

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, 2013

TOWNSHIP OF BRANCBURG

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TOWNSHIP OF BRANCBURG

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, 2013 AND 2012



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Branchburg, as of December 31, 2013 and 2012, 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, 2013, 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 Township of Branchburg'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 Township of Branchburg'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, 2013 and 2012, 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, 2013.

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, 2013 and 2012, 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, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters


Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Branchburg's regulatory financial statements. The supplementary information, 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 April 29, 2014 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. 50

April 29, 2014

CURRENT FUND

TOWNSHIP OF BRANCHBURG

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>ASSETS</u>			
Cash	A-4	\$ 9,504,355.59	\$ 7,468,888.94
Change Fund	A-6	755.00	755.00
Due State of New Jersey - Senior Citizens and Veterans	A-7	60,588.88	53,301.21
		<u>\$ 9,565,699.47</u>	<u>\$ 7,522,945.15</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 584,615.26	\$ 642,450.35
Tax Title Liens Receivable	A-9	324,397.15	276,089.30
Revenue Accounts Receivable	A-13	26,418.11	28,080.25
Interfunds Receivable	A-12	3,886.68	10,044.64
	A	<u>\$ 939,317.20</u>	<u>\$ 956,664.54</u>
Deferred Charges	A-20	\$ 26,000.00	\$ 164,054.68
		<u>\$ 10,531,016.67</u>	<u>\$ 8,643,664.37</u>
Grant Fund:			
Cash	A-4	\$ 166,788.30	\$ 137,638.94
Grants Receivable	A-29	165,060.10	150,866.98
Interfunds Receivable	A-10		65,969.35
		<u>\$ 331,848.40</u>	<u>\$ 354,475.27</u>
		<u>\$ 10,862,865.07</u>	<u>\$ 8,998,139.64</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, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
Appropriation Reserves	A-3:A-14	\$ 1,973,327.26	\$ 1,646,827.47
Prepaid Taxes	A-18	331,601.55	263,795.66
Accounts Payable	A-11	261,129.63	226,325.37
Tax Overpayments	A-17	1.05	252.73
Interfunds Payable	A-12		85,991.55
Reserve For:			
Sale of Municipal Assets	A-15	179,000.00	179,000.00
Revision of Master Plan	A-25	3,111.91	12,061.91
Marriage/Domestic Partnership Licenses - Due State of NJ	A-19	550.00	300.00
Construction Code DCA - Due State of NJ	A-21	32,524.04	14,031.61
Due State of New Jersey - Burial Permits	A-22	50.00	50.00
		<u>\$ 2,781,295.44</u>	<u>\$ 2,428,636.30</u>
Reserve for Receivables and Other Assets	A	939,317.20	956,664.54
Fund Balance	A-1	<u>6,810,404.03</u>	<u>5,258,363.53</u>
		<u>\$ 10,531,016.67</u>	<u>\$ 8,643,664.37</u>
Grant Fund:			
Reserve for Grants - Unappropriated	A-24	\$ 82,030.97	\$ 60,772.84
Reserve for Grants - Appropriated	A-23	242,111.53	231,059.75
Reserve for Accounts Payable	A-16	<u>7,705.90</u>	<u>62,642.68</u>
		<u>\$ 331,848.40</u>	<u>\$ 354,475.27</u>
		<u>\$ 10,862,865.07</u>	<u>\$ 8,998,139.64</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

	REF.	YEAR ENDED DECEMBER 31, 2013	YEAR ENDED DECEMBER 31, 2012
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 2,845,000.00	\$ 2,600,000.00
Miscellaneous Revenue Anticipated	A-2	5,237,924.27	5,158,263.32
Receipts From Delinquent Taxes	A-2	596,545.73	631,061.81
Receipts From Current Taxes	A-2	60,080,012.36	58,861,675.24
Non-Budget Revenue	A-2	645,178.74	521,896.23
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	1,451,386.12	1,394,819.24
Tax Overpayments Canceled	A-17	1.70	0.60
Accounts Payable Canceled			22,380.58
Grant Cancellations	A-12	4,509.48	
Interfunds Returned		6,157.96	
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 70,866,716.36</u>	<u>\$ 69,190,097.02</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS"	A-3	\$ 12,117,646.00	\$ 11,811,683.00
Deferred Charges and Regulatory Expenditures - Municipal	A-3	1,546,258.00	1,604,004.00
Other Operations Excluded From "CAPS":			
State and Federal Programs Off-Set by Revenue	A-3	157,823.84	171,183.06
Municipal Debt Service	A-3	881,753.05	892,708.05
Capital Improvements	A-3	600,000.00	500,000.00
Deferred Charges	A-3	138,054.68	188,054.68
Open Space Tax	A-28	1,382,503.00	1,390,049.80
Added Open Space Tax	A-28	25,042.68	5,373.35
County Tax	A-26	10,783,636.77	10,759,908.90
County Share of Added Taxes	A-26	196,752.84	41,631.34
Local District School Tax	A-27	38,640,205.00	38,502,618.50
Interfund Advanced			6,886.32
Refund of Prior Year Revenue			3,283.03
<u>TOTAL EXPENDITURES</u>		<u>\$ 66,469,675.86</u>	<u>\$ 65,877,384.03</u>
Excess in Revenue		<u>\$ 4,397,040.50</u>	<u>\$ 3,312,712.99</u>
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year		\$	\$ 125,054.68
Statutory Excess to Fund Balance		<u>\$ 4,397,040.50</u>	<u>\$ 3,437,767.67</u>
Fund Balance, January 1	A	<u>\$ 5,258,363.53</u>	<u>\$ 4,420,595.86</u>
		\$ 9,655,404.03	\$ 7,858,363.53
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>2,845,000.00</u>	<u>2,600,000.00</u>
Fund Balance, December 31	A	<u>\$ 6,810,404.03</u>	<u>\$ 5,258,363.53</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, 2013

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	A-1	\$ <u>2,845,000.00</u>	\$ <u>2,845,000.00</u>	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-13	\$ 18,000.00	\$ 26,400.00	\$ 8,400.00
Other	A-2	16,000.00	36,115.00	20,115.00
Fees and Permits:				
Construction Code Official	A-13	365,000.00	522,478.80	157,478.80
Other	A-2	132,000.00	176,761.30	44,761.30
Municipal Court:				
Fines and Costs	A-13	350,000.00	393,085.08	43,085.08
Interest and Costs on Taxes	A-13	80,000.00	136,639.69	56,639.69
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	400,000.00	400,000.00	
Hotel Tax	A-13	225,000.00	320,403.28	95,403.28
Fire Safety - Life Hazard Use Fees	A-13	65,000.00	75,881.28	10,881.28
New Jersey Body Armor	A-29	2,777.11	2,777.11	
Drunk Driving Enforcement Fund	A-29	4,466.49	4,466.49	
Youth Services Grant	A-29	5,000.00	5,000.00	
Clean Communities	A-29	29,145.00	29,145.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-29	11,703.00	11,703.00	
Safe and Secure Communities Program	A-29	60,000.00	60,000.00	
Recycling Tonnage Grant	A-29	19,384.24	19,384.24	
<u>Total Miscellaneous Revenues</u>	A-1	\$ <u>4,811,966.84</u>	\$ <u>5,237,924.27</u>	\$ <u>425,957.43</u>
Receipts From Delinquent Taxes	A-1:A-8	\$ <u>500,000.00</u>	\$ <u>596,545.73</u>	\$ <u>96,545.73</u>
Amt. to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2:A-8	\$ <u>8,832,769.68</u>	\$ <u>10,586,872.07</u>	\$ <u>1,754,102.39</u>
<u>BUDGET TOTALS</u>		\$ <u>16,989,736.52</u>	\$ <u>19,266,342.07</u>	\$ <u>2,276,605.55</u>
Non-Budget Revenues	A-2	\$ _____	\$ <u>645,178.74</u>	\$ <u>645,178.74</u>
		\$ <u>16,989,736.52</u>	\$ <u>19,911,520.81</u>	\$ <u>2,921,784.29</u>
	<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, 2013

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A:8	\$ 60,080,012.36
Allocated To:		
County Taxes	A-8	\$ 10,980,389.61
Local District School Taxes	A-8	38,640,205.00
Municipal Open Space	A-8	<u>1,407,545.68</u>
Balance for Support of Municipal Budget Appropriations		\$ 9,051,872.07
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,535,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 10,586,872.07</u>
Licenses - Other:		
Clerk	A-13	\$ 8,750.00
Board of Health	A-13	27,200.00
Registrar	A-13	<u>165.00</u>
	A-2	<u>\$ 36,115.00</u>
Other - Fees and Permits:		
Board of Health	A-13	\$ 14,514.75
Police	A-13	4,680.30
Clerk	A-13	62,733.55
Zoning/Planning/Adjustment	A-13	22,641.25
Engineering	A-13	10,609.95
Registrar (Including EDRS)	A-13	11,366.00
Fire	A-13	<u>50,215.50</u>
	A-2	<u>\$ 176,761.30</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, 2013

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:

DMV Inspections	\$	15,762.12
FEMA		159,143.11
Cable TV Franchise Fee		76,288.71
Interest		12,528.58
Miscellaneous		49,703.76
Interest on Assessments		2,272.51
DPW Shared Service		25,272.46
Clerk		1,155.40
Collector		27,600.33
Affordable Housing		12,604.00
Refunds		26,290.89
Sale of Scrap and Auction		20,680.04
County Election		2,400.00
Joint Insurance Fund		65,264.00
Cell Tower Rent		33,266.36
Solar SREC		30,734.16
Escrow Fees		63,762.16
Administrative Fee for Outside Police Overtime		18,590.35
Senior Citizens and Veterans Administrative Fee		1,860.00

Total Non-Budget Revenue

A-1:A-2:A-4

\$ 645,178.74

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, 2013

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
<u>GENERAL GOVERNMENT:</u>					
Administrative and Executive:					
Salaries and Wages	\$ 388,000.00	\$ 388,000.00	\$ 377,614.16	\$ 10,385.84	\$
Other Expenses	273,000.00	273,000.00	207,252.26	65,747.74	
Mayor and Council:					
Salaries and Wages	28,723.00	28,723.00	22,496.35	6,226.65	
Other Expenses	25,500.00	25,500.00	16,436.33	9,063.67	
Clerk:					
Salaries and Wages	187,000.00	187,000.00	183,267.26	3,732.74	
Other Expenses	5,500.00	5,500.00	3,732.08	1,767.92	
Elections:					
Salaries and Wages	300.00	300.00	278.76	21.24	
Other Expenses	5,000.00	5,000.00	4,191.96	808.04	
Financial Administration:					
Salaries and Wages	128,520.00	128,520.00	127,889.04	630.96	
Other Expenses	31,800.00	31,800.00	22,803.76	8,996.24	
Audit	30,000.00	30,000.00		30,000.00	
Assessment of Taxes:					
Salaries and Wages	212,000.00	212,000.00	210,037.78	1,962.22	
Other Expenses	86,450.00	86,450.00	16,612.82	69,837.18	
Collection of Taxes:					
Salaries and Wages	78,200.00	78,200.00	76,168.82	2,031.18	
Other Expenses	8,550.00	8,550.00	5,293.91	3,256.09	
Legal Services and Costs:					
Miscellaneous Other Expenses	100,000.00	100,000.00	65,108.12	34,891.88	
Mount Laurel Implementation	40,000.00	40,000.00	8,143.10	31,856.90	
Litigation	80,000.00	80,000.00	33,967.62	46,032.38	
Prosecutor	26,520.00	26,520.00	26,000.04	519.96	
Engineering Services and Costs:					
Salaries and Wages	520,000.00	520,000.00	500,109.30	19,890.70	
Other Expenses	59,600.00	59,600.00	27,425.06	32,174.94	
Public Buildings and Grounds:					
Other Expenses	94,000.00	94,000.00	74,076.79	19,923.21	
Planning Board:					
Salaries and Wages	25,000.00	25,000.00	25,000.00		
Other Expenses	21,400.00	21,400.00	15,177.26	6,222.74	
Board of Adjustment:					
Other Expenses	48,950.00	48,950.00	25,140.33	23,809.67	
Environmental Commission:					
Salaries and Wages	300.00	300.00		300.00	
Other Expenses	675.00	675.00	350.00	325.00	
Historical Commission:					
Other Expenses	3,700.00	3,700.00	3,600.00	100.00	
Recycling:					
Contractual	135,000.00	135,000.00	97,379.55	37,620.45	
Other Expenses	20,000.00	20,000.00	3,662.45	16,337.55	
Insurance:					
Group Insurance Plan for Employees	1,673,570.00	1,673,570.00	1,354,316.73	319,253.27	
Other Insurance Premiums	314,500.00	314,500.00	276,498.10	38,001.90	
Worker's Compensation	210,000.00	210,000.00	210,000.00		
Group Insurance - Opt Out	100,000.00	100,000.00	81,030.94	18,969.06	
<u>PUBLIC SAFETY:</u>					
Bureau of Fire Prevention:					
Salaries and Wages	127,000.00	127,000.00	110,350.04	16,649.96	
Other Expenses	4,800.00	4,800.00	4,175.95	624.05	
Public Fire Prevention - Fire Hydrant Services	415,000.00	415,000.00	311,614.08	103,385.92	
Aid to Volunteer Fire Companies	90,000.00	90,000.00	84,737.00	5,263.00	
Aid to Adjoining Fire Companies	80,400.00	80,400.00	74,786.00	5,614.00	
Maintenance of Fire Vehicles	24,000.00	24,000.00	24,000.00		
Blood Borne Pathogens:					
Other Expenses	4,500.00	4,500.00	3,328.02	1,171.98	
Police:					
Salaries and Wages	2,742,717.00	2,742,717.00	2,598,139.77	144,577.23	
Other Expenses	141,085.00	141,085.00	132,191.56	8,893.44	
School Crossing Guards:					
Salaries and Wages	28,800.00	28,800.00	22,326.98	6,473.02	
Other Expenses	1,950.00	1,950.00	1,160.50	789.50	
First Aid Organization Contribution	48,000.00	48,000.00	46,332.00	1,668.00	
Emergency Management Services:					
Other Expenses	7,500.00	7,500.00	1,004.63	6,495.37	

