

OFFICIAL STATEMENT DATED JUNE 9, 2020

NEW ISSUE (BOOK-ENTRY ONLY)

RATING ON BONDS: Moody's: "Aa2"
RATING ON NOTES: Moody's: "MIG-1"
(See "RATINGS" herein)

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Township with certain covenants described herein, interest on the Bonds and Notes (as respectively defined herein) (i) is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX EXEMPTION" herein.

TOWNSHIP OF BRICK IN THE COUNTY OF OCEAN STATE OF NEW JERSEY

\$9,260,000
GENERAL IMPROVEMENT BONDS,
SERIES 2020

CALLABLE

Dated: Date of Delivery

Due: February 15, as shown on the inside front cover

\$11,110,650
BOND ANTICIPATION NOTES

NON-CALLABLE

Dated: Date of Delivery

Due: June 22, 2021

Coupon: 2.00%

Yield: 0.38%

CUSIP Number: 107889VT1*

The \$9,260,000 aggregate principal amount of General Improvement Bonds, Series 2020, dated the date of delivery (the "Bonds") are general obligations of the Township of Brick, in the County of Ocean, State of New Jersey (the "Township"), for which the full faith and credit of the Township are pledged. The Township is authorized and required by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

The \$11,110,650 aggregate principal amount Bond Anticipation Notes, dated the date of delivery (the "Notes"), are also general obligations of the Township, payable in the first instance from the proceeds of the sale of the bonds in anticipation of the issuance of which the Notes are issued, but if not so paid or if not paid from other sources, are payable ultimately from *ad valorem* taxes levied upon all the taxable property within the Township for the payment of the Notes and the interest thereon without limitation as to rate or amount.

The Bonds and the Notes will be issued in fully registered book-entry only form and, when issued, will be registered in the name of, and held by, Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Bonds and the Notes. Individual purchases of the Bonds and the Notes will be made in book-entry only form in the principal amount of \$5,000 each or any integral multiple thereof, with a minimum purchase of \$5,000 required, except that any Bonds or Notes in excess of the largest principal amount equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof, through book entries made on the books and records of DTC and its participants.

The Bonds shall bear interest from the date of delivery thereof, payable semi-annually on the fifteenth (15th) day of February and August of each year, commencing February 15, 2021, at such rates of interest as shown on the inside front cover hereof, until maturity or prior redemption. The Bonds will be payable as to principal upon presentation and surrender thereof at the offices of the Township or a duly designated paying agent. Interest on the Bonds will be paid by check, draft or wire transfer mailed, delivered or transmitted by the Township to the registered owner thereof as of the Record Dates (as defined herein).

The Notes will bear interest at the rate set forth above, commencing from their date of delivery. Interest on the Notes will be payable at the maturity date thereof as set forth above. Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent at the date of maturity at the offices of the Township or a duly designated paying agent.

While DTC is acting as securities depository for the Bonds and Notes, the principal of and interest on the Bonds and Notes will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the Bonds and Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 *et seq.*, as amended and supplemented (the "Local Bond Law"); (ii) various bond ordinances duly adopted by the Township Council of the Township on the dates set forth herein, approved by the Mayor, and published as required by law; and (iii) a resolution duly adopted by the Township Council of the Township on May 12, 2020 (the "Resolution"). The Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law, (ii) various bond ordinances duly adopted by the Township Council of the Township on the dates set forth herein, approved by the Mayor, and published as required by law, (iii) and the Resolution.

The Bonds are being issued to refund, on a current basis, a \$9,260,000 principal portion of prior bond anticipation notes of the Township issued in the aggregate principal amount of \$14,850,000 on June 25, 2019 and maturing on June 24, 2020 (the "Prior Bond Anticipation Notes"). The Notes are being issued to (i) refund, on a current basis, the remaining \$5,590,000 principal portion of the Prior Bond Anticipation Notes, and (ii) temporarily finance the cost of various capital improvements and purposes in and by the Township in the amount of \$5,520,650, including paying the costs associated with the issuance of the Notes.

The Bonds are subject to optional redemption prior to their stated maturities as set forth herein. See "DESCRIPTION OF THE BONDS" under the subheading entitled "Optional Redemption". The Notes are not subject to optional redemption prior to their stated maturity. See "DESCRIPTION OF THE NOTES" under the subheading entitled "Optional Redemption".

The Bonds and the Notes are not a debt or obligations, legal, moral or otherwise, of the State of New Jersey, or any county, municipality or political subdivision thereof other than the Township.

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

The Bonds and Notes are offered when, as and if issued and delivered subject to the approval of the legality thereof by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Township, and certain other conditions. NW Financial Group, LLC, Hoboken, New Jersey has served as Municipal Advisor to the Township in connection with the issuance of the Bonds and the Notes. Certain legal matters will be passed upon for the Township by the Township Attorney, Kevin N. Starkey, Esq., Starkey, Kelly, Kenneally, Cunningham & Turnbach, Brick, New Jersey. It is anticipated that the Bonds and the Notes will be available for delivery through DTC on or about June 23, 2020.

FIDELITY CAPITAL MARKETS
(Bond Underwriter)

BNY Mellon Capital Markets, LLC
(Note Underwriter)

* Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP number listed above is being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the Township does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Notes.

\$9,260,000
TOWNSHIP OF BRICK
IN THE COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL IMPROVEMENT BONDS,
SERIES 2020

CALLABLE

Dated: Date of Delivery

Due: February 15, as shown below

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS
AND CUSIP NUMBERS

<u>Year</u> <u>(February 15)</u>	<u>General</u> <u>Improvement</u> <u>Bonds</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number**</u>
2021	\$ 550,000	3.00%	0.36%	107889VH7
2022	625,000	3.00	0.40	107889VJ3
2023	785,000	3.00	0.45	107889VK0
2024	970,000	3.00	0.57	107889VL8
2025	1,000,000	3.00	0.68	107889VM6
2026	1,015,000	3.00	0.85	107889VN4
2027	1,045,000	3.00	0.98	107889VP9
2028	1,070,000	3.00	1.10*	107889VQ7
2029	1,100,000	2.00	1.65*	107889VR5
2030	1,100,000	2.00	1.75*	107889VS3

* Yield to the first optional redemption date of February 15, 2027

** Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Township does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of, among other things, a partial redemption of the Bonds and procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**TOWNSHIP OF BRICK
IN THE COUNTY OF OCEAN
STATE OF NEW JERSEY**

MAYOR

John G. Ducey

TOWNSHIP COUNCIL MEMBERS

Lisa Crate, President
Arthur Halloran, Vice President
Heather deJong
Vincent Minichino
Paul Mummolo
Marianna Pontoriero
Andrea Zapcic

TOWNSHIP BUSINESS ADMINISTRATOR

Joanne Bergin

CHIEF FINANCIAL OFFICER

Maureen Laffey-Berg

TOWNSHIP CLERK

Lynnette A. Iannarone

TOWNSHIP ATTORNEY

Starkey, Kelly, Kenneally, Cunningham & Turnbach
Brick, New Jersey

TOWNSHIP AUDITOR

Fallon & Company LLP
Hazlet, New Jersey

TOWNSHIP MUNICIPAL ADVISOR

NW Financial Group, LLC
Hoboken, New Jersey

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

No dealer, broker, salesperson or other person has been authorized by the Township of Brick, in the County of Ocean, State of New Jersey (the "Township"), to give any information or to make any representations with respect to the Bonds and Notes other than those contained in this Official Statement and if given or made, such information or representations must not be relied upon as having been authorized by the Township. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the Township, The Depository Trust Company, New York, New York ("DTC") and other sources deemed reliable by the Township; however, no representation or warranty is made as to its accuracy or completeness, and as to the information from sources other than the Township, such information is not to be construed as a representation or warranty by the Township.

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or owners of any of the Bonds or Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier. The Township has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

References in this Official Statement to statutes, laws, rules, regulations, resolutions, ordinances, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of, and exceptions to, statements made herein. This Official Statement should be read in its entirety.

The presentation of information is intended to show recent historical information except as expressly stated otherwise, and is not intended to indicate future or continuing trends in the financial condition or other affairs of the Township. No representation is made that past experience, as is shown by the financial and other information included herein, will necessarily continue or be repeated in the future.

The order and placement of materials in this Official Statement, including the appendices, are not deemed to be a determination of the relevance, materiality or importance of such materials, and this Official Statement, including the appendices, must be considered in its entirety.

In order to facilitate the distribution of the Bonds and Notes, the respective Underwriters may engage in transactions intended to stabilize the price of the Bonds and Notes, respectively, at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The prices at which the Bonds and Notes are offered to the public by the respective Underwriters and the yields resulting therefrom may vary from the initial public offering prices or yields on, as applicable, the cover page and/or inside cover page hereof. In addition, the Underwriters may allow concessions or discounts from such initial public offering prices to dealers and others.

The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the Federal Securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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**OFFICIAL STATEMENT
OF THE
TOWNSHIP OF BRICK
IN THE COUNTY OF OCEAN, STATE OF NEW JERSEY**

**RELATING TO
\$9,260,000 GENERAL IMPROVEMENT BONDS, SERIES 2020
\$11,110,650 BOND ANTICIPATION NOTES**

INTRODUCTION

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the Township of Brick (the "Township"), in the County of Ocean (the "County"), State of New Jersey (the "State"), in connection with the sale and issuance of \$9,260,000 aggregate principal amount of General Improvement Bonds, Series 2020 (the "Bonds"), and \$11,110,650 aggregate principal amount of Bond Anticipation Notes (the "Notes") of the Township. This Official Statement, which includes the cover page, inside front cover page and appendices attached hereto, has been authorized by the Township Council of the Township, executed by and on behalf of the Township by its Chief Financial Officer, and is to be distributed in connection with the marketing and sale of the Bonds and Notes.

This Official Statement contains specific information relating to the Bonds and Notes including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to the sale, issuance and delivery of the Notes. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historical information and, but only to the extent specifically provided herein, certain projections of the immediate future, and is not necessarily indicative of future or continuing trends in the financial position or other affairs of the Township.

DESCRIPTION OF THE BONDS

General Description

The Bonds are dated the date of delivery thereof and shall bear interest at the rates shown on the inside front cover page hereof from such date, and shall be payable semi-annually on the fifteenth (15th) day of February and August in each year (each an "Interest Payment Date"), commencing February 15, 2021, until maturity or prior redemption. Interest on the Bonds is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year and will be paid by check, draft or wire transfer mailed, transmitted or delivered to the registered owners of the Bonds as of each respective February 1 and August 1 preceding each Interest Payment Date (the "Record Dates"), at the address shown on the registration books for the Bonds kept for that purpose by the Township's Chief Financial Officer, as Registrar and Paying Agent.

The Bonds will mature on February 15 in each of the years and in the respective principal amounts as set forth on the inside front cover page.

The Bonds, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository (the "Securities Depository") for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry only form, without certificates, in denominations of \$5,000 each or any integral multiple thereof, with a minimum purchase of \$5,000 required, except that any Bonds in excess of the largest principal amount

equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Bonds are exchangeable for one or more fully registered Bond certificates of like series, maturity and tenor in authorized denominations.

The Bond certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Township or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will, in turn, remit such payments to DTC Participants, which will, in turn, remit such payments to the beneficial owners of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

Optional Redemption

The Bonds of this issue maturing prior to February 15, 2028 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after February 15, 2028 are subject to redemption at the option of the Township, in whole or in part, on any date on or after February 15, 2027, upon notice as required herein at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of Redemption

Notice of Redemption ("Notice of Redemption") shall be given by first class mail, at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption, in a sealed envelope with postage prepaid to the owners of the Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township or a duly appointed bond registrar. So long as The Depository Trust Company (or any successor thereto) acts as Securities Depository for the Bonds, Notices of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its Participants or any failure of any Participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Township determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be redeemed by the Township in inverse order of maturity and within any maturity shall be selected by the Township by lot.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued and unpaid interest to the date fixed for redemption.

Authorization for the Issuance of the Bonds

The Bonds are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); (ii) various bond ordinances duly adopted by the Township Council of the Township on the dates set forth in the chart on the following page under the heading "Purpose of the Bonds", approved by the Mayor, and published as required by law; and (iii) a resolution duly adopted by the Township Council of the Township on May 12, 2020 (the "Resolution").

The bond ordinances authorizing the Bonds were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of said bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides that, after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township. Such estoppel period has concluded as of the date of this Official Statement.

Purpose of the Bonds

The Bonds are being issued to refund, on a current basis, a \$9,260,000 principal portion of prior bond anticipation notes of the Township issued in the aggregate principal amount of \$14,850,000 on June 25, 2019 and maturing on June 24, 2020 (the "Prior Bond Anticipation Notes").

The purposes for which the Bonds are to be issued have been authorized by duly adopted, approved and published bond ordinances of the Township, which bond ordinances are described on the following table by Ordinance Number, Description and Date of Final Adoption and the Amount of Bonds to be issued for such purposes. The bond ordinances are as follows:

\$9,260,000
General Improvement Bonds, Series 2020

Ordinance Number	Description and Date of Final Adoption	Amount of Bonds
9-13	Various Capital Improvements and Other Related Expenses, finally adopted 4/16/13	\$ 499,344.50
21-14	Various Capital Improvements and Other Related Expenses, finally adopted 7/22/14	209,600.00
22-14	Various Capital Improvements and Other Related Expenses, finally adopted 7/22/14	1,571,203.00
12-15	Various Capital Improvements and Acquisitions, and Other Related Expenses, finally adopted 5/19/15	1,359,482.75
09-16	Various Capital Improvements and Acquisitions, and Other Related Expenses, finally adopted 7/12/16	1,008,837.75
08-17	Various Capital Improvements and Acquisitions, finally adopted 6/27/17	3,374,174.00
09-17	Various Capital Improvements and Acquisitions, finally adopted 6/27/17	400,001.00
10-17	Various Capital Improvements and Acquisitions, finally adopted 6/27/17	237,357.00
11-17	Various Capital Improvements and Acquisitions, finally adopted 6/27/17	<u>600,000.00</u>
		<u>\$ 9,260,000.00</u>

Payment of Bonds

As hereinafter stated, the Bonds are general obligations of the Township for which the full faith and credit of the Township will be pledged. The Township is authorized and required by law to levy *ad valorem* taxes upon all taxable property within the Township for the payment of principal of and interest on the Bonds without limitation as to rate or amount.

DESCRIPTION OF THE NOTES

General Description

The Notes shall be dated the date of delivery thereof and shall bear interest at the rate as indicated on the front cover page of this Official Statement and are payable upon the maturity date thereof. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

The Notes will be issued as fully registered notes in book-entry only form, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Notes. Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent on the date of maturity thereof by wire transfer of immediately available funds to DTC or its nominee, Cede & Co. Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of \$5,000 each or any integral multiple thereof, with a minimum purchase of \$5,000 required, except that any Notes in excess of the largest principal amount equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Note certificate will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the Township or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will, in turn, remit such payments to DTC Participants, which will, in turn, remit such payments to the beneficial owners of the Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

Optional Redemption

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

Authorization for the Issuance of the Notes

The Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law, (ii) various bond ordinances duly adopted by the Township Council of the Township on the dates set forth in the chart on the following page under the heading "Purpose of the Notes", approved by the Mayor, and published as required by law, and (iii) the Resolution.

The bond ordinances authorizing the Notes were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of said bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides, that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township. Such estoppel period has concluded as of the date of this Official Statement.

Purpose of the Notes

The Notes are being issued to (i) refund, on a current basis, the remaining \$5,590,000 principal portion of the Prior Bond Anticipation Notes, and (ii) temporarily finance the cost of various capital improvements and purposes in and by the Township in the amount of \$5,520,650, including paying the costs associated with the issuance of the Notes.

The Notes and the improvements or purposes for which the Notes are to be issued have been authorized by duly adopted, approved and published bond ordinances of the Township, which bond ordinances are described on the following table by Ordinance Number, Description and Date of Final Adoption and the Amount of Notes to be issued for such purposes. The bond ordinances are as follows:

\$11,110,650
Bond Anticipation Notes

Ordinance Number	Description and Date of Final Adoption	Amount of Notes
12-16	Various Capital Improvements and Acquisitions – Class C Buildings and Grounds Improvements, finally adopted 7/12/16	\$ 474,970.11
8-17	Various Capital Improvements and Acquisitions, and Other Related Expenses, finally adopted 6/27/17	1,562,989.69
9-17	Various Capital Improvements and Acquisitions, and Other Related Expenses, finally adopted 6/27/17	256,784.21
11-17	Various Capital Improvements and Acquisitions, and Other Related Expenses, finally adopted 6/27/17	422,507.33
12-18	Various Capital Improvements and Acquisitions, finally adopted 5/22/18	1,032,846.20
13-18	Various Capital Improvements and Acquisitions, finally adopted 5/22/18	239,017.45
14-18	Various Capital Improvements and Acquisitions, finally adopted 5/22/18	4,174,086.84
15-18	Various Capital Improvements and Acquisitions, finally adopted 5/22/18	1,202,448.17
6-19	Various Capital Improvements and Acquisitions, finally adopted 6/11/19	495,000.00
7-19	Various Capital Improvements and Acquisitions, finally adopted 6/11/19	30,000.00
8-19	Various Capital Improvements and Acquisitions, finally adopted 6/11/19	720,000.00
9-19	Various Capital Improvements and Acquisitions, finally adopted 6/11/19	<u>500,000.00</u>
		<u>\$11,110,650.00</u>

Payment of Notes

As hereinafter stated, the Notes are general obligations of the Township for which the full faith and credit of the Township will be pledged. The Township is authorized and required by law to levy *ad valorem* taxes upon all taxable property within the Township for the payment of principal of and interest on the Notes without limitation as to rate or amount.

SECURITY FOR THE BONDS AND NOTES

The Bonds and Notes are valid and legally binding general obligations of the Township for which the full faith and credit of the Township are irrevocably pledged for the punctual payment of the principal of and interest on the Bonds and Notes, respectively. Unless otherwise paid from other sources, the Township has the power and is obligated by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of the Bonds and Notes and the interest thereon without limitation as to rate or amount.

The Township is required by law to include the total amount of principal of and interest on all of its general obligation indebtedness, such as the Bonds and Notes, for the current year in each annual budget unless provision has been made for payment of such general obligation indebtedness from other sources. The enforceability of rights or remedies with respect to the Bonds and Notes may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted. See "RISK TO HOLDERS OF BONDS AND NOTES" herein.

The Bonds and Notes are not a debt or obligation, legal, moral or otherwise of the State or any county, municipality or political subdivision thereof, other than the Township.

NO DEFAULT

There is no report of any default in the payment of the principal of, redemption premium, if any, and interest on the bonds, notes or other obligations of the Township as of the date hereof.

MARKET PROTECTION

The Township does not anticipate issuing any additional debt in 2020.

BOOK-ENTRY ONLY SYSTEM

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds and Notes, payment of principal and interest, and other payments on the Bonds and Notes to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Bonds and Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations concerning these matters.

DTC will act as securities depository for the Bonds and Notes. The Bonds and Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of the issue of the Bonds, and will be deposited with DTC. One fully registered Note certificate will be issued for the Notes in the aggregate principal amount of the Notes, as set forth on the cover page hereof, and will be deposited with DTC.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds or Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds or Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds or Notes may wish to ascertain that the nominee holding the Bonds or Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds or Notes, unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct

Participants to whose accounts the Bonds or Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, nor its nominee, Paying Agent or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Bonds and Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Discontinuance of Book-Entry Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds or Notes, the following provisions apply: (i) the Bonds or Notes may be exchanged for an equal aggregate principal amount of Bonds or Notes in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Township or Paying Agent; (ii) the transfer of any Bonds or Notes may be registered on the books maintained by the Township or Paying Agent for such purposes only upon the surrender thereof to the Township or Paying Agent together with the duly executed assignment in form satisfactory to the Township or Paying Agent; and (iii) for every exchange or registration of transfer of Bonds or Notes, the Township or Paying Agent may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds or Notes. Interest on the Bonds or Notes will be payable by check or draft, mailed on the Interest Payment Date to the registered owners thereof.

PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Procedure for Authorization

The Township has no constitutional limit on its power to incur indebtedness other than that it may issue obligations only for public purposes pursuant to State statutes. The authorization and issuance of Township debt, including the purpose, amount and nature thereof, the method and manner of the incurrence of such debt, the maturity and terms of repayment thereof, and other related matters are statutory. The Township is not required to submit the proposed incurrence of indebtedness to a public referendum.

The Township, by bond ordinance, may authorize and issue negotiable obligations for the financing of any capital improvement or property which it may lawfully acquire, or any purpose for which it is authorized or required by law to make an appropriation, except current expenses and payment of obligations (other than those for temporary financings). Bond ordinances must be finally adopted by the

recorded affirmative vote of at least two-thirds of the full membership of the Township Council and approved by the Mayor. The Local Bond Law requires publication and posting of the bond ordinance. If the bond ordinance requires approval or endorsement of the State, it cannot be finally adopted until such approval has been received. The Local Bond Law provides that a bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption. At the conclusion of the twenty-day period, all challenges to the validity of the obligations authorized by such bond ordinance shall be precluded except for constitutional matters. Moreover, after issuance, all obligations are conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning their sale, execution or delivery by the Township.

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

The Bonds and Notes are being issued pursuant to the provisions of the Local Bond Law. The Local Bond Law governs the issuance of bonds and bond anticipation notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds or notes must mature within the statutory period of usefulness of the projects being financed, that bonds be retired in serial or sinking fund installments, and that, unlike school debt, and with some exceptions, including self-liquidating obligations and the improvements involving State grants, a five percent (5%) cash down payment must be generally provided. Such down payment must have been raised by budgetary appropriations, from cash on hand previously contributed for the purpose or by emergency resolution adopted pursuant to the Local Budget Law, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"). All bonds and notes issued by the Township are general "full faith and credit" obligations.

Short Term Financing

Local governmental units (including the Township) may issue bond anticipation notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or subsequent resolution so provides. Such bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount of bonds authorized in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued and renewed for periods not exceeding one (1) year, with the final maturity occurring and being paid no later than the first day of the fifth month following the close of the tenth fiscal year after the original issuance of the notes, provided that no notes may be renewed beyond the third anniversary date of the original notes and each anniversary date thereafter, unless an amount of such note at least equal to the first legally payable installment of the anticipated bonds (the first year's principal payment), is paid and retired from funds other than the proceeds of obligations on or before the third anniversary date and each anniversary date thereafter.

The issuance of tax anticipation notes by a municipality is limited in amount by the provisions of the Local Budget Law and may be renewed from time to time, but, in the case of a municipality such as the Township, all such notes and renewals thereof must mature not later than 120 days after the end of the fiscal year in which such notes were issued.

Refunding Bonds (N.J.S.A. 40A:2-51 et seq.)

Refunding bonds may be issued pursuant to the Local Bond Law for, among other things, the purpose of paying, funding or refunding outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-State administered public employee pension system, the present value of unfunded accrued liabilities for State administered early retirement incentive benefits, amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of refunding bonds. The Local Finance Board, in the Division of Local Governmental Services, New Jersey Department of Community Affairs (the "Local Finance Board") must approve the authorization of the issuance of refunding bonds. Refunding bonds may be issued in accordance with N.J.A.C. 5:30-2.5 and, therefore, no approval is required by the Local Finance Board; however, the details of the sale, issuance and delivery of the refunding bonds will be delivered to the Local Finance Board within then (10) days of the delivery of the refunding bonds.

Statutory Debt Limitation (N.J.S.A. 40A:2-6 et seq.)

There are statutory requirements which limit the amount of debt which the Township is permitted to authorize. The authorized bonded indebtedness of a Township is limited by the Local Bond Law and other laws to an amount equal to three and one-half percent (3 1/2%) of its stated average equalized valuation basis, subject to certain exceptions noted below. The stated equalized valuation basis is set by statute as the average of the equalized valuations of all taxable real property, together with improvements to such property, and the assessed valuation of certain Class II railroad property within the boundaries of the Township for each of the last three (3) preceding years as annually certified in the valuation of all taxable real property, in the Table of Equalized Valuation by the Director of the Division of Taxation, in the New Jersey Department of the Treasury (the "Division of Taxation"). Certain categories of debt are permitted by statute to be deducted for the purposes of computing the statutory debt limit. The Local Bond Law permits the issuance of certain obligations, including obligations issued for certain emergency or self-liquidating purposes, notwithstanding the statutory debt limitation described above; but, with certain exceptions, it is then necessary to obtain the approval of the Local Finance Board. See "Exceptions to Debt Limitation-Extensions of Credit" herein.

As shown in APPENDIX A, the Township has not exceeded its statutory debt limit.

Exceptions to Debt Limitation – Extensions of Credit (N.J.S.A. 40A:2-7 et seq.)

The debt limit of the Township may be exceeded with the approval of the Local Finance Board. If all or any part of a proposed debt authorization is to exceed its debt limit, the Township must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability to meet the proposed obligations. If the Local Finance Board determines that a proposed debt authorization is not unreasonable or exorbitant, that the purposes or improvements for which the obligations are issued are in the public interest and for the health, welfare and convenience or betterment of the inhabitants of the Township and that the proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential services that are in the public interest and makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued to fund certain obligations, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes) plus two-thirds of the amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district.

As shown in APPENDIX A, the Township has not exceeded its debt limit.

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

The Local Fiscal Affairs, N.J.S.A. 40A:5-1 et seq., as amended and supplemented (the "Local Fiscal Affairs Law"), regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a Registered Municipal Accountant licensed in the State of New Jersey. The audit, conforming to the Division of Local Government Services, in the New Jersey Department of Community Affairs (the "Division") "Requirements of Audit", must be completed within six (6) months (June 30) after the close of the Township's fiscal year (December 31), includes recommendations for improvement of the local unit's financial procedures. The audit report must be filed with the Township Clerk and is available for review during regular municipal business hours and shall, within five (5) days thereafter shall be filed with the Director of the Division (the "Director"). A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the Township Clerk's receipt of the audit report. Accounting methods utilized in the conduct of the audit conform to practices prescribed by the Division, which practices differ in some respects from generally accepted accounting principles in the United States.

Annual Financial Statement (N.J.S.A. 40A:5-12 et seq.)

An annual financial statement ("Annual Financial Statement") which sets forth the financial condition of a local unit for the fiscal year must be filed with the Division not later than January 26 (in the case of a county) and not later than February 10 (in the case of a municipality) after the close of the calendar fiscal year, such as the Township, or not later than August 10 of the State fiscal year for those municipalities which operate on the State fiscal year. The Annual Financial Statement is prepared either by the Chief Financial Officer or the Registered Municipal Accountant for the local unit. It reflects the results of operations for the year of the Current and Utility Funds. If the statement of operations results in a cash deficit, the deficit must be included in full in the succeeding year's budget. The entire annual audit report is filed with the clerk of the local unit and is available for review during business hours.

Investment of Municipal Funds

Investment of funds by municipalities is governed by N.J.S.A. 40A:5-14 et seq. Such statute requires municipalities to adopt a cash management plan pursuant to the requirements outlined by said statute. Once a municipality adopts a cash management plan it must deposit or invest its funds pursuant to such plan. N.J.S.A. 40A:5-15.1 provides for the permitted securities a municipality may invest in pursuant to its cash management plan. Some of the permitted securities are as follows: (a) obligations of, or obligations guaranteed by, the United States of America ("Government Obligations"), (b) Government money market mutual funds which invest in securities permitted under the statute, (c) bonds of certain Federal Government agencies having a maturity date not greater than 397 days from the date of purchase, (d) bonds or other obligations of the particular municipality or school district of which the local unit is a part or within which the school district is located, and (e) bonds or other obligations having a maturity date not greater than 397 days from the date of purchase and approved by the Division of Investment, in the New Jersey Department of the Treasury. Municipalities are required to deposit their funds in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. Municipalities are required to deposit their funds in interest-bearing bank accounts to the extent practicable and other permitted investments.

DEBT INFORMATION OF THE TOWNSHIP

The Township must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization other than a refunding debt authorization. Before the end of the first month (January 31) of each fiscal year of the Township, the Township must file an Annual Debt Statement which is dated as of the last day of the preceding fiscal year (December 31) with the Division and with the Township Clerk. This report is made under oath and states the authorized, issued and unissued debt of the Township as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing. Even though the Township's authorizations are within its debt limits, the Division is able to enforce State regulations as to the amounts and purposes of local borrowings.

FINANCIAL MANAGEMENT

Accounting and Reporting Practices

The accounting policies of the Township conform to the accounting principles applicable to local governmental units which have been prescribed by the Division. A modified accrual basis of accounting is followed with minor exceptions. Revenues are recorded as received in cash except for certain amounts which may be due from other governmental units and which are accrued. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue only when received. Expenditures are generally recorded on the accrual basis, except that unexpended appropriations at December 31, unless canceled by the governing body, are reported as expenditures with offsetting appropriation reserves. Appropriation reserves are available, until lapsed at

the close of the succeeding fiscal year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are credited to the results of operations. As is the prevailing practice among municipalities and counties in the State, the Township does not record obligations for accumulated unused vacation and sick pay.

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

The foundation of the State local finance system is the annual cash basis budget. Every local unit, including the Township, must adopt an annual operating budget in the form required by the Division. Certain items of revenue and appropriation are regulated by law and the proposed operating budget cannot be finally adopted until it has been certified by the Director, or in the case of a local unit's examination of its own budget as described herein, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director, or in the case of the local examination, the local unit may review the adequacy of such appropriations. Among other restrictions, the Director or, in the case of local examination, the local unit may examine the budget with reference to all estimates of revenue and the following appropriations: (a) payment of interest and debt redemption charges, (b) deferred charges and statutory expenditures, (c) cash deficit of the preceding year, (d) reserve for uncollected taxes, and (e) other reserves and non-disbursement items. Taxes levied are a product of total appropriations, less non-tax revenues, plus a reserve predicated on the prior year's collection experience.

The Director, in reviewing the budget, has no authority over individual operating appropriations, unless a specific amount is required by law, but the Director's budgetary review functions, focusing on anticipated revenues, and serves to protect the solvency of the local unit. Local budgets, by law and regulation, must be in balance on a "cash basis", i.e., the total of anticipated revenues must equal the total of appropriation. N.J.S.A. 40A:4-22. If in any year the Township's expenditures exceed its realized revenues for that year, then such excess (deficit) must be raised in the succeeding year's budget.

In accordance with the Local Budget Law and related regulations, (i) each local unit, with a population of 10,000 persons, must adopt and annually revise a six (6) year capital program, and (ii) each local unit, with a population under 10,000 persons, must adopt (with some exceptions) and annually revise a three (3) year capital program. See "CAPITAL IMPROVEMENT PROGRAM" herein.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate section of the budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "current" or operating budget.

Local Examination of Budgets (N.J.S.A. 40A:4-78(b))

Chapter 113 of the Laws of New Jersey of 1996 (N.J.S.A. 40A:4-78(b)) authorizes the Local Finance Board to adopt rules that permit certain municipalities to assume the responsibility, normally granted to the Director, of conducting the annual budget examination required by the Local Budget Law. Since 1997 the Local Finance Board has developed regulations that allow "eligible" and "qualifying" municipalities to locally examine their budget every two (2) of three (3) years. Under the regulations prescribed by the Local Finance Board, since the Township is a Faulkner Act or Optional Municipal Charter Law Municipality, it is never eligible for local examination of its budget. The Township adopted its 2020 budget in accordance with the procedures described under the heading entitled, "FINANCIAL MANAGEMENT – Local Budget Law (N.J.S.A. 40A: 4-1 et seq.)".

State Supervision (N.J.S.A. 52:27BB-1 et seq.)

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which

has failed to make payments due and owing to the State, county, school district or special district for two (2) consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law or the Local Fiscal Affairs Law which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring cash deficit.

Limitations on Expenditures (“Cap Law”) (N.J.S.A. 40A:4-45.1, et seq.)

N.J.S.A. 40A:4-45.3 places limits on municipal tax levies and expenditures. This law is commonly known as the “Cap Law” (the “Cap Law”). The Cap Law provides that the Township shall limit any increase in its budget to 2.5% or the Cost-Of-Living Adjustment, whichever is less, of the previous year’s final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 2.5%, the Township may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the Township for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than 3.5% over the previous year’s final appropriations. See N.J.S.A. 40A:4-45.14. In addition, N.J.S.A. 40A:4-45.15a restored “Cap” banking to the Local Budget Law. Municipalities are permitted to appropriate available “Cap Bank” in either of the next two (2) succeeding years’ final appropriations. The Township did not utilize any of its “Cap Bank” in its 2020 Budget. Along with the permitted increases for total general appropriations, there are certain items that are allowed to increase outside the “Cap”.

