

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
REPORT OF AUDIT

2011

NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF BYRAM

COUNTY OF SUSSEX

REPORT OF AUDIT

2011

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TOWNSHIP OF BYRAM

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2011

Independent Auditors' Report

The Honorable Mayor and Members
of the Township Council
Township of Byram
Byram, New Jersey

We have audited the financial statements-regulatory basis of the various funds of the Township of Byram in the County of Sussex (the "Township") as of December 31, 2011 and 2010, and for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The Township's financial statements do not disclose the post retirement benefits funding status for 2011 as required by GASB No.45. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

In our opinion, because the Township prepares its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2011 and 2010, and the results of its operations for the years then ended.

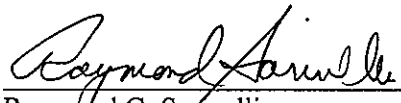
However, in our opinion, except for the effects of the omission described in the fourth paragraph, the financial statements referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Byram at December 31, 2011 and 2010, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in conformity with accounting principles prescribed by the Division, as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2012, on our consideration of the Township of Byram's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements as a whole. The information included in the supplementary schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis and are required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*; and New Jersey's OMB Circular NJOMB-04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1 to the financial statements and Note 2 to the schedules of expenditures of federal and state awards.

Mount Arlington, New Jersey
March 23, 2012

NISIVOCCIA LLP



Raymond G. Sarinelli
Registered Municipal Accountant No. 383
Certified Public Accountant

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
CURRENT FUND

TOWNSHIP OF BYRAM
CURRENT FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 3,962,337.98	\$ 4,008,817.77
Change Fund		250.00	250.00
		<u>3,962,587.98</u>	<u>4,009,067.77</u>
Due From State of New Jersey			
Senior Citizen and Veterans Deductions		7,949.32	11,199.32
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	555,495.94	631,395.16
Tax Title Liens Receivable	A-8	771,860.12	655,645.27
Property Acquired for Taxes at Assessed Valuation		1,704,800.00	1,704,800.00
Revenue Accounts Receivable	A-9	95,877.76	40,266.85
Due from Animal Control Fund	B	11,943.78	5,538.00
Due from General Capital Fund	C	150,000.00	
Total Receivables and Other Assets With Full Reserves		<u>3,289,977.60</u>	<u>3,037,645.28</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)		224,000.00	148,000.00
		<u>224,000.00</u>	<u>148,000.00</u>
<u>TOTAL ASSETS</u>		<u>\$ 7,484,514.90</u>	<u>\$ 7,205,912.37</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 357,060.42	\$ 247,081.77
Unencumbered	A-3;A-11	654,753.13	836,236.03
		1,011,813.55	1,083,317.80
Prepaid Taxes		167,942.48	176,655.56
Special Emergency Notes Payable	A-14	150,000.00	
Accounts Payable - Vendors		109,117.43	36,535.38
Due to State of New Jersey:			
Marriage License Fees		175.00	125.00
DCA Training Fees		4,573.47	2,172.47
Tax Overpayments		41,883.24	33,768.41

TOWNSHIP OF BYRAM
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2011	2010
<u>LIABILITIES, RESERVES AND FUND BALANCE (Cont'd)</u>			
Due to Other Trust Funds	B	\$ 84,228.18	\$ 169,308.21
Due to General Capital Fund	C		40,000.00
Due to County of Sussex - Added & Omitted Taxes		8,600.01	3,320.41
Reserve for Sale of Municipal Assets		179,889.86	143,889.86
Reserve for Garden State Preservation Trust Fund		41,921.00	41,921.00
Reserve for Bike Path Improvements		303.57	303.57
Reserve for Pending Tax Appeals		300,000.00	300,000.00
Reserve for Revaluation		63,300.00	3,573.51
Reserve for Grant Funds - Appropriated:			
Drunk Driving Enforcement Fund		16,088.89	18,303.87
Stormwater Grant		16,936.00	16,936.00
Clean Communities		106.19	15,591.82
Body Armor Replacement Fund		3,195.00	3,195.00
Municipal Alliance on Alcoholism and Drug Abuse		3,995.63	3,392.32
Environmental Protection Grant			1,865.00
Recycling Tonnage Grant		18,225.90	22,241.06
RMP Compliance		7,500.00	7,500.00
Sussex Branch Trail Improvements		22,871.05	20,544.23
Reserve for Grant Funds - Unappropriated:			
Body Armor Replacement Fund		2,235.95	2,652.24
		<u>2,254,902.40</u>	<u>2,147,112.72</u>
Reserve for Receivables and Other Assets	A	3,289,977.60	3,037,645.28
Fund Balance	A-1	<u>1,939,634.90</u>	<u>2,021,154.37</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 7,484,514.90</u>	<u>\$ 7,205,912.37</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31,	
		2011	2010
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,200,102.00	\$ 1,138,142.00
Miscellaneous Revenue Anticipated		1,227,988.23	1,304,624.27
Receipts from:			
Delinquent Taxes		607,108.76	564,311.08
Current Taxes		28,441,926.26	27,502,702.88
Nonbudget Revenue		127,666.86	144,606.72
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		487,334.33	376,643.81
Interfunds Returned		5,538.00	17,355.81
Cancellation of Accounts Payable			10,000.00
Cancellation of Tax Overpayments			11.60
Total Income		<u>32,097,664.44</u>	<u>31,058,398.17</u>
<u>Expenditures</u>			
Municipal Purposes		9,401,258.00	8,998,102.84
Local School District Taxes		10,847,807.00	10,626,558.00
County Taxes		4,912,669.69	4,676,320.50
Regional School District Taxes		5,652,076.48	5,386,805.79
Municipal Open Space		110,603.86	110,884.91
Refund of Prior Year Revenue		600.09	2,854.15
Increase in Reserve for Pending Tax Appeals		42,123.01	20,223.90
Interfunds Advanced		161,943.78	5,538.00
Total Expenditures		<u>31,129,081.91</u>	<u>29,827,288.09</u>
Statutory Excess to Fund Balance		968,582.53	1,231,110.08
Adjustment to Income Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year		150,000.00	
Statutory Excess to Fund Balance		1,118,582.53	1,231,110.08
<u>Fund Balance</u>			
Balance January 1	A	<u>2,021,154.37</u>	<u>1,928,186.29</u>
		3,139,736.90	3,159,296.37
Decreased by:			
Utilized as Anticipated Revenue		<u>1,200,102.00</u>	<u>1,138,142.00</u>
Balance December 31	A	<u>\$ 1,939,634.90</u>	<u>\$ 2,021,154.37</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 1,200,102.00		\$ 1,200,102.00	
Miscellaneous Revenue:				
Alcoholic Beverages	6,000.00		6,159.80	\$ 159.80
Fees and Permits	20,000.00		18,984.42	1,015.58 *
Municipal Court - Fines and Costs	140,000.00		102,952.44	37,047.56 *
Interest on Investments	15,000.00		10,956.29	4,043.71 *
Interest and Costs on Taxes	125,000.00		134,008.50	9,008.50
Consolidated Municipal Property Tax Relief Act	81,823.00		81,823.00	
Energy Receipts Tax (P.L. 1998, Chapters 162 & 167)	493,652.00		493,652.00	
Garden State Preservation Trust Fund	41,920.00		41,920.00	
Uniform Construction Code Fees	115,000.00		144,757.03	29,757.03
Clean Communities		\$ 16,000.00	16,000.00	
Municipal Alliance Program	11,420.00		6,845.25	4,574.75 *
Recreation Trails Grant		19,165.00	19,165.00	
Click It or Ticket Grant		4,000.00	4,000.00	
Highlands Grant	77,500.00		12,812.50	64,687.50 *
Reserve for Body Armor Replacement Fund	2,652.00		2,652.00	
Business Stimulus Fund		7,000.00		7,000.00 *
PBA Representative Private Revenue Contract	106,300.00		106,300.00	
Reserve to Pay Debt Service	25,000.00		25,000.00	
	<u>1,261,267.00</u>	<u>46,165.00</u>	<u>1,227,988.23</u>	<u>79,443.77 *</u>

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Receipts from Delinquent Taxes	\$ 339,350.00		\$ 607,108.76	\$ 267,758.76
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	7,592,013.00		8,106,408.23	514,395.23
Budget Totals	10,392,732.00	\$ 46,165.00	11,141,607.22	\$ 861,597.76
Nonbudget Revenue			127,666.86	
	\$ 10,392,732.00	\$ 46,165.00	\$ 11,269,274.08	
<u>Ref.</u>	A-3	A-3		

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011
(continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes		\$ 28,441,926.26
Allocated to:		
Local School District Taxes	\$ 10,847,807.00	
Regional High School Taxes	5,652,076.48	
County Taxes	4,912,669.69	
Open Space Trust	<u>110,603.86</u>	
		<u>21,523,157.03</u>
Balance for Support of Municipal Budget		6,918,769.23
Add: Appropriation "Reserve for Uncollected Taxes"		<u>1,187,639.00</u>
Realized for Support of Municipal Budget		<u><u>\$ 8,106,408.23</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections		<u>\$ 607,108.76</u>
		<u><u>\$ 607,108.76</u></u>

Analysis of Fees and Permits:

Clerk Fees	\$ 3,428.90	
Planning/Zoning Board Fees	6,100.00	
Police Fees	1,120.52	
Board of Health Fees	5,920.00	
Fire Prevention	<u>2,415.00</u>	
		<u><u>\$ 18,984.42</u></u>

Analysis of Interest on Investments:

Collected/Received by Treasurer	\$ 10,773.31	
Due from Other Trust Fund	<u>182.98</u>	
		<u><u>\$ 10,956.29</u></u>

Analysis of Uniform Construction Code Fees

Collected	\$ 154,629.53	
Refunded	<u>(9,872.50)</u>	
		<u><u>\$ 144,757.03</u></u>

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011
(continued)

Analysis of Nonbudget Revenue:

Treasurer:

Cable Television Franchise Fees	\$	32,143.00		
DMV Inspection Fees		462.50		
Senior Citizen and Veteran Deductions Administrative Fee		1,740.00		
Other Miscellaneous		<u>54,258.99</u>		
	\$			88,604.49

Prior Year Revenue Accounts Receivable Collected:

Clean Communities	\$	3,000.00		
Municipal Alliance		<u>10,478.76</u>		
				13,478.76

