

*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, 2016*

TOWNSHIP OF BRANCHBURG

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TOWNSHIP OF BRANCHBURG

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2016 AND 2015



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2016 and 2015, 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, 2016, 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.

## **SUPLEE, CLOONEY & COMPANY**

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

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

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

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the 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, 2016 and 2015, 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, 2016.

### ***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, 2016 and 2015, 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, 2016 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.



# SUPLEE, CLOONEY & COMPANY

## ***Other Matters***

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Branchburg's regulatory financial statements. The supplementary information, data and schedules of expenditures of federal awards and state financial assistance 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 and the schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance 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 12, 2017 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 12, 2017

CURRENT FUND

TOWNSHIP OF BRANCHBURG

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE DECEMBER 31, 2015</u>
<u>ASSETS</u>			
Cash	A-4	\$ 10,328,196.92	\$ 10,143,550.52
Change Fund	A-6	755.00	755.00
Due State of New Jersey - Senior Citizens and Veterans	A-7	64,677.24	64,177.24
		<u>\$ 10,393,629.16</u>	<u>\$ 10,208,482.76</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 500,205.53	\$ 420,413.75
Tax Title Liens Receivable	A-9	327,249.00	273,509.19
Revenue Accounts Receivable	A-13	23,975.80	28,338.72
Interfunds Receivable	A-12	1,831.56	12,485.99
	A	<u>\$ 853,261.89</u>	<u>\$ 734,747.65</u>
		<u>\$ 11,246,891.05</u>	<u>\$ 10,943,230.41</u>
Grant Fund:			
Cash	A-4	\$ 203,797.91	\$ 211,822.86
Due Current Fund	A-10	33,255.76	41,395.64
Grants Receivable	A-20	<u>154,535.73</u>	<u>140,223.97</u>
		<u>\$ 391,589.40</u>	<u>\$ 393,442.47</u>
		<u>\$ 11,638,480.45</u>	<u>\$ 11,336,672.88</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, 2016</u>	<u>BALANCE DECEMBER 31, 2015</u>
Appropriation Reserves	A-3:A-14	\$ 1,966,067.26	\$ 1,933,313.09
Prepaid Taxes	A-18	400,482.33	329,167.43
Accounts Payable	A-11	180,541.57	219,620.64
Tax Overpayments	A-17	521.11	19.67
Interfunds Payable	A-12	41,675.80	41,646.92
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	275.00	375.00
Construction Code DCA - Due State of NJ	A-21	21,786.61	18,602.06
Due State of New Jersey - Burial Permits	A-22	45.00	45.00
		<u>\$ 2,865,506.59</u>	<u>\$ 2,796,901.72</u>
Reserve for Receivables and Other Assets	A	853,261.89	734,747.65
Fund Balance	A-1	<u>7,528,122.57</u>	<u>7,411,581.04</u>
		<u>\$ 11,246,891.05</u>	<u>\$ 10,943,230.41</u>
Grant Fund:			
Reserve for Grants - Unappropriated	A-24	\$ 89,758.27	\$ 86,573.47
Reserve for Grants - Appropriated	A-23	295,662.28	296,180.76
Reserve for Accounts Payable	A-16	<u>6,168.85</u>	<u>10,688.24</u>
		<u>\$ 391,589.40</u>	<u>\$ 393,442.47</u>
		<u>\$ 11,638,480.45</u>	<u>\$ 11,336,672.88</u>

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

TOWNSHIP OF BRANCHBURG

CURRENT FUND

STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS

		YEAR ENDED DECEMBER 31, 2016	YEAR ENDED DECEMBER 31, 2015
<u>REVENUE AND OTHER INCOME REALIZED</u>	REF.		
Fund Balance Utilized	A-1:A-2	\$ 3,600,000.00	\$ 4,300,000.00
Miscellaneous Revenue Anticipated	A-2	5,145,989.99	5,113,193.47
Receipts From Delinquent Taxes	A-2	408,494.30	544,689.23
Receipts From Current Taxes	A-2	64,538,920.53	62,815,199.98
Non-Budget Revenue	A-2	495,527.22	565,334.61
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	1,744,920.35	1,612,415.23
Interfunds Returned		10,654.43	7,545.89
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 75,944,506.82</u>	<u>\$ 74,958,378.41</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS"	A-3	\$ 12,871,174.00	\$ 12,561,442.40
Deferred Charges and Regulatory Expenditures - Municipal	A-3	1,721,546.00	1,659,105.00
Other Operations Excluded From "CAPS":			
Other Operations	A-3	30,740.00	
State and Federal Programs Off-Set by Revenue	A-3	171,011.35	182,167.32
Municipal Debt Service	A-3	1,096,720.50	870,337.00
Capital Improvements	A-3	1,300,000.00	2,100,000.00
Deferred Charges	A-3	108,597.00	113,000.00
Open Space Tax	A-28	1,481,094.68	1,440,478.47
Added Open Space Tax	A-28	4,983.91	6,939.24
County Tax	A-26	11,987,557.98	11,564,940.70
County Share of Added Taxes	A-26	41,389.87	55,821.31
Local District School Tax	A-27	41,413,150.00	40,418,134.00
<u>TOTAL EXPENDITURES</u>		<u>\$ 72,227,965.29</u>	<u>\$ 70,972,365.44</u>
Excess to Revenue		<u>\$ 3,716,541.53</u>	<u>\$ 3,986,012.97</u>
Fund Balance, January 1	A	<u>\$ 7,411,581.04</u>	<u>\$ 7,725,568.07</u>
		\$ 11,128,122.57	\$ 11,711,581.04
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>3,600,000.00</u>	<u>4,300,000.00</u>
Fund Balance, December 31	A	<u><u>\$ 7,528,122.57</u></u>	<u><u>\$ 7,411,581.04</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, 2016

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	A-1	\$ 3,600,000.00	\$ 3,600,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-13	\$ 20,000.00	\$ 17,105.00	\$ (2,895.00)
Other	A-2	20,000.00	45,008.00	25,008.00
Fees and Permits:				
Construction Code Official	A-13	400,000.00	544,432.84	144,432.84
Other	A-2	150,000.00	179,561.95	29,561.95
Municipal Court:				
Fines and Costs	A-13	300,000.00	332,706.88	32,706.88
Interest and Costs on Taxes	A-13	80,000.00	107,782.65	27,782.65
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	350,000.00	479,901.89	129,901.89
Fire Safety - Life Hazard Use Fees	A-13	65,000.00	59,988.43	(5,011.57)
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	9,857.45	9,857.45	
Alcohol Education Rehabilitation	A-12:A-20	2,769.86	2,769.86	
Recycling Tonnage	A-12:A-20	27,260.14	27,260.14	
Highway Safety Fund Grant	A-12:A-20	4,438.78	4,438.78	
Body Armor	A-12:A-20	2,689.05	2,689.05	
Clean Communities Program	A-12:A-20	38,996.07	38,996.07	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 4,764,502.35	\$ 5,145,989.99	\$ 381,487.64
Receipts From Delinquent Taxes	A-1:A-8	\$ 500,000.00	\$ 408,494.30	\$ (91,505.70)
Amt. to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2:A-8	\$ 9,970,287.50	\$ 11,145,744.09	\$ 1,175,456.59
<u>BUDGET TOTALS</u>		\$ 18,834,789.85	\$ 20,300,228.38	\$ 1,465,438.53
Non-Budget Revenues	A-2	\$	\$ 495,527.22	\$ 495,527.22
		\$ 18,834,789.85	\$ 20,795,755.60	\$ 1,960,965.75
	<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, 2016

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:			
Revenue From Collections	A-1:A:8	\$	64,538,920.53
Allocated to:			
County Taxes	A-8	\$	12,028,947.85
Local District School Taxes	A-8		41,413,150.00
Municipal Open Space	A-8		<u>1,486,078.59</u>
Balance for Support of Municipal Budget Appropriations		\$	9,610,744.09
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>1,535,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>11,145,744.09</u></u>
Licenses - Other:			
Clerk	A-13	\$	8,155.00
Board of Health	A-13		24,875.00
Registrar	A-13		<u>11,978.00</u>
	A-2	\$	<u><u>45,008.00</u></u>
Other - Fees and Permits:			
Board of Health	A-13	\$	20,940.00
Police	A-13		5,272.00
Clerk	A-13		63,127.40
Zoning/Planning/Adjustment	A-13		14,007.80
Engineering	A-13		12,565.00
Registrar (Including EDRS)	A-13		11,910.00
Fire	A-13		<u>51,739.75</u>
	A-2	\$	<u><u>179,561.95</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, 2016

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Solar SREC Sales	\$	79,586.83
Comcast/Verizon Franchise Fee		103,807.23
Cell Tower Rent		65,135.42
Escrow Refunds		65,275.68
Auction Sales		73.95
JIF Dividend		38,400.76
Leaf Removal		1,000.00
Other Miscellaneous Revenue		6,199.50
Police Outside Overtime Admin Fee		17,049.00
Affordable Housing Fee		10,278.00
Premiums Forfeited		19,000.00
Tax Collector		20,962.72
Motor Vehicle Inspection Fines		13,350.00
Interest on Investments		49,453.40
Scrap/Recycling Sales		1,542.90
Insurance Proceeds		3,217.00
Township Clerk		614.83
Bid Packages		580.00
<u>Total Non-Budget Revenue</u>	A-1:A-2:A-4	\$ <u>495,527.22</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, 2016

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>GENERAL GOVERNMENT:</u>					
Administrative and Executive:					
Salaries and Wages	\$ 417,000.00	\$ 417,000.00	\$ 412,342.00	\$ 4,658.00	\$
Other Expenses	304,000.00	304,000.00	235,240.56	68,759.44	
Mayor and Council:					
Salaries and Wages	39,800.00	39,800.00	39,714.48	85.52	
Other Expenses	25,500.00	25,500.00	15,828.27	9,671.73	
Clerk:					
Salaries and Wages	214,000.00	214,000.00	196,956.86	17,043.14	
Other Expenses	7,500.00	7,500.00	5,437.68	2,062.32	
Elections:					
Salaries and Wages	300.00	300.00	230.62	69.38	
Other Expenses	5,000.00	5,000.00	5,000.00		
Financial Administration:					
Salaries and Wages	142,400.00	142,400.00	137,886.90	4,513.10	
Other Expenses	31,900.00	31,900.00	16,631.94	15,268.06	
Audit	35,000.00	35,000.00		35,000.00	
Assessment of Taxes:					
Salaries and Wages	232,000.00	232,000.00	222,363.14	9,636.86	
Other Expenses	51,450.00	51,450.00	40,688.27	10,761.73	
Collection of Taxes:					
Salaries and Wages	88,054.00	88,054.00	78,904.35	9,149.65	
Other Expenses	9,750.00	9,750.00	6,232.31	3,517.69	
Legal Services and Costs:					
Miscellaneous Other Expenses	126,500.00	96,500.00	38,379.63	58,120.37	
Mount Laurel Implementation	50,000.00	50,000.00	9,950.45	40,049.55	
Litigation	175,000.00	235,000.00	172,667.00	62,333.00	
Prosecutor	28,500.00	28,500.00	28,402.92	97.08	
Engineering Services and Costs:					
Salaries and Wages	545,000.00	545,000.00	534,035.99	10,964.01	
Other Expenses	42,300.00	42,300.00	22,433.03	19,866.97	
Public Buildings and Grounds:					
Other Expenses	100,000.00	100,000.00	82,026.80	17,973.20	
Planning Board:					
Salaries and Wages	31,200.00	31,200.00	25,012.40	6,187.60	
Other Expenses	46,650.00	46,650.00	7,245.92	39,404.08	
Board of Adjustment:					
Other Expenses	35,950.00	35,950.00	7,963.02	27,986.98	
Environmental Commission:					
Other Expenses	500.00	500.00	360.00	140.00	
Historical Commission:					
Other Expenses	3,700.00	3,700.00	1,610.00	2,090.00	
Recycling:					
Contractual	135,000.00	135,000.00	97,647.87	37,352.13	
Other Expenses	20,000.00	20,000.00	14,737.24	5,262.76	
Insurance:					
Group Insurance Plan for Employees	1,784,260.00	1,744,260.00	1,465,727.50	278,532.50	
Other Insurance Premiums	343,000.00	323,000.00	296,631.41	26,368.59	
Worker's Compensation	225,000.00	225,000.00	225,000.00		
Group Insurance - Opt Out	100,000.00	100,000.00	99,159.01	840.99	
<u>PUBLIC SAFETY:</u>					
Bureau of Fire Prevention:					
Salaries and Wages	124,000.00	124,000.00	117,850.72	6,149.28	
Other Expenses	5,750.00	5,750.00	3,940.97	1,809.03	
Public Fire Prevention - Fire Hydrant Services	415,000.00	415,000.00	321,500.00	93,500.00	
Aid to Volunteer Fire Companies	90,000.00	90,000.00	90,000.00		
Aid to Adjoining Fire Companies	80,400.00	80,400.00	80,400.00		
Maintenance of Fire Vehicles	61,000.00	61,000.00	30,000.00	31,000.00	
Blood Born Pathogens:					
Other Expenses	4,500.00	4,500.00	2,700.81	1,799.19	
Police:					
Salaries and Wages	2,900,000.00	2,900,000.00	2,686,085.98	213,914.02	
Other Expenses	160,800.00	160,800.00	151,577.36	9,222.64	
School Crossing Guards:					
Salaries and Wages	24,000.00	24,000.00	17,169.23	6,830.77	
Other Expenses	2,000.00	2,000.00		2,000.00	
First Aid Organization Contribution	54,000.00	54,000.00	51,000.00	3,000.00	
Emergency Management Services:					
Other Expenses	7,000.00	7,000.00	227.39	6,772.61	