TOWNSHIP OF BRANCHBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
PUBLIC SAFETY (CONTINUED):					
Municipal Court:					
Salaries and Wages	\$ 156,000.00	\$ 156,000.00	135,477.52	\$ 20,522.48	\$
Other Expenses	11,050.00	11,050.00	7,268.07	3,781.93	
Public Defender:					
Other Expenses	5,800.00	5,800.00		5,800.00	
STREETS AND ROADS:					
Road Repair and Maintenance:					
Salaries and Wages	1,400,000.00	1,400,000.00	1,121,775.74	278,224.26	
Other Expenses	401,000.00	401,000.00	303,106.36	97,893.64	
Snow Removal:					
Salaries and Wages	75,000.00	75,000.00	24,143.24	50,856.76	
Other Expenses	61,500.00	61,500.00	61,316.27	183.73	
Street Lighting:					
Other Expenses	55,000.00	55,000.00	33,892.19	21,107.81	
HEALTH AND WELFARE:					
Board of Health:					
Salaries and Wages	139,000.00	139,000.00	132,744.36	6,255.64	
Other Expenses	27,986.00	27,986.00	16,646.73	11,339.27	
Dog Regulation:					
Other Expenses	21,000.00	21,000.00	873.64	20,126.36	
RECREATION AND EDUCATION:					
Board of Recreation Commissioners:					
Salaries and Wages	156,000.00	156,000.00	131,271.44	24,728.56	
Other Expenses	32,950.00	32,950.00	23,856.72	9,093.28	
UNIFORM CONSTRUCTION CODE:					
Construction Code Official:					
Salaries and Wages	107,000.00	107,000.00	106,023.84	976.16	
Other Expenses	38,900.00	38,900.00	24,887.94	14,012.06	
Building Inspector:					
Salaries and Wages	52,000.00	52,000.00	46,466.16	5,533.84	
Other Expenses	2,400.00	2,400.00	807.97	1,592.03	
Plumbing Inspector:					
Salaries and Wages	37,000.00	37,000.00	28,399.80	8,600.20	
Other Expenses	1,500.00	1,500.00	110.00	1,390.00	
Electrical Sub Code:					
Salaries and Wages	44,000.00	44,000.00	39,723.30	4,276.70	
Other Expenses	500.00	500.00	110.00	390.00	
Fire Sub Code:					
Salaries and Wages	44,000.00	44,000.00	42,837.60	1,162.40	
Other Expenses	550.00	550.00	479.95	70.05	
UNCLASSIFIED:					
Municipal Services Law	25,000.00	25,000.00		25,000.00	
Electricity	100,000.00	100,000.00	72,252.43	27,747.57	
Telephone	85,000.00	85,000.00	65,589.30	19,410.70	
Water	20,000.00	20,000.00	12,199.48	7,800.52	
Natural Gas	50,000.00	50,000.00	27,307.17	22,692.83	
Gasoline	260,000.00	260,000.00	222,514.87	37,485.13	
Volunteer Incentive Program	30,000.00	30,000.00		30,000.00	
TOTAL OPERATIONS WITHIN "CAPS"	\$ 12,117,646.00	\$ 12,117,646.00	\$ 10,197,289.30	\$ 1,920,356.70	\$
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS":					
Statutory Expenditures:					
Social Security System	\$ 545,000.00	\$ 545,000.00	\$ 492,029.44	\$ 52,970.56	\$
Police and Firemen's Retirement System of N.J.	570,427.00	570,427.00	570,427.00		
Public Employee's Retirement System	420,831.00	420,831.00	420,831.00		
Contribution to Unemployment Trust	10,000.00	10,000.00	10,000.00		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"	\$ 1,546,258.00	\$ 1,546,258.00	\$ 1,493,287.44	\$ 52,970.56	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE WITHIN "CAPS"	\$ 13,663,904.00	\$ 13,663,904.00	\$ 11,690,576.74	\$ 1,973,327.26	\$
OPERATIONS EXCLUDED FROM "CAPS":					
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:					
Safe and Secure Neighborhoods:					
State Share	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$	\$

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, 2013

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
Local Share	22,266.00	22,266.00	22,266.00		
Municipal Alliance Grant:					
State Share	11,703.00	11,703.00	11,703.00		
Local Share	3,082.00	3,082.00	3,082.00		
Youth Services Grant	5,000.00	5,000.00	5,000.00		
New Jersey Body Armor	2,777.11	2,777.11	2,777.11		
Drunk Driving Enforcement Fund	4,466.49	4,466.49	4,466.49		
Clean Communities	29,145.00	29,145.00	29,145.00		
Recycling Tonnage Grant	19,384.24	19,384.24	19,384.24		
TOTAL STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES	\$ 157,823.84	\$ 157,823.84	\$ 157,823.84		
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>					
Capital Improvement Fund	\$ 600,000.00	\$ 600,000.00	\$ 600,000.00		
TOTAL CAPITAL IMPROVEMENTS	\$ 600,000.00	\$ 600,000.00	\$ 600,000.00		
<u>DEBT SERVICE:</u>					
Payment of Bond Principal	\$ 530,000.00	\$ 530,000.00	\$ 530,000.00		
Interest on Bonds	198,304.00	198,304.00	185,103.05		13,200.95
Payment of Note Principal	150,000.00	150,000.00	150,000.00		
Interest on Notes	16,650.00	16,650.00	16,650.00		
TOTAL DEBT SERVICE	\$ 894,954.00	\$ 894,954.00	\$ 881,753.05		\$ 13,200.95
<u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS":</u>					
Deferred Charges:					
Emergency Authorizations	\$ 125,054.68	\$ 125,054.68	\$ 125,054.68		
Special Emergency - Five Years	13,000.00	13,000.00	13,000.00		
TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"	\$ 138,054.68	\$ 138,054.68	\$ 138,054.68		
SUBTOTAL GENERAL APPROPRIATIONS	\$ 15,454,736.52	\$ 15,454,736.52	\$ 13,468,208.31	\$ 1,973,327.26	\$ 13,200.95
RESERVE FOR UNCOLLECTED TAXES	1,535,000.00	1,535,000.00	1,535,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 16,989,736.52	\$ 16,989,736.52	\$ 15,003,208.31	\$ 1,973,327.26	\$ 13,200.95
	<u>REF.</u>	<u>A-2:A-3</u>	<u>A-3</u>	<u>A-1:A-3</u>	<u>A:A-1</u>
Reserve for Accounts Payable	A-11			\$ 248,610.02	
Reserve for Grants Appropriated	A-23			132,475.84	
Deferred Charges	A-20			138,054.68	
Reserve for Uncollected Taxes	A-2			1,535,000.00	
Disbursements	A-4			13,102,314.07	
				\$ 15,156,454.61	
Less: Refunds	A-4			153,246.30	
	A-3			\$ 15,003,208.31	

TRUST FUND

"B"

TOWNSHIP OF BRANCHBURG

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
Assessment Fund:			
Cash	B-2:B-4	\$ 387,002.80	\$ 437,282.94
Assessments Receivable	B-3	40,531.99	50,251.86
	B	<u>\$ 427,534.79</u>	<u>\$ 487,534.80</u>
Animal Control Fund:			
Cash	B-2	\$ 5,294.40	\$ 9,513.46
	B	<u>\$ 5,294.40</u>	<u>\$ 9,513.46</u>
Other Funds:			
Cash	B-2	\$ 7,050,199.15	\$ 6,312,593.98
Due Current Fund	B-18		10,522.71
Due Sewer Operating Fund	B-6	557.62	557.62
	B	<u>\$ 7,050,756.77</u>	<u>\$ 6,323,674.31</u>
		<u>\$ 7,483,585.96</u>	<u>\$ 6,820,722.57</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Assessment Serial Bonds Payable	B-10	\$ 300,000.00	\$ 360,000.00
Due Current Fund	B-23		0.01
Reserve for Assessments	B-9	40,531.99	50,251.86
Fund Balance	B-1	87,002.80	77,282.93
	B	<u>\$ 427,534.79</u>	<u>\$ 487,534.80</u>
Animal Control Fund:			
Due State of New Jersey	B-13	\$ 4.20	\$ 1.20
Reserve for Animal Control Expenditures	B-12	5,290.20	9,512.26
	B	<u>\$ 5,294.40</u>	<u>\$ 9,513.46</u>
Other Funds:			
Due Current Fund	B-18	\$ 3,886.68	\$
Due General Capital Fund	B-24	510,266.00	
Reserves For:			
Various Deposits	B-11	432,583.79	500,633.26
Recreation Deposits	B-20	37,647.61	49,928.40
Tax Sale Premiums	B-21	324,600.00	244,500.00
Law Enforcement Trust Fund	B-7	790.61	6,985.54
Payroll Deductions	B-8	93,721.07	163,327.66
Flexible Spending Account	B-5	2,703.00	3,987.60
Unemployment Insurance Compensation	B-16	149,002.89	148,257.07
Developers' Deposits	B-15	2,431,403.01	1,587,816.87
Open Space Deposits	B-17	2,842,113.62	3,406,300.34
COAH Deposits	B-14	197,344.78	207,260.67
Accounts Payable	B-19	24,693.71	4,676.90
	B	<u>\$ 7,050,756.77</u>	<u>\$ 6,323,674.31</u>
		<u>\$ 7,483,585.96</u>	<u>\$ 6,820,722.57</u>

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

"B-1"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF ASSESSMENT FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 77,282.93
Increased by:		
Collection of Unpledged Assessment	B-9	<u>9,719.87</u>
Balance, December 31, 2013	B	\$ <u><u>87,002.80</u></u>

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

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GENERAL CAPITAL FUND

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 1,860,545.71	\$ 1,293,416.47
Due Trust Other Fund	C-17	510,266.00	
Due Current Fund	C-13		22.20
Grants Receivable	C-4	641,953.49	967,460.49
Deferred Charges to Future Taxation:			
Funded	C-5	12,900,000.00	14,325,000.00
Unfunded	C-7	8,718,454.30	8,056,321.49
		<u>\$ 24,631,219.50</u>	<u>\$ 24,642,220.65</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-11	\$ 12,900,000.00	\$ 14,325,000.00
B.A.N. Payable	C-16	4,475,500.00	2,250,000.00
Capital Improvement Fund	C-8	33,331.26	187,345.34
Improvement Authorizations:			
Funded	C-9	1,358,068.07	693,127.06
Unfunded	C-7:C-9	3,975,119.84	4,283,939.93
Reserve for:			
Capital Projects	C-6	149,436.14	149,436.14
Preliminary Costs	C-10	22,420.00	18,420.00
Contracts Payable	C-12	672,690.39	1,676,912.07
FEMA	C-14	14,367.00	14,367.00
Reserve for Grants Receivable	C-15	641,953.49	666,155.49
Fund Balance	C-1	388,333.31	377,517.62
		<u>\$ 24,631,219.50</u>	<u>\$ 24,642,220.65</u>

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

"C-1"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2012	C	\$	377,517.62
Increased by:			
Receipts	C-2	\$	222,941.37
Improvements Canceled	C-9		<u>168,874.32</u>
			391,815.69
		\$	<u>769,333.31</u>
Decreased by:			
Improvement Authorizations Financed	C-9		<u>381,000.00</u>
Balance, December 31, 2013	C	\$	<u><u>388,333.31</u></u>

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

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SEWER UTILITY FUND

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
Operating Fund:			
Cash	D-6	\$ 4,140,725.82	\$ 4,656,439.25
		<u>\$ 4,140,725.82</u>	<u>\$ 4,656,439.25</u>
Receivables with Full Reserves:			
Sewer Use Charges Receivable	D:D-13	\$ 174,174.41	\$ 108,579.09
		<u>\$ 174,174.41</u>	<u>\$ 108,579.09</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 4,314,900.23</u>	<u>\$ 4,765,018.34</u>
Assessment Trust Fund:			
Cash	D-6:D-7	\$ 162,694.09	\$ 162,254.09
Assessments Receivable	D-17	158,362.36	158,777.36
Due From Third Party	D-15	25.00	50.00
		<u>162,694.09</u>	<u>158,777.36</u>
<u>TOTAL ASSESSMENT TRUST FUND</u>	D	<u>\$ 321,081.45</u>	<u>\$ 321,081.45</u>
Capital Fund:			
Cash	D-6:D-8	\$ 3,050,520.52	\$ 2,606,782.66
Fixed Capital	D-26	6,530,171.78	6,530,171.78
Interfund Accounts Receivable	D-11		350,000.00
Fixed Capital Authorized and Uncompleted	D-18	7,062,000.00	6,562,000.00
		<u>7,062,000.00</u>	<u>6,562,000.00</u>
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 16,642,692.30</u>	<u>\$ 16,048,954.44</u>
		<u>\$ 21,278,673.98</u>	<u>\$ 21,135,054.23</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</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-5:D-12	\$ 1,009,309.00	\$ 703,165.80
Reserve for Accounts Payable	D-14	7,769.02	27,229.72
Interfunds Payable	D-11	557.62	350,557.62
Accrued Interest Payable	D-31	1,030.00	
Sewer Overpayments	D-21		63.61
Prepaid Sewer Rents	D-20	10,849.87	10,908.95
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>\$ 1,120,399.10</u>	<u>\$ 1,182,809.29</u>
Reserve for Receivables	D	174,174.41	108,579.09
Fund Balance	D-1	<u>3,020,326.72</u>	<u>3,473,629.96</u>
<u>TOTAL OPERATING FUND</u>	<u>D</u>	<u>\$ 4,314,900.23</u>	<u>\$ 4,765,018.34</u>
Assessment Trust Fund:			
Assessment Serial Bonds Payable	D-19	\$ 70,000.00	\$ 90,000.00
Reserve for Assessments and Liens	D-16	155,071.92	135,071.92
		<u>\$ 225,071.92</u>	<u>\$ 225,071.92</u>
Fund Balance	D-2	<u>96,009.53</u>	<u>96,009.53</u>
<u>TOTAL ASSESSMENT TRUST FUND</u>	<u>D</u>	<u>\$ 321,081.45</u>	<u>\$ 321,081.45</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-29	\$ 854,844.16	\$ 930,026.66
Unfunded	D-29	217,786.38	217,786.38
Capital Improvement Fund	D-28	1,898,164.00	2,398,164.00
Reserve for Contracts Payable	D-24	778,356.11	449,935.75
Reserve for Preliminary Costs	D-25	93,550.00	103,050.00
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	5,962,000.00	5,112,000.00
		<u>\$ 16,363,366.37</u>	<u>\$ 15,769,628.51</u>
Fund Balance	D-3	<u>279,325.93</u>	<u>279,325.93</u>
<u>TOTAL CAPITAL FUND</u>	<u>D</u>	<u>\$ 16,642,692.30</u>	<u>\$ 16,048,954.44</u>
		<u>\$ 21,278,673.98</u>	<u>\$ 21,135,054.23</u>