Tax Collector - Other Miscellaneous				13,639.83
Statutory Excess Due from Animal Control Trust Fund				<u>11,943.78</u>
	\$			<u><u>127,666.86</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 202,500.00	\$ 202,500.00	\$ 189,589.95	\$ 12,910.05	
Other Expenses	72,950.00	72,950.00	47,779.12	25,170.88	
Mayor & Council:					
Salaries & Wages	17,500.00	17,500.00	17,500.00		
Other Expenses	10,500.00	10,500.00	6,265.43	4,234.57	
Municipal Clerk:					
Salaries & Wages	80,000.00	80,000.00	79,361.80	638.20	
Election:					
Other Expenses	8,000.00	8,000.00	6,515.46	1,484.54	
Financial Administration:					
Salaries & Wages	87,000.00	87,000.00	86,600.30	399.70	
Other Expenses	38,491.00	38,491.00	14,342.83	24,148.17	
Audit	28,980.00	28,980.00		28,980.00	
Tax Assessment Administration:					
Salaries & Wages	71,000.00	71,000.00	70,918.48	81.52	
Other Expenses	33,920.00	41,420.00	37,251.28	4,168.72	
Other Expenses - Revaluation (N.J.S.A:4-53 + 150,000)		150,000.00	150,000.00		
Revenue Administration (Tax Collection):					
Salaries & Wages	39,200.00	34,200.00	27,713.22	6,486.78	
Other Expenses	7,300.00	12,300.00	10,371.19	1,928.81	
Legal Services and Costs:					
Other Expenses - Fees	115,000.00	107,500.00	65,963.00	41,537.00	
Environmental Commission:					
Other Expenses	2,600.00	2,600.00	821.20	1,778.80	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL GOVERNMENT (continued):					
Engineering Services:					
Other Expenses	\$ 40,000.00	\$ 40,000.00	\$ 32,407.00	\$ 7,593.00	
Municipal Land Use Law (N.J.S.A. 40A:55D-1):					
Planning Board:					
Salaries and Wages	18,100.00	18,100.00	17,993.48	106.52	
Other Expenses	58,350.00	58,350.00	24,945.87	33,404.13	
Zoning Commission:					
Salaries & Wages	28,000.00	28,000.00	27,989.00	11.00	
Other Expenses	500.00	500.00	288.04	211.96	
Insurance: (P.L. 2003, C.92)					
Employee Group Insurance	1,336,075.00	1,336,075.00	1,322,816.06	13,258.94	
Workers' Compensation	87,308.00	87,308.00	87,308.00		
General Liability Insurance	166,956.00	166,956.00	166,881.00	75.00	
Employee Group Insurance-Health Benefit Waiver	48,925.00	48,925.00	36,807.73	12,117.27	
PUBLIC SAFETY :					
Fire:					
Other Expenses	89,140.00	89,140.00	87,956.71	1,183.29	
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Fire Prevention Bureau:					
Salaries & Wages	2,200.00	2,200.00	2,180.36	19.64	
Other Expenses	1,500.00	1,500.00		1,500.00	
Office of Emergency Management:					
Other Expenses	3,000.00	3,000.00	1,898.95	1,101.05	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
PUBLIC SAFETY :					
Police:					
Salaries & Wages	\$ 1,828,500.00	\$ 1,828,500.00	\$ 1,790,568.89	\$ 37,931.11	
Other Expenses	129,250.00	129,250.00	110,553.36	18,696.64	
First Aid Organization Contribution	25,500.00	25,500.00	25,500.00		
Police Radio & Communication and 911 - Contractual	171,000.00	171,000.00	167,765.96	3,234.04	
Municipal Court:					
Salaries & Wages	84,500.00	84,500.00	83,028.24	1,471.76	
Other Expenses	10,300.00	10,300.00	5,050.54	5,249.46	
Municipal Prosecutor:					
Other Expenses - Fees	27,000.00	27,000.00	12,900.00	14,100.00	
STREETS AND ROADS:					
Road Repair and Maintenance:					
Salaries & Wages	702,950.00	702,950.00	667,126.74	35,823.26	
Other Expenses - Miscellaneous	281,250.00	281,250.00	248,690.53	32,559.47	
Other Expenses-Improvements to Streets and Roads	70,000.00	70,000.00	70,000.00		
Other Expenses - Fleet Maintenance	113,500.00	113,500.00	85,472.60	28,027.40	
Public Building and Grounds:					
Salaries & Wages	52,100.00	52,100.00	52,041.60	58.40	
Other Expenses	42,200.00	42,200.00	33,385.60	8,814.40	
Garbage Removal - Contractual	657,500.00	657,500.00	657,500.00		
Recycling:					
Salaries & Wages	5,600.00	5,600.00	428.40	5,171.60	
Other Expenses	10,000.00	10,000.00	1,134.00	8,866.00	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
HEALTH AND WELFARE:					
Animal Control:					
Salaries & Wages	\$ 13,000.00	\$ 13,000.00	\$ 12,775.05	\$ 224.95	
Other Expenses	8,750.00	8,750.00	7,630.00	1,120.00	
Board of Health:					
Other Expenses	400.00	400.00	137.05	262.95	
RECREATION AND EDUCATION:					
Parks and Playgrounds:					
Salaries & Wages	63,000.00	63,000.00	62,192.89	807.11	
Other Expenses	7,050.00	7,050.00	4,784.05	2,265.95	
Senior Citizens' Transportation:					
Salaries & Wages	21,400.00	21,400.00	15,671.89	5,728.11	
Senior Citizens' Program:					
Other Expenses	9,000.00	9,000.00	9,000.00		
Recreation Land Lease:					
Other Expenses	976.00	976.00	975.90	0.10	
Celebration of Public Events:					
Other Expenses	2,250.00	2,250.00	546.78	1,703.22	
UNIFORM CONSTRUCTION CODE:					
Construction Code Official:					
Salaries & Wages	124,000.00	124,000.00	123,597.80	402.20	
Other Expenses	7,475.00	7,475.00	4,507.43	2,967.57	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
UNCLASSIFIED:					
Utilities:					
Gasoline	\$ 125,000.00	\$ 125,000.00	\$ 109,633.92	\$ 15,366.08	
Electricity	87,000.00	87,000.00	67,189.68	19,810.32	
Heating Oil	120,000.00	120,000.00	59,851.44	60,148.56	
Street Lighting	36,000.00	36,000.00	31,458.62	4,541.38	
Telephone	30,000.00	30,000.00	23,687.10	6,312.90	
Municipal Sewer Charges	15,200.00	15,200.00	15,102.45	97.55	
Accumulated Sick and Vacation	100.00	100.00		100.00	
	<u>7,576,746.00</u>	<u>7,726,746.00</u>	<u>7,180,353.97</u>	<u>546,392.03</u>	
Total Operations Within "CAPS"					
Detail:					
Salaries & Wages	3,440,650.00	3,435,650.00	3,327,278.09	108,371.91	
Other Expenses	4,136,096.00	4,291,096.00	3,853,075.88	438,020.12	
STATUTORY EXPENDITURES:					
Public Employee's Retirement System	139,778.00	139,778.00	139,778.00		
Contribution to Social Security System (O.A.S.I.)	263,000.00	262,525.00	258,958.97	3,566.03	
Police and Fireman's Retirement System of NJ	385,468.00	385,468.00	385,468.00		
DCRP	4,100.00	4,575.00	4,550.39	24.61	
	<u>792,346.00</u>	<u>792,346.00</u>	<u>788,755.36</u>	<u>3,590.64</u>	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
	<u>8,369,092.00</u>	<u>8,519,092.00</u>	<u>7,969,109.33</u>	<u>549,982.67</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"					

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS EXCLUDED FROM "CAPS":					
Musconetcong Sewer Authority Fees	\$ 69,000.00	\$ 69,000.00	\$ 63,914.32	\$ 5,085.68	
Recycling Tax	10,500.00	10,500.00		10,500.00	
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:					
Clean Communities Grant (N.J.S.A 40A:4-87, + \$16,000.00)		16,000.00	16,000.00		
Business Stimulus Fund Grant (N.J.S.A 40A:4-87, + \$7,000.00)		7,000.00	7,000.00		
PBA Representative Private Revenue Contract	106,300.00	106,300.00	106,287.67	12.33	
Municipal Alliance Program	11,420.00	11,420.00	11,100.05	319.95	
Click It or Ticket Grant (N.J.S.A 40A:4-87, + \$4,000.00)		4,000.00	4,000.00		
Highlands Grant	77,500.00	77,500.00	12,812.50	64,687.50	
Recreation Trails Grant (N.J.S.A 40A:4-87, + \$19,165.00)		19,165.00		19,165.00	
Body Armor Replacement Fund	2,652.00	2,652.00	2,652.00		
Total Operations Excluded from "CAPS"	277,372.00	323,537.00	223,766.54	99,770.46	
Detail:					
Other Expenses	277,372.00	323,537.00	223,766.54	99,770.46	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":					
Capital Improvement Fund	75,000.00	75,000.00	75,000.00		
Supplement to Roseville Road Phase 2	50,000.00	50,000.00	50,000.00		
Drainage Improvements	5,000.00	5,000.00		5,000.00	
Total Capital Improvements - Excluded from "CAPS"	130,000.00	130,000.00	125,000.00	5,000.00	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":					
Payment of Bond Principal	\$ 185,000.00	\$ 185,000.00	\$ 185,000.00		
Payment of Bond Anticipation Notes and Capital Notes	68,800.00	68,800.00	68,800.00		
Interest on Bonds	36,200.00	36,200.00	36,200.00		
Interest on Notes	21,099.00	21,099.00	21,099.00		
Loan Repayments for Principal and Interest	43,530.00	43,530.00	43,530.00		
Total Municipal Debt Service - Excluded from "CAPS"	354,629.00	354,629.00	354,629.00		
DEFERRED CHARGES - EXCLUDED FROM "CAPS":					
Special Emergency Authorizations- 5 Years (N.J.S.A.40A:4-53)	74,000.00	74,000.00	74,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS":	74,000.00	74,000.00	74,000.00		
Total General Appropriations - Excluded from "CAPS"	836,001.00	882,166.00	777,395.54	\$ 104,770.46	
Subtotal General Appropriations	9,205,093.00	9,401,258.00	8,746,504.87	654,753.13	
Reserve for Uncollected Taxes	1,187,639.00	1,187,639.00	1,187,639.00		
Total General Appropriations	\$ 10,392,732.00	\$ 10,588,897.00	\$ 9,934,143.87	\$ 654,753.13	\$ -0-

Ref.

A

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After</u>	<u>Paid or</u>
		<u>Modification</u>	<u>Charged</u>
Adopted Budget	A-2	\$ 10,392,732.00	
Added by N.J.S.A. 40A:4-87	A-2	46,165.00	
Added by N.J.S.A. 40A:4-53		<u>150,000.00</u>	
		<u>\$ 10,588,897.00</u>	
Reserve for Uncollected Taxes			\$ 1,187,639.00
Reserve for Encumbrances	A		357,060.42
Reserve for Revaluation			150,000.00
Deferred Charges - Special Emergency Authorization			74,000.00
Cash Disbursed			<u>8,225,524.96</u>
			9,994,224.38
Less: Appropriation Refunds			<u>60,080.51</u>
			<u>\$ 9,934,143.87</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
TRUST FUNDS

TOWNSHIP OF BYRAM
COMPARATIVE BALANCE SHEET - TRUST FUNDS

		December 31,	
	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	\$ 45,726.18	\$ 37,584.80
		<u>45,726.18</u>	<u>37,584.80</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	2,758,857.63	2,526,725.45
Due from Current Fund	A	84,228.18	169,308.21
		<u>2,843,085.81</u>	<u>2,696,033.66</u>
<u>TOTAL ASSETS</u>		<u>\$ 2,888,811.99</u>	<u>\$ 2,733,618.46</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey:			
Board of Health			\$ 12.60
Due to Current Fund	A	\$ 11,943.78	5,538.00
Reserve for Animal Control Expenditures	B-6	33,782.40	32,034.20
		<u>45,726.18</u>	<u>37,584.80</u>
Other Trust Funds:			
Master Escrow		377,933.63	247,315.54
Reserve for:			
Recreation Deposits		143,029.93	134,486.51
State Unemployment Insurance		61,709.44	57,543.19
Outside Police Services		53,628.08	46,721.19
Public Defender		3,563.00	3,133.50
Drainage		30,676.48	23,556.26
Open Space		625,300.00	576,322.50
Open Space - Debt Service		517,589.25	557,403.81
Park Project		7,065.04	7,065.04
Housing Rehabilitation		229,475.17	247,475.17
School Diesel Agreement		72,068.86	68,181.35

TOWNSHIP OF BYRAM
COMPARATIVE BALANCE SHEET - TRUST FUNDS

		December 31,	
	Ref.	2011	2010
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Other Trust Funds:			
Reserve for:			
Cranberry Lake		\$ 48,118.34	\$ 43,908.34
Byram Day		100.00	100.00
Tax Sale Premiums		101,300.00	128,400.00
Parking Offense Adjudication Act		288.00	272.00
Municipal Alliance		81.00	
Snow Removal		75,000.00	75,000.00
Affordable Housing		63,716.71	49,406.18
Sick and Vacation Leave		432,442.88	429,743.08
		2,843,085.81	2,696,033.66
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$ 2,888,811.99	\$ 2,733,618.46

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
GENERAL CAPITAL FUND

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 1,723,403.30	\$ 1,328,600.37
Due from Current Fund	A		40,000.00
Due from State of New Jersey:			
Department of Transportation		78,750.00	150,000.00
Deferred Charges to Future Taxation:			
Funded		2,102,879.72	2,380,322.90
Unfunded	C-4	1,690,150.00	1,406,600.00
<u>TOTAL ASSETS</u>		<u>\$ 5,595,183.02</u>	<u>\$ 5,305,523.27</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 1,690,150.00	\$ 1,406,600.00
Serial Bonds Payable	C-8	1,573,000.00	1,818,000.00
Green Acres Loan Payable #1	C-9	117,258.72	127,200.80
Green Acres Loan Payable #2	C-9A	412,621.00	435,122.10
Improvement Authorizations:			
Funded	C-5	55,062.30	99,783.61
Unfunded	C-5	465,623.99	337,895.39
Due to Current Fund	A	150,000.00	
Capital Improvement Fund	C-6	251,613.43	229,263.43
Reserve For:			
Drainage		44,000.00	44,000.00
Road Resurfacing		74,500.00	74,500.00
Field Irrigation		40,000.00	40,000.00
Fire Department Grant		49,782.16	
Payment of Debt Service		411,754.58	436,754.58
Fund Balance	C-1	259,816.84	256,403.36
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 5,595,183.02</u>	<u>\$ 5,305,523.27</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

	<u>Ref</u>	
Balance December 31, 2010	C	\$ 256,403.36
Increased by:		
Notes Premium		<u>\$ 3,413.48</u>
		<u>3,413.48</u>
Balance December 31, 2011	C	<u>\$ 259,816.84</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
WATER OPERATING FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
SEWER OPERATING FUND

TOWNSHIP OF BYRAM
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 239,732.34	\$ 233,072.17
Receivable with Full Reserve:			
Consumer Accounts Receivable and Liens	E-6	18,491.62	9,916.48
Sewer Liens Recievable		911.25	
Total Operating Fund		<u>259,135.21</u>	<u>242,988.65</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	110,125.91	114,506.20
Fixed Capital	E-7	2,220,025.00	2,200,000.00
Fixed Capital Authorized and Uncompleted	E-8	185,000.00	205,025.00
Total Capital Fund		<u>2,515,150.91</u>	<u>2,519,531.20</u>
<u>TOTAL ASSETS</u>		<u>\$ 2,774,286.12</u>	<u>\$ 2,762,519.85</u>

TOWNSHIP OF BYRAM
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 33,490.18	\$ 53,718.88
Encumbered	E-3;E-9	4,745.10	4,995.00
Total Appropriation Reserves		<u>38,235.28</u>	<u>58,713.88</u>
Accrued Interest on Wastewater Treatment Loans		7,895.00	10,865.00
Accrued Interest on Notes		48.29	133.77
Prepaid Sewer Rents		13,965.58	6,237.24
Sewer Overpayments		2,178.33	589.97
		<u>62,322.48</u>	<u>76,539.86</u>
Reserve for Receivables	E	19,402.87	9,916.48
Fund Balance	E-1	<u>177,409.86</u>	<u>156,532.31</u>
Total Operating Fund		<u>259,135.21</u>	<u>242,988.65</u>
Bond Anticipation Notes Payable	E-14	15,000.00	35,000.00
Wastewater Treatment Loan Payable	E-16	561,200.36	660,011.76
Improvement Authorizations:			
Funded	E-10	39,125.91	47,477.19
Unfunded	E-10	15,000.00	16,029.01
Capital Improvement Fund	E-11	56,000.00	51,000.00
Deferred Reserve for Amortization	E-12	170,000.00	170,025.00
Reserve for Amortization	E-13	1,658,824.64	1,539,988.24
Total Capital Fund		<u>2,515,150.91</u>	<u>2,519,531.20</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,774,286.12</u>	<u>\$ 2,762,519.85</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Ref.	Year Ended December 31	
		2011	2010
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 50,000.00	\$ 50,000.00
Rents		315,890.62	315,566.27
Miscellaneous Revenue Not Anticipated		3,128.87	4,155.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		46,381.30	46,368.74
Total Income		415,400.79	416,090.01
<u>Expenditures</u>			
Budget Expenditures:			
Operating		205,040.00	201,877.00
Capital Improvements		5,000.00	3,000.00
Debt Service		134,183.24	141,394.68
Deferred Charges and Statutory Expenditures		300.00	300.00
Total Expenditures		344,523.24	346,571.68
Excess in Revenue/Statutory Excess to Fund Balance		70,877.55	69,518.33
<u>Fund Balance</u>			
Balance January 1	E	156,532.31	137,013.98
		227,409.86	206,532.31
Decreased by:			
Utilized as Anticipated Revenue		50,000.00	50,000.00
Balance December 31	E	\$ 177,409.86	\$ 156,532.31