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

TOWNSHIP OF BRANCBURG

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

	<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	\$ 169,000.00	\$ 179,000.00	173,513.28	\$ 5,486.72	\$
Other Expenses	11,600.00	11,600.00	5,062.91	6,537.09	
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	1,456,560.00	1,456,560.00	1,314,195.43	142,364.57	
Other Expenses	406,000.00	406,000.00	328,657.69	77,342.31	
Snow Removal:					
Salaries and Wages	75,000.00	75,000.00	35,673.42	39,326.58	
Other Expenses	105,000.00	125,000.00	81,011.32	43,988.68	
Street Lighting:					
Other Expenses	40,000.00	40,000.00	29,187.13	10,812.87	
<u>HEALTH AND WELFARE:</u>					
Board of Health:					
Salaries and Wages	145,800.00	145,800.00	140,681.86	5,118.14	
Other Expenses	25,950.00	25,950.00	11,585.36	14,364.64	
Dog Regulation:					
Other Expenses	13,000.00	13,000.00	8,581.88	4,418.12	
<u>RECREATION AND EDUCATION:</u>					
Board of Recreation Commissioners:					
Salaries and Wages	168,200.00	168,200.00	167,633.68	566.32	
Other Expenses	35,900.00	35,900.00	25,027.75	10,872.25	
<u>UNIFORM CONSTRUCTION CODE:</u>					
Construction Official:					
Salaries and Wages	124,000.00	124,000.00	112,391.18	11,608.82	
Other Expenses	35,250.00	35,250.00	3,532.39	31,717.61	
Sub-Code Officials:					
Salaries and Wages	53,400.00	53,400.00	49,872.26	3,527.74	
Other Expenses	2,600.00	2,600.00	1,210.24	1,389.76	
Plumbing Inspector:					
Salaries and Wages	34,500.00	34,500.00	29,437.20	5,062.80	
Other Expenses	1,500.00	1,500.00	197.00	1,303.00	
Electrical Sub Code:					
Salaries and Wages	50,200.00	50,200.00	42,777.06	7,422.94	
Other Expenses	500.00	500.00	59.85	440.15	
Fire Sub Code:					
Salaries and Wages	48,700.00	48,700.00	45,458.40	3,241.60	
Other Expenses	850.00	850.00	375.00	475.00	
<u>UNCLASSIFIED:</u>					
Municipal Services Law	25,000.00	25,000.00		25,000.00	
Electricity	90,000.00	90,000.00	73,930.09	16,069.91	
Telephone	75,000.00	75,000.00	66,094.71	8,905.29	
Water	28,000.00	33,000.00	31,290.63	1,709.37	
Natural Gas	40,000.00	40,000.00	20,976.56	19,023.44	
Gasoline	250,000.00	245,000.00	146,180.54	98,819.46	
Volunteer Incentive Program	30,000.00	30,000.00		30,000.00	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 12,871,174.00</u>	<u>\$ 12,871,174.00</u>	<u>\$ 11,039,494.85</u>	<u>\$ 1,831,679.15</u>	<u>\$</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS":</u>					
Statutory Expenditures:					
Social Security System	\$ 540,000.00	\$ 540,000.00	\$ 488,023.59	\$ 51,976.41	\$
Police and Firemen's Retirement System of N.J.	678,185.00	678,185.00	678,185.00		
Public Employee's Retirement System	493,361.00	493,361.00	493,361.00		
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>\$ 1,721,546.00</u>	<u>\$ 1,721,546.00</u>	<u>\$ 1,659,569.59</u>	<u>\$ 61,976.41</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE WITHIN "CAPS"</u>	<u>\$ 14,592,720.00</u>	<u>\$ 14,592,720.00</u>	<u>\$ 12,699,064.44</u>	<u>\$ 1,893,655.56</u>	<u>\$</u>
<u>OPERATIONS EXCLUDED FROM "CAPS":</u>					

TOWNSHIP OF BRANCHBURG

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

	<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>
<b>INSURANCE:</b>					
Group Insurance plan for employees	\$ 30,740.00	\$ 30,740.00	\$ 30,740.00	\$	
<b>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:</b>					
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	2,769.86	2,769.86	2,769.86		
Youth Services Grant	5,000.00	5,000.00	5,000.00		
Drunk Driving Enforcement Fund	9,857.45	9,857.45	9,857.45		
Clean Communities	38,996.07	38,996.07	38,996.07		
Highway Safety Fund	4,438.78	4,438.78	4,438.78		
Recycling Tonnage Grant	27,260.14	27,260.14	27,260.14		
Body Armor	2,689.05	2,689.05	2,689.05		
<b>TOTAL STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</b>	<b>\$ 171,011.35</b>	<b>\$ 171,011.35</b>	<b>\$ 171,011.35</b>	<b>\$</b>	<b>\$</b>
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</b>					
Capital Improvement Fund	\$ 600,000.00	\$ 600,000.00	\$ 600,000.00	\$	
Reserve for Road Improvement	600,000.00	600,000.00	576,910.97	23,089.03	
Reserve for Emergency Services Equipment	50,000.00	50,000.00	49,907.83	92.17	
Reserve for Computer Equipment	50,000.00	50,000.00	769.50	49,230.50	\$
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>\$ 1,300,000.00</b>	<b>\$ 1,300,000.00</b>	<b>\$ 1,227,588.30</b>	<b>\$ 72,411.70</b>	<b>\$</b>
<b>DEBT SERVICE:</b>					
Payment of Bond Principal	\$ 371,250.00	\$ 371,250.00	\$ 371,250.00	\$	
Interest on Bonds	125,294.00	125,294.00	125,293.00		1.00
Payment of Note Principal	500,000.00	500,000.00	500,000.00		
Interest on Notes	100,177.50	100,177.50	100,177.50		
<b>TOTAL DEBT SERVICE</b>	<b>\$ 1,096,721.50</b>	<b>\$ 1,096,721.50</b>	<b>\$ 1,096,720.50</b>	<b>\$</b>	<b>\$ 1.00</b>
<b>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS":</b>					
Deferred Charges:					
Deferred Charges to Future Taxation Unfunded:					
Ordinance 2004-960	\$ 108,597.00	\$ 108,597.00	\$ 108,597.00	\$	
<b>TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</b>	<b>\$ 108,597.00</b>	<b>\$ 108,597.00</b>	<b>\$ 108,597.00</b>	<b>\$</b>	<b>\$</b>
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 17,299,789.85</b>	<b>\$ 17,299,789.85</b>	<b>\$ 15,333,721.59</b>	<b>\$ 1,966,067.26</b>	<b>\$ 1.00</b>
<b>RESERVE FOR UNCOLLECTED TAXES</b>	<b>1,535,000.00</b>	<b>1,535,000.00</b>	<b>1,535,000.00</b>		
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 18,834,789.85</b>	<b>\$ 18,834,789.85</b>	<b>\$ 16,868,721.59</b>	<b>\$ 1,966,067.26</b>	<b>\$ 1.00</b>
<b>REF.</b>	<b>A-2:A-3</b>	<b>A-3</b>	<b>A-1:A-3</b>	<b>A:A-1</b>	
Reserve for Accounts Payable	A-11		\$ 180,541.57		
Grants Appropriated	A-12:A-23		171,011.35		
Reserve for Uncollected Taxes	A-2		1,535,000.00		
Disbursements	A-4		15,056,112.53		
			\$ 16,942,665.45		
Less: Refunds	A-4		73,943.86		
	A-3		\$ 16,868,721.59		

TRUST FUND

"B"

TOWNSHIP OF BRANCHBURG

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

		BALANCE DECEMBER 31, 2016	BALANCE DECEMBER 31, 2015
<u>ASSETS</u>	<u>REF.</u>		
Assessment Fund:			
Cash	B-2:B-4	\$ 225,275.87	\$ 285,931.93
Assessments Receivable	B-3	22,338.24	28,190.41
	B	<u>\$ 247,614.11</u>	<u>\$ 314,122.34</u>
Animal Control Fund:			
Cash	B-2	\$ 8,439.82	\$ 365.48
	B	<u>\$ 8,439.82</u>	<u>\$ 365.48</u>
Other Funds:			
Cash	B-2	\$ 6,646,725.19	\$ 6,202,599.66
Due Current Fund	B-18	8,420.04	127.28
Due Sewer Operating Fund	B-6	557.62	557.62
	B	<u>\$ 6,655,702.85</u>	<u>\$ 6,203,284.56</u>
		<u>\$ 6,911,756.78</u>	<u>\$ 6,517,772.38</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Assessment Serial Bonds Payable	B-10	\$ 120,000.00	\$ 180,000.00
Due Current Fund	B-23	79.32	6,587.55
Reserve for Assessments	B-9	22,338.24	28,190.41
Fund Balance	B-1	105,196.55	99,344.38
	B	<u>\$ 247,614.11</u>	<u>\$ 314,122.34</u>
Animal Control Fund:			
Prepaid Licenses	B-25	\$ 118.00	\$
Due Current Fund	B-24	1.48	1.48
Reserve for Animal Control Expenditures	B-12	8,320.34	364.00
	B	<u>\$ 8,439.82</u>	<u>\$ 365.48</u>
Other Funds:			
Due Current Fund	B-18	\$ 1,750.76	\$ 5,896.96
Reserves For:			
Various Deposits	B-11	615,141.02	564,312.90
Recreation Deposits	B-20	35,731.71	20,284.16
Redemption of Outside Liens	B-22	4,723.12	
Tax Sale Premiums	B-21	436,100.00	490,400.00
Law Enforcement Trust Fund	B-7	8,341.25	8,325.01
Payroll Deductions	B-8	96,882.33	112,931.87
Flexible Spending Account	B-5	4,077.80	4,199.49
Unemployment Insurance Compensation	B-16	182,673.13	180,324.83
Developers' Deposits	B-15	1,715,379.14	1,514,417.58
Open Space Deposits	B-17	3,041,176.06	2,929,458.81
COAH Deposits	B-14	440,417.17	366,440.08
Accounts Payable	B-19	73,309.36	6,292.87
	B	<u>\$ 6,655,702.85</u>	<u>\$ 6,203,284.56</u>
		<u>\$ 6,911,756.78</u>	<u>\$ 6,517,772.38</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 2016</u>	<u>YEAR 2015</u>
Increased by:			
Collection of Assessments	B-9	\$ <u>5,852.17</u>	\$ <u>6,550.56</u>
Total Increase/(Decrease)		\$ <u>5,852.17</u>	\$ <u>6,550.56</u>
Balance, January 1	B	\$ <u>99,344.38</u>	\$ <u>92,793.82</u>
Balance, December 31	B	\$ <u><u>105,196.55</u></u>	\$ <u><u>99,344.38</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 BRANCBURG

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 2,776,212.21	\$ 2,451,408.52
Grants Receivable	C-4	160,000.00	360,000.00
Deferred Charges to Future Taxation:			
Funded	C-5	9,010,000.00	10,300,000.00
Unfunded	C-7	8,132,758.93	7,649,355.93
		<u>\$ 20,078,971.14</u>	<u>\$ 20,760,764.45</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-11	\$ 9,010,000.00	\$ 10,300,000.00
B.A.N. Payable	C-15	4,508,875.00	5,008,875.00
Capital Improvement Fund	C-8	292,937.41	419,937.41
Improvement Authorizations:			
Funded	C-9	868,499.54	617,241.13
Unfunded	C-7:C-9	3,338,488.28	2,118,834.53
Reserve for:			
Capital Projects	C-6	637,961.14	149,436.14
Preliminary Costs	C-10	84,992.00	79,880.00
Contracts Payable	C-12	656,988.35	1,223,845.82
FEMA	C-14	14,367.00	14,367.00
Reserve for Grants Receivable	C-13	160,000.00	360,000.00
Fund Balance	C-1	505,862.42	468,347.42
		<u>\$ 20,078,971.14</u>	<u>\$ 20,760,764.45</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 2016</u>	<u>Year 2015</u>
Increased by:			
Receipts	C-2	\$ 37,515.00	\$ 126,369.45
Improvements Canceled			58,576.69
		<u>\$ 37,515.00</u>	<u>\$ 184,946.14</u>
Decreased by:			
Improvement Authorizations Financed		\$	\$ 130,000.00
Increase		<u>\$ 37,515.00</u>	<u>\$ 54,946.14</u>
Balance, January 1	C	<u>\$ 468,347.42</u>	<u>\$ 413,401.28</u>
Balance, December 31	C	<u><u>\$ 505,862.42</u></u>	<u><u>\$ 468,347.42</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>	BALANCE DECEMBER 31, 2016	BALANCE DECEMBER 31, 2015
Operating Fund:			
Cash	D-6	\$ 4,097,742.27	\$ 4,580,619.60
Interfund Receivable	D-11	750.46	833.65
		<u>\$ 4,098,492.73</u>	<u>\$ 4,581,453.25</u>
Receivables with Full Reserves:			
Sewer Use Charges Receivable	D:D-13	\$ 356,496.07	\$ 125,416.43
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 4,454,988.80</u>	<u>\$ 4,706,869.68</u>
Assessment Trust Fund:			
Cash	D-6:D-7	\$ 106,319.99	\$ 125,864.18
Assessments Receivable	D-17	155,486.92	155,901.92
Due From Third Party	D-15	25.00	25.00
<u>TOTAL ASSESSMENT TRUST FUND</u>	D	<u>\$ 261,831.91</u>	<u>\$ 281,791.10</u>
Capital Fund:			
Cash	D-6:D-8	\$ 3,521,834.48	\$ 2,520,679.83
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
Interfunds	D-32		649,527.12
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 17,774,006.26</u>	<u>\$ 17,422,378.73</u>
		<u>\$ 22,490,826.97</u>	<u>\$ 22,411,039.51</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, 2016</u>	<u>BALANCE DECEMBER 31, 2015</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-5:D-12	\$ 1,036,392.68	\$ 923,560.61
Reserve for Accounts Payable	D-14	10,643.60	19,956.79
Interfunds Payable	D-11	557.62	650,084.74
Accrued Interest Payable	D-31	5,039.50	4,039.50
Prepaid Sewer Rents	D-20	12,612.16	9,771.18
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>\$ 1,156,129.15</u>	<u>\$ 1,698,296.41</u>
Reserve for Receivables	D	356,496.07	125,416.43
Fund Balance	D-1	<u>2,942,363.58</u>	<u>2,883,156.84</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 4,454,988.80</u>	<u>\$ 4,706,869.68</u>
Assessment Trust Fund:			
Assessment Serial Bonds Payable	D-19	\$ 10,000.00	\$ 30,000.00
Interfunds Payable	D-21	750.46	709.65
Reserve for Assessments and Liens	D-16	155,071.92	155,071.92
		<u>\$ 165,822.38</u>	<u>\$ 185,781.57</u>
Fund Balance	D-2	<u>96,009.53</u>	<u>96,009.53</u>
<u>TOTAL ASSESSMENT TRUST FUND</u>	D	<u>\$ 261,831.91</u>	<u>\$ 281,791.10</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-29	\$ 1,087,769.35	\$ 1,175,421.82
Unfunded	D-29	228,971.20	228,971.20
Capital Improvement Fund	D-28	1,838,164.00	1,638,164.00
Reserve for Contracts Payable	D-24	177,940.06	188,660.06
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	7,472,000.00	7,222,000.00
		<u>\$ 17,494,680.33</u>	<u>\$ 17,143,052.80</u>
Fund Balance	D-3	<u>279,325.93</u>	<u>279,325.93</u>
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 17,774,006.26</u>	<u>\$ 17,422,378.73</u>
		<u>\$ 22,490,826.97</u>	<u>\$ 22,411,039.51</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>	<u>YEAR ENDED</u> <u>DECEMBER 31,</u> <u>2016</u>	<u>YEAR ENDED</u> <u>DECEMBER 31,</u> <u>2015</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	3,311,317.27	3,243,054.96
Capacity Charges	D-4:D-6	233,333.00	151,760.00
Miscellaneous Revenue Not Anticipated	D-4:D-6	32,035.37	33,235.99
Other Credits to Income:			
Overpayments Canceled			490.63
Unexpended Balance of Appropriation Reserves	D-12	<u>908,521.10</u>	<u>779,140.68</u>
<u>TOTAL INCOME</u>		<u>\$ 5,785,206.74</u>	<u>\$ 5,507,682.26</u>
<u>EXPENDITURES</u>			
Operating	D-5	\$ 3,580,000.00	\$ 3,581,000.00
Capital Improvements	D-5	300,000.00	300,000.00
Debt Service	D-5	2,000.00	3,000.00
Deferred Charges and Regulatory Expenditures	D-5	344,000.00	342,000.00
Fund Balance Utilized-Current Fund Revenue	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		\$ 1,359,206.74	\$ 1,081,682.26
Fund Balance, January 1	D	<u>2,883,156.84</u>	<u>3,101,474.58</u>
		\$ 4,242,363.58	\$ 4,183,156.84
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>\$ 2,942,363.58</u>	<u>\$ 2,883,156.84</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 2016</u>	<u>YEAR 2015</u>
Balance, January 1	B	\$ <u>96,009.53</u>	\$ <u>96,009.53</u>
Balance, December 31	B	\$ <u>96,009.53</u>	\$ <u>96,009.53</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 2016</u>	<u>YEAR 2015</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, 2016