Additionally, P.L. 2010, c.44, effective July 13, 2010, imposes a 2% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, weather and other “declared” emergencies, pension contributions in excess of 2%, and health benefit cost increases in excess of 2% and limited by the increase in the State health benefit rate increases. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above 2% not otherwise permitted under the law by an affirmative vote of 50% plus one vote.

The Division of Local Government Services has advised that counties and municipalities must comply with both budget “Cap” and the tax levy limitation. Neither the tax levy limitation nor the “Cap” law, however, limits the obligation of the Township to levy *ad valorem* taxes upon all taxable property within the boundaries of the Township to pay debt service on bonds and notes, including the Bonds and Notes.

Deferral of Current Expenses

Supplemental appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the governing body of a local unit, including the Township, but only to meet unforeseen circumstances, to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance prior to the next succeeding fiscal year. However, with certain exceptions described below, such appropriations must be included in full as a deferred charge in the following year’s budget. Any emergency appropriation must be declared by resolution according to the definition provided in N.J.S.A. 40A:4-48, and approved by at least two-thirds of the full membership of the governing body and shall be filed with the Director. If such emergency appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director is required. N.J.S.A. 40A:4-49.

The exceptions are certain enumerated quasi-capital projects (“special emergencies”) such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget

adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between major appropriation accounts are prohibited until the last two (2) months of the municipality's fiscal year. Appropriation reserves may be transferred during the first three (3) months of the current fiscal year to the previous fiscal year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a two-thirds vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Generally, transfers cannot be made from the down payment account, the capital improvement fund, contingent expenses or from other sources as provided in the statute.

Anticipation of Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A 40A:4-29 sets limits on the anticipation of delinquent tax collections and provides that, "[t]he maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

In regard to current taxes, N.J.S.A. 40A:4-41(b) provides that, "[r]eceipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

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

$$\begin{array}{rcl} \text{Total of Local, County,} & - & \text{Anticipated Revenues} \\ \text{and School Levies} & & \\ \hline \text{Cash Required from Taxes to Support} & = & \text{Cash Required from Taxes to Support} \\ \text{Local Municipal Budget and Other Taxes} & & \text{Local Municipal Budget and Other Taxes} \\ \hline \text{Prior Year's Percentage of Current Tax Collection (or Lesser \%)} & = & \text{Amount to be} \\ & & \text{Raised by} \\ & & \text{Taxation} \end{array}$$

Anticipation of Miscellaneous Revenues

N.J.S.A 40A:4-26 provides that, "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years of such grants rarely coincide with a municipality's calendar fiscal year. Grant revenues are fully realized in the year in which they are budgeted by the establishment of accounts receivable and offsetting reserves.

Debt Statements

The Township must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization other than a refunding debt authorization. Before the end of the first month (January 31) of each fiscal year of the Township, the Township must file an Annual Debt Statement which is dated as of the last day of the preceding fiscal year (December 31) with the Division and with the Township Clerk. This report is made under oath and states the authorized, issued and unissued debt of the Township as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing. Even though the Township's authorizations are within its debt limits, the Division is able to enforce State regulations as to the amounts and purposes of local borrowings.

CAPITAL IMPROVEMENT PROGRAM

In accordance with the Local Budget Law, the Township must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The Capital Budget and Capital Improvement Program must be adopted as part of the annual budget pursuant to N.J.A.C. 5:30-4. The Capital Budget does not by itself confer any authorization to raise or expend funds, rather it is a document used for planning. Specific authorization to expend funds for such purposes must be granted, by a separate bond ordinance, by inclusion of a line item in the Capital Improvement Section of the budget, by an ordinance taking money from the Capital Improvement Fund, or other lawful means.

RECENT HEALTHCARE DEVELOPMENTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States, and to each state within the United States, including the State, has been declared a Public Health Emergency of International Concern by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State has likewise declared a state of emergency. While the potential impact on the State cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the finances of the State, the County and the Township (collectively, the "Affected Entities").

The degree of any such impact to the Affected Entities' respective operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Affected Entities and their respective economies.

TAX ASSESSMENT AND COLLECTION

Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by the cost approach, market data approach and capitalization of net income (where applicable). Current

assessments are the result of maintaining new assessments on a "like" basis with established comparable properties for newly assessed or purchased properties resulting in a decline of the assessment ratio to true value to its present level. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with the rising values.

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

For calendar year municipalities, tax bills are sent in June of the current fiscal year. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged as the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined as by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county or school purposes for the preceding fiscal year.

Fiscal year municipalities follow the same general rationale for the billing of property taxes, however billing is processed semi-annually. The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formula used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous years billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January 1 through June 30.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) on the first \$1,500 of the delinquency and, then eighteen percent (18%) per annum on any amount in excess of \$1,500. A penalty of up to six percent (6%) of the delinquency in excess of \$10,000 may be imposed on a taxpayer who fails to pay that delinquency prior to the end of the tax year in which the taxes become delinquent. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax title liens are periodically assigned to the Township Attorney (as defined herein) for in rem foreclosures in order to acquire title to these properties.

The provisions of Chapter 99 of the Laws of New Jersey of 1997 allow a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or surety bond. The purchaser is entitled to receive, all delinquent taxes and other municipal charges owing, due and payable upon collection by the tax collector. The statute sets forth bidding procedures, minimum bidding terms and requires the review and approval of the sale by the Division.

Tax Appeals

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessed valuation that the taxpayer deems excessive. The taxpayer has a right to file a petition on or before the 1st day of April of the current tax year for its review. The County Board of Taxation and the Tax Court of New Jersey have the authority after a hearing to increase, decrease or reject the appeal petition.

Adjustments by the County Board of Taxation are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer believes the decision of the County Board of Taxation to be incorrect, appeal of the decision may be made to the Tax Court of New Jersey. State tax court appeals tend to take several years to conclude by settlement or trial and any losses in tax collection from prior years, after an unsuccessful trial or by settlement, are charged directly to operations. Due to the outbreak of COVID-19, Chief Justice Stuart Rabner of the New Jersey Supreme Court has delayed the deadline for filing regular and revaluation/assessment tax appeals until the later of May 1 or 30 days following the Governor's determination that the State of Emergency declared by Executive Order No. 103 has ended. On May 28, 2020, Governor Phil Murphy signed legislation (A4157), which temporarily extends the deadline to file a property tax appeal to July 1, 2020, and the deadline for county boards of taxation to render decisions in tax appeal cases to September 30, 2020. The bill took effect immediately and applied retroactively to April 1, 2020.

TAX EXEMPTION

Federal Income Tax Treatment

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Bonds and Notes in order for the interest on the Bonds and Notes to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Bonds or Notes to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds and Notes, respectively. The Township will represent in its applicable tax certificates that it reasonably expects and intends to comply and will comply, to the extent permitted by law, with such requirements.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Township ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Township with the requirements of the Code and the representations and covenants made by the Township in the tax certificates described above, interest on the Bonds and Notes is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Code and will not be treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax.

The Bonds and Notes do not constitute "qualified tax-exempt obligations" as defined in and for the purpose of Section 265(b)(3) of the Code.

Original Issue Premium

The Bonds were purchased at a premium ("original issue premium") over the stated principal amounts of the Bonds. For federal income tax purposes, original issue premium generally must be amortized over the term of the Bonds. Amortizable bond premium is accounted for as reducing the tax-exempt interest on the Bonds rather than creating a deductible expense or loss. Under Section 171(a)(2) of the Code, no deduction is allowed for the amortizable bond premium (determined in accordance with Section 171(b) of the Code) on tax-exempt bonds. Under Section 1016(a)(5) of the Code, however, an adjustment must be made to the purchaser's basis in the Bonds to the extent of any amortizable bond premium that is disallowable as a deduction under Section 171(a)(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of the Bonds in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Bonds and not as interest. Holders of the Bonds should consult their tax advisors for an explanation of the bond premium amortization rules.

Additional Federal Income Tax Consequences Relating to Bonds and Notes

Prospective purchasers of the Bonds and Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds and Notes, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and Railroad Retirement benefits,

taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds and Notes should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxation

Bond Counsel is also of the opinion that interest on the Bonds and Notes, and any gain on the sale thereof, are not includable in gross income under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Bonds or Notes.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect the federal and State tax-exempt status of interest on the Bonds and Notes gain from the sale or other disposition of the Bonds and Notes, the market value of the Bonds and Notes or the marketability of the Bonds and Notes. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds and Notes should consult their own tax advisors regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Bonds and Notes. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Bonds and Notes and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Bonds and Notes paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See APPENDIX C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds and APPENDIX D for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Notes.

Prospective purchasers of the Bonds and Notes should consult their tax advisors with respect to all tax consequences (including, but not limited to, those listed above) of holding the Bonds and Notes.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutional building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the Township, including the Bonds and Notes, and such Bonds and Notes are authorized security for any and all public deposits.

RISK TO HOLDERS OF BONDS AND NOTES

It is understood that the rights of the holders of the Bonds and Notes, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Municipal Bankruptcy

THE TOWNSHIP HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE TOWNSHIP EXPECTS TO UTILIZE THE BENEFITS OF ITS PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS AND NOTES, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

The undertakings of the Township should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provided that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such act.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a local unit, including the Township, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

Remedies of Holders of Bonds or Notes (N.J.S.A. 52:27-1 et seq.)

If the Township defaults for over sixty (60) days in the payment of the principal of or interest on any bonds or notes outstanding, any holder of such bonds or notes may bring an action against the Township in the Superior Court of New Jersey (the "Superior Court") to obtain a judgment that the Township is so in default. Once a judgment is entered by the Superior Court to the effect that the Township is in default, the Municipal Finance Commission (the "Commission") would become operative in the Township. The Commission was created in 1931 to assist in the financial rehabilitation of municipalities which were in default in their obligations. The powers and duties of the Commission are exercised within the Division, which constitutes the Commission.

The Commission exercises direct supervision over the finances and accounts of any municipality which has been adjudged by the Superior Court to be in default of its obligations. The Commission continues in force in such municipalities until all bonds, notes or other indebtedness of the municipality which have fallen due, and all bonds or notes which will fall due within one (1) year (except tax anticipation or revenue anticipation notes), and the interest thereon, have been paid, funded or refunded, or the payment thereof has been adequately provided for by a cash reserve, at which time the Commission's authority over such municipality ceases. The Commission is authorized to supervise tax collections and assessments, to approve the funding or refunding of bonds, notes or other indebtedness of the municipality which the Commission has found to be outstanding and unpaid, and to approve the adjustment or composition of claims of creditors and the readjustment of debts under the Bankruptcy Code.

CERTIFICATES OF THE TOWNSHIP

Upon the delivery of the Bonds and Notes, the respective original purchasers shall receive certificates, in form satisfactory to Bond Counsel and signed by officials of the Township, stating to the best knowledge of said officials, that this Official Statement as of its date did not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading; and stating, to the best knowledge of said officials, that there has been no material adverse change in the condition, financial or otherwise, of the Township from that set forth in or contemplated by this Official Statement. In addition, the respective original purchasers of the Bonds and Notes shall also receive certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and Notes and receipt of payment therefor, and certificates dated as of the date of the delivery of the Bonds and Notes, and signed by the officers who signed the Bonds and Notes, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or Notes or the levy or collection of taxes to pay the Bonds or Notes, as applicable, or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds or Notes, as applicable, are issued, and that neither the corporate existence or boundaries of the Township, nor the title of any of the said officers to their respective offices, is being contested.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds and Notes are subject to the approval of Bond Counsel, whose approving legal opinions will be delivered with the Bonds and Notes, respectively, substantially in the forms set forth as APPENDIX C and APPENDIX D, respectively, hereto. Certain legal matters with respect to the Bonds and Notes will be passed on for the Township by its Township Attorney, Starkey, Kelly, Kenneally, Cunningham & Turnbach, Brick, New Jersey (the "Township Attorney").

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Maureen Laffey-Berg, Chief Financial Officer, Township of Brick, 401 Chambers Bridge Road, Brick, New Jersey 08723, Telephone (732) 262-4789, Everett M. Johnson, Esq., Wilentz, Goldman & Spitzer, P.A., 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095, (732) 855-6149, or James Fagan, NW Financial Group, LLC, 2 Hudson Place, Hoboken, New Jersey 07030, (201) 526-2733.

MUNICIPAL ADVISOR

NW Financial Group, LLC, Hoboken, New Jersey, has served as municipal advisor to the Township with respect to the issuance of the Bonds and Notes ("Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LITIGATION

To the knowledge of the Township Attorney, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds or Notes, respectively, offered for sale or the levy and collection of any taxes to pay the principal of or the interest on said Bonds or Notes, respectively, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or Notes, respectively, or for the levy or collection of taxes to pay the principal of and interest

on the Bonds or Notes, or any action contesting the corporate existence or boundaries of the Township or the title of any of its present officers. Further, to the knowledge of the Township Attorney, there is no litigation presently pending or threatened against the Township that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided. The respective original purchasers of the Bonds and Notes will receive certificates of the Township Attorney to such effect upon the closing of the Bonds and Notes, respectively.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE BONDS

The Township has covenanted for the benefit of the holders of the Bonds and the beneficial owners of the Bonds to provide certain financial information and operating data of the Township on or prior to September 30 of each year and to comply with the provisions of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, and as detailed in a Continuing Disclosure Certificate (the "Disclosure Certificate") to be executed on behalf of the Township by its Chief Financial Officer, in the form appearing in APPENDIX E attached hereto. Such Disclosure Certificate shall be delivered concurrently with the delivery of the Bonds. Annual financial information, including operating data, and notices of events specified in the Rule, if material, shall be filed with the Municipal Securities Rulemaking Board (the "MSRB").

Within the past five years, the Township has failed to timely file its 2015 audited financial statements and certain operating data. In addition, the Township failed to timely file notices of certain underlying rating changes pertaining to the Township. As of the date of this Official Statement, the Township has filed all such items on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA"), along with a failure to file notice for each respective item. The Township is now in compliance with all existing continuing disclosure agreements in all material respects. The Township has appointed NW Financial Group, LLC to serve as dissemination agent.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES

The Township has covenanted for the benefit of the holders of the Notes to provide notices of the occurrence of certain enumerated material events with respect to the Notes, as set forth in Section (b)(5)(i)(C) of the Rule (the "Notices"). The Notices will be filed by the Township or the Dissemination Agent with the MSRB. The specific nature of the Notices will be detailed in a certificate to be executed on behalf of the Township by its Chief Financial Officer, in the form appearing in APPENDIX F attached hereto, such certificate to be delivered concurrently with the delivery of the Notes.

Within the past five years, the Township has failed to timely file its 2015 audited financial statements and certain operating data. In addition, the Township failed to timely file notices of certain underlying rating changes pertaining to the Township. As of the date of this Official Statement, the Township has filed all such items on EMMA, along with a failure to file notice for each respective item. The Township is now in compliance with all existing continuing disclosure agreements in all material respects. The Township has appointed NW Financial Group, LLC to serve as dissemination agent.

PREPARATION OF OFFICIAL STATEMENT

Bond Counsel has participated in the preparation and review of this Official Statement, but has not participated in the collection of financial, statistical or demographic information contained in this Official Statement, nor has Bond Counsel verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

The Municipal Advisor has participated in the preparation and review of this Official Statement, but has not verified the accuracy, completeness, or fairness hereof, and, accordingly, expresses no opinion or other assurance with respect hereto, but takes responsibility for the information contained under the headings entitled "MUNICIPAL ADVISOR", "COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE BONDS" (as to the second paragraph only) and "COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES" (as to the second paragraph only).

only), and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

Fallon & Company LLP, Hazlet, New Jersey, the Auditor to the Township, has participated in the preparation of the information contained in this Official Statement, but has not verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but takes responsibility for the financial statements described below under the heading entitled "FINANCIAL STATEMENTS" and contained in APPENDIX B hereto.

The Township Attorney has not participated in the preparation of the information contained in this Official Statement, nor has he verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

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

RATINGS

Moody's Investors Service, Inc. (the "Rating Agency") has assigned a rating of "Aa2" to the Bonds, and a short-term rating of "MIG-1" to the Notes.

An explanation of the significance of the ratings on the Bonds and Notes may be obtained from the Rating Agency. Such ratings reflect only the views of the Rating Agency, and there is no assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn entirely, if, in the judgment of the Rating Agency, circumstances so warrant. Any revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds and Notes. Except as set forth in the respective Disclosure Certificates, the Township has not agreed to take any action with respect to any proposed rating changes or to bring the rating changes, if any, to the attention of the owners of the Bonds and Notes.

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by Fidelity Capital Markets, Boston, Massachusetts (the "Bond Underwriter"), at a price of \$9,892,354.25. The purchase price of the Bonds reflects the par amount of Bonds (\$9,260,000.00), less an Underwriter's discount of \$73,547.75, plus an original issue premium of \$705,902.00.

The Notes have been purchased from the Township at a public sale by BNY Mellon Capital Markets, LLC, New York, New York (the "Note Underwriter"), at a price of \$11,266,145.77. The purchase price of the Notes reflects the par amount of Notes (\$11,110,650.00), less an Underwriter's discount of \$23,274.59, plus an original issue premium of \$178,770.36.

The Bond Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Bond Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Bond Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investments trusts) at yields higher than the public offering yields set forth on the inside front cover page of this Official Statement, and such yields may be changed, from time to time, by the Bond Underwriter without prior notice.

The Note Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at a yield higher than the public offering yield stated on the front cover page hereof.

FINANCIAL STATEMENTS

The audited financial statements of the Township for the year ended December 31, 2018, together with the Notes to the Financial Statements for the year then ended, as well as unaudited financial data of the Township for the year ended December 31, 2019, are presented in APPENDIX B to this Official Statement. The audited financial statements referred to above have been audited by Fallon & Company LLP, Hazlet, New Jersey, an independent auditor, as stated in its Independent Auditor's Report, and the unaudited financial data was extracted from the Township's 2019 unaudited financial statements as stated in its Independent Accountant's Compilation Report appearing in APPENDIX B hereto.

MISCELLANEOUS

All quotations from summaries and explanations of the provisions of the laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement is not to be construed as a contract or an agreement between the Township and any purchasers or holders of any of the Bonds or Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds or Notes made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs of the Township, the State or any of their agencies or authorities, since the date hereof.

This Official Statement has been duly executed and delivered on behalf of the Township by the Chief Financial Officer.

TOWNSHIP OF BRICK

/s/ Maureen Laffey-Berg
MAUREEN LAFFEY-BERG,
Chief Financial Officer

DATED: June 9, 2020

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APPENDIX A

CERTAIN FINANCIAL AND DEMOGRAPHIC INFORMATION CONCERNING THE TOWNSHIP OF BRICK

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THE TOWNSHIP

General

The Township is a municipal corporation that was incorporated in 1850. The Township covers a land area of 26.4 square miles in the northeastern section of the County of Ocean in the east central area of the State of New Jersey (the "State") along the Atlantic Ocean. The Township is situated approximately 65 miles south of New York City and about 60 miles east of the Camden-Philadelphia metropolitan area. It is readily accessible from both metropolitan areas, and the Garden State Parkway links it directly with many points in the Northern New Jersey-New York Area. The Township shares in the marine and outdoor oriented activities present along New Jersey's Atlantic Coast.

Background

Brick Township has evolved over the course of its history into one of New Jersey's most thriving, successful communities. The history of the Township is comprised of four developmental eras. Each era has its own unique characteristics.

The first era was that of the Native American Lenni Lenape Indians. Their existence in the Township was based on subsistence agriculture, fishing, hunting and gathering.

It is believed that the Europeans first visited the area as early as the 1660s and settled in 1742, displacing the Indians from the land. Their arrival heralded the opening of the European Settlement Era of the Township's history. Settlement grew as people were attracted to the area to take advantage of local timber, iron deposits and other natural resources.

The next era was the Expansion Era. Beginning with municipal incorporation in May 1850, the Township derived its name from iron magnate Joseph W. Brick. At this time the Township shifted its emphasis from a more iron production community to agriculture, particularly cranberry and blueberry cultivation, and to the sea.

The opening of the Garden State Parkway in the 1950s marked the beginning of the Modern Era, and set off a tremendous period of growth and evolution that is still continuing today. During this time, the population of the Township exploded from slightly over 4,000 in 1950 to over 76,000 in 2000. The Township became both a suburban community and summer resort. In the mid-1960s a change in government occurred as the committee form was replaced by a mayor and seven member council form of government. A police department was phased in during the early 1970s.

Today, the Township looks to the future. With the Township nearly fully developed, emphasis now shifts to refining that development. As the Township enters the 21st century, it seeks to improve the already excellent quality of life of its residents even more.

Governmental Structure

The Township operates under a Mayor-Council form of government. The Mayor is elected for a four-year term without limitation as to the number of terms. The Township Council consists of seven persons, elected biennially, for staggered four-year terms.

The Mayor is the chief executive and administrative officer in the Township and, as such, is responsible for administering local laws and policy development. The specific powers of the Mayor include various appointments, preparation of the Township's budget, and approval or veto (which may be overridden by a 2/3 vote of the Township Council) of the ordinances adopted by the Township Council. The Mayor appoints, with the advice and consent of the Township Council, the Business Administrator, the Township Attorney, and the Directors of the Departments of Public Safety, Engineering and Public Works. The Mayor, John Ducey, took office in January, 2014, for a term that expired on December 31, 2017. He began his 2nd term on January 1, 2018, which term will expire on December 31, 2021.

All legislative power of the Township is exercised by the Township Council, including final adoption of spending legislation such as budgets and bond authorizations. In addition to its legislative powers, the Township Council may also conduct such investigations as it deems appropriate. The members of the Township Council, the dates at which their terms end and the dates from which their term commenced are as follows:

Name	Served Since	Term Expires
Lisa Crate - President	01/01/16	12/31/23
Arthur Halloran - Vice Pres.	01/01/16	12/31/23
Heather deJong	01/01/14	12/31/21
Vincint Minichino	01/01/20	12/31/23
Paul Mummolo	01/01/14	12/31/21
Marianna Pontoriero	01/01/14	12/31/21
Andrea Zapcic	01/01/16	12/31/23

Principal Governmental Services

There are six departments within the municipal government which include: Administration, Law, Finance, Public Safety, Public Works and Engineering. Principal services provided by the municipal government include police protection, street maintenance and cleaning, and parks and recreation. Fire protection is provided through special fire districts supported by a separate tax levy.

ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

Trend of Employment and Unemployment

	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
Township of Brick				
2019	39,341	38,175	1,166	3.0
2018	38,900	37,000	1,900	4.9
2017	40,300	38,400	1,900	4.6
2016	38,800	36,900	1,900	4.9
2015	39,900	37,700	2,800	5.7
2014	39,371	36,543	2,814	7.2
2013	40,450	37,042	3,417	8.4

	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
County of Ocean				
2019	273,690	264,112	9,578	3.5
2018	267,500	253,500	14,000	5.2
2017	267,800	253,300	14,500	5.4
2016	264,705	250,697	14,008	5.3
2015	267,200	252,100	15,100	5.7
2014	264,171	244,414	19,714	7.5
2013	270,542	246,542	23,842	8.8

State of New Jersey

2019	4,557,721	4,407,966	149,755	3.2
2018	4,444,300	4,265,000	179,300	4.0
2017	4,506,600	4,297,500	209,100	4.6
2016	4,514,400	4,308,600	205,800	4.6
2015	4,527,300	4,269,243	258,056	5.7
2014	4,490,114	4,171,500	318,629	7.1
2013	4,585,550	4,198,492	387,067	8.4

Source: State of N.J., Department of Labor, Division of Labor Market and Demographic Research.

Largest Employers

The following represent some of the largest employers in the Township with approximate employment as of December 31, 2018:

Meridian Health Care	1750 employees
Brick Township Board of Education	1687 employees
Township of Brick	565 employees
Walmart	364 employees
Costco	266 employees

Population

	Brick Township	Ocean County	State of New Jersey
2018	75,667	601,651	8,882,190
2016	75,516	592,497	8,944,469
2010	75,072	576,567	8,791,894
2000	76,119	510,916	8,424,354
1990	66,473	433,203	7,905,880
1980	53,629	346,038	7,364,823
1970	35,057	208,270	7,171,112

Source: N.J. Department of Labor and Industry, Division of Labor Market and Demographic Research-Local Area Unemployment Statistics.

Much of the population growth in the Township was the result of several factors: the influx of year-round occupancy; the diversion of growth to areas outside the protected area of the State known as the Pinelands; the influx of senior citizen housing projects; the availability of vacant land zoned and suitable for housing; and the continued strength of the resort economy.

Significant changes have occurred in the Township's population composition, according to the 2010 U.S. Census. The population aged 65 years and older has increased significantly

since 1970 and now comprises approximately 17.3% of the population, up from 10% in 1970 and 15% in 1980. Accordingly, the population aged 24 and under decreased from 49.5% of the total population in 1970 to 38% in 1980 and 31.9% in 1990.

Population density in the Township has increased. In 1970, there were 1,328 persons per square mile. In 1980, the population density was 2,031 persons per square mile; in 1990 the figure had increased to 2,518 persons per square mile; in 2000 the figure increased to 2,960 persons per square mile and in 2010 there was a slight decrease to 2,919 per square mile.

Tourism

As noted, the Township has traditionally been a very popular resort community. However, there has been an increasing trend for former summer residents to convert their homes to year-round residences. 1990 Census figures show 28,843 housing units in the Township, of which 24,965 were residences occupied year round. According to the 1980 U.S. Census, there were 22,025 housing units, of which 20,753 were occupied year round. One indication of the importance of the recreational aspects of the Township is that according to land use statistics for 1964, 27 acres were used for marine purposes, compared to 117 acres in 1980. Overall recreational area, as of December 31, 2000, totaled approximately 3,337 acres.

Construction and Improvements

Application must be made to the Township's Planning Board for approval of minor subdivisions, major subdivisions and site plans for commercial or apartment/condominium projects. For large developments, preliminary approval is necessary for the concept, followed by final approval before construction begins. The following table shows the minor (3 lots or less) and major subdivisions approved for construction for commercial or apartment/condominium projects. Also shown are all residential building permits granted for the years shown:

	<u>Minor and Major Subdivisions</u>	<u>Residential Building Permits</u>
2019	8	3722
2018	7	4017
2017	5	4,359
2016	6	5,035
2015	5	4,500
2014	8	4,187
2013	9	5,349
2012	0	3,956
2011	6	4,172
2010	14	3,526
2009	7	2,738
2008	10	4,268
2007	19	4,556
2006	15	3,065
2005	13	3,943

Source: Township Land Use and Building Departments.

Housing Stock

According to data prepared by the Office of the Tax Assessor, as of 2020 there are 30,538 Residential properties of which 3,993 are condominiums and an additional 2,398 are apartments. In 2019 there were 30,503 Residential properties of which 3,985 were condominiums and an

additional 2,398 were apartments. In 2018 there were 30,497 Residential properties of which 4,072 were condominiums and an additional 2,398 were apartments. In 2016 there were 30,430 single family dwellings, 4,242 were condominiums and 2,148 apartments for a total of 36,820 units, as compared to 2015 there were 30,495 single family dwellings, 4,022 condominiums and 2104 apartments for a total of 36,621 units as compared to 2014 there were 30,535 single family dwellings, 4,205 condominiums and 2,104 apartments for a total of 36,845 units as compared to 2013 there were 30,646 single family dwellings, 4206 condominiums and 2104 apartments for a total of 36,956 units compared to 2012 there were 30,649 single family dwellings, 4,205 condominiums and 2,104 apartments for a total of 36,958 units.

REVENUES

Property Taxes

The following table details the general tax rates for the Township for 2013 through 2019.

<u>Year</u>	<u>Assessed Valuation</u>	<u>Total Tax Rate per 100</u>	<u>Municipal</u>	<u>Open Space</u>	<u>County</u>	<u>School</u>	<u>Equalized Valuation</u>
2019	10,348,130,219	2.258	0.713	0.01	0.442	1.093	11,212,848,645
2018	10,314,680,458	2.205	0.704	0.01	0.428	1.063	10,711,683,019
2017	10,282,661,460	2.145	0.685	0.01	0.431	1.019	10,689,515,762
2016	10,264,180,212	2.134	0.690	0.01	0.426	1.008	10,541,396,166
2015	10,258,014,969	2.078	0.681	0.01	0.355	0.966	10,431,172,431
2014	10,262,605,321	2.061	0.662	0.01	0.352	0.972	10,423,856,050
2013	10,201,845,962	2.025	0.636	0.01	0.348	0.963	10,493,609,411

Sources: Township Audited Financial Statements, Township Tax Assessor and County Abstract of Ratables.

The following table details assessed valuations for real property of the Township, by class, for fiscal 2013 through 2020.

<u>Assessed Valuations (\$ in thousands)</u>							
	<u>Residential</u>	<u>Apartment</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Vacant</u>	<u>Farm</u>	<u>Total</u>
2020	9,076,451	132,059	989,733	22,143	164,690	0	10,385,085
2019	9,027,509	132,059	988,379	21,962	167,944	0	10,337,857
2018	8,977,810	132,159	998,096	21,052	176,610	0	10,305,730
2017	8,968,898	115,832	1,000,883	21,052	165,068	0	10,271,736
2016	8,934,074	115,833	998,724	20,889	186,229	0	10,266,889
2015	8,925,065	116,385	1,005,815	20,464	178,891	0	10,246,621
2014	8,926,738	115,832	1,025,458	20,464	162,326	0	10,250,820
2013	8,904,407	116,972	1,027,665	20,464	121,614	0	10,191,122

Source: Township Tax Assessor.

The following table lists the ten largest taxpayers in the Township in fiscal 2020 and the assessed value and tax levy for each.

Ten Largest Taxpayers

	<u>Nature of Business</u>	<u>2020 Assessment</u>	<u>2019 Taxes</u>
Federal Realty Investment Trust	Retail	\$63,962,500.00	\$1,473,709.84
JSM @ LLC	Retail	\$60,375,600.00	\$1,393,326.00
Bricktown VF LLC	Retail	\$39,126,500.00	\$ 901,474.56
Waterside Gardens at Brick LLC	Apartment	\$28,000,000.00	\$ 645,120.00
Kentwood Construction Co.	Apartment	\$25,500,000.00	\$ 591,345.00
Centro NP Laurel Sq. Owner LLC	Retail	\$25,050,600.00	\$ 580,923.42
Bay Harbor Plaza LLC	Retail	\$20,000,000.00	\$ 460,800.00
CTO7135 Brick Blvd LLC	Retail	\$17,782,200.00	\$ 409,701.88
Dayton Hudson/Mervyn	Retail	\$17,000,000.00	\$ 391,680.00
Lowes Home Center	Retail	\$15,763,900.00	\$ 363,200.25

Source: Township Tax Assessor.

The tax assessor determines the taxable valuations of real property in the Township as of October 1 of the next preceding fiscal year and completes preparation of the assessment list on January 10 of the current fiscal year, on which date the tax assessor files such assessment list with the County Board of Taxation.

County and School Taxes

The Township must include in its tax levy real estate taxes included in the budgets for the Board of Education and the County. The Board of Education and the County each receives 100% of its respective tax levy, which is paid to it by the Township, regardless of whether the Township is able to collect the full levy. Thus, the Township bears the effect of delinquencies in tax payments as to the school and County portions, as well as the municipal portion of the tax levy.

Each year April 1, the Township holds a tax sale for all delinquent accounts from the prior year. The Township will allow any of these liens to be paid on a monthly basis while keeping the current payments up to date. The Township has implemented a program whereby liens are foreclosed within six months after the tax sale. As a result, most liens are outstanding for no longer than one year.

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collected</u>	<u>Percentage Collected</u>
2019	240,100,898	237,064,407	98.73
2018	233,663,606	230,444,976	98.62
2017	225,844,876	219,505,341	98.45
2016	219,037,607	215,510,364	98.24
2015	218,884,308	214,931,287	98.19
2014	215,380,194	209,414,054	98.03

Source: 2019 figures are unaudited; all other figures are from the Township Audited Financial Statements.

Miscellaneous Revenues 2019 (unaudited)

The Township receives revenues from a number of sources including state aid, federal and state grants, departmental revenues, interest on investments, and other fees and charges. For fiscal year 2019, the Township realized \$21,337,785 in miscellaneous revenues, as compared to \$17,128,850, \$20,687,203, \$23,427,849, \$19,687,203, \$21,808,969, and \$26,035,718 in fiscal 2018, 2017, 2016, 2015, 2014 and 2013 respectively.

State Aid

The major types of State aid and State shared taxes the Township has realized over the past five years have included Energy Receipts Tax and the Consolidated Municipal Property Tax Relief Act. In fiscal 2019, these revenues generated a total of \$5,387,064 compared to \$5,387,064 in 2018, \$5,387,064 in 2017, \$5,387,064 in 2016 and \$5,387,064 in 2015.

