

Report of Audit
on the
Financial Statements
of the
Township of Branchburg
in the
County of Somerset
New Jersey
for the
Year Ended
December 31, 2017

TOWNSHIP OF BRANCHBURG

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TOWNSHIP OF BRANCHBURG

PART I

INDEPENDENT AUDITOR'S REPORT ON
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
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SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2017 AND 2016



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Branchburg
County of Somerset
Branchburg, New Jersey 08876

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Branchburg, as of December 31, 2017 and 2016, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township of Branchburg as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2017.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2017 and 2016, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2017 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018 on our consideration of the Township of Branchburg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Branchburg's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 28, 2018



SUPLEE, CLOONEY & COMPANY

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

The Honorable Mayor and Members
of the Township Committee
Township of Branchburg
County of Somerset
Branchburg, New Jersey 08876

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Branchburg, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated June 28, 2018. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Branchburg prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 28, 2018

CURRENT FUND

TOWNSHIP OF BRANCHBURG

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>ASSETS</u>			
Cash	A-4	\$ 16,850,759.84	\$ 10,328,196.92
Change Fund	A-6	955.00	755.00
Due State of New Jersey - Senior Citizens and Veterans	A-7	63,927.24	64,677.24
		<u>\$ 16,915,642.08</u>	<u>\$ 10,393,629.16</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 511,887.79	\$ 500,205.53
Tax Title Liens Receivable	A-9	88,189.52	327,249.00
Revenue Accounts Receivable	A-13	14,456.38	23,975.80
Interfunds Receivable	A-12	46,460.51	1,831.56
	A	<u>\$ 660,994.20</u>	<u>\$ 853,261.89</u>
		<u>\$ 17,576,636.28</u>	<u>\$ 11,246,891.05</u>
Grant Fund:			
Cash	A-4	\$ 297,836.95	\$ 203,797.91
Due Grant Fund	A-29	5,000.00	
Due Current Fund	A-10		33,255.76
Grants Receivable	A-20	<u>132,482.73</u>	<u>154,535.73</u>
		<u>\$ 435,319.68</u>	<u>\$ 391,589.40</u>
		<u>\$ 18,011,955.96</u>	<u>\$ 11,638,480.45</u>

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

TOWNSHIP OF BRANCHBURG

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
Appropriation Reserves	A-3:A-14	\$ 1,819,269.65	\$ 1,966,067.26
Prepaid Taxes	A-18	4,003,890.48	400,482.33
Accounts Payable	A-11	355,828.95	180,541.57
Tax Overpayments	A-17	20,524.69	521.11
Interfunds Payable	A-12	1,340,196.87	41,675.80
Reserve For:			
Sale of Municipal Assets	A-15	251,000.00	251,000.00
Revision of Master Plan	A-25	3,111.91	3,111.91
Marriage/Domestic Partnership Licenses - Due State of NJ	A-19	125.00	275.00
Construction Code DCA - Due State of NJ	A-21	12,339.87	21,786.61
Due State of New Jersey - Burial Permits	A-22	45.00	45.00
		<u>\$ 7,806,332.42</u>	<u>\$ 2,865,506.59</u>
Reserve for Receivables and Other Assets	A	660,994.20	853,261.89
Fund Balance	A-1	<u>9,109,309.66</u>	<u>7,528,122.57</u>
		<u>\$ 17,576,636.28</u>	<u>\$ 11,246,891.05</u>
Grant Fund:			
Reserve for Grants - Unappropriated	A-24	\$ 86,533.06	\$ 89,758.27
Reserve for Grants - Appropriated	A-23	320,525.77	295,662.28
Due Current Fund	A-10	23,764.80	
Reserve for Accounts Payable	A-16	<u>4,496.05</u>	<u>6,168.85</u>
		<u>\$ 435,319.68</u>	<u>\$ 391,589.40</u>
		<u>\$ 18,011,955.96</u>	<u>\$ 11,638,480.45</u>

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

"A-1"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

		YEAR ENDED DECEMBER 31, 2017	YEAR ENDED DECEMBER 31, 2016
<u>REVENUE AND OTHER INCOME REALIZED</u>	REF.		
Fund Balance Utilized	A-1:A-2	\$ 3,700,000.00	\$ 3,600,000.00
Miscellaneous Revenue Anticipated	A-2	5,876,579.14	5,145,989.99
Receipts From Delinquent Taxes	A-2	759,204.81	408,494.30
Receipts From Current Taxes	A-2	65,525,436.48	64,538,920.53
Non-Budget Revenue	A-2	1,023,919.85	495,527.22
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	1,759,810.51	1,744,920.35
Interfunds Returned			10,654.43
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 78,644,950.79</u>	<u>\$ 75,944,506.82</u>
 <u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS"	A-3	\$ 13,031,326.00	\$ 12,871,174.00
Deferred Charges and Regulatory Expenditures - Municipal	A-3	1,724,216.00	1,721,546.00
Other Operations Excluded From "CAPS":			
Other Operations	A-3		30,740.00
State and Federal Programs Off-Set by Revenue	A-3	175,944.67	171,011.35
Municipal Debt Service	A-3	1,109,910.49	1,096,720.50
Capital Improvements	A-3	1,490,000.00	1,300,000.00
Deferred Charges	A-3	100,000.00	108,597.00
Open Space Tax	A-28	1,514,485.87	1,481,094.68
Added Open Space Tax	A-28	3,551.01	4,983.91
County Tax	A-26	12,194,540.98	11,987,557.98
County Share of Added Taxes	A-26	28,747.73	41,389.87
Local District School Tax	A-27	41,946,412.00	41,413,150.00
Interfunds Advanced		44,628.95	
<u>TOTAL EXPENDITURES</u>		<u>\$ 73,363,763.70</u>	<u>\$ 72,227,965.29</u>
Excess to Revenue		<u>\$ 5,281,187.09</u>	<u>\$ 3,716,541.53</u>
Fund Balance, January 1	A	<u>\$ 7,528,122.57</u>	<u>\$ 7,411,581.04</u>
		\$ 12,809,309.66	\$ 11,128,122.57
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>3,700,000.00</u>	<u>3,600,000.00</u>
Fund Balance, December 31	A	<u><u>\$ 9,109,309.66</u></u>	<u><u>\$ 7,528,122.57</u></u>

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

TOWNSHIP OF BRANCHBURG

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	A-1	\$ 3,700,000.00	\$ 3,700,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-13	\$ 17,000.00	\$ 30,000.00	\$ 13,000.00
Other	A-2	25,000.00	33,015.00	8,015.00
Fees and Permits:				
Construction Code Official	A-13	450,000.00	867,627.62	417,627.62
Other	A-2	150,000.00	227,829.05	77,829.05
Municipal Court:				
Fines and Costs	A-13	300,000.00	295,789.99	(4,210.01)
Interest and Costs on Taxes	A-13	80,000.00	462,907.54	382,907.54
Energy Receipts Tax	A-13	3,017,684.00	3,017,684.00	
Garden State Trust Fund	A-13	10,807.00	10,807.00	
Sewer Utility Surplus	A-13	200,000.00	200,000.00	
Hotel Tax	A-13	385,000.00	500,758.41	115,758.41
Fire Safety - Life Hazard Use Fees	A-13	59,000.00	74,215.86	15,215.86
Safe & Secure Communities	A-12:A-20	60,000.00	60,000.00	
Youth Services Grant	A-12:A-20	5,000.00	5,000.00	
Drunk Driving Enforcement Fund Grant	A-12:A-20	7,851.99	7,851.99	
Alcohol Education Rehabilitation	A-12:A-20	906.47	906.47	
Recycling Tonnage	A-12:A-20	28,816.98	28,816.98	
Highway Safety Fund Grant	A-12:A-20	6,186.40	6,186.40	
Body Armor	A-12:A-20	2,585.16	2,585.16	
Clean Communities Program	A-12:A-20	44,597.67	44,597.67	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 4,850,435.67	\$ 5,876,579.14	\$ 1,026,143.47
Receipts From Delinquent Taxes	A-1:A-8	\$ 400,000.00	\$ 759,204.81	\$ 359,204.81
Amt. to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2:A-8	\$ 10,248,451.00	\$ 11,387,698.89	\$ 1,139,247.89
<u>BUDGET TOTALS</u>		\$ 19,198,886.67	\$ 21,723,482.84	\$ 2,524,596.17
Non-Budget Revenues	A-2	\$	\$ 1,023,919.85	\$ 1,023,919.85
		\$ 19,198,886.67	\$ 22,747,402.69	\$ 3,548,516.02
	<u>REF.</u>	A-3		

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

TOWNSHIP OF BRANCHBURG
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:			
Revenue From Collections	A-1:A:8	\$	65,525,436.48
Allocated to:			
County Taxes	A-8	\$	12,223,288.71
Local District School Taxes	A-8		41,946,412.00
Municipal Open Space	A-8		<u>1,518,036.88</u>
Balance for Support of Municipal Budget Appropriations		\$	9,837,698.89
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>1,550,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>11,387,698.89</u></u>
Licenses - Other:			
Clerk	A-13	\$	8,420.00
Board of Health	A-13		24,400.00
Registrar	A-13		<u>195.00</u>
	A-2	\$	<u><u>33,015.00</u></u>
Other - Fees and Permits:			
Board of Health	A-13	\$	22,302.50
Police	A-13		4,272.25
Clerk	A-13		61,533.31
Zoning/Planning/Adjustment	A-13		61,188.80
Engineering	A-13		17,861.69
Registrar (Including EDRS)	A-13		6,718.00
Fire	A-13		<u>53,952.50</u>
	A-2	\$	<u><u>227,829.05</u></u>

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

TOWNSHIP OF BRANCBURG

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Solar SREC Sales	\$	74,370.00
Comcast/Verizon Franchise Fee		101,876.31
Cell Tower Rent		96,336.01
Escrow Refunds		55,399.88
Auction Sales		29,497.86
Senior Citizen / Veteran Admin Fee		1,560.00
JIF Dividend		46,968.00
Other Miscellaneous Revenue		32,654.87
Police Outside Overtime Admin Fee		44,361.00
Affordable Housing Fee		11,424.00
FEMA		176,918.54
Tax Collector		5,791.63
Motor Vehicle Inspection Fines		42,981.51
Interest on Investments		100,987.91
Grants Canceled		23,764.80
Trust Reserves Canceled		134,814.03
Scrap/Recycling Sales		2,541.90
DPW Shared Services		20,989.35
Advertising Costs		1,244.66
First Energy Line Refunds		1,692.91
Escrow Interest		3,666.00
Prior Year Reimbursements		14,078.68
		<hr/>
<u>Total Non-Budget Revenue</u>	A-1:A-2:A-4	\$ <u><u>1,023,919.85</u></u>

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

TOWNSHIP OF BRANCHBURG

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<u>GENERAL GOVERNMENT:</u>					
Administrative and Executive:					
Salaries and Wages	\$ 360,000.00	\$ 363,000.00	\$ 360,776.99	\$ 2,223.01	\$
Other Expenses	312,500.00	287,500.00	227,363.41	60,136.59	
Mayor and Council:					
Salaries and Wages	41,000.00	41,000.00	39,591.05	1,408.95	
Other Expenses	25,500.00	25,500.00	19,172.38	6,327.62	
Clerk:					
Salaries and Wages	178,000.00	178,000.00	168,624.70	9,375.30	
Other Expenses	8,500.00	8,500.00	5,570.30	2,929.70	
Elections:					
Salaries and Wages	300.00	300.00	158.62	141.38	
Other Expenses	5,000.00	5,000.00		5,000.00	
Financial Administration:					
Salaries and Wages	205,000.00	207,000.00	205,813.36	1,186.64	
Other Expenses	35,600.00	35,600.00	20,205.29	15,394.71	
Audit	35,000.00	35,000.00		35,000.00	
Assessment of Taxes:					
Salaries and Wages	236,000.00	236,000.00	210,567.69	25,432.31	
Other Expenses	61,450.00	61,450.00	38,264.56	23,185.44	
Collection of Taxes:					
Salaries and Wages	65,000.00	65,000.00	53,243.90	11,756.10	
Other Expenses	9,750.00	9,750.00	5,681.90	4,068.10	
Legal Services and Costs:					
Miscellaneous Other Expenses	100,000.00	100,000.00	38,987.14	61,012.86	
Mount Laurel Implementation	50,000.00	50,000.00	16,455.00	33,545.00	
Litigation	150,000.00	150,000.00	65,633.43	84,366.57	
Prosecutor	29,070.00	29,070.00	28,969.92	100.08	
Engineering Services and Costs:					
Salaries and Wages	561,000.00	561,000.00	528,857.62	32,142.38	
Other Expenses	42,300.00	42,300.00	16,565.06	25,734.94	
Public Buildings and Grounds:					
Other Expenses	102,000.00	102,000.00	78,745.54	23,254.46	
Planning Board:					
Salaries and Wages	31,500.00	31,500.00	25,866.13	5,633.87	
Other Expenses	46,700.00	46,700.00	13,846.50	32,853.50	
Board of Adjustment:					
Other Expenses	21,950.00	21,950.00	5,308.13	16,641.87	
Environmental Commission:					
Other Expenses	500.00	500.00	300.00	200.00	
Historical Commission:					
Other Expenses	3,700.00	3,700.00	3,500.00	200.00	
Recycling:					
Contractual	135,000.00	135,000.00	97,844.64	37,155.36	
Other Expenses	20,000.00	20,000.00	11,921.00	8,079.00	
Insurance:					
Group Insurance Plan for Employees	1,815,000.00	1,815,000.00	1,668,531.49	146,468.51	
Other Insurance Premiums	343,000.00	343,000.00	329,648.00	13,352.00	
Worker's Compensation	225,000.00	225,000.00	225,000.00		
Group Insurance - Opt Out	100,000.00	100,000.00	62,382.53	37,617.47	
<u>PUBLIC SAFETY:</u>					
Bureau of Fire Prevention:					
Salaries and Wages	124,000.00	124,000.00	120,787.28	3,212.72	
Other Expenses	5,750.00	5,750.00	5,154.54	595.46	
Public Fire Prevention - Fire Hydrant Services	415,000.00	415,000.00	323,500.00	91,500.00	
Aid to Volunteer Fire Companies	140,000.00	140,000.00	140,000.00		
Aid to Adjoining Fire Companies	80,400.00	80,400.00	80,400.00		
Maintenance of Fire Vehicles	61,000.00	61,000.00	36,000.00	25,000.00	
Blood Born Pathogens:					
Other Expenses	4,500.00	4,500.00	2,773.19	1,726.81	
Police:					
Salaries and Wages	2,950,000.00	2,950,000.00	2,770,418.09	179,581.91	
Other Expenses	169,000.00	169,000.00	147,081.26	21,918.74	
School Crossing Guards:					
Salaries and Wages	20,000.00	20,000.00	17,342.45	2,657.55	
Other Expenses	2,000.00	2,000.00	1,867.44	132.56	
First Aid Organization Contribution	54,000.00	54,000.00	54,000.00		
Emergency Management Services:					
Other Expenses	7,000.00	7,000.00		7,000.00	