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
STATEMENT OF SEWER CAPITAL FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 50,000.00	\$ 50,000.00	
Sewer Rents	300,000.00	315,890.62	\$ 15,890.62
	<u>350,000.00</u>	<u>365,890.62</u>	<u>15,890.62</u>
Miscellaneous Revenue Not Anticipated		3,128.87	3,128.87
	<u>\$ 350,000.00</u>	<u>\$ 369,019.49</u>	<u>\$ 19,019.49</u>

Analysis of Miscellaneous Revenue Not Anticipated

Treasurer:

Interest on Sewer Deposits	\$ 336.61	
Interest on Sewer Rents	2,394.66	
Other Sewer Fees	<u>252.83</u>	
		\$ 2,984.10
Due from Sewer Utility Capital Fund:		
Interest on Deposits		<u>144.77</u>
		<u>\$ 3,128.87</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 100.00	\$ 100.00		\$ 100.00	
Other Expenses	100,940.00	100,940.00	\$ 75,978.38	24,961.62	
Musconetcong Sewerage Authority Fee	104,000.00	104,000.00	95,871.44	8,128.56	
Capital Improvements:					
Capital Improvement Fund	5,000.00	5,000.00	5,000.00		
Debt Service:					
Payment of Wastewater Loans Principal	98,815.00	98,815.00	98,815.00		
Payment of Bond Anticipation Notes	20,000.00	20,000.00	20,000.00		
Interest on Bonds	20,245.00	20,245.00	14,928.72		\$ 5,316.28
Interest on Notes	600.00	600.00	439.52		160.48
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	100.00	100.00		100.00	
Social Security System (O.A.S.I.)	100.00	100.00		100.00	
Unemployment Compensation Insurance	100.00	100.00		100.00	
	<u>\$ 350,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 311,033.06</u>	<u>\$ 33,490.18</u>	<u>\$ 5,476.76</u>

Ref.

E

Analysis of Paid or Charged

Cash Disbursed		\$ 306,948.59
Accrued Interest on Loans		14,928.72
Accrued Interest on Notes		439.52
Encumbered	E	4,745.10
		<u>327,061.93</u>
Less: Refunded		<u>16,028.87</u>
		<u>\$ 311,033.06</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF BYRAM
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	December 31,	
	2011	2010
Land	\$ 972,600.00	\$ 972,600.00
Buildings	1,758,533.00	1,758,533.00
Equipment and Vehicles	4,999,722.12	4,944,905.56
<u>TOTAL ASSETS</u>	<u>\$ 7,730,855.12</u>	<u>\$ 7,676,038.56</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Reserve for Fixed Assets	<u>\$ 7,730,855.12</u>	<u>\$ 7,676,038.56</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>\$ 7,730,855.12</u>	<u>\$ 7,676,038.56</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Byram include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Byram, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Byram do not include the operations of the Volunteer Fire and First Aid Squads.

Governmental Accounting Standards Board publication Codification of Government Accounting and Financial Reporting Standards ("GASB"), Section 2100 "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of Byram 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 (the "Division"). 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 Township of Byram accounts for its financial transactions through the following separate funds:

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

Trust Fund - Receipt, custodianship and disbursement of funds in accordance with the purpose for 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 Utility and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

General Fixed Assets Account Group – Estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E – “Basis of Accounting”.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting policies of the Township of Byram 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, which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The following is a summary of the significant policies.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is budgeted and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled 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.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Township's financial statements been prepared under generally accepted accounting principles, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when received; inventories would not be reflected as expenditures at the time of purchase; and fixed assets purchased by the Sewer Utility Capital Fund would be depreciated.

The cash basis of accounting is followed in the Trust and Capital Funds.

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds, by loans or by capital leases.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the period reported. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated a cost or amortized cost, which approximates market.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences - Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved.

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.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include (Cont'd):

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.

Grants Receivable - Grants receivable represent the total grant awards less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, the Township developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at cost, except for land which is recorded at assessed value, and buildings, which are recorded at replacement value. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserves area adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund and Sewer Utility Fund. The values recorded in the general fixed assets account group and the capital funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Capital assets are reviewed for impairment.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost. The amount shown does not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Sewer Utility Capital Fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. The Sewer Utility does not record depreciation on fixed assets.

- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current, Sewer Utility Operating and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

(Continued)

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bond to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power have been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2011	2010	2009
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 3,793,029.72	\$ 3,786,922.90	\$ 3,890,726.83
Sewer Utility:			
Bonds, Loans and Notes	576,200.36	695,011.76	815,518.98
	<u>4,369,230.08</u>	<u>4,481,934.66</u>	<u>4,706,245.81</u>
Less:			
Open Space - Debt Service Reserve	517,589.25	557,403.81	597,218.37
Reserve to Pay Debt Service	461,754.58	436,754.58	450,000.00
	<u>979,343.83</u>	<u>994,158.39</u>	<u>1,047,218.37</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 3,389,886.25</u>	<u>\$ 3,487,776.27</u>	<u>\$ 3,659,027.44</u>

Summary of Statutory 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 statutory net debt of .25%.

	Gross Debt	Deductions	Net Debt
School Debt	\$ 6,220,000.00	\$ 6,220,000.00	
Sewer Utility Debt	576,200.36	576,200.36	
General Debt	3,793,029.72	979,343.83	\$ 2,813,685.89
	<u>\$ 10,589,230.08</u>	<u>\$ 7,775,544.19</u>	<u>\$ 2,813,685.89</u>

Net Debt: \$2,813,685.89 divided by Average Equalized Valuations of \$1,134,678,916.00 of Real Property = .25%.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

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

3-1/2% Average Equalized Valuation of Real Property	\$39,713,762.06
Net Debt	2,905,635.91
Remaining Borrowing Power	\$36,808,126.15

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S.40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 369,019.49
Deductions:	
Operating and Maintenance Cost	\$ 205,340.00
Debt Service	134,183.24
	339,523.24
Excess in Revenue	\$ 29,496.25

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount.

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2010	Additions	Retirements	Balance 12/31/2011
Serial Bonds:				
General Capital Fund	\$ 978,000.00		\$ 185,000.00	\$ 793,000.00
Open Space Trust Fund	840,000.00		60,000.00	780,000.00
Bond Anticipation Notes:				
General Capital Fund	1,406,600.00	\$ 1,690,150.00	1,406,600.00	1,690,150.00
Sewer Utility Capital Fund	35,000.00	15,000.00	35,000.00	15,000.00
Loans Payable:				
General Capital				
Green Acres Loans #1	127,200.80		9,942.08	117,258.72
Green Acres Loans #2	435,122.10		22,501.10	412,621.00
Sewer Utility Capital Fund:				
Wastewater Treatment Loan	660,011.76		98,811.40	561,200.36
	\$ 4,481,934.66	\$ 1,705,150.00	\$ 1,817,854.58	\$ 4,369,230.08

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/2009	Additions	Retirements	Balance 12/31/2010
Serial Bonds:				
General Capital Fund	\$ 1,153,000.00		\$ 175,000.00	\$ 978,000.00
Open Space Trust Fund	900,000.00		60,000.00	840,000.00
Bond Anticipation Notes:				
General Capital Fund	1,243,600.00	\$ 1,406,600.00	\$ 1,243,600.00	1,406,600.00
Sewer Utility Capital Fund	55,000.00	35,000.00	55,000.00	35,000.00
Loans Payable:				
General Capital				
Green Acres Loans #1	136,946.99		9,746.19	127,200.80
Green Acres Loans #2	457,179.84		22,057.74	435,122.10
Sewer Utility Capital Fund:				
Wastewater Treatment Loans	760,518.98		100,507.22	660,011.76
	<u>\$ 4,706,245.81</u>	<u>\$ 1,441,600.00</u>	<u>\$ 1,665,911.15</u>	<u>\$ 4,481,934.66</u>

Analysis of Debt Issued and Outstanding:

General Capital Serial Bonds

Final Maturity	Rate	Amount
10/1/2015	3.50-3.75%	<u>\$ 793,000.00</u>

Open Space Serial Bonds

Final Maturity	Rate	Amount
10/1/2024	3.50-4.00%	<u>\$ 780,000.00</u>

Green Acres Loans Payable

Final Maturity	Rate	Amount
3/18/2022	2.00%	\$ 117,258.72
5/17/2027	2.00%	412,621.00
		<u>\$ 529,879.72</u>

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 2: Long-Term Debt (Cont'd)

General Capital - Bond Anticipation Notes Payable

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
9/29/2012	1.25%	\$ 81,000.00
9/29/2012	1.25%	164,600.00
9/29/2012	1.25%	302,200.00
9/29/2012	1.25%	590,000.00
9/29/2012	1.25%	200,000.00
9/29/2012	1.25%	352,350.00
		<u>\$ 1,690,150.00</u>

Sewer Utility - Bond Anticipation Notes Payable

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
9/29/2012	1.25%	<u>\$ 15,000.00</u>

Sewer Utility - New Jersey Wastewater Treatment Loans Payable

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
9/30/2016	0.00%	\$ 226,200.36
9/30/2016	2.00%	335,000.00
		<u>\$ 561,200.36</u>

Wastewater Treatment Loans

On October 15, 1996, the Township of Byram entered into two loan agreements with the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection Fund (the "Fund"), and the New Jersey Wastewater Treatment Trust (the "Trust"), in the aggregate amount of \$1,802,284 which represents direct obligations of the Township. The loan agreements were obtained to finance a portion of the cost of wastewater treatment system projects.

Principal payments to the Fund commenced on August 1, 1997, and will continue on a semiannual basis over 17 years at zero interest. Principal payments to the Trust commenced on August 1, 2000, and will continue on semiannual basis over 20 years. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings thereon in the debt service reserve fund (as defined in the bond resolution) transferred to such capitalized interest account. The Township will nevertheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account.

Also, an annual administrative fee of three tenths of one percent (.3%) of the initial principal amount of the loan or such less amount, if any, as the Trust may approve from time to time is payable on these loans.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

(Continued)

Note 2: Long-Term Debt (Cont'd)

Green Acres Loan Payable

On March 27, 2002, the Township of Byram entered into a loan agreement with the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection Fund (the "Fund"), in the aggregate amount of \$200,000 which represents direct obligations of the Township. The loan agreements were obtained to finance a portion of the Multi-Park Development project.

Principal payments on the Loan commenced on March 18, 2003, and will continue on an annual basis over 20 years at 2.00% interest. The Township will be responsible for all such interest and principal payments.

On August 14, 2007, the Township of Byram entered into a loan agreement with the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection Fund (the "Fund"), in the aggregate amount of \$500,000 (two separate loans for \$250,000 each) which represents direct obligations of the Township. The loan agreements were obtained to finance a portion of the C.O. Johnson Park project.

Principal payments on the Loan commenced on May 17, 2008, and will continue on an annual basis over 20 years at 2.00% interest. The Township will be responsible for all such interest and principal payments.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt and
Loans Issued and Outstanding

<u>Calendar Year</u>	<u>General</u>	<u>Open Space</u>	<u>Sewer Utility*</u>	<u>Total</u>
2012	\$ 268,021.97	\$ 89,775.00	\$ 123,730.50	\$ 481,527.47
2013	260,953.24	87,600.00	126,306.91	474,860.15
2014	258,640.71	85,350.00	120,588.54	464,579.25
2015	254,140.74	83,100.00	122,725.07	459,965.81
2016	43,528.22	80,850.00	126,089.34	250,467.56
2017-2021	217,641.17	370,500.00		588,141.17
2022-2026	161,676.29	194,400.00		356,076.29
2027	15,545.86			15,545.86
	<u>\$ 1,480,148.20</u>	<u>\$ 991,575.00</u>	<u>\$ 619,440.36</u>	<u>\$ 3,091,163.56</u>

* Principal and interest on the Wastewater Treatment Loan has been included in full and has not been offset by any interest earnings or credits which may be available.

Note 3: Fund Balances Appropriated

As of the date of this report, the budget for 2012 has not been adopted. The amount of fund balance at December 31, 2011 which was included in the Current Fund and Sewer Operating Fund budgets for the year ending December 31, 2012 has not yet been determined.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 4: School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Township of Byram has not elected to defer school taxes.

Note 5: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charge is shown on the balance sheet of the Current Fund:

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>To be</u> <u>Raised in</u> <u>2012 Budget</u>	<u>Balance to</u> <u>Succeeding</u> <u>Years' Budgets</u>
<u>Current Fund</u>			
Special Emergency Authorization	\$ 224,000.00	\$ 104,000.00	\$ 120,000.00

The appropriation in the 2012 budget will not be less than that required by statute.

