

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
REPORT OF AUDIT
2016

NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF BYRAM

COUNTY OF SUSSEX

REPORT OF AUDIT

2016

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TOWNSHIP OF BYRAM

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2016



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Independent Auditors' Report

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

Report on the Financial Statements

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 and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

The Honorable Mayor and Members
of the Township Committee
Township of Byram
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the financial statements are prepared by the Township on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a 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 regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund and account group of the Township as of December 31, 2016 and 2015, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Basis for Qualified Opinion

The Township's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. Therefore, based upon the underlying accounting records, we have not audited the general fixed assets account group.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects on the December 31, 2016 and 2015 financial statements of the matter described in the *Basis for Qualified Opinion* 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 as of December 31, 2016 and 2015, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The Honorable Mayor and Members
of the Township Committee
Township of Byram
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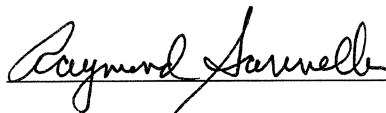
The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2017 on our consideration of the Township of Byram's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Byram's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
May 26, 2017

NISIVOCIA LLP



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

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
CURRENT FUND

TOWNSHIP OF BYRAM
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2016	2015
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 6,385,505.89	\$ 5,499,582.32
Change Fund		225.00	225.00
		<u>6,385,730.89</u>	<u>5,499,807.32</u>
Due From State of New Jersey			
Senior Citizen and Veterans Deductions		<u>10,699.32</u>	<u>11,949.32</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	519,641.56	524,413.59
Tax Title Liens Receivable	A-8	1,057,407.82	977,204.50
Property Acquired for Taxes at Assessed Valuation		2,268,500.00	2,268,500.00
Revenue Accounts Receivable	A-9	534,055.29	667,419.20
Due from Animal Control Fund	B	8,544.71	7,156.29
Due from Special Assessment	B	8.25	
Total Receivables and Other Assets With Full Reserves		<u>4,388,157.63</u>	<u>4,444,693.58</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)			<u>30,000.00</u>
			<u>30,000.00</u>
<u>TOTAL ASSETS</u>		<u>\$ 10,784,587.84</u>	<u>\$ 9,986,450.22</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 297,614.76	\$ 346,166.35
Unencumbered	A-3;A-11	1,142,634.36	793,027.39
		<u>1,440,249.12</u>	<u>1,139,193.74</u>
Prepaid Taxes		201,049.99	203,122.58
Special Emergency Notes Payable	A-14		30,000.00
Accounts Payable - Vendors		1,326.00	10,030.00
Due to State of New Jersey:			
Marriage License Fees		400.00	225.00
DCA Training Fees		3,155.00	2,913.00
Tax Overpayments		7,469.94	12,760.82

TOWNSHIP OF BYRAM
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2016	December 31, 2015
<u>LIABILITIES, RESERVES AND FUND BALANCE (Cont'd)</u>			
Due to Other Trust Funds	B	\$ 176,528.92	\$ 10,962.20
Due to General Capital Fund	C	355,000.00	
Due to County of Sussex - Added & Omitted Taxes		22,598.43	4,985.98
Due - Borough of Netcong - Construction Fees		13,628.00	
Reserve for Sale of Municipal Assets		221,329.83	206,913.74
Reserve for Contingency			47,000.00
Reserve for Pending Tax Appeals		871,865.65	735,068.69
Reserve for Revaluation		700.27	2,746.94
Reserve for Grant Funds - Appropriated:			
Drunk Driving Enforcement Fund		29,381.39	28,355.33
Stormwater Grant		16,936.00	16,936.00
Clean Communities		24,503.11	17,258.87
Body Armor Replacement Fund		4,582.70	2,959.92
Municipal Alliance on Alcoholism and Drug Abuse		7,073.75	8,496.90
Recycling Tonnage Grant		15,790.44	27,743.62
Highlands Grant		177,391.37	237,391.37
Recreation Walking Grant		2,500.00	
Community Stewardship Incentive Program		1,500.00	
No Net Loss Grant		315,683.47	369,799.62
PSE&G Susquehanna Roseland Agreement		116,891.73	208,561.32
Hazard Mitigation		25,000.00	25,000.00
Risk Control Grant		2,928.57	1,305.33
Reserve for Grant Funds - Unappropriated:			
Recycling Tonnage Grant		2,273.95	2,273.95
Volunteer Fire Assistance		7,500.00	4,000.00
		<u>4,065,237.63</u>	<u>3,356,004.92</u>
Reserve for Receivables and Other Assets	A	4,388,157.63	4,444,693.58
Fund Balance	A-1	<u>2,331,192.58</u>	<u>2,185,751.72</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 10,784,587.84</u>	<u>\$ 9,986,450.22</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 - REGULATORY BASIS