TOWNSHIP OF BRANCHBURG

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<u>PUBLIC SAFETY (CONTINUED):</u>					
Municipal Court:					
Salaries and Wages	\$ 171,253.00	\$ 176,253.00	\$ 172,801.11	\$ 3,451.89	\$
Other Expenses	12,100.00	12,100.00	4,325.11	7,774.89	
Public Defender:					
Other Expenses	5,000.00	5,000.00		5,000.00	
<u>STREETS AND ROADS:</u>					
Road Repair and Maintenance:					
Salaries and Wages	1,560,000.00	1,546,000.00	1,315,530.26	230,469.74	
Other Expenses	417,000.00	417,000.00	322,679.79	94,320.21	
Snow Removal:					
Salaries and Wages	75,000.00	75,000.00	20,675.56	54,324.44	
Other Expenses	105,000.00	105,000.00	73,198.62	31,801.38	
Street Lighting:					
Other Expenses	40,000.00	40,000.00	26,687.50	13,312.50	
<u>HEALTH AND WELFARE:</u>					
Board of Health:					
Salaries and Wages	150,453.00	150,453.00	145,453.36	4,999.64	
Other Expenses	25,950.00	25,950.00	14,762.84	11,187.16	
Dog Regulation:					
Other Expenses	13,000.00	13,000.00	2,152.78	10,847.22	
<u>RECREATION AND EDUCATION:</u>					
Board of Recreation Commissioners:					
Salaries and Wages	172,000.00	172,000.00	169,772.06	2,227.94	
Other Expenses	35,050.00	35,050.00	22,859.58	12,190.42	
<u>UNIFORM CONSTRUCTION CODE:</u>					
Construction Official:					
Salaries and Wages	127,000.00	127,000.00	116,149.62	10,850.38	
Other Expenses	43,550.00	72,550.00	58,274.76	14,275.24	
Sub-Code Officials:					
Salaries and Wages	54,500.00	54,500.00	50,296.48	4,203.52	
Other Expenses	2,200.00	2,200.00	1,765.94	434.06	
Plumbing Inspector:					
Salaries and Wages	35,000.00	35,000.00	30,022.21	4,977.79	
Other Expenses	750.00	750.00	198.00	552.00	
Electrical Sub Code:					
Salaries and Wages	51,200.00	51,200.00	42,272.64	8,927.36	
Other Expenses	500.00	500.00	104.45	395.55	
Fire Sub Code:					
Salaries and Wages	50,000.00	50,000.00	46,363.20	3,636.80	
Other Expenses	850.00	850.00	101.79	748.21	
<u>UNCLASSIFIED:</u>					
Municipal Services Law	25,000.00	25,000.00		25,000.00	
Electricity	90,000.00	90,000.00	84,892.25	5,107.75	
Telephone	75,000.00	75,000.00	68,870.24	6,129.76	
Water	36,000.00	36,000.00	21,120.45	14,879.55	
Natural Gas	40,000.00	40,000.00	22,988.66	17,011.34	
Gasoline	200,000.00	200,000.00	147,694.73	52,305.27	
Volunteer Incentive Program	30,000.00	30,000.00		30,000.00	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 13,031,326.00</u>	<u>\$ 13,031,326.00</u>	<u>\$ 11,254,734.52</u>	<u>\$ 1,776,591.48</u>	<u>\$</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS":</u>					
Statutory Expenditures:					
Social Security System	\$ 540,000.00	\$ 540,000.00	\$ 521,718.86	\$ 18,281.14	\$
Police and Firemen's Retirement System of N.J.	635,194.00	635,194.00	635,194.00		
Public Employee's Retirement System	539,022.00	539,022.00	539,022.00		
Contribution to Unemployment Trust	10,000.00	10,000.00	10,000.00		
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"</u>	<u>\$ 1,724,216.00</u>	<u>\$ 1,724,216.00</u>	<u>\$ 1,705,934.86</u>	<u>\$ 18,281.14</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE WITHIN 'CAPS'</u>	<u>\$ 14,755,542.00</u>	<u>\$ 14,755,542.00</u>	<u>\$ 12,960,669.38</u>	<u>\$ 1,794,872.62</u>	<u>\$</u>
<u>OPERATIONS EXCLUDED FROM "CAPS":</u>					

TOWNSHIP OF BRANCHBURG

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:</u>					
Safe and Secure Neighborhoods:					
State Share	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$	
Local Share	20,000.00	20,000.00	20,000.00		
Alcohol Education and Rehabilitation	906.47	906.47	906.47		
Youth Services Grant	5,000.00	5,000.00	5,000.00		
Drunk Driving Enforcement Fund	7,851.99	7,851.99	7,851.99		
Clean Communities	44,597.67	44,597.67	44,597.67		
Highway Safety Fund	6,186.40	6,186.40	6,186.40		
Recycling Tonnage Grant	28,816.98	28,816.98	28,816.98		
Body Armor	2,585.16	2,585.16	2,585.16		
<u>TOTAL STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</u>	<u>\$ 175,944.67</u>	<u>\$ 175,944.67</u>	<u>\$ 175,944.67</u>	<u>\$</u>	<u>\$</u>
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>					
Capital Improvement Fund	\$ 640,000.00	\$ 640,000.00	\$ 640,000.00	\$	\$
Reserve for Road Improvement	700,000.00	700,000.00	687,657.49	12,342.51	
Reserve for Emergency Services Equipment	50,000.00	50,000.00	49,979.81	20.19	
Reserve for Computer Equipment	100,000.00	100,000.00	87,965.67	12,034.33	
<u>TOTAL CAPITAL IMPROVEMENTS</u>	<u>\$ 1,490,000.00</u>	<u>\$ 1,490,000.00</u>	<u>\$ 1,465,602.97</u>	<u>\$ 24,397.03</u>	<u>\$</u>
<u>DEBT SERVICE:</u>					
Payment of Bond Principal	\$ 412,500.00	\$ 412,500.00	\$ 412,500.00	\$	\$
Interest on Bonds	107,450.00	107,450.00	107,233.00		217.00
Payment of Note Principal	500,000.00	500,000.00	500,000.00		
Interest on Notes	107,450.00	107,450.00	90,177.49		17,272.51
<u>TOTAL DEBT SERVICE</u>	<u>\$ 1,127,400.00</u>	<u>\$ 1,127,400.00</u>	<u>\$ 1,109,910.49</u>	<u>\$</u>	<u>\$ 17,489.51</u>
<u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS":</u>					
Deferred Charges:					
Deferred Charges to Future Taxation Unfunded:					
Ordinance 2004-960	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$	\$
<u>TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</u>	<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>	<u>\$</u>	<u>\$</u>
<u>SUBTOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 17,648,886.67</u>	<u>\$ 17,648,886.67</u>	<u>\$ 15,812,127.51</u>	<u>\$ 1,819,269.65</u>	<u>\$ 17,489.51</u>
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>1,550,000.00</u>	<u>1,550,000.00</u>	<u>1,550,000.00</u>		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 19,198,886.67</u>	<u>\$ 19,198,886.67</u>	<u>\$ 17,362,127.51</u>	<u>\$ 1,819,269.65</u>	<u>\$ 17,489.51</u>
	<u>REF.</u>	<u>A-2:A-3</u>	<u>A-3</u>	<u>A-1:A-3</u>	<u>A:A-1</u>
Reserve for Accounts Payable	A-11			\$ 355,828.95	
Grants Appropriated	A-12:A-23			155,944.67	
Reserve for Uncollected Taxes	A-2			1,550,000.00	
Disbursements	A-4			15,377,136.76	
				<u>\$ 17,438,910.38</u>	
Less: Refunds	A-4			76,782.87	
	A-3			<u>\$ 17,362,127.51</u>	

TRUST FUND

"B"

TOWNSHIP OF BRANCHBURG

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

			BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
<u>A S S E T S</u>	<u>REF.</u>			
Assessment Fund:				
Cash	B-2:B-4	\$	172,502.33	\$ 225,275.87
Assessments Receivable	B-3		15,194.87	22,338.24
	B	\$	<u>187,697.20</u>	<u>247,614.11</u>
Animal Control Fund:				
Cash	B-2	\$	2,104.86	\$ 8,439.82
	B	\$	<u>2,104.86</u>	<u>8,439.82</u>
Other Funds:				
Cash	B-2	\$	6,985,152.89	\$ 6,646,725.19
Due Current Fund	B-18		10,019.38	8,420.04
Due Sewer Operating Fund	B-6		557.62	557.62
	B	\$	<u>6,995,729.89</u>	<u>6,655,702.85</u>
		\$	<u>7,185,531.95</u>	<u>6,911,756.78</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>				
Assessment Fund:				
Assessment Serial Bonds Payable	B-10	\$	60,000.00	\$ 120,000.00
Due Current Fund	B-23		162.41	79.32
Reserve for Assessments	B-9		15,194.87	22,338.24
Fund Balance	B-1		112,339.92	105,196.55
	B	\$	<u>187,697.20</u>	<u>247,614.11</u>
Animal Control Fund:				
Prepaid Licenses	B-25	\$	67.00	\$ 118.00
Due Current Fund	B-24		1.48	1.48
Due State of New Jersey	B-13			1.20
Reserve for Animal Control Expenditures	B-12		2,036.38	8,319.14
	B	\$	<u>2,104.86</u>	<u>8,439.82</u>
Other Funds:				
Due Current Fund	B-18	\$	22,531.82	\$ 1,750.76
Due Grant Fund	B-26		5,000.00	
Reserves For:				
Various Deposits	B-11		502,334.20	615,141.02
Recreation Deposits	B-20		88,786.63	35,731.71
Redemption of Outside Liens	B-22		2,195.82	4,723.12
Tax Sale Premiums	B-21		306,700.00	436,100.00
Law Enforcement Trust Fund	B-7		8,382.28	8,341.25
Payroll Deductions	B-8		186,007.23	96,882.33
Flexible Spending Account	B-5		6,919.07	4,077.80
Unemployment Insurance Compensation	B-16		200,154.43	182,673.13
Developers' Deposits	B-15		1,996,849.01	1,715,379.14
Open Space Deposits	B-17		3,344,649.05	3,041,176.06
COAH Deposits	B-14		304,972.61	440,417.17
Accounts Payable	B-19		20,247.74	73,309.36
	B	\$	<u>6,995,729.89</u>	<u>6,655,702.85</u>
		\$	<u>7,185,531.95</u>	<u>6,911,756.78</u>

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

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF ASSESSMENT FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Increased by:			
Collection of Assessments	B-9	\$ <u>7,143.37</u>	\$ <u>5,852.17</u>
Total Increase/(Decrease)		\$ <u>7,143.37</u>	\$ <u>5,852.17</u>
Balance, January 1	B	\$ <u>105,196.55</u>	\$ <u>99,344.38</u>
Balance, December 31	B	\$ <u><u>112,339.92</u></u>	\$ <u><u>105,196.55</u></u>

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

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GENERAL CAPITAL FUND

"C"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 1,983,008.31	\$ 2,776,212.21
Grants Receivable	C-4	360,000.00	160,000.00
Interfunds Receivable	C-17	1,330,177.49	
Deferred Charges to Future Taxation:			
Funded	C-5	7,675,000.00	9,010,000.00
Unfunded	C-7	<u>8,811,008.93</u>	<u>8,132,758.93</u>
		<u>\$ 20,159,194.73</u>	<u>\$ 20,078,971.14</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-11	\$ 7,675,000.00	\$ 9,010,000.00
Bond Anticipation Note Payable	C-15	5,773,875.00	4,508,875.00
Capital Improvement Fund	C-8	251,187.41	292,937.41
Improvement Authorizations:			
Funded	C-9	802,444.64	868,499.54
Unfunded	C-7:C-9	3,274,024.57	3,338,488.28
Reserve for:			
Capital Projects	C-6	149,436.14	637,961.14
Preliminary Costs	C-10	84,992.00	84,992.00
Contracts Payable	C-12	1,523,005.55	656,988.35
FEMA	C-14	14,367.00	14,367.00
Reserve for Grants Receivable	C-13	360,000.00	160,000.00
Fund Balance	C-1	<u>250,862.42</u>	<u>505,862.42</u>
		<u>\$ 20,159,194.73</u>	<u>\$ 20,078,971.14</u>

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

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>Year 2017</u>	<u>Year 2016</u>
Increased by:			
Receipts		\$ <u> </u>	\$ <u>37,515.00</u>
		\$ <u>0.00</u>	\$ <u>37,515.00</u>
Decreased by:			
Improvement Authorizations Financed	C-9	\$ <u>255,000.00</u>	\$ <u> </u>
Increase/(Decrease)		\$ <u>(255,000.00)</u>	\$ <u>37,515.00</u>
Balance, January 1	C	\$ <u>505,862.42</u>	\$ <u>468,347.42</u>
Balance, December 31	C	\$ <u><u>250,862.42</u></u>	\$ <u><u>505,862.42</u></u>

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

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SEWER UTILITY FUND

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
Operating Fund:			
Cash	D-6	\$ 4,193,573.80	\$ 4,097,742.27
Interfund Receivable	D-11		750.46
		<u>\$ 4,193,573.80</u>	<u>\$ 4,098,492.73</u>
Receivables with Full Reserves:			
Sewer Use Charges Receivable	D-13	\$ 374,376.72	\$ 356,496.07
Sewer Liens Receivable	D-30	5,501.78	
	D	<u>\$ 379,878.50</u>	<u>\$ 356,496.07</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 4,573,452.30</u>	<u>\$ 4,454,988.80</u>
Assessment Trust Fund:			
Cash	D-6:D-7	\$ 95,984.53	\$ 106,319.99
Assessments Receivable	D-17	155,071.92	155,486.92
Due From Third Party	D-15	25.00	25.00
<u>TOTAL ASSESSMENT TRUST FUND</u>	D	<u>\$ 251,081.45</u>	<u>\$ 261,831.91</u>
Capital Fund:			
Cash	D-6:D-8	\$ 3,878,083.56	\$ 3,521,834.48
Fixed Capital	D-26	6,530,171.78	6,530,171.78
Fixed Capital Authorized and Uncompleted	D-18	7,722,000.00	7,722,000.00
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 18,130,255.34</u>	<u>\$ 17,774,006.26</u>
		<u>\$ 22,954,789.09</u>	<u>\$ 22,490,826.97</u>

