	94,320.11
	<hr/>	<hr/>
Balance, December 31, 2020		
Due From	\$ -	\$ -
Due To	94,320.11	94,320.11
	<hr/> <hr/>	<hr/> <hr/>

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DECEMBER 31, 2019		BALANCE DECEMBER 31, 2020	
				FUNDED	UNFUNDED	FUNDED	UNFUNDED
1771-10	Swim Pool Improvements	7/27/2010	\$ 350,000.00	\$ -	\$ 93,670.00	\$ -	\$ 93,670.00
1852-14	Swim Pool Improvements	6/24/2014	1,300,000.00	51,660.79	-	51,660.79	-
Total				\$ 51,660.79	\$ 93,670.00	\$ 51,660.79	\$ 93,670.00

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2019	\$	7,820.31
Decreased by:		
Cancellation of Accrued Interest		1,114
Balance December 31, 2020	\$	6,706.56

Analysis of Balance

Principal Outstanding 12/31/2020	Interest Rate	From	To	Period	Amount
\$ 663,500.00	2.00%	7/15/2019	12/15/2020	5.5	\$ 6,706.56
					\$ 6,706.56

**BOROUGH OF MIDDLESEX
SWIMMING POOL UTILITY FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2020		INTEREST RATE	BALANCE DECEMBER 31,		BALANCE DECEMBER 31,
			DATE	AMOUNT		2019	DECREASED	
General Improvement Bonds of 2015	7/16/15	\$ 1,235,000.00	7/15/21	\$ 124,500.00	2.000%	\$ 785,000.00	\$ 121,500.00	\$ 663,500.00
			7/15/22	129,000.00	2.000%			
			7/15/23	132,000.00	2.000%			
			7/15/24	136,500.00	2.000%			
			7/15/25	141,500.00	2.000%			
Total						\$ 785,000.00	\$ 121,500.00	\$ 663,500.00

**BOROUGH OF MIDDLESEX
 SWIMMING POOL UTILITY OPERATING FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 FOR THE YEAR ENDED DECEMBER 31, 2020**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2019	BALANCE DECEMBER 31, 2020
1771-10	Swim Pool Improvements	\$ 250,000.00	\$ 250,000.00
Total		\$ 250,000.00	\$ 250,000.00

BOROUGH OF MIDDLESEX

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2020

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**BOROUGH OF MIDDLESEX
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**BOROUGH OF MIDDLESEX
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

This section identifies the status of prior year findings related to the financial statements.

Financial Statement Findings

Finding No. 2019-001

Condition:

Payments in the aggregate to one vendor exceeded the bid threshold during the year ended December 31, 2019.

Current Status:

The finding has been corrected.

FEDERAL AWARDS

N/A – No Federal Single Audit in prior year.

STATE FINANCIAL ASSISTANCE

No Single Audit findings in the Prior Year.

BOROUGH OF MIDDLESEX

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
John Madden	Mayor
James Eodice	Council President
Jack Mikolajczyk	Councilmember
Douglas Rex	Councilmember
Amy Flood	Councilmember
Jeremiah Carnes	Councilmember
Martin Quinn	Councilmember
Marcia Karrow	Business Administrator
Caroline Benson	Acting Chief Financial Officer/Treasurer
Darcy Delvecchio	Tax Collector
Lisa Chismar	Municipal Clerk
Merari Gaud	Court Administrator

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Honorable Mayor and Members
of the Borough Council
Borough of Middlesex
Middlesex, New Jersey 08846

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2020.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or 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 bid threshold, except by contract or agreement.

The bid threshold in accordance with *N.J.S.A. 40A:11-4* was \$40,000 for the months of January through June 2020. As of July 1, 2020, the bid threshold increased to \$44,000 for the year ended December 31, 2020.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” 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*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, 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 resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Middlesex, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Middlesex, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

OTHER COMMENTS (FINDINGS):

None.

RECOMMENDATIONS:

None.

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
September 30, 2021