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

"D-1"

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>2013</u>	<u>YEAR ENDED</u> <u>DECEMBER 31,</u> <u>2012</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-4	\$ 1,218,976.00	\$ 1,210,760.00
Sewer Use Charges	D-4	3,256,188.46	3,338,761.16
Capacity Charges	D-4:D-6	54,000.00	64,000.00
Miscellaneous Revenue Not Anticipated	D-4:D-6	30,656.37	37,863.56
Other Credits to Income:			
Overpayments Canceled	D-21	63.61	70.00
Unexpended Appropriation Canceled			70.00
Unexpended Balance of Appropriation Reserves	D-12	694,764.32	441,945.10
<u>TOTAL INCOME</u>		<u>\$ 5,254,648.76</u>	<u>\$ 5,093,399.82</u>
<u>EXPENDITURES</u>			
Operating	D-5	\$ 3,498,976.00	\$ 3,485,760.00
Capital Improvements	D-5	125,000.00	100,000.00
Debt Service	D-5	5,000.00	5,000.00
Deferred Charges and Regulatory Expenditures	D-5	460,000.00	460,000.00
Fund Balance Utilized-Current Fund Revenue	D-1	400,000.00	450,000.00
<u>TOTAL EXPENDITURES</u>		<u>\$ 4,488,976.00</u>	<u>\$ 4,500,760.00</u>
Excess in Revenue		\$ 765,672.76	\$ 592,639.82
Fund Balance, January 1	D	3,473,629.96	4,091,750.14
		\$ 4,239,302.72	\$ 4,684,389.96
Decreased by:			
Utilization as Anticipated Revenue	D-1:D-4	1,218,976.00	1,210,760.00
Fund Balance, December 31	D	<u>\$ 3,020,326.72</u>	<u>\$ 3,473,629.96</u>

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

"D-2"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

STATEMENT OF ASSESSMENT TRUST FUND BALANCE-REGULATORY BASIS

REF.

Balance, December 31, 2012
and December 31, 2013

D

\$ 96,009.53

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

"D-3"

TOWNSHIP OF BRANCBURG

SEWER UTILITY CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE-REGULATORY BASIS

REF.

Balance, December 31, 2012
and December 31, 2013

D

\$ 279,325.93

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, 2013

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS</u>
Fund Balance Utilized	D-1	\$ 1,218,976.00	\$ 1,218,976.00	\$
Sewer Use Charges	D-1	2,830,000.00	3,256,188.46	426,188.46
Capacity Charges	D-1:D-6	<u>40,000.00</u>	<u>54,000.00</u>	<u>14,000.00</u>
<u>BUDGET TOTALS</u>		\$ 4,088,976.00	\$ 4,529,164.46	\$ 440,188.46
Non-Budget Revenue	D-1:D-4:D-6	<u></u>	<u>30,656.37</u>	<u>30,656.37</u>
<u>BUDGET TOTALS</u>	D-5	\$ <u>4,088,976.00</u>	\$ <u>4,559,820.83</u>	\$ <u>470,844.83</u>
<u>ANALYSIS OF REALIZED REVENUE:</u>				
Miscellaneous:				
Interest on Sewer Charges			\$ 20,505.41	
Interest on Deposits			7,304.26	
Other - Collector			<u>2,846.70</u>	
	D-1:D-4:D-6		\$ <u>30,656.37</u>	

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

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2013

	<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	\$ 506,316.00	\$ 506,316.00	\$ 474,169.35	\$ 32,146.65
Other Expenses	2,981,660.00	2,981,660.00	2,193,391.85	788,268.15
 Sewer Assessment Commission:				
Salaries and Wages	1,000.00	1,000.00		1,000.00
Other Expenses	10,000.00	10,000.00		10,000.00
 <u>TOTAL OPERATING</u>	<u>\$ 3,498,976.00</u>	<u>\$ 3,498,976.00</u>	<u>\$ 2,667,561.20</u>	<u>\$ 831,414.80</u>
 <u>CAPITAL IMPROVEMENTS:</u>				
Purchase of Vehicle and Equipment	\$ 125,000.00	\$ 125,000.00	\$	\$ 125,000.00
	<u>125,000.00</u>	<u>125,000.00</u>		<u>125,000.00</u>
 <u>DEBT SERVICE:</u>				
Interest on Bonds	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$
 <u>DEFERRED CHARGES AND REGULATORY EXPENDITURES:</u>				
Deferred Charges:				
Deficit in Sewer Assessment Budget	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$
Deferred Charges Paydown	350,000.00	350,000.00	350,000.00	
Regulatory Expenditures:				
Public Employee Retirement System	50,000.00	50,000.00	2,080.72	47,919.28
Social Security System (O.A.S.I.)	40,000.00	40,000.00	35,025.08	4,974.92
	<u>460,000.00</u>	<u>460,000.00</u>	<u>407,105.80</u>	<u>52,894.20</u>
	<u>\$ 4,088,976.00</u>	<u>\$ 4,088,976.00</u>	<u>\$ 3,079,667.00</u>	<u>\$ 1,009,309.00</u>
	REF.	D-4	D-1	D
Disbursements	D-6		\$ 2,696,897.98	
Reserve for Accounts Payable	D-14		7,769.02	
Charge Out:				
Accrued Interest	D-31		5,000.00	
Deficit in Assessment Budget	D-11		20,000.00	
Deferred Charge Paydown	D-11		350,000.00	
			<u>\$ 3,079,667.00</u>	

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"E"

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

	BALANCE DECEMBER 31, 2013	BALANCE DECEMBER 31, 2012
Fixed Assets:		
Land	\$ 23,932,381.00	\$ 23,932,381.00
Buildings	4,627,180.00	4,627,180.00
Machinery and Equipment	<u>11,833,285.66</u>	<u>10,320,643.88</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 40,392,846.66</u>	<u>\$ 38,880,204.88</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 40,392,846.66</u>	<u>\$ 38,880,204.88</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, 2013 AND 2012

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 Council 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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, 2013:

<u>Fund</u>	<u>Cash In Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current Fund	\$ 9,708,740.11	\$ (203,629.52)	\$ 9,505,110.59
Grant Fund	167,462.42	(674.12)	166,788.30
Assessment Trust Fund	387,002.80		387,002.80
Animal Control Trust Fund	5,294.40		5,294.40
Other Trust Fund	7,121,274.84	(71,075.69)	7,050,199.15
General Capital Fund	1,911,485.64	(50,939.93)	1,860,545.71
Sewer Operating Fund	4,142,087.96	(1,362.14)	4,140,725.82
Sewer Assessment Trust Fund	162,694.09		162,694.09
Sewer Capital Fund	<u>3,050,520.52</u>		<u>3,050,520.52</u>
<u>Total December 31, 2013</u>	<u>\$ 26,656,562.78</u>	<u>\$ (327,681.40)</u>	<u>\$ 26,328,881.38</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, 2013, 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, \$250,000.00 was covered by Federal Depository Insurance and \$26,406,562.78 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 Investment of the Department of Treasury 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. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

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 0.429%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 27,735,000.00	\$ 27,735,000.00	\$
Sewer Utility Debt	1,170,000.00	1,170,000.00	
General Debt	<u>22,049,704.30</u>	<u>9,449,250.00</u>	<u>12,600,454.30</u>
	<u>\$ 50,954,704.30</u>	<u>\$ 38,354,250.00</u>	<u>\$ 12,600,454.30</u>

NET DEBT \$12,600,454.30 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$2,939,936,961.67 EQUALS 0.429%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

Issued:	<u>2013</u>	<u>2012</u>	<u>2011</u>
Bonds and Notes:			
General	\$ 17,375,500.00	\$ 16,575,000.00	\$ 15,850,000.00
Assessment	300,000.00	360,000.00	420,000.00
Sewer Utility Assessment	<u>70,000.00</u>	<u>90,000.00</u>	<u>110,000.00</u>
Total Issued	<u>\$ 17,745,500.00</u>	<u>\$ 17,025,000.00</u>	<u>\$ 16,380,000.00</u>
Authorized But Not Issued:			
Bonds and Notes:			
General	\$ 4,374,204.30	\$ 5,806,321.49	\$ 6,526,321.49
Sewer Utility Assessment	<u>1,100,000.00</u>	<u>1,817,800.00</u>	<u>2,167,800.00</u>
	<u>\$ 5,474,204.30</u>	<u>\$ 7,624,121.49</u>	<u>\$ 8,694,121.49</u>
Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 23,219,704.30</u>	<u>\$ 24,649,121.49</u>	<u>\$ 25,074,121.49</u>
Less:			
Bonds and Notes to be Paid by Open Space Trust Fund	\$ 9,149,250.00	\$ 10,044,250.00	\$ 10,889,250.00
Assessment Cash Pledged to Bonds	<u>300,000.00</u>	<u>360,000.00</u>	<u>420,000.00</u>
Net Debt Issued and Authorized But Not Issued	<u>\$ 13,770,454.30</u>	<u>\$ 14,244,871.49</u>	<u>\$ 13,764,871.49</u>

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

Equalized Valuation Basis* - December 31, 2013	\$ <u>2,939,936,961.67</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 102,897,793.66
Net Debt	<u>12,600,454.30</u>
Remaining Borrowing Power	\$ <u>90,297,339.36</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		\$3,340,844.83
Deductions:		
Operating and Maintenance Cost	\$2,667,561.20	
Debt Service per Sewer Account	<u>3,970.00</u>	
Total Deductions		<u>2,671,531.20</u>
Excess in Revenue		<u>\$ 669,313.63</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	\$300,000.00
\$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	4,550,000.00
\$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>8,050,000.00</u>
	<u>\$12,900,000.00</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>\$ 300,000.00</u>
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Sewer Assessment Bonds:

\$350,000.00 Sewer Assessment Bonds of 1998 due in annual installments of \$20,000.00 at a variable interest rate	<u>\$ 70,000.00</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, 2013

Calendar Year	General		Assessment (1)		Sewer Utility Assessment (1)	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$1,305,000.00	\$533,630.00	\$60,000.00	\$13,470.00	\$20,000.00	\$2,990.00
2015	1,295,000.00	489,680.00	60,000.00	10,500.00	20,000.00	2,000.00
2016	1,290,000.00	446,030.00	60,000.00	7,500.00	20,000.00	1,000.00
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	830,000.00	41,425.00				
	<u>\$12,900,000.00</u>	<u>\$3,045,687.50</u>	<u>\$300,000.00</u>	<u>\$37,470.00</u>	<u>\$70,000.00</u>	<u>\$6,240.00</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.

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	1.00%	10/9/2014	\$ <u>4,475,500.00</u>

Bonds and Notes Authorized But Not Issued

At December 31, 2013, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	\$4,374,204.30
Sewer Utility Capital Fund	<u>1,100,000.00</u>
	<u>\$5,474,204.30</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014, were as follows:

Current Fund	\$3,275,563.00 *
Sewer Utility Fund	\$1,329,000.00 *

* - as introduced

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and 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 31, 2013	BALANCE DECEMBER 31, 2012
Prepaid Taxes	\$ <u>331,601.55</u>	\$ <u>263,795.66</u>

NOTE 6: PENSION PLANS

Township employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Consolidated Police and Firemen's Pension Fund of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the cost are contributed by the employees. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$993,338.72 for 2013, \$1,034,004.00 for 2012, and \$1,114,496.00 for 2011.

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

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: 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, 2013.

NOTE 8: 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 9: 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, 2013, the Township does not believe that any material liabilities will result from such audits.

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the years 2013 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 11: 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:

<u>Year</u>	<u>Township Appropriation and Interest Earned</u>		<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$	10,126.42	\$ 16,805.21	\$ 26,185.81	\$ 149,002.89
2012		10,131.75	17,368.89	45,031.39	148,257.07
2011		10,179.85	15,975.15	35,198.54	165,787.82

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2013:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 3,886.68	\$
Trust Other Fund	557.62	514,152.68
General Capital Fund	510,266.00	
Sewer Operating Fund		557.62
	<u>\$ 514,710.30</u>	<u>\$ 514,710.30</u>

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

NOTE 13: 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.

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 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown:

	Balance December 31, 2013	2014 Budget Appropriation
Current Fund	\$164,054.68	\$138,054.68 *

* Per introduced budget

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, 2013, 2012, and 2011 were \$148,426.07, \$117,590.04, and \$113,859.27, respectively, which equaled the required contributions for each year.