Note 6: Pension Plans

Township employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS) of New Jersey or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers the PERS and the PFRS which cover substantially all Township employees. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join the PERS or the PFRS. However, if an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective with the first payroll to be paid on or after October 1, 2011 the employee contributions for PERS went from 5.5% to 6.50% while the employee contributions for PFRS increased to 10.00% from 8.5% of employees' annual compensation, as defined. Employee contributions to DCRP are based on a percentage of 5.50% of the employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the PERS and PFRS Funds.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 6: Pension Plans (Cont'd)

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits for PERS and PFRS. In the PERS, the employer contribution includes funding for post-retirement medical premiums. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Township contributions to PFRS amounted to \$385,468, \$304,583 and \$274,995 for 2011, 2010, and 2009, respectively. Township contributions to PERS amounted to \$139,778, \$106,103, and \$111,101 for 2011, 2010, and 2009, respectively.

The employee and employer contributions for the DCRP were \$4,550.39, \$3,417.45 and \$4,801.78, for 2011, 2010 and 2009, respectively.

Note 7: Accrued Sick and Vacation Benefits

The Township permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$645,000 at December 31, 2011. This amount is not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used. This amount is partially reserved in the Reserve for Sick and Vacation Leave of \$432,442.88 on the Trust Fund balance sheet at December 31, 2011.

Note 8: Post-Retirement Benefits

In addition to the pension benefits described in Note 6, the Township provides other post-retirement benefits to certain clerical, public works and police employees. Clerical and public works employees are eligible for life insurance, medical, hospitalization and dental care benefits providing they meet certain eligibility requirements. To be eligible for these benefits, the employee must have been employed by the Township at the time of retirement with at least 25 or more years of service or at least 15 or more years of service and reached the age of 62, or at least 10 or more years of service if retirement is caused by disability for which a disability pension of 50% or more has been approved.

Police are eligible for family health plan, life insurance and dental benefits. To be eligible for continued benefits, the retiree must retire pursuant to the New Jersey Police and Firemen's Pension statutes. A retired police employee may apply not to be covered for medical and dental benefits in exchange for a cash payment equal to one-half of the savings in cost to the Township for providing coverage for one year.

All eligible employees must apply for full federal health care benefits at the earliest opportunity. The Township will provide "wrap around" coverage if available, in lieu of standard benefits, after eligibility for federal health benefits is established.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

(Continued)

Note 8: Post-Retirement Benefits (Cont'd)

The Township's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. During 2011 and 2010, the Township recognized expenditures/expenses in the amount of \$404,774 and \$418,583, respectively.

Funding Policy

The Township is not required to nor does it contribute the annual required contribution (ARC) per N.J.S.A. 40A:4-1 et. seq. There is currently no provision under State statute for the Township to accrue funds, create a trust or issue debt to finance their other post employment benefit ("OPEB") liability.

Currently, there are no contribution requirements of plan members.

Annual OPEB Cost per Actuarial Valuation

For 2008, 2009 and 2010, the Township's annual OPEB cost (expense) of \$1,075,500 was equal to the ARC. An update to the 2008 valuation was not prepared for 2009 and 2010 as there were no significant plan changes, significant population changes or changes in assumptions used to complete the valuation. An actuarial valuation was not prepared as required by GASB #45 for 2011. The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008, 2009 and 2010 is as follows:

Year	Actuarial Estimated OPEB Payments	Annual OPEB Cost	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligations
2008	\$ 733,600	\$ 4,468,100	16.42%	\$ 3,734,500
2009	733,600	4,468,100	16.42%	7,469,000
2010	733,600	4,468,100	16.42%	11,203,500

Funding Status and Funding Progress

The funded status of the plan as of January 1, 2010, was as follows:

	2008	2009	2010
Actuarial Accrued Liability (AAL)	\$12,005,100	\$12,005,100	\$12,005,100
Actuarial Value of Plan Assets	-0-	-0-	-0-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$12,005,100</u>	<u>\$12,005,100</u>	<u>\$12,005,100</u>
Funded Ratio (Actuarial Value of Plan Assets (AAL))	0.00%	0.00%	0.00%
Covered Payroll (Active Plan Members)	N/A	N/A	N/A
UAAL as a Percentage of Covered Payroll	N/A	N/A	N/A

N/A – Not Available

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 8: Post-Retirement Benefits (Cont'd)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include economic assumptions; benefit assumptions and demographic assumptions. Economic assumptions include the discount rate and health care cost trend rates. Benefit assumptions encompass the initial per capita costs rates for medical coverage. Finally, demographic assumptions include probabilities concerning retirement, mortality, termination without being eligible for benefits; disability; participation rates and coverage levels. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Note 9: Deferred Compensation

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, which is administered by Nationwide, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan is not available to employees until termination, retirement, death or unforeseeable emergency.

Note 10: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 10: Selected Tax Information (Cont'd)

	<u>2011</u>	<u>2010</u>	<u>2009 *</u>
<u>Tax Rate</u>	\$ 2.64	\$ 2.55	\$ 2.42
<u>Apportionment of Tax Rate</u>			
Municipal	0.70	0.68	0.64
County	0.45	0.42	0.41
Local School	0.98	0.96	0.91
Regional School	0.51	0.49	0.47
<u>Assessed Valuations</u>			
2011	<u>\$ 1,104,306,570.00</u>		
2010		<u>\$ 1,108,142,151.00</u>	
2009			<u>\$ 1,113,693,666.00</u>

* Revaluation of Property Taxes

Comparison of Tax Levies and Collections Currently

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2011	\$ 29,160,377.29	\$ 28,441,926.26	97.54%
2010	28,244,296.62	27,502,702.88	97.37%
2009	26,940,556.35	26,227,377.85	97.35%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 11: Cash and Cash Equivalents

Cash and cash equivalents include change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40 *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures* require disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 11: Cash and Cash Equivalents (Cont'd)

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investments matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed below and on the following page.

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit.

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (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;

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 11: Cash and Cash Equivalents (Cont'd)

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (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 statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2011, cash and cash equivalents of the Township of Byram consisted of the following:

<u>Fund</u>	<u>Change Funds</u>	<u>Checking Accounts</u>	<u>NJ Cash Management Fund</u>	<u>Total</u>
Current Fund	\$ 250.00	\$ 3,760,938.42	\$ 201,399.56	\$ 3,962,587.98
Animal Control Trust Fund		45,726.18		45,726.18
Other Trust Fund		2,758,857.63		2,758,857.63
General Capital Fund		1,723,403.30		1,723,403.30
Sewer Utility Operating Fund		239,732.34		239,732.34
Sewer Utility Capital Fund		110,125.91		110,125.91
	<u>\$ 250.00</u>	<u>\$ 8,638,783.78</u>	<u>\$ 201,399.56</u>	<u>\$ 8,840,433.34</u>

During the period ended December 31, 2011, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2011, was \$8,840,433.34 and the bank balance was \$8,920,463.33. The \$201,399.56 invested with the State of New Jersey Cash Management Fund is uninsured and/or unregistered.

During the period ended December 31, 2010, the Township did not hold any investments other than certificates of deposit. The carrying amount of the Township's cash and cash equivalents at December 31, 2010, was \$8,249,556.76 and the bank balance was \$7,353,078.74. The \$201,181.38 invested with the State of New Jersey Cash Management Fund is uninsured and/or unregistered.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 12: Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Township of Byram is a member of the Statewide Insurance Fund, (the "Fund"). The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of municipalities established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum.

The following coverages are offered by these funds to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) General Liability and Auto Liability
- c.) Property Damage
- d.) Boiler and Machinery
- e.) Law Enforcement Liability
- f.) Public Officials' Liability
- g.) Employment Practice Liability
- h.) Crime
- i.) Umbrella Liability
- j.) Environmental Impairment Liability
- k.) Excess Liability

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

The December 31, 2011 audit report of the Statewide Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2010 is as follows:

	<u>Statewide Insurance Fund</u>
Total Assets	\$ 29,629,912.00
Net Assets	\$ 3,914,080.00
Total Revenue	\$ 18,261,760.00
Total Expenditures	\$ 18,513,438.00
Change in Net Assets	\$ (251,678.00)
Net Assets Distribution to Participating Members	\$ -0-

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 12: Risk Management (Cont'd)

Financial statements for this fund are available at the Office of the Executive Director:

Statewide Insurance Fund
26 Columbia Turnpike PO Box 678
Florham Park, New Jersey 07932
(973) 549-1900

The Township of Byram is also a member of the North Jersey Municipal Employee Benefits Fund, (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of providing certain employee benefits for member municipalities in order to keep local property taxes at a minimum.

The following health benefit coverages are offered by this fund to its members:

- a.) Medical
- b.) Prescription
- c.) Dental

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

The December 31, 2011 audit report of the North Jersey Municipal Employee Benefits Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2010 is as follows:

	<u>North Jersey Municipal Employee Benefits Fund</u>
Total Assets	<u>\$ 15,475,831.00</u>
Net Assets	<u>\$ 12,088,382.00</u>
Total Revenue	<u>\$ 37,699,620.00</u>
Total Expenditures	<u>\$ 36,331,615.00</u>
Change in Net Assets	<u>\$ 1,368,005.00</u>
Net Assets Distribution to Participating Members	<u>\$ -0-</u>

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 12: Risk Management (Cont'd)

Financial statements for these funds are available at the Office of the Executive Director:

PERMA Risk Management Services
6 Campus Drive, Suite 16
Parsippany, NJ 07054
(973) 587-0555

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.

The following is a summary of Township contributions, interest earned, 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:

Year	<u>Township Contributions</u>	<u>Interest Earned</u>	<u>Employees Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ -0-	\$ 77.39	\$ 8,022.18	\$ 3,933.32	\$ 61,709.44
2010	-0-	137.89	188.35	127.50	57,543.19
2009	-0-	135.58	4,109.63	261.19	57,344.45

Note 13: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2011:

Fund	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 161,943.78	\$ 84,228.18
Animal Control Fund		11,943.78
Other Trust Funds	84,228.18	
General Capital Fund		150,000.00
	<u>\$ 246,171.96</u>	<u>\$ 246,171.96</u>

The Township's interfund receivable to Current Fund is a result of the statutory excess in the Animal Control fund, as well as the cash portion of emergency notes issued for the revaluation held in the General Capital Fund. The interfund payable from Current Fund is a 2010 budget appropriation due to the Other Trust Funds for Reserve for Sick and Vacation Leave and the balance of the Open Space Tax Levy. The Chief Financial Officer monitors all interfunds for these accounts and liquidates them on a monthly basis. The balances remaining at December 31, 2011, represent activity not liquidated by year end which were subsequently liquidated in January 2012.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 14: Economic Dependency

The Township of Byram receives a substantial amount of support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

Note 15: Contingent Liabilities

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Township vigorously contests all lawsuits and believes the ultimate resolution would not have a material adverse effect on their financial position.

The Township has been advised that a number of tax appeals have been filed. Potential refunds on tax appeals could be as much as \$300,000. A reserve for pending tax appeals in the amount of \$300,000 has been recorded as a liability as of December 31, 2011.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Note 16: Open Space Trust Reserve

The Township created an Open Space Trust Fund with a tax levy of \$.02 per \$100 of assessed valuation in 1999. The funds collected are used to acquire and maintain open space property in the Township. The 2011 Open Space tax levy was \$110,603.86. The balance of the Open Space Trust Fund as of December 31, 2011 was \$625,300.00.

The Township of Byram also received grants for the acquisition of open space land previously purchased by the municipality in previous years. The intention of the municipality is to use this funding to offset the debt issued to acquire these properties. These funds are being held in a Reserve for Open Space – Debt Service on the Other Trust Fund balance sheet. The reserve disbursed \$39,814.56 during the current year to fund the debt service payments of the current year. The balance of the Open Space Trust Fund -- Debt Service as of December 31, 2011 was \$517,589.25.

TOWNSHIP OF BYRAM
SUPPLEMENTARY DATA

TOWNSHIP OF BYRAM
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2011

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
James Oscovitch	Mayor	(A)	
Scott Olsen	Councilman	(A)	
Marie Raffay	Councilwoman	(A)	
Daniel Rafferty	Councilman	(A)	
Brian Thompson	Councilman	(A)	
Joseph A. Sabatini	Township Manager	(A)	
Theresa Vervaet	Chief Financial Officer and Tax Collector	\$ 250,000.00	Selective Insurance Company
Theresa Vervaet	Sewer Utility Collector	50,000.00	Selective Insurance Company
Richard Bowe	Magistrate	5,000.00	Selective Insurance Company
Mary Beth Swanson	Court Administrator	60,000.00	Selective Insurance Company
Richard O'Connor	Building Inspector	(A)	
Penny Holenstein	Tax Assessor	(A)	
Doris J. Flynn	Township Clerk	(A)	

All bonds were examined and were properly executed.

(A) A Blanket Position Bond for \$2,000,000 was issued by Statewide Insurance Fund and covers those noted above and also covers the Road Superintendent, Environmental Commission and Industrial Commission.