	<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	3,311,317.27	411,317.27
Capacity Charges	D-1:D-6	<u>26,000.00</u>	<u>233,333.00</u>	<u>207,333.00</u>
<u>BUDGET TOTALS</u>		\$ 4,226,000.00	\$ 4,844,650.27	\$ 618,650.27
Non-Budget Revenue	D-1:D-4:D-6	<u></u>	<u>32,035.37</u>	<u>32,035.37</u>
<u>BUDGET TOTALS</u>	D-5	\$ <u>4,226,000.00</u>	\$ <u>4,876,685.64</u>	\$ <u>650,685.64</u>
<u>ANALYSIS OF REALIZED REVENUE:</u>				
Miscellaneous:				
Interest on Sewer Charges			\$ 14,074.64	
Interest on Deposits			15,089.43	
Other - Collector			<u>2,871.30</u>	
	D-1:D-4:D-6		\$ <u>32,035.37</u>	

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

TOWNSHIP OF BRANCBURG  
SEWER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

	<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	\$ 482,346.64	\$ 67,653.36
Other Expenses	3,029,000.00	3,029,000.00	2,162,980.53	866,019.47
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>\$ 2,645,327.17</u>	<u>\$ 934,672.83</u>
<u>CAPITAL IMPROVEMENTS:</u>				
Purchase of Vehicle and Equipment	\$ 100,000.00	\$ 100,000.00	\$ 55,380.50	\$ 44,619.50
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	
	<u>\$ 300,000.00</u>	<u>\$ 300,000.00</u>	<u>\$ 255,380.50</u>	<u>\$ 44,619.50</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	36,899.65	7,100.35
	<u>\$ 344,000.00</u>	<u>\$ 344,000.00</u>	<u>\$ 286,899.65</u>	<u>\$ 57,100.35</u>
	<u>\$ 4,226,000.00</u>	<u>\$ 4,226,000.00</u>	<u>\$ 3,189,607.32</u>	<u>\$ 1,036,392.68</u>
	<u>REF.</u>	<u>D-4</u>	<u>D-1</u>	<u>D</u>
Disbursements	D-6		\$ 3,176,963.72	
Reserve for Accounts Payable	D-14		10,643.60	
Charge Out:				
Accrued Interest	D-31		2,000.00	
			<u>\$ 3,189,607.32</u>	

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

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF BRANCHBURG  
STATEMENT OF GENERAL FIXED ASSETS  
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2016</u>	BALANCE DECEMBER <u>31, 2015</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>14,144,377.00</u>	<u>13,161,010.16</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 42,664,500.00</u>	<u>\$ 41,681,133.16</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 42,664,500.00</u>	<u>\$ 41,681,133.16</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, 2016 AND 2015

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, 2016:

<u>Fund</u>	<u>Cash In Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current Fund	\$ 10,226,129.25	\$ 102,067.67	\$ 10,328,196.92
Grant Fund	203,859.20	(61.29)	203,797.91
Assessment Trust Fund	224,927.35	348.52	225,275.87
Animal Control Trust Fund	8,369.82	70.00	8,439.82
Other Trust Fund	6,711,029.94	(64,304.75)	6,646,725.19
General Capital Fund	2,780,978.47	(4,766.26)	2,776,212.21
Sewer Operating Fund	4,110,853.84	(13,111.57)	4,097,742.27
Sewer Assessment Trust Fund	106,319.99		106,319.99
Sewer Capital Fund	<u>3,521,834.48</u>		<u>3,521,834.48</u>
<u>Total December 31, 2016</u>	<u>\$ 27,894,302.34</u>	<u>\$ 20,242.32</u>	<u>\$ 27,914,544.66</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, 2016, 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 \$27,394,302.34 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 0.357%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 22,165,000.00	\$ 22,165,000.00	\$
Sewer Utility Debt	260,000.00	260,000.00	
General Debt	<u>17,297,758.93</u>	<u>6,528,000.00</u>	<u>10,769,758.93</u>
	<u>\$ 39,722,758.93</u>	<u>\$ 28,953,000.00</u>	<u>\$ 10,769,758.93</u>

NET DEBT \$10,769,758.93 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$3,013,050,115.33 EQUALS 0.357%.



NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

Issued:	<u>2016</u>	<u>2015</u>	<u>2014</u>
Bonds and Notes:			
General	\$ 13,518,875.00	\$ 15,308,875.00	\$ 16,070,500.00
Assessment	120,000.00	180,000.00	240,000.00
Sewer Utility Assessment	<u>10,000.00</u>	<u>30,000.00</u>	<u>50,000.00</u>
Total Issued	\$ <u>13,648,875.00</u>	\$ <u>15,518,875.00</u>	\$ <u>16,360,500.00</u>
Authorized But Not Issued:			
Bonds and Notes:			
General	\$ 3,658,883.93	\$ 2,640,480.93	\$ 1,919,108.21
Sewer Utility Assessment	<u>250,000.00</u>	<u>500,000.00</u>	<u>750,000.00</u>
	\$ <u>3,908,883.93</u>	\$ <u>3,140,480.93</u>	\$ <u>2,669,108.21</u>
Bonds and Notes Issued and Authorized But Not Issued	\$ <u>17,557,758.93</u>	\$ <u>18,659,355.93</u>	\$ <u>19,029,608.21</u>
Less:			
Bonds and Notes to be Paid by Open Space Trust Fund	\$ 6,373,000.00	\$ 7,291,750.00	\$ 8,215,500.00
Cash on Hand to Pay Notes	35,000.00		535,000.00
Assessment Cash Pledged to Bonds	<u>120,000.00</u>	<u>180,000.00</u>	<u>240,000.00</u>
Net Debt Issued and Authorized But Not Issued	\$ <u>11,029,758.93</u>	\$ <u>11,187,605.93</u>	\$ <u>10,039,108.21</u>

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

Equalized Valuation Basis* - December 31, 2016	\$ <u>3,013,050,115.33</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 105,456,754.04
Net Debt Per Annual Debt Statement	<u>10,769,758.93</u>
Remaining Borrowing Power	\$ <u>94,686,995.11</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)

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

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance		\$3,579,696.74
Deductions:		
Operating and Maintenance Cost	\$3,187,607.32	
Debt Service per Sewer Account	<u>1,000.00</u>	
Total Deductions		<u>3,188,607.32</u>
Excess in Revenue		<u>\$391,089.42</u>

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	\$210,000.00
\$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	3,200,000.00
\$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	<u>5,600,000.00</u>
	<u>\$ 9,010,000.00</u>

Assessment Bonds:

\$1,200,000.00 Assessment Bonds of 1998 due in annual installments of \$60,000.00 at a variable interest rate	<u>\$ 120,000.00</u>
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Sewer Assessment Bonds:

\$350,000.00 Sewer Assessment Bonds of 1998 due in annual installments of \$10,000.00 to \$20,000.00 at a variable interest rate	<u>\$ 10,000.00</u>
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NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2015

Calendar Year	General		Assessment (1)		Sewer Utility Assessment (1)	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$1,335,000.00	\$394,385.00	\$60,000.00	\$4,500.00	\$10,000.00	\$250.00
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>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>\$9,010,000.00</u>	<u>\$1,576,347.50</u>	<u>\$120,000.00</u>	<u>\$6,000.00</u>	<u>\$10,000.00</u>	<u>\$250.00</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, 2016, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund	\$3,658,883.93
Sewer Utility Capital Fund	<u>250,000.00</u>
	<u>\$3,908,883.93</u>

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:

NOTE 4: SHORT-TERM DEBT (CONTINUED)

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

The 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%	10/6/2017	\$ <u>4,508,875.00</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 2016.

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2016, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2017, were as follows:

Current Fund	\$3,700,000.00
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, 2016</u>	BALANCE DECEMBER <u>31, 2015</u>
Prepaid Taxes	\$ <u>400,482.33</u>	\$ <u>329,167.43</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](http://www.nj.gov/treasury/pensions/annrpts.shtml).

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

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 after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately 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 2016 PERS provides for employee contributions of 7.20% 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)

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 2016, 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 \$1,171,546 for 2016, \$1,104,105.00 for 2015, \$982,064.00 for 2014.

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" and is effective for fiscal years beginning after June 15, 2014. This statement 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, 2016. 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, 2016.

Public Employees Retirement System (PERS)

At June 30, 2016, the State reported a net pension liability of \$17,890,082.00 for the Township of Branchburg's proportionate share of the total net pension liability. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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, 2016, the Township's proportion was 0.0604045058 percent, which was an increase of 0.0031190517 percent from its proportion measured as of June 30, 2015.

NOTE 7: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2016, the State recognized an actuarially determined pension expense of \$1,848,099.00 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, 2016 billing was \$493,361.00.

At June 30, 2016, 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		\$332,701.00
Changes of assumptions		3,705,869.00
Net difference between projected and actual earnings on pension plan investments		682,165.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>\$263,560.00</u>	<u>847,308.00</u>
	<u>\$263,560.00</u>	<u>\$5,568,043.00</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>
2017	\$1,200,828.00
2018	1,200,828.00
2019	1,366,773.00
2020	1,136,697.00
2021	<u>399,357.00</u>
	<u>\$5,304,483.00</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, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. These actuarial valuations used the following assumptions:

	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Inflation	3.04 Percent	3.08 Percent
Salary Increases (based on age)		
Though 2026	2.15-4.40 Percent	1.65-4.15 Percent
Thereafter	3.15-5.40 Percent	2.65-5.15 Percent
Investment Rate of Return	7.90 Percent	7.65 percent

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

The actuarial assumptions used in the July 1, 2015 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.

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

In accordance with State statute, the long-term expected rate of return on plan investments (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, 2016 are summarized in the following table:

<u>Asset Class</u>	June 30, 2016	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<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 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 30% 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 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, 2016 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, 2016		
	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
Township's proportionate share of the pension liability	\$21,922,207.00	\$17,890,082.00	\$14,561,213.00

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, 2016, the State reported a net pension liability of \$14,881,916.00 for the Township of Branchburg's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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, 2016, the Township's proportion was 0.0779053570 percent, which was a decrease of 0.0055275391 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the State recognized an actuarially determined pension expense of \$1,606,654.00. The pension expense recognized in the Township's financial statement based on the April 1, 2016 billing was \$678,185.00

At June 30, 2016, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$97,553.00	
Changes of assumptions		\$2,061,268.00
Net difference between projected and actual earnings on pension plan investments		1,042,746.00
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>635,846.00</u>	<u>516,357.00</u>
	<u>\$733,399.00</u>	<u>\$3,620,371.00</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>
2017	\$739,389.00
2018	739,389.00
2019	995,792.00
2020	484,874.00
2021	<u>(72,472.00)</u>
	<u>\$2,886,972.00</u>

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions:

	<u>2016</u>	<u>2015</u>
Inflation	3.08 Percent	3.04 Percent
Salary Increases (based on age)		
Through 2026	2.10-8.98 Percent	2.60-9.48 Percent
Thereafter	3.10-9.98 Percent	3.60-10.48 Percent
Investment Rate of Return	7.65 Percent	7.90 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.