TOWNSHIP OF BRANCHBURG
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2013

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2012	A	\$ 7,468,888.94	\$ 137,638.94
Increased by Receipts:			
Taxes Receivable	A-8	\$ 60,319,974.76	\$
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	85,500.00	
Interfunds	A-12:A-10	6,177.80	61,459.87
Appropriation Refunds	A-3	153,246.30	
Revenue Accounts Receivable	A-13	5,105,448.43	
Miscellaneous Revenue Not Anticipated	A-2	645,178.74	
Tax Overpayments	A-17	73,505.91	
Prepaid Taxes	A-18	331,601.55	
Reserve for Grants-Unappropriated	A-24		82,030.97
Grants Receivable	A-29		53,236.52
Reserve for Grants-Appropriated-Match	A-23		25,348.00
Construction Code DCA - Due State of NJ	A-21	91,823.20	
Marr./Dom. Partnership Lic. Due State of NJ	A-19	1,375.00	
Petty Cash	A-5	700.00	
		<u>66,814,531.69</u>	<u>222,075.36</u>
		\$ 74,283,420.63	\$ 359,714.30
Decreased by Disbursements:			
Appropriations	A-3	\$ 13,102,314.07	\$
Appropriation Reserves	A-14	418,132.58	
Interfunds	A-12	81,501.91	
Tax Overpayments	A-17	73,755.89	
Local District School Taxes Payable	A-27	38,640,205.00	
County Taxes Payable	A-26	10,980,389.61	
Municipal Open Space Taxes Payable	A-28	1,407,545.68	
Construction Code DCA - Due State of NJ	A-21	73,330.77	
Petty Cash	A-5	700.00	
Marr./Dom. Partnership Lic. Due State of NJ	A-19	1,125.00	
Reserve for Grants-Appropriated	A-23		192,926.00
Reserve for Revision of Master Plan	A-25	64.53	
		<u>64,779,065.04</u>	<u>192,926.00</u>
Balance, December 31, 2013	A	\$ <u>9,504,355.59</u>	\$ <u>166,788.30</u>

"A-7"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

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

	<u>REF.</u>		
Balance, December 31, 2012 (Due From)	A		\$ 53,301.21
Increased by:			
Senior Citizens Deductions Per Tax Billing	A-7	\$ 14,500.00	
Veterans Deductions Per Tax Billing	A-7	81,250.00	
Senior Citizens and Veterans Deductions Allowed by Tax Collector	A-7	<u>1,500.00</u>	
			97,250.00
			\$ <u>150,551.21</u>
Decreased by:			
Received From State	A-4	\$ 85,500.00	
Disallowed	A-7	<u>4,462.33</u>	
			89,962.33
Balance, December 31, 2013 (Due From)	A		\$ <u><u>60,588.88</u></u>

ANALYSIS OF STATE SHARE OF 2013 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing	A-7	\$ 14,500.00	
Veterans Deductions Per Tax Billing	A-7	81,250.00	
Senior Citizens and Veterans Deductions Allowed by Collector	A-7	1,500.00	
Senior Citizens and Veterans Deductions Disallowed by Collector	A-7	<u>(4,462.33)</u>	
	A-8		\$ <u><u>92,787.67</u></u>

"A-9"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2012	2013 LEVY	ADDED TAXES	COLLECTIONS 2012	2013	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2013
Prior	\$ 642,450.35	\$	\$	\$	\$ 596,545.73	\$	\$ 3,332.88	\$ 42,571.74
2013		59,641,540.77	1,085,509.80	263,795.66	59,816,216.70	60,556.76	44,437.93	542,043.52
	\$ 642,450.35	\$ 59,641,540.77	\$ 1,085,509.80	\$ 263,795.66	\$ 60,412,762.43	\$ 60,556.76	\$ 47,770.81	\$ 584,615.26
REF.	A			A-2-A-18	A-2		A-9	A

REF.

Collector
Senior Citizens and Veterans Deductions

A-4	\$ 60,319,974.76
A-7	92,787.67
	\$ 60,412,762.43

ANALYSIS OF 2013 PROPERTY TAX LEVY

TAX YIELD

General Property Tax
Added Taxes (54.4-63.1 et seq.)

\$	59,641,540.77
	1,085,509.80
\$	60,727,050.57

TAX LEVY

Local District School Tax (Abstract)
County Tax (Abstract)
County Library Tax (Abstract)
County Open Space (Abstract)
Due County for Added Taxes (54.4-63.1 et seq.)
Total County Taxes

A-2-A-27	\$ 8,695,606.21
	1,233,433.23
	854,597.33
	\$ 10,783,636.77
	196,752.84
	10,980,389.61

Municipal Open Space Tax
Added Taxes

\$	1,382,503.00
	25,042.68
	1,407,545.68

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

\$	8,832,769.68
	866,140.60
\$	9,698,910.28
\$	60,727,050.57

"A-9"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 276,089.30
Increased by:			
Transfer From Taxes Receivable	A-8	\$ 47,770.81	
Interest & Costs on Tax Sale		<u>537.04</u>	
			<u>48,307.85</u>
Balance, December 31, 2013	A		\$ <u>324,397.15</u>

"A-10"

GRANT FUND

SCHEDULE OF INTERFUNDS

Balance, December 31, 2012 (Due From)	A		\$ 65,969.35
Increased by:			
Grants Receivable Canceled	A-29		<u>4,273.36</u>
			\$ <u>70,242.71</u>
Decreased by:			
Receipts	A-4	\$ 61,459.87	
Grants Reserved Canceled	A-23	<u>8,782.84</u>	
			\$ <u>70,242.71</u>

"A-11"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012	A	\$	226,325.67
Increased by:			
2013 Budget Appropriations	A-3	\$	248,610.02
2012 Budget Appropriations	A-14		3,634.14
Reserve for Revision of Master Plan	A-25		<u>8,885.47</u>
			261,129.63
		\$	<u>487,455.30</u>
Decreased by:			
Transferred to Appropriation Reserves	A-14		<u>226,325.37</u>
Balance, December 31, 2013	A	\$	<u><u>261,129.93</u></u>

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	GRANT FUND	ANIMAL CONTROL TRUST FUND	ASSESSMENT TRUST FUND	OTHER TRUST FUND	GENERAL CAPITAL FUND	BOND AND COUPON ACCOUNT
Balance, December 31, 2012							
Due To	\$ 85,991.55	\$ 65,969.35	\$	\$	\$ 20,000.00	\$ 22.20	\$
Due From	10,044.64			0.01	9,477.29		567.34
Receipts	\$ 6,177.80	\$	\$	0.01	5,610.45	\$	567.34
Grants Canceled, Net	4,509.48	4,509.48					
Disbursements	81,501.91	61,459.87			20,019.84	22.20	
Balance, December 31, 2013							
Due From	\$ 3,886.68				\$ 3,886.68		

Analysis of Balance:

Due From Trust Other Fund:

Trust Other	\$
Payroll Deductions	3,707.85
Site Inspection Escrow	26.73
Performance Fees Escrow	143.15
Review Escrow	6.69
Flexible Spending	2.26
Total	\$ 3,886.68

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>ACCRUED IN 2013</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2013</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	\$ 26,400.00	\$ 26,400.00	\$
Other	A-2		8,750.00	8,750.00	
Fees and Permits	A-2		62,733.55	62,733.55	
Tax Collector:					
Interest and Costs on Taxes	A-2		136,639.69	136,639.69	
Construction Code Official	A-2		522,478.80	522,478.80	
Fire Safety:					
Fees and Permits	A-2		50,215.50	50,215.50	
Planning, Zoning, Board of Adjustments:					
Fees and Permits	A-2		22,641.25	22,641.25	
Health Department:					
Other Licenses	A-2		27,200.00	27,200.00	
Fees and Permits	A-2		14,514.75	14,514.75	
Engineering:					
Fees and Permits	A-2		10,609.95	10,609.95	
Registrar (Including EDRS):					
Other Licenses	A-2		165.00	165.00	
Fees and Permits	A-2		11,366.00	11,366.00	
Municipal Court:					
Fines and Costs	A-2	28,080.25	391,422.94	393,085.08	26,418.11
Police:					
Fees and Permits	A-2		4,680.30	4,680.30	
Sewer Utility Surplus	A-2		400,000.00	400,000.00	
Interest on Investments and Deposits	A-2				
Energy Receipts Tax	A-2		3,017,684.00	3,017,684.00	
Garden State Trust Fund	A-2				
Fire Safety - Life Hazard Use Fees	A-2		75,881.28	75,881.28	
Hotel Tax	A-2		320,403.28	320,403.28	
		<u>\$ 28,080.25</u>	<u>\$ 5,103,786.29</u>	<u>\$ 5,105,448.43</u>	<u>\$ 26,418.11</u>
<u>REF.</u>		A		A-4	A

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2012	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>					
Administrative and Executive	\$ 4,871.82	\$	\$ 4,871.82	\$ 2,764.97	\$ 2,106.85
Mayor and Council	5,349.08		5,349.08		5,349.08
Clerk	4,808.66		4,808.66	1,779.57	3,029.09
Elections	45.03		45.03		45.03
Financial Administration	609.53		609.53		609.53
Assessment of Taxes	1,922.78		1,922.78		1,922.78
Collection of Taxes	2,324.88		2,324.88		2,324.88
Engineering Services and Costs	49,120.20		49,120.20		49,120.20
Environmental Commission	300.00		300.00		300.00
Bureau of Fire Prevention	14,927.55		14,927.55		14,927.55
Police	111,890.54		111,890.54	5,669.69	106,220.85
School Crossing Guards	6,836.20		6,836.20		6,836.20
Municipal Court	6,712.85		6,712.85		6,712.85
Road Repair and Maintenance	9,838.92		9,838.92	1,826.93	8,011.99
Snow Removal	66,635.84		66,635.84	7,037.60	59,598.24
Board of Health	191.46		191.46		191.46
Board of Recreation Commissioners	21,459.05		21,459.05		21,459.05
Construction Official	8,753.02		8,753.02		8,753.02
Building Inspector	18,825.88		18,825.88		18,825.88
Electrical Sub Code	9,276.00		9,276.00		9,276.00
<u>OTHER EXPENSES:</u>					
Administrative and Executive	108,235.47	6,547.21	114,782.68	4,823.51	109,959.17
Mayor and Council	14,935.61	156.00	15,091.61	4,003.81	11,087.80
Clerk	2,543.94	28.50	2,572.44	28.50	2,543.94
Elections	510.45		510.45		510.45
Financial Administration	7,786.42		7,786.42	2,598.62	5,187.80
Financial Administration - Audit	29,000.00		29,000.00	29,000.00	
Assessment of Taxes	63,965.37	1,021.32	64,986.69	9,938.12	55,048.57
Collection of Taxes	2,662.58	676.27	3,338.85	676.27	2,662.58
Legal Services and Costs:					
Miscellaneous	34,388.41		34,388.41	3,709.80	30,678.61
Mount Laurel Implementation	32,512.00		32,512.00		32,512.00
Litigation	44,822.70		44,822.70	1,248.30	43,574.40
Prosecutor	0.26		0.26		0.26
Engineering Services and Costs	51,896.15	450.00	52,346.15	514.37	51,831.78
Public Buildings and Grounds	26,425.25	4,055.17	30,480.42	4,217.77	26,262.65
Planning Board	13,329.56	252.52	13,582.08	664.38	12,917.70
Board of Adjustments	3,462.96	243.76	3,706.72	1,372.44	2,334.28
Environmental Commission	335.00		335.00		335.00
Historical Commission	600.00	3,100.00	3,700.00	3,100.00	600.00
Recycling - Contractual	35,740.37		35,740.37	32,459.85	3,280.52
Recycling - Other Expenses	8,761.68	8,415.00	17,176.68		17,176.68
Bureau of Fire Prevention	96.95	1,614.05	1,711.00	1,524.05	186.95
Public Fire Prevention - Fire Hydrant Service	104,125.00		104,125.00	62,250.00	41,875.00
Aid to Volunteer Fire Companies	8,036.00		8,036.00		8,036.00
Aid to Adjoining Fire Companies	5,057.00		5,057.00		5,057.00
Blood Borne Pathogens	1,301.65	807.40	2,109.05	807.40	1,301.65
Maintenance of Fire Vehicles	10,499.00		10,499.00	10,499.00	
First Aid Organization Contribution	11,654.00		11,654.00	9,000.00	2,654.00
Police	15,763.11	22,969.20	38,732.31	22,349.35	16,382.96
School Crossing Guards	1,950.00		1,950.00		1,950.00
Emergency Management Services	1,000.59	5,567.00	6,567.59	5,397.00	1,170.59
Municipal Court	4,662.61	200.00	4,862.61		4,862.61
Public Defender	5,800.00		5,800.00		5,800.00
Road Repair and Maintenance	43,430.46	50,781.39	94,211.85	35,769.93	58,441.92
Snow Removal	28,047.54	16,224.56	44,272.10	15,729.51	28,542.59
Street Lighting	16,277.79		16,277.79	284.16	15,993.63
Board of Health	14,052.93	746.25	14,799.18	1,578.24	13,220.94
Dog Regulation	12,299.00		12,299.00		12,299.00
Board of Recreation Commissioners	7,794.12		7,794.12	8.00	7,786.12
Construction Official	10,281.21		10,281.21	66.90	10,214.31
Building Inspector	2,193.80		2,193.80		2,193.80
Plumbing Inspector	1,298.00		1,298.00		1,298.00
Electrical Sub Code	298.00		298.00		298.00
Fire Sub Code	190.25		190.25		190.25
Municipal Services Law	25,000.00		25,000.00	5,841.14	19,158.86

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2012	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED):</u>					
Electricity	\$ 54,785.36	\$	\$ 54,785.36	\$ 4,837.18	\$ 49,948.18
Telephone	19,126.16	304.48	19,430.64	1,044.81	18,386.03
Water	6,671.62		6,671.62	1,678.86	4,992.76
Natural Gas	27,904.13		27,904.13	4,901.49	23,002.64
Gasoline		43,547.34	43,547.34	23,445.60	20,101.74
Volunteer Incentive Program	30,000.00		30,000.00	30,000.00	
Group Insurance Opt Out	20,523.03		20,523.03		20,523.03
Group Insurance for Employees	231,759.23		231,759.23		231,759.23
Other Insurance	15,934.25	125.95	16,060.20	34.81	16,025.39
Worker's Compensation	7.00		7.00		7.00
Social Security System	72,699.21		72,699.21		72,699.21
Public Works/Roads	9,695.00	58,492.00	68,187.00	67,284.99	902.01
	<u>\$ 1,646,827.47</u>	<u>\$ 226,325.37</u>	<u>\$ 1,873,152.84</u>	<u>\$ 421,766.72</u>	<u>\$ 1,451,386.12</u>
REF.	A	A-11			A-1
Disbursements	A-4			\$ 418,132.58	
Accounts Payable	A-11			<u>3,634.14</u>	
				<u>\$ 421,766.72</u>	

"A-15"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

REF.