EXPENDITURES

Payroll and Related Expenses

The Township employed approximately 431 full-time and 70 part-time employees as of December 31, 2019. Under the laws of New Jersey, municipal employees have certain organizational and representational rights, which include the right to organize, to negotiate collectively through representatives of their choosing and to engage in lawful concerted activities for negotiating. State law prohibits strikes by public employees and there have been no strikes among municipal employees in the Township since employees were granted the right to negotiate collectively.

As of December 31, 2019, approximately 402 of the Township's employees were organized in three collective bargaining unit, including the PBA (Local 230), the Brick Supervisory Unit (Teamsters), and the TWU Local 225. All three have a four year contract expiring 12/31/22.

<u>Bargaining Unit</u>	<u>Job Category</u>	<u>Members</u>
PBA (Local 230)	Represents all uniformed officers.	138
TWU Local 225	Represents all blue-collar employees, and all clerical	242
Teamsters	Supervisory Unit Represents mid-level mgmt...	22
Unclassified (non-union)	Department and Division Heads	29

Source: Human Resources.

Retirement Systems and Pension Funds

All full-time or qualified Township employees must enroll in one of two pension systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by State legislation. The Division of Pensions within the Treasury Department of the State is the administrator of the funds with benefit and contribution levels set by the State.

Public Employees' Retirement System

Non-uniformed permanent Township employees are covered under the Public Employees' Retirement System. The system is evaluated every year. The Township will make a

payment in fiscal year 2020 totaling \$2,537,570 compared to \$2,576,100 in 2019, \$2,311,009 in 2018, \$2,018,960 in 2017, \$1,909,543.61 in 2016, \$1,777,018 in 2015, and \$1,529,565 in 2014.

Police and Firemen's Retirement System

Uniformed employees of the Township are covered under the Police and Firemen's Retirement System. The Township will make a payment of \$5,041,482 in fiscal year 2020 as compared to \$4,713,475 in 2019, \$4,044,304 in 2018, \$3,795,085 in 2017, \$3,739,749 in 2016, \$3,499,906 in 2015 and \$3,279,402 in 2014.

Affordable Housing Obligations

Under the state Constitution, as interpreted by the New Jersey Supreme Court, growing New Jersey municipalities have an obligation to address regional housing needs by providing opportunities for affordable housing to low and moderate income families and individuals. This obligation may be met by construction of new housing, rezoning to permit increased residential development, payment to other municipalities, or other means. The New Jersey Council on Affordable Housing ("COAH") adopted a Resolution granting substantive certification to the Township on February 3, 1993. The Township's program includes the construction of affordable housing by developers and the Township. Funding for implementation of this program is expected to be achieved through mandatory developer fees, administrative fees and federal and state grant monies. Therefore, the Township anticipates that the components of this approval will not impose further financial obligations upon the Township.

Board of Education

New Jersey's school districts operate under the same comprehensive review and regulation as do its municipalities. Certain exceptions and differences are provided, but the State supervision of school finance closely parallels that of local governments.

The Board of Education operates under Title 18A, Education, of the New Jersey Statutes and is a Type II district. The Board of Education operates independently of the governing body of the Township, and the members of the Board are elected by the voters of the school district. The Board is composed of seven members serving three-year staggered terms.

The school enrollment was as follows for the 2010/11 through 2018/19

<u>School Year</u>	<u>Enrollment</u>
2010/11	10,084
2011/12	9,894
2012/13	9,720
2013/14	9,456
2014/15	9,169
2015/16	9,061
2016/17	9,055
2017/18	8,832
2018/19	8,466

In a Type II district, the elected board develops the budget proposal and, at or after a public hearing, submits it for voter approval. Debt service provisions are not subject to public referendum. If approved, the budget goes into effect. If defeated, the Township must develop the school budget by May 19 of each year. Should the governing bodies be unable to do so, the Commissioner establishes the local school budget.

The New Budget Election Law (P.L. 2011, c. 202, effective January 17, 2012) establishes procedures that allow the date of the annual school election of a Type II district, without a board of school estimate, to be moved from April to the first Tuesday after the first Monday in November, to be held simultaneously with the general election. Such change in the annual school election date must be authorized by resolution of either the Board or the governing body of the municipality, or by an affirmative vote of a majority of the voters whenever a petition, signed by at least 15% of the legally qualified voters, is filed with the Board. Once the annual school election is moved to November, such election may not be changed back to an April annual school election for four years.

School districts that opt to move the annual school election to November would no longer be required to submit the budget to the voters for approval if the budget is at or below the two-percent property tax levy cap as provided for in the New Cap Law. For school districts that opt to change the annual school election date to November, proposals to spend above the two-percent property tax levy cap would be presented to voters at the annual school election in November.

In 2012, the Board of Education approved a resolution moving the annual school election to November.

School Debt Subject to Voter Approval

State law permits the school district, upon approval of the voters, to authorize school district debt, including debt in excess of its debt limit of 4.00% of the equalized valuation basis by using the available borrowing capacity of the Township. If such debt should be in excess of the school district debt limit and the remaining borrowing capacity of the Township, the State Commissioner of Education and the Local Finance Board must approve the proposed debt authorization before it is submitted to the voters. The debt of the Township school district is at present within statutory limits.

The following table shows the Township's debt capacity as of December 31, 2019 for capital purposes.

<u>Debt Limit</u>	
Three Year Average Equalized Valuation	\$11,075,254,370
Statutory Borrowing Capacity (3-1/2% Equalized Valuation Basis)	\$387,633,902
Statutory Net Debt	<u>\$141,693,135</u>
Remaining Borrowing Capacity	\$245,940,767
Percentage of Net Debt to Average Equalized Valuation	1.28%

(1) Includes authorized but not issued debt.

Outstanding Long-Term Indebtedness

The following page presents the debt service requirements on currently outstanding bonds as of December 31, 2019.

Statement of Indebtedness
As of December 31, 2019

DIRECT DEBT

Township Indebtedness Issued and Outstanding		
Serial Bonds		\$104,975,000
Bond Anticipation Notes		14,850,000
Green Trust Loans		650,089
Bonds and Notes Authorized But Not Issued		22,308,672
N.J. EITF Loan		321,160
Dam Restoration Loans Payable		577,495
Board of Education Debt		6,204,000
DCA		27,600
Total Gross Debt		<u>\$149,886,416</u>
Less Statutory Deductions:		
Board of Education Debt		6,204,000
Township Cash on Hand to Pay Debt		<u>2,016,880</u>
		\$8,220,880
Net Direct Debt		<u>\$141,665,536</u>

INDIRECT DEBT

<u>Name of Related Entity</u>	<u>Principal Amount</u>	<u>Brick Township</u>
Brick Township Municipal Utilities Authority (1)	\$59,427,776	\$59,427,776
Ocean County	\$450,942,968	\$49,003,697.
Ocean County Utilities Authority (2)	<u>\$117,404,255</u>	<u>\$12,758,249</u>
Net Indirect Debt		<u>\$121,189,722</u>
Total Net Direct and Indirect Debt		<u>\$262,855,258</u>

- (1) Based on the audited financial statements for the Fiscal Year ended March 31, 2019.
(2) Based on the 12/31/18 Financial Statements.

APPENDIX B

**UNAUDITED FINANCIAL DATA OF THE TOWNSHIP OF BRICK
FOR THE YEAR ENDED DECEMBER 31, 2019
AND
AUDITED FINANCIAL STATEMENTS OF THE TOWNSHIP OF BRICK
FOR THE YEAR ENDED DECEMBER 31, 2018**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Members
of the Township Council
Township of Brick
County of Ocean
Brick, New Jersey

Management is responsible for the accompanying balance sheets - regulatory basis of the various funds and account groups of the Township of Brick ("Township") as of December 31, 2019, and the related statements of operations and changes in fund balance - regulatory basis for the year then ended in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted substantially all the disclosures and the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis required for financial statements prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. If the omitted disclosures and statements were included in the financial statements, they might influence the user's conclusions about the Township's financial position and results of operations and changes in fund balance. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Fallon & Company LLP

Fallon & Company LLP
Certified Public Accountants

Hazlet, New Jersey
February 25, 2020

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
BALANCE SHEET - REGULATORY BASIS

	<u>Unaudited</u> Balance <u>December 31, 2019</u>
ASSETS	
Cash	\$ 30,781,036.35
Investments	13,700,000.00
Cash - Change Fund	4,750.00
Due from State of New Jersey (P.L. 1971, C.20)	10,413.86
	<u>44,496,200.21</u>
Receivables with Full Reserves:	
Delinquent Property Taxes Receivable	2,766,492.16
Tax Title Liens Receivable	624,457.40
Property Acquired for Taxes	8,580,107.68
Revenue Accounts Receivable	307,196.77
Interfunds Receivable	387,795.56
Non Federal Cost Share Program Receivable	52,858.15
	<u>12,718,907.72</u>
Federal and State Grant Fund:	
Grants Receivable	<u>4,771,170.09</u>
Total Assets	<u><u>\$ 61,986,278.02</u></u>

See accountant's compilation report

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
BALANCE SHEET - REGULATORY BASIS

	<u>Unaudited</u> Balance <u>December 31, 2019</u>
LIABILITIES, RESERVES, AND FUND BALANCE	
Appropriation Reserves	\$ 4,195,884.54
Reserve for Encumbrances	2,308,109.10
Accounts Payable	82,420.00
Prepaid Taxes	1,477,558.63
Tax Overpayments	287,466.36
County Taxes Payable	166,677.57
Local District School Taxes Payable	8,430,569.93
Due to State of New Jersey - Marriage License Fees	1,825.00
Due to State of New Jersey - DCA Surcharge	15,901.00
Reserve for Revaluation	1,601.22
Reserve for Hurricane Sandy	2,904,588.80
Payroll Deductions Payable	328,577.72
Reserve for FEMA	3,536,825.18
Reserve for Cafeteria Plan	3,075.50
	<u>23,741,080.55</u>
Reserve for Receivables and Other Assets	12,718,907.72
Fund Balance	20,755,119.66
	<u>57,215,107.93</u>
 Federal and State Grant Fund:	
Appropriated Reserves	3,892,095.72
Interfund - Current	387,795.56
Unappropriated Reserves	288,902.25
Reserve for Encumbrances	202,376.56
	<u>4,771,170.09</u>
 Total Liabilities, Reserves and Fund Balance	 <u><u>\$ 61,986,278.02</u></u>

See accountant's compilation report

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

	<u>Unaudited</u>
	Balance
	<u>December 31, 2019</u>
Revenue and Other Income Realized:	
Fund Balance Utilized	\$ 8,546,711.79
Miscellaneous Revenue Anticipated	21,337,784.81
Receipts from Delinquent Taxes	2,808,701.09
Receipts from Current Taxes	237,064,407.00
Non-Budget Revenues	3,513,518.98
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	3,900,519.08
Cancel Tax Overpayments	26,919.26
Interfund Returned	129,248.01
Cancel Reserve for Grants Appropriated	11,840.50
	<hr/>
Total Revenue	277,339,650.52
	<hr/>
Expenditures:	
Budget Appropriations Within Caps:	
Operations:	
Salaries and Wages	39,100,757.10
Other Expenses	29,976,782.00
Deferred Charges and Statutory Expenditures	10,565,576.06
Budget Appropriations Excluded from Caps:	
Operations:	
Salaries and Wages	1,723,994.90
Other Expenses	3,319,636.42
Capital Improvements	425,000.00
Municipal Debt Service	14,894,418.13
Deferred Charges	514,298.38
	<hr/>
	\$ 100,520,462.99
	<hr/>

See accountant's compilation report

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

	<u>Unaudited</u> Balance <u>December 31, 2019</u>
County Taxes	\$ 45,737,180.21
Amount Due County for Added and Omitted Taxes	166,677.57
Local District School Taxes	113,077,952.00
Fire District Taxes Payable	5,545,931.00
Municipal Open Space	1,037,566.72
Grants Receivable Canceled	12,358.06
Prior Year Revenue Refunded	21,739.66
Prior Year Tax Revenue Refunded	237,000.10
Prior Year Senior Citizen Deduction Disallowed	21,897.24
Other Refunds and Cancelations	14,100.00
	<hr/>
Total Expenditures	266,392,865.55
	<hr/>
Excess/(Deficit) in Revenue	10,946,784.97
	<hr/>
Statutory Excess to Fund Balance	18,355,046.48
Fund Balance January 1	<hr/>
	29,301,831.45
Decreased by:	<hr/>
Utilized as Anticipated Revenue	8,546,711.79
	<hr/>
Fund Balance December 31	\$ 20,755,119.66
	<hr/> <hr/>

See accountant's compilation report

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND
BALANCE SHEET - REGULATORY BASIS

	<u>Unaudited</u> Balance <u>December 31, 2019</u>
ASSETS	
Animal Control Trust Fund:	
Cash	\$ 14,241.61
Trust Other Fund:	
Cash	9,927,621.27
Open Space Trust Fund:	
Cash	<u>238,479.90</u>
	<u><u>\$ 10,180,342.78</u></u>
LIABILITIES, RESERVES AND FUND BALANCE	
Animal Control Trust Fund:	
Reserve for Animal Control Expenditures	\$ 10,364.21
Due to State of New Jersey	0.80
Reserve for Encumbrances	<u>3,876.60</u>
	<u>14,241.61</u>
Trust Other Fund:	
Reserve for Encumbrances	87,470.70
Various Reserves	<u>9,840,150.57</u>
	<u>9,927,621.27</u>
Open Space Trust Fund:	
Reserve for Open Space Expenditures	<u>238,479.90</u>
	<u><u>\$ 10,180,342.78</u></u>

See accountant's compilation report

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
BALANCE SHEET - REGULATORY BASIS

	<u>Unaudited</u> Balance <u>December 31, 2019</u>
ASSETS	
Cash	\$ 43,310.27
Investments	9,451,793.24
Deferred Charges to Future Taxation:	
Funded	106,551,343.79
Unfunded	<u>37,158,671.75</u>
	<u>\$ 153,205,119.05</u>
 LIABILITIES, RESERVES AND FUND BALANCE	
General Serial Bonds	\$ 104,975,000.00
Bond Anticipation Notes	14,850,000.00
Green Trust Loans Payable	650,088.99
N.J. Department of Community Affairs	
Demolition Bond Loan Payable	27,600.00
N.J. Environmental Infrastructure Trust Loan Payable	321,159.59
Dam Restoration Loan Payable	577,495.21
Capital Improvement Fund	26,436.05
Improvement Authorizations:	
Funded	891,865.72
Unfunded	20,245,070.21
Reserve for Encumbrances	6,114,117.42
Reserve for Payment of Debt Service	2,016,880.17
Fund Balance	<u>2,509,405.69</u>
	<u>\$ 153,205,119.05</u>

There were bonds and notes authorized but not issued on December 31, 2019 of \$22,308,671.75

See accountant's compilation report

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**TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY**

**REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2018**

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OCEAN COUNTY, NEW JERSEY
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OCEAN COUNTY, NEW JERSEY
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OCEAN COUNTY, NEW JERSEY
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TOWNSHIP OF BRICK

COUNTY OF OCEAN

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the Township Council
Township of Brick
County of Ocean
Brick, New Jersey

We have audited the accompanying comparative balance sheets-regulatory basis of the various funds of the Township of Brick, ("Township"), County of Ocean, State of New Jersey, as of December 31, 2018 and 2017 and the related comparative statements of operations and changes in fund balance-regulatory basis, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis, and the statement of general fixed asset account group for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"); this includes 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division. Those standards 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2018 and 2017, or the results of its operations and the changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements-regulatory basis referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds and fixed asset account group of the Township as of December 31, 2018 and 2017, and the results of its operations and changes in its fund balance of the individual funds for the years then ended and the revenues-regulatory basis and expenditures-regulatory basis of the various funds for the year ended December 31, 2018, in accordance with accounting principles and practices prescribed by the Division as described in Note 1 to the financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that schedule of pension contributions and schedule of net pension liability be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the Township that collectively comprise the Township's financial statements. The accompanying financial information listed as supplementary exhibits and supplementary schedules in the table of contents are presented for purposes of additional analysis as required by the Division and are not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for the Recipients of Federal Grants, State Grants and State Aid*, is also presented for the purpose of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2019, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant #506

Fallon & Company LLP

FALLON & COMPANY LLP

Hazlet, New Jersey
August 7, 2019

**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***

To the Honorable Mayor and Members
of the Township Council
Township of Brick
County of Ocean
Brick, New Jersey

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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), the financial statements of the Township of Brick, County of Ocean, State of New Jersey ("Township"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 7, 2019. We expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America. As described in Note 1, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 Township's regulatory-basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant #506

Fallon & Company LLP

FALLON & COMPANY LLP

Hazlet, New Jersey
August 7, 2019

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash	A-4	\$ 27,214,720.84	\$ 49,724,029.38
Investments	A-4	13,700,000.00	
Cash - Change Fund	A-5	3,750.00	3,750.00
Due from State of New Jersey (P.L. 1971, C.20)	A-11	8,027.70	23,046.68
		<u>40,926,498.54</u>	<u>49,750,826.06</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	2,709,491.23	2,757,000.83
Tax Title Liens Receivable	A-7	663,065.64	709,250.69
Non Federal Cost Share Program Receivable	A-8	52,858.15	52,858.15
Property Acquired for Taxes	A-9	8,558,500.00	7,699,100.00
Revenue Accounts Receivable	A-10	307,196.77	243,700.93
Interfunds Receivable	A-20	517,043.57	
		<u>12,808,155.36</u>	<u>11,461,910.60</u>
Federal and State Grant Fund:			
Grants Receivable	A-24	3,316,452.21	3,820,499.14
Interfund - Current Fund	A-23		116,605.35
		<u>3,316,452.21</u>	<u>3,937,104.49</u>
Total Assets		<u><u>\$ 57,051,106.11</u></u>	<u><u>\$ 65,149,841.15</u></u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Appropriation Reserves	A-3/A-12	\$ 4,598,833.18	\$ 2,620,691.71
Reserve for Encumbrances	A-21	2,287,235.39	2,695,579.50
Accounts Payable	A-22	85,000.00	85,000.00
Prepaid Taxes	A-13	1,557,082.61	10,145,260.62
Tax Overpayments	A-14	362,048.50	319,713.18
County Taxes Payable	A-15	153,750.54	178,983.36
Local District School Taxes Payable	A-16	6,737,879.93	4,263,284.43
Due to State of New Jersey - Marriage License Fees	A-18	1,600.00	1,850.00
Due to State of New Jersey - DCA Surcharge	A-19	15,922.00	13,053.00
Interfunds Payable	A-20		1,338,860.35
Reserve for Revaluation	A-28	1,601.22	1,601.22
Reserve for Hurricane Sandy	A-29	2,904,588.80	2,905,743.80
Payroll Deductions Payable	A-30	324,538.83	7,484.39
Reserve for FEMA	A-31	3,536,825.18	3,315,307.15
Reserve for Cafeteria Plan	A-4	4,525.88	2,333.05
Reserve for Burial Permits	A-4	20.00	10.00
		<u>22,571,452.06</u>	<u>27,894,755.76</u>
Reserve for Receivables and Other Assets	A	12,808,155.36	11,461,910.60
Fund Balance	A-1	<u>18,355,046.48</u>	<u>21,856,070.30</u>
		<u>53,734,653.90</u>	<u>61,212,736.66</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-25	2,266,538.88	3,534,083.33
Interfund - Current	A-23	517,043.57	
Unappropriated Reserves	A-26		109,894.64
Reserve for Encumbrances	A-27	532,869.76	293,126.52
		<u>3,316,452.21</u>	<u>3,937,104.49</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 57,051,106.11</u>	<u>\$ 65,149,841.15</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 10,922,620.95	\$ 10,928,024.40
Miscellaneous Revenue Anticipated	A-2	17,128,849.87	18,184,379.34
Receipts from Delinquent Taxes	A-2	2,802,632.14	3,094,586.06
Receipts from Current Taxes	A-2	230,445,138.27	223,304,703.31
Non-Budget Revenues	A-2	2,817,289.15	2,015,791.27
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-12	2,023,944.08	1,335,764.59
Cancel Tax Overpayments	A-14	18,948.29	7,686.31
Cancel DCA Surcharge Fees	A-19		9.00
Cancel Reserve for Grants Appropriated	A-20	279,815.42	1,962,654.23
Interfunds Returned	A-20		643,573.23
Non-Federal Cost Share Receivable			1,143,817.31
		<hr/>	<hr/>
Total Revenue		266,439,238.17	262,620,989.05
		<hr/>	<hr/>
Expenditures:			
Budget Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	39,547,315.38	37,089,205.81
Other Expenses	A-3	29,940,081.44	28,822,430.00
Deferred Charges and Statutory Expenditures	A-3	9,524,180.00	8,984,802.41
Budget Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	1,469,524.62	1,672,921.19
Other Expenses	A-3	2,100,397.05	2,690,408.05
Capital Improvements	A-3	425,000.00	425,000.00
Municipal Debt Service	A-3	14,266,396.64	12,463,361.91
Deferred Charges	A-3		1,483,980.00
		<hr/>	<hr/>
		97,272,895.13	93,632,109.37
		<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
County Taxes	A-15	\$ 44,013,890.77	\$ 44,306,556.99
Amount Due County for Added and Omitted Taxes	A-15	153,750.54	178,983.36
Local District School Taxes	A-16	109,679,291.00	104,730,100.00
Fire District Taxes Payable	A-17	5,424,288.00	5,304,955.00
Municipal Open Space	A-20	1,035,058.83	1,032,439.23
Grants Receivable Canceled	A-20	310,959.35	1,907,443.51
Interfund - General Capital Fund	A-20		122,255.00
Interfunds Advanced	A-20	517,043.57	
Prior Year Revenue Refunded	A-4	2,540.94	46,753.42
Prior Year Tax Revenue Refunded	A-14	563,665.37	411,099.61
Prior Year Senior Citizen Deduction Disallowed	A-11	44,257.54	31,488.20
Cancel Prior Year Senior Citizen Deduction	A-11		18,206.27
		<hr/>	<hr/>
Total Expenditures		259,017,641.04	251,722,389.96
		<hr/>	<hr/>
Excess/(Deficit) in Revenue		7,421,597.13	10,898,599.09
		<hr/>	<hr/>
Fund Balance January 1	A	21,856,070.30	21,885,495.61
		<hr/>	<hr/>
		29,277,667.43	32,784,094.70
Decreased by:			
Utilized as Anticipated Revenue	A-1/A-2	10,922,620.95	10,928,024.40
		<hr/>	<hr/>
Fund Balance December 31	A	\$ 18,355,046.48	\$ 21,856,070.30
		<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2018

		<u>Anticipated</u>	Special		
	<u>Ref.</u>	<u>Budget</u>	N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	A-1	<u>\$ 10,922,620.95</u>		<u>\$ 10,922,620.95</u>	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10			84,300.00	\$ 84,300.00
Other	A-10	40,000.00		46,335.90	6,335.90
Fees and Permits	A-10	600,000.00		481,731.41	(118,268.59)
Fines and Costs:					
Municipal Court	A-10	695,000.00		599,652.62	(95,347.38)
Interest and Costs on Taxes	A-10	560,000.00		541,994.88	(18,005.12)
Interest on Investments and Deposits	A-10	240,000.00		631,057.96	391,057.96
Bathing Beach Privileges	A-10	415,000.00		410,180.00	(4,820.00)
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-10	5,387,064.00		5,387,064.00	
Uniform Construction Code Fees	A-10	2,315,066.24		2,620,714.00	305,647.76
EMS Service Fees	A-10	1,749,174.62		2,002,094.90	252,920.28
Solar Redeveloper's Debt Service Contribution per					
Redeveloper Agreement	A-10	2,031,377.50		2,031,377.50	
Reserve for the Payment of Debt Service	A-10	103,146.80		103,146.80	
Comcast/Verizon - Franchise Tax	A-10	491,286.85		491,286.85	
Clean Communities Program	A-24		\$ 158,713.34	158,713.34	
Municipal Alliance on Alcoholism and Drug Abuse	A-24		39,523.00	39,523.00	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2018

	<u>Ref.</u>	<u>Budget</u>	<u>Anticipated</u> Special N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
DOT - Birchwood Park Roadway Imp. - Phase III	A-24	\$ 246,633.00		\$ 246,633.00	
DOT - Cederwood Park East	A-24	475,060.00		475,060.00	
Safe and Secure Communities	A-24		\$ 60,000.00	60,000.00	
DCA - Recreation for Individuals with Disabilities	A-24	12,800.00		12,800.00	
Recycling Tonnage Grant - State	A-24	109,894.64		109,894.64	
COPS in Shops - Summer shore Initiative 2017	A-24	3,520.00		3,520.00	
Drunk Driving Enforcement Fund	A-24		12,273.47	12,273.47	
Highway Safety Grant	A-24	29,999.00	29,999.00	59,998.00	
County of Ocean Tourism Local Arts Grant	A-24	1,200.00		1,200.00	
Title III E Senior Grant	A-24		27,500.00	27,500.00	
Title III B Senior Grant	A-24	135,100.00		135,100.00	
Ocean County Pump Out Boat	A-24	40,000.00		40,000.00	
Green Communities Grant	A-24	3,000.00		3,000.00	
Office of Emergency Management Grant	A-24		16,141.60	16,141.60	
Community Development Block Grant - 2016/2017	A-24		296,556.00	296,556.00	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2018

	<u>Ref.</u>	<u>Budget</u>	<u>Anticipated</u> Special N.J.S.A. 40A:4-87	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Total Miscellaneous Revenues	A-1	\$ 15,684,322.65	\$ 640,706.41	\$ 17,128,849.87	\$ 803,820.81
Receipts from Delinquent Taxes	A-1/A-2	2,300,000.00		2,802,632.14	502,632.14
		28,906,943.60	640,706.41	30,854,102.96	1,306,452.95
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	72,615,350.43		75,028,859.13	2,413,508.70
		101,522,294.03	640,706.41	105,882,962.09	3,719,961.65
Non-Budget Revenues	A-1/A-2			2,817,289.15	2,817,289.15
Total		\$ 101,522,294.03	\$ 640,706.41	\$ 108,700,251.24	\$ 6,537,250.80
	<u>Ref.</u>	A-3	A-3		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
 STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2018

<u>Analysis of Realized Revenues</u>	<u>Ref.</u>	
Allocation of Current Tax Collections:		
Revenue from Collections	A-1/A-6	\$ 230,445,138.27
Allocated to School, County, Special District and Municipal Open Space	A-6	<u>160,306,279.14</u>
Balance for Support of Municipal Budget Appropriations		70,138,859.13
Add:		
Reserve for Uncollected Taxes	A-3	<u>4,890,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 75,028,859.13</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-6	\$ 2,792,674.31
Tax Title Lien Collections	A-7	<u>9,957.83</u>
	A-2	<u>\$ 2,802,632.14</u>
Fees and Permits:		
Township Clerk		\$ 66,746.31
Non UCC Fees		<u>247,080.00</u>
		313,826.31
Recreation Department		<u>167,905.10</u>
	A-2/A-10	<u>\$ 481,731.41</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2018

<u>Analysis of Realized Revenues (Continued)</u>	<u>Ref.</u>
Analysis of Non-Budget Revenues:	
Flood Zone	\$ 30.00
Rent - Civic Center	60,024.51
Rent - Tower	32,852.07
Canceled Checks	541.04
Payment in Lieu of Taxes on Real Property	130,030.69
Police	8,788.91
Scrap Metal	99,144.45
Garbage Cans	42,700.00
Water/Sewer	2,680.00
Recycling Revenue	16,249.93
Sale of Township Property	232,653.49
Concession Bid Revenue	50,933.00
Tax Collector - Miscellaneous	115,222.15
Prior Year Escrow Receipts from Trust Other	37,459.46
Property Search Fees	3,373.25
BTMUA Charges	4,973.03
Miscellaneous DPW Charges	19,934.09
Tax Sale Premiums Forfeited	11,867.54
OCJIF Dividend	339,091.00
Hotel Fee	14,162.76
Senior Citizen and Veteran Administrative Fee	17,482.70
Sale of Mulch	1,652.00
Police	79,410.33
Street Lighting	18,595.91
Herbertsville First Aid Squad Mortgage Payment	20,000.00
Solar Energy Reimbursement	35,872.50
Con Edison Electricity Reimbursement	9,540.03
Property Maintenance Registration/Attorney Fee	397,747.94
Insurance	232,159.42
Snow Storm - Jonas	650,693.73
Emergency Management Services	92,662.92
Prior Year Union Salary Reimbursement	18,521.34
Miscellaneous	20,238.96
	<hr/>
	A-2/A-4 \$ 2,817,289.15