NOTE 7: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

Disability mortality rates were based on special mortality tables used for the period after disability retirement. The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
US Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<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 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 30% 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 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, 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, 2016 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:

	1% Decrease <u>4.55%</u>	At Current Discount Rate <u>5.55%</u>	1% Increase <u>6.55%</u>
Township's proportionate share of the PFRS pension liability	\$19,189,139.00	\$14,881,916.00	\$11,369,634.00

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 December 31, 2016 and 2015, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,249,712.00 and \$1,218,721.00 respectively.

At December 31, 2016, 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	\$14,881,916.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>1,249,712.00</u>
	<u>\$16,131,628.00</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, 2016.

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, 2016, 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 2016 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>
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
2014	10,152.00	20,035.22	18,144.40	161,045.71

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,831.56	\$ 41,675.80
Grant Fund	33,255.76	
Animal Control Trust Fund		1.48
Assessment Trust Fund		79.32
Trust Other Fund	8,977.66	1,750.76
Sewer Operating Fund	750.46	557.62
Sewer Assessment Trust Fund		750.46
	<u>\$ 44,815.44</u>	<u>\$ 44,815.44</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, 2016, 2015, and 2014 were \$205,612.89, \$183,555.80 and \$152,139.10 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 12, 2017 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.

TOWNSHIP OF BRANCHBURG  
SUPPLEMENTARY SCHEDULES – ALL FUNDS  
YEAR ENDED DECEMBER 31, 2016

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2015	A	\$ 10,143,550.52	\$ 211,822.86
Increased by Receipts:			
Taxes Receivable	A-8	\$ 64,533,997.40	\$
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	83,750.00	
Interfunds	A-12:A-10	301,563.75	8,139.88
Burial Permits - Due State of NJ	A-22	10.00	
Appropriation Refunds	A-3	73,943.86	
Revenue Accounts Receivable	A-13	4,994,978.64	
Miscellaneous Revenue Not Anticipated	A-2	495,527.22	
Tax Overpayments	A-17	95,437.63	
Prepaid Taxes	A-18	400,482.33	
Reserve for Grants-Unappropriated	A-24		89,757.37
Grants Receivable	A-20		50,127.02
Reserve for Grants-Appropriated-Match	A-23		20,000.00
Construction Code DCA - Due State of NJ	A-21	52,049.16	
Marr./Dom. Partnership Lic. Due State of NJ	A-19	1,350.00	
Petty Cash	A-5	700.00	
		<u>71,033,789.99</u>	<u>168,024.27</u>
		\$ 81,177,340.51	\$ 379,847.13
Decreased by Disbursements:			
Appropriations	A-3	\$ 15,056,112.53	\$
Appropriation Reserves	A-14	408,013.38	
Interfunds	A-12	310,880.44	
Tax Overpayments	A-17	94,936.19	
Local District School Taxes Payable	A-27	41,413,150.00	
County Taxes Payable	A-26	12,028,947.85	
Municipal Open Space Taxes Payable	A-28	1,486,078.59	
Construction Code DCA - Due State of NJ	A-21	48,864.61	
Petty Cash	A-5	700.00	
Marr./Dom. Partnership Lic. Due State of NJ	A-19	1,450.00	
Reserve for Grants-Appropriated	A-23		176,049.22
Burial Permits - Due State of NJ	A-22	10.00	
		<u>70,849,143.59</u>	<u>176,049.22</u>
Balance, December 31, 2016	A	\$ <u>10,328,196.92</u>	\$ <u>203,797.91</u>

"A-5"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF PETTY CASH

<u>OFFICE</u>	<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 DECEMBER 31, 2015 AND 2016</u>
Tax Collector	\$ 300.00
Township Clerk	100.00
Police Department	25.00
Recreation	50.00
Municipal Court	280.00
	<u>755.00</u>
	\$ 755.00
<u>REF.</u>	A

TOWNSHIP OF BRANCBURG

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>TAX LEVY</u>	<u>ADDED TAXES</u>	<u>COLLECTIONS</u>		<u>CANCELED</u>	<u>TRANSFERRED TO TAX TITLE LIENS</u>	<u>BALANCE DECEMBER 31, 2016</u>
				<u>2015</u>	<u>2016</u>			
Prior	\$ 420,413.75	\$	\$	\$	\$ 408,494.30	\$	\$ 11,919.45	\$
2016		64,871,957.39	222,720.62	329,167.43	64,209,753.10	14,967.26	40,584.69	500,205.53
	<u>\$ 420,413.75</u>	<u>\$ 64,871,957.39</u>	<u>\$ 222,720.62</u>	<u>\$ 329,167.43</u>	<u>\$ 64,618,247.40</u>	<u>\$ 14,967.26</u>	<u>\$ 52,504.14</u>	<u>\$ 500,205.53</u>
<u>REF.</u>	A			A-2:A-18	A-2		A-9	A

REF.

Collector (Including Homestead Credit)  
Senior Citizens and Veterans Deductions

A-4	\$ 64,533,997.40
A-7	84,250.00
	<u>\$ 64,618,247.40</u>

ANALYSIS OF 2015 PROPERTY TAX LEVY

TAX YIELD

General Property Tax		\$ 64,871,957.39
Added Taxes (54:4-63.1 et.seq.)		<u>222,720.62</u>
		<u>\$ 65,094,678.01</u>

TAX LEVY

Local District School Tax (Abstract)	A-2:A-27		\$ 41,413,150.00
County Tax (Abstract)		\$ 9,657,484.82	
County Library Tax (Abstract)		1,423,458.68	
County Open Space (Abstract)		<u>906,614.48</u>	
Due County for Added Taxes (54:4-63.1 et.seq.)	A-26	\$ 11,987,557.98	
<u>Total County Taxes</u>	A-26	<u>41,389.87</u>	
	A-2		12,028,947.85
Municipal Open Space Tax	A-28	\$ 1,481,094.68	
Added Taxes	A-28	<u>4,983.91</u>	
	A-2		1,486,078.59
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 9,970,287.50	
Add: Additional Tax Levied		<u>196,214.07</u>	
Local Tax for Municipal Purposes Levied			<u>10,166,501.57</u>
			<u>\$ 65,094,678.01</u>

TOWNSHIP OF BRANCHBURG

CURRENT FUND

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

	<u>REF.</u>		
Balance, December 31, 2015 (Due From)	A	\$	64,177.24
Increased by:			
Senior Citizens Deductions Per Tax Billing	A-7	\$	11,000.00
Veterans Deductions Per Tax Billing	A-7		75,000.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector	A-7		<u>1,750.00</u>
			87,750.00
		\$	<u>151,927.24</u>
Decreased by:			
Received From State	A-4	\$	83,750.00
Disallowed	A-7		<u>3,500.00</u>
			87,250.00
Balance, December 31, 2016 (Due From)	A	\$	<u><u>64,677.24</u></u>

ANALYSIS OF STATE SHARE OF 2016 SENIOR  
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing	A-7	\$	11,000.00
Veterans Deductions Per Tax Billing	A-7		75,000.00
Senior Citizens and Veterans Deductions Allowed by Collector	A-7		1,750.00
Senior Citizens and Veterans Deductions Disallowed by Collector	A-7		<u>(3,500.00)</u>
	A-8	\$	<u><u>84,250.00</u></u>



"A-9"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2015	A		\$ 273,131.20
Increased by:			
Transfer From Taxes Receivable	A-8	\$ 52,504.14	
Interest & Costs on Sale		<u>1,613.66</u>	
			<u>54,117.80</u>
Balance, December 31, 2016	A		\$ <u>327,249.00</u>

"A-10"

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2015 (Due From)	A		\$ 41,395.64
Decreased by:			
Receipts	A-4		<u>8,139.88</u>
Balance, December 31, 2016 (Due From)	A		\$ <u>33,255.76</u>

"A-11"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 219,620.64
Increased by:		
2016 Budget Appropriations	A-3	180,541.57
		\$ <u>400,162.21</u>
Decreased by:		
Transferred to Appropriation Reserves	A-14	<u>219,620.64</u>
Balance, December 31, 2016	A	\$ <u><u>180,541.57</u></u>

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>ANIMAL TRUST FUND</u>	<u>ASSESSMENT TRUST FUND</u>	<u>OTHER TRUST FUND</u>	<u>SEWER OPERATING FUND</u>
Balance, December 31, 2015							
Due To	A	\$ 41,646.92	\$ 41,395.64	\$	\$	\$ 127.28	\$ 124.00
Due From	A	<u>12,485.99</u>		<u>1.48</u>	<u>6,587.55</u>	<u>5,896.96</u>	
Receipts	A-4	\$ 301,563.75	\$	\$	\$ 6,508.23	\$ 295,055.52	\$
Charged From Revenues	A-2	151,011.35	151,011.35				
Charged From Appropriations	A-3	171,011.35	171,011.35				
Disbursements	A-4	<u>310,880.44</u>	<u>28,139.88</u>			<u>282,616.56</u>	<u>124.00</u>
Balance, December 31, 2016							
Due To	A	\$ 41,675.80	\$ 33,255.76	\$	\$	\$ 8,420.04	\$
Due From	A	<u>1,831.56</u>		<u>1.48</u>	<u>79.32</u>	<u>1,750.76</u>	

Analysis of Balance:

Due From Trust Other Fund:

Payroll Deductions	\$ 500.04
Site Inspection Escrow	70.83
Performance Escrow	148.10
Review Escrow	5.29
Flexible Spending	<u>1,026.50</u>
Total	<u>\$ 1,750.76</u>

Due To Trust Other Fund:

Recreation	\$ 19.38
Trust Other	<u>8,400.66</u>
Total	<u>\$ 8,420.04</u>

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>ACCRUED IN 2016</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2016</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	\$ 17,105.00	\$ 17,105.00	\$
Other	A-2		8,155.00	8,155.00	
Fees and Permits	A-2		63,127.40	63,127.40	
Tax Collector:					
Interest and Costs on Taxes	A-2		107,782.65	107,782.65	
Construction Code Official	A-2		544,432.84	544,432.84	
Fire Safety:					
Fees and Permits	A-2		51,739.75	51,739.75	
Planning, Zoning, Board of Adjustments:					
Fees and Permits	A-2		14,007.80	14,007.80	
Health Department:					
Other Licenses	A-2		24,875.00	24,875.00	
Fees and Permits	A-2		20,940.00	20,940.00	
Engineering:					
Fees and Permits	A-2		12,565.00	12,565.00	
Registrar (Including EDRS):					
Other Licenses	A-2		11,978.00	11,978.00	
Fees and Permits	A-2		11,910.00	11,910.00	
Municipal Court:					
Fines and Costs	A-2	28,338.72	328,343.96	332,706.88	23,975.80
Police:					
Fees and Permits	A-2		5,272.00	5,272.00	
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		59,988.43	59,988.43	
Hotel Tax	A-2		479,901.89	479,901.89	
		<u>\$ 28,338.72</u>	<u>\$ 4,990,615.72</u>	<u>\$ 4,994,978.64</u>	<u>\$ 23,975.80</u>
<u>REF.</u>		A		A-4	A

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2015	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>					
Administrative and Executive	\$ 1,250.30	\$	\$ 1,250.30	\$	\$ 1,250.30
Mayor and Council	800.67		800.67		800.67
Clerk	800.73		800.73		800.73
Elections	217.62		217.62		217.62
Financial Administration	5,038.57		5,038.57		5,038.57
Assessment of Taxes	9,842.19		9,842.19		9,842.19
Collection of Taxes	2,714.60		2,714.60		2,714.60
Engineering Services and Costs	8,962.69		8,962.69		8,962.69
Planning Board	4,593.42		4,593.42		4,593.42
Fire Official	6,479.92		6,479.92		6,479.92
Police	309,888.98		309,888.98		309,888.98
School Crossing Guards	4,771.87		4,771.87		4,771.87
Municipal Court	2,351.42		2,351.42		2,351.42
Road Repair and Maintenance	95,403.65		95,403.65		95,403.65
Snow Removal	32,483.64		32,483.64		32,483.64
Board of Health	3,065.65		3,065.65		3,065.65
Construction Official	14,465.37		14,465.37		14,465.37
Plumbing Inspector	9,090.00		9,090.00		9,090.00
Electrical Sub Code	524.63		524.63		524.63
Fire Sub Code	2,336.35		2,336.35		2,336.35
<u>OTHER EXPENSES:</u>					
Administrative and Executive	47,125.47	12,805.43	59,930.90	9,228.81	50,702.09
Mayor and Council	11,420.31	98.25	11,518.56	98.25	11,420.31
Clerk	1,289.40	89.00	1,378.40	89.00	1,289.40
Elections	418.49		418.49		418.49
Financial Administration	12,392.70		12,392.70	5,247.75	7,144.95
Financial Administration - Audit	34,000.00		34,000.00	34,000.00	
Assessment of Taxes	18,716.99	1,230.59	19,947.58	1,535.32	18,412.26
Collection of Taxes	3,090.42	150.30	3,240.72	150.30	3,090.42
Legal Services and Costs:					
Miscellaneous	27,938.71		27,938.71	10,499.89	17,438.82
Mount Laurel Implementation	12,965.55		12,965.55	261.30	12,704.25
Litigation	36,539.70		36,539.70	36,539.70	
Prosecutor	154.00		154.00		154.00
Engineering Services and Costs	38,300.88	933.92	39,234.80	1,451.87	37,782.93
Public Buildings and Grounds	2,941.06	33,813.88	36,754.94	32,063.96	4,690.98
Planning Board	14,500.25	2,787.88	17,288.13	586.14	16,701.99
Board of Adjustments	24,274.90	46.00	24,320.90	2,010.75	22,310.15
Environmental Commission	150.00		150.00		150.00
Historical Commission	2,933.00		2,933.00		2,933.00
Recycling - Contractual	5,208.28		5,208.28		5,208.28
Recycling - Other Expenses	14,789.12	364.25	15,153.37	608.25	14,545.12
Air to Vol. Fire Dept.	20,000.00		20,000.00		20,000.00
Fire Official		2,048.75	2,048.75	2,048.75	
Public Fire Prevention - Fire Hydrant Service	94,341.73		94,341.73	64,125.00	30,216.73
Blood Borne Pathogens	927.89	2,332.10	3,259.99	2,332.10	927.89
Police	3,124.64	23,191.76	26,316.40	23,245.16	3,071.24
School Crossing Guards	1,978.05		1,978.05		1,978.05
Emergency Management Services	3,474.25		3,474.25		3,474.25
Municipal Court	6,450.21		6,450.21	5,000.00	1,450.21
Public Defender	5,000.00		5,000.00		5,000.00
Road Repair and Maintenance	94,970.92	53,443.83	148,414.75	48,525.75	99,889.00
Snow Removal	24,330.10	843.00	25,173.10	843.00	24,330.10
Street Lighting	39,997.68		39,997.68	4,988.17	35,009.51
Board of Health	10,678.40	1,360.99	12,039.39	1,222.49	10,816.90
Dog Regulation	4,330.38		4,330.38		4,330.38
Board of Recreation Commissioners	8,347.76	166.14	8,513.90	339.26	8,174.64
Construction Official	33,085.92		33,085.92		33,085.92
Building Inspector	1,660.86		1,660.86		1,660.86
Plumbing Inspector	1,500.00		1,500.00		1,500.00
Electrical Sub Code	392.97		392.97		392.97
Fire Sub Code	648.00	150.00	798.00	129.95	668.05
Municipal Services Law	25,000.00		25,000.00	7,059.26	17,940.74