Balance, December 31, 2012
and December 31, 2013

A

\$ 179,000.00

"A-16"

GRANT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2012

A

\$ 62,642.68

Increased by:

Transferred from Grants Appropriated

A-23

7,705.90
\$ 70,348.58

Decreased by:

Transferred to Grants Appropriated

A-23

62,642.68

Balance, December 31, 2013

A

\$ 7,705.90

"A-17"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2012	A	\$	252.73
Increased by:			
Overpayments in 2013	A-4		<u>73,505.91</u>
		\$	<u>73,758.64</u>
Decreased by:			
Refunded	A-4	\$	73,755.89
Canceled	A-1		<u>1.70</u>
			<u>73,757.59</u>
Balance, December 31, 2013	A	\$	<u><u>1.05</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2012	A	\$	263,795.66
Increased by:			
Collection of 2014 Taxes	A-4		<u>331,601.55</u>
		\$	<u>595,397.21</u>
Decreased by:			
Application to 2013 Taxes	A-8		<u>263,795.66</u>
Balance, December 31, 2013	A	\$	<u><u>331,601.55</u></u>

"A-19"

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, 2012	A	\$ 300.00
Increased by:		
Receipts	A-4	1,375.00
		\$ <u>1,675.00</u>
Decreased by:		
Disbursements	A-4	<u>1,125.00</u>
Balance, December 31, 2013	A	\$ <u><u>550.00</u></u>

"A-20"

SCHEDULE OF DEFERRED CHARGES

Balance, December 31, 2012	A	\$ 164,054.68
Decreased by:		
Amount Appropriated in 2013	A-3	<u>138,054.68</u>
Balance, December 31, 2013	A	\$ <u><u>26,000.00</u></u>
<u>Analysis of Balance:</u>		
5-Year Emergency - Revision of Master Plan		\$ <u><u>26,000.00</u></u>

"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, 2012	A	\$ 14,031.61
Increased by:		
Receipts	A-4	91,823.20
		\$ <u>105,854.81</u>
Decreased by:		
Disbursements	A-4	73,330.77
		<u>73,330.77</u>
Balance, December 31, 2013	A	\$ <u><u>32,524.04</u></u>

"A-22"

SCHEDULE OF DUE STATE OF NEW JERSEY - BURIAL PERMITS

Balance, December 31 2012 and December 31, 2013	A	\$ <u><u>50.00</u></u>
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TOWNSHIP OF BRANCHBURG

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2012	BUDGET APPROPRIATION	EXPENDED	ACCOUNTS PAYABLE	CANCELED	BALANCE DECEMBER 31, 2013
Drunk Driving Enforcement Fund	\$ 7,525.39	\$ 4,466.49	\$ 8,495.93	\$ 432.00	\$	\$ 3,063.95
Municipal Alliance Program and Match	8,635.05	14,785.00	16,895.31	1,785.00	3,050.29	1,689.45
Clean Communities Program	9,025.32	29,145.00	21,986.41	1,918.90		14,265.01
Safe and Secure Communities and Match	631.60	82,266.00	82,897.60			
Youth Services Grant	2,282.28	5,000.00	2,952.00	(1,045.00)		5,375.28
S. C. Youth Athletic and Recreation Facility Grant and Match	288.53			(7,295.59)	288.53	7,327.25
Chemical Buffer Zone Protection Program	31.66			(5,000.00)		12,253.00
S. C. North Branch Transit Village	7,253.00			(8,664.79)		150,904.79
Historic Preservation - Little Red School House	142,240.00	2,777.11	1,695.00			5,882.99
Body Armor Replacement	4,800.88			(37,067.30)	687.12	33,554.31
Alcohol Education Rehabilitation	667.12				4,192.44	4,200.00
Recycling Tonnage Grant	30,595.45	19,384.24	53,492.68		584.46	
Flu Grant	4,192.44					
Clean Energy Program Incentive Award	4,200.00					
Municipal Stormwater Regulation Program	584.46					
Highway Safety Fund Grant	8,106.57		4,511.07			3,595.50
	<u>\$ 231,059.75</u>	<u>\$ 157,823.84</u>	<u>\$ 192,926.00</u>	<u>\$ (54,936.76)</u>	<u>\$ 8,782.84</u>	<u>\$ 242,111.53</u>
REF.	A		A-4		A-10	A
Budget						
Matching Funds for Grants		\$ 132,475.84				
		<u>25,348.00</u>				
		<u>\$ 157,823.84</u>				
Accounts Payable				\$ 7,705.90		
Accounts Payable - Prior Year				<u>(62,842.66)</u>		
				<u>\$ (54,936.76)</u>		

TOWNSHIP OF BRANCHBURG

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

	BALANCE DECEMBER 31, 2012	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2013
Drunk Driving Enforcement Fund	\$ 4,466.49	\$ 11,079.79	\$ 4,466.49	\$ 11,079.79
Youth Services Grant	5,000.00		5,000.00	
Recycling Tonnage Grant	19,384.24	34,727.04	19,384.24	34,727.04
Alcohol Education and Rehabilitation		2,005.44		2,005.44
Clean Communities Program	29,145.00	34,218.70	29,145.00	34,218.70
Body Armor Replacement	2,777.11		2,777.11	
	<u>\$ 60,772.84</u>	<u>\$ 82,030.97</u>	<u>\$ 60,772.84</u>	<u>\$ 82,030.97</u>
REF.	A	A-4	A-29	A

"A-25"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF RESERVE FOR REVISION OF MASTER PLAN

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 12,061.91
Decreased by:			
Disbursements	A-4	\$ 64.53	
Accounts Payable	A-11	<u>8,885.47</u>	
			<u>8,950.00</u>
Balance, December 31, 2013	A		<u>\$ 3,111.91</u>

"A-26"

SCHEDULE OF COUNTY TAXES PAYABLE

Increased by:			
2013 Levy	A-1:A-8	\$ 10,783,636.77	
Added and Omitted	A-1:A-8	<u>196,752.84</u>	
			<u>\$ 10,980,389.61</u>
Decreased by:			
Disbursements	A-4		<u>\$ 10,980,389.61</u>

"A-27"

TOWNSHIP OF BRANCHBURG

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

REF.

Increased by:		
School Levy	A-1:A-8	\$ <u>38,640,205.00</u>
Decreased by:		
Disbursements	A-4	\$ <u><u>38,640,205.00</u></u>

"A-28"

SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE

Increased by:			
2013 Tax Levy	A-1:A-8	\$ 1,382,503.00	
Added Taxes	A-1:A-8	<u>25,042.68</u>	
			\$ <u>1,407,545.68</u>
Decreased by:			
Disbursements	A-4		\$ <u><u>1,407,545.68</u></u>

TOWNSHIP OF BRANCHBURG

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2012	BUDGET APPROPRIATION	RECEIPTS	UNAPPROPRIATED APPLIED	CANCELED	BALANCE DECEMBER 31, 2013
Municipal Alliance Program	\$ 8,929.22	\$ 11,703.00	\$ 12,607.68	\$	\$ 3,050.29	\$ 4,974.25
Safe and 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		4,466.49		4,466.49		
New Jersey Body Armor		2,777.11		2,777.11		
Chemical Buffer Zone Protection Program	369.66				369.66	
Recycling Tonnage Grant		19,384.24		19,384.24		
Occupant Protection Program - Click It or Ticket	278.41				278.41	
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
Over the Limit Arrest	575.00				575.00	
Highway Safety Fund Grant	13,735.41		5,628.84			8,106.57
Clean Communities		29,145.00		29,145.00		
	\$ 150,866.98	\$ 132,475.84	\$ 53,236.52	\$ 60,772.84	\$ 4,273.36	\$ 165,060.10
REF.	A	A-2/A-23	A-4	A-24	A-10	A

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF CASH - TREASURER

REF.	ASSESSMENT	ANIMAL CONTROL	OTHER
B	\$ 437,282.94	\$ 9,513.46	\$ 6,312,593.98
Balance, December 31, 2012			
Increased by Receipts:			
Assessments Receivable	\$ 9,719.87		
Reserve for Animal Control		28,058.80	
Due State of New Jersey		2,017.20	
Developers' Deposits			1,057,624.76
Unemployment Insurance Compensation			26,931.63
Reserve for Various Trust Deposits			97,467.84
Reserve for Open Space Deposits			1,414,054.57
Reserve for Recreation Deposits			329,132.44
Reserve for Redemption of Outside Liens			445,312.98
Reserve for Tax Sale Premiums			147,000.00
Law Enforcement Trust Fund			820.07
Payroll and Deductions			10,122,411.35
Reserve for Flexible Spending Account			11,545.68
COAH Deposits			17,284.11
Due General Capital Fund			510,266.00
Due Current Fund	2,272.50		61,610.66
B-23:B-18			
B-4	\$ 11,992.37	\$ 30,076.00	\$ 14,241,462.09
Decreased by Disbursements:	\$ 449,275.31	\$ 39,589.46	\$ 20,554,056.07
New Jersey State Board of Health			
Expenditures Under R.S.4:19-15.11			
Assessment Serial Bonds Payable		2,014.20	
Reserve for Various Trust Deposits	60,000.00	32,280.86	
Due Current Fund			
Reserve for Developers' Deposits	2,272.51		156,886.76
Reserve for Recreation Deposits			47,201.27
Unemployment Insurance Compensation			214,038.62
Reserve for Flexible Spending Account			341,029.47
Reserve for Tax Sale Premiums			26,185.81
Reserve for Redemption of Outside Liens			12,830.28
Payroll and Deductions			66,900.00
Law Enforcement Trust Fund			445,312.98
COAH Deposits			10,192,017.94
Reserve for Open Space Deposits			7,015.00
			16,197.50
			1,978,241.29
B-4	62,272.51	34,295.06	13,503,856.92
B	\$ 387,002.80	\$ 5,294.40	\$ 7,050,199.15
Balance, December 31, 2013			

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF CONFIRMATION	INSTALLMENT	DUE DATES	BALANCE DECEMBER 31, 2012	COLLECTED	BALANCE DECEMBER 31, 2013	BALANCE PLEGDED TO RESERVE
# 95-694	Water Line Extension	11/26/01	10	11/26/02-2011	\$ 50,251.86	\$ 9,719.87	\$ 40,531.99	40,531.99
					\$ 50,251.86	\$ 9,719.87	\$ 40,531.99	40,531.99
		REF.			B	B-2:B-4	B	

TOWNSHIP OF BRANCHBURG

TRUST FUND

ANALYSIS OF ASSESSMENT FUND CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>RECEIPTS</u> <u>ASSESSMENTS</u> <u>AND LIENS</u>	<u>DISBURSEMENTS</u> <u>BOND</u> <u>PAYMENT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
Assessment Serial Bonds:				
Ord. # 95-694 Construction of Water Main Ext.	\$ 360,000.00	\$	\$ 60,000.00	\$ 300,000.00
Due Current Fund	0.01	2,272.50	2,272.51	
Assessment Fund Balance	77,282.93	9,719.87		87,002.80
	<u>\$ 437,282.94</u>	<u>\$ 11,992.37</u>	<u>\$ 62,272.51</u>	<u>\$ 387,002.80</u>
<u>REF.</u>	B	B-2:B-3	B-2	B

"B-5"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR FLEXIBLE SPENDING

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 3,987.60
Increased by:		
Receipts	B-2	11,545.68
		<u>\$ 15,533.28</u>
Decreased by:		
Disbursements	B-2	12,830.28
		<u>12,830.28</u>
Balance, December 31, 2013	B	<u>\$ 2,703.00</u>

"B-6"

SCHEDULE OF DUE SEWER OPERATING FUND - TRUST OTHER FUND

Balance, December 31, 2012		
and December 31, 2013 (Due From)	B	<u>\$ 557.62</u>

"B-7"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 6,985.54
Increased by:		
Receipts	B-2	820.07
		<u>\$ 7,805.61</u>
Decreased by:		
Disbursements	B-2	<u>7,015.00</u>
Balance, December 31, 2013	B	<u>\$ 790.61</u>

"B-8"

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

Balance, December 31, 2012	B	\$ 163,327.66
Increased by:		
Receipts	B-2	10,122,411.35
		<u>\$ 10,285,739.01</u>
Decreased by:		
Disbursements	B-2	<u>10,192,017.94</u>
Balance, December 31, 2013	B	<u>\$ 93,721.07</u>

"B-9"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	50,251.86
Decreased by:			
Transfer Reserve	B-1		<u>9,719.87</u>
Balance, December 31, 2013	B	\$	<u><u>40,531.99</u></u>

Analysis of Balance:

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		
95-694	Construction of Water Main Extension	\$	<u><u>40,531.99</u></u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF ASSESSMENT SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Construction of Water Main Extension	04/01/98	\$ 1,200,000.00	04/01/14	\$ 60,000.00	4.90%	\$ 360,000.00	\$ 60,000.00	\$ 300,000.00
			04/01/15-18	60,000.00	5.00%			
					<u>REF.</u>	<u>B</u>	<u>B-2</u>	<u>B</u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE DECEMBER 31, 2013</u>
Developers Escrow Deposits	\$ 121,138.75	\$	\$	\$ 121,138.75
Police Emergency Response Equipment	2,444.53	450.00	2,049.00	845.53
Municipal Alliance Program (Youth Services)	3,386.52	2,025.00	1,120.75	4,290.77
TRANSCO	191.73		191.73	
Sewer Escrow	27,199.72			27,199.72
Parking Offense Adjudication Act (POAA)	514.25	148.00		662.25
Fire Safety Fines and Penalties	12,248.90	684.95	584.95	12,348.90
Developers' Contributions	165,559.96			165,559.96
Fire Penalties - Equipment and Training		600.00	350.00	250.00
Readington	9,670.59			9,670.59
Dublin Traffic Study	482.69		482.69	
Public Defender	8,667.30	4,870.50	4,714.16	8,823.64
Recreation Gifts	134.83		134.83	
Donation for Communications	9,515.08		706.29	8,808.79
Tree Fund	15.00			15.00
Community Gardens	5,535.19	2,550.00	1,727.81	6,357.38
Police Outside Employment	15,211.83	57,529.05	58,738.35	14,002.53
Bussing	4,004.69			4,004.69
Reforestation Fund	72,800.00	6,200.00	54,540.00	24,460.00
Quiet Zone		16,502.95		16,502.95
Confiscated Vehicles	1,200.00			1,200.00
3rd Party Inspection	36,156.84		36,156.84	
Bond and Coupon		6,442.34		6,442.34
Miscellaneous	4,554.86		4,554.86	
	<u>\$ 500,633.26</u>	<u>\$ 98,002.79</u>	<u>\$ 166,052.26</u>	<u>\$ 432,583.79</u>
<u>REF.</u>	<u>B</u>			<u>B</u>
Receipts	B-2	\$ 97,467.84		
Transfers From Accounts Payable	B-19	534.95		
		<u>\$ 98,002.79</u>		
Disbursements	B-2		\$ 156,886.76	
Accounts Payable	B-19		9,165.50	
			<u>\$ 166,052.26</u>	