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2018

	<u>Budget</u>	<u>Appropriated</u> Budget After <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Expended</u> <u>Reserved</u>	<u>Unexpended</u> Balance <u>Canceled</u>
<u>Operations Within CAPS</u>					
<u>General Government:</u>					
Administrative and Executive					
Salaries and Wages	\$ 492,000.00	\$ 500,500.00	\$ 500,252.00	\$ 248.00	
Other Expenses	7,050.00	7,050.00	6,231.01	818.99	
Purchasing and Contracting					
Salaries and Wages	429,000.00	429,000.00	388,195.20	40,804.80	
Other Expenses	118,970.00	118,970.00	90,212.65	28,757.35	
Human Resources					
Salaries and Wages	437,000.00	437,000.00	433,055.82	3,944.18	
Other Expenses	158,300.00	158,300.00	133,368.09	24,931.91	
Mayor					
Salaries and Wages	185,500.00	185,500.00	185,170.93	329.07	
Other Expenses	26,350.00	26,350.00	11,650.02	14,699.98	
Council					
Salaries and Wages	57,000.00	57,000.00	56,999.54	0.46	
Other Expenses	2,800.00	2,800.00	1,194.67	1,605.33	
Municipal Clerk					
Salaries and Wages	714,000.00	714,000.00	706,807.57	7,192.43	
Other Expenses	48,950.00	48,950.00	42,084.10	6,865.90	
Elections					
Other Expenses	9,000.00	9,000.00	8,638.04	361.96	
Financial Administration					
Salaries and Wages	422,500.00	422,500.00	362,033.73	60,466.27	
Other Expenses	52,900.00	52,900.00	40,785.32	12,114.68	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
Audit Services					
Other Expenses	\$ 59,500.00	\$ 59,500.00	\$ 59,500.00		
Computerized Data Processing					
Salaries and Wages	540,000.00	540,000.00	536,676.06	\$ 3,323.94	
Other Expenses	530,100.00	530,100.00	458,473.86	71,626.14	
Tax Collector					
Salaries and Wages	638,000.00	638,000.00	571,001.62	66,998.38	
Other Expenses	47,000.00	47,000.00	39,183.63	7,816.37	
Tax Assessor					
Salaries and Wages	510,000.00	510,000.00	490,912.15	19,087.85	
Other Expenses	108,000.00	108,000.00	89,667.36	18,332.64	
Legal Services					
Other Expenses	300,000.00	300,000.00	247,815.44	52,184.56	
Engineering					
Salaries and Wages	240,000.00	240,000.00	126,118.28	113,881.72	
Other Expenses	110,150.00	110,150.00	84,775.02	25,374.98	
Historic Preservation Committee					
Salaries and Wages	2,240.00	2,240.00	2,017.08	222.92	
Other Expenses	850.00	850.00	620.00	230.00	
<u>Land Use Administration:</u>					
Planning Board					
Salaries and Wages	5,000.00	5,000.00		5,000.00	
Other Expenses	2,600.00	2,600.00	964.89	1,635.11	
Land Use					
Salaries and Wages	605,000.00	605,000.00	528,874.39	76,125.61	
Other Expenses	20,000.00	20,000.00	13,296.35	6,703.65	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
Shade Tree Commission					
Salaries and Wages	\$ 2,240.00	\$ 2,240.00	\$ 2,094.66	\$ 145.34	
Other Expenses	810.00	810.00	780.08	29.92	
Zoning Board of Adjustment					
Salaries and Wages	55,000.00	55,000.00	54,629.02	370.98	
Other Expenses	5,250.00	5,250.00	454.66	4,795.34	
Affordable Housing Agency					
Salaries and Wages	15,000.00	15,000.00		15,000.00	
Other Expenses	35,000.00	35,000.00	10,923.31	24,076.69	
<u>Code Enforcement and Administration:</u>					
Municipal Code Enforcement					
Salaries and Wages	295,000.00	300,000.00	298,970.27	1,029.73	
Other Expenses	152,465.00	12,465.00	1,780.39	10,684.61	
<u>Insurance:</u>					
Liability Insurance	952,115.00	952,115.00	838,388.90	113,726.10	
Workers Compensation Insurance	1,046,385.00	1,046,385.00	997,857.66	48,527.34	
Employee Group Insurance	15,963,113.44	15,963,113.44	15,231,054.36	732,059.08	
Insurance Waiver	325,000.00	325,000.00	311,693.80	13,306.20	
<u>Public Safety Functions:</u>					
Police Department					
Salaries and Wages	19,019,320.00	19,019,320.00	18,782,866.60	236,453.40	
Other Expenses	189,950.00	189,950.00	188,950.56	999.44	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
Crossing Guards					
Salaries and Wages	\$ 432,000.00	\$ 432,000.00	\$ 419,624.05	\$ 12,375.95	
Other Expenses	10,500.00	10,500.00	9,875.73	624.27	
Explorers					
Other Expenses	6,500.00	6,500.00	3,025.18	3,474.82	
Police Vehicles and Equipment					
Other Expenses	295,500.00	350,500.00	350,480.94	19.06	
Police Dispatch / 911					
Salaries and Wages	1,520,000.00	1,520,000.00	1,495,203.07	24,796.93	
Other Expenses	2,350.00	2,350.00	2,153.90	196.10	
Special Police					
Salaries and Wages	263,500.00	263,500.00	235,080.53	28,419.47	
Other Expenses	9,725.00	9,725.00	8,450.00	1,275.00	
Office of Emergency Management					
Salaries and Wages	55,500.00	55,500.00	54,320.16	1,179.84	
Other Expenses	500.00	500.00		500.00	
EMT Services					
Salaries and Wages	255,475.38	335,475.38	329,942.11	5,533.27	
Municipal Prosecutor's Office					
Other Expenses	78,000.00	78,000.00	65,600.00	12,400.00	
<u>Public Works Functions:</u>					
Streets and Road Maintenance					
Other Expenses	903,402.00	838,402.00	735,322.96	103,079.04	
Bus Transportation					
Other Expenses	100,000.00	100,000.00	61,984.53	38,015.47	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
Solid Waste Collection					
Salaries and Wages	\$ 4,725,000.00	\$ 4,577,000.00	\$ 4,258,191.47	\$ 318,808.53	
Other Expenses	95,502.00	95,502.00	81,233.19	14,268.81	
Building and Grounds					
Salaries and Wages	698,000.00	733,000.00	731,058.64	1,941.36	
Other Expenses	568,945.00	568,945.00	477,927.11	91,017.89	
Vehicle Maintenance					
Salaries and Wages	783,500.00	783,500.00	690,749.62	92,750.38	
Other Expenses	986,762.00	986,762.00	958,667.51	28,094.49	
Community Services Act	325,000.00	325,000.00		325,000.00	
<u>Health and Human Services Functions:</u>					
Environmental Commission					
Salaries and Wages	2,040.00	2,040.00	2,017.08	22.92	
Other Expenses	610.00	610.00	419.99	190.01	
Animal Control Services					
Other Expenses	100,000.00	100,000.00	84,000.00	16,000.00	
<u>Parks and Recreation Functions:</u>					
Recreation Services and Programs					
Salaries and Wages	771,000.00	771,000.00	725,620.88	45,379.12	
Other Expenses	35,060.00	35,060.00	34,415.51	644.49	
Maintenance of Parks					
Salaries and Wages	1,183,000.00	1,183,000.00	1,117,124.48	65,875.52	
Other Expenses	148,555.00	148,555.00	123,063.78	25,491.22	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Beach and Boardwalk Operations					
Salaries and Wages	\$ 350,000.00	\$ 350,000.00	\$ 346,111.95	\$ 3,888.05	
Other Expenses	22,550.00	22,550.00	20,743.94	1,806.06	
Senior Citizens					
Salaries and Wages	231,000.00	231,000.00	204,764.03	26,235.97	
Other Expenses	53,502.00	53,502.00	49,314.13	4,187.87	
<u>Utility Expenses and Bulk Purchases:</u>					
Street Lighting	775,000.00	775,000.00	681,731.72	93,268.28	
Telephone	340,000.00	370,000.00	354,091.80	15,908.20	
Water	105,000.00	105,000.00	72,753.42	32,246.58	
Natural Gas	115,000.00	115,000.00	81,427.65	33,572.35	
Telecommunications Costs	42,000.00	42,000.00	38,357.11	3,642.89	
Gasoline	600,000.00	765,000.00	688,073.90	76,926.10	
Electricity	1,035,000.00	1,005,000.00	610,934.87	394,065.13	
<u>Landfill/Solid Waste Disposal Costs:</u>					
Solid Waste Disposal Costs					
Other Expenses	2,700,000.00	2,700,000.00	2,415,265.99	284,734.01	
Municipal Court					
Salaries and Wages	885,000.00	885,000.00	811,915.07	73,084.93	
Other Expenses	14,960.00	14,960.00	12,399.72	2,560.28	
Public Defender					
Other Expenses	70,000.00	70,000.00	51,500.00	18,500.00	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
<u>Uniform Construction Code - Appropriations</u>					
<u>Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):</u>					
Uniform Construction Code					
Salaries and Wages	\$ 1,548,000.00	\$ 1,548,000.00	\$ 1,406,782.25	\$ 141,217.75	
Other Expenses	112,550.00	112,550.00	75,904.41	36,645.59	
<u>Unclassified:</u>					
Accumulated Leave Compensation					
Salaries and Wages	700,000.00	700,000.00	700,000.00		
Provision for Salary and Personnel Adjustments					
Salaries and Wages	500,000.00	500,000.00	500,000.00		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Operations Within CAPS	69,491,896.82	69,487,396.82	65,114,643.47	4,372,753.35	
Contingent					
Total Operations Including Contingent Within CAPS	<hr/> 69,491,896.82	<hr/> 69,487,396.82	<hr/> 65,114,643.47	<hr/> 4,372,753.35	<hr/>
Detail:					
Salaries and Wages	39,566,815.38	39,547,315.38	38,055,180.31	1,492,135.07	
Other Expenses	<hr/> 29,925,081.44	<hr/> 29,940,081.44	<hr/> 27,059,463.16	<hr/> 2,880,618.28	<hr/>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2018

	<u>Appropriated</u>		<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>	<u>Canceled</u>
<u>Deferred Charges and Statutory Expenditures Within CAPS</u>				
Deferred Charges:				
Prior Years Bills				
Motorola Solutions	\$ 935.00	\$ 935.00	\$ 934.00	\$ 1.00
Ocean County Soil Conservation	4,624.00	4,624.00	4,623.75	0.25
Starkey, Kelly, Kenneally, Cunningham & Turnbach	4,541.00	4,541.00	4,540.50	0.50
Brick Gardens Realty	20,580.00	20,580.00	20,579.52	0.48
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	2,311,100.00	2,311,100.00	2,311,009.07	90.93
Social Security System (O.A.S.I.)	3,048,400.00	3,048,400.00	2,865,866.35	182,533.65
Police and Firemen's Retirement System of NJ	4,044,500.00	4,044,500.00	4,044,304.00	196.00
Defined Contribution Retirement Program	30,000.00	31,500.00	31,267.48	232.52
Short Term Disability Insurance	55,000.00	58,000.00	52,740.59	5,259.41
Deferred Charges and Statutory Expenditures Within CAPS	<u>9,519,680.00</u>	<u>9,524,180.00</u>	<u>9,335,865.26</u>	<u>188,314.74</u>
Total Appropriations Within CAPS	<u>79,011,576.82</u>	<u>79,011,576.82</u>	<u>74,450,508.73</u>	<u>4,561,068.09</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2018

	<u>Budget</u>	<u>Appropriated</u> Budget After <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Expended</u> <u>Reserved</u>	<u>Unexpended</u> Balance <u>Canceled</u>
<u>Operations Excluded from CAPS:</u>					
Recycling Tax	\$ 96,783.00	\$ 96,783.00	\$ 95,669.25	\$ 1,113.75	
<u>Additional Appropriations Offset by Revenues:</u>					
Supplemental Fire District Payment	26,051.00	26,051.00	26,051.00		
EMT Services					
Salaries and Wages	1,469,524.62	1,469,524.62	1,469,524.62		
Other Expenses	279,650.00	279,650.00	242,998.66	36,651.34	
<u>Public and Private Programs Offset by Revenues:</u>					
Clean Communities Program		158,713.34	158,713.34		
Municipal Alliance on Alcoholism and Drug Abuse		39,523.00	39,523.00		
Safe and Secure Communities Program		60,000.00	60,000.00		
Highway Safety Grant	29,999.00	59,998.00	59,998.00		
DCA - Recreation for Individuals with Disabilities	12,800.00	12,800.00	12,800.00		
NJ DOT Cedarwood Park East	475,060.00	475,060.00	475,060.00		
NJ DOT Birchwood Park Roadway Imp. - Phase III	246,633.00	246,633.00	246,633.00		
Recycling Tonnage Grant - State	109,894.64	109,894.64	109,894.64		
Cops in Shops - Summer Shore Initiative 2017	3,520.00	3,520.00	3,520.00		
Drunk Driving Enforcement Fund		12,273.47	12,273.47		
Ocean County Tourism Local Arts Block Grant	1,200.00	1,200.00	1,200.00		
Senior Citizens Grant - Title III E		27,500.00	27,500.00		
Senior Citizens Grant - Title III B	135,100.00	135,100.00	135,100.00		
Ocean County Pump Out Boat	40,000.00	40,000.00	40,000.00		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2018

	<u>Appropriated</u>		<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>	<u>Canceled</u>
Green Communities Grant	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	
Office of Emergency Management Grant		16,141.60	16,141.60	
Community Development Block Grant - 2017/2018		296,556.00	296,556.00	
Total Operations - Excluded From CAPS	2,929,215.26	3,569,921.67	3,532,156.58	\$ 37,765.09
Detail:				
Salaries and Wages	1,469,524.62	1,469,524.62	1,469,524.62	
Other Expenses	1,459,690.64	2,100,397.05	2,062,631.96	37,765.09
<u>Capital Improvements Excluded From CAPS</u>				
Capital Improvement Fund	425,000.00	425,000.00	425,000.00	
Total Capital Improvements Excluded From CAPS	425,000.00	425,000.00	425,000.00	
<u>Municipal Debt Service Excluded from CAPS</u>				
Payment of Bond Principal	9,979,806.95	9,979,806.95	9,979,806.95	
Interest on Bonds	3,833,250.00	3,833,250.00	3,833,146.95	\$ 103.05
Interest on Notes	377,365.00	377,365.00	377,364.37	0.63
DEP Loan Rainbow & Lower Lake Riviera Dam	46,080.00	46,080.00	46,078.37	1.63
Urban & Rural Unsafe Buildings Demolition	30,000.00	30,000.00	30,000.00	
Total Municipal Debt Service Excluded from CAPS	14,266,501.95	14,266,501.95	14,266,396.64	105.31

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
For the Year Ended December 31, 2018

	<u>Budget</u>	<u>Appropriated</u> Budget After <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Expended</u> <u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Total General Appropriations Excluded from CAPS	<u>\$ 17,620,717.21</u>	<u>\$ 18,261,423.62</u>	<u>\$ 18,223,553.22</u>	<u>\$ 37,765.09</u>	<u>\$ 105.31</u>
Subtotal General Appropriations	96,632,294.03	97,273,000.44	92,674,061.95	4,598,833.18	105.31
Reserve for Uncollected Taxes	<u>4,890,000.00</u>	<u>4,890,000.00</u>	<u>4,890,000.00</u>		
Total General Appropriations	<u><u>\$ 101,522,294.03</u></u>	<u><u>\$ 102,163,000.44</u></u>	<u><u>\$ 97,564,061.95</u></u>	<u><u>\$ 4,598,833.18</u></u>	<u><u>\$ 105.31</u></u>
<u>Ref.</u>	A-2	A-3	A-1/A-3	A	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2018

	<u>Ref.</u>	<u>Budget After Modification</u>
Budget	A-2	\$ 101,522,294.03
Added by N.J.S. 40A:4-87	A-2	<u>640,706.41</u>
	A-3	<u><u>\$ 102,163,000.44</u></u>
		<u>Paid or Charged</u>
Disbursements	A-4	\$ 88,688,913.51
Reserve for Encumbrances	A-21	2,287,235.39
Interfund - Federal and State Grant Fund	A-20	1,697,913.05
Reserve for Uncollected Taxes	A-2	<u>4,890,000.00</u>
	A-3	<u><u>\$ 97,564,061.95</u></u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND
BALANCE SHEETS - REGULATORY BASIS

ASSETS		<u>2018</u>	<u>2017</u>
Animal Control Trust Fund:			
Cash	B-1	\$ 43,668.11	\$ 71,917.11
Due from State of New Jersey	B-5	5.20	5.20
		<u>43,668.11</u>	<u>71,922.31</u>
Trust Other Fund:			
Cash	B-1	10,315,179.64	10,339,811.28
Community Development Block Grant Receivable	B-2	15,531.83	75,453.86
		<u>10,330,711.47</u>	<u>10,415,265.14</u>
Open Space Trust Fund:			
Cash	B-1	231,856.85	226,105.32
		<u>\$ 10,606,236.43</u>	<u>\$ 10,713,292.77</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Trust Fund:			
Reserve for Animal Control Expenditures	B-4	\$ 15,783.19	\$ 47,968.25
Due to State of New Jersey	B-5	0.80	
Prepaid License Fees	B-10	20,759.12	23,014.06
Reserve for Encumbrances	B-11	7,125.00	940.00
		<u>43,668.11</u>	<u>71,922.31</u>
Trust Other Fund:			
Reserve for Encumbrances	B-3	111,012.25	143,041.28
Reserve for Community Development Block Grant Expenditures	B-8	-	58,367.86
Various Reserves	B-9	10,219,699.22	10,213,856.00
		<u>10,330,711.47</u>	<u>10,415,265.14</u>
Open Space Trust Fund:			
Reserve for Open Space Expenditures	B-7	231,856.85	226,105.32
		<u>\$ 10,606,236.43</u>	<u>\$ 10,713,292.77</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash	C-2	\$ 6,116,671.91	\$ 7,740,947.28
Investments	C-2	7,000,000.00	5,000,000.00
Interfund - Current Fund	C-16		1,222,255.00
Deferred Charges to Future Taxation:			
Funded	C-5	105,864,143.76	116,908,792.85
Unfunded	C-6	<u>41,767,970.13</u>	<u>33,692,970.13</u>
		<u>\$ 160,748,785.80</u>	<u>\$ 164,564,965.26</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-7	\$ 103,910,000.00	\$ 114,585,000.00
Bond Anticipation Notes	C-8	21,430,000.00	16,818,468.00
Green Trust Loans Payable	C-9	810,986.54	969,713.50
Capital Improvement Fund	C-10	26,436.05	26,436.05
Improvement Authorizations:			
Funded	C-11	924,775.41	1,069,702.49
Unfunded	C-11	21,181,643.32	21,563,035.02
Reserve for Encumbrances	C-12	6,053,485.61	3,350,029.00
N.J. Environmental Infrastructure Trust Loan Payable	C-13	474,044.65	621,619.70
Dam Restoration Loan Payable	C-14	611,512.57	644,859.65
N.J. Department of Community Affairs			
Demolition Bond Loan Payable	C-15	57,600.00	87,600.00
Reserve for Payment of Debt Service	C-4	2,216,880.17	2,261,826.97
Fund Balance	C-1	<u>3,051,421.48</u>	<u>2,566,674.88</u>
		<u>\$ 160,748,785.80</u>	<u>\$ 164,564,965.26</u>

There were bonds and notes authorized but not issued on December 31, 2018 of \$20,337,970.13

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 2,566,674.88
Increased by:		
Premium on Sale of Bond Anticipation Notes	C-2	<u>484,746.60</u>
Balance, December 31, 2018	C	<u><u>\$ 3,051,421.48</u></u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS
REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
General Fixed Assets:			
Land	D-1	\$ 29,653,882.47	\$ 29,651,882.47
Buildings and Improvements	D-1	25,052,974.43	19,147,439.34
Construction in Process	D-1		1,520,770.58
Furniture, Fixtures and Equipment	D-1	<u>31,763,222.11</u>	<u>32,281,472.01</u>
		<u>\$ 86,470,079.01</u>	<u>\$ 82,601,564.40</u>
Investments in General Fixed Assets	D-1	<u>\$ 86,470,079.01</u>	<u>\$ 82,601,564.40</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This report includes the financial statements of the Township of Brick (the “Township”), within the County of Ocean, in the State of New Jersey, and reflects the activities of the municipality which is under the control of the Mayor and Township Council. The financial statements of the Board of Education, First Aid Organizations and Fire Districts are reported separately based on management’s interpretation of Governmental Accounting Standard Board (“GASB”) Standard No. 61.

A. Reporting Entity

The Governmental Accounting Standards Board (“GASB”) has established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services, Department of Community Affairs, State of New Jersey (“Division”) requires the financial statements of the Township of Brick (“Township”) to be reported separately.

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

The financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of other organizations, inasmuch as their activities are administered by separate boards.

B. Basis of Presentation and Basis of Accounting

The financial statements are presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP.

In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

The accounting principles and practices prescribed for municipalities by the Division differ in certain aspects from GAAP applicable to local governmental units. The more significant differences are as follows:

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation and Basis of Accounting (continued)

A modified accrual basis is followed with minor exceptions.

Fund Accounting:

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

Trust Fund – records the receipts, custodianship, and disbursements of monies in accordance with the purpose for which each reserve was created.

General Capital Fund - records the receipt and disbursement of funds for the acquisition of general capital infrastructure and other capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund and are offset by deferred charges to future taxation.

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

Budgets and Budgetary Accounting - the Township of Brick must adopt an annual budget in accordance with N.J.S.A. 40A:4-4 et al. N.J.S.A. 40A:4-5 which requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall 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 circulated 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.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division 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 Township's financial statements.

C. Cash and Cash Equivalents

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 the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Cash and Cash Equivalents (continued)

The Township of Brick is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with GUDPA.

Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of 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 in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

The Township considers highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

D. Investment in NJ/ARM

Valuation of Investments

In accordance with the authoritative guidance on fair value measurements and disclosures under GASB 72, the NJ/ARM (“Fund”) discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure their fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (level 1 Measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 - Quoted prices in active markets for identical assets.

Level 2 - Inputs other than quoted prices that are observable for the asset, including quoted prices for similar investments based on interest rates, credit risk and like factors.

Level 3 - Unobservable inputs for the assets, including the Fund’s own assumptions for determining fair value.

The Fund’s investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. In accordance with GASB 79, the Fund’s securities are valued at amortized cost, which approximates fair value. GASB 79 requires a comparison of the Fund’s investments on an amortized cost basis to fair values determined on a market value basis at least monthly. The market prices used to determine fair values in this comparison are derived from closing bid prices as of the last business day of the month as supplied by third-party pricing services. Where prices are not available from these generally

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Investment in NJ/ARM (continued)

Valuation of Investments (continued)

recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. GASB 72 provides that investments in a Rule 2a-7-like external investment pool should be measured at Net Asset Value.

Share Valuation and Participant Transactions

The net asset value ("NAV") per share of the Fund is calculated as of the close of business each business day by dividing the net position of the Fund by the number of outstanding shares. It is the Fund's objective to maintain a NAV of \$1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

E. Inventories of Supplies

The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The inventories have offsetting reserve amounts.

F. Property Taxes and Other Revenues

Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts. Property taxes are payable quarterly on the first day of February, May, August and November.

G. Grant Revenue and Expenditures

Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

H. Property Acquired for Taxes

Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Interfunds

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

J. Deferred Charges

The regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as “paid or charged” exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2018 is set forth in Note 9.

K. Appropriation Reserves

Appropriation Reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

L. Expenditures

Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

M. Encumbrances

Contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Compensated Absences

Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

O. Reserve for Sale of Municipal Assets

Cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds would be 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.

P. 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 asset 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's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$3,000.00, the maximum amount allowed by the Circular is \$5,000.00. Generally, assets are valued at historical cost; however, assets acquired prior to June 30, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at 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 Township 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 asset group of accounts, reflecting the activity for the fiscal year, must be included in the Township'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 include 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. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Comparative Data

Comparative total data for the various funds for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations and Change in Fund Balance in order to provide an understanding of changes in the Township's financial position. However, Comparative Statements of Revenue and Statements of Expenditures have not been presented since this inclusion would make the statements unduly complex and difficult to read.

R. Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

In 2018, management adopted GASB 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plan*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

In 2018, management adopted GASB 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement will be effective for the year ended December 31, 2019. Management has not yet determined the potential impact on the Township's financial statements.

NOTE 2 CASH AND CASH EQUIVALENTS

Deposits

At December 31, 2018, the Township's deposits had a carrying amount of \$43,922,097.35.

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 2 CASH AND CASH EQUIVALENTS (continued)

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholding, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2018, the Township's bank balances of \$44,289,701.44 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 3,107,395.90
Insured by GUDPA	38,725,344.42
Uninsured and Uncollateralized	<u>2,456,961.12</u>
Total	\$ <u>44,289,701.44</u>

NOTE 3 INVESTMENTS

The Township has also adopted a cash management plan stating "the Finance Officer shall invest at his/her discretion in any investment instruments as approved by the State of New Jersey, Department of Community Affairs, Division of Local Government Services and in accordance with N.J.S.A. 40A:5-15.1."

At December 31, 2018, the Township had the following investments:

	<u>Fair Value</u>
NJ/ARM	<u>\$20,700,000.00</u>
Total investments measured at the NAV	<u>\$20,700,000.00</u>

Investments Measured at the Net Asset Value (NAV)

Under GASB 40, state and local governments and other municipal entities are required to disclose credit risk, concentration of credit risk, and interest rate risk for investment portfolios. The following risk disclosures of the NJ/ARM's ("Fund") investment portfolio are as of December 31, 2018.

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 3 INVESTMENTS (continued)

Investments Measured at the Net Asset Value (NAV) (continued)

Credit Risk

The Fund's investments policy, as outlined in its Information Statement, limits its investments to those which participants in the Fund can invest in under the laws of the State of New Jersey. As of December 31, 2018, the Fund was comprised of investments which were, in aggregate, rated by Standard and Poor's ("S&P") as follows:

<u>S&P Rating</u>	<u>Percentage of Portfolio</u>
AA+	64.0%
A-1+	8.1%
Exempt ⁽¹⁾	27.9%

*⁽¹⁾Represents U.S. Treasury securities, which are not
considered to be exposed to overall credit risk per GASB.*

The above ratings of the Fund's investment portfolio include the ratings of collateral underlying repurchase agreements in effect for the Fund at December 31, 2018.

Concentration of Credit Risk

The Fund's investment policy establishes certain restrictions on investments and limitations on portfolio composition. The Fund's investment portfolio at December 31, 2018 included the following issuers, aggregated by affiliated issuers where applicable, which individually represented greater than 5% of the Fund's total investments portfolio:

<u>Issuer</u>	<u>Percentage of Portfolio</u>
Credit Agricole Corporate and Investment Bank (NY)	9.2%
Fannie Mae	5.4%
Federal Farm Credit Bank	13.6%
Federal Home Loan Bank	38.6%
Freddie Mac	7.7%
Goldman Sachs & Co	6.8%
U.S. Treasury	18.7%

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 3 INVESTMENTS (continued)

Investments Measured at the Net Asset Value (NAV) (continued)

Interest Rate Risk

The Fund's investment policy limits its exposure to market value fluctuations due to changes in interest rates by requiring that (1) its portfolio maintain a dollar-weighted average maturity of not greater than sixty days; and (2) any investment securities purchased by the Fund have a remaining maturities of 397 days or less at the time of purchase or which reset, in the case of adjustable rate securities, in no greater than 397 days. At December 31, 2018, the weighted average maturity of the Fund's investment portfolio, including cash and cash equivalents, was 43 days. The range of yields, actual maturity dates, principal values, fair values and weighted average maturity of the types of investments the Fund held at December 31, 2018 are as follows:

<u>Type of Deposits and Investments</u>	<u>Yield-to Maturity Range</u>	<u>Maturity Range</u>	<u>Principal</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Cash and Cash Equivalents	n/a	n/a	\$ 77,341,871	\$ 77,341,871	1 Day
Repurchase Agreements	2.39%-2.95%	1/2/19-1/17/19	47,300,000	47,300,000	4 Days
Government Agency & Instrumentality Obligations:					
Discount Notes	2.40%-2.67%	2/1/19-8/29/19	94,500,000	94,100,482	63 Days
Notes	2.29%-2.70%	1/30/19-6/26/20	99,250,000	99,141,218	44 Days
U.S. Treasury Bills	2.32%	3/21/19	10,000,000	9,949,747	80 Days
U.S. Treasury Notes	2.42%-2.52%	3/31/19-5/31/19	<u>45,500,000</u>	<u>45,366,584</u>	103 Days
Total			<u>\$ 373,891,871</u>	<u>\$ 373,199,902</u>	

The yields shown in the preceding table represent the yield-to-maturity at original cost except for adjustable rate instruments, for which the rate shown is the coupon rate in effect at December 31, 2018. The weighted average maturities shown above are calculated based on the stated maturity dates with the following exceptions: (1) floating or variable rate securities are assumed to have an effective maturity of the date upon which the security's interest rate next resets; (2) the effective maturity of callable securities is assumed to be its stated maturity unless the security has been called as of the reporting date, in which case the effective maturity would be assumed to be its called date; (3) the effective maturity of instruments subject to demand features is assumed to be the period remaining until the principal amount of the security may be recovered through the demand feature; and (4) the effective maturity of cash and cash equivalents are assumed to be one day.

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 4 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 calendar years:

Comparative Schedule of Tax Rates

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 2.205</u>	<u>\$ 2.145</u>	<u>\$ 2.134</u>
<u>Apportionment of Tax Rate</u>			
Municipal	0.714	0.695	0.700
County	0.428	0.431	0.426
Local School	1.063	1.019	1.008

Assessed Valuation

2018	\$ 10,314,380,458.00		
2017		\$ 10,282,661,460.00	
2016			\$ 10,264,180,212.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2018	\$ 233,663,606.78	\$ 233,193,555.04	99.79%
2017	225,193,006.66	221,238,466.53	98.24%
2016	218,884,307.90	214,933,236.77	98.19%

Delinquent Taxes and Tax Title Liens

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2018	\$ 663,065.64	\$ 2,709,491.23	\$ 3,372,556.87	1.44%
2017	709,250.69	2,757,000.83	3,466,251.52	1.53%
2016	744,051.60	3,029,512.56	3,773,564.16	1.72%

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 5 PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous two years was follows:

<u>Year</u>	<u>Amount</u>
2018	\$8,558,500.00
2017	7,699,100.00
2016	7,204,800.00

NOTE 6 BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2018, the Township had authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$ 20,337,970.13</u>
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NOTE 7 LONG-TERM DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

Changes in Long Term Outstanding Debt

Transactions for the year ended December 31, 2018 are summarized as follows:

	Balance Dec. 31, 2017	Additions	Deductions	Balance Dec. 31, 2018
<u>General Capital Fund</u>				
Serial Bonds	\$ 114,585,000.00		\$ 10,675,000.00	\$ 103,910,000.00
Loans Payable	2,323,792.85		369,649.09	1,954,143.76
Bond Anticipation Notes	16,818,468.00	\$ 21,430,000.00	16,818,468.00	21,430,000.00
	<u>\$ 133,727,260.85</u>	<u>\$ 21,430,000.00</u>	<u>\$ 27,863,117.09</u>	<u>\$ 127,294,143.76</u>

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 7 LONG-TERM DEBT (continued)

As of December 31, 2018, the Township's long-term debt is as follows:

General Serial Bonds

\$32,881,000.00 2009A General Improvement Bonds due in annual installments of \$1,675,000.00 in 2019 at an interest rate of 3.500%.	\$ 1,675,000.00
\$1,600,000.00 2009B General Improvement Bonds due in annual installments of \$75,000.00 to \$120,000.00 through 2029 at interest rates ranging from 5.000% to 5.300%.	1,035,000.00
\$13,930,000.00 2010 General Improvement Bonds due in annual installments of \$936,000.00 to \$990,000.00 through 2020 at an annual interest rate of 4.000%.	1,950,000.00
\$13,955,000.00 2012 Refunding Bonds due in annual installments of \$785,000 to \$1,465,000.00 through 2025 at interest rates ranging from 3.000% to 5.000%.	9,090,000.00
\$28,655,000.00 2012 General Improvement Bonds due in annual installments of \$2,560,000.00 to \$2,870,000.00 through 2024 at interest rates ranging from 2.125% to 4.000%.	16,180,000.00
\$4,140,000.00, 2013 Pension Refunding Bonds due in annual installments of \$415,000.00 to \$610,000.00 through 2023 at interest rates ranging from 3.076% to 4.000%	2,545,000.00
\$10,884,000.00, 2014A General Improvement Bonds due in annual installments of \$1,490,000.00 to \$1,605,000.00 through 2022 at interest rates ranging from 2.000% to 5.000%.	6,190,000.00
\$23,650,000.00, 2014B General Improvement Bonds due in annual installments of \$1,420,000.00 to \$2,020,000.00 through 2029 at interest rates ranging from 2.250% to 3.850%.	18,510,000.00
\$23,430,000.00 2016 Refunding Bonds due in annual installments of \$1,690,000.00 to \$2,320,000.00 through 2028 at interest rates ranging from 3.000% to 4.000%.	23,135,000.00
\$25,100,000.00 2017 General Improvement Bonds due in annual installments of \$1,375,000.00 to \$2,100,000.00 through 2032 at interest rates ranging from 2.000% to 3.000%	<u>23,600,000.00</u>
	<u>\$103,910,000.00</u>

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 7 LONG-TERM DEBT (continued)

Annual debt service for principal and interest over the next five years and five-year increments thereafter for bonded debt issued and outstanding are as follows:

Year	General Capital Fund		
	Principal	Interest	Total
2019	\$ 11,105,000.00	\$ 3,483,665.02	\$ 14,588,665.02
2020	11,345,000.00	3,099,424.62	14,444,424.62
2021	11,750,000.00	2,684,600.02	14,434,600.02
2022	12,175,000.00	2,295,625.02	14,470,625.02
2023	10,920,000.00	1,921,018.76	12,841,018.76
2024-2028	36,540,000.00	4,992,072.52	41,532,072.52
2029-2031	10,075,000.00	571,705.00	10,646,705.00
Total	<u>\$ 103,910,000.00</u>	<u>\$ 19,048,110.96</u>	<u>\$ 122,958,110.96</u>

Loans Payable

Green Trust Loans

As of December 31, 2018, the Township's Green Trust Loans are as follows:

\$297,117.21 2001 loan due in semi-annual principal and interest installments of \$9,237.85 through 2020 at an interest rate of 2.000%.	\$ 36,045.76
\$194,500.00 2001 loan due in semi-annual principal and interest installments of \$6,047.32 through 2021 at an interest rate of 2.000%.	29,350.23
\$437,500.00 2001 loan due in semi-annual principal and interest installments of \$13,602.57 through 2021 at an interest rate of 2.000%.	66,019.15
\$50,000.00 2002 loan due in semi-annual principal and interest installments of \$1,554.58 through 2022 at an interest rate of 2.000%.	10,459.46
\$500,000.00 2002 loan due in semi-annual principal and interest installments of \$17,001.84 through 2020 at an interest rate of 2.000%.	50,002.19
\$285,600.00 loan due in semi-annual principal and interest installments of \$9,950.30 through 2022 at an interest rate of 2.000%	66,947.53
\$189,373.00 loan due in semi-annual principal and interest installments of \$4,855.72 through 2031 at an interest rate of 0.000%.	121,393.00
\$800,000.00 loan due in semi-annual principal and interest installments of \$41,025.64 through 2029 at an interest rate of 0.000%	<u>430,769.22</u>
Total	<u>\$ 810,986.54</u>

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 7 LONG-TERM DEBT (continued)

Schedule of Annual Debt Service for Principal and Interest for the Green Trust Loan Payable, Over the Next Five Years and Five-Year Increments Thereafter

Year	Green Trust Loan		
	Principal	Interest	Total
2019	\$ 160,897.54	\$ 4,628.44	\$ 165,525.98
2020	146,109.94	2,414.19	148,524.13
2021	92,637.13	759.60	93,396.73
2022	62,128.05	113.91	62,241.96
2023	50,737.08		50,737.08
2024-2028	253,685.40		253,685.40
2029-2031	44,791.40		44,791.40
Total	<u>\$ 810,986.54</u>	<u>\$ 7,916.14</u>	<u>\$ 818,902.68</u>

New Jersey Environmental Infrastructure Trust

The Township, during 2001, entered into a loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the 2001 New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of \$1,255,000.00 to be repaid over a twenty-year period at interest rates ranging from 4.00% to 5.50%, and a Fund Loan Agreement of \$1,318,862.00 to be repaid over a twenty-year period at no interest. The proceeds of the loans were to fund land acquisitions. The schedule below reflects a combined principal and interest payment for the Trust Loan and Fund Loan. The schedule below reflects debt service for the remainder of the loan:

New Jersey Environmental Infrastructure Trust

Year	New Jersey Environmental Infrastructure Trust		
	Principal	Interest	Total
2019	\$ 152,885.06	\$ 13,431.09	\$ 166,316.15
2020	158,003.38	9,087.81	167,091.19
2021	163,156.21	4,662.00	167,818.21
	<u>\$ 474,044.65</u>	<u>\$ 27,180.90</u>	<u>\$ 501,225.55</u>

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 7 LONG-TERM DEBT (continued)

Dam Restoration Loan

The Township, during 2014, entered into a loan agreement with the State of New Jersey, Department of Environmental Protection for a Dam Restoration Loan. The original loan was for \$741,010.00 due in semi-annual principal and interest installments of \$15,629.08 to \$22,811.07 through 2034 at an interest rate of 2.000%.