TOWNSHIP OF BYRAM
REQUIRED SUPPLEMENTARY INFORMATION
POST RETIREMENT BENEFITS - SCHEDULE OF FUNDING PROGRESS

<u>Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2008	1/2008	-0-	\$ 12,005,100	\$ 12,005,100	0.00%	N/A	N/A
2009	1/2008	-0-	12,005,100	12,005,100	0.00%	N/A	N/A
2010	1/2008	-0-	12,005,100	12,005,100	0.00%	N/A	N/A

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
CURRENT FUND

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 4,008,817.77
Increased by Receipts:		
Tax Collector		\$ 29,272,652.04
Revenue Accounts Receivable		1,072,576.01
Miscellaneous Revenue Not Anticipated		88,604.49
Due Animal Control Trust Fund:		
Prior Year Interfund Returned		5,538.00
Due Other Trust Fund :		
Tax Sale Premiums		40,800.00
Due State of New Jersey:		
Marriage License Fees		775.00
DCA Training Fees		10,890.47
Veterans and Senior Citizens' Deductions		87,000.00
Appropriation Refunds		60,080.51
Reserve for Sale of Municipal Assets		36,000.00
Reserve for Body Armor Replacement Fund		2,235.71
Reserve for Garden State Preservation Trust Fund		41,920.00
		30,719,072.23
		34,727,890.00

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Decreased by Disbursements:		
2011 Appropriation Expenditures	\$	8,225,524.96
2010 Appropriation Reserves		496,575.79
Local School Taxes		10,847,807.00
Regional School Taxes		5,652,076.48
County Taxes		4,907,390.09
Due Other Trust Funds:		
Open Space Tax Levy		110,500.91
Prior Year Interfund Returned		175,000.00
Tax Sale Premiums		40,800.00
Due General Capital Fund:		
Prior Year Interfund Returned		40,000.00
Redemption of Outside Liens		150,027.77
Due State of New Jersey:		
DCA Training Fees		8,489.47
Marriage License Fees		725.00
Refund of Uniform Construction Code Fees		9,872.50
Reserve for Pending Tax Appeals		42,123.01
Reserve for Revaluation		23,873.51
Appropriated Grant Reserves:		
Municipal Alliance on Alcoholism and Drug Abuse		31.98
Recycling Tonnage Grant		4,015.16
Clean Communities		15,485.63
Environmental Protection		1,865.00
Drunk Driving Enforcement Fund		2,214.98
Refund of Prior Year Revenue		600.09
Accounts Payable		263.52
Tax Overpayments		10,289.17
		\$ 30,765,552.02
Balance December 31, 2011	A	\$ 3,962,337.98

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2011

Increased by Receipts:

Taxes Receivable	\$ 28,765,150.22
Interest and Costs on Taxes	134,008.50
2012 Prepaid Taxes	167,942.48
Tax Overpayments	41,883.24
Outside Liens	150,027.77
Other Miscellaneous	<u>13,639.83</u>

\$ 29,272,652.04

TOWNSHIP OF BYRAM
SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>		
Balance December 31, 2010	A	\$	655,645.27
Increased by:			
Transfer from Taxes Receivable		\$	114,136.35
Interest and Costs on Tax Sale			<u>2,078.50</u>
			<u>116,214.85</u>
Balance December 31, 2011	A	\$	<u>771,860.12</u>

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued In</u> <u>2011</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Municipal Clerk:					
Alcoholic Beverage Licenses		\$ 6,159.80	\$ 6,159.80		
Fees and Permits		3,428.90	3,428.90		
Planning/Zoning Board Fees:					
Fees and Permits		6,100.00	6,100.00		
Police:					
Fees and Permits		1,120.52	1,120.52		
Board of Health:					
Fees and Permits		5,920.00	5,920.00		
Fire Prevention:					
Fees and Permits		2,415.00	2,415.00		
Construction Code Official:					
Fees and Permits		154,629.53	154,629.53		
Municipal Court:					
Fines and Costs	\$ 13,580.80	96,721.10	102,952.44		\$ 7,349.46
Interest on Deposits		10,773.31	10,773.31		
Consolidated Municipal Property Tax Relief Program		81,823.00	81,823.00		
Energy Receipts Taxes		493,652.00	493,652.00		
Highlands Grant - 2011		77,500.00	12,812.50		64,687.50
Click It Or Ticket Grant		4,000.00	4,000.00		
PBA Representative Private Revenue Contract		106,300.00	106,300.00		

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance Dec. 31, 2010</u>	<u>Accrued In 2011</u>	<u>Collected by Treasurer</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2011</u>
Reserve to Pay Debt Service		\$ 25,000.00	\$ 25,000.00		
Clean Communities Grant		16,000.00	16,000.00		
Business Stimulus Grant		7,000.00			\$ 7,000.00
Municipal Alliance - 2010	\$ 11,420.00		10,478.76	\$ 941.24	
Municipal Alliance - 2011		11,420.00	6,845.25		4,574.75
Green Communities	3,000.00		3,000.00		
Recreation Trails Grant		19,165.00	19,165.00		
Sussex Branch Trail Improvements	12,266.05				12,266.05
	<u>\$ 40,266.85</u>	<u>\$ 1,129,128.16</u>	<u>\$ 1,072,576.01</u>	<u>\$ 941.24</u>	<u>\$ 95,877.76</u>
<u>Ref.</u>	A				A

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	Balance Dec. 31, 2010	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries & Wages	\$ 14,705.58	\$ 14,705.58	\$ 3,225.50	\$ 11,480.08
Other Expenses	31,723.74	31,723.74	7,676.27	24,047.47
Mayor & Council:				
Other Expenses	13,208.00	13,208.00	1,961.24	11,246.76
Clerk:				
Salaries & Wages	12.00	12.00		12.00
Election:				
Other Expenses	1,216.04	1,216.04		1,216.04
Financial Administration:				
Salaries & Wages	5,496.20	5,496.20		5,496.20
Other Expenses	30,866.11	30,866.11	28,702.10	2,164.01
Audit Fees	28,980.00	28,980.00	22,840.00	6,140.00
Assessment of Taxes:				
Salaries & Wages	93.00	93.00		93.00
Other Expenses	1,483.11	6,483.11	3,767.89	2,715.22
Revenue Administration (Tax Collection):				
Salaries & Wages	68.08	68.08		68.08
Other Expenses	2,625.41	2,625.41	2,607.72	17.69
Legal Services and Costs:				
Other Expenses - Fees	57,668.85	52,668.85	5,645.47	47,023.38
Environmental Commission:				
Other Expenses	4,286.94	4,286.94	774.00	3,512.94
Engineering Services:				
Other Expenses	23,980.24	23,980.24	22,331.25	1,648.99
Municipal Land Use Law:				
Planning Board:				
Salaries & Wages	24,604.06	24,604.06		24,604.06
Other Expenses	41,659.15	41,659.15	2,372.28	39,286.87
Zoning Commission				
Salaries & Wages	92.00	92.00		92.00
Other Expenses	590.00	590.00	7.00	583.00
Insurance: (P.L. 2003, C.92)				
Employee Group Insurance	35,960.86	15,960.86	3,081.00	12,879.86
Workers' Compensation	0.96	0.96		0.96
General Liability Insurance	74.28	74.28		74.28

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Balance Dec. 31, 2010	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY				
Uniform Fire Safety Act:				
Fire Prevention Bureau:				
Salaries & Wages	\$ 19.64	\$ 19.64		\$ 19.64
Other Expenses	1,500.00	1,500.00		1,500.00
Fire:				
Other Expenses	59,450.98	59,450.98	\$ 47,922.29	11,528.69
Office of Emergency Management:				
Other Expenses	3,000.00	3,000.00	2,528.99	471.01
Police:				
Salaries & Wages	27,240.37	65,740.37	40,000.00	25,740.37
Other Expenses	19,409.14	20,909.14	20,352.30	556.84
Other Expenses - Radio & Comm. 911	2,855.29	2,855.29	95.11	2,760.18
Municipal Court:				
Salaries & Wages	3,263.15	3,263.15		3,263.15
Other Expenses	4,335.78	4,335.78	761.36	3,574.42
Municipal Prosecutor:				
Other Expenses - Fees	11,250.00	11,250.00	4,500.00	6,750.00
STREETS AND ROADS:				
Road Repairs and Maintenance:				
Salaries & Wages	48,808.43	78,808.43	50,589.50	28,218.93
Other Expenses - Miscellaneous	267,704.82	267,704.82	180,206.15	87,498.67
Other Expenses - Improvements to Streets & Roads	35,000.00	35,000.00	35,000.00	
Other Expenses - Fleet Maintenance	70,759.20	35,759.20	10,620.16	25,139.04
Public Building and Grounds:				
Salaries & Wages	91.72	91.72		91.72
Other Expenses	18,234.50	33,234.50	31,072.24	2,162.26
Garbage Removal - Contractual	2,725.44	2,725.44	2,496.24	229.20
Recycling:				
Salaries & Wages	20.68	20.68		20.68
Other Expenses	7,555.00	7,555.00	370.80	7,184.20
HEALTH AND WELFARE:				
Board of Health:				
Other Expenses	124.18	124.18		124.18
Animal Control:				
Salaries & Wages	1,726.84	1,726.84		1,726.84
Other Expenses	1,500.00	1,500.00	1,500.00	

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Balance Dec. 31, 2010	Balance After Modification	Paid or Charged	Balance Lapsed
RECREATION AND EDUCATION:				
Parks and Playground:				
Salaries & Wages	\$ 169.00	\$ 169.00		\$ 169.00
Other Expenses	2,049.50	2,049.50	\$ 1,468.38	581.12
Senior Citizens Transportation:				
Salaries & Wages	4,115.81	4,115.81		4,115.81
Recreation Land Lease:				
Other Expenses	0.10	0.10		0.10
Celebration of Public Events				
Other Expenses	1,440.00	1,440.00		1,440.00
UNIFORM CONSTRUCTION CODE:				
Construction Code Official:				
Salaries & Wages	99.89	99.89		99.89
Other Expenses	5,851.99	5,851.99	3,032.02	2,819.97
UNCLASSIFIED:				
Utilities:				
Heating Oil	77,496.94	44,996.94	15,641.51	29,355.43
Street Lighting	5,949.64	5,949.64	2,966.58	2,983.06
Electricity	23,082.92	18,082.92	10,907.52	7,175.40
Gasoline	1,028.50	8,528.50	7,328.55	1,199.95
Telephone	10,480.85	10,480.85	1,031.69	9,449.16
Municipal Sewer Charges	97.56	97.56		97.56
Accumulated Sick and Vacation	173.00	173.00		173.00
Social Security System (O.A.S.I.)	14,450.40	14,450.40		14,450.40
DCRP	82.55	82.55		82.55
Musconetcong Sewer Authority Fees	4,561.15	4,561.15		4,561.15
Recycling Tax Appropriation	1,355.34	1,355.34	832.08	523.26
STATE AND FEDERAL PROGRAMS				
OFFSET BY REVENUES:				
PBA Representative Private Contract				
Revenue Contract	179.95	179.95		179.95
Municipal Alliance Program	2,441.46	2,441.46	2,441.46	
Recreation Trails Grant	2,326.82	2,326.82	2,326.82	

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Balance Dec. 31, 2010	Balance After Modification	Paid or Charged	Balance Lapsed
CAPITAL IMPROVEMENTS:				
Supplement to Tomahawk Tr. Drainage Improvements	\$ 15,000.00 4,914.66	\$ 15,000.00 4,914.66	\$ 15,000.00	\$ 4,914.66
	\$ 1,083,317.80	\$ 1,083,317.80	\$ 595,983.47	\$ 487,334.33

Ref.

Analysis of Balance @12/31/10

Unencumbered	836,236.03
Encumbered	247,081.77
	\$ 1,083,317.80

Analysis of Paid or Charged

Cash Disbursed	\$ 496,575.79
Due to Other Trust - Reserve for Sick and Vacation Leave	90,000.00
Appropriated Grant Reserves:	
Municipal Alliance	635.29
Recreation Trails Grant	2,326.82
Accounts Payable	6,445.57
	\$ 595,983.47

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2011

Increased by:		
Levy - Calendar Year 2011		<u>\$ 10,847,807.00</u>
Decreased by:		
Payments to Local School District		<u><u>\$ 10,847,807.00</u></u>

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2011

Increased by:		
Levy - Calendar Year 2011		<u>\$ 5,652,076.48</u>
Decreased by:		
Payments to Regional High School District		<u><u>\$ 5,652,076.48</u></u>

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Issued	Balance Dec. 31, 2011
		Original Issue	Issue	Maturity			
16-06	Revaluation Notes	09/29/11	09/29/11	09/28/12	1.250%	\$ 150,000.00	150,000.00
						\$ 150,000.00	\$ 150,000.00
					<u>Ref.</u>		A

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
TRUST FUNDS

TOWNSHIP OF BYRAM
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2010	B	\$ 37,584.80	\$ 2,526,725.45
Increased by Receipts:			
Due Current Fund:			
Interest on Investments		\$ 58.44	\$ 1,959.02
Prior Year Interfund Returned			175,000.00
Dog License Fees		12,426.00	
State Registration Fees		1,965.00	
Miscellaneous Fees		3,334.00	
Master Escrow Deposits			306,763.77
Tax Sale Premiums			40,800.00
Parking Offense Adjudication Act			16.00
Unemployment Insurance Deposits			8,099.57
Public Defender Deposits			4,304.50
Reserve for Municipal Alliance			81.00
Reserve for School Diesel Agreement			58,331.59
Reserve for Outside Police Services			40,533.97
Reserve for Drainage			7,120.22
Open Space Trust:			
Interest on Investments			1,479.61
Open Space Receipts			14,144.17
Tax Levy			110,430.00
Due Current Fund			173.86
Cranberry Lake Deposits			5,260.00
Recreation Deposits			76,098.89
Affordable Housing Deposits			14,696.99
		17,783.44	
		55,368.24	865,293.16
			3,392,018.61