		Year Ended December 31,	
	Ref.	2016	2015
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,370,102.00	\$ 1,340,102.00
Miscellaneous Revenue Anticipated		1,143,781.73	1,158,566.40
Receipts from:			
Delinquent Taxes		533,946.12	569,259.79
Current Taxes		31,151,841.11	30,289,224.28
Nonbudget Revenue		314,381.11	155,233.52
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		421,615.68	790,626.32
Interfunds Returned		7,156.29	7,496.31
Cancellation of Accounts Payable		2,810.00	
Cancellation of Reserve for Contingency		47,000.00	
Cancellation of Tax Overpayments		1,781.04	
Cancellation of Reserve for Bike Path Improvements			303.00
Cancellation of Clean Communities			55.37
Cancellation of Recreation Trail			7,500.00
Cancellation of Municipal Alliance		1,805.23	4,248.33
Cancellation of No Net Loss Grant		146.00	
Cancellation of Reserve for Recreation Trails Grant			12,874.02
Total Income		34,996,366.31	34,335,489.34
<u>Expenditures</u>			
Municipal Purposes		9,945,173.36	10,266,277.51
Local School District Taxes		11,726,275.00	11,570,889.00
County Taxes		5,372,509.26	4,955,812.24
Regional School District Taxes		6,163,789.00	6,152,617.00
Municipal Open Space		113,207.66	118,500.59
Refund of Prior Year Revenue		1,316.00	
Increase in Reserve for Pending Tax Appeals		150,000.00	
Accounts Payable - Refund of Prior Year Revenue			7,220.00
Interfunds Advanced		8,552.96	7,156.29
Cancellation of Interfund Receivable from Other Trust		0.21	
Total Expenditures		33,480,823.45	33,078,472.63
Statutory Excess to Fund Balance		1,515,542.86	1,257,016.71
<u>Fund Balance</u>			
Balance January 1	A	2,185,751.72	2,268,837.01
		3,701,294.58	3,525,853.72
Decreased by:			
Utilized as Anticipated Revenue		1,370,102.00	1,340,102.00
Balance December 31	A	\$ 2,331,192.58	\$ 2,185,751.72

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

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 1,370,102.00		\$ 1,370,102.00	
Miscellaneous Revenue:				
Alcoholic Beverages	6,000.00		6,222.00	\$ 222.00
Fees and Permits	25,000.00		66,452.76	41,452.76
Municipal Court - Fines and Costs	70,000.00		63,499.85	6,500.15 *
Interest on Investments	4,500.00		5,872.88	1,372.88
Interest and Costs on Taxes	120,000.00		132,767.28	12,767.28
Consolidated Municipal Property Tax Relief Act	37,952.00		37,952.00	
Energy Receipts Tax (P.L. 1998, Chapters 162 & 167)	537,523.00		537,523.00	
Garden State Preservation Trust Fund	41,920.00		41,920.00	
Uniform Construction Code Fees	130,000.00		145,380.00	15,380.00
Reserve for Recycling Tonnage Grant	18,160.20		18,160.20	
Recreation Walking Grant	2,500.00		2,500.00	
Clean Communities		\$ 24,503.11	24,503.11	
Municipal Alliance Program		11,420.00	3,519.43	7,900.57 *
Click It or Ticket Grant		5,000.00	5,000.00	
Body Armor Replacement Fund		1,622.78	1,622.78	
Drunk Driving Enforcement Fund		2,386.44	2,386.44	
Recycling Bonus Grant		22,500.00	22,500.00	
Risk Control		2,928.57		2,928.57 *
Community Stewardship Incentive Grant		1,500.00	1,000.00	500.00 *
Reserve to Pay Debt Service	25,000.00		25,000.00	
	1,018,555.20	71,860.90	1,143,781.73	53,365.63