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

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-5:D-12	\$ 997,447.48	\$ 1,036,392.68
Reserve for Accounts Payable	D-14	6,730.30	10,643.60
Interfunds Payable	D-11	557.62	557.62
Accrued Interest Payable	D-31		5,039.50
Prepaid Sewer Rents	D-20	16,901.57	12,612.16
Reserve for Escrow Funds	D-10	89,683.59	89,683.59
Due Somerset/Raritan Valley Sewer Authority	D-9	1,200.00	1,200.00
		<u>\$ 1,112,520.56</u>	<u>\$ 1,156,129.15</u>
Reserve for Receivables	D	379,878.50	356,496.07
Fund Balance	D-1	<u>3,081,053.24</u>	<u>2,942,363.58</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 4,573,452.30</u>	<u>\$ 4,454,988.80</u>
Assessment Trust Fund:			
Assessment Serial Bonds Payable	D-19	\$	\$ 10,000.00
Interfunds Payable	D-21		750.46
Reserve for Assessments and Liens	D-16	155,071.92	155,071.92
		<u>\$ 155,071.92</u>	<u>\$ 165,822.38</u>
Fund Balance	D-2	<u>96,009.53</u>	<u>96,009.53</u>
<u>TOTAL ASSESSMENT TRUST FUND</u>	D	<u>\$ 251,081.45</u>	<u>\$ 261,831.91</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-29	\$ 1,242,580.55	\$ 1,087,769.35
Unfunded	D-29		228,971.20
Capital Improvement Fund	D-28	2,038,164.00	1,838,164.00
Reserve for Contracts Payable	D-24	158,349.14	177,940.06
Reserve for Preliminary Costs	D-25	131,170.00	131,170.00
Reserve for I and I Study	D-23	28,493.94	28,493.94
Reserve for Amortization	D-27	6,530,171.78	6,530,171.78
Deferred Reserve for Amortization	D-22	7,722,000.00	7,472,000.00
		<u>\$ 17,850,929.41</u>	<u>\$ 17,494,680.33</u>
Fund Balance	D-3	<u>279,325.93</u>	<u>279,325.93</u>
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 18,130,255.34</u>	<u>\$ 17,774,006.26</u>
		<u>\$ 22,954,789.09</u>	<u>\$ 22,490,826.97</u>

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

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER 31, <u>2017</u>	YEAR ENDED DECEMBER 31, <u>2016</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-4	\$ 1,300,000.00	\$ 1,300,000.00
Sewer Use Charges	D-4	3,271,016.51	3,311,317.27
Capacity Charges	D-4:D-6	208,000.00	233,333.00
Miscellaneous Revenue Not Anticipated	D-4:D-6	49,910.99	32,035.37
Other Credits to Income:			
Accrued Interest Canceled	D-31	6,579.50	
Unexpended Balance of Appropriation Reserves	D-12	<u>1,029,182.66</u>	<u>908,521.10</u>
<u>TOTAL INCOME</u>		<u>\$ 5,864,689.66</u>	<u>\$ 5,785,206.74</u>
<u>EXPENDITURES</u>			
Operating	D-5	\$ 3,580,000.00	\$ 3,580,000.00
Capital Improvements	D-5	300,000.00	300,000.00
Debt Service	D-5	2,000.00	2,000.00
Deferred Charges and Regulatory Expenditures	D-5	344,000.00	344,000.00
Fund Balance Utilized-Current Fund Revenue	D-5:D-6	<u>200,000.00</u>	<u>200,000.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 4,426,000.00</u>	<u>\$ 4,426,000.00</u>
Excess in Revenue		\$ 1,438,689.66	\$ 1,359,206.74
Fund Balance, January 1	D	<u>2,942,363.58</u>	<u>2,883,156.84</u>
		\$ 4,381,053.24	\$ 4,242,363.58
Decreased by:			
Utilization as Anticipated Revenue	D-1:D-4	<u>1,300,000.00</u>	<u>1,300,000.00</u>
Fund Balance, December 31	D	<u>\$ 3,081,053.24</u>	<u>\$ 2,942,363.58</u>

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

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

STATEMENT OF ASSESSMENT TRUST FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Balance, January 1	B	\$ <u>96,009.53</u>	\$ <u>96,009.53</u>
Balance, December 31	B	\$ <u><u>96,009.53</u></u>	\$ <u><u>96,009.53</u></u>

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

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Balance, January 1	B	\$ <u>279,325.93</u>	\$ <u>279,325.93</u>
Balance, December 31	B	\$ <u>279,325.93</u>	\$ <u>279,325.93</u>

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

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS</u>
Fund Balance Utilized	D-1	\$ 1,300,000.00	\$ 1,300,000.00	\$
Sewer Use Charges	D-1	2,900,000.00	3,271,016.51	371,016.51
Capacity Charges	D-1:D-6	<u>26,000.00</u>	<u>208,000.00</u>	<u>182,000.00</u>
<u>BUDGET TOTALS</u>		\$ 4,226,000.00	\$ 4,779,016.51	\$ 553,016.51
Non-Budget Revenue	D-1:D-4:D-6	<u> </u>	<u>49,910.99</u>	<u>49,910.99</u>
<u>BUDGET TOTALS</u>	D-5	\$ <u>4,226,000.00</u>	\$ <u>4,828,927.50</u>	\$ <u>602,927.50</u>
<u>ANALYSIS OF REALIZED REVENUE:</u>				
Miscellaneous:				
Interest on Sewer Charges			\$ 8,222.44	
Interest on Deposits			38,822.10	
Other - Collector			<u>2,866.45</u>	
	D-1:D-4:D-6		\$ <u>49,910.99</u>	

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

TOWNSHIP OF BRANCHBURG
SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>OPERATING:</u>				
Salaries and Wages	\$ 550,000.00	\$ 550,000.00	\$ 484,562.21	\$ 65,437.79
Other Expenses	3,029,000.00	3,029,000.00	2,219,213.25	809,786.75
Sewer Assessment Commission:				
Salaries and Wages	1,000.00	1,000.00		1,000.00
<u>TOTAL OPERATING</u>	<u>\$ 3,580,000.00</u>	<u>\$ 3,580,000.00</u>	<u>\$ 2,703,775.46</u>	<u>\$ 876,224.54</u>
<u>CAPITAL IMPROVEMENTS:</u>				
Purchase of Vehicle and Equipment	\$ 100,000.00	\$ 100,000.00	\$ 35,708.00	\$ 64,292.00
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	
	<u>\$ 300,000.00</u>	<u>\$ 300,000.00</u>	<u>\$ 235,708.00</u>	<u>\$ 64,292.00</u>
<u>DEBT SERVICE:</u>				
Interest on Bonds	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	
<u>DEFERRED CHARGES AND REGULATORY EXPENDITURES:</u>				
Deferred Charges:				
Deferred Charges Paydown	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$
Regulatory Expenditures:				
Public Employee Retirement System	50,000.00	50,000.00		50,000.00
Social Security System (O.A.S.I.)	44,000.00	44,000.00	37,069.06	6,930.94
	<u>\$ 344,000.00</u>	<u>\$ 344,000.00</u>	<u>\$ 287,069.06</u>	<u>\$ 56,930.94</u>
	<u>\$ 4,226,000.00</u>	<u>\$ 4,226,000.00</u>	<u>\$ 3,228,552.52</u>	<u>\$ 997,447.48</u>
<u>REF.</u>	D-4	D-1		D
Disbursements	D-6		\$ 3,219,822.22	
Reserve for Accounts Payable	D-14		6,730.30	
Charge Out:				
Accrued Interest	D-31		2,000.00	
			<u>\$ 3,228,552.52</u>	

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"E"

TOWNSHIP OF BRANCHBURG

STATEMENT OF GENERAL FIXED ASSETS

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
Fixed Assets:		
Land	\$ 23,908,966.00	\$ 23,908,966.00
Buildings	4,611,157.00	4,611,157.00
Machinery and Equipment	<u>13,935,324.30</u>	<u>14,144,377.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 42,455,447.30</u>	<u>\$ 42,664,500.00</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 42,455,447.30</u>	<u>\$ 42,664,500.00</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF BRANCHBURG

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Except as noted below, the financial statements of the Township of Branchburg include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Branchburg, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Branchburg do not include the operations of the municipal library, first aid organization, volunteer fire companies, or the local school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

Trust Fund – receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created

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

Sewer Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally-owned sewer utility

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

C. Basis of Accounting

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

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Township's budget. 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 the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets – N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Township's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

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

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

Fixed Capital - Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

In November of 2013, GASB approved Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued) - At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks and certificates of deposit, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

A. Deposits

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

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

The Township of Branchburg had the following cash and cash equivalents at December 31, 2017:

<u>Fund</u>	<u>Cash In Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current Fund	\$ 15,693,216.35	\$ 1,157,543.49	\$ 16,850,759.84
Grant Fund	297,957.05	(120.10)	297,836.95
Assessment Trust Fund	172,502.33		172,502.33
Animal Control Trust Fund	2,107.26	(2.40)	2,104.86
Other Trust Fund	6,989,453.58	(4,300.69)	6,985,152.89
General Capital Fund	1,997,889.62	(14,881.31)	1,983,008.31
Sewer Operating Fund	4,642,339.27	(448,765.47)	4,193,573.80
Sewer Assessment Trust Fund	95,984.53		95,984.53
Sewer Capital Fund	<u>3,428,083.56</u>	<u>450,000.00</u>	<u>3,878,083.56</u>
<u>Total December 31, 2017</u>	<u>\$ 33,319,533.55</u>	<u>\$ 1,139,473.52</u>	<u>\$ 34,459,007.07</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2017, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$32,819,533.55 was covered by NJGUDPA.

B. Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
- a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

Based upon the limitation set forth by New Jersey Statutes 40A:55.1 and existing investment practices, the Township is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township.

SUMMARY OF REGULATORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 0.360%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 20,740,000.00	\$ 20,740,000.00	\$
General Debt	<u>16,546,008.93</u>	<u>5,510,500.00</u>	<u>11,035,508.93</u>
	<u>\$ 37,286,008.93</u>	<u>\$ 26,250,500.00</u>	<u>\$ 11,035,508.93</u>

NET DEBT \$11,035,508.93 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$3,069,118,101.33 EQUALS 0.360%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

Issued:	<u>2017</u>	<u>2016</u>	<u>2015</u>
Bonds and Notes:			
General	\$ 13,448,875.00	\$ 13,518,875.00	\$ 15,308,875.00
Assessment	60,000.00	120,000.00	180,000.00
Sewer Utility Assessment	<u> </u>	<u>10,000.00</u>	<u>30,000.00</u>
Total Issued	\$ <u>13,508,875.00</u>	\$ <u>13,648,875.00</u>	\$ <u>15,518,875.00</u>
Authorized But Not Issued:			
Bonds and Notes:			
General	\$ 3,037,133.93	\$ 3,658,883.93	\$ 2,640,480.93
Sewer Utility Assessment	<u> </u>	<u>250,000.00</u>	<u>500,000.00</u>
	\$ <u>3,037,133.93</u>	\$ <u>3,908,883.93</u>	\$ <u>3,140,480.93</u>
Bonds and Notes Issued and Authorized But Not Issued	\$ <u>16,546,008.93</u>	\$ <u>17,557,758.93</u>	\$ <u>18,659,355.93</u>
Less:			
Bonds and Notes to be Paid by Open Space Trust Fund	\$ 5,450,500.00	\$ 6,373,000.00	\$ 7,291,750.00
Cash on Hand to Pay Notes		35,000.00	
Assessment Cash Pledged to Bonds	<u>60,000.00</u>	<u>120,000.00</u>	<u>180,000.00</u>
Net Debt Issued and Authorized But Not Issued	\$ <u><u>11,035,508.93</u></u>	\$ <u><u>11,029,758.93</u></u>	\$ <u><u>11,187,605.93</u></u>

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2017	\$ <u>3,069,118,101.33</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 107,419,133.55
Net Debt Per Annual Debt Statement	<u>11,035,508.93</u>
Remaining Borrowing Power	\$ <u><u>96,383,624.62</u></u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Township of Branchburg for the last three (3) preceding years.

NOTE 3: LONG-TERM DEBT (CONTINUED)

LONG-TERM DEBT

General Serial Bonds:

\$16,562,000.00 General Obligation Bonds of 2003 due in annual installments of \$530,000.00 to \$1,025,000.00 at a variable interest rate \$180,000.00

\$6,840,000.00 General Obligation Bonds of 2007 due in annual installments of \$350,000.00 to \$600,000.00 at a variable interest rate 2,700,000.00

\$8,170,000.00 Refunding Bonds of 2011 due in annual installments of \$795,000.00 to \$825,000.00 at a variable interest rate 4,795,000.00

\$ 7,675,000.00

Assessment Bonds:

\$1,200,000.00 Assessment Bonds of 1998 due in annual installments of \$60,000.00 at a variable interest rate \$ 60,000.00

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2017

Calendar Year	General		Assessment (1)	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$1,330,000.00	\$341,910.00	\$60,000.00	\$1,500.00
2019	1,330,000.00	289,347.50		
2020	1,375,000.00	232,497.50		
2021	1,380,000.00	169,947.50		
2022	1,430,000.00	106,835.00		
2023	<u>830,000.00</u>	<u>41,425.00</u>		
	<u>\$7,675,000.00</u>	<u>\$1,181,962.50</u>	<u>\$60,000.00</u>	<u>\$1,500.00</u>

- (1) The "Principal" of assessment debt maturing in such years has been included for information purposes only as it is expected to be paid from assessment collections.

Bonds and Notes Authorized But Not Issued

At December 31, 2017, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$3,037,133.93</u>
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NOTE 4: SHORT-TERM DEBT

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

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

NOTE 4: SHORT-TERM DEBT (CONTINUED)

The Township had the following outstanding note(s) at year end:

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	2.00%	10/5/2018	\$ <u>5,773,875.00</u>

In accordance with NJSA 40A:4 sections 64 through 73, in any fiscal year, in anticipation of the collection of taxes for such year, whether levied in such year, or in anticipation of other revenue for such year, the Township may, by resolution, borrow money and issue its negotiable notes, each of which shall be designated by the fiscal year to which it pertains. The proceeds may be used to pay outstanding previous notes of same purpose, or for purposes provided for in the budget or for which taxes are levied or to be levied for in such year. The amount outstanding shall not exceed an amount certified as the gross borrowing power, and no such notes shall be authorized in excess of an amount certified as the net borrowing power. Tax anticipation notes may be renewed from time to time, but any note shall mature within 120 days after the beginning of the succeeding fiscal year, and bear an interest rate that does not exceed 6%. The Township did not have any Tax Anticipation Notes in 2017.

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2017, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2018, were as follows:

Current Fund	\$4,900,000.00
Sewer Utility Fund	\$1,300,000.00

NOTE 6: PROPERTY TAXES

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

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

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
Prepaid Taxes	\$ <u>4,300,890.48</u>	\$ <u>400,482.33</u>

NOTE 7: PENSION PLANS

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

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

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Vesting and Benefit Provisions

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

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

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. Effective July 2017 PERS provides for employee contributions of 7.35% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

NOTE 7: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2017, members contributed at a uniform rate of 10.00% of base salary.