TOWNSHIP OF BYRAM
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Due Current Fund:			
Prior Year Interfund Returned	\$	5,538.00	
Interest Earned			\$ 1,878.99
State of New Jersey Board of Health		1,977.60	
Expenditures Under R.S. 4:19-15.11		2,126.46	
Master Escrow Expenditures			176,145.68
Tax Sale Premiums			67,900.00
Unemployment Insurance Expenditures			3,933.32
Open Space Trust:			
Open Space Expenditures			117,064.70
Reserve for Sick Leave			87,300.20
Reserve for School Diesel Agreement			54,444.08
Reserve for Outside Police Services			33,627.08
Cranberry Lake Expenditures			1,050.00
Housing Rehabilitation Expenditures			18,000.00
Public Defender Expenditures			3,875.00
Recreation Expenditures			67,555.47
Affordable Housing			386.46
		\$ 9,642.06	\$ 633,160.98
Balance December 31, 2011	B	\$ 45,726.18	\$ 2,758,857.63

TOWNSHIP OF BYRAM
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF BYRAM
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 32,034.20
Increased by:		
Dog License Fees:		
Collected in Current Year		\$ 12,426.00
Interest		58.44
Miscellaneous Fees		3,334.00
		15,818.44
		47,852.64
Decreased by:		
Expenditures Under R.S. 4:19-15.11		2,126.46
Statutory Excess Due to Current Fund		11,943.78
		14,070.24
Balance December 31, 2011	B	\$ 33,782.40

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2009	\$ 18,046.80
2010	15,735.60
	33,782.40
Maximum Allowable Reserve	\$ 33,782.40

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
GENERAL CAPITAL FUND

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 1,328,600.37
Increased by:		
Budget Appropriation:		
Capital Improvement Fund	\$ 75,000.00	
Down Payment on Improvements	135,000.00	
Payment of Bond Anticipation Notes	68,800.00	
State of New Jersey:		
Department of Transportation	236,250.00	
Premium on Note Sale	3,413.48	
Bond Anticipation Notes	1,690,150.00	
Improvement Authorization Refunds	50,000.00	
Reserve for Fire Department Grant	49,782.16	
Due Current Fund:		
Special Emergency Notes- Due to Current	150,000.00	
Current Year Interfund Returned	40,000.00	
Interest	<u>1,772.52</u>	
		<u>2,500,168.16</u>
		<u>3,828,768.53</u>
Decreased by:		
Improvement Authorizations	671,992.71	
Bond Anticipation Notes	1,406,600.00	
Reserve to Pay Debt Service Anticipated in 2011 Budget	25,000.00	
Due Current Fund:		
Interest	<u>1,772.52</u>	
		<u>2,105,365.23</u>
Balance December 31, 2011	C	<u><u>\$ 1,723,403.30</u></u>

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2010	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2011	
		Miscellaneous	Budget Appropriation	Bond Anticipation Notes	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To		
Capital Fund Balance	\$ 256,403.36	\$ 3,413.48								\$ 259,816.84	
Capital Improvement Fund	229,263.43		\$ 75,000.00				\$ 52,650.00			251,613.43	
Due Current Fund	(40,000.00)	241,554.68					49,782.16			150,000.00	
Due from Department of Transportation	(150,000.00)	236,250.00					165,000.00			(78,750.00)	
Reserve for Road Resurfacing	74,500.00									74,500.00	
Reserve for Field Irrigation	40,000.00									40,000.00	
Reserve for Drainage	44,000.00									44,000.00	
Reserve for Payment of Debt Service	436,754.58						25,000.00			411,754.58	
Reserve for Fire Grant								\$ 49,782.16		49,782.16	
<u>Ord. No.</u>	<u>Improvement Description</u>										
06-97	Various General Improvements	4,643.83			\$ 1,570.34					3,073.49	
03-99	Recreation Improvements	10,782.96			10,782.96						
08-03	Recreation Improvements Phase II	23,718.93			23,718.93						
22-04	Open Space Acquisition	12.15								12.15	
14-06	Various Capital Improvements	15,291.25								15,291.25	
16-06	Acquisition of Rescue Vehicle		28,000.00	\$ 81,000.00		\$ 109,000.00					
09-07	Improvement to North Shore Road										
10-07	Various Capital Improvements	57,467.96	34,000.00	164,600.00		198,600.00				57,467.96	
11-08	Various Capital Improvements	36,052.27	6,800.00	302,200.00	30,146.10	309,000.00				5,906.17	
11-09	Various Capital Improvements	56,375.16		590,000.00		590,000.00				56,375.16	
07-10	Various Capital Improvements	233,334.49	50,000.00	200,000.00	241,179.49	200,000.00				42,155.00	
04-11	Roseville Road Phase II		65,000.00		215,314.59			175,000.00		24,685.41	
05-11	Various Capital Improvements		70,000.00	352,350.00	149,280.30			42,650.00		315,719.70	
		<u>\$ 1,328,600.37</u>	<u>\$ 531,218.16</u>	<u>\$ 278,800.00</u>	<u>\$ 1,690,150.00</u>	<u>\$ 671,992.71</u>	<u>\$ 1,406,600.00</u>	<u>\$ 26,772.52</u>	<u>\$ 267,432.16</u>	<u>\$ 267,432.16</u>	<u>\$ 1,723,403.30</u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2011	Analysis of Balance December 31, 2011		Unexpended Improvement Authorizations
						Bond Anticipation Notes	Expenditures	
16-06	Acquisition of Rescue Vehicle	\$ 109,000.00		\$ 28,000.00	\$ 81,000.00	\$ 81,000.00		
10-07	Various Capital Improvements	198,600.00		34,000.00	164,600.00	164,600.00		
11-08	Various Capital Improvements	309,000.00		6,800.00	302,200.00	302,200.00		
11-09	Various Capital Improvements	590,000.00			590,000.00	590,000.00		
07-10	Various Capital Improvements	200,000.00			200,000.00	200,000.00		
05-11	Various Capital Improvements		\$ 352,350.00		352,350.00	352,350.00		
		<u>\$1,406,600.00</u>	<u>\$ 352,350.00</u>	<u>\$ 68,800.00</u>	<u>\$1,690,150.00</u>	<u>\$1,690,150.00</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
								Improvement Authorizations - Unfunded \$ 465,623.99
								Less: Unexpended Proceeds of Bond Anticipation Notes Issued:
								Ordinance 10-07 (Various Capital Improvements) (45,467.96)
								Ordinance 11-08 (Various Capital Improvements) (5,906.17)
								Ordinance 11-09 (Various Capital Improvements) (56,375.16)
								Ordinance 07-10 (Various Capital Improvements) (42,155.00)
								Ordinance 05-11 (Various Capital Improvements) (315,719.70)
								<u>\$ -0-</u>

**TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2010		2011 Authorizations		Balance December 31, 2011		
		Date	Amount	Funded	Unfunded	Various Sources	Deferred Charges to Future Taxation Unfunded	Paid or Charged	Funded	Unfunded
06-97	Various Improvements	09/15/97	\$ 750,000.00	\$ 4,643.83				\$ 1,570.34	\$ 3,073.49	
03-99	Recreation Improvements	03/01/99	550,000.00	10,782.96				10,782.96		
08-03	Recreation Improvements Phase II	04/21/03	1,500,000.00	23,718.93				23,718.93		
22-04	Open Space Acquisition	10/04/04	1,200,000.00	12.15					12.15	
14-06/	Various Capital	09/05/06	77,784.00							
08-07	Improvements	05/07/07	15,900.00	15,291.25					15,291.25	
10-07	Various Capital Improvements	06/04/07	284,100.00	12,000.00	45,467.96				12,000.00	\$ 45,467.96
11-08	Various Capital Improvements	07/21/08	325,000.00		36,052.27			30,146.10		5,906.17
11-09	Various Capital Improvements	05/18/09	620,000.00		56,375.16					56,375.16
07-10	Various Capital Improvements	06/07/10	425,000.00	33,334.49	200,000.00			191,179.49		42,155.00
04-11	Roseville Road Phase II	04/05/11	240,000.00			\$ 240,000.00		215,314.59	24,685.41	
05-11	Various Capital Improvements	06/02/11	465,000.00			112,650.00	\$ 352,350.00	149,280.30		315,719.70
				<u>\$ 99,783.61</u>	<u>\$ 337,895.39</u>	<u>\$ 352,650.00</u>	<u>\$ 352,350.00</u>	<u>\$ 621,992.71</u>	<u>\$ 55,062.30</u>	<u>\$ 465,623.99</u>
		<u>Ref.</u>		<u>C</u>	<u>C</u>				<u>C</u>	<u>C</u>
	Capital Improvement Fund					\$ 52,650.00				
	New Jersey Department of Transportation Grant					165,000.00				
	Budget Appropriations					135,000.00				
						<u>\$ 352,650.00</u>				
								Cash Disbursed	\$ 671,992.71	
								Refunds	(50,000.00)	
									<u>\$ 621,992.71</u>	

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 229,263.43
Increased by:		
Current Fund Budget Appropriation		<u>75,000.00</u>
		304,263.43
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>52,650.00</u>
Balance December 31, 2011	C	<u>\$ 251,613.43</u>

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2010	Issued	Matured	Balance Dec. 31, 2011
		Original Issue	Issue	Maturity					
16-06	Acquisition of Rescue Vehicle	10/06/06	09/30/10 09/29/11	09/30/11 09/29/12	1.500% 1.250%	\$ 109,000.00	\$ 81,000.00	\$ 109,000.00	\$ 81,000.00
10-07	Various Capital Improvements	10/05/07	09/30/10 09/29/11	09/30/11 09/29/12	1.500% 1.250%	198,600.00	164,600.00	198,600.00	164,600.00
11-08	Various Capital Improvements	10/02/08	09/30/10 09/29/11	09/30/11 09/29/12	1.500% 1.250%	309,000.00	302,200.00	309,000.00	302,200.00
11-09	Various Capital Improvements	10/01/09	09/30/10 09/29/11	09/30/11 09/29/12	1.500% 1.250%	590,000.00	590,000.00	590,000.00	590,000.00
07-10	Various Capital Improvements	09/30/10	09/30/10 09/29/11	09/30/11 09/29/12	1.500% 1.250%	200,000.00	200,000.00	200,000.00	200,000.00
05-11	Various Capital Improvements	09/29/11	09/29/11	09/29/12	1.250%		352,350.00		352,350.00
						<u>\$ 1,406,600.00</u>	<u>\$ 1,690,150.00</u>	<u>\$ 1,406,600.00</u>	<u>\$ 1,690,150.00</u>
<u>Ref.</u>						C			C
							\$ 1,337,800.00	\$ 1,337,800.00	
							352,350.00		
								68,800.00	
							<u>\$ 1,690,150.00</u>	<u>\$ 1,406,600.00</u>	

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2010	Matured	Balance Dec. 31, 2011
			Date	Amount				
General Improvement Bonds	10/01/05	\$ 1,793,000.00	10/01/12	\$ 195,000.00	3.625%	\$ 978,000.00	\$ 185,000.00	\$ 793,000.00
			10/01/13	195,000.00	3.750%			
			10/01/14	200,000.00	3.750%			
			10/01/15	203,000.00	3.750%			
Open Space Bonds	10/01/05	1,140,000.00	10/01/12	60,000.00	3.625%	840,000.00	60,000.00	780,000.00
			10/01/13	60,000.00	3.750%			
			10/01/14	60,000.00	3.750%			
			10/01/15	60,000.00	3.750%			
			10/01/16	60,000.00	3.750%			
			10/01/17	60,000.00	3.750%			
			10/01/18	60,000.00	3.750%			
			10/01/19	60,000.00	3.750%			
			10/01/20	60,000.00	3.750%			
			10/01/21	60,000.00	4.000%			
			10/01/22	60,000.00	4.000%			
			10/01/23	60,000.00	4.000%			
			10/01/24	60,000.00	4.000%			
						<u>\$ 1,818,000.00</u>	<u>\$ 245,000.00</u>	<u>\$1,573,000.00</u>
Ref.						C	C	C

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE #1

Balance December 31, 2010	<u>Ref.</u> C	\$ 127,200.80
Decreased by:		
Loan Payments		9,942.08
Balance December 31, 2011	C	\$ 117,258.72

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2011

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
					\$ 117,258.72
19	03/18/12	2.00%	\$ 1,172.59	\$ 5,045.73	112,212.99
20	09/18/12	2.00%	1,122.13	5,096.19	107,116.80
21	03/18/13	2.00%	1,071.17	5,147.15	101,969.65
22	09/18/13	2.00%	1,019.70	5,198.62	96,771.03
23	03/18/14	2.00%	967.71	5,250.61	91,520.42
24	09/18/14	2.00%	915.20	5,303.11	86,217.31
25	03/18/15	2.00%	862.17	5,356.15	80,861.16
26	09/18/15	2.00%	808.61	5,409.71	75,451.45
27	03/18/16	2.00%	754.51	5,463.80	69,987.65
28	09/18/16	2.00%	699.88	5,518.44	64,469.21
29	03/18/17	2.00%	644.69	5,573.63	58,895.58
30	09/18/17	2.00%	588.96	5,629.36	53,266.22
31	03/18/18	2.00%	532.66	5,685.66	47,580.56
32	09/18/18	2.00%	475.81	5,742.51	41,838.05
33	03/18/19	2.00%	418.38	5,799.94	36,038.11
34	09/18/19	2.00%	360.38	5,857.94	30,180.17
35	03/18/20	2.00%	301.80	5,916.52	24,263.65
36	09/18/20	2.00%	242.64	5,975.68	18,287.97
37	03/18/21	2.00%	182.88	6,035.44	12,252.53
38	09/18/21	2.00%	122.53	6,095.79	6,156.74
39	03/18/22	2.00%	61.57	6,156.74	-0-
			\$ 13,325.97	\$ 117,258.72	