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Receipts from Delinquent Taxes	\$ 350,000.00		\$ 533,946.12	\$ 183,946.12
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes	<u>8,337,180.00</u>		<u>8,976,060.19</u>	<u>638,880.19</u>
Budget Totals	<u>\$ 11,075,837.20</u>	<u>\$ 71,860.90</u>	<u>\$ 12,023,890.04</u>	<u>\$ 876,191.94</u>
Nonbudget Revenue			<u>314,381.11</u>	
	<u>\$ 11,075,837.20</u>	<u>\$ 71,860.90</u>	<u>\$ 12,338,271.15</u>	

Ref. A-3 A-3

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes \$ 31,151,841.11

Allocated to:

Local School District Taxes	\$ 11,726,275.00
Regional High School Taxes	6,163,789.00
County Taxes	5,372,509.26
Open Space Trust	113,207.66

23,375,780.92

Balance for Support of Municipal Budget

7,776,060.19

Add: Appropriation "Reserve for Uncollected Taxes"

1,200,000.00

Realized for Support of Municipal Budget

\$ 8,976,060.19

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 497,727.47
Tax Title Liens Collections	36,218.65

\$ 533,946.12

Analysis of Fees and Permits:

Clerk Fees	\$ 12,735.06
Planning/Zoning Board Fees	18,835.00
Police Fees	1,420.80
Board of Health Fees	10,315.75
Recycling Fees	14,601.15
Other Fees and Permits	8,545.00

\$ 66,452.76

Analysis of Interest on Investments:

Collected/Received by Treasurer	\$ 3,556.06
Due from Animal Control Trust Fund	17.81
Due from Special Assessment Trust Fund	86.89
Due from Payroll Fund	44.87
Due from Other Trust Fund	1,241.29
Due from General Capital Fund	925.96

\$ 5,872.88

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Analysis of Uniform Construction Code Fees		
Collected	\$ 146,917.00	
Less: Refunded	<u>(1,537.00)</u>	
		<u>\$ 145,380.00</u>
Analysis of Nonbudget Revenue:		
Treasurer:		
Cable Television Franchise Fees	\$ 33,875.00	
DMV Inspection Fees	50.00	
Miscellaneous Restitution	171.00	
Recreation Fees	79,028.32	
Prior Year Refund	4,892.75	
Senior Citizen and Veteran Deductions Administrative Fee	1,425.00	
Other Miscellaneous	<u>23,817.92</u>	
		\$ 143,259.99
Prior Year Revenue Accounts Receivable Collected:		
Municipal Alliance Grant 2015	9,614.77	
Risk Control Grant	2,805.33	
Community Stewardship Incentive Grant - 2015	20,000.00	
No Net Loss Grant	55,500.00	
Highlands Grant	<u>60,000.00</u>	
		147,920.10
Tax Collector - Other Miscellaneous		14,656.31
Statutory Excess Due from Animal Control Trust Fund		<u>8,544.71</u>
		<u>\$ 314,381.11</u>