Certain Township employees are also covered by the Federal Insurance Contribution Act. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$1,174,216 for 2017, \$1,171,546 for 2016 and \$1,104,105.00 for 2015. All contributions were equal to the required contributions for each of the three years, respectively.

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2017. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2017.

Public Employees Retirement System (PERS)

At June 30, 2017, the State reported a net pension liability of \$14,020,214.00 for the Township of Branchburg's proportionate share of the total net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability 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 employers, actuarially determined. At June 30, 2017, the Township's proportion was 0.0602284213 percent, which was a decrease of 0.0001760845 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$1,145,708.00 for the Township of Branchburg's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statement based on the April 1, 2017 billing was \$536,625.00.

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	-	\$330,128.00
Changes of assumptions	\$2,814,234.00	2,824,590.00
Net difference between projected and actual earnings on pension plan investments		95,468.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>224,095.00</u>	<u>636,363.00</u>
	<u><u>\$3,038,329.00</u></u>	<u><u>\$3,886,549.00</u></u>

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2018	\$461,285.00
2019	627,231.00
2020	397,154.00
2021	(340,185.00)
2022	<u>(297,265.00)</u>
	<u><u>\$848,220.00</u></u>

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. These actuarial valuations used the following assumptions:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Inflation	2.25 Percent	3.08 Percent
Salary Increases (based on age)		
Though 2026	1.65-4.15 Percent	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent	7.65 percent

Preretirement 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. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on 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 scale. 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).

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2016 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.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65 at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

	June 30, 2017	
<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	5.50%	1.00%
US 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 market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	1% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
Township's proportionate share of the pension liability	\$17,393,027.00	\$14,020,214.00	\$11,210,243.00

Pension plan fiduciary net position

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

NOTE 7: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2017, the State reported a net pension liability of \$12,535,396.00 for the Township of Branchburg's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability 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 employers, actuarially determined. At June 30, 2017, the Township's proportion was 0.0811979675 percent, which was an increase of 0.0032926105 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$1,240,997.00. The pension expense recognized in the Township's financial statement based on the April 1, 2017 billing was \$635,194.00.

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Inflow of <u>Resources</u>	Deferred Outflow of <u>Resources</u>
Differences between expected and actual experience	\$73,572.00	\$81,322.00
Changes of assumptions	2,052,931.00	1,545,754.00
Net difference between projected and actual earnings on pension plan investments		239,205.00
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>497,015.00</u>	<u>775,309.00</u>
	<u>\$2,623,518.00</u>	<u>\$2,641,590.00</u>

NOTE 7: PENSION PLANS (CONTINUED)

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

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

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

Year Ended	
<u>June 30</u>	<u>Amount</u>
2018	\$254,937.00
2019	511,341.00
2020	423.00
2021	(556,922.00)
2022	<u>(191,706.00)</u>
	<u>\$18,073.00</u>

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

	<u>2016</u>	<u>2017</u>
Inflation	3.08 Percent	2.25 Percent
Salary Increases (based on age) Through 2026	2.10-8.98 Percent Based on Age	2.10-8.98 Percent Based on Age
Thereafter	3.10-9.98 Percent Based on Age	3.10-9.98 Percent Based on Age
Investment Rate of Return	7.65 Percent	7.00 Percent

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post- retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2017 and 7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2017</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash	5.50%	1.00%
US 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 market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.14% and 5.55% as of June 30, 2017 and June 30, 2016 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00 and 7.65% and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and June 30, 2016 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be 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.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	1% Decrease <u>5.14%</u>	At Current Discount Rate <u>6.14%</u>	1% Increase <u>7.14%</u>
Township's proportionate share of the PFRS pension liability	\$16,516,417.00	\$12,535,396.00	\$9,264,535.00

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

At June 30, 2017 and 2016, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,404,070.00 and \$1,249,712 respectively.

At June 30, 2017, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$12,535,396.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>1,404,070.00</u>
	<u>\$13,939,466.00</u>

Pension plan fiduciary net position

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

NOTE 8: COMPENSATED ABSENCES

Under the existing policy of the Township, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off at a later date. However, employees may accumulate a maximum of sixty (60) days. The Township annually appropriates the amounts that are required to be paid in that year's budget and no liability is accrued at December 31, 2017.

NOTE 9: LITIGATION

The Township is involved in several pending legal proceedings, the impact on the financial statements of which, either individually or in the aggregate, in the opinion of the Township's legal counsel would not be material.

NOTE 10: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2017, the Township does not believe that any material liabilities will result from such audits.

NOTE 11: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the years 2017 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 12: RISK MANAGEMENT

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

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

NOTE 12: RISK MANAGEMENT (CONTINUED)

<u>Year</u>	<u>Township Appropriation and Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 10,931.46	\$ 18,133.35	\$ 11,583.51	\$ 200,154.43
2016	332.67	17,488.23	15,472.60	182,673.13
2015	10,172.47	17,108.36	8,001.71	180,324.83

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 46,460.51	\$ 1,340,196.87
Grant Fund	5,000.00	23,764.80
Animal Control Trust Fund		1.48
Assessment Trust Fund		162.41
Trust Other Fund	10,577.00	27,531.82
General Capital Fund	1,330,177.49	
Sewer Operating Fund		557.62
	<u>\$ 1,392,215.00</u>	<u>\$ 1,392,215.00</u>

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

NOTE 14: DEFERRED COMPENSATION PLAN

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

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

NOTE 14: DEFERRED COMPENSATION PLAN (CONTINUED)

The Plan is administered by the Variable Annuity Life Insurance Company (VALIC).

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities. The Township's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 15: GASB 45: OTHER POST-RETIREMENT BENEFITS

Plan Description. The Township contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.* to provide health benefits to State employees, retirees, and their dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [hht://www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

Funding Policy. Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Township on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Township's contributions to SHBP for the years ended December 31, 2017, 2016, and 2015 were \$251,009.44, \$205,612.89 and \$183,555.80 respectively, which equaled the required contributions for each year.

NOTE 16: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through June 28, 2018 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that there are no subsequent events needed to be disclosed.

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2017

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2016	A	\$ 10,328,196.92	\$ 203,797.91
Increased by Receipts:			
Taxes Receivable	A-8	\$ 65,510,636.79	\$
Tax Title Liens Receivable	A-9	296,272.17	
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	78,000.00	
Interfunds	A-12:A-10	1,343,650.21	33,255.76
Appropriation Refunds	A-3	76,782.87	
Revenue Accounts Receivable	A-13	5,720,634.47	
Miscellaneous Revenue Not Anticipated	A-2	1,023,919.85	
Tax Overpayments	A-17	63,477.19	
Prepaid Taxes	A-18	4,003,890.48	
Reserve for Grants-Unappropriated	A-24		86,533.06
Grants Receivable	A-20		85,000.00
Reserve for Grants-Appropriated-Match	A-23		20,000.00
Construction Code DCA - Due State of NJ	A-21	70,999.38	
Marr./Dom. Partnership Lic. Due State of NJ	A-19	1,625.00	
Petty Cash	A-5	700.00	
		<u>78,190,588.41</u>	<u>224,788.82</u>
		\$ 88,518,785.33	\$ 428,586.73
Decreased by Disbursements:			
Appropriations	A-3	\$ 15,377,136.76	\$
Appropriation Reserves	A-14	386,798.32	
Interfunds	A-12:A-29	89,758.09	5,000.00
Tax Overpayments	A-17	43,473.61	
Local District School Taxes Payable	A-27	41,946,412.00	
County Taxes Payable	A-26	12,223,288.71	
Municipal Open Space Taxes Payable	A-28	1,518,036.88	
Construction Code DCA - Due State of NJ	A-21	80,446.12	
Petty Cash	A-5	700.00	
Marr./Dom. Partnership Lic. Due State of NJ	A-19	1,775.00	
Reserve for Grants-Appropriated	A-23		125,749.78
Change Fund	A-6	200.00	
		<u>71,668,025.49</u>	<u>130,749.78</u>
Balance, December 31, 2017	A	\$ <u>16,850,759.84</u>	\$ <u>297,836.95</u>

"A-5"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF PETTY CASH

OFFICE

	<u>INCREASED</u>	<u>DECREASED</u>
Finance Department	\$ 300.00	\$ 300.00
Public Works Department	200.00	200.00
Recreation Department	200.00	200.00
	<u>700.00</u>	<u>700.00</u>
	\$ 700.00	\$ 700.00
<u>REF.</u>	A-4	A-4

"A-6"

SCHEDULE OF CHANGE FUNDS

<u>OFFICE</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2016</u>	<u>INCREASES</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2017</u>
Tax Collector	\$ 300.00	\$	\$ 300.00
Construction Code		200.00	200.00
Township Clerk	100.00		100.00
Police Department	25.00		25.00
Recreation	50.00		50.00
Municipal Court	280.00		280.00
	<u>755.00</u>	<u>200.00</u>	<u>955.00</u>
	\$ 755.00	\$ 200.00	\$ 955.00
<u>REF.</u>	A	A-4	A

"A-7"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>			
Balance, December 31, 2016 (Due From)	A		\$	64,677.24
Increased by:				
Senior Citizens Deductions Per Tax Billing	A-7	\$	10,250.00	
Veterans Deductions Per Tax Billing	A-7		69,500.00	
Senior Citizens and Veterans Deductions Allowed by Tax Collector	A-7		<u>250.00</u>	
				<u>80,000.00</u>
			\$	<u>144,677.24</u>
Decreased by:				
Received From State	A-4	\$	78,000.00	
Disallowed	A-7		<u>2,750.00</u>	
				<u>80,750.00</u>
Balance, December 31, 2017 (Due From)	A		\$	<u><u>63,927.24</u></u>

ANALYSIS OF STATE SHARE OF 2017 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing	A-7	\$	10,250.00	
Veterans Deductions Per Tax Billing	A-7		69,500.00	
Senior Citizens and Veterans Deductions Allowed by Collector	A-7		250.00	
Senior Citizens and Veterans Deductions Disallowed by Collector	A-7		<u>(2,750.00)</u>	
	A-8			<u><u>\$ 77,250.00</u></u>

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2016	TAX LEVY	ADDED TAXES	COLLECTIONS 2016	2017	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2017
Prior	\$ 500,205.53	\$	\$	\$	\$ 462,932.64	\$	\$ 14,564.02	\$ 22,708.87
2017		65,910,425.00	180,854.00	400,482.33	65,124,954.15	37,673.36	38,990.24	489,178.92
	\$ 500,205.53	\$ 65,910,425.00	\$ 180,854.00	\$ 400,482.33	\$ 65,587,886.79	\$ 37,673.36	\$ 53,554.26	\$ 511,887.79
REF.	A			A-2:A-18	A-2		A-9	A

REF.

Collector (Including Homestead Credit)
Senior Citizens and Veterans Deductions

\$ 65,510,636.79
77,250.00
\$ 65,587,886.79

ANALYSIS OF 2017 PROPERTY TAX LEVY

TAX YIELD

General Property Tax
Added Taxes (54:4-63.1 et seq.)

\$ 65,910,425.00
180,854.00
\$ 66,091,279.00

TAX LEVY

Local District School Tax (Abstract)
County Tax (Abstract)
County Library Tax (Abstract)
County Open Space (Abstract)

\$ 41,946,412.00

Due County for Added Taxes (54:4-63.1 et seq.)

Total County Taxes

\$ 12,194,540.98
28,747.73

12,223,288.71

Municipal Open Space Tax
Added Taxes

\$ 1,514,485.87
3,551.01

1,518,036.88

Local Tax for Municipal Purposes (Abstract)
Add: Additional Tax Levied
Local Tax for Municipal Purposes Levied

\$ 10,248,451.00
155,090.41

10,403,541.41

\$ 66,091,279.00

"A-9"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2016	A		\$ 327,249.00
Increased by:			
Transfer From Taxes Receivable	A-8	\$ 53,554.26	
Interest & Costs on Sale		<u>3,658.43</u>	
			<u>57,212.69</u>
			\$ 384,461.69
Decreased by:			
Receipts	A-4		<u>296,272.17</u>
Balance, December 31, 2017	A		\$ <u>88,189.52</u>

"A-10"

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2016 (Due From)	A		\$ 33,255.76
Increased by:			
Grants Canceled	A-2		<u>23,764.80</u>
			\$ 57,020.56
Decreased by:			
Receipts	A-4		<u>33,255.76</u>
Balance, December 31, 2017 (Due To)	A		\$ <u>23,764.80</u>

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 180,541.57
Increased by:		
2017 Budget Appropriations	A-3	355,828.95
		<u>\$ 536,370.52</u>
Decreased by:		
Transferred to Appropriation Reserves	A-14	<u>180,541.57</u>
Balance, December 31, 2017	A	<u><u>\$ 355,828.95</u></u>

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	GRANT FUND	ANIMAL TRUST FUND	ASSESSMENT TRUST FUND	OTHER TRUST FUND	GENERAL CAPITAL FUND
Balance, December 31, 2016							
Due To	A	\$ 41,675.80	\$	\$	\$	\$ 8,420.04	\$
Due From	A	1,831.56		1.48	79.32	1,750.76	
Receipts	A-4	1,343,650.21	\$	\$	\$	13,472.72	\$ 1,330,177.49
Charged From Revenues	A-2	155,944.67	155,944.67				
Charged From Appropriations	A-3	155,944.67	155,944.67				
Disbursements	A-4	89,758.09	57,020.56		83.09	32,654.44	
Balance, December 31, 2017							
Due To	A	\$ 1,340,196.87	\$	\$	\$	\$ 10,019.38	\$ 1,330,177.49
Due From	A	46,460.51	23,764.80	1.48	162.41	22,531.82	
<u>Analysis of Balance:</u>							
Due From Trust Other Fund:							
Trust Other							
Payroll Deductions							
Site Inspection Escrow							
Performance Escrow							
Review Escrow							
Flexible Spending							
Total							
Due To Trust Other Fund:							
Recreation							
Trust Other							
Total							

TOWNSHIP OF BRANCBURG

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>ACCRUED IN 2017</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2017</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	\$ 30,000.00	\$ 30,000.00	\$
Other	A-2		8,420.00	8,420.00	
Fees and Permits	A-2		61,533.31	61,533.31	
Tax Collector:					
Interest and Costs on Taxes	A-2		462,907.54	462,907.54	
Construction Code Official	A-2		867,627.62	867,627.62	
Fire Safety:					
Fees and Permits	A-2		53,952.50	53,952.50	
Planning, Zoning, Board of Adjustments:					
Fees and Permits	A-2		61,188.80	61,188.80	
Health Department:					
Other Licenses	A-2		24,400.00	24,400.00	
Fees and Permits	A-2		22,302.50	22,302.50	
Engineering:					
Fees and Permits	A-2		17,861.69	17,861.69	
Registrar (Including EDRS):					
Other Licenses	A-2		195.00	195.00	
Fees and Permits	A-2		6,718.00	6,718.00	
Municipal Court:					
Fines and Costs	A-2	23,975.80	286,270.57	295,789.99	14,456.38
Police:					
Fees and Permits	A-2		4,272.25	4,272.25	
Sewer Utility Surplus	A-2		200,000.00	200,000.00	
Energy Receipts Tax	A-2		3,017,684.00	3,017,684.00	
Garden State Trust Fund	A-2		10,807.00	10,807.00	
Fire Safety - Life Hazard Use Fees	A-2		74,215.86	74,215.86	
Hotel Tax	A-2		500,758.41	500,758.41	
		\$ 23,975.80	\$ 5,711,115.05	\$ 5,720,634.47	\$ 14,456.38
<u>REF.</u>		A		A-4	A