Year	New Jersey Department of Environmental Protection		
	Principal	Interest	Total
2019	\$ 34,017.36	\$ 12,061.02	\$ 46,078.38
2020	34,701.10	11,377.26	46,078.36
2021	35,398.59	10,679.77	46,078.36
2022	36,110.11	9,968.26	46,078.37
2023	36,835.92	9,242.44	46,078.36
2024-2028	195,587.82	34,804.03	230,391.85
2029-2033	216,050.60	14,341.21	230,391.81
2034	22,811.07	228.11	23,039.18
Total	<u>\$ 611,512.57</u>	<u>\$ 102,702.10</u>	<u>\$ 714,214.67</u>

State of New Jersey, Department of Community Affairs, Demolition Bond Loans

The Township, during 2017, entered into an agreement with the State of New Jersey Department of Community Affairs for a Demolition Bond Loan. The maximum loan amount is \$300,000.00, to be repaid annually over a ten-year period at no interest. The proceeds of the loan will provide funding to support the demolition and disposal of unsafe buildings in the Township of Brick. As of December 31, 2018, the Township has received \$87,600.00 from the State of New Jersey, Department of Community Affairs and paid back \$30,000 in 2018. At the conclusion of the demolition and disposal of unsafe buildings project, the State of New Jersey, Department of Community Affairs and the Township will finalize the Demolition Bond Loan payable and calculate the repayment schedule.

Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuing of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note.

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 7 LONG-TERM DEBT (continued)

Bond Anticipation Notes (continued)

On December 31, 2018, the Township's outstanding bond anticipation notes were as follows:

<u>General Capital Fund</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
Various Capital Improvements and Acquisition of Equipment	6/29/2018	6/28/2019	<u>\$21,430,000.00</u>	4.000%
Total			<u><u>\$21,430,000.00</u></u>	

NOTE 8 SUMMARY OF MUNICIPAL DEBT

The following schedule represents the Township's summary of debt for the current and two previous years:

	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
<u>Issued</u>			
General Bonds, Notes and Loans	<u>\$ 127,294,143.78</u>	<u>\$ 133,727,260.85</u>	<u>\$ 138,883,197.89</u>
Total Debt Issued	<u>127,294,143.78</u>	<u>133,727,260.85</u>	<u>138,883,197.89</u>
<u>Authorized But Not Issued</u>			
General Bonds, Notes and Loans	<u>20,337,970.13</u>	<u>16,874,502.13</u>	<u>13,446,141.84</u>
Total Authorized But Not Issued	<u>20,337,970.13</u>	<u>16,874,502.13</u>	<u>13,446,141.84</u>
Net Debt Issued and Authorized But Not Issued	<u><u>\$ 147,632,113.91</u></u>	<u><u>\$ 150,601,762.98</u></u>	<u><u>\$ 152,329,339.73</u></u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarization statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of 1.396%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local District School	\$ 8,084,000.00	\$ 8,084,000.00	\$ -
General Debt	<u>147,632,113.91</u>	<u>2,216,880.17</u>	<u>145,415,233.74</u>
	<u><u>\$ 155,716,113.91</u></u>	<u><u>\$ 10,300,880.17</u></u>	<u><u>\$ 145,415,233.74</u></u>

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 8 SUMMARY OF MUNICIPAL DEBT (continued)

New Jersey statutes limit the debt of a municipality to 3.500% of the average of the last three preceding year's equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2018 was 1.341% as calculated below. The Township's remaining borrowing power is 2.159%.

Net Debt \$145,415,233.74 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$10,843,634,601.67 = 1.341%.

Borrowing Power under N.J.S.A. 40A:2-6 as amended

3 1/2 % of Equalized Valuation Basis	\$ 379,527,211.06
Net Debt	<u>145,415,233.74</u>
Remaining Borrowing Power	<u><u>\$ 234,111,977.32</u></u>

NOTE 9 DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Township establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

NOTE 10 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As discussed in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018, there were no deferred charges.

NOTE 11 TAXES COLLECTED IN ADVANCE

Taxes collected in advance set forth as cash liabilities in the financial statements, are as follows:

	Balance December 31,	
	<u>2018</u>	<u>2017</u>
Prepaid Taxes	<u>\$ 1,557,082.61</u>	<u>\$ 10,145,260.62</u>

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 11 TAXES COLLECTED IN ADVANCE (continued)

During 2017, the governor signed executive order No. 237. Due to various changes in the Internal Revenue Code including changes in the allowable deduction for State and local property taxes some tax payers found it advantageous to prepay their 2018 taxes in 2017. Executive order No. 237 assured that all New Jersey taxpayers who wished to prepay their taxes, would be able to do so in their municipality. As a result of the executive order, many municipalities saw sharp increases in their prepaid taxes balance at December 31, 2017, such was the case in the Township. As the tax advantage was limited to 2017, prepaid taxes at December 31, 2018 is reduced to pre-2017 levels.

NOTE 12 ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1st in each year and filed with the County Board of Taxation ("Board") by January 10th of the following year. Upon the filing of certified adopted budgets by the Township, Local School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 20th, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector ("Collector") on or before June 3rd. Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent as of the eleventh day of the eleventh month of the fiscal year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

NOTE 13 LOCAL SCHOOL DISTRICT TAXES

Local District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 provides that any municipality that levies school taxes on a school year basis may defer from the municipal purposes tax levy 50% (fifty percent) of the levy. The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. At year end, taxes due consisted of the following:

		Local District School Tax	
		Balance December 31,	
		2018	2017
Balance of Tax		\$ 54,839,645.50	\$ 52,365,050.00
Deferred		48,101,765.57	48,101,765.57
		<u>\$ 6,737,879.93</u>	<u>\$ 4,263,284.43</u>

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 14 FUND BALANCES APPROPRIATED

Fund Balance at December 31, 2018, which was appropriated and included as anticipated revenue in the 2019 municipal budget as adopted for the year ending December 31, 2019 is \$8,546,711.79.

NOTE 15 PENSION PLANS

A. Public Employees' Retirement System (PERS)

General Information About the Plan

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 the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible 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.

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

General Information About the Plan (continued)

Plan Description (continued)

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (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.

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 2018, 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, 2018, the Township's contributions to the PERS was \$2,311,009.00.

Components of Net Pension Liability - At December 31, 2018, the Township reported a liability of \$50,723,566.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. 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, 2017, which was rolled forward to June 30, 2018. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Township's proportion measured as of June 30, 2018, was 0.25762% which was an increase of 0.01199% from its proportion measured as of June 30, 2017.

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to the PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 967,306.00	\$ 261,547.00
Changes in Assumptions	8,358,403.00	16,218,699.00
Net Difference between Projected and Actual Earning on Pension Plan Investments		475,789.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>6,096,563.00</u>	<u> </u>
	<u>\$ 15,422,272.00</u>	<u>\$ 16,956,035.00</u>

The Township will amortize the above sources of deferred outflows and inflows related to the PERS over the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan with the exception of net differences between projected and actual earnings on pension plan investments which will be amortized over 5 years. The average of the expected remaining service lives of all employees are 6.44, 5.72, 5.57 and 5.48 for the years 2014, 2015, 2016 and 2017, respectively.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 2,185,842
2020	1,190,946
2021	(2,050,007)
2022	(2,182,439)
2023	<u>(678,105)</u>
	<u>\$ (1,533,763)</u>

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

Pension Expense and Deferred Outflows/Inflows of Resources (continued)

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	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 15 PENSION PLANS (continued)

A. Public Employees' Retirement System (PERS) (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, 2018) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 63,779,040.00</u>	<u>\$ 50,723,566.00</u>	<u>\$ 39,770,858.00</u>

Supplementary Pension Information – In accordance with GASB 68, the following information is also presented for the PERS Pension Plan. These schedules are presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

Supplementary Pension Information (continued)

Schedule of the Township's Proportionate Share of the Net Pension Liability (Last 5 Plan Years):

	2014	2015	2016	2017	2018
Township's proportion of the net liability	0.2129628476%	0.2211270993%	0.2328808265%	0.2456314444%	0.2576173190%
Township's proportionate share of the net pension liability	\$ 39,872,470	\$ 49,638,603	\$ 68,972,621	\$ 57,179,074	\$ 50,723,566
Township's covered-employee payroll	\$ 15,379,395	\$ 16,019,186	\$ 16,810,717	\$ 17,946,212	\$ 18,052,285
Township's proportionate share of the net pension liability as a percentage of its covered-employee payroll	259.26%	309.87%	410.29%	318.61%	280.98%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

Schedule of the Township's Contributions (Last 5 Plan Fiscal Years)

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 1,755,635	\$ 1,901,100	\$ 2,068,880	\$ 2,275,513	\$ 2,562,460
Contributions in Relation to the contractually Required Contribution	1,755,635	1,901,100	2,068,880	2,275,513	2,562,460
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's covered-employee payroll	\$ 15,379,395	\$ 16,019,186	\$ 16,810,717	\$ 17,946,212	\$ 18,052,285
Contribution as a percentage of covered-employee payroll	11.42%	11.87%	12.31%	12.68%	14.19%

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

General Information About the Plan

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 www.state.nj.us/treasury/pensions/annrpts.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:

Tier

Definition

- 1 Members who were enrolled prior to May 22, 2010.
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
- 3 Members who were eligible to enroll on or after June 28, 2011.

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year 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 schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. 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.

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

General Information About the Plan (continued)

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 2018, 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, 2018, the Township's contributions to PFRS was \$4,044,304. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2018, the Township's proportionate share of the PFRS net pension liability is valued to be \$65,239,029. The net pension liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Township's proportion measured as of June 30, 2018, was .48212%, which was an increase of .02515% from its proportion measured as of June 30, 2017. The Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Township's proportion measured as of June 30, 2018, was .48212%, which was an increase of .02515% from its proportion measured as of June 30, 2017.

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2018, the Township 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	\$ 663,722	\$ 26,974
Changes in Assumptions	5,599,893	16,719,637
Net Difference between Projected and Actual Earnings on Pension Plan Investments		356,917
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>3,939,030</u>	<u>830,757</u>
	<u>\$ 10,202,645</u>	<u>\$ 17,934,285</u>

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan with the exception of net differences between projected and actual earnings on pension plan investments which will be amortized over 5 years. The average of the expected remaining service lives of all employees are 6.17, 5.53, 5.58, 5.59 and 5.73 for the years 2014, 2015, 2016, 2017 and 2018, respectively.

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

Pension Expense and Deferred Outflows/Inflows of Resources (continued)

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 1,268,986
2020	(1,219,738)
2021	(4,632,675)
2022	(2,802,855)
2023	<u>(588,358)</u>
	<u><u>\$ (7,974,640)</u></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.

The State's proportionate share of the PFRS net pension liability attributable to the Township is \$8,861,643 as of December 31, 2018. The net pension liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township'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, 2018 was .48212%, which was a decrease of .00849% from its proportion measured as of June 30, 2016, which is the same proportion as the Township's. At December 31, 2017, the Township's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

Special Funding Situation (continued)

Township's Proportionate Share of Net Pension Liability	\$ 65,239,029
State of New Jersey's Proportionate Share of the Net Pension Liability Attributable to the Township	<u>8,861,643</u>
	<u>\$ 74,100,672</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 Rate	2.25%
Salary increases: Through 2026	2.10 – 8.98% based on age
Thereafter	3.10 – 9.98% based on age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2010 – June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

Actuarial Assumptions (continued)

static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females). The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

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, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Allocation</u>	<u>Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

Long-Term Expected Rate of Return (continued)

Discount Rate - The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Supplementary Pension Information – In accordance with GASB 68, the following information is also presented for the PFRS Pension Plan. These schedules are presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the Net Pension Liability (Last 5 Plan Years):

	2014	2015	2016	2017	2018
Township's proportion of the net liability	0.4556759477%	0.4600781346%	0.4654600829%	0.4569739719%	0.4821218082%
Township's proportionate share of the net pension liability	\$ 57,319,808	\$ 76,632,980	\$ 88,914,782	\$ 70,547,947	\$ 65,239,029
State's proportionate share of the net pension liability associated with the Township	6,172,380	6,720,455	7,466,636	7,901,964	8,861,643
Total	<u>\$ 63,492,188</u>	<u>\$ 83,353,435</u>	<u>\$ 96,381,418</u>	<u>\$ 78,449,911</u>	<u>\$ 74,100,672</u>
Township's covered-employee payroll	\$ 14,614,082.00	\$ 14,838,539.00	\$ 14,928,227.00	\$ 15,961,456.00	\$ 16,856,724.00
Township's proportionate share of the net pension liability as a percentage of its covered-employee payroll	392.22%	516.45%	595.62%	441.99%	387.02%
Plan fiduciary net position as a percentage of the total pension liability	62.41%	56.31%	52.01%	58.60%	62.48%

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 15 PENSION PLANS (continued)

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

Supplementary Pension Information (continued)

Schedule of the Township's Contributions (Last 5 Plan Fiscal Years):

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 3,499,906	\$ 3,739,749	\$ 3,795,085	\$ 4,044,304	\$ 4,713,451
Contributions in Relation to the contractually Required Contribution	3,499,906	3,739,749	3,795,085	4,044,304	4,713,451
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
Township's covered-employee payroll	\$ 14,614,082.00	\$ 14,838,539.00	\$ 14,928,227.00	\$ 15,961,456.00	\$ 16,856,724.00
Contribution as a percentage of covered-employee payroll	23.95%	25.20%	25.42%	25.34%	27.96%

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14%) or 1-percentage-point higher (7.14%) than the current rate:

	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township's Proportionate Share of the Net Pension Liability	\$ 87,314,345	\$ 65,239,029	\$ 47,030,915
State of New Jersey's Proportionate Share of Net Pension Liability Affiliated with the Township	11,860,209	8,861,643	6,388,372
	<u>\$ 99,174,554</u>	<u>\$ 74,100,672</u>	<u>\$ 53,419,287</u>

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

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 16 DEFERRED COMPENSATION PLANS

The Township of Brick offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the Plan, all property and rights purchased with the amounts, and all income attributable to these amounts are for the exclusive benefit of the Plan participants and their beneficiaries and the assets cannot be diverted to any other purpose. The Township serves as Trustee under the Plan.

NOTE 17 DEFINED CONTRIBUTION RETIREMENT PROGRAMS

The Defined Contribution Retirement Program (“DCRP”) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$5,000 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

This retirement program is a pension system where the value of the pension is based on the amount of the contribution made by the employee and employer through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax-deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law required that 3 classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is re-elected to an elected office held prior to that date without a break in service may remain in the PERS.
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor’s term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in the PERS.

Contributions made by employees for the DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 18 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”)

Plan description - the Township provides post-employment health care benefits (OPEB) for retired employees by administering a single-employer defined benefit plan (“the Plan”) in accordance with New Jersey Statute 40A:10-23. No assets are accumulated in a trust that meets the criteria in paragraph 4 of statement 75. The costs of the plan are funded on a pay-as-you-go basis. The Township does not issue a separate financial report for the retiree healthcare plan.

Benefits provided - the plan provides medical, prescription drug, dental and vision benefits to eligible retirees. Benefit provisions are established through collective bargaining agreements and other Township agreements.

Eligibility requirements - township employees are eligible for medical and pharmacy coverage upon retirement from active service after completing 25 years of service in the New Jersey Public Employees Retirement System. They are eligible for medical and pharmacy coverage upon disability retirement or death while in active service after completing 10 years of service. They are not eligible for dental and vision benefits. Retiree coverage continues for the life of the retiree. Spouse and surviving spouse coverage continue for the life of the spouse. Dependent child coverage continues until age 26 for full-time students.

Members of the police department are eligible for all coverage upon retirement from active service after completing 25 years of service in the New Jersey Police and Fire Retirement System. They are eligible for all coverages upon disability retirement or death while in active service after completing 10 years of service. Retiree coverage continues for the life of the retiree. Spouse and surviving spouse coverage continue for the life of the spouse. Dependent child coverage continues until age 26 for full-time students.

Contribution rates - rates for future retirees will be based on the State of New Jersey new contribution formula per implementation of Chapter 78. Contributions are calculated using a varying formula based on the retirees’ base salary at retirement with a minimum contribution of 1.5% of base salary. Active employees hired prior to implementation of Chapter 78 (June 28, 2011) with less than twenty (20) years of service at implementation had their contribution phased in over a four-year period. Employees hired on or after June 28, 2011 will have their contribution set at the highest year four contribution level. As the four-year phase in period has expired, all active employees’ contribution level is set at the highest level. Contributions for current retirees and future retirees with twenty (20) or more years of service at June 28, 2011 are 0%, they are non-contributory. Employee contributions for the year ended December 31, 2018 were \$2,316,708.

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

Inactive employees or beneficiaries currently eligible for coverage	268
Active employees waiving coverage	60
Active employees currently electing coverage	<u>352</u>
	<u>680</u>

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 18 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)

Total OPEB Liability - The Township’s OPEB liability of \$399,421,482 was measured as of December 31, 2018, and was determined by an actuarial valuation of that date.

Actuarial Assumptions and other inputs - The total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	8%
Salary increases	3% average salary increase for entry age normal
Discount Rate	3.8%
Healthcare cost trend rates	8% decreasing 0.5% per year to an ultimate rate Of 5% for 2026 and later years
Retirees’ share of benefit related costs	Based on Chapter 78 contribution formulas for PERS and PFRS

The discount rate was based on the average of three 20-year bond indices (Bond Buyer - 20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index and Fidelity GA AA 20 years).

Mortality rates are based on the 2014 Healthy Male and Female Tables are based on the Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2018.

The valuation is based on the decrement tables from the New Jersey Public Employees’ Retirement System (PERS) and the New Jersey Police and Firemen’s Retirement System (PFRS). Decrement tables are based on the July 1, 2016 Annual Report of the Actuary for both PERS and PFRS.

Changes in the Total OPEB Liability

		<u>Total OPEB Liability</u>
Balance at December 31, 2017		\$ 390,246,806
Annual service cost	\$ 4,035,665	
Interest	14,648,695	
Benefits payments	<u>(9,509,684)</u>	
Net changes		<u>9,174,676</u>
Balance at December 31, 2018		<u>\$ 399,421,482</u>

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 18 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Township, as well as what the Township’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.8%) or 1-percentage-point higher (4.8%) than the current discount rate:

	1% Decrease (2.8%)	Discount Rate (3.8%)	1% Increase (4.8%)
Total OPEB Liability	\$ 498,862,974	\$ 399,421,482	\$ 328,124,494

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate - The following presents the total OPEB liability of the Township, as well as what the Township’s total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower (7% decreasing to 4%) or 1-percentage-point higher (9% decreasing to 6%) than the current discount rate:

	1% Decrease (7% decreasing to 4%)	Healthcare Cost Trend Rates (8% decreasing to 5%)	1% Increase (9% decreasing to 6%)
Total OPEB Liability	\$ 316,872,856	\$ 399,421,482	\$ 511,727,686

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2018, the Township recognized OPEB expenditures of \$9,509,684. At December 31, 2018 the Township reported deferred outflows and deferred inflows of resources related to OPEB of \$0.

Supplementary Pension Information - In accordance with GASB 75, the following information is also presented for OPEB. These schedules are presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 18 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)

Schedule of Changes in the Township’s Total OPEB Liability and Related Ratios (unaudited) Last 1 Fiscal Year:

	2018
Service Cost	\$ 4,035,665
Interest	14,648,695
Benefit Payments	<u>(9,509,684)</u>
Net Change in Total OPEB Liability	9,174,676
Total OPEB Liability-Beginning	<u>390,246,806</u>
Total OPEB Liability-Ended	<u><u>\$ 399,421,482</u></u>
Covered-Employee Payroll	\$ 31,160,224
Total OPEB Liability as a Percentage of Covered-Employee Payroll	1281.83%

Notes to Schedule:

Changes in Benefit Terms: None

Changes in Assumptions: None

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net IPEB liability, deferred outflows of resources of deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities’ total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The State’s proportionate share of the collective net OPEB liability attributable to the Township was \$30,177,039 and \$42,797,606 or .485642% and .492186% of the collective net OPEB liability for the years ended December 31, 2018 and 2017, respectively.

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 19 INTERFUND BALANCES

The composition of interfund balances as of December 31, 2017 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Current Fund	Federal and State Grant Fund	<u>\$ 517,043.57</u>

All balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) revenues/receipts are collected, and (3) payments between funds are made.

NOTE 20 POST-CLOSURE LANDFILL COSTS

Federal law requires the Township to perform certain inspection and monitoring functions at the landfill located in the Herbertsville section of Brick Township (the “site”) until the Environmental Protection Agency (EPA) deems the site is satisfactorily remediated. A solar field was built on the site in 2014.

Then estimated costs to monitor the landfill in accordance with the EPA approved Operations & Maintenance (O&M) Plan is \$1,500,000 over the next 10 years. The Township is obligated to budget for and pay these costs until the site is fully remediated.

The amount is based on an estimate of what it would cost to perform all post-closure costs as of May 19, 2017. Actual costs and the length of time required to inspect, monitor, and repair may differ from this estimate due to final approval of certain elements by the EPA, inflation, changes in technology, and changes in regulations.

NOTE 21 FIXED ASSETS

Fixed asset activity of the year ended December 31, 2018 was as follows:

<u>Fixed Assets</u>	Balance <u>December 31, 2017</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>December 31, 2018</u>
Land	\$ 29,651,882.47	\$ 2,000.00		\$ 29,653,882.47
Buildings and Improvements	19,147,439.34	5,905,535.09		25,052,974.43
Construction in Progress	1,520,770.58		\$ 1,520,770.58	
Machinery, Equipment and Vehicles	<u>32,281,472.01</u>	<u>1,897,412.88</u>	<u>2,415,662.78</u>	<u>31,763,222.11</u>
	<u>\$ 82,601,564.40</u>	<u>\$ 7,804,947.97</u>	<u>\$ 3,936,433.36</u>	<u>\$ 86,470,079.01</u>

TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 22 RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disaster. The Township is a member of the Ocean County Municipal Joint Insurance Fund. The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property. The Joint Insurance Fund also purchased an excess faithful performance and employee dishonesty bond. There were no settlements in excess of insurance coverage in 2018, 2017, and 2016.

NOTE 23 CONTINGENCIES

A. Accrued Sick and Vacation Time - Unaudited

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation and sick pay. The Township permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The Township estimated current cost of such unpaid compensation would approximate \$6,695,174.91 at December 31, 2018. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

B. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserve for unemployment compensation insurance at December 31, 2018 was \$589,496.47.

C. Litigation

The Township is involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, Township Officials, based upon the opinion of the Township's Counsel, presently believe that the outcome of each such proceeding or claim which is pending or known to be threatened, or all of them combined, will not have a material adverse effect on the Township's financial position or adversely affect the Township's ability to levy, collect, and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

**TOWNSHIP OF BRICK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 23 CONTINGENCIES (continued)

D. Federal and State Grants

The Township receives financial assistance from the U.S. government and the State of New Jersey 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 payment to the grantor agency. As of December 31, 2018, the Township estimates that no material liabilities will result from such audits.

NOTE 24 SUBSEQUENT EVENTS

On June 11, 2019, the Township adopted ordinance 6-19 providing for various capital improvements and acquisitions, appropriating \$1,506,314. The ordinance authorizes \$1,430,999 of debt and \$75,315 from the capital improvement fund.

On June 11, 2019, the Township adopted ordinance 7-19 providing for various capital improvements and acquisitions, appropriating \$489,000. The ordinance authorizes \$464,550 of debt and \$24,450 from the capital improvement fund.

On June 11, 2019, the Township adopted ordinance 8-19 providing for various capital improvements and acquisitions, appropriating \$3,489,635. The ordinance authorizes \$3,315,153 of debt and \$174,482 from the capital improvement fund.

On June 11, 2019, the Township adopted ordinance 9-19 providing for various capital improvements and acquisitions, appropriating \$3,015,051. The ordinance authorizes \$2,864,298 of debt and \$150,753 from the capital improvement fund.

The Township has evaluated subsequent events occurring after December 31, 2018 through the date of August 7, 2019 which is the date the financial statements were available to be issued.

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 49,724,029.38
Increased by Receipts:			
Non-Budget Revenues	A-2	\$ 2,817,289.15	
Taxes Receivable	A-6	222,105,277.99	
Tax Title Liens	A-7	9,957.83	
Revenue Accounts Receivable	A-10	15,430,936.82	
State of New Jersey (P.L. 1971, Ch. 20)	A-11	872,885.21	
Prepaid Taxes	A-13	1,425,405.08	
Tax Overpayments	A-14	197,661.82	
Marriage License Fees	A-18	10,100.00	
DCA Surcharge	A-19	100,565.00	
Interfunds	A-20	1,781,105.99	
Payroll Deductions Payable	A-30	51,551,767.96	
Reserve for FEMA	A-31	221,518.03	
Cafeteria Plan	A	2,192.83	
Due to State of New Jersey - Burial Permits	A	10.00	
			296,526,673.71
			346,250,703.09
Decreased by Disbursements:			
2018 Budget Appropriations	A-3	88,688,913.51	
2017 Appropriation Reserves	A-12	3,278,182.13	
Prior Year Revenue Refunded	A-1	2,540.94	
Prepaid Taxes	A-13	930.24	
Tax Overpayments	A-14	482,285.61	
County Taxes Payable	A-15	44,192,874.13	
Local School District Tax	A-16	107,204,695.50	
Special District Taxes Payable	A-17	5,424,288.00	
Marriage License Fees	A-18	10,350.00	
DCA Surcharge	A-19	97,696.00	
Interfunds	A-20	4,703,212.67	
Accounts Payable	A-22	14,145.00	
Reserve for Hurricane Sandy	A-29	1,155.00	
Payroll Deductions Payable	A-30	51,234,713.52	
			305,335,982.25
Balance, December 31, 2018	A		\$ 40,914,720.84

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH - CHANGE FUND

	<u>Ref.</u>	
Balance December 31, 2017 and 2018	A	<u>\$ 3,750.00</u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance December 31, 2017	Added in 2018	2018 Levy	<u>Collections</u> 2017	2018	Tax Overpayments Applied	Transferred to Tax Title Liens	P.L. 1971, Chapter 20 Senior Citizens and Veterans	Canceled, Remitted or Abated	Balance December 31, 2018
2012							\$ (1,595.53)			\$ 1,595.53
2013							(2,311.71)			2,311.71
2014					\$ 1,000.00		(2,355.11)	\$ (6,000.00)		7,355.11
2015	\$ 5,585.45				1,752.94		(2,375.14)	(7,000.00)		13,207.65
2016	17,933.48				10,661.48		(1,840.64)	(500.00)	\$ 500.00	9,112.64
2017	2,733,481.90	\$ 53,216.74			2,779,259.89		11,106.44	(30,757.54)		27,089.85
	2,757,000.83	53,216.74			2,792,674.31		628.31	(44,257.54)	500.00	60,672.49
2018			\$ 233,663,606.78	\$ 10,145,260.62	219,312,603.68	\$ 85,150.20	71,664.34	902,123.77	497,985.43	2,648,818.74
	<u>\$ 2,757,000.83</u>	<u>\$ 53,216.74</u>	<u>\$ 233,663,606.78</u>	<u>\$ 10,145,260.62</u>	<u>\$ 222,105,277.99</u>	<u>\$ 85,150.20</u>	<u>\$ 72,292.65</u>	<u>\$ 857,866.23</u>	<u>\$ 498,485.43</u>	<u>\$ 2,709,491.23</u>
	A		A-6	A-2/A-13	A-2/A-4	A-2/A-14	A-7	A-2/A-11		A

Analysis of 2018 Property Tax LevyRef.