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE #2

Balance December 31, 2010	<u>Ref.</u> C	\$ 435,122.10
Decreased by:		
Loan Payments		<u>22,501.10</u>
Balance December 31, 2011	C	<u>\$ 412,621.00</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2011

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 206,310.50
9	05/17/12	2.0%	\$ 2,063.10	\$ 5,709.79	200,600.71
10	11/17/12	2.0%	2,006.01	5,766.89	194,833.82
11	05/17/13	2.0%	1,948.34	5,824.56	189,009.26
12	11/17/13	2.0%	1,890.09	5,882.81	183,126.45
13	05/17/14	2.0%	1,831.26	5,941.63	177,184.82
14	11/17/14	2.0%	1,771.85	6,001.05	171,183.77
15	05/17/15	2.0%	1,711.84	6,061.06	165,122.71
16	11/17/15	2.0%	1,651.23	6,121.67	159,001.04
17	05/17/16	2.0%	1,590.01	6,182.89	152,818.15
18	11/17/16	2.0%	1,528.18	6,244.72	146,573.43
19	05/17/17	2.0%	1,465.73	6,307.16	140,266.27
20	11/17/17	2.0%	1,402.66	6,370.24	133,896.03
21	05/17/18	2.0%	1,338.96	6,433.94	127,462.09
22	11/17/18	2.0%	1,274.62	6,498.28	120,963.81
23	05/17/19	2.0%	1,209.64	6,563.26	114,400.55
24	11/17/19	2.0%	1,144.01	6,628.89	107,771.66
25	05/17/20	2.0%	1,077.72	6,695.18	101,076.48
26	11/17/20	2.0%	1,010.76	6,762.13	94,314.35
27	05/17/21	2.0%	943.14	6,829.76	87,484.59
28	11/17/21	2.0%	874.85	6,898.05	80,586.54
29	05/17/22	2.0%	805.87	6,967.03	73,619.51
30	11/17/22	2.0%	736.19	7,036.70	66,582.81

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE #2

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2011

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
31	05/17/23	2.0%	\$ 665.83	\$ 7,107.07	\$ 59,475.74
32	11/17/23	2.0%	594.76	7,178.14	52,297.60
33	05/17/24	2.0%	522.98	7,249.92	45,047.68
34	11/17/24	2.0%	450.48	7,322.42	37,725.26
35	05/17/25	2.0%	377.25	7,395.65	30,329.61
36	11/17/25	2.0%	303.30	7,469.60	22,860.01
37	05/17/26	2.0%	228.60	7,544.30	15,315.71
38	11/17/26	2.0%	153.16	7,619.74	7,695.97
39	05/17/27	2.0%	76.96	7,695.97	-0-
			<u>\$ 34,649.38</u>	<u>\$ 206,310.50</u>	

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE #2

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2011

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 206,310.50
9	05/17/12	2.0%	\$ 2,063.10	\$ 5,709.79	200,600.71
10	11/17/12	2.0%	2,006.01	5,766.89	194,833.82
11	05/17/13	2.0%	1,948.34	5,824.56	189,009.26
12	11/17/13	2.0%	1,890.09	5,882.81	183,126.45
13	05/17/14	2.0%	1,831.26	5,941.63	177,184.82
14	11/17/14	2.0%	1,771.85	6,001.05	171,183.77
15	05/17/15	2.0%	1,711.84	6,061.06	165,122.71
16	11/17/15	2.0%	1,651.23	6,121.67	159,001.04
17	05/17/16	2.0%	1,590.01	6,182.89	152,818.15
18	11/17/16	2.0%	1,528.18	6,244.72	146,573.43
19	05/17/17	2.0%	1,465.73	6,307.16	140,266.27
20	11/17/17	2.0%	1,402.66	6,370.24	133,896.03
21	05/17/18	2.0%	1,338.96	6,433.94	127,462.09
22	11/17/18	2.0%	1,274.62	6,498.28	120,963.81
23	05/17/19	2.0%	1,209.64	6,563.26	114,400.55
24	11/17/19	2.0%	1,144.01	6,628.89	107,771.66
25	05/17/20	2.0%	1,077.72	6,695.18	101,076.48
26	11/17/20	2.0%	1,010.76	6,762.13	94,314.35
27	05/17/21	2.0%	943.14	6,829.76	87,484.59
28	11/17/21	2.0%	874.85	6,898.05	80,586.54
29	05/17/22	2.0%	805.87	6,967.03	73,619.51
30	11/17/22	2.0%	736.19	7,036.70	66,582.81
31	05/17/23	2.0%	665.83	7,107.07	59,475.74
32	11/17/23	2.0%	594.76	7,178.14	52,297.60
33	05/17/24	2.0%	522.98	7,249.92	45,047.68
34	11/17/24	2.0%	450.48	7,322.42	37,725.26
35	05/17/25	2.0%	377.25	7,395.65	30,329.61
36	11/17/25	2.0%	303.30	7,469.60	22,860.01
37	05/17/26	2.0%	228.60	7,544.30	15,315.71
38	11/17/26	2.0%	153.16	7,619.74	7,695.97
39	05/17/27	2.0%	76.96	7,695.97	-0-
			<u>\$ 34,649.38</u>	<u>\$ 206,310.50</u>	

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

<u>Ord. Number</u>	<u>Ord. Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Appropriations</u>	<u>Funded by Budget Appropriation</u>	<u>Bond Anticipation Notes Issued</u>	<u>Bond Anticipation Notes Redeemed</u>	<u>Balance Dec. 31, 2011</u>
16-06	09/05/06	Acquisition of Rescue Vehicle			\$ 28,000.00	\$ 81,000.00	\$ 109,000.00	
10-07	06/04/07	Various Capital Improvements			34,000.00	164,600.00	198,600.00	
11-08	07/21/08	Various Capital Improvements			6,800.00	302,200.00	309,000.00	
11-09	05/18/09	Various Capital Improvements				590,000.00	590,000.00	
07-10	06/07/10	Various Capital Improvements				200,000.00	200,000.00	
05-11	06/21/11	Various Capital Improvements		\$ 352,350.00		352,350.00		
			<u>\$ -0-</u>	<u>\$ 352,350.00</u>	<u>\$ 68,800.00</u>	<u>\$ 1,690,150.00</u>	<u>\$ 1,406,600.00</u>	<u>\$ -0-</u>

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
WATER OPERATING FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
SEWER OPERATING FUND

TOWNSHIP OF BYRAM
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	E	\$ 233,072.17	\$ 114,506.20
Increased by Receipts:			
Consumer Accounts Receivable		\$ 309,063.41	
Sewer Overpayments		2,178.33	
Prepaid Sewer Rents		13,965.58	
Miscellaneous Revenue not Anticipated:			
Interest on Sewer Deposits		336.61	
Interest on Sewer Rents		2,394.66	
Other Sewer Fees		252.83	
Due Sewer Utility Capital Fund		144.77	
Due Sewer Utility Operating Fund:			
Interest Earned			\$ 144.77
Budget Refund		16,028.87	
Budget Appropriation:			
Capital Improvement Fund			5,000.00
		<u>344,365.06</u>	<u>5,144.77</u>
		577,437.23	119,650.97
Decreased by Disbursements:			
2011 Budget Appropriations		306,948.59	
2010 Appropriation Reserves		12,332.58	
Accrued Interest on Wastewater Loans		17,898.72	
Accrued Interest on Bond Anticipation Notes		525.00	
Improvement Authorizations			9,380.29
Due Sewer Utility Operating Fund			144.77
		<u>337,704.89</u>	<u>9,525.06</u>
Balance December 31, 2011	E	<u>\$ 239,732.34</u>	<u>\$ 110,125.91</u>

TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
ANALYSIS OF SEWER CAPITAL CASH

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Receipts</u>			<u>Disbursements</u>			<u>Transfers</u>		<u>Balance</u> <u>Dec. 31, 2011</u>	
		<u>Budget</u> <u>Appropriation</u>	<u>Bond</u>	<u>Miscellaneous</u>	<u>Improvement</u> <u>Authorizations</u>	<u>Bond</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>		
			<u>Anticipation</u> <u>Notes</u>			<u>Anticipation</u> <u>Notes</u>					
Capital Improvement Fund	\$ 51,000.00	\$ 5,000.00								\$ 56,000.00	
Due Sewer Utility Operating Fund				\$ 144.77		\$ 144.77					
<u>Ord. No.</u>	<u>Improvement Description</u>										
09-03	Sewer Utility Improvements	56,029.01			\$ 1,903.10					54,125.91	
06-08	Sewer Utility Improvements	7,477.19			7,477.19						
		<u>\$ 114,506.20</u>	<u>\$ 5,000.00</u>	<u>\$ -0-</u>	<u>\$ 144.77</u>	<u>\$ 9,380.29</u>	<u>\$ -0-</u>	<u>\$ 144.77</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 110,125.91</u>
<u>Ref.</u>	E										

TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2010	E	\$ 9,916.48
Increased by:		
Sewer Rents Levied		325,377.01
		<u>335,293.49</u>
Decreased by Collections:		
Sewer Rents	\$ 309,063.41	
Overpayments Applied	589.97	
Prepaid Sewer Rents Applied	<u>6,237.24</u>	
		315,890.62
Transferred to Sewer Liens		<u>911.25</u>
Balance December 31, 2011	E	<u>\$ 18,491.62</u>

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TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
SCHEDULE OF LIENS RECEIVABLE

Increased by:		
Transfer from Sewer Accounts Receivable		<u>\$ 911.25</u>
Balance December 31, 2011		<u>911.25</u>

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2010	Transfer from Fixed Capital Authorized and Uncomplete	Balance Dec. 31, 2011
Sewer Plant	\$ 2,200,000.00	\$ 20,025.00	\$ 2,220,025.00
<u>Ref.</u>	E		E

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2010</u>	<u>Transferred to Fixed Capital</u>	<u>Balance Dec. 31, 2011</u>
Sewer Utility Improvements	05/05/03	\$ 185,000.00	\$ 185,000.00		\$ 185,000.00
Sewer Utility Improvements	06/02/08	20,025.00	<u>20,025.00</u>	<u>\$ 20,025.00</u>	
			<u>\$ 205,025.00</u>	<u>\$ 20,025.00</u>	<u>\$ 185,000.00</u>
		<u>Ref.</u>	E		E

TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 100.00	\$ 100.00		\$ 100.00
Other Expenses	51,972.15	51,972.15	\$ 12,332.58	39,639.57
Musconetcong Sewerage Authority Fee	6,341.73	6,341.73		6,341.73
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	100.00	100.00		100.00
Social Security System (O.A.S.I.)	100.00	100.00		100.00
Unemployment Compensation Insurance	100.00	100.00		100.00
	<u>\$ 58,713.88</u>	<u>\$ 58,713.88</u>	<u>\$ 12,332.58</u>	<u>\$ 46,381.30</u>

Ref.

Analysis of Balance @ 12/31/10:

Unencumbered	E	\$ 53,718.88
Encumbered	E	<u>4,995.00</u>
		<u>\$ 58,713.88</u>

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2010		2011 Authorizations		Balance December 31, 2011		
		Date	Amount	Funded	Unfunded	Reserve for Sewer Improvements	Deferred Charges to Future Revenue	Paid or Charged	Funded	Unfunded
09-03	Sewer Utility Improvements	05/05/03	\$ 185,000.00	\$ 40,000.00	\$ 16,029.01			\$ 1,903.10	\$ 39,125.91	\$ 15,000.00
06-08	Sewer Utility Improvements	06/02/08	20,025.00	7,477.19				7,477.19		
				<u>\$ 47,477.19</u>	<u>\$ 16,029.01</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 9,380.29</u>	<u>\$ 39,125.91</u>	<u>\$ 15,000.00</u>
			<u>Ref.</u>	<u>E</u>	<u>E</u>				<u>E</u>	<u>E</u>

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	E	\$ 51,000.00
Increased by:		
2011 Budget Appropriation		<u>5,000.00</u>
Balance December 31, 2011	E	<u>\$ 56,000.00</u>

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2010</u>	<u>Transfer to Reserve for Amortization</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2011</u>
Sewer Utility Improvements	05/05/03	\$ 150,000.00		\$ 20,000.00	\$ 170,000.00
Sewer Utility Improvements	06/02/08	20,025.00	\$ 20,025.00		
		<u>\$ 170,025.00</u>	<u>\$ 20,025.00</u>	<u>\$ 20,000.00</u>	<u>\$ 170,000.00</u>
	<u>Ref.</u>	<u>E</u>			<u>E</u>

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2010	E	\$ 1,539,988.24
Increased by:		
Transfer from Deferred Reserve for Amortization	\$	20,025.00
Loans Paid by Operating Budget		98,811.40
		<u>118,836.40</u>
Balance December 31, 2011	E	<u>\$ 1,658,824.64</u>

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2010	Issued	Matured	Balance Dec. 31, 2011
		Original Issue	Issue	Maturity					
09-03	Sewer Utility Improvements	10/06/05	09/29/11	09/29/12	1.250%		\$ 15,000.00		\$ 15,000.00
			09/30/10	09/30/11	1.500%	\$ 35,000.00		\$ 35,000.00	
					<u>\$ 35,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 15,000.00</u>	
					<u>Ref.</u>	E		E	
			Renewed			\$ 15,000.00	\$ 15,000.00		
			Paid by Budget Appropriation				20,000.00		
						<u>\$ 15,000.00</u>	<u>\$ 35,000.00</u>		

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY WASTEWATER TREATMENT LOAN PAYABLE