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>					
Administrative and Executive	\$ 4,658.00	\$	\$ 4,658.00	\$ 3,080.91	\$ 1,577.09
Mayor and Council	85.52		85.52		85.52
Clerk	17,043.14		17,043.14		17,043.14
Elections	69.38		69.38		69.38
Financial Administration	4,513.10		4,513.10		4,513.10
Assessment of Taxes	9,636.86		9,636.86		9,636.86
Collection of Taxes	9,149.65		9,149.65		9,149.65
Engineering Services and Costs	10,964.01		10,964.01	2,412.10	8,551.91
Planning Board	6,187.60		6,187.60		6,187.60
Fire Official	6,149.28		6,149.28		6,149.28
Police	213,914.02		213,914.02	6,058.37	207,855.65
School Crossing Guards	6,830.77		6,830.77		6,830.77
Municipal Court	5,486.72		5,486.72		5,486.72
Road Repair and Maintenance	142,364.57		142,364.57	2,035.69	140,328.88
Snow Removal	39,326.58		39,326.58		39,326.58
Board of Health	5,118.14		5,118.14		5,118.14
Construction Official (Code Enforcement)	11,608.82		11,608.82		11,608.82
Building Inspector (Sub Code)	3,527.74		3,527.74		3,527.74
Board of Recreation Commissioners	566.32		566.32		566.32
Plumbing Inspector	5,062.80		5,062.80		5,062.80
Electrical Sub Code	7,422.94		7,422.94		7,422.94
Fire Sub Code	3,241.60		3,241.60		3,241.60
<u>OTHER EXPENSES:</u>					
Administrative and Executive	68,759.44	7,222.35	75,981.79	7,707.58	68,274.21
Mayor and Council	9,671.73	338.07	10,009.80	352.25	9,657.55
Clerk	2,062.32	127.59	2,189.91	127.59	2,062.32
Financial Administration	15,268.06		15,268.06	10,152.05	5,116.01
Financial Administration - Audit	35,000.00		35,000.00		
Assessment of Taxes	10,761.73	1,104.12	11,865.85	3,307.46	8,558.39
Collection of Taxes	3,517.69	69.95	3,587.64	69.95	3,517.69
Legal Services and Costs:					
Miscellaneous	58,120.37		58,120.37	21,232.95	36,887.42
Mount Laurel Implementation	40,049.55		40,049.55	1,072.00	38,977.55
Litigation	62,333.00		62,333.00	26,146.36	36,186.64
Prosecutor	97.08		97.08		97.08
Engineering Services and Costs	19,866.97	8,861.29	28,728.26	6,348.29	22,379.97
Public Buildings and Grounds	17,973.20	15,587.56	33,560.76	10,816.76	22,744.00
Planning Board	39,404.08	225.36	39,629.44	1,349.36	38,280.08
Board of Adjustments	27,986.98	48.64	28,035.62	1,507.98	26,527.64
Environmental Commission	140.00		140.00		140.00
Historical Commission	2,090.00		2,090.00		2,090.00
Recycling - Contractual	37,352.13		37,352.13	32,549.29	4,802.84
Recycling - Other Expenses	5,262.76	4,190.88	9,453.64	6,908.60	2,545.04
Bureau of Fire Prevention (Fire Official)	1,809.03	315.00	2,124.03	315.00	1,809.03
Public Fire Prevention - Fire Hydrant Service	93,500.00		93,500.00	64,625.00	28,875.00
Maintenance of Fire Vehicles	31,000.00		31,000.00		31,000.00
Blood Born Pathogens	1,799.19		1,799.19		1,799.19
First Aid Organization Contribution	3,000.00		3,000.00		3,000.00
Police	9,222.64	6,594.74	15,817.38	7,055.13	8,762.25
School Crossing Guards	2,000.00		2,000.00		2,000.00
Emergency Management Services	6,772.61	90.76	6,863.37	120.18	6,743.19
Municipal Court	6,537.09		6,537.09	5,000.00	1,537.09
Public Defender	5,000.00		5,000.00		5,000.00
Road Repair and Maintenance	77,342.31	36,489.55	113,831.86	22,911.54	90,920.32
Snow Removal	43,988.68	26,570.53	70,559.21	7,125.07	63,434.14
Street Lighting	10,812.87		10,812.87	4,078.94	6,733.93
Board of Health	14,364.64	1,134.99	15,499.63	2,893.96	12,605.67
Dog Regulation	4,418.12		4,418.12	159.14	4,258.98
Board of Recreation Commissioners	10,872.25	411.94	11,284.19	587.74	10,696.45
Construction Official (Code Enforcement)	31,717.61	181.65	31,899.26	181.65	31,717.61
Building Inspector (Sub Code)	1,389.76	33.60	1,423.36	33.60	1,389.76
Plumbing Inspector	1,303.00		1,303.00		1,303.00
Electrical Sub Code	440.15		440.15		440.15
Fire Sub Code	475.00		475.00		475.00
Municipal Services Law	25,000.00		25,000.00	2,012.08	22,987.92

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED):</u>					
Electricity	\$ 16,069.91	\$	\$ 16,069.91	\$ 16,069.91	\$
Telephone	8,905.29		8,905.29	3,524.18	5,381.11
Water	1,709.37		1,709.37	570.73	1,138.64
Natural Gas	19,023.44		19,023.44	5,440.87	13,582.57
Gasoline	98,819.46	46,966.13	145,785.59	6,441.97	139,343.62
Volunteer Incentive Program	30,000.00		30,000.00	30,000.00	
Group Insurance Plan for Employees	278,532.50		278,532.50		278,532.50
Group Insurance Opt Out	840.99		840.99		840.99
Other Insurance Premiums	26,368.59	27.64	26,396.23	24.12	26,372.11
Social Security System	51,976.41		51,976.41	2,153.93	49,822.48
Contribution to Unemployment Trust	10,000.00		10,000.00		10,000.00
Reserve for Road Improvement	23,089.03		23,089.03	7,712.54	15,376.49
Reserve for Emergency Services Equipment	92.17	23,949.23	24,041.40	19,525.50	4,515.90
Reserve for Computer Equipment	49,230.50		49,230.50		49,230.50
	<u>\$ 1,966,067.26</u>	<u>\$ 180,541.57</u>	<u>\$ 2,146,608.83</u>	<u>\$ 386,798.32</u>	<u>\$ 1,759,810.51</u>
<u>REF.</u>	A	A-11		A-4	A-1

"A-15"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

REF.

Balance, December 31, 2016
and December 31, 2017

A

\$ 251,000.00

"A-16"

GRANT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2016

A

\$ 6,168.85

Increased by:

Transferred from Grants Appropriated

A-23

4,496.05
\$ 10,664.90

Decreased by:

Transferred to Grants Appropriated

A-23

6,168.85

Balance, December 31, 2017

A

\$ 4,496.05

"A-17"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 521.11
Increased by:		
Overpayments in 2017	A-4	63,477.19
		<u>\$ 63,998.30</u>
Decreased by:		
Refunded	A-4	43,473.61
Balance, December 31, 2017	A	<u><u>\$ 20,524.69</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2016	A	\$ 400,482.33
Increased by:		
Collection of 2018 Taxes	A-4	4,003,890.48
		<u>\$ 4,404,372.81</u>
Decreased by:		
Application to 2017 Taxes	A-8	400,482.33
Balance, December 31, 2017	A	<u><u>\$ 4,003,890.48</u></u>

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF RESERVE FOR MARRIAGE AND DOMESTIC PARTNERSHIP LICENSES

DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 275.00
Increased by:		
Receipts	A-4	1,625.00
		\$ <u>1,900.00</u>
Decreased by:		
Disbursements	A-4	<u>1,775.00</u>
Balance, December 31, 2017	A	\$ <u><u>125.00</u></u>

TOWNSHIP OF BRANCHBURG

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2016	BUDGET APPROPRIATION	RECEIPTS	UNAPPROPRIATED APPLIED	CANCELED	BALANCE DECEMBER 31, 2017
Municipal Alliance Program	\$ 1,490.90	\$	\$	\$	\$ 1,490.90	\$
Safe & Secure Communities	64,800.00	60,000.00	85,000.00			39,800.00
Youth Services Grant		5,000.00		5,000.00		
Drunk Driving Enforcement Fund Grant		7,851.99		7,851.99		
Alcohol Education Rehabilitation		906.47		906.47		
Recycling Tonnage		28,816.98		28,816.98		
Federal Bulletproof Vest Program	5,595.78					5,595.78
Clean Energy Program Incentive Award	1,734.50				1,734.50	
NJHOA Emergency Preparedness Grant	14.00				14.00	
Historic Preservation Grant-South Branch School House	79,835.00	6,186.40				79,835.00
Highway Safety Fund Grant	1,065.55	2,585.16		2,585.16		7,251.95
Body Armor		44,597.67		44,597.67		
Clean Communities Program						
	\$ 154,535.73	\$ 155,944.67	\$ 85,000.00	\$ 89,758.27	\$ 3,239.40	\$ 132,482.73
<u>REF:</u>	A	A-2:A-23	A-4	A-24	A-2	A

"A-21"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF RESERVE FOR CONSTRUCTION CODE DCA - DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 21,786.61
Increased by:		
Receipts	A-4	70,999.38
		\$ <u>92,785.99</u>
Decreased by:		
Disbursements	A-4	<u>80,446.12</u>
Balance, December 31, 2017	A	\$ <u><u>12,339.87</u></u>

"A-22"

SCHEDULE OF DUE STATE OF NEW JERSEY - BURIAL PERMITS

Balance, December 31, 2016 and December 31, 2017	A	\$ <u><u>45.00</u></u>
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TOWNSHIP OF BRANCHBURG

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2016	BUDGET APPROPRIATION	EXPENDED	ACCOUNTS PAYABLE	CANCELED	BALANCE DECEMBER 31, 2017
Drunk Driving Enforcement Fund	\$ 8,007.25	\$ 7,851.99	\$ 5,619.12	\$	\$	10,240.12
Municipal Alliance Program and Match	3,223.95				3,223.95	
Clean Communities Program	25,257.66	44,597.67	14,149.55	2,947.20		52,758.58
Safe and Secure Communities and Match		80,000.00	80,000.00			
Youth Services Grant	11,082.41	5,000.00	3,739.25		7,327.25	12,343.16
Chemical Buffer Zone Protection Program	7,327.25				12,253.00	
North Branch Transit Village	12,253.00					
Historic Preservation - Little Red School House	148,724.66		2,590.00	360.00		145,774.66
Body Armor Replacement	168.56	2,585.16	2,753.72			
Alcohol Education Rehabilitation	6,193.22	906.47				7,099.69
Recycling Tonnage Grant	68,593.82	28,816.98	11,457.21	(4,980.00)		90,933.59
Friends of Somerset County Youth	600.00					600.00
Clean Energy Program	4,200.00				4,200.00	
Highway Safety Fund Grant	30.50	6,186.40	5,440.93			775.97
	<u>\$ 295,662.28</u>	<u>\$ 175,944.67</u>	<u>\$ 125,749.78</u>	<u>\$ (1,672.80)</u>	<u>\$ 27,004.20</u>	<u>\$ 320,525.77</u>
REF.	A		A-4		A-2	A
Grants	\$	155,944.67				
Matching Funds for Grants		<u>20,000.00</u>				
	\$	<u>175,944.67</u>				
Accounts Payable				\$ 4,496.05		
Accounts Payable - Prior Year				<u>(6,168.85)</u>		
				\$	<u>(1,672.80)</u>	

TOWNSHIP OF BRANCHBURG

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

	BALANCE DECEMBER 31, 2016	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2017
Drunk Driving Enforcement Fund	\$ 7,851.99	\$ 6,894.48	\$ 7,851.99	\$ 6,894.48
Youth Services Grant	5,000.00	5,000.00	5,000.00	5,000.00
Recycling Tonnage Grant	28,816.98	34,161.85	28,816.98	34,161.85
Alcohol Education and Rehabilitation	906.47		906.47	
Clean Communities Program	44,597.67	37,887.76	44,597.67	37,887.76
Body Armor	2,585.16	2,588.97	2,585.16	2,588.97
	<u>\$ 89,758.27</u>	<u>\$ 86,533.06</u>	<u>\$ 89,758.27</u>	<u>\$ 86,533.06</u>
REF.	A	A-4	A-20	A

"A-25"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF RESERVE FOR REVISION OF MASTER PLAN

REF.

Balance, December 31, 2016
and December 31, 2017

A

\$ 3,111.91

"A-26"

SCHEDULE OF COUNTY TAXES PAYABLE

Increased by:

2017 Levy

A-1:A-8

\$ 12,194,540.98

Added and Omitted

A-1:A-8

28,747.73

\$ 12,223,288.71

Decreased by:

Disbursements

A-4

\$ 12,223,288.71

"A-27"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

REF.

Increased by:		
School Levy	A-1:A-8	\$ <u>41,946,412.00</u>
Decreased by:		
Disbursements	A-4	\$ <u><u>41,946,412.00</u></u>

"A-28"

SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE

Increased by:			
2017 Tax Levy	A-1:A-8	\$ 1,514,485.87	
Added Taxes	A-1:A-8	<u>3,551.01</u>	
			\$ <u>1,518,036.88</u>
Decreased by:			
Disbursements	A-4		\$ <u><u>1,518,036.88</u></u>

TOWNSHIP OF BRANCHBURG

GRANT FUND

SCHEDULE OF DUE TRUST OTHER FUND

REF.