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

"B-12"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	9,512.26
Increased by:			
Dog Licenses		\$	22,755.80
Cat Licenses			<u>5,303.00</u>
	B-2		28,058.80
		\$	<u>37,571.06</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-2		<u>32,280.86</u>
Balance, December 31, 2013	B	\$	<u><u>5,290.20</u></u>

DOG LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2012	\$ 28,594.40
2011	<u>28,858.40</u>
	<u><u>\$ 57,452.80</u></u>

"B-13"

TOWNSHIP OF BRANCHBURG

TRUST FUND

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

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	1.20
Increased by:			
State Registration Fees Collected	B-2		2,017.20
		\$	<u>2,018.40</u>
Decreased by:			
Paid to State Department of Health	B-2		<u>2,014.20</u>
Balance, December 31, 2013	B	\$	<u><u>4.20</u></u>

"B-14"

SCHEDULE OF RESERVE FOR COAH DEPOSITS

Balance, December 31, 2012	B	\$	207,260.67
Increased by:			
Receipts	B-2	\$	17,284.11
Transfer From Accounts Payable	B-19		<u>4,000.00</u>
			21,284.11
		\$	<u>228,544.78</u>
Decreased by:			
Disbursements	B-2	\$	16,197.50
Accounts Payable	B-19		<u>15,002.50</u>
			<u>31,200.00</u>
Balance, December 31, 2013	B	\$	<u><u>197,344.78</u></u>

"B-15"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF DEVELOPERS' DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 1,587,816.87
Increased by:		
Receipts	B-2	<u>1,057,624.76</u>
		\$ 2,645,441.63
Decreased by:		
Disbursements	B-2	<u>214,038.62</u>
Balance, December 31, 2013	B	\$ <u>2,431,403.01</u>

Analysis of Balance:

Inspection Fee Deposits	\$ 320,708.71
Performance Bond Deposits	2,034,161.15
Review Escrow Deposits	<u>76,533.15</u>
	\$ <u>2,431,403.01</u>

"B-16"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF UNEMPLOYMENT INSURANCE COMPENSATION

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	148,257.07
Increased by:			
Interest Earned		\$	126.42
Budget Appropriations			10,000.00
Contributions			16,805.21
	B-2		<u>26,931.63</u>
		\$	<u>175,188.70</u>
Decreased by:			
Disbursements	B-2		<u>26,185.81</u>
Balance, December 31, 2013	B	\$	<u><u>149,002.89</u></u>

"B-17"

SCHEDULE OF RESERVE FOR OPEN SPACE DEPOSITS

Balance, December 31, 2012	B	\$	3,406,300.34
Increased by:			
Tax Levy		\$	1,382,503.00
Tax Levy-Added			25,042.68
Interest Earned			2,753.89
Other Deposits			3,755.00
	B-2		<u>1,414,054.57</u>
		\$	<u>4,820,354.91</u>
Decreased by:			
Disbursements	B-2		<u>1,978,241.29</u>
Balance, December 31, 2013	B	\$	<u><u>2,842,113.62</u></u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2012 (Due From, Net)	B	\$ 10,522.71
Increased by:		
Disbursements	B-2	<u>47,201.27</u>
		\$ 57,723.98
Decreased by:		
Receipts	B-2	<u>61,610.66</u>
Balance, December 31, 2013 (Due To)	B	\$ <u><u>3,886.68</u></u>
<u>Analysis of Balance:</u>		
Due To Current Fund:		
Payroll Deductions		\$ 3,707.85
Flexible Spending		2.26
Site Inspection Escrow		26.73
Performance Fees Escrow		143.15
Review Escrow		<u>6.69</u>
		\$ <u><u>3,886.68</u></u>

"B-19"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	4,676.90
Increased by:			
Reserve for:			
Various Trust Deposits	B-11	\$	9,165.50
Recreation Deposits	B-20		525.71
COAH Trust	B-14		15,002.50
			<u>24,693.71</u>
		\$	<u>29,370.61</u>
Decreased by:			
Reserve for:			
Various Trust Deposits	B-11	\$	534.95
Recreation Deposits	B-20		141.95
COAH Trust	B-14		4,000.00
			<u>4,676.90</u>
Balance, December 31, 2013	B	\$	<u><u>24,693.71</u></u>

Analysis of Balance:

Various Trust Deposits	\$	9,165.50
Recreation		525.71
COAH Trust		<u>15,002.50</u>
	\$	<u><u>24,693.71</u></u>

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR RECREATION DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	49,928.40
Increased by:			
Receipts	B-2	\$	329,132.44
Transfer from Accounts Payable	B-19		<u>141.95</u>
			<u>329,274.39</u>
		\$	<u>379,202.79</u>
Decreased by:			
Disbursements	B-2	\$	341,029.47
Accounts Payable	B-19		<u>525.71</u>
			<u>341,555.18</u>
Balance, December 31, 2013	B	\$	<u><u>37,647.61</u></u>

"B-21"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 244,500.00
Increased by:		
Receipts	B-2	147,000.00
		<u>\$ 391,500.00</u>
Decreased by:		
Disbursements	B-2	66,900.00
Balance, December 31, 2013	B	<u><u>\$ 324,600.00</u></u>

"B-22"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

Increased by:		
Receipts	B-2	\$ 445,312.98
Decreased by:		
Disbursements	B-2	<u><u>\$ 445,312.98</u></u>

"B-23"

TOWNSHIP OF BRANCHBURG

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ASSESSMENT TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2012 (Due To)	B	\$ 0.01
Increased by:		
Receipts	B-2	<u>2,272.50</u>
		\$ <u>2,272.51</u>
Decreased by:		
Disbursements	B-2	<u>\$ 2,272.51</u>

"B-24"

SCHEDULE OF DUE GENERAL CAPITAL FUND

Increased by:		
Receipts	B-2	<u>\$ 510,266.00</u>
Balance, December 31, 2013 (Due To)	B	<u>\$ 510,266.00</u>

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>			
Balance, December 31, 2012	C		\$	1,293,416.47
Increased by Receipts:				
Deferred Charges To Future Taxation Unfunded	C-8	\$	497,262.76	
Improvement Authorization Refunds	C-9		1,160.86	
Fund Balance	C-1		222,941.37	
Due Current Fund	C-13		897,922.20	
B.A.N. Payable	C-16		4,475,500.00	
Grants Receivable	C-4		354,257.00	
				<u>6,449,044.19</u>
			\$	<u>7,742,460.66</u>
Decreased by Disbursements:				
Contracts Payable	C-12	\$	3,104,998.95	
B.A.N. Payable	C-16		2,250,000.00	
Due Open Space Trust Fund	C-17		510,266.00	
Due Current Fund	C-13		16,650.00	
				<u>5,881,914.95</u>
Balance, December 31, 2013	C		\$	<u><u>1,860,545.71</u></u>

"C-3"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2013
Capital Improvement Fund	\$ 33,331.26
Due Trust Other Fund	(510,266.00)
Cash on Hand to Pay Notes	131,250.00
Improvement Authorizations Expended	(1,087,623.91)
Grants Receivable	(641,953.49)
Reserve for Grants Receivable	641,953.49
Unexpended Proceeds of Bond Anticipation Notes	688,539.45
Reserve for Preliminary Cost	22,420.00
Reserve for Capital Projects	149,436.14
Reserve for FEMA	14,367.00
Reserve for Contracts Payable	672,690.39
Fund Balance	388,333.31
Improvement Authorizations Funded	1,358,068.07
	<u>\$ 1,860,545.71</u>

REF.

C

"C-4"

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2012	C	\$ 967,460.49
Increased by:		
New Accounts Receivable	C-15	160,000.00
		<u>\$ 1,127,460.49</u>
Decreased by:		
Receipts	C-2	\$ 354,257.00
Interfunds	C-13	131,250.00
		<u>485,507.00</u>
Balance, December 31, 2013	C	<u>\$ 641,953.49</u>

"C-5"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 14,325,000.00
Decreased by:		
Bonds Paid by Budget	C-11	<u>1,425,000.00</u>
Balance, December 31, 2013	C	\$ <u>12,900,000.00</u>

"C-6"

SCHEDULE OF RESERVE FOR CAPITAL PROJECTS

Balance, December 31, 2012 and December 31, 2013	C	\$ <u>149,436.14</u>
<u>Analysis of Balance:</u>		
Park Improvements		\$ 115.14
Drainage Project		<u>149,321.00</u>
		\$ <u>149,436.14</u>

"C-8"

TOWNSHIP OF BRANCBURG

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2012	C		\$ 187,345.34
Increased by:			
2013 Budget Appropriation	C-13	\$ 600,000.00	
Canceled Improvements	C-9	<u>89,985.92</u>	
			<u>689,985.92</u>
			\$ <u>877,331.26</u>
Decreased by:			
Appropriated to Finance			
Improvement Authorizations	C-9	\$ 814,000.00	
Preliminary Cost Resolutions	C-10	<u>30,000.00</u>	
			<u>844,000.00</u>
Balance, December 31, 2013	C		\$ <u><u>33,331.26</u></u>

ORDINANCE NUMBER	GENERAL IMPROVEMENTS	DATE	ORDINANCE		BALANCE		2013		REFUNDS	AUTHORIZATIONS CANCELED	PAYABLES CANCELED	BALANCE	
			AMOUNT		DECEMBER 31, 2012 FUNDED	UNFUNDED	2013 AUTHORIZATIONS FUNDED	UNFUNDED				DECEMBER 31, 2013 FUNDED	UNFUNDED
2005-1000	Second Phase GIS	06/08/05	\$	70,000.00	\$		\$	32,850.00	\$		\$		
2006-1028	Playground Equipment and Basketball Court	05/22/06		81,000.00				11,315.30					
2006-1037	White Oak Park Improvements	07/10/06		675,000.00				79,016.49					
2008-1038	Neshanic Station Area Road Improvements	07/10/06		990,000.00			250.00					39,683.75	250.00
2006-1049	Acquisition of D'Angelo Track	09/25/05		1,720,000.00			6,402.43				108,240.40		
2006-1052/1084	Development of Shalika Park	10/23/05		2,500,000.00							10,070.56		
2008-1105	Reconstruction of Old York Road	3/10/07 & 9/8/08		1,056,000.00							362,997.83		
2008-1089	Reconstruction of White Oak Park Pond	04/14/08		500,000.00			194,928.96				12,259.56		207,188.52
2008-1102	Purchase of Computer Equipment	07/28/08		170,000.00									
2008-1104	Purchase of Computer Equipment	07/28/08		90,000.00									
2008-1111	Various Ball Field and Court Improvements	07/28/08		80,000.00									
2008-1116	Construction of Public Works Fac./Mun. Annex	10/27/08		1,000,000.00									
2010-1152	Acquisition of Property - Affordable Housing	12/15/08		2,000,000.00			1,446,752.00						
2010-1157	Facility Upgrades and Improvements	07/12/10		120,000.00									
2010-1160	Solar Energy Projects	08/09/10		2,000,000.00									
10-1163/11-1190	County Line Road Reconstruction	10/11/10		930,000.00									
2010-1164	Devon Lane Water Line Extension	10/11/10 & 11/14/11		700,000.00									
2011-1173	Police Equipment Replacement Radios	11/08/10		130,000.00									
2011-1174	Municipal Building Improvements	03/28/11		150,000.00									
2011-1175	Reconstruction of Various Roads	04/11/11		750,000.00			7,276.15						
2011-1177	Public Works Equipment	04/11/11		285,000.00									
2011-1181	General Road Improvements	04/11/11		1,300,000.00							33,000.00		4,707.98
2011-1182	Purchase of Fire Truck	05/09/11		890,000.00									
2012-1189	Park and Ballfield Improvements	05/09/11		35,000.00									
2012-1200	Purchase of Engineering Equipment	05/14/12		32,000.00									
2012-1201	Purchase of Public Works Equipment	05/14/12		480,000.00									
2012-1203	Purchase of Hanlan School Road	05/14/12		25,000.00									
2012-1208	Reconstruction of Hanlan School Road	05/29/12		960,000.00									
2013-1220	Various Road Improvements	10/22/12		800,000.00			958,400.00						
2013-1221	Equipment-Fire and Rescue	05/13/13		30,000.00									
2013-1222	Facility Improvements-Station House and Parks	05/13/13		61,000.00									
2013-1223	Equipment-Police and OEM	05/13/13		368,000.00									
2013-1225	Equipment-Public Works	05/13/13		300,000.00									
2013-1227	Park Improvements	05/29/13		35,000.00									
2013-1229	Reconstruction of Whilton Road	05/29/13		1,500,000.00									
2013-1231	Snithrana Farm Site Improvements	06/24/13		55,000.00									
2013-1234	Facility Improvements-Station House	06/24/13		85,000.00									
2013-1238	Computer Equipment	09/09/13		61,000.00									
	Purchase of Ambulance	10/28/13		200,000.00									
			\$	693,127.06	\$	4,283,939.93		\$	2,593,986.38	\$	519,209.11	\$	1,358,068.07

"C-10"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PRELIMINARY COSTS

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 18,420.00
Increased By:		
New Authorizations	C-8	<u>30,000.00</u>
		\$ <u>48,420.00</u>
Decreased By:		
Accounts Payable	C-12	<u>26,000.00</u>
Balance, December 31, 2013	C	\$ <u><u>22,420.00</u></u>

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Improvement Bonds of 2003	August 15, 2003	\$ 16,562,000.00	08/15/14-15	30,000.00	4.00%			
			08/15/16	30,000.00	4.15%			
			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%	\$ 1,325,000.00	\$ 1,025,000.00	\$ 300,000.00
General Improvement Bonds of 2007	October 11, 2007	6,840,000.00	10/11/14-16	450,000.00	4.00%			
			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%	4,950,000.00	400,000.00	4,550,000.00
Refunding Bonds of 2011	June 8, 2011	8,170,000.00	8/15/2014	825,000.00	3.00%			
			8/15/2015	815,000.00	3.00%			
			8/15/2016	810,000.00	4.00%			
			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%	8,050,000.00		8,050,000.00
						\$ 14,325,000.00	\$ 1,425,000.00	\$ 12,900,000.00
					<u>REF.</u>	<u>C</u>	<u>C-5</u>	<u>C</u>

"C-12"