Balance December 31, 2010	<u>Ref.</u> E	\$ 660,011.76
Decreased by:		
Matured		98,811.40
Balance December 31, 2011	E	\$ 561,200.36

NEW JERSEY WASTEWATER TREATMENT LOAN PAYABLE - FUND
SCHEDULE OF PRINCIPAL PAYMENTS OUTSTANDING DECEMBER 31, 2011

Year	Principal	Balance of Loan
		\$ 226,200.36
2012	\$ 44,970.50	181,229.86
2013	45,906.91	135,322.95
2014	43,828.54	91,494.41
2015	44,605.07	46,889.34
2016	46,889.34	-0-
	\$ 226,200.36	

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY WASTEWATER TREATMENT LOAN PAYABLE
(Continued)

NEW JERSEY WASTEWATER TREATMENT LOAN PAYABLE - TRUST
SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2011

<u>Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 335,000.00
2012	\$ 18,760.00	\$ 60,000.00	275,000.00
2013	15,400.00	65,000.00	210,000.00
2014	11,760.00	65,000.00	145,000.00
2015	8,120.00	70,000.00	75,000.00
2016	4,200.00	75,000.00	-0-
	<u>\$ 58,240.00</u>	<u>\$ 335,000.00</u>	

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Improvement Description	Ordinance Date	Balance Dec. 31, 2010	Funded by Budget Appropriation	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed	Balance Dec. 31, 2011
Sewer Utility Improvements	05/05/03	\$ -0-	\$ 20,000.00	\$ 15,000.00	\$ 35,000.00	\$ -0-

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2011
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2011

TOWNSHIP OF BYRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Funding Department	Federal Program	CFDA #	Pass Through Entity ID	Grant Name	Grant Period		Grant Award Amount	Grant Receipts	Amount of Expenditures	Cumulative Expenditures
					From	To				
Department of Environmental Protection (Passed through New Jersey Department of Environmental Protection)	Recreation Trails Program	20.219	N/A	Sussex Branch Trail Improvements	01/01/07 01/01/10 01/01/11	12/31/08 12/31/10 12/31/12	\$ 25,000.00 16,544.00 19,165.00			\$ 4,455.77 14,217.18
Total Department of Environmental Protection								\$ 19,165.00		\$ 18,672.95
Department of Agriculture (Passed Through New Jersey Department of Parks and Forrestry)	Business Stimulus Fund Grant - ARRA	10.69	N/A	Business Stimulus	01/01/11	12/31/11	7,000.00		\$ 7,000.00	7,000.00
Department of Transportation (Passed through New Jersey Department of Transportation)	State Highway Projects	20.205	N/A	Roseville Road Phase II Roseville Road Phase III	01/01/10 01/01/11	12/31/11 12/31/11	150,000.00 165,000.00	112,500.00 123,750.00 236,250.00		150,000.00 165,000.00 315,000.00
	Click it or Ticket	20.605	100-066-1160-113-YHTS-6120	N/A	01/01/11	12/31/11	4,000.00	4,000.00	4,000.00	4,000.00
Total Department of Transportation								\$ 240,250.00	\$ 169,000.00	\$ 319,000.00
TOTAL FEDERAL AWARDS								\$ 259,415.00	\$ 176,000.00	\$ 344,672.95

N/A - Not Available/Applicable

TOWNSHIP OF BYRAM
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

New Jersey Agency or Department	Name of Program	State Grant Award Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
			From	To				
Department of Environmental Protection	Clean Communities Act	765-042-4900- 004-V42Y-6020	01/01/09	12/31/11	\$ 14,072.00		\$ 2,560.00	\$ 3,549.32
			01/01/10	12/31/11	16,828.42		15,485.63	16,722.23
			01/01/11	12/31/11	16,000.00	\$ 16,000.00	16,000.00	16,000.00
	Recycling Grant	752-042-4900-001- V42Y-6020	01/01/09	12/31/11	9,746.00		4,015.16	9,175.32
	Green Acres	N/A	01/01/11	12/31/11	14,144.17	14,144.17	14,144.17	14,144.17
	Green Communities	N/A	01/01/08	12/31/10	3,000.00	3,000.00		3,000.00
Subtotal - Department of Environmental Protection						33,144.17	52,204.96	62,591.04
Department of the Treasury Passed through Morris & Sussex Counties	Governor's Council on Alcoholism and Drug Abuse	200-475- 665120-60	01/01/09	12/31/11	10,291.98		31.98	10,216.98
			01/01/11	12/31/11	11,420.00	10,478.76	1,806.17	12,437.40
			01/01/10	12/31/11	11,420.00	6,845.25	11,100.25	11,100.25
Subtotal - Department of the Treasury						17,324.01	12,938.40	33,754.63
New Jersey Department of Highlands	Raritans Plains Grant	09-033-011-1904	01/01/11	12/31/11	77,500.00		12,812.50	12,812.50
							12,812.50	12,812.50
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-078-6400- 260-YYYY	01/01/08	12/31/11	14,219.62		2,214.98	6,351.19
	Body Armor Replacement Fund	718-066-1020 001-YCJS-6120	01/01/10	12/31/11	2,652.00		2,652.00	2,652.00
			01/01/11	12/31/11	2,235.95	2,235.95		2,235.95
Subtotal - Department of Law and Public Safety						2,235.95	4,866.98	11,239.14
						\$ 52,704.13	\$ 82,822.84	\$ 120,397.31

TOTAL STATE AWARDS

N/A - Not Applicable

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF BYRAM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011

Note 1. GENERAL

The accompanying schedules of expenditures of federal and state awards present the activity of all expenditures of federal and state awards of the Township of Byram. Township of Byram is defined in Note 1 to the Borough's financial statements. All federal and state financial assistance received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

Note 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal and state awards are presented using the cash basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 4. STATE LOANS OUTSTANDING

The Township of Byram has the following loans outstanding as of December 31, 2011:

Department of Environmental Protection:	
Green Acres #1	\$ 117,258.72
Green Acres #2	412,621.00
Wastewater Treatment Loan	561,200.36

Currently the Township is in the process of repaying these loan balances. There were no loan receipts or expenditures in the current year. The projects which relate to the loans are complete.



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' 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 Byram
 Byram, New Jersey

We have audited the financial statements of the Township of Byram, in the County of Sussex (the "Township") as of, and for the years ended, December 31, 2011 and 2010 and have issued our report thereon dated March 23, 2011, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting and was qualified for the omission of the post retirement benefit funding status for 2011 as required by GASB No. 45. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

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's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2011-1 that we consider to be a significant deficiency in internal control over financial reporting. 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.

The Honorable Mayor and Members
of the Township Committee
Township of Byram
Page 2

Compliance and Other Matters

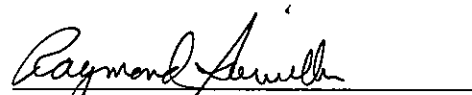
As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we reported to management in the comments and recommendations section of this report.

The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the Township's response and, accordingly, we express an opinion on it.

This report is intended solely for the information and use of management, the Mayor and Members of the Township Committee, others within the Township and to meet the requirements for filing with the Division of Local Government Services, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Mount Arlington, New Jersey
March 23, 2012

NISIVOCCIA LLP



Raymond G. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 383

TOWNSHIP OF BYRAM
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2011

Summary of Auditors' Results:

- A qualified report was issued on the Township's financial statements prepared on another comprehensive basis of accounting as a result of the omission of the post retirement benefit funding status for 2011 as required by GASB No. 45.
- The audit did not disclose any noncompliance which is material to the financial statements of the Township.
- The audit did not disclose any material weaknesses in the internal controls of the Township.
- The Township was not subject to the single audit provisions of Federal OMB Circular A-133 (the "Circular") and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, for 2011 as grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2011-1

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Township are responsible for the issuance of permits and licenses; collection of taxes, and permit and license fees; and recording of these collections. Also the deposit and recording of receipts for the various funds, the reconciliation of the bank accounts, and the preparation of the general ledger are all performed by the Chief Financial Officer. The disbursement of funds and the preparation of payroll are performed by the Finance Clerk, however; the Chief Financial Officer currently oversees and is partially involved in these duties. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. Accordingly, management and the Township Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response

The finding was evaluated, however due to budgetary constraints no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- Not Applicable since Federal expenditures were below the single audit threshold

Findings and Questioned Costs for State Awards:

- Not Applicable since State expenditures were below the single audit threshold

TOWNSHIP OF BYRAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

The Township's prior year audit finding regarding segregation of duties has not been resolved and is included as finding 2011-1.

TOWNSHIP OF BYRAM

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

TOWNSHIP OF BYRAM
COMMENTS AND RECOMMENDATIONS

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

N.J.S. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A: 11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999 c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (C.40A11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000.

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

TOWNSHIP OF BYRAM
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per N.J.S. 40A:11-5.

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. None were noted.

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 nonpayment of taxes or assessments on or before the date when they would become delinquent.

On January 3, 2011, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes charges:

BE IT RESOLVED by the Mayor and Council of the Township of Byram, Sussex County, New Jersey, that the rate of interest charges on delinquent taxes in this Township shall be as follows:

On all delinquents to and including December 31, 2011, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2011 at the rate of 8% per annum for and upon the first \$1,500 of the delinquency, the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500, and the rate of 6% per annum for and upon any amount in excess of \$10,000; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.

BE IT RESOLVED, that the collector of the Township be and hereby directed to collect interest on all taxes accordingly.

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 following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

<u>Year</u>	<u>Tax Title Liens</u>
2011	93
2010	85
2009	70

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.

TOWNSHIP OF BYRAM
COMMENTS AND RECOMMENDATIONS
(Continued)

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 verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2011 Taxes	20
Payment of 2010 Taxes	20
Delinquent Taxes	15
Tax Title Liens	5
Payment of 2011 Sewer Rents	10
Payment of 2010 Sewer Rents	10
Delinquent Sewer Rents	3

Technical Accounting Directives

The Division of Local Government Services has established three (3) technical accounting directives which are prescribed by the revision of 1987 draft "Requirements of Audit and Accounting". They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed assets accounting and reporting system.
3. General ledger accounting system.

The Township maintains an encumbrance accounting system, a fixed assets accounting and reporting system and a general ledger accounting system.

Segregation of Duties

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Township are responsible for the issuance of permits and licenses; collection of taxes, and permit and license fees; and recording of these collections. Also the deposit and recording of receipts for the various funds, the reconciliation of the bank accounts, and the preparation of the general ledger are all performed by the Chief Financial Officer.

The disbursement of funds and the preparation of payroll are performed by the Finance Clerk, however; the Chief Financial Officer currently oversees and is partially involved in these duties. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. Accordingly, management and the Township Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response

The finding was evaluated, however due to budgetary constraints no resolution can be made at this time.

TOWNSHIP OF BYRAM
COMMENTS AND RECOMMENDATIONS
(Continued)

Finance

Our examination of the Other Trust Fund revealed that the Escrow account was not being reconciled on monthly basis.

It is recommended that the Escrow Trust account in the Other Trust fund be reconciled on a monthly basis.

Management Response

The CFO will reconcile all accounts associated with the Other Trust Fund on a monthly basis.

It was determined that due to the interfund created by the special emergency notes deposited in the General Capital Fund that Current Fund-fund balance was restricted at year end.

It is recommended that all interfund balances be eliminated by year end.

Management Response

The CFO will ensure that all interfund balances are eliminated by year end.

Office of Recreation

Our review of the records of the Recreation Office revealed that deposits are not being made within 48 hours of receipt. Further review revealed that the Recreation office is holding the funds until a large portion of the collections for a specific program are received and then at that time the funds are given to the finance office for deposit. It was also noted that funds are still being collected by individuals other than the Recreation Director for events such as dances or other township events. These funds are not turned over to the Recreation Director for deposit until several days/weeks after the event.

It is recommended that the process for the collection of funds by the Recreation Department be revised to implement stronger internal controls and to ensure that deposits are made within 48 hours of receipt as required by statute.

Management's Response:

The Township Manager will work with the Chief Financial Officer and the Recreation Director to develop a new process for the collection of funds by the Recreation Department to ensure that funds are deposited within 48 hours of receipt.

TOWNSHIP OF BYRAM
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2011.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

<u>AGENCY</u>	<u>BALANCE</u> <u>12/31/2010</u>	<u>CASH</u> <u>RECEIVED</u>	<u>CASH</u> <u>DISBURSED</u>	<u>BALANCE</u> <u>12/31/2011</u>
State of New Jersey	\$ 8,042.70	\$ 66,879.72	\$ 71,672.88	\$ 3,249.54
County of Sussex	5,544.50	55,063.51	57,503.01	3,105.00
Township of Byram	13,580.80	116,643.75	122,875.09	7,349.46
Diesel Fuel		180.00		180.00
Fish and Game		690.00	190.00	500.00
Parks and Forest		300.00	250.00	50.00
Weights and Measures	1,900.00	7,300.00	8,350.00	850.00
Conditional Discharge	125.00	1,205.00	1,330.00	
Restitution		200.00		200.00
SPCA		750.00	750.00	
TOTAL	\$ 29,193.00	\$ 249,211.98	\$ 262,920.98	\$ 15,484.00

Our review of the Municipal Court records revealed no internal control deficiencies.

Status of Prior Year Recommendations

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2010 audit report. Recommendation 2, 3 and 5 were resolved in the current year and recommendations 1, and 4 are included as current year recommendation and are in the process of being implemented.

TOWNSHIP OF BYRAM
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.
2. The Escrow Trust account in the Other Trust Fund be reconciled on a monthly basis.
3. All interfund balances be eliminated by year end.
4. The process for the collection of funds by the Recreation Department be revised to implement stronger internal controls and to ensure that deposits are made within 48 hours of receipt as required by statute.