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2015	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED):</u>					
Electricity	\$ 12,584.96	\$	\$ 12,584.96	\$ 7,007.72	\$ 5,577.24
Telephone	26,316.72	1,217.80	27,534.52	2,344.32	25,190.20
Water	1,356.54		1,356.54	1,356.54	
Natural Gas	23,307.76		23,307.76	3,455.39	19,852.37
Gasoline	54,368.59	23,073.57	77,442.16	10,523.02	66,919.14
Volunteer Incentive Program	30,000.00		30,000.00	30,000.00	
Group Insurance Opt Out	307,853.95		307,853.95		307,853.95
Other Insurance	29,550.48	22.72	29,573.20	(1.27)	29,574.47
Social Security System	42,765.40		42,765.40		42,765.40
Reserve for Road Improvement	188,145.19		188,145.19		188,145.19
Reserve for Emergency Services Equipment	468.84	21,573.88	22,042.72	21,220.88	821.84
Reserve for Computer Equipment	12,123.40	37,876.60	50,000.00	37,876.60	12,123.40
	<u>\$ 1,933,313.09</u>	<u>\$ 219,620.64</u>	<u>\$ 2,152,933.73</u>	<u>\$ 408,013.38</u>	<u>\$ 1,744,920.35</u>
REF.	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, 2015  
and December 31, 2016

A

\$ 251,000.00

"A-16"

GRANT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2015

A

\$ 10,688.24

Increased by:

Transferred from Grants Appropriated

A-23

6,168.85  
\$ 16,857.09

Decreased by:

Transferred to Grants Appropriated

A-23

10,688.24

Balance, December 31, 2016

A

\$ 6,168.85

"A-17"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 19.67
Increased by:		
Overpayments in 2015	A-4	<u>95,437.63</u>
		\$ <u>95,457.30</u>
Decreased by:		
Refunded	A-4	<u>94,936.19</u>
Balance, December 31, 2016	A	\$ <u><u>521.11</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2015	A	\$ 329,167.43
Increased by:		
Collection of 2017 Taxes	A-4	<u>400,482.33</u>
		\$ <u>729,649.76</u>
Decreased by:		
Application to 2016 Taxes	A-8	<u>329,167.43</u>
Balance, December 31, 2016	A	\$ <u><u>400,482.33</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, 2015	A	\$ 375.00
Increased by:		
Receipts	A-4	<u>1,350.00</u>
		\$ <u>1,725.00</u>
Decreased by:		
Disbursements	A-4	<u>1,450.00</u>
Balance, December 31, 2016	A	\$ <u><u>275.00</u></u>

TOWNSHIP OF BRANCHBURG

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2015	BUDGET APPROPRIATION	RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2016
Municipal Alliance Program	\$ 1,490.90	\$	\$	\$	\$ 1,490.90
Safe & Secure Communities	39,800.00	60,000.00	35,000.00		64,800.00
Youth Services Grant		5,000.00		5,000.00	
Drunk Driving Enforcement Fund Grant		9,857.45		9,857.45	
Alcohol Education Rehabilitation		2,769.86		2,769.86	
Recycling Tonnage		27,260.14		27,260.14	
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				79,835.00
Highway Safety Fund Grant	11,753.79	4,438.78	15,127.02		1,065.55
Body Armor		2,689.05		2,689.05	
Clean Communities Program		38,996.07		38,996.07	
	<u>\$ 140,223.97</u>	<u>\$ 151,011.35</u>	<u>\$ 50,127.02</u>	<u>\$ 86,572.57</u>	<u>\$ 154,535.73</u>
REF.	A	A-2:A-23	A-4	A-24	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, 2015	A	\$ 18,602.06
Increased by:		
Receipts	A-4	52,049.16
		<u>\$ 70,651.22</u>
Decreased by:		
Disbursements	A-4	48,864.61
Balance, December 31, 2016	A	<u>\$ 21,786.61</u>

"A-22"

SCHEDULE OF DUE STATE OF NEW JERSEY - BURIAL PERMITS

Balance, December 31, 2015	A	\$ 45.00
Increased by:		
Receipts	A-4	10.00
		<u>\$ 55.00</u>
Decreased by:		
Disbursements	A-4	10.00
Balance, December 31, 2016	A	<u>\$ 45.00</u>

TOWNSHIP OF BRANCBURG

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2015	BUDGET APPROPRIATION	EXPENDED	ACCOUNTS PAYABLE	BALANCE DECEMBER 31, 2016
Drunk Driving Enforcement Fund	\$ 573.69	\$ 9,857.45	\$ 2,423.89	\$	\$ 8,007.25
Municipal Alliance Program and Match	3,223.95				3,223.95
Clean Communities Program	3,669.88	38,996.07	17,153.16	255.13	25,257.66
Safe and Secure Communities and Match		80,000.00	80,000.00		
Youth Services Grant	10,036.28	5,000.00	3,953.87		11,082.41
Chemical Buffer Zone Protection Program	7,327.25				7,327.25
S. C. North Branch Transit Village	12,253.00				12,253.00
Historic Preservation - Little Red School House	148,724.66				148,724.66
Body Armor Replacement	1,214.39	2,689.05	2,801.16	933.72	168.56
Alcohol Education Rehabilitation	3,423.36	2,769.86			6,193.22
Recycling Tonnage Grant	100,345.72	27,260.14	54,032.04	4,980.00	68,593.82
Friends of Somerset County Youth	600.00				600.00
Clean Energy Program Incentive Award	4,200.00				4,200.00
Highway Safety Fund Grant	588.58	4,438.78	15,685.10	(10,688.24)	30.50
	<u>\$ 296,180.76</u>	<u>\$ 171,011.35</u>	<u>\$ 176,049.22</u>	<u>\$ (4,519.39)</u>	<u>\$ 295,662.28</u>
REF.	A		A-4		A
Grants	A-20	\$ 151,011.35			
Matching Funds for Grants	A-4	<u>20,000.00</u>			
	A-3	<u>\$ 171,011.35</u>			
Accounts Payable	A-16			\$ 6,168.85	
Accounts Payable - Prior Year	A-16			<u>(10,688.24)</u>	
				<u>\$ (4,519.39)</u>	

TOWNSHIP OF BRANCHBURG

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

	BALANCE DECEMBER 31, 2015	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2016
Drunk Driving Enforcement Fund	\$ 9,857.45	\$ 7,851.99	\$ 9,857.45	\$ 7,851.99
Youth Services Grant	5,000.00	5,000.00	5,000.00	5,000.00
Recycling Tonnage Grant	27,260.14	28,816.98	27,260.14	28,816.98
Alcohol Education and Rehabilitation	2,769.86	906.47	2,769.86	906.47
Clean Communities Program	38,996.97	44,596.77	38,996.07	44,597.67
Body Armor	2,689.05	2,585.16	2,689.05	2,585.16
	<u>\$ 86,573.47</u>	<u>\$ 89,757.37</u>	<u>\$ 86,572.57</u>	<u>\$ 89,758.27</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, 2015  
and December 31, 2016

A

\$ 3,111.91

"A-26"

SCHEDULE OF COUNTY TAXES PAYABLE

Increased by:

2016 Levy

A-1:A-8

\$ 11,987,557.98

Added and Omitted

A-1:A-8

41,389.87

\$ 12,028,947.85

Decreased by:

Disbursements

A-4

\$ 12,028,947.85

"A-27"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

REF.

Increased by:			
School Levy	A-1:A-8	\$	<u>41,413,150.00</u>
Decreased by:			
Disbursements	A-4	\$	<u><u>41,413,150.00</u></u>

"A-28"

SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE

Increased by:			
2016 Tax Levy	A-1:A-8	\$	1,481,094.68
Added Taxes	A-1:A-8		<u>4,983.91</u>
		\$	<u>1,486,078.59</u>
Decreased by:			
Disbursements	A-4	\$	<u><u>1,486,078.59</u></u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>ASSESSMENT</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2015	B	\$ 285,931.93	\$ 365.48	\$ 6,202,599.66
Increased by Receipts:				
Assessments Receivable	B-3	\$ 5,852.17	\$	\$
Reserve for Animal Control	B-12		28,126.60	
Due State of New Jersey	B-13		2,048.40	
Developers' Deposits	B-15			1,044,955.64
Unemployment Insurance Compensation	B-16			17,820.90
Reserve for Various Trust Deposits	B-11			152,439.51
Reserve for Open Space Deposits	B-17			1,495,039.67
Reserve for Recreation Deposits	B-20			307,025.12
Reserve for Redemption of Outside Liens	B-22			472,071.49
Reserve for Tax Sale Premiums	B-21			123,100.00
Law Enforcement Trust Fund	B-7			16.24
Payroll and Deductions	B-8			10,851,920.02
Reserve for Flexible Spending Account	B-5			20,889.73
COAH Deposits	B-14			141,477.09
Prepaid Licenses	B-25		118.00	
Due Current Fund	B-18:B-23	1,372.40		1,816.23
	B-4	7,224.57	30,293.00	14,628,571.64
		\$ 293,156.50	\$ 30,658.48	\$ 20,831,171.30
Decreased by Disbursements:				
New Jersey State Board of Health	B-13	\$	\$ 2,048.40	\$
Expenditures Under R.S.4:19-15.11	B-12		20,170.26	
Assessment Serial Bonds Payable	B-10	60,000.00		
Reserve for Various Trust Deposits	B-11			103,661.39
Due Current Fund	B-18:B-23	7,880.63		14,255.19
Reserve for Developers' Deposits	B-15			843,994.08
Reserve for Recreation Deposits	B-20			291,359.47
Unemployment Insurance Compensation	B-16			15,472.60
Reserve for Flexible Spending Account	B-5			21,011.42
Reserve for Tax Sale Premiums	B-21			177,400.00
Reserve for Redemption of Outside Liens	B-22			467,348.37
Payroll and Deductions	B-8			10,867,969.56
COAH Deposits	B-14			57,660.02
Reserve for Open Space Deposits	B-17			1,324,314.01
	B-4	67,880.63	22,218.66	14,184,446.11
Balance, December 31, 2016	B	\$ 225,275.87	\$ 8,439.82	\$ 6,646,725.19



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, 2015</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE PLEDGED TO RESERVE</u>
# 95-694	Water Line Extension	11/26/01	10	11/26/02-2011	\$ <u>28,190.41</u>	\$ <u>5,852.17</u>	\$ <u>22,338.24</u>	<u>22,338.24</u>
					\$ <u>28,190.41</u>	\$ <u>5,852.17</u>	\$ <u>22,338.24</u>	\$ <u>22,338.24</u>
				<u>REF.</u>	B	B-2:B-4	B	

TOWNSHIP OF BRANCHBURG

TRUST FUND

ANALYSIS OF ASSESSMENT FUND CASH

	BALANCE DECEMBER 31, 2015	RECEIPTS ASSESSMENTS AND LIENS	OTHER RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2016
Assessment Serial Bonds:					
Ord. # 95-694 Construction of Water Main Ext.	\$ 180,000.00	\$	\$	\$ 60,000.00	\$ 120,000.00
Due Current Fund	6,587.55		1,372.40	7,880.63	79.32
Assessment Fund Balance	99,344.38	5,852.17			105,196.55
	<u>\$ 285,931.93</u>	<u>\$ 5,852.17</u>	<u>\$ 1,372.40</u>	<u>\$ 67,880.63</u>	<u>\$ 225,275.87</u>
REF.	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, 2015	B	\$ 4,199.49
Increased by:		
Receipts	B-2	20,889.73
		\$ <u>25,089.22</u>
Decreased by:		
Disbursements	B-2	<u>21,011.42</u>
Balance, December 31, 2016	B	\$ <u><u>4,077.80</u></u>

"B-6"

SCHEDULE OF DUE SEWER OPERATING FUND - TRUST OTHER FUND

Balance, December 31, 2015 and December 31, 2016 (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, 2015	B	\$ 8,325.01
Increased by:		
Receipts	B-2	<u>16.24</u>
Balance, December 31, 2016	B	<u>\$ 8,341.25</u>