Tax Yield:

General Purpose Tax		\$ 227,438,783.05
Special District Taxes		5,470,403.90
Added and Omitted Tax		<u>754,419.83</u>

A-6

\$ 233,663,606.78

Tax Levy:

Local District School Tax	A-16	\$ 109,679,291.00
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County Taxes:

County Tax	A-15	\$ 37,202,612.42
County Library Tax	A-15	4,059,270.85
County Health Tax	A-15	1,465,774.86
County Open Space Tax	A-15	1,286,232.64
Due County for Added and Omitted Taxes	A-15	<u>153,750.54</u>

Total County Taxes

44,167,641.31

Special District Taxes:

Fire District No. 1 (Amount Certified)		2,380,000.00
Fire District No. 2 (Amount Certified)		1,784,000.00
Fire District No. 3 (Amount Certified)		<u>1,260,288.00</u>

A-17

5,424,288.00

Municipal Open Space Tax

1,031,468.05

Due Municipal Open Space for Added and
Omitted Taxes3,590.78

1,035,058.83

Local Tax for Municipal Purposes

A-20

72,615,350.43

Add: Additional Tax Levied

741,977.2173,357,327.64

A-6

\$ 233,663,606.78

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 709,250.69
Increased by:			
Transfer from Taxes Receivable	A-6	\$ 72,292.65	
Interest and Cost		<u>1,535.29</u>	
			<u>73,827.94</u>
			783,078.63
Decreased by:			
Transferred to Property Acquired for Taxes	A-9	\$ 110,055.16	
Collections	A-2/A-4	<u>9,957.83</u>	
			<u>120,012.99</u>
Balance, December 31, 2018	A		<u><u>\$ 663,065.64</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF NON-FEDERAL COST SHARE RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2017 and 2018	A	<u>\$ 52,858.15</u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 7,699,100.00
Increased by:			
Foreclosed in 2018:			
Tax Title Liens	A-7	\$ 110,055.16	
Adjustment to Assessed Valuation		<u>749,344.84</u>	
			<u>859,400.00</u>
Balance, December 31, 2018	A		<u><u>\$ 8,558,500.00</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	Balance <u>December 31, 2017</u>	<u>Accrued in 2018</u>	<u>Collected</u>	Balance <u>December 31, 2018</u>
Licenses					
Alcoholic Beverages Licenses	A-2		\$ 84,300.00	\$ 84,300.00	
Other	A-2		46,335.90	46,335.90	
Fees and Permits	A-2	\$ 18,794.47	487,863.87	481,731.41	\$ 24,926.93
Fines and Costs					
Municipal Courts	A-2	41,410.46	591,002.00	599,652.62	32,759.84
Collector of Taxes					
Interest and Costs on Taxes	A-2		541,994.88	541,994.88	
Interest on Investments and Deposits	A-2		631,057.96	631,057.96	
Bathing Beach Privileges	A-2	7,445.00	410,540.00	410,180.00	7,805.00
Energy Receipts Tax	A-2		5,387,064.00	5,387,064.00	
Uniform Construction Code Fees	A-2	176,051.00	2,686,368.00	2,620,714.00	241,705.00
EMS Service Fees	A-2		2,002,094.90	2,002,094.90	
Solar Redeveloper's Debt Service Contribution per					
Redeveloper Agreement	A-2		2,031,377.50	2,031,377.50	
Reserve for the Payment of Debt Service	A-2		103,146.80	103,146.80	
Comcast/Verizon Franchise Tax	A-2		491,286.85	491,286.85	
		<u>\$ 243,700.93</u>	<u>\$ 15,494,432.66</u>	<u>\$ 15,430,936.82</u>	<u>\$ 307,196.77</u>
	<u>Ref.</u>	A		A-4	A

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE FROM STATE - C. 20, P.L. 1971

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 23,046.68
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$ 193,000.00	
Veterans		692,250.00	
Deductions Allowed by Collector		22,500.00	
		<u>907,750.00</u>	
Less: Deductions Disallowed by Collector		<u>5,626.23</u>	
	A-6		<u>902,123.77</u>
			925,170.45
Prior Year Deductions Disallowed by Collector	A-1/A-6	44,257.54	
Received from State of New Jersey	A-4	<u>872,885.21</u>	
			<u>917,142.75</u>
Balance, December 31, 2018	A		<u><u>\$ 8,027.70</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>December 31, 2017</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>Operations Within CAPS</u>					
Administrative and Executive					
Salaries and Wages	\$ 281.93		\$ 281.93		\$ 281.93
Other Expenses	2,283.73	\$ 48.01	2,331.74	\$ 48.01	2,283.73
Purchasing and Contracting					
Salaries and Wages	2,379.63		2,379.63		2,379.63
Other Expenses	7,408.13	4,411.41	11,819.54	4,329.00	7,490.54
Human Resources					
Salaries and Wages	20,113.26		20,113.26		20,113.26
Other Expenses	79,525.64	11,369.25	90,894.89	23,326.60	67,568.29
Mayor					
Salaries and Wages	126.23		126.23		126.23
Other Expenses	2,504.56	377.70	2,882.26	309.18	2,573.08
Council					
Salaries and Wages	8,000.06		8,000.06		8,000.06
Other Expenses	1,718.41	90.00	1,808.41	272.00	1,536.41
Municipal Clerk					
Salaries and Wages	13,073.22		13,073.22		13,073.22
Other Expenses	13,175.02	32,591.27	45,766.29	5,380.86	40,385.43
Township Clerk Elections					
Other Expenses	2,084.26		2,084.26		2,084.26
Financial Administration					
Salaries and Wages	36,051.28		36,051.28		36,051.28
Other Expenses	9,935.81	2,496.27	12,432.08	6,600.56	5,831.52

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>December 31, 2017</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Computerized Data Processing					
Salaries and Wages	\$ 16,090.90		\$ 16,090.90		\$ 16,090.90
Other Expenses	2,541.44	\$ 61,957.22	64,498.66	\$ 63,478.98	1,019.68
Tax Collector					
Salaries and Wages	45.41		45.41		45.41
Other Expenses	6,238.02	1,453.71	7,691.73	1,275.61	6,416.12
Tax Assessor					
Salaries and Wages	14,361.69		14,361.69		14,361.69
Other Expenses	25,494.14	68,863.79	94,357.93	69,737.79	24,620.14
Legal Services					
Other Expenses	86,352.58	1,955.89	88,308.47	45,011.93	43,296.54
Engineering					
Salaries and Wages	48,644.85		48,644.85		48,644.85
Other Expenses	27,411.51	26,880.56	54,292.07	8,445.34	45,846.73
Historic Preservation Committee					
Salaries and Wages	182.92		182.92		182.92
Other Expenses	233.00	767.00	1,000.00	767.00	233.00
<u>Land Use Administration:</u>					
Planning Board					
Salaries and Wages	5,000.00		5,000.00		5,000.00
Other Expenses	1,430.95	121.74	1,552.69	121.74	1,430.95
Land Use					
Salaries and Wages	44,745.45		44,745.45		44,745.45
Other Expenses	9,844.10	454.48	10,298.58	454.48	9,844.10

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance <u>December 31, 2017</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Shade Tree Commission					
Salaries and Wages	\$ 222.92		\$ 222.92		\$ 222.92
Other Expenses	278.28	\$ 225.00	503.28	\$ 225.00	278.28
Zoning Board of Adjustment					
Salaries and Wages	25,372.29		25,372.29		25,372.29
Other Expenses	3,347.30		3,347.30		3,347.30
Affordable Housing Agency					
Salaries and Wages	12,372.38		12,372.38		12,372.38
Other Expenses	6,310.08	2,642.30	8,952.38	5,989.66	2,962.72
<u>Code Enforcement and Administration:</u>					
Municipal Code Enforcement					
Salaries and Wages	328.36		328.36		328.36
Other Expenses	150,797.61	173.00	150,970.61	173.00	150,797.61
<u>Insurance:</u>					
Liability Insurance	54,758.67	1,197.00	55,955.67		55,955.67
Employee Group Insurance	269,169.90	1,246,473.18	1,515,643.08	1,415,635.26	100,007.82
Insurance Waiver	30.16		30.16		30.16
<u>Public Safety Functions:</u>					
Police Department					
Salaries and Wages	243,928.00		243,928.00	1,468.91	242,459.09
Other Expenses	1,606.88	52,214.23	53,821.11	50,744.62	3,076.49

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance <u>December 31, 2017</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Crossing Guards					
Salaries and Wages	\$ 671.19	\$ 1,380.00	\$ 2,051.19	\$ 1,380.00	\$ 671.19
Other Expenses	2,000.00		2,000.00		2,000.00
Explorers					
Other Expenses	760.50	849.50	1,610.00	849.50	760.50
Police Vehicles and Equipment					
Other Expenses	432.38	238,484.94	238,917.32	233,243.91	5,673.41
Police Dispatch/ 911					
Salaries and Wages	3,557.32		3,557.32		3,557.32
Other Expenses	513.00	1,000.00	1,513.00	1,000.00	513.00
Special Police					
Salaries and Wages	1,114.08		1,114.08		1,114.08
Other Expenses	1,843.22	786.53	2,629.75	655.53	1,974.22
Office of Emergency Management					
Salaries and Wages	8,805.32		8,805.32		8,805.32
Other Expenses	320.00		320.00		320.00
Municipal Prosecutor's Office					
Other Expenses	5,800.00	5,800.00	11,600.00	7,600.00	4,000.00
<u>Public Works Functions:</u>					
Streets and Road Maintenance					
Other Expenses	5,641.25	119,754.76	125,396.01	96,713.85	28,682.16
Bus Transportation					
Other Expenses	40,972.73		40,972.73	12,938.47	28,034.26

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance <u>December 31, 2017</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Solid Waste Collection					
Salaries and Wages	\$ 5,736.81		\$ 5,736.81	\$ 1,136.51	\$ 4,600.30
Other Expenses	12,870.77	\$ 54.32	12,925.09	4,336.40	8,588.69
Building and Grounds					
Salaries and Wages	964.14		964.14		964.14
Other Expenses	63,525.55	111,654.66	175,180.21	113,365.09	61,815.12
Vehicle Maintenance					
Salaries and Wages	20,240.30		20,240.30		20,240.30
Other Expenses	5,024.97	91,155.68	96,180.65	82,677.12	13,503.53
Community Services Act	300,000.00		300,000.00	176,206.50	123,793.50
<u>Health and Human Services Functions:</u>					
Environmental Commission					
Salaries and Wages	2,020.00		2,020.00		2,020.00
Other Expenses	390.00		390.00		390.00
Animal Control Services					
Other Expenses	16,000.00		16,000.00		16,000.00
<u>Parks and Recreation Functions:</u>					
Recreation Services and Programs					
Salaries and Wages	610.65		610.65		610.65
Other Expenses	3,757.17	1,434.49	5,191.66	1,485.99	3,705.67
Maintenance of Parks					
Salaries and Wages	6,208.22		6,208.22		6,208.22
Other Expenses	17,608.66	7,568.23	25,176.89	7,268.23	17,908.66

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance <u>December 31, 2017</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Beach and Boardwalk Operations					
Other Expenses	\$ 398.49		\$ 398.49		\$ 398.49
Senior Citizens					
Salaries and Wages	9,558.11		9,558.11		9,558.11
Other Expenses	3,244.50	\$ 504.40	3,748.90	\$ 287.89	3,461.01
<u>Utility Expenses and Bulk Purchases:</u>					
Street Lighting	63,847.10		63,847.10	62,534.57	1,312.53
Telephone	4,710.60	25,378.56	30,089.16	29,638.81	450.35
Water	51,001.71		51,001.71	8,443.93	42,557.78
Natural Gas	36,764.61	-	36,764.61	12,082.03	24,682.58
Telecommunications Costs	155.88		155.88		155.88
Gasoline	108,191.56	32,955.78	141,147.34	118,983.30	22,164.04
Electricity	101,880.29	1,156.00	103,036.29	39,557.37	63,478.92
Solid Waste Disposal Costs	71,677.76	504,718.15	576,395.91	493,663.58	82,732.33
Municipal Court					
Salaries and Wages	11,317.07		11,317.07		11,317.07
Other Expenses	3,712.22	1,964.10	5,676.32	1,672.00	4,004.32
Public Defender					
Other Expenses	17,000.00		17,000.00	4,000.00	13,000.00
<u>Uniform Construction Code - Appropriations</u>					
<u>Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):</u>					
Uniform Construction Code					
Salaries and Wages	86,942.51		86,942.51		86,942.51
Other Expenses	57,672.38	1,584.05	59,256.43	19,531.21	39,725.22

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>December 31, 2017</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>Unclassified:</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 41.33		\$ 41.33		\$ 41.33
Social Security System (O.A.S.I.)	150,153.74		150,153.74		150,153.74
Police and Firemen's Retirement System of NJ	916.96		916.96		916.96
Defined Contribution Retirement Program	8,299.34		8,299.34	\$ 691.11	7,608.23
Short Term Disability Insurance	10,335.67		10,335.67	1,801.98	8,533.69
<u>Operations Excluded from CAPS</u>					
Recycling Tax	9,805.76		9,805.76	7,252.56	2,553.20
EMT Service					
Salaries and Wages	2,276.01		2,276.01		2,276.01
Other Expenses	27,598.92	\$ 30,632.34	58,231.26	47,534.16	10,697.10
	<u>\$ 2,620,691.71</u>	<u>\$ 2,695,579.50</u>	<u>\$ 5,316,271.21</u>	<u>\$ 3,292,327.13</u>	<u>\$ 2,023,944.08</u>
<u>Ref.</u>	A	A-21		A-12	A-1
Cash Disbursements	A-4			\$ 3,278,182.13	
Accounts Payable	A-22			14,145.00	
	A-12			<u>\$ 3,292,327.13</u>	

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 10,145,260.62
Increased by:			
Collections, 2019 Taxes	A-4	\$ 1,425,405.08	
Overpayments Applied	A-14	<u>132,607.77</u>	
			<u>1,558,012.85</u>
			11,703,273.47
Decreased by:			
Refunded	A-4	930.24	
Applied to Taxes Receivable	A-6	<u>10,145,260.62</u>	
			<u>10,146,190.86</u>
Balance, December 31, 2018	A		<u><u>\$ 1,557,082.61</u></u>

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 319,713.18
Increased by:			
Prior Year Revenue Refunded	A-1	\$ 563,665.37	
Receipts	A-4	<u>197,661.82</u>	
			<u>761,327.19</u>
			1,081,040.37
Decreased by:			
Refunds	A-4	482,285.61	
Applied to Taxes Receivable	A-6	85,150.20	
Applied to Prepaid Taxes	A-13	132,607.77	
Canceled	A-1	<u>18,948.29</u>	
			<u>718,991.87</u>
Balance, December 31, 2018	A		<u><u>\$ 362,048.50</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 178,983.36
Increased by:			
County Tax	A-6	\$ 37,202,612.42	
County Library Tax	A-6	4,059,270.85	
County Health Tax	A-6	1,465,774.86	
County Open Space Preservation Tax	A-6	1,286,232.64	
	A-1	44,013,890.77	
Due County for Added and Omitted Taxes	A-1/A-6	153,750.54	
			44,167,641.31
			44,346,624.67
Decreased by:			
Payments	A-4		44,192,874.13
Balance, December 31, 2018	A		\$ 153,750.54

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2017			
School Tax Payable	A	\$ 4,263,284.43	
School Tax Deferred		48,101,765.57	
			\$ 52,365,050.00
Increased by:			
Levy - School Year July 1, 2018 to June 30, 2019	A-6		109,679,291.00
			162,044,341.00
Decreased by:			
Payments	A-4		107,204,695.50
Balance, December 31, 2018			
School Tax Payable	A	6,737,879.93	
School Tax Deferred		48,101,765.57	
			\$ 54,839,645.50
<u>2018 Liability for Local District School Tax</u>			
Tax Paid	A-4		\$ 107,204,695.50
School Tax Payable, December 31, 2018	A		6,737,879.93
			113,942,575.43
School Tax Payable, December 31, 2017	A		4,263,284.43
Amount Charged to 2018 Operations	A-1		\$ 109,679,291.00

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	A	
Increased by:		
Fire Districts Tax Levy	A-1/A-6	<u>\$ 5,424,288.00</u> 5,424,288.00
Decreased by:		
Cash Disbursed	A-4	<u>\$ 5,424,288.00</u>
Balance, December 31, 2018	A	<u><u> </u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
MARRIAGE LICENSE FEES

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 1,850.00
Increased by:		
Cash Receipts	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">10,100.00</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		11,950.00
Decreased by:		
Cash Disbursements	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">10,350.00</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance, December 31, 2018	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 1,600.00</div> <div style="border-top: 3px double black; width: 100px;"></div> </div>

SCHEDULE OF DUE TO STATE OF NEW JERSEY - DCA SURCHARGE

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 13,053.00
Increased by:		
Cash Receipts	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">100,565.00</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		113,618.00
Decreased by:		
Cash Disbursements	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">97,696.00</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance, December 31, 2018	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 15,922.00</div> <div style="border-top: 3px double black; width: 100px;"></div> </div>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF INTERFUNDS - OTHER FUNDS

	<u>Ref.</u>	<u>Total</u>	<u>General Capital Fund</u>	<u>Federal and State Grant Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2017					
Interfunds Payable	A	<u>\$ 1,338,860.35</u>	<u>\$ 1,222,255.00</u>	<u>\$ 116,605.35</u>	<u></u>
Increased by:					
Tax Levy Including Added Taxes	A-1/A-6	1,035,058.83			\$ 1,035,058.83
Collections - Treasurer:					
Grants Receivable	A-4	1,781,105.99		1,781,105.99	
Cancel Grants Receivable	A-1	310,959.35		310,959.35	
Grant Appropriations - Budget	A-3	1,697,913.05		1,697,913.05	
		<u>4,825,037.22</u>	<u></u>	<u>3,789,978.39</u>	<u>1,035,058.83</u>
Sub - Total		<u>6,163,897.57</u>	<u>1,222,255.00</u>	<u>3,906,583.74</u>	<u>1,035,058.83</u>
Decreased by:					
Disbursements	A-4	4,703,212.67	1,222,255.00	2,445,898.84	1,035,058.83
Cancel Reserve for Grants					
Appropriated	A-1	279,815.42		279,815.42	
Grants Receivable - Budget	A-2	1,697,913.05		1,697,913.05	
		<u>6,680,941.14</u>	<u>\$ 1,222,255.00</u>	<u>4,423,627.31</u>	<u>\$ 1,035,058.83</u>
Balance, December 31, 2018					
Interfunds Receivable	A	<u>\$ (517,043.57)</u>		<u>\$ (517,043.57)</u>	
<u>Analysis of (Net Charge)/Credit to Operations</u>					
Interfunds Receivable:					
Balance, December 31, 2018	Above	<u>\$ (517,043.57)</u>			
(Net Charge)/Credit to Operations	A-1	<u>\$ (517,043.57)</u>			

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 2,695,579.50
Increased by:		
Current Appropriations Charged	A-3	2,287,235.39
		<u>4,982,814.89</u>
Decreased by:		
Transferred to Appropriation Reserves	A-12	2,695,579.50
		<u>2,695,579.50</u>
Balance, December 31, 2018	A	<u><u>\$ 2,287,235.39</u></u>

SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 85,000.00
Increased by:		
Transfer from Appropriation Reserves	A-12	14,145.00
		<u>99,145.00</u>
Decreased by:		
Disbursements	A-4	14,145.00
		<u>14,145.00</u>
Balance, December 31, 2018	A	<u><u>\$ 85,000.00</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF INTERFUNDS DUE (TO)/FROM

	<u>Ref.</u>	<u>Current</u>
Balance, December 31, 2017	A	\$ 116,605.35
Increased by:		
Deposited in Current Fund:		
Grants Receivable	A-24	\$ 1,781,105.99
Grants Receivable Canceled	A-24	310,959.35
2018 Budget Appropriations	A-25	<u>1,697,913.05</u>
		<u>3,789,978.39</u>
		3,906,583.74
Decreased by:		
Disbursed by Current Fund:		
Appropriated Reserves	A-25	2,445,898.84
Grants Appropriated Canceled	A-25	279,815.42
2018 Anticipated Revenue	A-24	<u>1,697,913.05</u>
		<u>4,423,627.31</u>
Balance, December 31, 2018	A	<u><u>\$ (517,043.57)</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance December 31, 2017</u>	<u>2018 Anticipated Revenue</u>	<u>Cash Received</u>	<u>Transfer From Grants Unappropriated</u>	<u>Canceled</u>	<u>Balance December 31, 2018</u>
Federal						
US Department of Justice:						
Bulletproof Vest Partnership Grant - 2016	\$ 5,004.95		\$ 5,004.95			
Bulletproof Vest Partnership Grant - 2017	25,013.27		13,895.05			\$ 11,118.22
Body Worn Camera Grant	112,500.00		112,456.25			43.75
US Department of Agriculture:						
Passed Thorough - NJ Department of Environmental Protection:						
State Forest Service:						
Green Communities Grant		\$ 3,000.00				3,000.00
US Department of Housing and Urban Development:						
Community Development Block Grant - 2015	208,764.81		54,720.09			154,044.72
Community Development Block Grant - 2016	206,056.40					206,056.40
Community Development Block Grant - 2017	247,077.00		104,441.10			142,635.90
Community Development Block Grant - 2018		296,556.00				296,556.00
US Department of Transportation:						
Passed Thorough - NJ Department of Transportation:						
Safe Routes to School - 2016	167,906.59		130,299.63		\$ 37,606.96	
Birchwood Park Roadway Improvements - Phase III		246,633.00	184,974.75			61,658.25
2010 Roadway and Drainage Improvements - Laurelton Road	57,171.25		57,171.25			
Lake Riviera Road Improvements	368,694.00		368,694.00			
Cederwood Park East		475,060.00				475,060.00
NJ Department of Community Affairs:						
2014 Post Sandy Planning Assistance Grant (Phase II)	37,742.83				37,742.83	
NJ Department of Law and Public Safety:						
COPS in Shops - 2017		3,520.00	3,200.00		320.00	
Federal Highway Safety Grant - 2018		29,999.00	29,287.03			711.97
Federal Highway Safety Grant - 2019		29,999.00				29,999.00
Airport Tract Bikeway	200,000.00					200,000.00
US Department of Health and Human Services:						
Passed Through County of Ocean:						
Title III B - Senior Citizens Grant		135,100.00	135,100.00			
Title III E - Senior Citizens Grant		27,500.00	27,500.00			

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance December 31, 2017</u>	<u>2018 Anticipated Revenue</u>	<u>Cash Received</u>	<u>Transfer From Grants Unappropriated</u>	<u>Canceled</u>	<u>Balance December 31, 2018</u>
US Fish and Wildlife Services:						
Passed Through - NJ Department of Environmental Protection						
Passed Through - County of Ocean						
Ocean County Pump Out Boat - 2018		\$ 40,000.00	\$ 40,000.00			
Ocean County Pump Out Boat - 2017	\$ 20,455.04				\$ 20,455.04	
NJ Department of Transportation:						
Passed Through - NJ Department of Environmental Protection:						
Recreational Trails Program Grant - 2017	24,000.00					\$ 24,000.00
US Department of Homeland Security:						
Passed Through - NJ Department of Law and Public Safety:						
NJ OEM - Hazard Mitigation Grant Program - 2015	250,000.00					250,000.00
NJ OEM - Hazard Mitigation Grant Program 2 - 2015	369,005.00					369,005.00
Passed Through - County of Ocean						
Homeland Security Grant - 2016	34,940.00		34,940.00			
Total Federal	<u>2,334,331.14</u>	<u>1,287,367.00</u>	<u>1,301,684.10</u>		<u>96,124.83</u>	<u>2,223,889.21</u>
State						
NJ Department of Environmental Protection:						
Clean Communities Grant - 2018		158,713.34	158,713.34			
No Net Loss Reforestation Grant	406,620.00		194,700.00		211,920.00	
Green Acres Program Grant - 2017	1,000,000.00					1,000,000.00
Recycling Tonnage Grant		109,894.64		\$ 109,894.64		
NJ Department of Law and Public Safety:						
Safe and Secure Communities Program - 2018		60,000.00	30,000.00			30,000.00
Safe and Secure Communities Program - 2017	30,000.00		30,000.00			
Drunk Driving Enforcement Fund - 2018		12,273.47	12,273.47			
Office of Emergency Management Grant Supplement - 2018		6,141.60	6,141.60			
Emergency Management Assistance - 2016	9,400.00		9,400.00			
Emergency Management Assistance - 2018		10,000.00				10,000.00

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance December 31, 2017</u>	<u>2018 Anticipated Revenue</u>	<u>Cash Received</u>	<u>Transfer From Grants Unappropriated</u>	<u>Canceled</u>	<u>Balance December 31, 2018</u>
NJ Department of Community Affairs:						
Division of Housing and Community Resources-Recreational						
Recreation for Individuals with Disabilities 2018		\$ 12,800.00				\$ 12,800.00
NJ Department of State:						
Passed Through the County of Ocean						
Local Arts Block Grant - 2017	\$ 625.00		\$ 625.00			
Local Arts Block Grant - 2018		1,200.00	960.00			240.00
Governor's Council on Alcoholism						
Municipal Alliance Grant - 2019		39,523.00				39,523.00
Municipal Alliance Grant - 2018	39,523.00		36,608.48		\$ 2,914.52	
Total State	<u>1,486,168.00</u>	<u>410,546.05</u>	<u>479,421.89</u>	<u>\$ 109,894.64</u>	<u>214,834.52</u>	<u>1,092,563.00</u>
	<u>\$ 3,820,499.14</u>	<u>\$ 1,697,913.05</u>	<u>\$ 1,781,105.99</u>	<u>\$ 109,894.64</u>	<u>\$ 310,959.35</u>	<u>\$ 3,316,452.21</u>
<u>Ref.</u>	A	A-2/A-23	A-23	A-26	A-23	A

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	<u>Balance December 31, 2017</u>	<u>Transfer from Reserve for Encumbrances</u>	<u>Transfer from 2018 Budget Appropriation</u>	<u>Expended</u>	<u>Transfer to Reserve for Encumbrances</u>	<u>Canceled</u>	<u>Balance December 31, 2018</u>
Federal							
US Department of Justice:							
Bulletproof Vest Partnership Grant - 2016	\$ 5,004.95			\$ 4,648.00			\$ 356.95
Bulletproof Vest Partnership Grant - 2017	25,013.27			24,988.00			25.27
Body Worn Camera Grant - 2016	7,000.00	\$ 103,746.30		104,346.30	\$ 6,356.25		43.75
US Department of Agriculture:							
Passed Thorough - NJ Department of Environmental Protection:							
State Forest Service:							
Green Communities Grant			\$ 3,000.00		3,000.00		
US Department of Housing and Urban Development:							
Community Development Block Grant - 2015	208,764.81			55,381.39	16,890.15		136,493.27
Community Development Block Grant - 2016	206,056.40						206,056.40
Community Development Block Grant - 2017	247,077.00			104,441.10			142,635.90
Community Development Block Grant - 2018			296,556.00		190,835.26		105,720.74
Passed Through NJ Department of Community Affairs:							
2014 Post Sandy Planning Assistance Grant (Phase II)	11,382.95	22,279.14		750.00		\$ 32,912.09	
US Department of Transportation:							
Passed Through - NJ Department of Law and Public Safety:							
COPS in Shops - 2017			3,520.00	3,200.00		320.00	
Passed Through - NJ Department of Transportation:							
Safe Routes to School - 2016		147.50				147.50	
Birchwood Park Roadway Improvements - Phase III			246,633.00	232,956.00			13,677.00
Lake Riviera Road Improvements	368,694.00			368,694.00			
Cederwood Park East			475,060.00				475,060.00
Airport Tract Bikeway	200,000.00				20,000.00		180,000.00
State and Community Highway Safety - 2018			29,999.00	29,999.00			
State and Community Highway Safety - 2019			29,999.00				29,999.00
Passed Through - NJ Department of Environmental Protection:							
Recreational Trails Program Grant - 2017	16,335.80			5,420.42			10,915.38
US Department of Homeland Security							
Pass Through - County of Ocean							
Homeland Security Grant - 2016		29,687.30		29,687.30			
Passed Through - NJ Department of Law and Public Safety:							
NJ OEM - Hazard Mitigation Grant Program - 2015	229,683.50	105.00					229,788.50
NJ OEM - Hazard Mitigation Grant Program 2 - 2015	369,005.00						369,005.00
US Department of Health and Human Services							
Pass Through County of Ocean							
Senior Citizens Grant Title III B			135,100.00	135,100.00			
Senior Citizens Grant Title III E			27,500.00	27,500.00			

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	<u>Balance</u> <u>December 31, 2017</u>	<u>Transfer from</u> <u>Reserve for</u> <u>Encumbrances</u>	<u>Transfer from</u> <u>2018 Budget</u> <u>Appropriation</u>	<u>Expended</u>	<u>Transfer to</u> <u>Reserve for</u> <u>Encumbrances</u>	<u>Canceled</u>	<u>Balance</u> <u>December 31, 2018</u>
US Fish and Wildlife Services							
Passed Through -NJ Department of Environmental Protection							
Pass Through County of Ocean							
Ocean County Pump Out Boat - 2018			\$ 40,000.00	\$ 35,546.31	\$ 4,264.63		\$ 189.06
Ocean County Pump Out Boat - 2017	\$ 20,327.16	\$ 1,736.88		1,554.00		\$ 20,510.04	
Total Federal	<u>1,914,344.84</u>	<u>157,702.12</u>	<u>1,287,367.00</u>	<u>1,164,211.82</u>	<u>241,346.29</u>	<u>53,889.63</u>	<u>1,899,966.22</u>
State							
NJ Department of Environmental Protection:							
Clean Communities Program - 2016	48.00	9.00				57.00	
Clean Communities Program - 2017	165,826.52			36,001.08			129,825.44
Clean Communities Program - 2018			158,713.34				158,713.34
No Net Loss Reforestation Grant	341,036.90	115,592.40		234,453.15		222,176.15	
No Net Loss Reforestation Grant	1,147.50					1,147.50	
Green Acres Program - 2017	1,000,000.00			729,817.51	270,182.49		
Recycling Bonus Grant			109,894.64	109,894.64			
NJ Department of Law and Public Safety:							
Safe and Secure Communities Program - 2017	30,000.00			30,000.00			
Safe and Secure Communities Program - 2018			60,000.00	30,000.00			30,000.00
Body Armor Replacement Fund							
Body Armor Replacement Fund	847.76	1,990.00		2,837.76			
Body Armor Replacement Fund - 2017	11,507.28			11,348.24			159.04
Drunk Driving Enforcement Fund - 2015	6,824.01			6,824.01			
Drunk Driving Enforcement Fund - 2017	14,572.76			7,779.68			6,793.08
Drunk Driving Enforcement Fund - 2018			12,273.47				12,273.47
Office of Emergency Management Grant - 2016	9,400.00			9,400.00			
Office of Emergency Management Grant - 2018			6,141.60	6,141.60			
Office of Emergency Management Grant Supplement - 2018			10,000.00				10,000.00
NJ Courts - Judiciary:							
Alcohol Education and Rehabilitation	13.08						13.08
NJ Department of Community Affairs:							
Division of Housing and Community Resources-Recreational							
Opportunities for Individuals with Disabilities Grant 2018			12,800.00	11,856.34	935.38		8.28
Governor's Council on Alcoholism							
Municipal Alliance Grant - 2018	22,800.23	13,066.43		33,618.39		2,248.27	
Municipal Alliance Grant - 2019			39,523.00	5,294.92	20,405.60		13,822.48
New Jersey Department of State							
Pass Through County of Ocean:							
Local Arts Block Grant - 2018			1,200.00	1,200.00			
Total State	<u>1,604,024.04</u>	<u>130,657.83</u>	<u>410,546.05</u>	<u>1,266,467.32</u>	<u>291,523.47</u>	<u>225,628.92</u>	<u>361,608.21</u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	Balance <u>December 31, 2017</u>	Transfer from Reserve for <u>Encumbrances</u>	Transfer from 2018 Budget <u>Appropriation</u>	<u>Expended</u>	Transfer to Reserve for <u>Encumbrances</u>	<u>Canceled</u>	Balance <u>December 31, 2018</u>
County							
Ocean County							
Ocean Partnership for Children Inc.							
Teen Center for Brick Grant		\$ 4,766.57		\$ 4,723.12		\$ 43.45	
Total Ocean County		<u>4,766.57</u>		<u>4,723.12</u>		<u>43.45</u>	
Other							
Comcast Communications Grant	\$ 15,314.45			10,350.00			\$ 4,964.45
Ocean County Joint Insurance Fund - Police Re-Accreditation							
Grant-2016	<u>400.00</u>			<u>146.58</u>		<u>253.42</u>	
Total Other	<u>15,714.45</u>			<u>10,496.58</u>		<u>253.42</u>	<u>4,964.45</u>
Total Federal, State, County and Other	<u>\$ 3,534,083.33</u>	<u>\$ 293,126.52</u>	<u>\$ 1,697,913.05</u>	<u>\$ 2,445,898.84</u>	<u>\$ 532,869.76</u>	<u>\$ 279,815.42</u>	<u>\$ 2,266,538.88</u>
<u>Ref.</u>	A	A-27	A-23	A-23	A-27	A-23	A

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	Balance <u>December 31, 2017</u>	Transfer to Grants <u>Receivable</u>	Balance <u>December 31, 2018</u>
Recycling Tonnage Grant	\$ 109,894.64	\$ 109,894.64	
	<u>\$ 109,894.64</u>	<u>\$ 109,894.64</u>	
<u>Ref.</u>	A	A-24	A

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 293,126.52
Increased by:		
Charged to Grant Appropriated Reserves	A-25	<u>532,869.76</u> 825,996.28
Decreased by:		
Transferred to Grant Appropriated Reserves	A-25	<u>293,126.52</u>
Balance, December 31, 2018	A	<u><u>\$ 532,869.76</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR REVALUATION

	<u>Ref.</u>	
Balance, December 31, 2017 and 2018	A	<u>\$ 1,601.22</u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR HURRICANE SANDY

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 2,905,743.80
Decreased by:		
Cash Disbursed	A-4	<u>1,155.00</u>
Balance, December 31, 2018	A	<u><u>\$ 2,904,588.80</u></u>

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 7,484.39
Increased by:		
Cash Receipts	A-4	<u>51,551,767.96</u>
		51,559,252.35
Decreased by:		
Cash Disbursed	A-4	<u>51,234,713.52</u>
Balance, December 31, 2018	A	<u><u>\$ 324,538.83</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR FEMA

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 3,315,307.15
Increased by:		
Cash Receipts	A-4	<u>221,518.03</u>
Balance, December 31, 2018	A	<u><u>\$ 3,536,825.18</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Trust Other Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2017	B	\$ 71,917.11	\$10,339,811.28	\$ 226,105.32
Increased by Receipts:				
Reserve for Animal Control				
Trust Fund Expenditures	B-4	15,045.20		
Community Development Block				
Grant Receivable	B-2		59,489.30	
Community Development Block				
Program Income	B-1		27,455.00	
Various Reserves	B-9		11,288,385.63	
Prepaid License Fees	B-10	13,201.60		
Cash Receipts	B-7			3,590.78
Interest Earnings	B-7			2,160.75
Due to State of New Jersey	B-5	4,354.20		
		<u>104,518.11</u>	<u>21,715,141.21</u>	<u>231,856.85</u>
Decreased by Disbursements:				
Due to State of New Jersey	B-5	4,348.20		
Animal Control Trust Fund				
Expenditures (R.S. 4:19-15.11)	B-4	56,501.80		
Reserve for Community Development				
Block Grant Expenditures	B-8		69,915.80	
Reserve for Community Development				
Block Grant Program Income				
Expenditures	B-1		27,455.00	
Various Reserves	B-9		11,302,590.77	
		<u>60,850.00</u>	<u>11,399,961.57</u>	<u>-</u>
Balance, December 31, 2018	B	<u>\$ 43,668.11</u>	<u>\$10,315,179.64</u>	<u>\$ 231,856.85</u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

	<u>Ref.</u>		
Balance, December 31, 2017	B		\$ 75,453.86
Decreased by:			
Receipts	B-1	\$ 59,489.30	
Canceled	B-8	<u>432.73</u>	
			<u>59,922.03</u>
Balance, December 31, 2018	B		<u><u>\$ 15,531.83</u></u>

Exhibit B-3

RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>		
Balance, December 31, 2017	B		\$ 143,041.28
Increased by:			
Transferred from CDBG	B-8	\$ 15,531.83	
Transferred from Various Reserves	B-9	<u>95,480.42</u>	
			<u>111,012.25</u>
			254,053.53
Decreased by:			
Transferred to CDBG	B-8	27,512.50	
Transferred to Various Reserves	B-9	<u>115,528.78</u>	
			<u>143,041.28</u>
Balance, December 31, 2018	B		<u><u>\$ 111,012.25</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance, December 31, 2017	B		\$ 47,968.25
Increased by:			
Dog License Fees Collected		\$ 12,529.87	
Cat License Fees Collected		1,226.33	
Late Fees		1,289.00	
	B-1	<u> </u>	\$ 15,045.20
Prepaid Licenses Applied	B-10	15,456.54	
Reserve for Encumbrances	B-11	940.00	
		<u> </u>	31,441.74
			<u>79,409.99</u>
Decreased by:			
Reserve for Encumbrances	B-11	7,125.00	
Expenditures Under R.S. 4:19-15.11	B-1	56,501.80	
		<u> </u>	63,626.80
			<u> </u>
Balance, December 31, 2018	B		<u><u>\$ 15,783.19</u></u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2017	\$ 36,043.54
2016	39,754.45
	<u> </u>
	<u><u>\$ 75,797.99</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE (TO)/FROM STATE OF NEW JERSEY