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

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 212,000.00	\$ 215,000.00	\$ 213,677.75	\$ 1,322.25	
Other Expenses	80,850.00	80,850.00	61,642.85	19,207.15	
Mayor & Council:					
Salaries & Wages	17,500.00	17,500.00	17,500.00		
Other Expenses	8,500.00	8,500.00	5,624.23	2,875.77	
Municipal Clerk:					
Salaries & Wages	79,500.00	79,500.00	79,316.64	183.36	
Other Expenses	9,500.00	9,500.00	7,878.44	1,621.56	
Financial Administration:					
Salaries & Wages	124,000.00	121,000.00	109,013.69	11,986.31	
Other Expenses	39,636.00	43,636.00	17,993.99	25,642.01	
Audit	30,160.00	30,160.00		30,160.00	
Tax Assessment Administration:					
Salaries & Wages	79,000.00	79,000.00	78,635.11	364.89	
Other Expenses	43,570.00	39,570.00	21,625.44	17,944.56	
Revenue Administration (Tax Collection):					
Salaries & Wages	26,500.00	26,500.00	19,360.28	7,139.72	
Other Expenses	56,240.00	56,240.00	55,421.04	818.96	
Legal Services and Costs:					
Other Expenses - Fees	115,000.00	115,000.00	45,007.90	69,992.10	
Environmental Commission:					
Other Expenses	2,600.00	2,600.00	970.38	1,629.62	
Engineering Services:					
Other Expenses	40,000.00	40,000.00	30,565.43	9,434.57	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
GENERAL GOVERNMENT (continued):					
Municipal Land Use Law (N.J.S.A. 40A:55D-1):					
Planning Board:					
Salaries and Wages	\$ 26,500.00	\$ 26,500.00	\$ 21,210.69	\$ 5,289.31	
Other Expenses	76,350.00	76,350.00	50,951.11	25,398.89	
Zoning Commission:					
Salaries & Wages	37,500.00	37,500.00	36,438.01	1,061.99	
Other Expenses	500.00	500.00	459.47	40.53	
Insurance: (P.L. 2003, C.92)					
Employee Group Insurance	1,619,112.00	1,613,812.00	1,280,331.96	333,480.04	
Workers' Compensation	100,443.00	100,443.00	100,443.00		
General Liability Insurance	192,414.00	192,414.00	192,414.00		
Unemployment Insurance	100.00	100.00	100.00		
Employee Group Insurance-Health Benefit Waiver	46,500.00	51,800.00	51,755.86	44.14	
PUBLIC SAFETY :					
Fire:					
Uniform Allowance	63,525.00	60,525.00	47,813.15	12,711.85	
Other Expenses	25,000.00	25,000.00	17,000.00	8,000.00	
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Fire Prevention Bureau:					
Salaries & Wages	2,400.00	1,192.28	1,192.28		
Other Expenses	1,500.00	7,807.72	4,479.17	3,328.55	
Office of Emergency Management:					
Salaries & Wages	3,000.00	3,000.00	3,000.00		