Increased by:

Disbursements

A-4

\$ 5,000.00

Balance, December 31, 2017

A

\$ 5,000.00

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF CASH - TREASURER

REF.	ASSESSMENT	ANIMAL CONTROL	OTHER
B	\$ 225,275.87	\$ 8,439.82	\$ 6,646,725.19
Balance, December 31, 2016			
Increased by Receipts:			
Assessments Receivable			
Reserve for Animal Control		27,282.60	
Due State of New Jersey	7,143.37	2,018.40	
Developers' Deposits			736,941.71
Unemployment Insurance Compensation			29,064.81
Reserve for Various Trust Deposits			280,926.50
Reserve for Open Space Deposits			1,534,563.14
Reserve for Recreation Deposits			327,100.61
Reserve for Redemption of Outside Liens			1,281,413.93
Reserve for Tax Sale Premiums			206,200.00
Law Enforcement Trust Fund			41.03
Payroll and Deductions			11,641,288.31
Reserve for Flexible Spending Account			17,377.92
COAH Deposits			122,834.65
Prepaid Licenses		67.00	
Due Grant Fund			5,000.00
Due Current Fund	1,147.59		32,820.57
B-18:B-23			
B-4	\$ 8,290.96	\$ 29,368.00	\$ 16,215,573.18
	\$ 233,566.83	\$ 37,807.82	\$ 22,862,298.37
Decreased by Disbursements:			
New Jersey State Board of Health			
Expenditures Under R.S.4:19-15.11		2,034.00	
Assessment Serial Bonds Payable		33,668.96	
Reserve for Various Trust Deposits	60,000.00		
Due Current Fund	1,064.50		
Reserve for Developers' Deposits			393,108.33
Reserve for Recreation Deposits			13,638.85
Unemployment Insurance Compensation			455,471.84
Reserve for Flexible Spending Account			274,141.04
Reserve for Tax Sale Premiums			11,583.51
Reserve for Redemption of Outside Liens			14,536.65
Payroll and Deductions			335,600.00
COAH Deposits			1,283,941.23
Reserve for Open Space Deposits			11,552,163.41
			252,862.06
			1,290,098.56
	61,064.50	35,702.96	15,877,145.48
Balance, December 31, 2017	\$ 172,502.33	\$ 2,104.86	\$ 6,985,152.89

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF CONFIRMATION</u>	<u>INSTALLMENT</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE PLEDGED TO RESERVE</u>
# 95-694	Water Line Extension	11/26/01	10	11/26/02-2011	\$ 22,338.24	\$ 7,143.37	\$ 15,194.87	\$ 15,194.87
					\$ 22,338.24	\$ 7,143.37	\$ 15,194.87	\$ 15,194.87
				<u>REF.</u>	B	B-2:B-4	B	

TOWNSHIP OF BRANCHBURG

TRUST FUND

ANALYSIS OF ASSESSMENT FUND CASH

	BALANCE DECEMBER 31, 2016	ASSESSMENTS AND LIENS	RECEIPTS OTHER RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2017
Assessment Serial Bonds:					
Ord. # 95-694 Construction of Water Main Ext.	\$ 120,000.00	\$	\$	\$ 60,000.00	\$ 60,000.00
Due Current Fund	79.32		1,147.59	1,064.50	162.41
Assessment Fund Balance	105,196.55	7,143.37			112,339.92
	<u>\$ 225,275.87</u>	<u>\$ 7,143.37</u>	<u>\$ 1,147.59</u>	<u>\$ 61,064.50</u>	<u>\$ 172,502.33</u>
<u>REF.</u>	B	B-2:B-3	B-2	B-2	B

"B-5"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR FLEXIBLE SPENDING

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 4,077.80
Increased by:		
Receipts	B-2	17,377.92
		\$ <u>21,455.72</u>
Decreased by:		
Disbursements	B-2	<u>14,536.65</u>
Balance, December 31, 2017	B	\$ <u><u>6,919.07</u></u>

"B-6"

SCHEDULE OF DUE SEWER OPERATING FUND - TRUST OTHER FUND

Balance, December 31, 2016 and December 31, 2017 (Due From)	B	\$ <u><u>557.62</u></u>
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"B-7"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 8,341.25
Increased by:		
Receipts	B-2	<u>41.03</u>
Balance, December 31, 2017	B	<u>\$ 8,382.28</u>

"B-8"

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

Balance, December 31, 2016	B	\$ 96,882.33
Increased by:		
Receipts	B-2	<u>11,641,288.31</u>
		\$ <u>11,738,170.64</u>
Decreased by:		
Disbursements	B-2	<u>11,552,163.41</u>
Balance, December 31, 2017	B	<u>\$ 186,007.23</u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 22,338.24
Decreased by:		
Transfer Reserve	B-1	<u>7,143.37</u>
Balance, December 31, 2017	B	\$ <u><u>15,194.87</u></u>

Analysis of Balance:

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	
95-694	Construction of Water Main Extension	\$ <u><u>15,194.87</u></u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF ASSESSMENT SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Construction of Water Main Extension	04/01/98	\$ 1,200,000.00		\$ 60,000.00	5.00%	\$ 120,000.00	\$ 60,000.00	\$ 60,000.00
			04/01/18					
			<u>REF.</u>			B	B-2	B

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE DECEMBER 31, 2017</u>
Developers Escrow Deposits	\$ 157,978.75	\$	\$ 121,138.75	\$ 36,840.00
Police Emergency Response Equipment	8,482.09	3,000.00		11,482.09
Police Outside Employment	43,883.00	241,382.50	247,660.50	37,605.00
Municipal Alliance Program (Youth Services)	4,431.52	500.00		4,931.52
Sewer Escrow*	27,199.72			27,199.72
Parking Offense Adjudication Act (POAA)	1,032.25	104.00		1,136.25
Fire Safety Penalties	6,532.40	2,050.00		8,582.40
Developers' Contributions*	165,559.96			165,559.96
Fire Penalties - Equipment & Training	1,400.00	2,050.00		3,450.00
Readington	9,670.59		9,670.59	
OEM Donation	919.00		759.49	159.51
Public Defender	12,043.34	4,000.00	3,325.00	12,718.34
Reforestation Fund	70,550.50	5,000.00		75,550.50
Baseball Turf		20,000.00		20,000.00
Donation for Communications	8,808.79		7,066.87	1,741.92
Tree Fund	15.00			15.00
Community Gardens	14,134.09	2,840.00	107.43	16,866.66
Quiet Zone	16,502.95			16,502.95
Busing	4,004.69		4,004.69	
Confiscated Vehicles	1,200.00			1,200.00
Reserve for AT&T Security Deposit	54,350.04			54,350.04
Bond & Coupon	6,442.34			6,442.34
	<u>\$ 615,141.02</u>	<u>\$ 280,926.50</u>	<u>\$ 393,733.32</u>	<u>\$ 502,334.20</u>
<u>REF.</u>	<u>B</u>	<u>B-2</u>		<u>B</u>
Disbursements (Including Canceled)	B-2		\$ 393,108.33	
Accounts Payable	B-19		<u>624.99</u>	
			<u>\$ 393,733.32</u>	

*A detailed analysis of the miscellaneous escrow deposits is on file in the office of the Township Treasurer.

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2016	B		\$ 8,319.14
Increased by:			
Receipts	B-2	\$ 27,282.60	
Prepaid Applied	B-25	<u>103.60</u>	
			<u>27,386.20</u>
			\$ <u>35,705.34</u>
Decreased by:			
Disbursements	B-2		<u>33,668.96</u>
Balance, December 31, 2017	B		\$ <u><u>2,036.38</u></u>

DOG LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2015	\$ 22,362.80
2016	<u>22,007.60</u>
	\$ <u><u>44,370.40</u></u>

"B-13"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF DUE STATE DEPARTMENT OF HEALTH - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	1.20
Increased by:			
State Registration Fees Collected	B-2	\$	2,018.40
	B-25		<u>14.40</u>
			2,032.80
		\$	<u>2,034.00</u>
Decreased by:			
Paid to State Department of Health	B-2		<u>2,034.00</u>

"B-14"

SCHEDULE OF RESERVE FOR COAH DEPOSITS

Balance, December 31, 2016	B	\$	440,417.17
Increased by:			
Receipts	B-2	\$	122,834.65
Accounts Payable	B-19		<u>14,082.85</u>
			136,917.50
		\$	<u>577,334.67</u>
Decreased by:			
Disbursements	B-2	\$	252,862.06
Accounts Payable	B-19		<u>19,500.00</u>
			272,362.06
Balance, December 31, 2017	B	\$	<u>304,972.61</u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF DEVELOPERS' DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 1,715,379.14
Increased by:		
Receipts	B-2	<u>736,941.71</u>
		\$ 2,452,320.85
Decreased by:		
Disbursements	B-2	<u>455,471.84</u>
Balance, December 31, 2017	B	\$ <u><u>1,996,849.01</u></u>

Analysis of Balance:

Inspection Fee Deposits	\$ 434,602.77
Performance Bond Deposits	1,523,797.60
Review Escrow Deposits	<u>38,448.64</u>
	\$ <u><u>1,996,849.01</u></u>

"B-16"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF UNEMPLOYMENT INSURANCE COMPENSATION

	<u>REF.</u>		
Balance, December 31, 2016	B		\$ 182,673.13
Increased by:			
Interest Earned		\$ 931.46	
Appropriated		10,000.00	
Contributions		<u>18,133.35</u>	
	B-2		<u>29,064.81</u>
			\$ <u>211,737.94</u>
Decreased by:			
Disbursements	B-2		<u>11,583.51</u>
Balance, December 31, 2017	B		\$ <u><u>200,154.43</u></u>

"B-17"

SCHEDULE OF RESERVE FOR OPEN SPACE DEPOSITS

Balance, December 31, 2016	B		\$ 3,041,176.06
Increased by:			
Tax Levy	B-2	\$ 1,514,485.87	
Tax Levy-Added	B-2	3,551.01	
Other Deposits	B-2	4,110.00	
Interest Earned	B-2	12,416.26	
Accounts Payable	B-19	<u>59,008.41</u>	
			<u>1,593,571.55</u>
			\$ <u>4,634,747.61</u>
Decreased by:			
Disbursements	B-2		<u>1,290,098.56</u>
Balance, December 31, 2017	B		\$ <u><u>3,344,649.05</u></u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

REF.

Balance, December 31, 2016 (Due From, Net)		\$	6,669.28
Increased by:			
Disbursements	B-2		13,638.85
		\$	<u>20,308.13</u>
Decreased by:			
Receipts	B-2		32,820.57
			<u>32,820.57</u>
Balance, December 31, 2017 (Due To, Net)		\$	<u><u>12,512.44</u></u>

Analysis of Balance:

Due To Current Fund:

Payroll Deductions		\$	429.00
Trust Other			20,823.32
Flexible Spending			1,068.05
Site Inspection Escrow			22.78
Performance Escrow			163.98
Review Escrow			24.69
	B		<u>22,531.82</u>
		\$	22,531.82

Due From Current Fund:

Unemployment		\$	(10,000.00)
Recreation			(19.38)
	B		<u>(10,019.38)</u>
		\$	<u><u>12,512.44</u></u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	73,309.36
Increased by:			
Reserve for:			
Recreation Trust	B-20	\$	122.75
Various Trust Deposits	B-11		624.99
COAH Trust	B-14		19,500.00
			<u>20,247.74</u>
		\$	<u>93,557.10</u>
Decreased by:			
Reserve for:			
Recreation Trust	B-20	\$	218.10
Open Space Trust	B-17		59,008.41
COAH Trust	B-14		14,082.85
			<u>73,309.36</u>
Balance, December 31, 2017	B	\$	<u><u>20,247.74</u></u>
<u>Analysis of Balance:</u>			
Recreation Trust		\$	122.75
Various Trust Deposits			624.99
COAH Trust			<u>19,500.00</u>
		\$	<u><u>20,247.74</u></u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR RECREATION DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	35,731.71
Increased by:			
Receipts	B-2	\$	327,100.61
Accounts Payable	B-19		<u>218.10</u>
			<u>327,318.71</u>
		\$	<u>363,050.42</u>
Decreased by:			
Disbursements	B-2	\$	274,141.04
Accounts Payable	B-19		<u>122.75</u>
			<u>274,263.79</u>
Balance, December 31, 2017	B	\$	<u><u>88,786.63</u></u>

"B-21"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 436,100.00
Increased by:		
Receipts	B-2	<u>206,200.00</u>
		\$ <u>642,300.00</u>
Decreased by:		
Disbursements	B-2	<u>335,600.00</u>
Balance, December 31, 2017	B	\$ <u><u>306,700.00</u></u>

"B-22"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

Balance, December 31, 2016	B	\$ 4,723.12
Increased by:		
Receipts	B-2	<u>1,281,413.93</u>
		\$ <u>1,286,137.05</u>
Decreased by:		
Disbursements	B-2	<u>1,283,941.23</u>
Balance, December 31, 2017	B	\$ <u><u>2,195.82</u></u>

"B-23"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ASSESSMENT TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2016 (Due To)	B	\$ 79.32
Increased by:		
Receipts	B-2	<u>1,147.59</u>
		\$ 1,226.91
Decreased by:		
Disbursements	B-2	<u>1,064.50</u>
Balance, December 31, 2017 (Due To)	B	<u><u>\$ 162.41</u></u>

"B-24"

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST FUND

Balance, December 31, 2016 and December 31, 2017 (Due To)	B	\$ <u><u>1.48</u></u>
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"B-25"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF PREPAID DOG LICENSES - ANINAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 118.00
Increased by:		
Receipts	B-2	67.00
		\$ <u>185.00</u>
Decreased by:		
Applied to Reserve & Due State	B-12:B-13	<u>118.00</u>
Balance, December 31, 2017	B	\$ <u><u>67.00</u></u>

"B-26"

SCHEDULE OF DUE GRANT FUND

Increased by:		
Receipts	B-2	\$ <u>5,000.00</u>
Balance, December 31, 2017	B	\$ <u><u>5,000.00</u></u>

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2016	C		\$ 2,776,212.21
Increased by Receipts:			
Deferred Charges to Future Taxation Unfunded	C-7	\$ 600,000.00	
Capital Improvement Fund	C-8	640,000.00	
B.A.N. Payable	C-15	5,773,875.00	
Due Current Fund	C-17	<u>17,272.51</u>	
			<u>7,031,147.51</u>
			\$ <u>9,807,359.72</u>
Decreased by Disbursements:			
Contracts Payable	C-12	\$ 1,968,026.41	
Due Current Fund	C-17	1,347,450.00	
B.A.N. Payable	C-15	<u>4,508,875.00</u>	
			<u>7,824,351.41</u>
Balance, December 31, 2017	C		\$ <u><u>1,983,008.31</u></u>

"C-3"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2017
Capital Improvement Fund	\$ 251,187.41
Improvement Authorizations Expended	(1,217,198.52)
Grants Receivable	(360,000.00)
Reserve for Grants Receivable	360,000.00
Unexpended Proceeds of Bond Anticipation Notes	1,454,089.16
Reserve for Preliminary Cost	84,992.00
Reserve for Capital Projects	149,436.14
Reserve for FEMA	14,367.00
Reserve for Contracts Payable	1,523,005.55
Fund Balance	250,862.42
Due From Current Fund	(1,330,177.49)
Improvement Authorizations Funded	802,444.64
	<u>\$ 1,983,008.31</u>
<u>REF.</u>	C

"C-4"

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2016	C	\$ 160,000.00
Increased by:		
Grants Receivable	C-13	<u>200,000.00</u>
Balance, December 31, 2017	C	<u>\$ 360,000.00</u>

"C-5"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 9,010,000.00
Decreased by:		
Bonds Paid by Budget	C-11	<u>1,335,000.00</u>
Balance, December 31, 2017	C	<u>\$ 7,675,000.00</u>

"C-6"

SCHEDULE OF RESERVE FOR CAPITAL PROJECTS

Balance, December 31, 2016	C	\$ 637,961.14
Decreased by:		
Improvement Authorization Funding	C-9	<u>488,525.00</u>
Balance, December 31, 2017	C	<u>\$ 149,436.14</u>

Analysis of Balance:

Park Improvements	\$ 115.14
Drainage Project	<u>149,321.00</u>
	<u>\$ 149,436.14</u>

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 292,937.41
Increased by:		
2017 Budget Appropriation	C-2	640,000.00
		<u>\$ 932,937.41</u>
Decreased by:		
Appropriated to Finance :		
Improvement Authorizations	C-9	<u>681,750.00</u>
Balance, December 31, 2017	C	<u><u>\$ 251,187.41</u></u>

TOWNSHIP OF BRANCBURG

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PRELIMINARY COSTS

REF.