"B-8"

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

Balance, December 31, 2015	B	\$ 112,931.87
Increased by:		
Receipts	B-2	<u>10,851,920.02</u>
		\$ <u>10,964,851.89</u>
Decreased by:		
Disbursements	B-2	<u>10,867,969.56</u>
Balance, December 31, 2016	B	<u>\$ 96,882.33</u>

"B-9"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS

	<u>REF.</u>		
Balance, December 31, 2015	B	\$	28,190.41
Decreased by:			
Transfer Reserve	B-1		<u>5,852.17</u>
Balance, December 31, 2016	B	\$	<u><u>22,338.24</u></u>

Analysis of Balance:

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		
95-694	Construction of Water Main Extension	\$	<u><u>22,338.24</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 DECEMBER 31, 2016</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2016</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Construction of Water Main Extension	04/01/98	\$ 1,200,000.00	04/01/17-18	\$ 60,000.00	5.00%	\$ <u>180,000.00</u>	\$ <u>60,000.00</u>	\$ <u>120,000.00</u>
					<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, 2015</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE DECEMBER 31, 2016</u>
Developers Escrow Deposits	\$ 157,978.75	\$	\$	\$ 157,978.75
Police Emergency Response Equipment	6,978.09	2,500.00	996.00	8,482.09
Police Outside Employment	25,246.53	113,921.47	95,285.00	43,883.00
Municipal Alliance Program (Youth Services)	3,931.52	500.00		4,431.52
Sewer Escrow*	27,199.72			27,199.72
Parking Offense Adjudication Act (POAA)	954.25	78.00		1,032.25
Fire Safety Penalties	6,532.40			6,532.40
Developers' Contributions*	165,559.96			165,559.96
Fire Penalties - Equipment & Training	1,400.00			1,400.00
Readington	9,670.59			9,670.59
OEM Donation	1,500.00		581.00	919.00
Public Defender	10,458.94	5,870.00	4,285.60	12,043.34
Reforestation Fund	70,550.50	2,050.00	2,050.00	70,550.50
Donation for Communications	8,808.79			8,808.79
Tree Fund	15.00			15.00
Community Gardens	11,777.88	2,820.00	463.79	14,134.09
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	27,600.00	26,750.04		54,350.04
Bond & Coupon	6,442.34			6,442.34
	<u>\$ 564,312.90</u>	<u>\$ 154,489.51</u>	<u>\$ 103,661.39</u>	<u>\$ 615,141.02</u>
<u>REF.</u>	<u>B</u>		<u>B-2</u>	<u>B</u>
Receipts	B-2	\$ 152,439.51		
Transfers From Accounts Payable	B-19	<u>2,050.00</u>		
		<u>\$ 154,489.51</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, 2015	B	\$	364.00
Increased by:			
Dog Licenses		\$	23,557.60
Cat Licenses			<u>4,569.00</u>
	B-2		28,126.60
		\$	<u>28,490.60</u>
Decreased by:			
Disbursements	B-2		<u>20,170.26</u>
Balance, December 31, 2016	B	\$	<u><u>8,320.34</u></u>

DOG LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2014	\$ 23,523.60
2015	<u>23,949.80</u>
	<u><u>\$ 47,473.40</u></u>



"B-13"

TOWNSHIP OF BRANCHBURG

TRUST FUND

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

REF.

Increased by:			
State Registration Fees Collected	B-2	\$	2,048.40
Decreased by:			
Paid to State Department of Health	B-2		<u>2,048.40</u>

"B-14"

SCHEDULE OF RESERVE FOR COAH DEPOSITS

Balance, December 31, 2015	B	\$	366,440.08
Increased by:			
Receipts	B-2	\$	141,477.09
Accounts Payable	B-19		<u>4,242.87</u>
			145,719.96
		\$	<u>512,160.04</u>
Decreased by:			
Disbursements	B-2	\$	57,660.02
Accounts Payable	B-19		<u>14,082.85</u>
			<u>71,742.87</u>
Balance, December 31, 2016	B	\$	<u><u>440,417.17</u></u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF DEVELOPERS' DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 1,514,417.58
Increased by:		
Receipts	B-2	<u>1,044,955.64</u>
		\$ 2,559,373.22
Decreased by:		
Disbursements	B-2	<u>843,994.08</u>
Balance, December 31, 2016	B	\$ <u>1,715,379.14</u>

Analysis of Balance:

Inspection Fee Deposits	\$ 410,521.18
Performance Bond Deposits	1,279,675.65
Review Escrow Deposits	<u>25,182.31</u>
	\$ <u>1,715,379.14</u>

"B-16"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF UNEMPLOYMENT INSURANCE COMPENSATION

	<u>REF.</u>		
Balance, December 31, 2015	B		\$ 180,324.83
Increased by:			
Interest Earned		\$ 332.67	
Contributions		<u>17,488.23</u>	
	B-2		<u>17,820.90</u>
			\$ <u>198,145.73</u>
Decreased by:			
Disbursements	B-2		<u>15,472.60</u>
Balance, December 31, 2016	B		\$ <u><u>182,673.13</u></u>

"B-17"

SCHEDULE OF RESERVE FOR OPEN SPACE DEPOSITS

Balance, December 31, 2015	B		\$ 2,929,458.81
Increased by:			
Tax Levy		\$ 1,481,094.68	
Tax Levy-Added		4,947.39	
Other Deposits		4,310.00	
Interest Earned		<u>4,687.60</u>	
	B-2		<u>1,495,039.67</u>
			\$ <u>4,424,498.48</u>
Decreased by:			
Disbursements	B-2	\$ 1,324,314.01	
Accounts Payable	B-19	<u>59,008.41</u>	
			<u>1,383,322.42</u>
Balance, December 31, 2016	B		\$ <u><u>3,041,176.06</u></u>

"B-18"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

REF.

Balance, December 31, 2015 (Due To, Net)		\$	5,769.68
Increased by:			
Receipts	B-2		<u>1,816.23</u>
		\$	7,585.91
Decreased by:			
Disbursements	B-2		<u>14,255.19</u>
Balance, December 31, 2016 (Due From, Net)		\$	<u><u>(6,669.28)</u></u>

Analysis of Balance:

Due To Current Fund:

Payroll Deductions		\$	500.04
Flexible Spending			1,026.50
Site Inspection Escrow			70.83
Performance Escrow			148.10
Review Escrow			<u>5.29</u>
	B	\$	1,750.76

Due From Current Fund:

Trust Other		\$	(8,400.66)
Recreation			<u>(19.38)</u>
	B		<u>(8,420.04)</u>
		\$	<u><u>(6,669.28)</u></u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2015	B	\$	6,292.87
Increased by:			
Reserve for:			
Recreation Trust	B-20	\$	218.10
Open Space Trust	B-17		59,008.41
COAH Trust	B-14		<u>14,082.85</u>
			73,309.36
		\$	<u>79,602.23</u>
Decreased by:			
Reserve for:			
Various Trust Deposits	B-11	\$	2,050.00
COAH Trust	B-14		<u>4,242.87</u>
			6,292.87
Balance, December 31, 2016	B	\$	<u><u>73,309.36</u></u>

Analysis of Balance:

Recreation Trust	\$	218.10
Open Space Trust		59,008.41
COAH Trust		<u>14,082.85</u>
	\$	<u><u>73,309.36</u></u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR RECREATION DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2015	B	\$	20,284.16
Increased by:			
Receipts	B-2		<u>307,025.12</u>
		\$	<u>327,309.28</u>
Decreased by:			
Disbursements	B-2	\$	291,359.47
Accounts Payable	B-19		<u>218.10</u>
			<u>291,577.57</u>
Balance, December 31, 2016	B	\$	<u><u>35,731.71</u></u>

"B-21"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 490,400.00
Increased by:		
Receipts	B-2	<u>123,100.00</u>
		\$ 613,500.00
Decreased by:		
Disbursements	B-2	<u>177,400.00</u>
Balance, December 31, 2016	B	<u><u>\$ 436,100.00</u></u>

"B-22"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

Increased by:		
Receipts	B-2	\$ 472,071.49
Decreased by:		
Disbursements	B-2	<u>467,348.37</u>
Balance, December 31, 2016	B	<u><u>\$ 4,723.12</u></u>

"B-23"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ASSESSMENT TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2015 (Due To)	B	\$ 6,587.55
Increased by:		
Receipts	B-2	<u>1,372.40</u>
		\$ 7,959.95
Decreased by:		
Disbursements	B-2	<u>7,880.63</u>
Balance, December 31, 2016 (Due To)	B	<u><u>\$ 79.32</u></u>

"B-24"

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST FUND

Balance, December 31, 2015 and December 31, 2016 (Due To)	B	\$ <u><u>1.48</u></u>
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TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF PREPAID DOG LICENSES - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Increased by:		
Receipts	B-2	\$ <u>118.00</u>
Balance, December 31, 2016	B	\$ <u><u>118.00</u></u>

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2015	C	\$	2,451,408.52
Increased by Receipts:			
Deferred Charges to Future Taxation Unfunded	C-7	\$	608,597.00
Reserve for Capital Projects	C-6		488,525.00
Fund Balance	C-1		37,515.00
Capital Improvement Fund	C-8		600,000.00
B.A.N. Payable	C-15		4,508,875.00
Grants Receivable	C-4		200,000.00
			<u>6,443,512.00</u>
		\$	<u>8,894,920.52</u>
Decreased by Disbursements:			
Contracts Payable	C-10:C-12	\$	1,109,833.31
B.A.N. Payable	C-15		5,008,875.00
			<u>6,118,708.31</u>
Balance, December 31, 2016	C	\$	<u><u>2,776,212.21</u></u>

"C-3"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2016
Capital Improvement Fund	\$ 292,937.41
Cash on Hand To Pay Notes	35,000.00
Improvement Authorizations Expended	(675,084.81)
Grants Receivable	(160,000.00)
Reserve for Grants Receivable	160,000.00
Unexpended Proceeds of Bond Anticipation Notes	354,689.16
Reserve for Preliminary Cost	84,992.00
Reserve for Capital Projects	637,961.14
Reserve for FEMA	14,367.00
Reserve for Contracts Payable	656,988.35
Fund Balance	505,862.42
Improvement Authorizations Funded	<u>868,499.54</u>
	<u>\$ 2,776,212.21</u>
<u>REF.</u>	C

"C-4"

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2015	C	\$ 360,000.00
Decreased by:		
Receipts	C-2	<u>200,000.00</u>
Balance, December 31, 2016	C	<u>\$ 160,000.00</u>

"C-5"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES  
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 10,300,000.00
Decreased by:		
Bonds Paid by Budget	C-11	<u>1,290,000.00</u>
Balance, December 31, 2016	C	\$ <u>9,010,000.00</u>

"C-6"

SCHEDULE OF RESERVE FOR CAPITAL PROJECTS

Balance, December 31, 2015	C	\$ 149,436.14
Increased by:		
Receipts	C-2	<u>488,525.00</u>
Balance, December 31, 2016	C	\$ <u>637,961.14</u>

Analysis of Balance:

Park Improvements	\$ 115.14
Drainage Project	149,321.00
Case Road Reconstruction	<u>488,525.00</u>
	\$ <u>637,961.14</u>

[illegible]

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2015	C		\$ 419,937.41
Increased by:			
2016 Budget Appropriation	C-2		600,000.00
			<u>\$ 1,019,937.41</u>
Decreased by:			
Appropriated to Finance :			
Improvement Authorizations	C-9	\$ 702,000.00	
Preliminary Cost Resolutions	C-10	<u>25,000.00</u>	
			<u>727,000.00</u>
Balance, December 31, 2016	C		<u><u>\$ 292,937.41</u></u>

## TOWNSHIP OF BRANCHBURG

## GENERAL CAPITAL FUND

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	GENERAL IMPROVEMENTS:	ORDINANCE		BALANCE DECEMBER 31, 2015		2016 AUTHORIZATIONS	EXPENDED	BALANCE DECEMBER 31, 2016	
		DATE	AMOUNT	FUNDED	UNFUNDED			FUNDED	UNFUNDED
2011-1173	Municipal Building Improvements	03/28/11	\$ 150,000.00	\$ 73,160.02	\$	\$	\$	\$ 73,160.02	\$
2011-1174	Reconstruction of Various Roads	04/11/11	750,000.00		31,781.72		500.00		31,281.72
2011-1181	Purchase of Fire Truck	05/09/11	890,000.00		125,367.18		846.25		124,520.93
2012-1208	Various Road Improvements	10/22/12	600,000.00		73,047.22		1,000.00		72,047.22
2013-1221	Facility Improvements-Station House and Parks	05/13/13	61,000.00	25,712.38			20,893.74	4,818.64	
2013-1225	Park Improvements	05/29/13	35,000.00	16,280.65			16,280.65		
2013-1227	Reconstruction of Whiton Road	05/29/13	1,500,000.00		251,407.91		500.00		250,907.91
2013-1229	Smithana Farm Site Improvements	06/24/13	55,000.00	48,718.00				48,718.00	
2013-1231	Facility Improvements-Station House	07/22/13	85,000.00	1,955.28				1,955.28	
2013-1234	Computer Equipment	09/09/13	61,000.00	61,000.00				61,000.00	
2014-1250	Various Facility and Park Improvements	05/28/14	145,000.00	101,615.71			2,250.00	99,365.71	
2014-1251	Equipment - Public Safety	05/28/14	40,000.00	4,708.00				4,708.00	
2014-1252	Equipment - Public Works	05/28/14	419,000.00	51,587.00			28,379.50	23,207.50	
2015-1260	Whiton Road Sections 3 & 4	04/13/15	950,000.00		197,080.50		69,500.00		127,580.50
2015-1272	Kenbury Road Improvements	05/11/15	885,000.00	43,650.00	840,750.00			43,650.00	840,750.00
2015-1273	Stony Brook Road Reconstruction	05/11/15	600,000.00		599,400.00				599,400.00
2015-1274	Police/Emergency Equipment	05/11/15	280,000.00	77,256.70			6,825.61	70,431.09	
2015-1275	Equipment-Public Works	05/11/15	294,000.00	103,982.05			51,561.97	52,420.08	
2015-1277	Recreation Equipment/Field Improvements	05/11/15	50,000.00	1,252.52			1,252.52		
2015-1280	Purchase of Video Equipment	08/10/15	130,000.00	6,362.82				6,362.82	
2016-1298	DPW Equipment & Facility Upgrades	05/23/16	324,000.00			324,000.00	167,737.22	156,262.78	
2016-1299	White Oak Park Equipment & Improvements	05/23/16	240,000.00			240,000.00	95,882.84	144,117.16	
2016-1300	Public Safety Equipment	05/23/16	70,000.00			70,000.00	58,382.54	11,617.46	
2016-1301	Reconstruction of Preston Drive	06/27/16	1,360,000.00			1,360,000.00	1,295.00	66,705.00	1,292,000.00
				\$ 617,241.13	\$ 2,118,834.53	\$ 1,994,000.00	\$ 523,087.84	\$ 868,499.54	\$ 3,338,488.28
REF.				C	C		C-12	C:C-3	C:C-7
Deferred Charges to Future Taxation-Unfunded				C-7		\$ 1,292,000.00			
Capital Improvement Fund				C-8		702,000.00			
						\$ 1,994,000.00			