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016
(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	\$ 1,770,097.04	\$ 58,402.96	
Other Expenses	98,525.00	98,525.00	81,774.55	16,750.45	
First Aid Organization Contribution	25,500.00	25,500.00	25,500.00		
Police Radio & Communication and 911 - Contractual	178,500.00	178,500.00	176,064.89	2,435.11	
Municipal Court:					
Other Expenses	127,500.00	127,500.00	125,000.00	2,500.00	
STREETS AND ROADS:					
Road Repair and Maintenance:					
Salaries & Wages	794,250.00	795,000.00	728,879.68	66,120.32	
Other Expenses - Miscellaneous	291,250.00	290,500.00	257,566.15	32,933.85	
Other Expenses-Improvements to Streets and Roads	105,500.00	105,500.00	105,500.00		
Other Expenses-Purchase of Vehicles	89,000.00	89,000.00	89,000.00		
Other Expenses - Fleet Maintenance	123,500.00	126,500.00	90,231.94	36,268.06	
Public Building and Grounds:					
Salaries & Wages	69,500.00	69,500.00	69,283.72	216.28	
Other Expenses	34,000.00	34,000.00	28,523.85	5,476.15	
Garbage Removal - Contractual	662,000.00	662,000.00	594,979.13	67,020.87	
Recycling:					
Salaries & Wages	6,000.00	6,000.00	5,568.66	431.34	
Other Expenses	10,000.00	10,000.00		10,000.00	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
HEALTH AND WELFARE:					
Animal Control:					
Salaries & Wages	\$ 9,700.00	\$ 9,700.00	\$ 9,312.45	\$ 387.55	
Other Expenses	9,250.00	9,250.00	7,500.00	1,750.00	
Board of Health:					
Other Expenses	3,400.00	3,400.00	173.18	3,226.82	
RECREATION AND EDUCATION:					
Parks and Playgrounds:					
Salaries & Wages	69,500.00	69,500.00	69,334.45	165.55	
Other Expenses	7,860.00	7,860.00	6,413.82	1,446.18	
Senior Citizens' Transportation:					
Salaries & Wages	24,000.00	24,000.00	19,628.49	4,371.51	
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	2,000.00	2,000.00	1,446.05	553.95	
UNIFORM CONSTRUCTION CODE:					
Construction Code Official:					
Salaries & Wages	116,000.00	113,900.00	72,679.57	41,220.43	
Other Expenses	27,475.00	24,475.00	5,396.57	19,078.43	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
UNCLASSIFIED:					
Utilities:					
Gasoline	\$ 120,000.00	\$ 120,000.00	\$ 68,856.59	\$ 51,143.41	
Electricity	57,000.00	57,000.00	34,274.95	22,725.05	
Heating Oil	70,000.00	70,000.00	21,032.13	48,967.87	
Street Lighting	36,000.00	36,000.00	26,635.69	9,364.31	
Telephone	25,500.00	25,500.00	20,774.81	4,725.19	
Municipal Sewer Charges	6,575.00	6,575.00	6,150.82	424.18	
Accumulated Sick and Vacation	100.00	100.00		100.00	
Total Operations Within "CAPS"	8,197,261.00	8,197,261.00	7,099,376.95	1,097,884.05	
Detail:					
Salaries & Wages	3,525,450.00	3,522,892.28	3,324,128.51	198,763.77	
Other Expenses	4,671,811.00	4,674,368.72	3,775,248.44	899,120.28	
STATUTORY EXPENDITURES:					
Public Employee's Retirement System	165,031.00	165,031.00	165,031.00		
Contribution to Social Security System (O.A.S.I.)	285,738.00	285,738.00	250,874.97	34,863.03	
Police and Fireman's Retirement System of NJ	395,354.00	395,354.00	395,354.00		
Defined Contribution Retirement Plan (D.C.R.P)	10,000.00	10,000.00	9,173.27	826.73	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	856,123.00	856,123.00	820,433.24	35,689.76	
Total General Appropriations for Municipal Purposes Within "CAPS"	9,053,384.00	9,053,384.00	7,919,810.19	1,133,573.81	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS EXCLUDED FROM "CAPS":					
Musconetcong Sewer Authority Fees	\$ 40,000.00	\$ 40,000.00	\$ 32,827.22	\$ 7,172.78	
Recycling Tax	10,500.00	10,500.00	8,612.23	1,887.77	
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:					
Clean Communities Grant (N.J.S.A 40A:4-87, + \$24,503.11)		24,503.11	24,503.11		
Municipal Alliance Program (N.J.S.A 40A:4-87, + \$11,420.00)		11,420.00	11,420.00		
Click It or Ticket Grant (N.J.S.A 40A:4-87, + \$5,000.00)		5,000.00	5,000.00		
Body Armor Replacement Fund (N.J.S.A 40A:4-87, + \$1,622.78)		1,622.78	1,622.78		
Reserve for Recycling Tonnage Grant	18,160.20	18,160.20	18,160.20		
Recreation Walking Grant	2,500.00	2,500.00	2,500.00		
Recycling Bonus Grant (N.J.S.A 40A:4-87, + \$22,500.00)		22,500.00	22,500.00		
Drunk Driving Enforcement Fund (N.J.S.A 40A:4-87, + \$2,386.44)		2,386.44	2,386.44		
Risk Control Grant (N.J.S.A 40A:4-87, + \$2,928.57)		2,928.57	2,928.57		
Community Stewardship Incentive Grant (N.J.S.A 40A:4-87, + \$1,500)		1,500.00	1,500.00		
Total Operations Excluded from "CAPS"	71,160.20	143,021.10	133,960.55	9,060.55	
Detail:					
Other Expenses	71,160.20	143,021.10	133,960.55	9,060.55	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":					
Capital Improvement Fund	333,138.00	333,138.00	333,138.00		
Supplement to Roseville Road Phase 4/Tamarack Rd.	100,000.00	100,000.00	100,000.00		
Drainage Improvements	5,000.00	5,000.00	5,000.00		
Total Capital Improvements - Excluded from "CAPS"	438,138.00	438,138.00	438,138.00		