Balance, December 31, 2016
and, Balance, December 31, 2017

C

\$ 84,992.00

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>OUTSTANDING DECEMBER 31, 2017</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Improvement Bonds of 2003	August 15, 2003	\$ 16,562,000.00	08/15/18	\$ 30,000.00	4.38%			
			08/15/19-20	30,000.00	4.50%			
			08/15/21	30,000.00	4.63%			
			08/15/22	30,000.00	4.70%			
			08/15/23	30,000.00	4.75%	\$ 210,000.00	\$ 30,000.00	\$ 180,000.00
General Improvement Bonds of 2007	October 11, 2007	6,840,000.00	10/11/18	500,000.00	3.85%			
			10/11/19	500,000.00	3.90%			
			10/11/20	550,000.00	3.90%			
			10/11/21	550,000.00	3.95%			
			10/11/22	600,000.00	4.00%	3,200,000.00	500,000.00	2,700,000.00
Refunding Bonds of 2011	June 8, 2011	8,170,000.00	8/15/2018	800,000.00	4.00%			
			8/15/2019	800,000.00	4.50%			
			8/15/2020	795,000.00	5.00%			
			8/15/2021	800,000.00	5.00%			
			8/15/2022	800,000.00	5.00%			
			8/15/2023	800,000.00	5.00%	5,600,000.00	805,000.00	4,795,000.00
						<u>\$ 9,010,000.00</u>	<u>\$ 1,335,000.00</u>	<u>\$ 7,675,000.00</u>
					<u>REF.</u>	<u>C</u>	<u>C-5</u>	<u>C</u>

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	C	\$	656,988.35
Increased by:			
Improvement Authorizations	C-9		<u>2,834,928.46</u>
		\$	<u>3,491,916.81</u>
Decreased by:			
Disbursements	C-2	\$	1,968,026.41
Canceled	C-9		<u>884.85</u>
			<u>1,968,911.26</u>
Balance, December 31, 2017	C	\$	<u><u>1,523,005.55</u></u>

"C-13"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 160,000.00
Increased by:		
Grants Receivable	C-4	<u>200,000.00</u>
Balance, December 31, 2017	C	\$ <u><u>360,000.00</u></u>

"C-14"

SCHEDULE OF RESERVE FOR FEMA

Balance, December 31, 2016 and December 31, 2017	C	\$ <u><u>14,367.00</u></u>
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TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>ORIGINAL DATE OF ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
Ordinance #2008-1116	10/10/12	10/6/16	10/6/17	2.00%	\$ 400,000.00	\$	\$ 400,000.00	\$
Ordinance #2011-1174	10/10/12	10/6/16	10/6/17	2.00%	612,000.00		612,000.00	
Ordinance #2011-1174	10/10/12	10/5/17	10/5/18	1.12%		562,000.00		562,000.00
Ordinance #2011-1181	10/9/13	10/6/16	10/6/17	2.00%	773,500.00		773,500.00	
Ordinance #2011-1181	10/9/13	10/5/17	10/5/18	1.12%		723,500.00		723,500.00
Ordinance #2012-1203	10/9/13	10/6/16	10/6/17	2.00%	471,885.00		471,885.00	
Ordinance #2012-1203	10/9/13	10/5/17	10/5/18	1.12%		471,885.00		471,885.00
Ordinance #2012-1208	10/9/13	10/6/16	10/6/17	2.00%	466,490.00		466,490.00	
Ordinance #2012-1208	10/9/13	10/5/17	10/5/18	1.12%		466,490.00		466,490.00
Ordinance #2013-1227	10/7/15	10/6/16	10/6/17	2.00%	1,000,000.00		1,000,000.00	
Ordinance #2013-1227	10/7/15	10/5/17	10/5/18	1.12%		1,000,000.00		1,000,000.00
Ordinance #2015-1260	10/7/15	10/6/16	10/6/17	2.00%	785,000.00		785,000.00	
Ordinance #2015-1260	10/7/15	10/5/17	10/5/18	1.12%		650,000.00		650,000.00
Ordinance #2015-1272	10/5/17	10/5/17	10/5/18	1.12%		700,000.00		700,000.00
Ordinance #2015-1273	10/5/17	10/5/17	10/5/18	1.12%		500,000.00		500,000.00
Ordinance #2016-1301	10/5/17	10/5/17	10/5/18	1.12%		700,000.00		700,000.00
					<u>\$ 4,508,875.00</u>	<u>\$ 5,773,875.00</u>	<u>\$ 4,508,875.00</u>	<u>\$ 5,773,875.00</u>
				<u>REF.</u>	<u>C</u>	<u>C-2</u>	<u>C-2</u>	<u>C:C-7</u>

"C-16"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
2004-960	Public Works Vehicles and Equipment	\$
2010-1160	Reconstruction of County Line Road	76,306.96
2010-1163	Construction and Extension of Whiton Water Line	123,086.01
2012-1203	Reconstruction of Harlan School Road	999.75
2012-1208	Various Road Improvements	741.21
2013-1227	Reconstruction of Whiton Road	340,000.00
2015-1260	Whiton Road Sections 3 & 4	100,000.00
2015-1265	Purchase of Fire Truck	285,000.00
2015-1272	Kenbury Road Improvements	140,750.00
2015-1273	Stony Brook Road Reconstruction	100,000.00
2016-1301	Reconstruction of Preston Drive	592,000.00
2017-1320	Reconstruction of Stony Brook Road	770,000.00
2017-1321	Acquisition of Pumper Truck	508,250.00
		<hr/>
		\$ 3,037,133.93

"C-17"

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Increased by:		
Disbursements	C-2	\$ 1,347,450.00
Decreased By:		
Receipts	C-2	<hr/> 17,272.51
Balance, December 31, 2017 (Due From)	C	<hr/> \$ 1,330,177.49

TOWNSHIP OF BRANCBURG

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>ASSESSMENT TRUST</u>	<u>CAPITAL</u>
Balance, December 31, 2016	D	\$ 4,097,742.27	\$ 106,319.99	\$ 3,521,834.48
Increased by Receipts:				
Sewer Use Charges Receivable	D-13	\$ 3,258,404.35	\$	\$
Miscellaneous Revenue Not Anticipated	D-1:D-4	49,910.99		
Interfunds	D-11:D-21	800.33	49.87	
Deferred Reserve for Amortization	D-22			250,000.00
Assessments Receivable	D-17		415.00	
Capital Improvement Fund	D-28			200,000.00
Capacity Charges	D-1:D-4	208,000.00		
Prepaid Sewer Charges	D-20	16,901.57		
		\$ 3,534,017.24	\$ 464.87	\$ 450,000.00
		\$ 7,631,759.51	\$ 106,784.86	\$ 3,971,834.48
Decreased by Disbursements:				
2017 Budget Appropriations	D-5	\$ 3,219,822.22	\$	\$
2016 Appropriation Reserves	D-12	17,853.62		
Contracts Payable	D-24			93,750.92
Accrued Interest on Bonds	D-31	460.00		
Fund Balance-Current MRA	D-1	200,000.00		
Interfunds	D-11:D-21	49.87	800.33	
Assessment Serial Bonds	D-19		10,000.00	
		\$ 3,438,185.71	\$ 10,800.33	\$ 93,750.92
Balance, December 31, 2017	D	\$ 4,193,573.80	\$ 95,984.53	\$ 3,878,083.56

"D-8"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

BALANCE
DECEMBER
31, 2017

Fund Balance	\$	279,325.93
Contracts Payable		158,349.14
Capital Improvement Fund		2,038,164.00
Reserve for I and I Study		28,493.94
Reserve for Preliminary Costs		131,170.00
Improvement Authorizations - Unfunded		228,971.20
Improvement Authorizations - Funded		<u>1,013,609.35</u>

\$ 3,878,083.56

REF. D

"D-9"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF DUE TO SOMERSET/RARITAN
VALLEY SEWER AUTHORITY

REF.

Balance, December 31, 2016
and December 31, 2017

D

\$ 1,200.00

"D-10"

SCHEDULE OF RESERVE FOR ESCROW FUNDS

Balance, December 31, 2016
and December 31, 2017

D

\$ 89,683.59

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>		
Balance, December 31, 2016			
Due From Sewer Assessment Fund	D	\$ (750.46)	
Due To Payroll (Trust Other Fund)	D	<u>557.62</u>	
			\$ (192.84)
Increased by:			
Receipts	D-6		<u>800.33</u>
			\$ <u>607.49</u>
Decreased by:			
Disbursements	D-6		<u>49.87</u>
Balance, December 31, 2017 (Due To)	D	\$ <u>557.62</u>	
<u>Analysis of Balance</u>			
Due To Payroll (Trust Other Fund)		\$ <u>557.62</u>	
		\$ <u>557.62</u>	

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2015</u>	<u>ACCOUNTS PAYABLE</u>	<u>MODIFIED</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operating:					
Salaries and Wages	\$ 67,653.36	\$	\$ 67,653.36	\$	67,653.36
Other Expenses	866,019.47	10,643.60	876,663.07	17,620.48	859,042.59
Sewer Assessment Commission:					
Salaries and Wages	1,000.00		1,000.00		1,000.00
Capital Improvements:					
Purchase of Vehicle and Equipment	44,619.50		44,619.50		44,619.50
Regulatory Expenditures:					
Social Security (O.A.S.I.)	7,100.35		7,100.35	233.14	6,867.21
Public Employee Retirement System	50,000.00		50,000.00		50,000.00
	<u>\$ 1,036,392.68</u>	<u>\$ 10,643.60</u>	<u>\$ 1,047,036.28</u>	<u>\$ 17,853.62</u>	<u>\$ 1,029,182.66</u>

REF.

D

D-14

D-6

D-1

"D-13"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2016	D	\$	356,496.07
Increased by:			
Sewer Charges Levied (Net)			<u>3,294,398.94</u>
		\$	<u>3,650,895.01</u>
Decreased by:			
Receipts	D-6	\$	3,258,404.35
Transferred to Liens	D-30		5,501.78
Prepaid Sewer Rents	D-20		<u>12,612.16</u>
			<u>3,276,518.29</u>
Balance, December 31, 2017	D	\$	<u><u>374,376.72</u></u>

"D-14"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE - OPERATING FUND

Balance, December 31, 2016	D	\$	10,643.60
Increased by:			
2017 Appropriations	D-5		<u>6,730.30</u>
		\$	<u>17,373.90</u>
Decreased by:			
Transfer to 2016 Appropriation Reserves	D-12		<u>10,643.60</u>
Balance, December 31, 2017	D	\$	<u><u>6,730.30</u></u>

"D-15"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY ASSESSMENT FUND

SCHEDULE OF DUE FROM THIRD PARTY

REF.

Balance, December 31, 2016
and December 31, 2017

D

\$ 25.00

"D-16"

SCHEDULE OF RESERVE FOR ASSESSMENTS

Balance, December 31, 2016
and December 31, 2017

D

\$ 155,071.92

TOWNSHIP OF BRANCHBURG

SEWER UTILITY ASSESSMENT FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF CONFIRMATION</u>	<u>INSTALLMENTS</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE PLEGDED TO RESERVE</u>
1976-292	South Branch - Holland Brook Sewer	09/26/83	10	11/25/83-93	\$ 93,977.49	\$	\$ 93,977.49	\$ 93,977.49
1971-248	Chambers Brook Sewer	11/15/77	10	11/15/77-87	61,094.43		61,094.43	61,094.43
1993-661	County Line Sewer Improvements	12/14/99	10	12/14/99-08	415.00	415.00	0.00	
					<u>\$ 155,486.92</u>	<u>\$ 415.00</u>	<u>\$ 155,071.92</u>	<u>\$ 155,071.92</u>
				<u>REF.</u>	D	D-6	D	

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE DATE</u>	<u>BALANCE DECEMBER 31, 2016 & 2017</u>
2004-970	Purchase of Asset Management System	09/27/04	\$ 87,000.00
2005-994	Neshanic Wastewater Treatment Plant	07/11/05	80,000.00
2006-1015/2007- 1069/2008-1097	Conversion of Neshanic Station Treatment Plant	4/24/06, 8/13/07 & 6/9/08	3,448,000.00
2006-1039	Aerial Photos and Topographic Mapping	07/24/06	250,000.00
2008-1115	Construction of Public Works Fac./Mun. Annex	10/13/08	900,000.00
2010-1154	Purchase of Equipment	07/12/10	80,000.00
2010-1155	Relining of Brandywine Force Main	07/12/10	190,000.00
2011-1176	Purchase of New Equipment	04/11/11	127,000.00
2011-1187	Relining and Recon of Brandywine	10/10/11	100,000.00
2012-1206	Stoney Brook Road Sewer Project	05/29/12	1,300,000.00
2013-1224	Sewer Department Equipment	05/13/13	500,000.00
2014-1253	Sewer Department Equipment	05/28/14	185,000.00
2015-1276	Sewer Department Equipment	05/11/15	475,000.00
			<u>\$ 7,722,000.00</u>
		<u>REF.</u>	D

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF SEWER ASSESSMENT SERIAL BONDS PAYABLE

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>PAID</u>
County Line Sewer Improvement - 2001	4/1/98	\$ 350,000.00	5.00%	\$ 10,000.00	10,000.00
			<u>REF.</u>	<u>D</u>	<u>D-6</u>

"D-20"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF PREPAID SEWER CHARGES

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ 12,612.16
Increased by:		
Receipts	D-6	<u>16,901.57</u>
		\$ <u>29,513.73</u>
Decreased by:		
Applied to Receivable	D-13	<u>12,612.16</u>
Balance, December 31, 2017	D	\$ <u><u>16,901.57</u></u>

"D-21"

SEWER UTILITY ASSESSMENT FUND

SCHEDULE OF DUE SEWER OPERATING FUND

Balance, December 31, 2016 (Due To)	D	\$ 750.46
Increased by:		
Receipts	D-6	<u>49.87</u>
		\$ <u>800.33</u>
Decreased by:		
Disbursements	D-6	\$ <u><u>800.33</u></u>