	<u>Ref.</u>	
Balance, December 31, 2017	B	\$ 5.20
Increased by:		
Cash Disbursements	B-1	4,348.20
		<u>4,353.40</u>
Decreased by:		
Cash Receipts	B-1	4,354.20
		<u>4,354.20</u>
Balance, December 31, 2018	B	<u><u>\$ (0.80)</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

OPEN SPACE TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>		
Balance, December, 31, 2017	B		\$ -
Increased by:			
Open Space Tax Levy	B-7	\$ 1,031,468.05	
Added/Omitted Levy	B-7	<u>3,590.78</u>	
			<u>1,035,058.83</u>
			1,035,058.83
Decreased by:			
Open Space Expenditures in the Current Fund	B-7	1,031,468.05	
Cash Receipts	B-1, B-7	<u>3,590.78</u>	
			<u>1,035,058.83</u>
			1,035,058.83
Balance, December, 31, 2018	B		<u><u>\$ -</u></u>

Exhibit B-7

SCHEDULE OF RESERVE FOR OPEN SPACE EXPENDITURES

	<u>Ref.</u>		
Balance, December, 31, 2017	B		\$ 226,105.32
Increased by:			
Open Space Tax Levy	B-6	\$ 1,031,468.05	
Added/Omitted Levy	B-1, B-6	3,590.78	
Interest Earnings	B-1	<u>2,160.75</u>	
			<u>1,037,219.58</u>
			1,263,324.90
Decreased by:			
Open Space Expenditures	B-6		<u>1,031,468.05</u>
Balance, December, 31, 2018	B		<u><u>\$ 231,856.85</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT
BLOCK GRANT EXPENDITURES

	<u>Ref.</u>		
Balance, December 31, 2017	B		\$ 58,367.86
Increased by:			
Reserve for Encumbrances	B-3		27,512.50
			<u>85,880.36</u>
Decreased by:			
Cash Disbursements	B-1	\$ 69,915.80	
Canceled	B-2	432.73	
Reserve for Encumbrances	B-3	<u>15,531.83</u>	
			<u>\$ 85,880.36</u>
Balance, December 31, 2018	B		<u><u> </u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF VARIOUS RESERVES

	Balance <u>December 31, 2017</u>	Increased by	Decreased by	Balance <u>December 31, 2018</u>
Developers Escrow and Performance Bonds	\$ 2,876,349.17	\$ 1,853,285.70	\$ 1,976,157.46	\$ 2,753,477.41
Tax Collector's Account	2,246,438.42	5,116,939.77	5,318,729.46	2,044,648.73
Forfeited Assets	101,120.19	115,813.98	206,146.98	10,787.19
Planning/Zoning Board Fees	360,394.28	426,498.15	344,235.92	442,656.51
Municipal Alliance Donations on				
Alcohol and Drug Abuse	5,501.19	31,314.68	32,882.22	3,933.65
Project D.A.R.E.	4,234.22	3,650.00	4,408.07	3,476.15
Elevator Safety - Construction Code	64,987.00	28,478.00	25,538.08	67,926.92
Affordable Housing	96,691.04	377,891.06	325,018.77	149,563.33
Recreation	839,263.31	939,565.19	707,874.94	1,070,953.56
Public Defender	7,758.58	13,930.00	17,490.00	4,198.58
P.O.A.A.	1,304.75	260.00	1,466.00	98.75
Snow Removal	1,850,349.30	400,000.00	405,700.10	1,844,649.20
Accumulated Leave	945,268.75	1,200,000.00	1,219,754.16	925,514.59
Unemployment Compensation	633,103.04	92,465.56	136,072.13	589,496.47
Road Job Rider	99,395.06	699,713.00	641,135.00	157,973.06
Police Donations		18,015.16	1,100.26	16,914.90
Law Enforcement Trust Fund		70,378.36	13,000.00	57,378.36
Historic Preservation	3,091.49	71.80		3,163.29
Tourism Development Commission	47,402.89	15,644.00	21,361.64	41,685.25
Hurricane Sandy Donations	31,203.32			31,203.32
	<u>\$ 10,213,856.00</u>	<u>\$ 11,403,914.41</u>	<u>\$ 11,398,071.19</u>	<u>\$ 10,219,699.22</u>
<u>Ref.</u>	B			B
Cash Receipts	B-1	\$ 11,288,385.63		
Transferred from Reserve for Encumbrances	B-3	115,528.78		
		<u>\$ 11,403,914.41</u>		
Cash Disbursements	B-1		\$ 11,302,590.77	
Transferred to Reserve for Encumbrances	B-3		95,480.42	
			<u>\$ 11,398,071.19</u>	

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF PREPAID LICENSE FEES

	<u>Ref.</u>	
Balance, December, 31, 2017	B	\$ 23,014.06
Increased by:		
Cash Receipts	B-1	13,201.60
		<u>36,215.66</u>
Decreased by:		
Applied to Reserve for Animal Control Expenditures	B-4	15,456.54
		<u>15,456.54</u>
Balance, December, 31, 2018	B	<u><u>\$ 20,759.12</u></u>

Exhibit B-11

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Balance, December, 31, 2017	B	\$ 940.00
Increased by:		
Reserve for Encumbrances	B-4	7,125.00
		<u>8,065.00</u>
Decreased by:		
Reserve for Encumbrances	B-4	940.00
		<u>940.00</u>
Balance, December, 31, 2018	B	<u><u>\$ 7,125.00</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH AND INVESTMENTS

	<u>Ref.</u>		
Balance, December 31, 2017	C		\$ 7,740,947.28
Increased by Receipts:			
Premium on Sale of Bond Anticipation Notes	C-1	\$ 484,746.60	
Bond Anticipation Notes	C-8	21,430,000.00	
Capital Improvement Fund	C-10	425,000.00	
Transfer from Current Fund	C-16	<u>1,280,455.00</u>	
			<u>23,620,201.60</u>
			31,361,148.88
Decreased by Disbursed:			
Improvement Authorizations	C-11	6,322,862.17	
Investments	C	2,000,000.00	
Reserve for Debt Service	C-4	103,146.80	
Bond Anticipation Notes	C-8	<u>16,818,468.00</u>	
			<u>25,244,476.97</u>
Balance, December 31, 2018	C		<u><u>\$ 6,116,671.91</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

	Balance <u>December 31, 2018</u>
Investments	\$ (7,000,000.00)
Capital Improvement Fund	26,436.05
Reserve for Encumbrances	6,053,485.61
Reserve for Payment of Debt Service	2,216,880.17
Fund Balance	3,051,421.48

Ordinance <u>Number</u>	<u>Improvement Description</u>	
694-90/752-93	Road and Drainage Improvements	(400.31)
1111-04	Various Capital Improvements	13,021.71
1156-05	Various Capital Improvements	(5.00)
08-06	Various Capital Improvements	(323.54)
40-06	Acquisition of Land and Other Related Expenses	
04-07/43-07	Various Capital Improvements	30,486.13
22-08	Various Capital Improvements	118,475.14
26-11	Various Capital Improvements and Other Related Expense	589,938.80
07-12	Financing of Certain Improvements Within A Duly Designated Redevelopment Area	(513,569.03)
11-12	Various Capital Improvements and Other Related Expense	438.73
14-12	Various Capital Improvements and Other Related Expense	35,879.59
08-13	Various Township Wide Road Improvements and Other Related Expenses	26,687.07
09-13	Various Capital Improvements and Other Related Expense	2,054,679.96
29-13	Various Capital Improvements and Other Related Expense	23,948.24
30-13	Various Capital Improvements and Other Related Expense	85,900.00
21-14	Various Capital Improvements and Other Related Expense	242,007.86
22-14	Various Capital Improvements and Other Related Expense	306,699.45
09-15	Various Capital Improvements and Other Related Expense	281,886.07
10-15	Various Capital Improvements and Other Related Expense	(0.50)
11-15	Various Capital Improvements and Other Related Expense	2,477.17
12-15	Various Capital Improvements and Other Related Expense	1,007,808.73
09-16	Various Capital Improvements and Other Related Expense	743,469.13

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

Ordinance Number	<u>Improvement Description (continued)</u>	
10-16	Various Capital Improvements and Other Related Expense	\$ 137,371.27
11-16	Various Capital Improvements and Other Related Expense	18,550.00
12-16	Various Capital Improvements and Other Related Expense	415,731.43
01-17	Demolition of Unsafe Buildings and Structures	(3,900.00)
08-17	Various Capital Improvements and Other Related Expense	(876,713.39)
09-17	Various Capital Improvements and Other Related Expense	178,452.16
10-17	Various Capital Improvements and Other Related Expense	102,847.48
11-17	Various Capital Improvements and Other Related Expense	23,883.45
12-18	Various Capital Improvements and Acquisitions	(972,603.47)
13-18	Various Capital Improvements and Acquisitions	(143,867.20)
14-18	Various Capital Improvements and Acquisitions	(1,491,579.89)
15-18	Various Capital Improvements and Acquisitions	(669,228.64)
		\$ 6,116,671.91

C

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 2,261,826.97
Increased by:		
Grant Proceeds	C-16	58,200.00
		<u>2,320,026.97</u>
Decreased by:		
Anticipated in Budget	C-2	103,146.80
		<u>103,146.80</u>
Balance, December 31, 2018	C	<u><u>\$ 2,216,880.17</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 116,908,792.85
Decreased by:		
Principal Paid on NJ DCA		
Demolition loan	C-15	\$ 30,000.00
Principal Paid on Green Trust Loans	C-9	158,726.96
Principal Paid on N.J. Environmental		
Infrastructure Trust Fund Loan	C-13	147,575.05
Principal Paid on Dam Restoration Loan	C-14	33,347.08
Principal Paid on Bonds	C-7	<u>10,675,000.00</u>
		<u>11,044,649.09</u>
Balance, December 31, 2018	C	<u><u>\$ 105,864,143.76</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

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

Ordinance Number	Improvement Description	Balance December 31, 2017	2018 Authorizations	Balance December 31, 2018	Analysis of Balance, December 31, 2018		
					Bond Anticipation Notes	Unexpended Improvement Authorizations	Expenditures
694-90/726-92/							
752-93	Road and Drainage Improvements	\$ 400.31		\$ 400.31			\$ 400.31
1156-05	Various Capital Improvements	5.00		5.00			5.00
08-06	Various Capital Improvements	323.54		323.54			323.54
07-12	Financing of Certain Improvements Within A Duly Designated Redevelopment Area	947,563.00		947,563.00		\$ 433,993.97	513,569.03
08-13	Various Township Wide Road Improvements and Other Related Expenses						
09-13	Various Capital Improvements and Other Related Expenses	7,581,288.43		7,581,288.43	\$ 2,225,000.00	5,356,288.43	
19-14	Various Capital Improvements and Other Related Expenses	312,272.00		312,272.00	312,272.00		
20-14	Acquisition of Various Information Technology and Related Expenses	37,775.00		37,775.00	37,775.00		
21-14	Various Capital Improvements and Other Related Expenses	364,600.00		364,600.00	364,600.00		
22-14	Various Capital Improvements and Other Related Expenses	2,371,203.00		2,371,203.00	2,371,203.00		
09-15	Various Capital Improvements and Other Related Expenses	2,042,361.75		2,042,361.75	2,042,361.25	0.50	
10-15	Various Capital Improvements and Other Related Expenses	277,619.50		277,619.50	277,619.00		0.50
11-15	Various Capital Improvements and Other Related Expenses	35,423.00		35,423.00	35,423.00		
12-15	Various Capital Improvements and Other Related Expenses	3,379,482.75		3,379,482.75	3,379,482.75		
09-16	Various Capital Improvements and Other Related Expenses	3,938,837.75		3,938,837.75	3,938,837.75		
10-16	Various Capital Improvements and Other Related Expenses	562,965.25		562,965.25	562,965.00	0.25	
11-16	Various Capital Improvements and Other Related Expenses	185,929.25		185,929.25	185,929.25		
12-16	Various Capital Improvements and Other Related Expenses	3,382,520.60		3,382,520.60	1,085,000.00	2,297,520.60	
01-17	Demolition of Unsafe Buildings and Structures	197,400.00		197,400.00		193,500.00	3,900.00
08-17	Various Capital Improvements and Other Related Expenses	5,034,401.00		5,034,401.00	3,374,174.00	783,513.61	876,713.39
09-17	Various Capital Improvements and Other Related Expenses	760,000.00		760,000.00	400,001.00	359,999.00	
10-17	Various Capital Improvements and Other Related Expenses	237,357.00		237,357.00	237,357.00		
11-17	Various Capital Improvements and Other Related Expenses	2,043,242.00		2,043,242.00	600,000.00	1,443,242.00	

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

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

Ordinance Number	Improvement Description	Balance December 31, 2017	2018 Authorizations	Balance December 31, 2018	Analysis of Balance, December 31, 2018		
					Bond Anticipation Notes	Unexpended Improvement Authorizations	Expenditures
12-18	Various Capital Improvements and Acquisitions		\$ 1,088,361.00	\$ 1,088,361.00		\$ 115,757.53	\$ 972,603.47
13-18	Various Capital Improvements and Acquisitions		735,870.00	735,870.00		592,002.80	143,867.20
14-18	Various Capital Improvements and Acquisitions		4,296,375.00	4,296,375.00		2,804,795.11	1,491,579.89
15-18	Various Capital Improvements and Acquisitions		1,954,394.00	1,954,394.00		1,285,165.36	669,228.64
		<u>\$ 33,692,970.13</u>	<u>\$ 8,075,000.00</u>	<u>\$ 41,767,970.13</u>	<u>\$ 21,430,000.00</u>	<u>\$ 15,665,779.16</u>	<u>\$ 4,672,190.97</u>
		<u>Ref.</u>	<u>C</u>	<u>C-11/C-17</u>	<u>C</u>	<u>C-8</u>	<u>C-6</u>
					<u>Ref.</u>		
				Improvement Authorizations Unfunded	C-11		\$ 21,181,643.32
				Less: Unexpended Proceeds of Bond Anticipation Notes:			
				<u>Ordinance</u>			
				09-13	C-3	\$ 2,054,679.96	
				21-14	C-3	242,007.86	
				22-14	C-3	306,699.45	
				09-15	C-3	281,886.07	
				11-15	C-3	2,477.17	
				12-15	C-3	1,007,808.73	
				09-16	C-3	743,469.13	
				10-16	C-3	137,371.27	
				11-16	C-3	18,550.00	
				12-16	C-3	415,731.43	
				9-17	C-3	178,452.16	
				10-17	C-3	102,847.48	
				11-17	C-3	23,883.45	
							<u>5,515,864.16</u>
					C-6	<u>\$ 15,665,779.16</u>	

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance		Balance
			Outstanding			December. 31, 2017	Decreased	
			December 31, 2018					
General Improvement Bonds - Series 2009A	11/20/09	\$ 32,881,000.00	11/01/19	\$ 1,675,000.00	3.500%	\$ 3,285,000.00	\$ 1,610,000.00	\$ 1,675,000.00
General Improvement Bonds - Series 2009B	11/20/09	1,600,000.00	11/01/19	75,000.00	5.000%			
			11/01/20	75,000.00	5.000%			
			11/01/21	80,000.00	5.000%			
			11/01/22	85,000.00	5.000%			
			11/01/23	90,000.00	5.000%			
			11/01/24	95,000.00	5.000%			
			11/01/25	95,000.00	5.125%			
			11/01/26	100,000.00	5.200%			
			11/01/27	105,000.00	5.250%			
			11/01/28	115,000.00	5.250%			
			11/01/29	120,000.00	5.300%	1,105,000.00	70,000.00	1,035,000.00
General Improvement Bonds (Landfill Series - 2010)	12/22/10	13,930,000.00	11/01/19	960,000.00	4.000%			
			11/01/20	990,000.00	4.000%	2,880,000.00	930,000.00	1,950,000.00
General Obligation Refunding Bonds, Series 2012	05/10/12	13,955,000.00	11/01/19	1,135,000.00	3.000%			
			11/01/20	1,175,000.00	4.000%			
			11/01/21	750,000.00	4.000%			
			11/01/21	485,000.00	5.000%			
			11/01/22	1,300,000.00	4.000%			
			11/01/23	1,360,000.00	3.000%			
			11/01/24	1,420,000.00	3.000%			
			11/01/25	1,465,000.00	3.000%	10,160,000.00	1,070,000.00	9,090,000.00
General Improvement Bonds, Series 2012	09/28/12	28,655,000.00	08/01/19	2,560,000.00	4.000%			
			08/01/20	2,565,000.00	4.000%			
			08/01/21	2,665,000.00	3.000%			
			08/01/22	2,745,000.00	2.125%			
			08/01/23	2,775,000.00	2.250%			
			08/01/24	2,870,000.00	3.000%	18,740,000.00	2,560,000.00	16,180,000.00

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance		Decreased	Balance	
			Outstanding December 31, 2018			December. 31, 2017	December. 31, 2018			
Pension Refunding Bonds - Series 2013	07/30/13	\$ 4,140,000.00	11/15/19	\$ 415,000.00	3.076%					
			11/15/20	460,000.00	3.326%					
			11/15/21	510,000.00	4.000%					
			11/15/22	550,000.00	4.000%					
			11/15/23	610,000.00	4.000%	\$ 2,920,000.00	\$ 375,000.00	\$ 2,545,000.00		
General Improvement Bonds, Series 2014A	09/26/14	10,884,000.00	09/01/19	1,490,000.00	5.000%					
			09/01/20	1,530,000.00	5.000%					
			09/01/21	1,565,000.00	2.000%					
			09/01/22	1,605,000.00	2.000%	7,650,000.00	1,460,000.00	6,190,000.00		
General Improvement Bonds, Series 2014B	09/26/14	23,650,000.00	09/01/19	1,420,000.00	2.250%					
			09/01/20	1,455,000.00	3.000%					
			09/01/21	1,495,000.00	3.000%					
			09/01/22	1,545,000.00	3.000%					
			09/01/23	1,595,000.00	3.000%					
			09/01/24	1,650,000.00	3.150%					
			09/01/25	1,715,000.00	3.300%					
			09/01/26	1,790,000.00	3.450%					
			09/01/27	1,870,000.00	3.600%					
			09/01/28	1,955,000.00	3.750%					
			09/01/29	2,020,000.00	3.850%	19,910,000.00	1,400,000.00	18,510,000.00		
Refunding Bonds - Series 2016	03/01/16	23,430,000.00	11/01/20	1,690,000.00	3.000%					
			11/01/21	2,755,000.00	4.000%					
			11/01/22	2,855,000.00	4.000%					
			11/01/23	2,955,000.00	4.000%					
			11/01/24	3,080,000.00	4.000%					
			11/01/25	3,125,000.00	4.000%					
			11/01/26	2,130,000.00	4.000%					
			11/01/27	2,225,000.00	4.000%					
			11/01/28	2,320,000.00	4.000%	23,135,000.00		23,135,000.00		

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance</u>		<u>Balance</u>
			<u>Outstanding December 31, 2018</u>			<u>December. 31, 2017</u>	<u>Decreased</u>	<u>December. 31, 2018</u>
General Improvement Bonds, Series 2017	07/20/17	\$ 24,800,000.00	01/15/19	\$ 1,375,000.00	2.000%			
			01/15/20	1,405,000.00	2.000%			
			01/15/21	1,445,000.00	3.000%			
			01/15/22	1,490,000.00	3.000%			
			01/15/23	1,535,000.00	3.000%			
			01/15/24	1,580,000.00	3.000%			
			01/15/25	1,630,000.00	3.000%			
			01/15/26	1,675,000.00	3.000%			
			01/15/27	1,735,000.00	3.000%			
			01/15/28	1,795,000.00	3.000%			
			01/15/29	1,870,000.00	3.000%			
			01/15/30	1,945,000.00	3.000%			
			01/15/31	2,020,000.00	3.000%			
			01/15/32	2,100,000.00	3.000%	\$ 24,800,000.00	\$ 1,200,000.00	\$ 23,600,000.00
						\$ 114,585,000.00	\$10,675,000.00	\$ 103,910,000.00

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
09-13	Various Capital Improvements and Other Related Expenses	12-14-16 07-20-17	06-29-18 06-29-18	06-28-19 06-28-19	4.000% 4.000%	\$ 1,725,000.00 500,000.00	\$ 1,725,000.00 500,000.00	\$ 1,725,000.00 500,000.00	\$ 1,725,000.00 500,000.00
19-14	Various Capital Improvements and Other Related Expenses	12-14-16	06-29-18	06-28-19	4.000%	312,272.00	312,272.00	312,272.00	312,272.00
20-14	Acquisition of Various Information Technology and Related Expenses	12-14-16	06-29-18	06-28-19	4.000%	37,775.00	37,775.00	37,775.00	37,775.00
21-14	Various Capital Improvements and Other Related Expenses	12-14-16 07-20-17	06-29-18 06-29-18	06-28-19 06-28-19	4.000% 4.000%	155,000.00 209,600.00	155,000.00 209,600.00	155,000.00 209,600.00	155,000.00 209,600.00
22-14	Various Capital Improvements and Other Related Expenses	12-14-16 07-20-17	06-29-18 06-29-18	06-28-19 06-28-19	4.000% 4.000%	800,000.00 1,571,203.00	800,000.00 1,571,203.00	800,000.00 1,571,203.00	800,000.00 1,571,203.00
09-15	Various Capital Improvements and Other Related Expenses	12-14-16	06-29-18	06-28-19	4.000%	2,042,361.25	2,042,361.25	2,042,361.25	2,042,361.25
10-15	Various Capital Improvements and Other Related Expenses	12-14-16	06-29-18	06-28-19	4.000%	277,619.00	277,619.00	277,619.00	277,619.00
11-15	Various Capital Improvements and Other Related Expenses	12-14-16	06-29-18	06-28-19	4.000%	35,423.00	35,423.00	35,423.00	35,423.00
12-15	Various Capital Improvements and Other Related Expenses	12-14-16 07-20-17	06-29-18 06-29-18	06-28-19 06-28-19	4.000% 4.000%	2,020,000.00 1,359,482.75	2,020,000.00 1,359,482.75	2,020,000.00 1,359,482.75	2,020,000.00 1,359,482.75
09-16	Various Capital Improvements and Other Related Expenses	12-14-16 07-20-17	06-29-18 06-29-18	06-28-19 06-28-19	4.000% 4.000%	2,930,000.00 1,008,837.75	2,930,000.00 1,008,837.75	2,930,000.00 1,008,837.75	2,930,000.00 1,008,837.75
10-16	Various Capital Improvements and Other Related Expenses	12-14-16	06-29-18	06-28-19	4.000%	562,965.00	562,965.00	562,965.00	562,965.00
11-16	Various Capital Improvements and Other Related Expenses	12-14-16	06-29-18	06-28-19	4.000%	185,929.25	185,929.25	185,929.25	185,929.25
12-16	Various Capital Improvements and Other Related Expenses	12-14-16	06-29-18	06-28-19	4.000%	1,085,000.00	1,085,000.00	1,085,000.00	1,085,000.00

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
8-17	Various Capital Improvements and Other Related Expenses	06-29-18	06-29-18	06-28-19	4.000%		\$ 3,374,174.00		\$ 3,374,174.00
9-17	Various Capital Improvements and Other Related Expenses	06-29-18	06-29-18	06-28-19	4.000%		400,001.00		400,001.00
10-17	Various Capital Improvements and Other Related Expenses	06-29-18	06-29-18	06-28-19	4.000%		237,357.00		237,357.00
11-17	Various Capital Improvements and Other Related Expenses	06-29-18	06-29-18	06-28-19	4.000%		600,000.00		600,000.00
						<u>\$ 16,818,468.00</u>	<u>\$ 21,430,000.00</u>	<u>\$ 16,818,468.00</u>	<u>\$ 21,430,000.00</u>
					<u>Ref.</u>	C	C-2	C-2	C

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOANS PAYABLE

<u>Description</u>	<u>Year of Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Paid by Open Space Trust Fund</u>	<u>Balance December 31, 2018</u>
Acquisition of Property - Dealman House (Haven's Farm)	2002	2.00%	\$ 82,517.29	\$ 32,515.10	\$ 50,002.19
Acquisition of Property - Dealman House (Haven's Farm)	2002	2.00%	13,316.50	2,857.04	10,459.46
Conservation Area, Phase II	2001	2.00%	53,537.73	17,491.97	36,045.76
Drum Point Road Recreation Development	2001	2.00%	91,520.76	25,501.61	66,019.15
Bayside Park Development Project	2001	2.00%	40,687.51	11,337.28	29,350.23
Bambe Cross Cove Acquisition	2004	2.00%	85,234.41	18,286.88	66,947.53
Drum Point Recreation Complex II	2009	0.00%	471,794.86	41,025.64	430,769.22
Multi Park Development	2011	0.00%	<u>131,104.44</u>	<u>9,711.44</u>	<u>121,393.00</u>
			<u>\$ 969,713.50</u>	<u>\$ 158,726.96</u>	<u>\$ 810,986.54</u>
<u>Ref.</u>			C	C-5	C

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 26,436.05
Increased by:		
2018 Budget Appropriation	C-2	<u>425,000.00</u>
		451,436.05
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<u>425,000.00</u>
Balance, December 31, 2018	C	<u><u>\$ 26,436.05</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Balance December 31, 2017		Increased by		Decreased by		Balance December 31, 2018	
		Funded	Unfunded	2018 Authorizations	Prior Year Encumbrances	Paid or Charged	Reserve for Encumbrances	Funded	Unfunded
1086-03	Various Capital Improvements	\$ 46,784.00				\$ 46,784.00			
1111-04	Various Capital Improvements	13,021.71						\$ 13,021.71	
04-07/43-07	Various Capital Improvements				\$ 30,486.13			30,486.13	
23-09	Various Capital Improvements & Other Related Expenses	123,875.14				5,400.00		118,475.14	
13-10	Various Capital Improvements and Other Related Expenses				27,138.33	17,658.58	\$ 9,479.75		
26-11	Various Capital Improvements and Other Related Expenses	698,183.36			2,500.00	18,844.56	91,900.00	589,938.80	
07-12	Financing of Certain Improvements Within A Duly Designated Redevelopment Area		\$ 433,993.97		111,925.25	111,925.25			\$ 433,993.97
11-12	Various Capital Improvements and Other Related Expenses	438.73			621.00	621.00		438.73	
14-12	Various Capital Improvements and Other Related Expenses	9,517.06			30,346.11	3,983.58		35,879.59	
06-13	Acquisition of Refuse Containers				3,350.00	3,350.00			
08-13	Various Township Wide Road Improvements and Other Related Expenses	46,319.15			32,361.10	21,632.08	30,361.10	26,687.07	
09-13	Various Capital Improvements and Other Related Expenses		6,968,216.50		568,122.90	38,874.08	86,496.93		7,410,968.39
27-13	Various Capital Improvements and Other Related Expenses	6,715.10			657.55	7,372.65			
29-13	Various Capital Improvements and Other Related Expenses	23,948.24			5,352.45	5,352.45		23,948.24	
30-13	Various Capital Improvements and Other Related Expenses	85,900.00						85,900.00	
19-14	Various Capital Improvements and Other Related Expenses		9,798.22		71,776.85	62,032.92	19,542.15		
20-14	Acquisition of Various Information Technology and Related Expenses		282,721.47			238,958.05	43,763.42		
21-14	Various Capital Improvements and Other Related Expenses		242,007.86					-	242,007.86
22-14	Various Capital Improvements and Other Related Expenses		290,675.37		108,468.70	82,739.66	9,704.96		306,699.45
9-15	Various Capital Improvements and Other Related Expenses		281,372.47		101,152.85	100,638.75			281,886.57
10-15	Various Capital Improvements and Other Related Expenses		-		23,000.00	23,000.00			-
11-15	Various Capital Improvements and Other Related Expenses		1,395.10		11,460.43	10,378.36			2,477.17
12-15	Various Capital Improvements and Other Related Expenses		2,409,217.64		104,095.06	204,717.53	1,300,786.44		1,007,808.73
09-16	Various Capital Improvements and Other Related Expenses		521,396.26		727,313.84	353,284.43	151,956.54		743,469.13
10-16	Various Capital Improvements and Other Related Expenses		223,198.00		158,846.55	120,959.98	123,713.05		137,371.52
11-16	Various Capital Improvements and Other Related Expenses		25,819.34			7,269.34			18,550.00
12-16	Various Capital Improvements and Other Related Expenses		3,339,872.61		17,402.00	182,693.10	461,329.48		2,713,252.03

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Balance December 31, 2017		Increased by		Decreased by		Balance December 31, 2018	
		Funded	Unfunded	2018 Authorizations	Prior Year Encumbrances	Paid or Charged	Reserve for Encumbrances	Funded	Unfunded
01-17	Demolition of Unsafe Buildings and Structures	\$ 15,000.00	\$ 197,400.00			\$ 18,900.00		\$	193,500.00
08-17	Various Capital Improvements and Other Related Expenses		3,673,480.56		\$ 937,882.45	2,698,069.33	\$ 1,129,780.07		783,513.61
09-17	Various Capital Improvements and Other Related Expenses		542,652.17		210,924.99	212,362.84	2,763.16		538,451.16
10-17	Various Capital Improvements and Other Related Expenses		199,726.93		24,556.50	99,061.20	22,374.75		102,847.48
11-17	Various Capital Improvements and Other Related Expenses		1,920,090.55		40,287.96	433,000.39	60,252.67		1,467,125.45
12-18	Various Capital Improvements and Acquisitions			\$ 1,145,643.00		298,099.50	731,785.97		115,757.53
13-18	Various Capital Improvements and Acquisitions			774,600.00		44,945.62	137,651.58		592,002.80
14-18	Various Capital Improvements and Acquisitions			4,522,500.00		679,490.42	1,038,214.47		2,804,795.11
15-18	Various Capital Improvements and Acquisitions			2,057,257.00		170,462.52	601,629.12		1,285,165.36
		<u>\$ 1,069,702.49</u>	<u>\$ 21,563,035.02</u>	<u>\$ 8,500,000.00</u>	<u>\$ 3,350,029.00</u>	<u>\$ 6,322,862.17</u>	<u>\$ 6,053,485.61</u>	<u>\$ 924,775.41</u>	<u>\$ 21,181,643.32</u>
	Ref.	C	C	C-11	C-12	C-2	C-12	C	C/C-6
Deferred Charges to Future Taxation - Unfunded	C-6			\$ 8,075,000.00					
Capital Improvement Fund	C-10			<u>425,000.00</u>					
	C-11			<u>\$ 8,500,000.00</u>					

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 3,350,029.00
Increased by:		
Charged to Improvement Authorizations	C-11	6,053,485.61
		<u>9,403,514.61</u>
Decreased by:		
Applied to Improvement Authorizations	C-11	3,350,029.00
		<u>3,350,029.00</u>
Balance, December 31, 2018	C	<u><u>\$ 6,053,485.61</u></u>

SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 621,619.70
Decreased by:		
Paid by Open Space Trust Fund	C-5	147,575.05
		<u>147,575.05</u>
Balance, December 31, 2018	C	<u><u>\$ 474,044.65</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DAM RESTORATION LOAN PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 644,859.65
Decreased by:		
Paid by Budget Appropriation	C-5	<u>33,347.08</u>
Balance, December 31, 2018	C	<u><u>\$ 611,512.57</u></u>

SCHEDULE OF STATE OF NEW JERSEY - DEPARTMENT OF
COMMUNITY AFFAIRS DEMOLITION BOND LOAN PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 87,600.00
Decreased by:		
Paid by Budget Appropriation	C-5	<u>30,000.00</u>
Balance, December 31, 2018	C	<u><u>\$ 57,600.00</u></u>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 1,222,255.00
Increased by:		
Grant Proceeds	C-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 20px;">58,200.00</div> <hr style="width: 100%;"/> </div>
		1,280,455.00
Decreased by:		
Transfer from Current Fund	C-2	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 20px;">\$ 1,280,455.00</div> <hr style="width: 100%;"/> </div>
Balance, December 31, 2018	C	<hr style="width: 100%; border-top: 3px double black;"/>