TOWNSHIP OF BRANCBURG

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012	C		\$ 1,676,912.07
Increased by:			
Improvement Authorizations	C-9	\$ 2,593,986.38	
Preliminary Cost Resolutions	C-10	<u>26,000.00</u>	
			<u>2,619,986.38</u>
			\$ 4,296,898.45
Decreased by:			
Disbursements	C-2	\$ 3,104,998.95	
Canceled	C-9	<u>519,209.11</u>	
			<u>3,624,208.06</u>
Balance, December 31, 2013	C		\$ <u><u>672,690.39</u></u>

"C-13"

TOWNSHIP OF BRANCBURG

GENERAL CAPITAL FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2012 (Due From)	C	\$	22.20
Increased by:			
Disbursements	C-2	\$	16,650.00
Deferred Charges Paid By Budget	C-7		150,000.00
Capital Grants Collected in Current	C-4		131,250.00
Budgeted Capital Improvement Fund	C-8		<u>600,000.00</u>
			897,900.00
		\$	<u>897,922.20</u>
Decreased by:			
Receipts	C-2	\$	<u>897,922.20</u>

"C-14"

SCHEDULE OF RESERVE FOR FEMA

Balance, December 31, 2012 and December 31, 2013	C	\$	<u>14,367.00</u>
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"C-15"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 666,155.49
Increased by:		
New Accounts Receivable	C-4	<u>160,000.00</u>
		\$ 826,155.49
Decreased by:		
Adjust For Receipts	C-7	<u>184,202.00</u>
Balance, December 31, 2013	C	\$ <u>641,953.49</u>

"C-16"

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Balance, December 31, 2012	C	\$ 2,250,000.00
Increased by:		
Issued	C-2	<u>4,475,500.00</u>
		\$ 6,725,500.00
Decreased by:		
Paid	C-2	<u>2,250,000.00</u>
Balance, December 31, 2013	C	\$ <u>4,475,500.00</u>

ANALYSIS OF BALANCE:

Ordinance #2007-1058	\$ 546,000.00
Ordinance #2008-1089	292,000.00
Ordinance #2008-1116	550,000.00
Ordinance #2011-1174	712,000.00
Ordinance #2011-1181	845,500.00
Ordinance #2012-1203	960,000.00
Ordinance #2012-1208	<u>570,000.00</u>
	\$ <u>4,475,500.00</u>

"C-17"

TOWNSHIP OF BRANCHBURG

GENERAL CAPITAL FUND

SCHEDULE OF DUE TRUST OTHER FUND (OPEN SPACE)

	<u>REF.</u>	
Increased by:		
Disbursements	C-2	\$ 510,266.00
Balance, December 31, 2013 (Due From)	C	\$ 510,266.00

"C-18"

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, 2013</u>
1999-805	Acquisition of Land as Open Space	\$ 500.00
2004-960	Public Works Vehicles and Equipment	308,597.00
2004-961	Parking Lot - White Oak Park	13,160.00
2005-996	Public Works Vehicles and Equipment	174,780.00
2006-1037	White Oak Park Improvements	250.00
2006-1043	Various Public Works Vehicles and Equipment	879.00
2008-1089	Reconstruction of White Oak Park Pond	183,000.00
2008-1116	Acquisition of Property - Affordable Housing	1,350,000.00
2010-1160	Reconstruction of County Line Road	426,203.49
2010-1163	Construction and Extension of Whiton Water Line	416,334.81
2011-1174	Reconstruction of Various Roads	500.00
2013-1227	Reconstruction of Whiton Road	1,500,000.00
		\$ 4,374,204.30

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, 2012	D	\$ 4,656,439.25	\$ 162,254.09	\$ 2,606,782.66
Increased by Receipts:				
Sewer Use Charges Receivable	D-13	\$ 3,245,279.51	\$	\$
Miscellaneous Revenue Not Anticipated	D-1:D-4	30,656.37		
Interfunds	D-11	50,000.00		700,000.00
Reserve for Assessments-Deficit	D-16		20,000.00	
Assessments Receivable	D-17		415.00	
Due From Third Party	D-15		25.00	
Capacity Charges	D-1:D-4	54,000.00		
Prepaid Sewer Charges	D-20	10,849.87		
		\$ 3,390,785.75	\$ 20,440.00	\$ 700,000.00
		\$ 8,047,225.00	\$ 182,694.09	\$ 3,306,782.66
Decreased by Disbursements:				
2013 Budget Appropriations	D-5	\$ 2,696,897.98	\$	\$
2012 Appropriation Reserves	D-12	35,631.20		
Contracts Payable	D-24			256,262.14
Interfunds	D-11	1,170,000.00		
Accrued Interest on Bonds	D-31	3,970.00		
Assessment Serial Bonds	D-19		20,000.00	
		\$ 3,906,499.18	\$ 20,000.00	\$ 256,262.14
Balance, December 31, 2013	D	\$ 4,140,725.82	\$ 162,694.09	\$ 3,050,520.52

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

ANALYSIS OF ASSESSMENT FUND CASH

	BALANCE DECEMBER 31, 2012	RECEIPTS		DISBURSEMENTS	BALANCE DECEMBER 31, 2013
		ASSESSMENTS AND LIENS	MISCELLANEOUS		
Fund Balance	\$ 96,009.53	\$	\$	\$	96,009.53
Bonds Payable	66,244.56	415.00	20,025.00	20,000.00	66,684.56
	<u>\$ 162,254.09</u>	<u>\$ 415.00</u>	<u>\$ 20,025.00</u>	<u>\$ 20,000.00</u>	<u>\$ 162,694.09</u>
	D				D

"D-8"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

		BALANCE DECEMBER <u>31, 2013</u>
Fund Balance	\$	279,325.93
Contracts Payable		778,356.11
Capital Improvement Fund		1,898,164.00
Unfunded Improvement Authorizations Expended		(882,213.62)
Reserve for I and I Study		28,493.94
Reserve for Preliminary Costs		93,550.00
Improvement Authorizations - Funded		<u>854,844.16</u>
	\$	<u><u>3,050,520.52</u></u>
REF.		D

"D-9"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF DUE TO SOMERSET/RARITAN
VALLEY SEWER AUTHORITY

REF.

Balance, December 31, 2012
and December 31, 2013

D

\$ 1,200.00

"D-10"

SCHEDULE OF RESERVE FOR ESCROW FUNDS

Balance, December 31, 2012
and December 31, 2013

D

\$ 89,683.59

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF INTERFUNDS

<u>REF.</u>	<u>TOTAL</u>	<u>SEWER CAPITAL FUND</u>	<u>SEWER ASSESSMENT FUND</u>	<u>CURRENT FUND</u>	<u>TRUST OTHER FUND (PAYROLL)</u>
D	\$ 350,557.62	\$ 350,000.00	\$	\$	557.62
D-6	50,000.00			50,000.00	
D-5:D-16:D-22	370,000.00	350,000.00	20,000.00		
D-1	400,000.00			400,000.00	
D-6	1,170,000.00	700,000.00	20,000.00	450,000.00	
D	\$ 557.62			\$	557.62

Balance, December 31, 2012
Due To

Receipts
Appropriated Transfers
Appropriated - Current MRA
Disbursements

Balance, December 31, 2013
Due To

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2012	ACCOUNTS PAYABLE	MODIFIED	PAID OR CHARGED	BALANCE LAPSED
Operating:					
Salaries and Wages	\$ 78,469.45	\$	\$ 78,469.45	\$	78,469.45
Other Expenses	513,200.47	17,034.72	530,235.19	25,436.20	504,798.99
Sewer Assessment Commission:					
Salaries and Wages	1,000.00		1,000.00		1,000.00
Other Expenses	10,100.00		10,100.00		10,100.00
Capital Improvements:					
Purchase of Vehicle and Equipment	89,805.00	10,195.00	100,000.00	10,195.00	89,805.00
Regulatory Expenditures:					
Social Security (O.A.S.I.)	10,590.88		10,590.88		10,590.88
	<u>\$ 703,165.80</u>	<u>\$ 27,229.72</u>	<u>\$ 730,395.52</u>	<u>\$ 35,631.20</u>	<u>\$ 694,764.32</u>
REF.	D	D-14		D-6	D-1

"D-13"

TOWNSHIP OF BRANCBURG

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2012	D	\$	108,579.09
Increased by:			
Sewer Charges Levied (Net)			3,321,783.78
		\$	<u>3,430,362.87</u>
Decreased by:			
Receipts	D-6	\$	3,245,279.51
Prepaid Sewer Rents	D-20		<u>10,908.95</u>
			<u>3,256,188.46</u>
Balance, December 31, 2013	D	\$	<u><u>174,174.41</u></u>

"D-14"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE - OPERATING FUND

Balance, December 31, 2012	D	\$	27,229.72
Increased by:			
2013 Appropriations	D-5		7,769.02
		\$	<u>34,998.74</u>
Decreased by:			
Transfer to 2012 Appropriation Reserves	D-12		<u>27,229.72</u>
Balance, December 31, 2013	D	\$	<u><u>7,769.02</u></u>

"D-15"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY ASSESSMENT FUND

SCHEDULE OF DUE FROM THIRD PARTY

	<u>REF.</u>	
Balance, December 31, 2012	D	\$ 50.00
Decreased by:		
Receipts	D-6	<u>25.00</u>
Balance, December 31, 2013	D	\$ <u>25.00</u>

"D-16"

SCHEDULE OF RESERVE FOR ASSESSMENTS

Balance, December 31, 2012	D	\$ 135,071.92
Increased by:		
Adjustment for Debt Paid	D-6:D-11	<u>20,000.00</u>
Balance, December 31, 2013	D	\$ <u>155,071.92</u>

TOWNSHIP OF BRANCHBURG

SEWER UTILITY ASSESSMENT FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF CONFIRMATION	INSTALLMENTS	DUE DATES	BALANCE DECEMBER 31, 2012	COLLECTED	BALANCE DECEMBER 31, 2013	BALANCE PLEDGED TO 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	3,705.44	415.00	3,290.44	3,290.44	
					<u>\$ 158,777.36</u>	<u>\$ 415.00</u>	<u>\$ 158,362.36</u>	<u>\$ 3,290.44</u>	<u>\$ 155,071.92</u>
				REF.	D	D-6	D		

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE DECEMBER 31, 2012	NEW ORDINANCES	BALANCE DECEMBER 31, 2013
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		80,000.00
2006-1015/2007-1069/2008-1097	Conversion of Neshanic Station Treatment Plant	4/24/06, 8/13/07 & 6/9/08	3,448,000.00		3,448,000.00
2006-1039	Aerial Photos and Topographic Mapping	07/24/06	250,000.00		250,000.00
2008-1115	Construction of Public Works Fac./Mun. Annex	10/13/08	900,000.00		900,000.00
2010-1154	Purchase of Equipment	07/12/10	80,000.00		80,000.00
2010-1155	Relining of Brandywine Force Main	07/12/10	190,000.00		190,000.00
2011-1176	Purchase of New Equipment	04/11/11	127,000.00		127,000.00
2011-1187	Relining and Recon of Brandywine	10/10/11	100,000.00		100,000.00
2012-1206	Stoney Brook Road Sewer Project	05/29/12	1,300,000.00		1,300,000.00
2013-1224	Sewer Department Equipment	05/13/13		500,000.00	500,000.00
			\$ 6,562,000.00	\$ 500,000.00	\$ 7,062,000.00
		REF.	D	D-22	D

"D-20"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY FUND

SCHEDULE OF PREPAID SEWER CHARGES

	<u>REF.</u>	
Balance, December 31, 2012	D	\$ 10,908.95
Increased by:		
Receipts	D-6	10,849.87
		\$ 21,758.82
Decreased by:		
Applied to Receivable	D-13	10,908.95
Balance, December 31, 2013	D	\$ 10,849.87

"D-21"

SCHEDULE OF RESERVE FOR SEWER OVERPAYMENTS

Balance, December 31, 2012	D	\$ 63.61
Decreased by:		
Canceled	D-1	63.61

"D-22"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2012	D		\$ 5,112,000.00
Increased by:			
New Ordinance	D-18	\$ 500,000.00	
Budgeted B.A.N. Paydown	D-11	<u>350,000.00</u>	
			<u>850,000.00</u>
Balance, December 31, 2013	D		<u>\$ 5,962,000.00</u>

Analysis of Balance:

2004-970			\$ 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	2,348,000.00
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	<u>500,000.00</u>
			<u>\$ 5,962,000.00</u>

"D-23"

SCHEDULE OF RESERVE FOR I & I STUDY

Balance, December 31, 2012		
and December 31, 2013	D	<u>\$ 28,493.94</u>

"D-24"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012	D	\$	449,935.75
Increased by:			
Improvement Authorizations	D-29	\$	575,182.50
Preliminary Cost Resolutions	D-25		<u>9,500.00</u>
			584,682.50
		\$	<u>1,034,618.25</u>
Decreased by:			
Disbursements	D-6		<u>256,262.14</u>
Balance, December 31, 2013	D	\$	<u>778,356.11</u>

"D-25"

SCHEDULE OF RESERVE FOR PRELIMINARY COSTS

Balance, December 31, 2012	D	\$	103,050.00
Decreased by:			
Contracts Payable	D-24		<u>9,500.00</u>
Balance, December 31, 2013	D	\$	<u>93,550.00</u>
<u>Analysis of Balance:</u>			
Preliminary Cost Resolution 2004-190		\$	68,050.00
Preliminary Cost Resolution 2010-109			<u>25,500.00</u>
		\$	<u>93,550.00</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>2012 AND 2013</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	1,815,157.18
	<u>\$ 6,530,171.78</u>

REF.