"D-22"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ 7,472,000.00
Increased by:		
Budgeted Paydown	D-6	<u>250,000.00</u>
Balance, December 31, 2017	D	<u><u>\$ 7,722,000.00</u></u>

Analysis of Balance:

2004-970	Purchase of Asset Management System	9/27/04	\$ 87,000.00
2005-994	Neshanic Wastewater Treatment Plant	07/11/05	80,000.00
06-1015/07-1069		4/24/06, 8/13/07	
& 08-1097	Conversion of Neshanic Treatment Plant	& 6/9/08	3,198,000.00
2006-1039	Aerial Photos and Topographic Mapping	07/24/06	250,000.00
2007-1069	Conversion of Neshanic Treatment Plant	08/13/07	250,000.00
2008-1115	Construction of Pub Wks Fac/Mun Annex	10/13/08	900,000.00
2010-1154	Purchase of Equipment	07/12/10	80,000.00
2010-1155	Relining of Brandywine Force Main	07/12/10	190,000.00
2011-1176	Purchase of New Equipment	04/11/11	127,000.00
2011-1187	Relining and Recon of Brandywine	10/10/11	100,000.00
2012-1206	Stoney Brook Road Sewer Project	05/29/12	1,300,000.00
2013-1224	Sewer Department Equipment	05/13/13	500,000.00
2014-1253	Sewer Department Equipment	05/28/14	185,000.00
2015-1276	Sewer Department Equipment	05/11/15	<u>475,000.00</u>
			<u><u>\$ 7,722,000.00</u></u>

"D-23"

SCHEDULE OF RESERVE FOR I & I STUDY

Balance, December 31, 2016 and December 31, 2017	D	<u><u>\$ 28,493.94</u></u>
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"D-24"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	D	\$	177,940.06
Increased by:			
Contracts Payable	D-29		<u>74,300.00</u>
		\$	252,240.06
Decreased by:			
Disbursements	D-6	\$	93,750.92
Canceled	D-29		<u>140.00</u>
			<u>93,890.92</u>
Balance, December 31, 2017	D	\$	<u><u>158,349.14</u></u>

"D-25"

SCHEDULE OF RESERVE FOR PRELIMINARY COSTS

Balance, December 31, 2016 and December 31, 2017	D	\$	<u><u>131,170.00</u></u>
<u>Analysis of Balance:</u>			
Preliminary Cost Resolution 2004-190		\$	105,670.00
Preliminary Cost Resolution 2010-109			<u>25,500.00</u>
		\$	<u><u>131,170.00</u></u>

"D-26"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>		BALANCE DECEMBER 31, 2016 AND 2017
Neshanic Station Sewer	\$	453,151.54
Acquisition of Land		20,000.00
North Branch Sewer		198,793.42
North Branch Sewer Extension		241,284.34
Chambers Brook Sewer		1,280,000.00
South Branch Sewer		1,400,000.00
Dechlorination		64,500.00
General Equipment		737,285.30
Old York and Drehook Improvements		320,000.00
Other Improvements		<u>1,815,157.18</u>
	\$	<u><u>6,530,171.78</u></u>
	<u>REF.</u>	D

"D-27"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2016 and December 31, 2017	D	\$ <u><u>6,530,171.78</u></u>
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"D-28"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ 1,838,164.00
Increased by:		
Budget Appropriation	D-6	<u>200,000.00</u>
Balance, December 31, 2017	D	\$ <u><u>2,038,164.00</u></u>

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE DATE</u>	<u>AMOUNT</u>	<u>BALANCE DECEMBER 31, 2016</u>		<u>PAID OR CHARGED</u>	<u>CONTRACTS PAYABLE CANCELED</u>	<u>BALANCE DECEMBER 31, 2017</u>
				<u>FUNDED</u>	<u>UNFUNDED</u>			<u>FUNDED</u>
General Improvement:								
2004-970	Purchase of Asset Management System	09/27/04	\$ 87,000.00	\$ 33,347.50	\$	\$		\$ 33,347.50
2005-994	Neshanic Wastewater Treatment Plant	07/11/05	80,000.00	25,940.78				25,940.78
2006-1015/1069		04/24/06, 08/13/07 & 06/09/08						
& 2008-1097	Conversion of Neshanic Treatment Plant		1,848,000.00		228,971.20			228,971.20
2006-1039	Aerial Photos and Topographic Mapping	07/24/06	250,000.00	182,753.00				182,753.00
2008-1115	Construction of Public Wks. Fac/Mun Annex	10/13/08	900,000.00	34,667.54				34,667.54
2010-1154	Purchase of Equipment	07/12/10	80,000.00	11,027.00				11,027.00
2010-1155	Relining of Brandywine Force Main	07/12/10	190,000.00	3,508.00				3,508.00
2001-1176	Purchase of New Equipment	04/11/11	127,000.00	29,184.00				29,184.00
2011-1187	Relining and Recon of Brandywine	10/10/11	100,000.00	29,288.00				29,288.00
2012-1206	Stoney Brook Road Sewer Project	05/29/12	1,300,000.00	483,000.00				483,000.00
2013-1224	Sewer Department Equipment	05/13/13	500,000.00	49,905.00				49,905.00
2014-1253	Sewer Department Equipment	05/28/14	185,000.00	33,460.00			140.00	33,600.00
2015-1276	Sewer Department Equipment	05/11/15	475,000.00	171,688.53		74,300.00		97,388.53
				<u>\$ 1,087,769.35</u>	<u>\$ 228,971.20</u>	<u>\$ 74,300.00</u>	<u>\$ 140.00</u>	<u>\$ 1,242,580.55</u>
			<u>REF.</u>	D	D	D-24	D-24	D

"D-30"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF SEWER LIENS RECEIVABLE

REF.

Increased by:			
Transferred to Lien	D-13	\$	<u>5,501.78</u>
Balance, December 31, 2017	D	\$	<u><u>5,501.78</u></u>

"D-31"

SCHEDULE OF RESERVE FOR ACCRUED INTEREST PAYABLE

Balance, December 31, 2016	D	\$	5,039.50
Increased by:			
Budget Appropriation	D-5		<u>2,000.00</u>
		\$	<u>7,039.50</u>
Decreased by:			
Disbursement	D-6	\$	460.00
Canceled	D-1		<u>6,579.50</u>
		\$	<u><u>7,039.50</u></u>

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TOWNSHIP OF BRANCHBURG

PART II

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

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

	YEAR 2017		YEAR 2016	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 3,700,000.00	4.70%	\$ 3,600,000.00	4.74%
Miscellaneous from Other Than				
Local Property Tax Levies	8,660,309.50	11.01%	7,397,091.99	9.74%
Collection of Delinquent Taxes				
and Tax Title Liens	759,204.81	0.97%	408,494.30	0.53%
Collections of Current Tax Levy	<u>65,525,436.48</u>	<u>83.32%</u>	<u>64,538,920.53</u>	<u>84.98%</u>
<u>Total Revenue</u>	<u>\$ 78,644,950.79</u>	<u>100.00%</u>	<u>\$ 75,944,506.82</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 17,631,397.16	24.03%	\$ 17,299,788.85	23.95%
County Taxes	12,223,288.71	16.66%	12,028,947.85	16.65%
Local School District Taxes	41,946,412.00	57.18%	41,413,150.00	57.34%
Municipal Open Space Taxes	1,518,036.88	2.07%	1,486,078.59	2.06%
Other Expenditures	<u>44,628.95</u>	<u>0.06%</u>	<u></u>	<u>0.00%</u>
<u>Total Expenditures</u>	<u>\$ 73,363,763.70</u>	<u>100.00%</u>	<u>\$ 72,227,965.29</u>	<u>100.00%</u>
Excess in Revenue	<u>\$ 5,281,187.09</u>		<u>\$ 3,716,541.53</u>	
Fund Balance - January 1	<u>\$ 7,528,122.57</u>		<u>\$ 7,411,581.04</u>	
	\$ 12,809,309.66		\$ 11,128,122.57	
Less: Utilization as Anticipated Revenue	<u>3,700,000.00</u>		<u>3,600,000.00</u>	
Fund Balance, December 31	<u>\$ 9,109,309.66</u>		<u>\$ 7,528,122.57</u>	

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

	YEAR 2017		YEAR 2016	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,300,000.00	22.17%	\$ 1,300,000.00	22.47%
Collection of Sewer Use Charges	3,271,016.51	55.76%	3,311,317.27	57.23%
Miscellaneous	1,293,673.15	22.06%	1,173,889.47	20.29%
<u>Total Revenue</u>	<u>\$ 5,864,689.66</u>	<u>100.00%</u>	<u>\$ 5,785,206.74</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 3,580,000.00	80.89%	\$ 3,580,000.00	80.89%
Capital Improvements	300,000.00	6.78%	300,000.00	6.78%
Deferred Charges and Statutory Expenditures	344,000.00	7.77%	344,000.00	7.77%
Debt Service	2,000.00	0.05%	2,000.00	0.05%
Fund Balance Utilized-Current Fund Revenue	200,000.00	4.52%	200,000.00	4.52%
<u>Total Expenditures</u>	<u>\$ 4,426,000.00</u>	<u>100.00%</u>	<u>\$ 4,426,000.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,438,689.66		\$ 1,359,206.74	
Fund Balance - January 1	2,942,363.58		2,883,156.84	
	<u>\$ 4,381,053.24</u>		<u>\$ 4,242,363.58</u>	
Less: Utilization as Anticipated Revenue	1,300,000.00		1,300,000.00	
Fund Balance, December 31	<u>\$ 3,081,053.24</u>		<u>\$ 2,942,363.58</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$2.176</u>	<u>\$2.190</u>	<u>\$2.186</u>
Appointment of Tax Rate:			
Municipal	\$0.338	\$0.336	\$0.331
Municipal Open Space	0.050	0.049	0.050
County	0.404	0.407	0.403
Local School	<u>1.384</u>	<u>1.398</u>	<u>1.402</u>

Assessed Valuation:

Year 2017	<u>\$ 3,028,971,737.00</u>		
Year 2016		<u>\$ 2,962,189,835.00</u>	
Year 2015			<u>\$ 2,880,956,935.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2017	\$66,091,279.00	\$65,525,436.48	99.14%
2016	\$65,094,678.01	\$64,538,920.53	99.14%
2015	\$63,280,907.79	\$62,815,199.98	99.26%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>DECEMBER 31, YEAR</u>		<u>AMOUNT OF TAX TITLE LIENS</u>		<u>AMOUNT OF DELINQUENT TAXES</u>		<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2017	\$	88,189.52	\$	511,887.79	\$	600,077.31	0.91%
2016		327,249.00		500,205.53		827,454.53	1.27%
2015		273,509.19		420,413.75		693,922.94	1.10%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2017 by foreclosure or deed, as a result of liquidation of tax title liens.

There was no property acquired by liquidation of tax title liens on December 31st, for the last three years.

COMPARISON OF UTILITY LEVIES

<u>YEAR</u>		<u>LEVY</u>		<u>COLLECTIONS*</u>
2017	\$	3,294,398.94	\$	3,276,518.29
2016		3,542,396.91		3,311,317.27
2015		3,207,099.13		3,243,054.96

*Includes collections of prior year levies

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED IN BUDGET</u> <u>OF SUCCEEDING</u> <u>YEAR</u>
Current Fund	2017	\$ 9,109,309.66	\$ 4,900,000.00
	2016	7,528,122.57	3,700,000.00
	2015	7,411,581.04	3,600,000.00
	2014	7,725,568.07	4,300,000.00
	2013	6,810,382.62	3,275,563.00
Sewer Utility Operating Fund	2017	\$ 3,081,053.24	\$ 1,300,000.00
	2016	2,942,363.58	1,300,000.00
	2015	2,883,156.84	1,300,000.00
	2014	3,101,474.58	1,300,000.00
	2013	3,020,326.72	1,329,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Thomas Young	Mayor	*
James Schworn	Committee Person	*
Robert Petrelli	Committee Person	*
Brendon Beatrice	Committee Person	*
Anna Columbus	Committee Person	*
Gregory Bonin	Administrator	*
Mark Anderson, Esq.	Township Attorney	*
Marguerite Schmitt	Township Clerk	*
Diane Schubach	Chief Financial Official	\$250,000.00
Lisa Simonetti	Tax and Sewer Collector – until 11/10/17	\$250,000.00
Diane Schubach	Tax and Sewer Collector effective 11/13/17	\$250,000.00
Frances S. Kuczynski	Tax Assessor	*
William T. Kelleher, Jr.	Municipal Magistrate	\$50,000.00
Ruth Mulligan	Court Administrator	\$50,000.00
David Young	Chief of Police	*
Thomas Mantz	Superintendent of Public Works	*
John Tamburini	Construction Code Official	*
Douglas Ball	Township Engineer	
Cynthia Weaver	Health Officer	*
Joseph Olivo	Fire Official	*
Thomas Leach	Zoning Officer	*
Glenn Burrell	Recreation Director	*

*The Township is covered through the 'joint insurance fund' for various crime coverages with a limit of \$1,000,000.00 and a \$25,000.00 deductible.

All of the bonds, provided through Pennsylvania National Mutual Casualty Insurance Company, were examined and were properly executed and were in accordance with the state promulgated schedule.

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

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

Effective July 1, 2015, the bid threshold in accordance with N.J.A.C. 40A:11-3 was increased to \$40,000 by resolution of the governing body.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

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

- Reconstruction of Preston Drive
- Sanitary Sewer Repairs
- Improvements to Nassau Court/Preston Drive Reconstruction Project
- Asbestos Removal and Demolition of Barns at Smith Anna Farm
- White Oak Improvements Project

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

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

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

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

- Municipal Attorney
- Tax Appeal Counsel
- Municipal Auditor
- Township Labor Counsel
- Township Bond Counsel
- Municipal Prosecutor
- COAH Consultant
- Township Physicians
- Other Consulting Services

In addition, purchases utilizing state contracts were made for the following:

- Printer Maintenance & Supplies
- Ford F250 Pickup Truck
- Ford F350 Van
- Upgrade to Network Switch Infrastructure and Desktops
- Installation of High Density Storage System

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The Governing Body, on January 3, 2017, adopted the following resolution pursuant to the provisions of R.S. 54:4-67 fixing the rate of delinquent taxes and assessments and on sanitary sewer service charges at 8% per annum on the first \$1,500.00 and a rate of 18% per annum on any amount in excess of \$1,500.00 becoming delinquent after the due date and if the delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged if payment of any installment is made within ten days after the date upon which the same becomes payable.

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 24, 2017, however not all properties eligible for sale were included.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2017	29
2016	29
2015	4

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	
Information Positive Confirmation-Tax	50
Information Positive Confirmation-Utility	30
Delinquent Positive Confirmation-Tax	25
Delinquent Positive Confirmation-Utility	15

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

That all properties eligible for tax sale be included in the sale each year.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000