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PRELIMINARY COSTS

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 79,880.00
Increased by:		
2016 Preliminary Costs Authorized	C-8	25,000.00
		<u>\$ 104,880.00</u>
Decreased By:		
Accounts Payable	C-12	19,888.00
		<u>19,888.00</u>
Balance, December 31, 2016	C	<u><u>\$ 84,992.00</u></u>



PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	OUTSTANDING DECEMBER 31, 2016		INTEREST RATE	BALANCE	DECREASED	BALANCE
			DATE	AMOUNT		DECEMBER 31, 2015		DECEMBER 31, 2016
General Improvement Bonds of 2003	August 15, 2003	\$ 16,562,000.00	08/15/17	\$ 30,000.00	4.25%			
			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%	\$ 240,000.00	\$ 30,000.00	\$ 210,000.00
General Improvement Bonds of 2007	October 11, 2007	6,840,000.00	10/11/17	500,000.00	3.80%			
			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%	3,650,000.00	450,000.00	3,200,000.00
Refunding Bonds of 2011	June 8, 2011	8,170,000.00	8/15/2017	805,000.00	4.00%			
			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%	6,410,000.00	810,000.00	5,600,000.00
						<u>\$ 10,300,000.00</u>	<u>\$ 1,290,000.00</u>	<u>\$ 9,010,000.00</u>
REF.	C	C-5	C					

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2015	C	\$	1,223,845.82
Increased by:			
Improvement Authorizations	C-9	\$	523,087.84
Preliminary Cost Resolutions	C-10		<u>19,888.00</u>
			542,975.84
		\$	<u>1,766,821.66</u>
Decreased by:			
Disbursements	C-2		<u>1,109,833.31</u>
Balance, December 31, 2016	C	\$	<u><u>656,988.35</u></u>

"C-13"

TOWNSHIP OF BRANCBURG

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 360,000.00
Decreased by:		
Adjust For Receipts	C-7	<u>200,000.00</u>
Balance, December 31, 2016	C	\$ <u>160,000.00</u>

"C-14"

SCHEDULE OF RESERVE FOR FEMA

Balance, December 31, 2015 and December 31, 2016	C	\$ <u>14,367.00</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, 2015</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2016</u>
Ordinance #2007-1058	10/10/12	10/7/15	10/7/16	2.00%	\$ 86,000.00	\$	\$ 86,000.00	\$
Ordinance #2008-1089	10/10/12	10/7/15	10/7/16	2.00%	217,000.00		217,000.00	
Ordinance #2008-1116	10/10/12	10/7/15	10/7/16	2.00%	475,000.00		475,000.00	
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	10/7/15	10/7/16	2.00%	662,000.00		662,000.00	
Ordinance #2011-1174	10/10/12	10/6/16	10/6/17	2.00%		612,000.00		612,000.00
Ordinance #2011-1181	10/9/13	10/7/15	10/7/16	2.00%	845,500.00		845,500.00	
Ordinance #2011-1181	10/9/13	10/6/16	10/6/17	2.00%		773,500.00		773,500.00
Ordinance #2012-1203	10/9/13	10/7/15	10/7/16	2.00%	471,885.00		471,885.00	
Ordinance #2012-1203	10/9/13	10/6/16	10/6/17	2.00%		471,885.00		471,885.00
Ordinance #2012-1208	10/9/13	10/7/15	10/7/16	2.00%	466,490.00		466,490.00	
Ordinance #2012-1208	10/9/13	10/6/16	10/6/17	2.00%		466,490.00		466,490.00
Ordinance #2013-1227	10/7/15	10/7/15	10/7/16	2.00%	1,000,000.00		1,000,000.00	
Ordinance #2013-1227	10/7/15	10/6/16	10/6/17	2.00%		1,000,000.00		1,000,000.00
Ordinance #2015-1260	10/7/15	10/7/15	10/7/16	2.00%	785,000.00		785,000.00	
Ordinance #2015-1260	10/7/15	10/6/16	10/6/17	2.00%		785,000.00		785,000.00
					<u>\$ 5,008,875.00</u>	<u>\$ 4,508,875.00</u>	<u>\$ 5,008,875.00</u>	<u>\$ 4,508,875.00</u>
				<u>REF.</u>	C	C-2	C-2	C:C-7

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, 2016</u>
2004-960	Public Works Vehicles and Equipment	\$ 100,000.00
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
2015-1265	Purchase of Fire Truck	285,000.00
2015-1272	Kenbury Road Improvements	840,750.00
2015-1273	Stony Brook Road Reconstruction	600,000.00
2016-1301	Reconstruction of Preston Drive	1,292,000.00
		<hr/>
		\$ 3,658,883.93

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>ASSESSMENT TRUST</u>	<u>CAPITAL</u>
Balance, December 31, 2015	D	\$ 4,580,619.60	\$ 125,864.18	\$ 2,520,679.83
Increased by Receipts:				
Sewer Use Charges Receivable	D-13	\$ 3,301,546.09	\$	\$
Miscellaneous Revenue Not Anticipated	D-1:D-4	32,035.37		
Interfunds	D-11:D-32:D-21	124.00	40.81	649,527.12
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	233,333.00		
Prepaid Sewer Charges	D-20	12,612.16		
		\$ 3,579,650.62	\$ 455.81	\$ 1,099,527.12
		\$ 8,160,270.22	\$ 126,319.99	\$ 3,620,206.95
Decreased by Disbursements:				
2016 Budget Appropriations	D-5	\$ 3,176,963.72	\$	\$
2015 Appropriation Reserves	D-12	34,996.30		
Contracts Payable	D-24			98,372.47
Accrued Interest on Bonds	D-31	1,000.00		
Fund Balance-Current MRA	D-1	200,000.00		
Interfunds	D-11	649,567.93		
Assessment Serial Bonds	D-19		20,000.00	
		\$ 4,062,527.95	\$ 20,000.00	\$ 98,372.47
Balance, December 31, 2016	D	\$ 4,097,742.27	\$ 106,319.99	\$ 3,521,834.48

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

ANALYSIS OF ASSESSMENT FUND CASH

		<u>RECEIPTS</u>		<u>DISBURSEMENTS</u>	
	<u>BALANCE DECEMBER 31, 2015</u>	<u>ASSESSMENTS AND LIENS</u>	<u>MISCELLANEOUS</u>		<u>BALANCE DECEMBER 31, 2016</u>
Fund Balance	\$ 96,009.53	\$	\$	\$	\$ 96,009.53
Due Sewer Operating Fund	709.65		40.81		750.46
Bonds Payable	<u>29,145.00</u>	<u>415.00</u>		<u>20,000.00</u>	<u>9,560.00</u>
	<u>\$ 125,864.18</u>	<u>\$ 415.00</u>	<u>\$ 40.81</u>	<u>\$ 20,000.00</u>	<u>\$ 106,319.99</u>
	D				D

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

	BALANCE DECEMBER 31, 2016
Fund Balance	\$ 279,325.93
Contracts Payable	177,940.06
Capital Improvement Fund	1,838,164.00
Unfunded Improvement Authorizations Expended	(21,028.80)
Reserve for I and I Study	28,493.94
Reserve for Preliminary Costs	131,170.00
Improvement Authorizations - Funded	<u>1,087,769.35</u>
	<u>\$ 3,521,834.48</u>
<u>REF.</u>	D



"D-9"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF DUE TO SOMERSET/RARITAN  
VALLEY SEWER AUTHORITY

REF.

Balance, December 31, 2015  
and December 31, 2016

D

\$ 1,200.00

"D-10"

SCHEDULE OF RESERVE FOR ESCROW FUNDS

Balance, December 31, 2015  
and December 31, 2016

D

\$ 89,683.59

"D-11"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>		
Balance, December 31, 2015		\$	649,251.09
Increased by:			
Receipts	D-6		124.00
		\$	<u>649,375.09</u>
Decreased by:			
Disbursements	D-6		<u>649,567.93</u>
Balance, December 31, 2016	D-11	\$	<u><u>(192.84)</u></u>
<u>Analysis of Balance</u>			
Sewer Operating Fund Due to Payroll (Trust Other Fund)		\$	557.62
Total Interfunds Payable	D		<u>557.62</u>
Sewer Assessment Fund Due to Sewer Operating Fund			<u>(750.46)</u>
Total Interfunds Receivable	D		<u>(750.46)</u>
	D-11	\$	<u><u>(192.84)</u></u>

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER <u>31, 2015</u>	ACCOUNTS PAYABLE	MODIFIED	PAID OR CHARGED	BALANCE <u>LAPSED</u>
Operating:					
Salaries and Wages	\$ 51,771.80	\$	\$ 51,771.80	\$	\$ 51,771.80
Other Expenses	757,609.70	4,385.92	761,995.62	20,969.86	741,025.76
Sewer Assessment Commission:					
Salaries and Wages	1,000.00		1,000.00		1,000.00
Capital Improvements:					
Purchase of Vehicle and Equipment	59,293.66	15,570.87	74,864.53	14,026.44	60,838.09
Regulatory Expenditures:					
Social Security (O.A.S.I.)	3,885.45		3,885.45		3,885.45
Public Employee Retirement System	<u>50,000.00</u>		<u>50,000.00</u>		<u>50,000.00</u>
	\$ <u>923,560.61</u>	\$ <u>19,956.79</u>	\$ <u>943,517.40</u>	\$ <u>34,996.30</u>	\$ <u>908,521.10</u>
<u>REF.</u>	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, 2015	D	\$	125,416.43
Increased by:			
Sewer Charges Levied (Net)			<u>3,542,396.91</u>
		\$	3,667,813.34
Decreased by:			
Receipts	D-6	\$	3,301,546.09
Prepaid Sewer Rents	D-20		<u>9,771.18</u>
			<u>3,311,317.27</u>
Balance, December 31, 2016	D	\$	<u><u>356,496.07</u></u>

"D-14"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE - OPERATING FUND

Balance, December 31, 2015	D	\$	19,956.79
Increased by:			
2016 Appropriations	D-5		<u>10,643.60</u>
		\$	30,600.39
Decreased by:			
Transfer to 2015 Appropriation Reserves	D-12		<u>19,956.79</u>
Balance, December 31, 2016	D	\$	<u><u>10,643.60</u></u>

"D-15"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY ASSESSMENT FUND

SCHEDULE OF DUE FROM THIRD PARTY

REF.

Balance, December 31, 2015  
and December 31, 2016

D

\$ 25.00

"D-16"

SCHEDULE OF RESERVE FOR ASSESSMENTS

Balance, December 31, 2015  
and December 31, 2016

D

\$ 155,071.92

TOWNSHIP OF BRANCHBURG  
SEWER UTILITY ASSESSMENT FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLE

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF CONFIRMATION	INSTALLMENTS	DUE DATES	BALANCE DECEMBER	COLLECTED	BALANCE DECEMBER	BALANCE PLEDGED TO	
					31, 2015		31, 2016	BONDS	RESERVE
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	830.00	415.00	415.00	415.00	
					<u>\$ 155,901.92</u>	<u>\$ 415.00</u>	<u>\$ 155,486.92</u>	<u>\$ 415.00</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, 2015 &amp; 2016</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-		4/24/06, 8/13/07	
1069/2008-1097	Conversion of Neshanic Station Treatment Plant	& 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>MATURITY OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>PAID</u>	<u>BALANCE DECEMBER 31, 2016</u>
			<u>OUTSTANDING - DECEMBER 31, 2016</u>	<u>DATE</u>				
				<u>AMOUNT</u>				
County Line Sewer Improvement - 2001	4/1/98	\$ 350,000.00	4/01/17	\$ 10,000.00	5.00%	\$ <u>30,000.00</u>	\$ <u>20,000.00</u>	\$ <u>10,000.00</u>
					<u>REF.</u>	D	D-6	D



"D-20"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF PREPAID SEWER CHARGES

	<u>REF.</u>	
Balance, December 31, 2015	D	\$ 9,771.18
Increased by:		
Receipts	D-6	<u>12,612.16</u>
		\$ <u>22,383.34</u>
Decreased by:		
Applied to Receivable	D-13	<u>9,771.18</u>
Balance, December 31, 2016	D	\$ <u><u>12,612.16</u></u>

"D-21"

SEWER UTILITY ASSESSMENT FUND

SCHEDULE OF DUE SEWER OPERATING FUND

Balance, December 31, 2015 (Due To)	D	\$ 709.65
Increased by:		
Receipts	D-6	<u>40.81</u>
Balance, December 31, 2016 (Due To)	D	\$ <u><u>750.46</u></u>

"D-22"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>REF.</u>	
Balance, December 31, 2015	D	\$ 7,222,000.00
Increased by:		
Budgeted B.A.N. Paydown	D-6	<u>250,000.00</u>
Balance, December 31, 2016	D	\$ <u>7,472,000.00</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
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>7,472,000.00</u>

"D-23"

SCHEDULE OF RESERVE FOR I & I STUDY

Balance, December 31, 2015 and December 31, 2016	D	\$ <u>28,493.94</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, 2015	D	\$ 188,660.06
Increased by:		
Contracts Payable	D-29	87,652.47
		\$ <u>276,312.53</u>
Decreased by:		
Disbursements	D-6	98,372.47
Balance, December 31, 2016	D	\$ <u><u>177,940.06</u></u>

"D-25"

SCHEDULE OF RESERVE FOR PRELIMINARY COSTS

Balance, December 31, 2015 and December 31, 2016	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>	<u>BALANCE</u>	
	<u>DECEMBER 31,</u>	
	<u>2015 AND 2016</u>	
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>

REF.