D

"D-27"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2012
and December 31, 2013

D

\$ 6,530,171.78

"D-28"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2012	D	\$ 2,398,164.00
Decreased by:		
New Ordinance Funding	D-29	<u>500,000.00</u>
Balance, December 31, 2013	D	\$ <u>1,898,164.00</u>

TOWNSHIP OF BRANCHBURG
SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE DATE</u>	<u>AMOUNT</u>	<u>BALANCE DECEMBER 31, 2012</u>		<u>AUTHORIZATIONS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE DECEMBER 31, 2013</u>	
				<u>FUNDED</u>	<u>UNFUNDED</u>			<u>FUNDED</u>	<u>UNFUNDED</u>
General Improvement:									
2004-970	Purchase of Asset Management System	09/27/04	\$ 87,000.00	\$	\$	\$		\$ 6,895.00	\$
2005-994	Neshanic Wastewater Treatment Plant	07/11/05	80,000.00	19,840.00				19,840.00	
2006-1015/1069 & 2008-1097	Conversion of Neshanic Treatment Plant	4/24/06, 8/13/07 & 6/9/08	1,848,000.00		217,786.38				217,786.38
2008-1039	Aerial Photos and Topographic Mapping	07/24/06	250,000.00	182,753.00				182,753.00	
2008-1115	Construction of Public Wks. FacMun Annex	10/13/08	900,000.00	8,819.86			1,705.50	7,114.16	
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	88,508.00			85,000.00	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	100,000.00			35,542.00	64,458.00	
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			500,000.00	452,935.00	47,065.00	
			\$	\$ 930,026.66	\$ 217,786.38	\$	\$ 575,182.50	\$ 854,844.16	\$
				D	D		D-24	D	D
			<u>REF.</u>						

"D-30"

TOWNSHIP OF BRANCHBURG

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2013</u>
2007-1069	Sewer Utility Capital Fund: Conversion of Neshanic Station Treatment Plant	\$ <u>1,100,000.00</u>
		\$ <u><u>1,100,000.00</u></u>

"D-31"

SCHEDULE OF RESERVE FOR ACCRUED INTEREST PAYABLE

Increased by:		
Budget Appropriation	D-5	\$ 5,000.00
Decreased by:		
Disbursement	D-6	<u>3,970.00</u>
Balance, December 31, 2013	D	\$ <u><u>1,030.00</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, 2013, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated April 29, 2014. 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. 50

April 29, 2014

TOWNSHIP OF BRANCHBURG

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

<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>FROM</u> <u>TO</u>	<u>2013</u> <u>RECEIPTS</u>	<u>2013</u> <u>EXPENDITURES</u>	<u>CUMULATIVE</u> <u>EXPENDITURES</u> <u>DECEMBER</u> <u>31, 2013</u>
97.078	Department of Homeland Security Buffer Zone Protection Program	\$ 320,290.00	Continuous	\$	\$	\$ 312,962.75
97.036	Pass Through From State of New Jersey:					
97.036	Disaster Assistance	435,394.72	10/30/12 4/30/13	\$ 181,414.46	\$ 181,414.46	\$ 181,414.46
97.036	Disaster Assistance	1,535.32	10/30/12 4/30/13	1,279.43	1,279.43	1,279.43
97.036	Disaster Assistance	31,739.06	10/30/12 4/30/13	26,449.22	26,449.22	26,449.22
				\$ 209,143.11	\$ 209,143.11	\$ 209,143.11
		<u>Total Subject To OMB A-133</u>		\$ 209,143.11	\$ 209,143.11	\$ 522,105.86
81.129	Department of Energy Energy Efficiency and Renewable Energy Technology Deployment, Demonstration and Commercialization	1,000,000.00	Continuous	\$ 301,305.00	\$ 17,490.14	\$ 997,213.42
	<u>GRAND TOTAL</u>			\$ 510,448.11	\$ 226,633.25	\$ 1,519,319.28

TOWNSHIP OF BRANCHBURG

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2013

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT AWARD AMOUNT	2013 RECEIPTS	2013 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2013
Department of Environmental Protection					
Clean Communities Program - Prior Year(s)	4900-765-042-4900-004-V42Y-6020	\$ 61,118.19	\$	\$ 9,025.32	\$ 61,118.19
Clean Communities Program	4900-765-042-4900-004-V42Y-6020	29,145.00		23,905.31	23,905.31
Clean Communities Program (Unappropriated)	4900-765-042-4900-004-V42Y-6020	34,218.70	34,218.70		
Recycling Tonnage Grant - Prior Year(s)	4900-752-042-4900-001-V42Y-6020	65,238.16		16,425.38	31,683.85
Recycling Tonnage Grant (Unappropriated)	4900-752-042-4900-001-V42Y-6020	34,727.04	34,727.04		
			\$ 68,945.74	\$ 49,356.01	\$ 116,707.35
Department of Law and Public Safety					
Drunk Driving Enforcement Fund - Prior Year(s)	6400-100-078-6400-YYYY	9,425.63	\$	\$ 7,525.39	\$ 9,425.63
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	4,466.49		1,402.54	1,402.54
Drunk Driving Enforcement Fund (Unappropriated)	6400-100-078-6400-YYYY	11,079.79	11,079.79		
Safe and Secure Communities - Prior(s)	1020-100-066-1020-232-YCJS-6120	53,391.00	35,000.00	631.60	53,391.00
Safe and Secure Communities	1020-100-066-1020-232-YCJS-6120	60,000.00		60,000.00	60,000.00
Alcohol Education and Rehabilitation		2,005.44	2,005.44		
Body Armor Replacement Fund - Prior Year(s)	1020-718-066-1020-001-YCJS-6120	6,400.28		1,695.00	3,294.00
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	2,777.11			
			\$ 48,085.23	\$ 71,254.53	\$ 127,513.17
Division of Highway Traffic Safety					
Highway Safety Fund Grant		13,735.41	\$ 5,628.84	\$ 4,511.07	\$ 10,139.91
			\$ 5,628.84	\$ 4,511.07	\$ 10,139.91
Pass Through County of Somerset					
Municipal Alliance Program - Prior Year(s)	12-433-420	12,329.00	\$ 5,252.93	\$ 4,958.76	\$ 12,329.00
Municipal Alliance Program	13-433-420	12,329.00	7,354.75	10,639.55	10,639.55
			\$ 12,607.68	\$ 15,598.31	\$ 22,968.55
Department of Transportation					
Old York Road		210,000.00	\$	\$	\$ 146,802.08
County Line Road		200,000.00	50,000.00		167,124.24
Harlan School Road		175,000.00	131,250.00	117,817.71	117,919.09
Whiton Road		160,000.00		64.02	64.02
			\$ 181,250.00	\$ 117,881.73	\$ 431,908.43
Department of Environmental Protection					
Devon Lane Water Extension		262,000.00	\$	\$	\$ 224,145.14
			\$ 0.00	\$ 0.00	\$ 224,145.14
Department of Health and Senior Services					
Clean Energy Program Incentive Award		9,387.00	\$	\$	\$ 5,187.00
			\$ 0.00	\$ 0.00	\$ 5,187.00
			\$ 316,517.49	\$ 258,601.65	\$ 938,570.55
GRAND TOTAL					

TOWNSHIP OF BRANCHBURG

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

YEAR ENDED DECEMBER 31, 2013

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 2013.

Receipts:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current / Grant Fund	\$ 209,143.11	\$ 53,236.52	\$	\$ 262,379.63
Capital Fund	<u>301,305.00</u>	<u>181,250.00</u>		<u>482,555.00</u>
	<u>\$ 510,448.11</u>	<u>\$ 234,486.52</u>	<u>\$ 0.00</u>	<u>\$ 744,934.63</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current / Grant Fund	\$ 209,143.11	\$ 140,719.92	\$	\$ 349,863.03
Capital Fund	<u>17,490.14</u>	<u>117,881.73</u>		<u>135,371.87</u>
	<u>\$ 226,633.25</u>	<u>\$ 258,601.65</u>	<u>\$ 0.00</u>	<u>\$ 485,234.90</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, 2013

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

	YEAR 2013		YEAR 2012	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 2,845,000.00	4.02%	\$ 2,600,000.00	3.76%
Miscellaneous - From Other Than				
Local Property Tax Levies	7,345,158.27	10.36%	7,097,359.97	10.26%
Collection of Delinquent Taxes				
and Tax Title Liens	596,545.73	0.84%	631,061.81	0.91%
Collections of Current Tax Levy	60,080,012.36	84.78%	58,861,675.24	85.07%
<u>Total Revenue</u>	<u>\$ 70,866,716.36</u>	<u>100.00%</u>	<u>\$ 69,190,097.02</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 15,441,535.57	23.23%	\$ 15,167,632.79	23.02%
County Taxes	10,980,389.61	16.52%	10,801,540.24	16.40%
Local School District Taxes	38,640,205.00	58.13%	38,502,618.50	58.44%
Municipal Open Space Taxes	1,407,545.68	2.12%	1,395,423.15	2.12%
Other Expenditures			10,169.35	0.02%
<u>Total Expenditures</u>	<u>\$ 66,469,675.86</u>	<u>100.00%</u>	<u>\$ 65,877,384.03</u>	<u>100.00%</u>
Excess in Revenue	\$ 4,397,040.50		\$ 3,312,712.99	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	\$ _____		\$ 125,054.68	
Statutory Excess in Revenue	\$ 4,397,040.50		\$ 3,437,767.67	
Fund Balance - January 1	\$ 5,258,363.53		\$ 4,420,595.86	
	\$ 9,655,404.03		\$ 7,858,363.53	
Less: Utilization as Anticipated Revenue	2,845,000.00		2,600,000.00	
Fund Balance, December 31	<u>\$ 6,810,404.03</u>		<u>\$ 5,258,363.53</u>	

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

	YEAR 2013		YEAR 2012	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,218,976.00	23.20%	\$ 1,210,760.00	23.77%
Collection of Sewer Use Charges	3,256,188.46	61.97%	3,338,761.16	65.55%
Miscellaneous	779,484.30	14.83%	543,878.66	10.68%
<u>Total Revenue</u>	<u>\$ 5,254,648.76</u>	<u>100.00%</u>	<u>\$ 5,093,399.82</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 3,498,976.00	77.95%	\$ 3,485,760.00	77.45%
Capital Improvements	125,000.00	2.78%	100,000.00	2.22%
Deferred Charges and Statutory Expenditures	460,000.00	10.25%	460,000.00	10.22%
Debt Service	5,000.00	0.11%	5,000.00	0.11%
Fund Balance Utilized-Current Fund Revenue	400,000.00	8.91%	450,000.00	10.00%
<u>Total Expenditures</u>	<u>\$ 4,488,976.00</u>	<u>100.00%</u>	<u>\$ 4,500,760.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 765,672.76		\$ 592,639.82	
Fund Balance - January 1	3,473,629.96		4,091,750.14	
	\$ 4,239,302.72		\$ 4,684,389.96	
Less: Utilization as Anticipated Revenue	1,218,976.00		1,210,760.00	
Fund Balance, December 31	\$ 3,020,326.72		\$ 3,473,629.96	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$2.153</u>	<u>\$2.130</u>	<u>\$2.100</u>
Appointment of Tax Rate:			
Municipal	\$0.319	\$0.311	\$0.298
Municipal Open Space	0.049	0.049	0.050
County	0.390	0.387	0.380
Local School	<u>1.395</u>	<u>1.383</u>	<u>1.372</u>

Assessed Valuation:

Year 2013	\$ <u>2,839,007,795.00</u>		
Year 2012		\$ <u>2,785,655,011.00</u>	
Year 2011			\$ <u>2,823,918,553.00</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>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2013	\$60,727,050.57	\$60,080,012.36	98.93%
2012	\$59,587,068.54	\$58,861,675.24	98.78%
2011	\$59,388,676.09	\$58,765,201.07	98.95%

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>
2013	\$	324,397.15	\$	584,615.26	\$	909,012.41	1.50%
2012		276,089.30		642,450.35		918,539.65	1.55%
2011		268,999.84		592,182.05		861,181.89	1.44%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2013 by foreclosure or deed, as a result of liquidation of tax title liens.

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

COMPARISON OF UTILITY LEVIES

<u>YEAR</u>		<u>LEVY</u>		<u>COLLECTIONS*</u>
2013	\$	3,321,783.78	\$	3,256,188.46
2012		3,232,747.36		3,338,800.70
2011		3,464,545.04		3,415,808.35

*Includes collections of prior year levies

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED IN BUDGET</u> <u>OF SUCCEEDING</u> <u>YEAR</u>
Current Fund	2013	\$ 6,810,404.03	\$ 3,275,563.00 *
	2012	5,258,363.53	2,845,000.00
	2011	4,420,595.86	2,600,000.00
	2010	3,814,498.43	2,342,668.00
	2009	3,987,882.95	3,170,100.00
Sewer Utility Operating Fund	2013	\$ 3,020,326.72	\$ 1,329,000.00 *
	2012	3,473,629.96	1,218,976.00
	2011	4,091,750.14	1,210,760.00
	2010	4,498,621.51	1,237,625.00
	2009	4,871,037.50	1,274,530.00

* Per Introduced Budget

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>
James F. Leonard	Mayor	*
James Schworn	Deputy Mayor	*
John Sanford	Committee Person	*
Thomas Young	Committee Person	*
Patricia Bowers	Committee Person	*
Gregory Bonin	Administrator	*
Mark Anderson, Esq.	Township Attorney	
Sharon L. Brienza	Township Clerk	*
Diane Schubach	Chief Financial Official	\$250,000.00
Diane Szakacs	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
Brian Fitzgerald	Chief of Police	*
Thomas Mantz	Superintendent of Public Works	*
John T. Tamburini	Construction Code Official	*
Douglas Ball	Township Engineer	
Cynthia Weaver	Health Officer	*
Joseph Olivo	Fire Official	*
Thomas Leach	Zoning Officer	*
Glenn Burrell	Recreation Director	*

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

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

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

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

Effective July 1, 2010, the bid threshold in accordance with N.J.A.C. 40A:11-3 was increased to \$36,000 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 \$36,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Committee's opinion should be sought before a commitment is made.

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

- Vegetative waste processing and removal
- Road materials
- Sewer vacuum truck
- Road reclamation
- Brandywine force main relining
- Tree reforestation

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 \$36,000.00 "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:

- Fire equipment
- 2014 Ford Fusion
- 25kw trailer mounted generator and other generators

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 2, 2013, adopted the following resolution pursuant to the provisions of R.S. 54:4-67 fixing the rate of delinquent taxes and assessments and on sanitary sewer service charges at 8% per annum on the first \$1,500.00 and a rate of 18% per annum on any amount in excess of \$1,500.00 becoming delinquent after the due date and if the delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged if payment of any installment is made within ten days after the date upon which the same becomes payable.

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 13, 2013 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 31th of the last three years:

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2013	4
2012	4
2011	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:

TYPE

Information Positive Confirmation-Tax	50
Information Positive Confirmation-Utility	30
Delinquent Positive Confirmation-Tax	25
Delinquent Positive Confirmation-Utility	25

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