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":					
Payment of Bond Principal	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00		
Interest on Bonds	39,050.00	39,050.00	36,527.03		\$ 2,522.97
Loan Repayments for Principal and Interest	43,530.00	43,530.00	43,528.23		1.77
Payment of Interest on Special Emergency Notes	325.00	325.00	325.00		
Total Municipal Debt Service - Excluded from "CAPS"	282,905.00	282,905.00	280,380.26		2,524.74
DEFERRED CHARGES - EXCLUDED FROM "CAPS":					
Special Emergency Authorizations- 5 Years (N.J.S.A.40A:4-53)	30,000.00	30,000.00	30,000.00		
Deferred Charges to Future Taxation - Unfunded	250.00	250.00	250.00		
Total Deferred Charges - Municipal - Excluded from "CAPS":	30,250.00	30,250.00	30,250.00		
Total General Appropriations - Excluded from "CAPS"	822,453.20	894,314.10	882,728.81	\$ 9,060.55	2,524.74
Subtotal General Appropriations	9,875,837.20	9,947,698.10	8,802,539.00	1,142,634.36	2,524.74
Reserve for Uncollected Taxes	1,200,000.00	1,200,000.00	1,200,000.00		
Total General Appropriations	\$ 11,075,837.20	\$ 11,147,698.10	\$ 10,002,539.00	\$ 1,142,634.36	\$ 2,524.74

Ref.

A

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016
(Continued)

	Ref.	Analysis of	
		Budget After Modification	Paid or Charged
Adopted Budget	A-2	\$ 11,075,837.20	
Added by N.J.S.A. 40A:4-87	A-2	71,860.90	
		<u>\$ 11,147,698.10</u>	
Reserve for Uncollected Taxes			\$ 1,200,000.00
Reserve for Encumbrances	A		297,614.76
Reserve for Clean Communities			24,503.11
Reserve for Municipal Alliance			11,420.00
Reserve for Body Armor Replacement Fund			1,622.78
Reserve for Click It or Ticket			5,000.00
Reserve for Recycling Tonnage			18,160.20
Reserve for Recycling Bonus Grant			22,500.00
Reserve for Drunk Driving Enforcement Fund			2,386.44
Reserve for Recreation Walking Grant			2,500.00
Reserve for Risk Control Grant			2,928.57
Reserve for Community Stewardship Incentive Grant			1,500.00
Deferred Charges - Special Emergency Authorization			30,000.00
Cash Disbursed			<u>8,382,403.14</u>
			<u>\$ 10,002,539.00</u>

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

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
TRUST FUNDS

TOWNSHIP OF BYRAM
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

		December 31,	
	Ref.	2016	2015
<u>ASSETS</u>			
Assessment Trust Fund:			
Cash and Cash Equivalents	B-4	\$ 218,826.95	
Assessments Receivable	B-7	1,205,790.59	
		<u>1,424,617.54</u>	
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	33,921.91	\$ 32,688.89
		<u>33,921.91</u>	<u>32,688.89</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	2,935,447.10	3,033,561.87
Due from Current Fund	A	176,528.92	10,962.20
		<u>3,111,976.02</u>	<u>3,044,524.07</u>
<u>TOTAL ASSETS</u>		<u>\$ 4,570,515.47</u>	<u>\$ 3,077,212.96</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Trust Fund:			
Due to Current Fund	A	\$ 8.25	
Due to Forest Lakes Club Association	B-7	53,724.60	
N.J. Department of Environmental Protection Loan Payable	B-8	1,275,193.69	
Fund Balance	B-1	95,691.00	
		<u>1,424,617.54</u>	
Animal Control Fund:			
Due to State of New Jersey:			
Board of Health		1.20	\$ 2.40
Due to Current Fund	A	8,544.71	7,156.29
Reserve for Animal Control Expenditures	B-6	25,376.00	25,530.20
		<u>33,921.91</u>	<u>32,688.89</u>
Other Trust Funds:			
Master Escrow		489,125.46	448,957.85