D

"D-27"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2015		
and December 31, 2016	D	\$ <u><u>6,530,171.78</u></u>

"D-28"

TOWNSHIP OF BRANCBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2015	D	\$ 1,638,164.00
Increased by:		
Budget Appropriation	D-6	<u>200,000.00</u>
Balance, December 31, 2016	D	<u>\$ 1,838,164.00</u>

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE		PAID OR CHARGED	BALANCE	
		DATE	AMOUNT	DECEMBER 31, 2015			DECEMBER 31, 2016	
				FUNDED	UNFUNDED		FUNDED	UNFUNDED
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 & 2008-1097	Conversion of Neshanic Treatment Plant	4/24/06, 8/13/07 & 6/9/08	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	70,900.00		37,440.00	33,460.00	
2015-1276	Sewer Department Equipment	05/11/15	475,000.00	221,901.00		50,212.47	171,688.53	
				\$ 1,175,421.82	\$ 228,971.20	\$ 87,652.47	\$ 1,087,769.35	\$ 228,971.20
REF.				D	D	D-24	D	D

"D-30"

TOWNSHIP OF BRANCBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

		BALANCE DECEMBER 31, 2016
<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	
2007-1069	Sewer Utility Capital Fund: Conversion of Neshanic Station Treatment Plant	\$ <u>250,000.00</u>
		\$ <u><u>250,000.00</u></u>

"D-31"

SCHEDULE OF RESERVE FOR ACCRUED INTEREST PAYABLE

Balance, December 31, 2015	D	\$ 4,039.50
Increased by:		
Budget Appropriation	D-5	<u>2,000.00</u>
		\$ <u>6,039.50</u>
Decreased by:		
Disbursement	D-6	<u>1,000.00</u>
Balance, December 31, 2016	D	\$ <u><u>5,039.50</u></u>

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE SEWER OPERATING FUND

	<u>REF.</u>	
Balance, December 31, 2015 (Due From)	D	\$ <u>649,527.12</u>
Decreased by:		
Receipts	D-6	\$ <u><u>649,527.12</u></u>



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TOWNSHIP OF BRANCHBURG

PART II

REPORTS 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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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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, 2016, 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 12, 2017. 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 Township's internal control.

## SUPLEE, CLOONEY & COMPANY

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

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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 12, 2017

SCHEDULE 1

TOWNSHIP OF BRANCHBURG

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>FEDERAL GRANTOR/PASS THROUGH</u> <u>GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL</u> <u>C.F.D.A.</u> <u>NUMBER</u>	<u>PASS THROUGH</u> <u>GRANTORS</u> <u>NUMBER</u>	<u>GRANT</u> <u>AWARD</u> <u>AMOUNT</u>	<u>GRANT PERIOD</u>		<u>2016</u> <u>RECEIPTS</u>	<u>2016</u> <u>EXPENDITURES</u>	<u>CUMULATIVE</u> <u>EXPENDITURES</u> <u>DECEMBER</u> <u>31, 2016</u>
				<u>FROM</u>	<u>TO</u>			
<u>Department of Transportation</u>								
Reconstruction of Whiton Road	20.205		\$ 160,000.00			\$	\$ 53.33	\$ 133,236.49
Whiton Road Sections 3 & 4	20.205		200,000.00			200,000.00	14,631.58	173,140.95
Stony Brook Road Reconstruction	20.205		160,000.00					160.00
Highway Safety Fund Grant - 2014	20.205		9,403.44				544.43	9,403.44
Highway Safety Fund Grant - 2015	20.205		10,732.39			10,688.24	44.15	10,732.39
Highway Safety Fund Grant - 2016	20.205		4,438.78			<u>4,438.78</u>	<u>4,408.28</u>	<u>4,408.28</u>
<u>GRAND TOTAL</u>						<u>\$ 215,127.02</u>	<u>\$ 19,681.77</u>	<u>\$ 331,081.55</u>

SCHEDULE 2

TOWNSHIP OF BRANCHBURG

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2016

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>GRANT AWARD AMOUNT</u>	<u>2016 RECEIPTS</u>	<u>2016 EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2016</u>
<u>Department of Environmental Protection</u>					
Clean Communities Program - Prior Year(s)	4900-765-042-4900-004-V42Y-6020	\$ 32,096.07	\$	\$ 3,669.88	\$ 32,096.07
Clean Communities Program	4900-765-042-4900-004-V42Y-6020	38,996.07		13,738.41	13,738.41
Clean Communities Program (Unappropriated)	4900-765-042-4900-004-V42Y-6020	44,596.77	44,596.77		
Recycling Tonnage Grant - Prior Year(s)	4900-752-042-4900-001-V42Y-6020	123,454.32		59,012.04	82,120.64
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	27,260.14			
Recycling Tonnage Grant (Unappropriated)	4900-752-042-4900-001-V42Y-6020	28,816.98	28,816.98		
			<u>\$ 73,413.75</u>	<u>\$ 76,420.33</u>	<u>\$ 127,955.12</u>
<u>Department of Law and Public Safety</u>					
Drunk Driving Enforcement Fund - Prior Year(s)	6400-100-078-6400-YYYY	8,547.62	\$	\$ 573.69	\$ 8,547.62
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	9,857.45		1,850.20	1,850.20
Drunk Driving Enforcement Fund (Unappropriated)	6400-100-078-6400-YYYY	7,851.99	7,851.99		
Safe and Secure Communities - Prior(s)	1020-100-066-1020-232-YCJS-6120	60,000.00	35,000.00		60,000.00
Safe and Secure Communities	1020-100-066-1020-232-YCJS-6120	60,000.00		60,000.00	60,000.00
Alcohol Education and Rehabilitation - Prior Year(s)	00-2014-2014-098-9735-760-001	3,423.36			
Alcohol Education and Rehabilitation	00-2014-2014-098-9735-760-001	2,769.86			
Alcohol Education and Rehabilitation (Unappropriated)	00-2014-2014-098-9735-760-001	906.47	906.47		
Body Armor Replacement Fund - Prior Year(s)	1020-718-066-1020-001-YCJS-6120	2,777.11		1,214.79	2,777.11
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	2,689.05		2,520.09	2,520.09
Body Armor Replacement Fund (Unappropriated)	1020-718-066-1020-001-YCJS-6120	2,585.16	2,585.16		
			<u>\$ 46,343.62</u>	<u>\$ 66,158.77</u>	<u>\$ 135,695.02</u>
<u>GRAND TOTAL</u>			<u>\$ 119,757.37</u>	<u>\$ 142,579.10</u>	<u>\$ 263,650.14</u>

TOWNSHIP OF BRANCHBURG

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2016

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Township of Branchburg, County of Somerset, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other governmental agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial report.

#### NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's regulatory basis financial statements. These amounts are reported in the Grant Fund and General Capital Fund in 2016.

##### Receipts:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current / Grant Fund	\$ 15,127.02	\$ 119,757.37	\$ 5,000.00	\$ 139,884.39
General Capital Fund	<u>200,000.00</u>	<u>                    </u>	<u>                    </u>	<u>200,000.00</u>
	<u>\$ 215,127.02</u>	<u>\$ 119,757.37</u>	<u>\$ 5,000.00</u>	<u>\$ 339,884.39</u>

##### Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current / Grant Fund	\$ 4,996.86	\$ 142,579.10	\$ 23,953.87	\$ 171,529.83
General Capital Fund	<u>14,684.91</u>	<u>                    </u>	<u>                    </u>	<u>14,684.91</u>
	<u>\$ 19,681.77</u>	<u>\$ 142,579.10</u>	<u>\$ 23,953.87</u>	<u>\$ 186,214.74</u>

#### NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules.



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PART III

TOWNSHIP OF BRANCHBURG

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2016

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

	YEAR 2016		YEAR 2015	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 3,600,000.00	4.74%	\$ 4,300,000.00	5.74%
Miscellaneous from Other Than				
Local Property Tax Levies	7,397,091.99	9.74%	7,298,489.20	9.74%
Collection of Delinquent Taxes				
and Tax Title Liens	408,494.30	0.53%	544,689.23	0.72%
Collections of Current Tax Levy	64,538,920.53	84.98%	62,815,199.98	83.80%
<u>Total Revenue</u>	<u>\$ 75,944,506.82</u>	<u>100.00%</u>	<u>\$ 74,958,378.41</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 17,299,788.85	23.95%	\$ 17,486,051.72	24.64%
County Taxes	12,028,947.85	16.65%	11,620,762.01	16.37%
Local School District Taxes	41,413,150.00	57.34%	40,418,134.00	56.95%
Municipal Open Space Taxes	1,486,078.59	2.06%	1,447,417.71	2.04%
<u>Total Expenditures</u>	<u>\$ 72,227,965.29</u>	<u>100.00%</u>	<u>\$ 70,972,365.44</u>	<u>100.00%</u>
Excess in Revenue	\$ 3,716,541.53		\$ 3,986,012.97	
Fund Balance - January 1	\$ 7,411,581.04		\$ 7,725,568.07	
	\$ 11,128,122.57		\$ 11,711,581.04	
Less: Utilization as Anticipated Revenue	3,600,000.00		4,300,000.00	
Fund Balance, December 31	<u>\$ 7,528,122.57</u>		<u>\$ 7,411,581.04</u>	

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

	YEAR 2016		YEAR 2015	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,300,000.00	22.47%	\$ 1,300,000.00	23.60%
Collection of Sewer Use Charges	3,311,317.27	57.23%	3,243,054.96	58.87%
Miscellaneous	1,173,889.47	20.29%	964,627.30	17.51%
<u>Total Revenue</u>	<u>\$ 5,785,206.74</u>	<u>100.00%</u>	<u>\$ 5,507,682.26</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 3,580,000.00	80.89%	\$ 3,581,000.00	80.91%
Capital Improvements	300,000.00	6.78%	300,000.00	6.78%
Deferred Charges and Statutory Expenditures	344,000.00	7.77%	342,000.00	7.73%
Debt Service	2,000.00	0.05%	3,000.00	0.07%
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	\$ 1,359,206.74		\$ 1,081,682.26	
Fund Balance - January 1	2,883,156.84		3,101,474.58	
	\$ 4,242,363.58		\$ 4,183,156.84	
Less: Utilization as Anticipated Revenue	1,300,000.00		1,300,000.00	
Fund Balance, December 31	<u>\$ 2,942,363.58</u>		<u>\$ 2,883,156.84</u>	

### COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$2.190</u>	<u>\$2.186</u>	<u>\$2.160</u>
Appointment of Tax Rate:			
Municipal	\$0.336	\$0.331	\$0.323
Municipal Open Space	0.049	0.050	0.050
County	0.407	0.403	0.400
Local School	<u>1.398</u>	<u>1.402</u>	<u>1.387</u>

### Assessed Valuation:

Year 2016	<u>\$ 2,962,189,835.00</u>		
Year 2015		<u>\$ 2,880,956,935.00</u>	
Year 2014			<u>\$ 2,834,601,239.00</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</u> <u>COLLECTIONS</u>	<u>PERCENTAGE</u> <u>OF COLLECTION</u>
2016	\$65,094,678.01	\$64,538,920.53	99.14%
2015	\$63,280,907.79	\$62,815,199.98	99.26%
2014	\$61,341,262.50	\$60,812,627.46	99.13%

### DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>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>
2016	\$	327,249.00	\$	500,205.53	\$	827,454.53	1.27%
2015		273,509.19		420,413.75		693,922.94	1.10%
2014		339,179.24		544,249.57		883,428.81	1.44%

### PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2016 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 31<sup>st</sup>, for the last three years.

### COMPARISON OF UTILITY LEVIES

<u>YEAR</u>		<u>LEVY</u>		<u>COLLECTIONS*</u>
2016	\$	3,542,396.91	\$	3,311,317.27
2015		3,207,099.13		3,243,054.96
2014		3,131,883.38		3,144,685.53

\*Includes collections of prior year levies

# COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>OF SUCCEEDING</u> <u>YEAR</u>
Current Fund	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
	2012	5,258,363.53	2,845,000.00
Sewer Utility Operating Fund	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
	2012	3,473,629.96	1,218,976.00

## 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>
Robert Petrelli	Mayor	*
Thomas Young	Committee Person	*
John Sanford	Committee Person	*
James Schworn	Committee Person	*
Ana 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	\$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	*
William Boyle	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:

- Sanitary Sewer System Study – Fox Hollow Pump Station
- High Performance Chip Seal
- Replacement of Wastewater Pumps – Fox Hollow Pump Station
- DF15 Driver Feedback Signs & VATCS Sign – Whiton Road

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:

- Copy Machines
- Ford Explorer
- In-Car Video Systems for Police Vehicles
- Park and Playground Equipment – Township Parks

## 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 5, 2016, 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 31<sup>st</sup>, 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 25, 2016 and was complete.

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 31<sup>th</sup> of the last three years:

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2016	29
2015	4
2014	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

NONE