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

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

Ordinance Number	Improvement Description	Balance December 31, 2017	2018 Authorizations	Bond Anticipation Notes Issued	Balance December 31, 2018
694-90/752-93	Road and Drainage Improvements	\$ 400.31			\$ 400.31
1156-05	Various Capital Improvements	5.00			5.00
08-06	Various Capital Improvements	323.54			323.54
07-12	Financing of Certain Improvements Within a Duly Designated Redevelopment Area	947,563.00			947,563.00
09-13	Various Capital Improvements and Other Related Expenses	5,356,288.43			5,356,288.43
09-15	Various Capital Improvements and Other Related Expenses	0.50			0.50
10-15	Various Capital Improvements and Other Related Expenses	0.50			0.50
10-16	Various Capital Improvements and Other Related Expenses	0.25			0.25
12-16	Various Capital Improvements and Other Related Expenses	2,297,520.60			2,297,520.60
01-17	Demolition of Unsafe Buildings and Structures	197,400.00			197,400.00
08-17	Various Capital Improvements and Other Related Expenses	5,034,401.00		\$ 3,374,174.00	1,660,227.00
09-17	Various Capital Improvements and Other Related Expenses	760,000.00		400,001.00	359,999.00
10-17	Various Capital Improvements and Other Related Expenses	237,357.00		237,357.00	
11-17	Various Capital Improvements and Other Related Expenses	2,043,242.00		600,000.00	1,443,242.00
12-18	Various Capital Improvements and Other Related Expenses		\$ 1,088,361.00		1,088,361.00
13-18	Various Capital Improvements and Other Related Expenses		735,870.00		735,870.00
14-18	Various Capital Improvements and Other Related Expenses		4,296,375.00		4,296,375.00
15-18	Various Capital Improvements and Other Related Expenses		1,954,394.00		1,954,394.00
		<u>\$ 16,874,502.13</u>	<u>\$ 8,075,000.00</u>	<u>\$ 4,611,532.00</u>	<u>\$ 20,337,970.13</u>

C-6

C-8

(Footnote C)

TOWNSHIP OF BRICK
COUNTY OF OCEAN, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS

	Balance <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land	\$ 29,651,882.47	\$ 2,000.00		\$ 29,653,882.47
Buildings and Improvements	19,147,439.34	5,905,535.09		25,052,974.43
Construction in Process	1,520,770.58		\$ 1,520,770.58	-
Furniture, Fixtures and Equipment	<u>32,281,472.01</u>	<u>1,897,412.88</u>	<u>2,415,662.78</u>	<u>31,763,222.11</u>
	<u>\$ 82,601,564.40</u>	<u>\$ 7,804,947.97</u>	<u>\$ 3,936,433.36</u>	<u>\$ 86,470,079.01</u>
<u>Ref.</u>	D			D

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TOWNSHIP OF BRICK
COUNTY OF OCEAN
PART II
SINGLE AUDIT SECTION
FOR THE YEAR ENDED DECEMBER 31, 2018

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW
JERSEY OMB CIRCULAR 15-08**

To the Honorable Mayor
And Members of the Township Council
Township of Brick
County of Ocean
Township of Brick, New Jersey

Report on Compliance for Each Major State Program

We have audited the Township of Brick's (Township) compliance with the types of compliance requirements described by reference in New Jersey OMB Circular 15-08 that could have a direct and material effect on each of the Township's major state programs for the year ended December 31, 2018. The Township's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as referenced by New Jersey OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and the New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant #506

Fallon & Company LLP

FALLON & COMPANY LLP

Hazlet, New Jersey
August 7, 2019

TOWNSHIP OF BRICK

COUNTY OF OCEAN

STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For The Year Ended December 31, 2018

State Grantor/Pass-through <u>Grantor/Program</u>	State Account Number or <u>Other Identifying Number</u>	<u>Grant Period</u>	Grant/Loan <u>Award</u>	State <u>Expenditures</u>	Cumulative <u>Expenditures</u>
NJ Department of Environmental Protection:					
Clean Communities Program - 2017	<u>042-4900-765-004</u>	Open	\$ 165,826.52	\$ 36,001.08	\$ 36,001.08
No Net Loss Reforestation Grant	<u>042-4870-100-074</u>	05/24/13 - 07/15/18	1,222,920.00	234,453.15	1,000,743.85
2017 Green Acres Program - Park Improvements	<u>1507-17-009</u>	02/27/18 - 02/26/20	1,000,000.00	729,817.51	729,817.51
Recycling Tonnage Grant - 2016	<u>042-4910-100-224</u>	Open	280,093.50	109,894.64	280,093.50
Total NJ Department of Environmental Protection:			<u>2,668,840.02</u>	<u>1,110,166.38</u>	<u>2,046,655.94</u>
NJ Department of Law and Public Safety:					
Safe and Secure Communities Program - 2018	<u>066-1020-100</u>	04/01/18 - 03/31/19	60,000.00	30,000.00	30,000.00
Safe and Secure Communities Program - 2017	<u>066-1020-100</u>	04/01/17 - 03/31/18	60,000.00	30,000.00	60,000.00
Total Safe and Secure Communities Program			<u>120,000.00</u>	<u>60,000.00</u>	<u>90,000.00</u>
Body Armor Replacement Fund	<u>066-1020-718-001</u>	Open	11,246.61	2,837.76	11,246.61
Body Armor Replacement Fund	<u>066-1020-718-001</u>	Open	11,507.28	11,348.24	11,348.24
Total Body Armor Replacement Fund			<u>22,753.89</u>	<u>14,186.00</u>	<u>22,594.85</u>
Drunk Driving Enforcement Fund - 2017			14,572.76	7,779.68	7,779.68
Drunk Driving Enforcement Fund - 2015	<u>6400-100-078-6400</u>	Open	18,882.24	6,824.01	18,882.24
Total Drunk Driving Enforcement Fund			<u>33,455.00</u>	<u>14,603.69</u>	<u>26,661.92</u>
New Jersey Office of Emergency Management					
Pass Through County of Ocean					
Equipment Reimbursement to Subrecipients	<u>N/A</u>	N/A	15,541.60	15,541.60	15,541.60
Total NJ Department of Law and Public Safety			<u>191,750.49</u>	<u>104,331.29</u>	<u>154,798.37</u>

The accompanying notes are an integral part of this schedule.

TOWNSHIP OF BRICK

COUNTY OF OCEAN

STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For The Year Ended December 31, 2018

State Grantor/Pass-through <u>Grantor/Program</u>	State Account Number or <u>Other Identifying Number</u>	<u>Grant Period</u>	<u>Grant/Loan Award</u>	<u>State Expenditures</u>	<u>Cumulative Expenditures</u>
NJ Department of Community Affairs:					
Division of Housing and Community Resources-Recreational Opportunities for Individuals with Disabilities Grant 2018	<u>022-8050-100-035</u>	7/1/17 - 6/30/18	\$ 12,800.00	\$ 11,856.34	\$ 11,856.34
Total NJ Department of Community Affairs			<u>12,800.00</u>	<u>11,856.34</u>	<u>11,856.34</u>
NJ Department of Transportation:					
Municipal Aid Program					
Lake Riviera Road Improvements	<u>16-480-078-6320-AMF-6010</u>	Open	300,000.00	300,000.00	300,000.00
Birchwood Park Roadway Improvements - Phase III	<u>17-480-078-6320-AMQ-6010</u>	Open	<u>235,000.00</u>	<u>221,323.00</u>	<u>221,323.00</u>
Total Municipal Aid Program			535,000.00	521,323.00	521,323.00
Urban Aid Program					
Lake Riviera Road Improvements	<u>11,13,14,15,16 -480-078-6320-6010</u>	Open	68,694.00	68,694.00	68,694.00
Birchwood Park Roadway Improvements - Phase III	<u>17-480-078-6320-AMS-6010</u>	Open	<u>11,633.00</u>	<u>11,633.00</u>	<u>11,633.00</u>
Total Urban Aid Program			80,327.00	80,327.00	80,327.00
Total NJ Department of Transportation			<u>615,327.00</u>	<u>601,650.00</u>	<u>601,650.00</u>
NJ Governor's Council on Alcoholism					
Municipal Alliance Grant - 2018	<u>MAC-01-18</u>	7/1/17 - 6/30/18	39,523.00	33,618.39	33,618.39
Municipal Alliance Grant - 2019	<u>MAC-01-19</u>	7/1/18 - 6/30/19	<u>39,523.00</u>	<u>5,294.92</u>	<u>37,274.73</u>
Total Municipal Alliance Grant			79,046.00	38,913.31	70,893.12
Total NJ Governor's Council on Alcoholism			<u>79,046.00</u>	<u>38,913.31</u>	<u>70,893.12</u>

The accompanying notes are an integral part of this schedule.

TOWNSHIP OF BRICK

COUNTY OF OCEAN

STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For The Year Ended December 31, 2018

<u>State Grantor/Pass-through Grantor/Program</u>	<u>State Account Number or Other Identifying Number</u>	<u>Grant Period</u>	<u>Grant/Loan Award</u>	<u>State Expenditures</u>	<u>Cumulative Expenditures</u>
New Jersey Department of State Pass Through County of Ocean: Local Arts Block Grant - 2018	<u>074-2505-053</u>	1/1/18 - 12/31/18	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
Total New Jersey Department of State			<u>1,200.00</u>	<u>1,200.00</u>	<u>1,200.00</u>
Total Awards: State of New Jersey			<u><u>\$ 3,568,963.51</u></u>	<u><u>\$ 1,868,117.32</u></u>	<u><u>\$ 2,887,053.77</u></u>

The accompanying notes are an integral part of this schedule.

TOWNSHIP OF BRICK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE
YEAR ENDED DECEMBER 31, 2018

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of state financial assistance and schedule of expenditures of federal awards include all award activity of the Township of Brick under programs of the State of New Jersey and the federal government for the year ended December 31, 2018. The information in these schedules is presented in accordance with the requirements of New Jersey OMB Circular 15-08. Because the schedules present only a selected portion of the operations of the Township, it is not intended to and does not represent the fund balance and changes in fund balance of the Township.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in the New Jersey OMB Circular 15-08, and Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. RELATIONSHIP TO THE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements.

Expenditures:	<u>State (SESFA)</u>	<u>Total</u>
Grant Fund	<u>\$ 1,868,117.32</u>	<u>\$ 1,868,117.32</u>
Total fund expenditures	<u>1,868,117.32</u>	<u>1,868,117.32</u>
Total Schedule of Expenditures of State Financial Assistance	<u><u>\$1,868,117.32</u></u>	<u><u>\$1,868,117.32</u></u>

**TOWNSHIP OF BRICK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Section I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued on whether the financial
Statements audited were prepared in accordance with:

GAAP

Regulatory Basis (described in Note 1)

Adverse
Unmodified

Internal control over financial reporting:

Material weakness identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

a) State Awards

Internal Control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

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

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with the Uniform Guidance
or New Jersey OMB 15-08?

_____ Yes X No

Identification of major state programs:

Name of State Program or Cluster

NJ DEP 2017 Green Acres Program – Park Restoration
NJ DOT Municipal Aid Program

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

\$750,000.00

Auditee qualified as low risk auditee?

_____ Yes X No

**TOWNSHIP OF BRICK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Section II – Financial Statement Findings

None

Section III – Summary Schedule of Prior Year Findings

Finding 2017-001

Condition:

While reserve accounts were set up in the grant fund for several grants that were related to ordinances in the capital fund, the charges against the appropriated reserves were not being accounted for in the grant fund.

Status:

Corrective action has been taken.

TOWNSHIP OF BRICK

COUNTY OF OCEAN

PART III

FOR THE YEAR ENDED DECEMBER 31, 2018

GENERAL COMMENTS

Contracts and Agreements Required to Be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-4 states, “Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, the bid threshold shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law”.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Township Counsel’s opinion should be sought before a commitment is made.

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

Municipal Building Reconstruction of West Stairs and Sidewalk	Replacement of HVAC Units at Civic Plaza
Pick up Clothing Donations	General Athletic Equipment and Supplies
Purchase and Delivery of Janitorial Supplies	Electric Energy Services
Entertainment and Production Services	CDBG Housing Rehabilitation Program
Peterbilt Automated Refuse Collection Vehicle	Project
Ford Metal Refuse Truck	Property Register Development
Seasonal Turf Chemical Application Program	HVAC Services for the Municipal Complex
Landscape Maintenance Service at Solar Field	HVAC Services for All Other Facilities
Manufacture and Printing of Tax Bills	Roadway Improvements to Birchwood Park – Phase II
Sanitation/Recycling Collection System Containers	Brick Township Local Paving Project – Fairview Avenue and Fairview Court
Demolition of All Structures at Block 511 Lot 1	Roadway Improvements to Central Boulevard, Foster Avenue and Oak Hollow Road
CDBG Housing Rehabilitation Program Project	Holly Hill Cove Roadway Resurfacing
Summerfest Food Truck Vendors	Roadway Improvements to Heritage Hill
Beer and Wine Garden Concession	Roadway Improvements to Laurel Crest
Aerial Fireworks Exhibitions	Public Works Yard Vehicle Storage and Fuel Station Canopy Improvements
Mobile Ice Cream Vendor at Windward Beha, Traders Cove Marina	Computer and Printer Supplies
Local Road Improvements – Bluffview Paving Project	Roadway Improvements to Tunes Brook Drive
Printing Services	Roadway Improvements to Lions Head Boulevard South
Fall Fest Vendor Concession	Vehicle Repair Services
Ice Machine at Traders Cove Marina	2020 Kenworth T370
ATM at Traders Cove Marina and Windward Beach	2019 Peterbilt Model 520
Bernard J. Cooke Park Improvements	2019 Peterbilt Model 348
	Peterbilt Parts and Services
	Construction Supplies
	New Storage Building at Drum Point

GENERAL COMMENTS (continued)

Contracts and Agreements Required to Be Advertised for N.J.S. 40A:11-4 (continued)

2018 Pavement Markings	System
Purchase, Delivery and Installation of the	Airport Tract Bikeway Expansion
Access Control System	Alterations to Police Department Locker
2018 Hyster Forklift	Room
Service and Repairs to Fuel Dispensary	

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.

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

Our examination of expenditures did not reveal individual payments in excess of the bid threshold "for the provision or performance of any goods or services" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered".

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body, on December 29, 2017, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

IT IS HEREBY RESOLVED by the Township Council of the Township of Brick, in accordance with N.J.S.A. 54:4-67, to permit the fixing of the interest to be charged on taxes and assessments at 8% per annum on the first \$1,500.00 and allows 18% on any amount in excess of \$1,500.00 to be calculated from statutory due date until actual payment. Additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that remain unpaid at the end of the calendar year. There will be allowed the maximum ten (10) day grace period on quarterly tax payments.

GENERAL COMMENTS (continued)

Collection of Interest on Delinquent Taxes and Assessments (continued)

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

Tax Sale

The last tax sale was held on April 19, 2018 and it was complete.

Tax Title Liens

The number of tax title liens receivable as of December 31st of the last three (3) years:

<u>Year</u>	<u>Number of Liens</u>
2018	25
2017	40
2016	62

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis. Certain liens have been in existence for greater than two years.

Other Comments:

None.

**TOWNSHIP OF BRICK
COUNTY OF OCEAN**

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
John G. Ducey	Mayor
Heather deJong	Council Member President
Lisa Crate	Council Member Vice President
Andrea Zapcic	Council Member
Arthur Halloran	Council Member
Paul Mummolo	Council Member
James Fozman	Council Member
Marianna Pontoriero	Council Member
Lynnette Iannarone	Township Clerk/Municipal Improvement Search Officer
Maureen Laffey-Berg	Chief Financial Officer
Joanne Bergin	Business Administrator
Jo Anne R. Lambusta	Tax Collector
Joseph D. Grisanti	Judge
Michele Edgin	Court Administrator
Kevin Starkey	Township Attorney

All employees are covered by a Faithful Performance Blanket Position Bond in the amount of \$950,000.00 with the Ocean County Municipal Joint Insurance Fund.

There are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$50,000.00 for Public Employees. These bonds are subject to deductibles based upon other required coverages.

Appreciation

We express our appreciation for the cooperation received from the Township Officials and Employees and the courtesies extended during the course of the audit.

Very truly yours,

Charles J. Fallon CPA RMA

Charles J. Fallon
Registered Municipal Accountant #506

For the Firm
FALLON & COMPANY LLP

APPENDIX C

FORM OF APPROVING LEGAL OPINION FOR THE BONDS

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

June 23, 2020

Mayor and Township Council
of the Township of Brick
Brick, New Jersey

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, sale, issuance and delivery of the \$9,260,000 aggregate principal amount of General Improvement Bonds, Series 2020 (the “Bonds”) of the Township of Brick, in the County of Ocean (the “Township”), a body politic and corporate organized and existing under the laws of the State of New Jersey.

The Bonds are authorized by and are issued pursuant to: (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”); (ii) various bond ordinances duly adopted by the Township Council of the Township, approved by the Mayor, and published as required by law; and (iii) a resolution duly adopted by the Township Council of the Township on May 12, 2020.

The Bonds are being issued to refund, on a current basis, a \$9,260,000 principal portion of prior bond anticipation notes of the Township issued in the aggregate principal amount of \$14,850,000 on June 25, 2019 and maturing on June 24, 2020, which notes were originally issued to temporarily finance the cost of various capital improvements and purposes in and by the Township.

The Bonds are issued in fully registered, book-entry-only form, without coupons, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), an automated depository for securities and clearing house for securities transactions. One certificate shall be issued for the aggregate principal amount of Bonds maturing in each year. Individual purchases of the Bonds will be made in principal denominations of \$5,000 each or any integral multiple thereof, except that any Bonds in excess of the largest principal amount equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Township, as paying agent (or a paying agent duly appointed by the Township), directly to Cede & Co., as nominee for DTC. Disbursal of

such payments to DTC participants is the responsibility of DTC and disbursal of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants.

The Bonds are dated and shall bear interest from their date of delivery, which interest shall be payable semi-annually on the fifteenth (15th) day of February and August in each year (each an “Interest Payment Date”), commencing February 15, 2021, until maturity or prior redemption. The Bonds shall mature on February 15 in each of the years, in the principal amounts, and at the interest rates as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rates</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
2021	\$ 550,000	3.00%	2026	\$ 1,015,000	3.00%
2022	625,000	3.00	2027	1,045,000	3.00
2023	785,000	3.00	2028	1,070,000	3.00
2024	970,000	3.00	2029	1,100,000	2.00
2025	1,000,000	3.00	2030	1,100,000	2.00

The Bonds of this issue maturing prior to February 15, 2028 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after February 15, 2028 are subject to redemption at the option of the Township, in whole or in part, on any date on or after February 15, 2027, upon notice as required therein at one hundred percent (100%) of the principal amount being redeemed (the “Redemption Price”), plus accrued interest to the date fixed for redemption.

We have examined such matters of law, certified copies of the proceedings, including all authorization proceedings for the Bonds, and other documents and proofs relative to the authorization, issuance and sale of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, issuance and sale of the Bonds pursuant to the Local Bond Law; (ii) the Bonds have been duly authorized, executed and delivered and constitute valid and legally binding general obligations of the Township enforceable in accordance with their terms; and (iii) the Township has pledged its full faith and credit for the payment of the principal of and interest on the Bonds and, unless paid from other sources, all the taxable

property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Bonds in order for interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The Township has covenanted in a tax certificate relating to the Bonds to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Township with the requirements of the Code and the aforementioned covenants and representations stated in its tax certificate, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. The Bonds are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Bonds will not be treated as a preference item for purposes of computing the Federal alternative minimum tax.

The Bonds have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser’s basis in a Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of the Bonds in excess of the owner’s adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Bonds and not as interest.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state, local or foreign tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state, local or foreign tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is rendered on the basis of federal law and the laws of the State of New Jersey as enacted and construed on the date hereof.

We have examined one of each of the Bonds, as executed by the Township, and, in our opinion, the form of each Bond and their execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

APPENDIX D

FORM OF APPROVING LEGAL OPINION FOR THE NOTES

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

June 23, 2020

Mayor and Township Council
of the Township of Brick
Brick, New Jersey

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, sale, issuance and delivery of the \$11,110,650 aggregate principal amount of Bond Anticipation Notes (the "Notes"), dated June 23, 2020, maturing on June 22, 2021 and bearing interest at the rate of two and zero hundredths per centum (2.00%) per annum of the Township of Brick, in the County of Ocean (the "Township"), a body politic and corporate organized and existing under the laws of the State of New Jersey.

The bonds in anticipation of which the Notes are issued have been authorized pursuant to (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); (ii) various bond ordinances duly adopted by the Township Council of the Township, approved by the Mayor, and published as required by law; and (iii) a resolution duly adopted by the Township Council of the Township on May 12, 2020.

The Notes are being issued to (i) refund, on a current basis, a \$5,590,000 principal portion of prior bond anticipation notes of the Township issued in the aggregate principal amount of \$14,850,000 on June 25, 2019 and maturing on June 24, 2020, which notes were originally issued to temporarily finance the cost of various capital improvements and purposes in and by the Township; and (ii) temporarily finance the cost of various capital improvements and purposes in and by the Township in the amount of \$5,520,650, including paying the costs associated with the issuance of the Notes. The Notes are not subject to redemption prior to maturity.

The Notes are issued in fully registered book-entry-only form, without coupons, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Individual purchases of the Notes will be made in book-entry-only form, without certificates, in principal denominations of \$5,000 each or any integral multiple thereof, except that any Notes in excess of the largest principal amount equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Notes, payments of the

principal of and interest on the Notes will be made by the Township, as paying agent (or a paying agent duly appointed by the Township), directly to Cede & Co., as nominee for DTC. Disbursal of such payments to DTC participants is the responsibility of DTC and disbursal of such payments to the beneficial owners of the Notes is the responsibility of DTC participants.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, issuance and sale of the Notes pursuant to the Local Bond Law; (ii) the Notes have been duly authorized, executed and delivered and constitute valid and legally binding general obligations of the Township enforceable in accordance with their terms; and (iii) the Township has pledged its full faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, all the taxable property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Notes.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Notes in order for the interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Notes. The Township has covenanted in a tax certificate relating to the Notes to maintain the exclusion of the interest on the Notes from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Township with the requirements of the Code and the aforementioned covenants and representations stated in its tax certificate, interest on the Notes is not includable for Federal income tax purposes in the gross income of the owners of the Notes pursuant to Section 103 of the Code. The Notes are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Notes will not be treated as a preference item for purposes of computing the Federal alternative minimum tax.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state, local or foreign tax consequences of the ownership or disposition of the Notes. Furthermore, we express no opinion as to any Federal, state, local or foreign tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is rendered on the basis of federal law and the laws of the State of New Jersey as enacted and construed on the date hereof.

We have examined the form of the unexecuted Note and, in our opinion, the form of the Note is regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

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CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

This Continuing Disclosure Certificate dated June 23, 2020 (the "Disclosure Certificate") is executed and delivered by the Township of Brick, in the County of Ocean (the "Township" or the "Issuer"), a body politic and corporate organized and existing under the laws of the State of New Jersey, in connection with the issuance of its \$9,260,000 aggregate principal amount of General Improvement Bonds, Series 2020 (the "Bonds"), all such Bonds being dated their date of delivery. The Bonds are being issued pursuant to (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented; (ii) various bond ordinances duly adopted by the Township Council of the Township, approved by the Mayor, and published as required by law; and (iii) a resolution entitled, "RESOLUTION (A) PROVIDING FOR THE COMBINATION OF CERTAIN BOND ORDINANCES AND DETERMINING THE FORM AND OTHER DETAILS OF THE OFFERING OF \$9,260,000 GENERAL IMPROVEMENT BONDS, SERIES 2020, OF THE TOWNSHIP OF BRICK, IN THE COUNTY OF OCEAN, STATE OF NEW JERSEY (THE "TOWNSHIP") AND PROVIDING FOR THEIR SALE, AND (B) AUTHORIZING THE SALE AND ISSUANCE OF \$11,110,650 BOND ANTICIPATION NOTES OF THE TOWNSHIP" (the "Resolution"), being duly adopted by the Township Council of the Township on May 12, 2020. The Township covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Township for the benefit of the Holders of the Bonds and Beneficial Owners of the Bonds and in order to assist the participating Underwriter(s) in complying with the Rule (as defined below). The Township acknowledges it is an "Obligated Person" under the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Township pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds, as applicable (including persons holding Bonds, as applicable, through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds, as applicable, for Federal income tax purposes.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Township or the Dissemination Agent (as defined below) is authorized by law or contract to remain closed.

"Continuing Disclosure Information" shall mean, collectively, (i) each Annual Report; (ii) any notice required to be filed by the Township or the Dissemination Agent (as defined below) with EMMA (as defined below) pursuant to Section 3 of this Disclosure Certificate; and (iii) any notice of a Listed Event required to be filed by the Township or the

Dissemination Agent (as defined below) with EMMA (as defined below) pursuant to Section 5 of this Disclosure Certificate.

“Disclosure Representative” shall mean the Chief Financial Officer of the Township or her designee, or such other person as the Township shall designate in writing from time to time for the purposes of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, NW Financial Group, LLC, or any Dissemination Agent subsequently designated in writing by the Township which has filed with the Township a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system, a website created by the MSRB (as defined below) and approved by the SEC (as defined below) to provide a central location where investors can obtain municipal bond information including disclosure documents. The Township or the Dissemination Agent shall submit disclosure documents to EMMA as a Portable Document File (PDF file) to www.emma.msrb.org.

“Financial Obligation” shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term *“Financial Obligation”* shall not include municipal securities as to which a final official statement has been provided to the MSRB (as defined below), through the EMMA system, consistent with the Rule (as defined below).

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“National Repository” shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the SEC (as defined below) as a repository for purposes of the Rule (as defined below).

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC (as defined below) under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“State” shall mean the State of New Jersey.

“Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports. (a) The Township shall, not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Township’s reporting obligations under this Disclosure Certificate pursuant to the provisions of Section 6 of this Disclosure Certificate, provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Township (commencing for the fiscal year ending December 31, 2019). Each Annual

Report provided to the Dissemination Agent by the Township shall comply with the requirements of Section 4 of this Disclosure Certificate but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

(b) The Dissemination Agent, promptly (within ten (10) Business Days) after receiving the Annual Report from the Township, shall submit each Annual Report received by it to the National Repository and thereafter shall file a written report with the Township certifying that the Annual Report has been provided pursuant to this Disclosure Certificate to the National Repository and stating the date it was provided to the National Repository.

(c) If the Township fails to provide the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the Township advising of such failure. Whether or not such notice is given or received, if the Township thereafter fails to submit the Annual Report to the Dissemination Agent within ten (10) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice (with a copy of said notice to the Township) to the National Repository in substantially the form attached as Exhibit A hereto.

SECTION 4. Content of Annual Reports. (a) The Township's Annual Report shall contain or incorporate by reference the following:

(1) The audited financial statements of the Township as of December 31 of each year (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available);

The audited financial statements are to be prepared in accordance with generally accepted auditing standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") that demonstrate compliance with the modified accrual basis, with certain exceptions, which is a comprehensive basis of accounting other than generally accepted accounting principles ("GAAP") and the budget laws of the State;

(2) The most current annual debt statement of the Township (as of December 31); and

(3) The general financial information and operating data of the Township consistent with the information set forth in Appendix A to the Official Statement dated June 9, 2020 prepared in connection with the sale of the Bonds (the "Official Statement").

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Township is an "Obligated Person" (as defined by the Rule), which have been filed with EMMA or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB, through the EMMA system. The Township shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events. (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds, as applicable:

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

15. Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Township, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Township, any of which reflect financial difficulties.

The Township shall, in a timely manner not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB, through the EMMA system, in accordance with the provisions of this Section 5. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the Township has or obtains knowledge of the occurrence of any of the Listed Events, the Township shall, as soon as possible, determine if such event would constitute information material to the Beneficial Owners of the Bonds.

(c) If the Township determines that the occurrence of a Listed Event would be material to the Beneficial Owners of the Bonds, the Township shall promptly notify the Dissemination Agent in writing (if the Township is not the Dissemination Agent) and the Township shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the Township determines that the occurrence of a Listed Event would not be material to the Beneficial Owners of the Bonds, the Township shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the Township) and the Dissemination Agent (if the Dissemination Agent is not the Township) shall be instructed by the Township not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the Township to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA, with a copy to the Township (if the Dissemination Agent is not the Township). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owner of the affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The Township's obligations under this Disclosure Certificate shall terminate upon the defeasance or payment in full of all of the Bonds or when the Township is no longer an "Obligated Person" (as defined in the Rule). The Township shall file a notice of the termination of its reporting obligations

pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with EMMA in accordance with the provisions of Section 5(e) of this Disclosure Certificate.

SECTION 7. Dissemination Agent; Compensation. The Township may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be NW Financial Group, LLC. The Township shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Township may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to the Township to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the Township or "Obligated Person," or by approving vote of the Beneficial Owners of the Bonds, as applicable pursuant to the terms of the Resolution at the time of the amendment. The Township shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 of this Disclosure Certificate. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Township shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Township. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 of this Disclosure Certificate, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Township from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of

occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Township chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Township shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Township to comply with any provision of this Disclosure Certificate, the Holders of at least 25% aggregate principal amount of Outstanding Bonds or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Township to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Township to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent permitted by law, the Township agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the Township) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. To the extent permitted by law, the Township further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The obligations of the Township under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Township, the Dissemination Agent, the Underwriters, and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 13. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt) or electronic mail, followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) If to the Township:

Township of Brick
401 Chambers Bridge Road
Brick, New Jersey 08723
Attention: Chief Financial Officer

(b) Copies of all notices to the Dissemination Agent from time to time with respect to the Bonds, initially:

NW Financial Group, LLC
2 Hudson Place, 3rd Floor
Hoboken, New Jersey 07030

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 14. Counterparts. This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the Township and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 15. Severability. If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the Township and the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

SECTION 16. Governing Law. This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State of New Jersey as applicable.

TOWNSHIP OF BRICK

By: _____
MAUREEN LAFFEY-BERG
Chief Financial Officer

Acknowledged and Accepted by:

NW FINANCIAL GROUP, LLC,
as Dissemination Agent

Authorized Signatory

EXHIBIT A

**NOTICE TO EMMA OF FAILURE
TO FILE ANNUAL REPORT**

Name of Issuer: Township of Brick,
in the County of Ocean, State of New Jersey

Name of Issue: \$9,260,000 General Improvement Bonds, Series 2020
Dated: June 23, 2020
(CUSIP Number: 107889VS3)

Date of Issuance: June 23, 2020

NOTICE IS HEREBY GIVEN that the above designated Township has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution and a Continuing Disclosure Certificate for the Bonds dated June 23, 2020 executed by the Township and acknowledged and accepted by the Dissemination Agent.

DATED: _____

DISSEMINATION AGENT
(on behalf of the Township)

cc: The Township

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APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES

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CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES

I, MAUREEN LAFFEY-BERG, Chief Financial Officer of the Township of Brick, in the County of Ocean (the "Township"), a body politic and corporate organized and existing under the laws of the State of New Jersey, DO HEREBY CERTIFY in connection with the authorization, issuance and sale of the Township's \$11,110,650 aggregate principal amount Bond Anticipation Notes, dated June 23, 2020 and maturing on June 22, 2021 (the "Notes"), that pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Rule"), specifically subsections (d)(3) and (b)(5)(i)(C) thereof, the Township (or its duly appointed Dissemination Agent) will provide notice of certain material events (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a Portable Document File (PDF File) to www.emma.msrb.org, of any of the following events with respect to the Notes herein described, as applicable, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or other material events effecting the tax-exempt status of the security; (7) modifications to rights of security holders, if material; (8) bond calls, if material, and lender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the securities, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event; (13) consummation of a merger, consolidation, or acquisition, or sale of all or substantially all of the assets of the Township other than in the ordinary course of business, entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or change of name of a trustee, if material; (15) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Noteholders, if material; or (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

"Financial Obligation" shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term *"Financial Obligation"* shall not include municipal securities as to which a final official statement has been provided to the MSRB, through the EMMA system, consistent with the Rule.

Whenever the Township (or its duly appointed Dissemination Agent) obtains actual knowledge of the occurrence of any of the aforementioned events and when the occurrence of such events constitute material information to the holders of the Notes, the Township (or its duly appointed Dissemination Agent) shall file a Notice of each such occurrence with the MSRB via EMMA on a timely basis but no later than ten (10) business days after the receipt of actual knowledge of such material events.

The Township's obligations under this Certificate shall terminate upon the defeasance or payment in full of the Notes.

In the event the Township fails to comply with any provision of this Certificate, any Noteholder may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Township to comply with its obligations under this Certificate. Notwithstanding the above, the remedy for a breach of the provisions of this Certificate or the Township's failure to perform hereunder shall be limited to bringing an action to compel specific performance.

This Certificate shall inure solely to the benefit of the Township, the purchaser and the holders from time to time of the Notes, and shall create no further rights in any other person or entity hereunder.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the Township this 23rd day of June, 2020.

TOWNSHIP OF BRICK

MAUREEN LAFFEY-BERG,
Chief Financial Officer