TOWNSHIP OF BYRAM
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Other Trust Funds:			
Reserve for:			
Recreation Deposits		\$ 51,743.69	\$ 165,394.44
State Unemployment Insurance		82,328.82	77,891.18
Outside Police Services		1,162.50	75.00
Public Defender		9,602.00	9,342.00
Drainage		176.48	176.48
Open Space		516,125.44	404,160.49
Open Space - Debt Service		354,654.90	398,986.77
Park Project		7,065.04	7,065.04
Housing Rehabilitation		221,178.99	202,186.64
School Diesel Agreement		20,331.64	1,582.95
Cranberry Lake		52,132.27	52,132.27
Partridge Run Detention Basin Escrow		5,600.00	16,000.00
Tax Sale Premiums		380,900.00	395,900.00
Parking Offense Adjudication Act		316.00	316.00
Municipal Alliance		81.00	81.00
Storm Recovery		270,844.44	250,844.44
Affordable Housing		89,270.78	17,150.06
Self Insurance		80,561.00	
Third Party Liens			11,049.70
Sick and Vacation Leave		478,775.57	585,231.76
		<u>3,111,976.02</u>	<u>3,044,524.07</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 4,570,515.47</u>	<u>\$ 3,077,212.96</u>

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

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Increased by:		
Cash Deposit of Administrative Costs		\$ 95,691.00
		<hr/>
Balance December 31, 2016	B	\$ 95,691.00
		<hr/> <hr/>

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

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Assessment Cash	<u>\$ 73,326.19</u>	<u>\$ 67,115.46</u>	<u>\$ 6,210.73 *</u>

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	<u>Budget</u>	<u>Paid or Charged</u>	<u>Unexpended Balance Cancelled</u>
Payment of N.J. Department of Environmental Protection Loan	<u>\$ 73,326.19</u>	<u>\$ 67,115.46</u>	<u>\$ 6,210.73</u>

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

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
GENERAL CAPITAL FUND

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2016	2015
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 2,162,627.83	\$ 1,983,102.64
Due from Current Fund	A	355,000.00	
Deferred Charges to Future Taxation:			
Funded		2,565,616.07	2,861,453.53
Unfunded	C-4	405,000.00	142,250.00
<u>TOTAL ASSETS</u>		<u>\$ 5,488,243.90</u>	<u>\$ 4,986,806.17</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 405,000.00	
Serial Bonds Payable	C-8	2,208,000.00	\$ 2,468,000.00
Green Acres Loan Payable #1	C-9	64,469.21	75,451.45
Green Acres Loan Payable #2	C-9A	293,146.86	318,002.08
Improvement Authorizations:			
Funded	C-5	625,383.67	842,996.48
Unfunded	C-5	405,000.00	142,250.00
Capital Improvement Fund	C-6	883,326.43	264,188.43
Reserve For:			
Drainage		90,000.00	30,000.00
Road Resurfacing		124,500.00	124,500.00
Field Irrigation		40,000.00	40,000.00
Payment of Debt Service		279,454.58	304,454.58
Fund Balance	C-1	69,963.15	376,963.15
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 5,488,243.90</u>	<u>\$ 4,986,806.17</u>

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

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref</u>	
Balance December 31, 2015	C	\$ 376,963.15
Decreased by:		
Appropriated to Fund Improvement Authorization	C-5	<u>307,000.00</u>
Balance December 31, 2016	C	<u><u>\$ 69,963.15</u></u>

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

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
SEWER UTILITY FUND

TOWNSHIP OF BYRAM
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 619,008.86	\$ 575,476.81
Receivables with Full Reserves:			
Consumer Accounts Receivable and Liens	E-6	16,240.64	14,021.78
Total Operating Fund		635,249.50	589,498.59
Capital Fund:			
Cash and Cash Equivalents	E-4	219,347.88	138,145.19
Fixed Capital	E-7	2,220,025.00	2,220,025.00
Fixed Capital Authorized and Uncompleted	E-8	899,000.00	343,000.00
Total Capital Fund		3,338,372.88	2,701,170.19
<u>TOTAL ASSETS</u>		<u>\$ 3,973,622.38</u>	<u>\$ 3,290,668.78</u>

TOWNSHIP OF BYRAM
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 41,648.19	\$ 56,392.05
Encumbered	E-3;E-9	2,879.08	5,874.10
Total Appropriation Reserves		44,527.27	62,266.15
Accrued Interest on Wastewater Treatment Loans			1,750.00
Accrued Interest on Notes		563.90	281.25
Prepaid Sewer Rents		13,962.06	18,257.74
Sewer Overpayments		67.71	
		59,120.94	82,555.14
Reserve for Receivables	E	16,240.64	14,021.78
Fund Balance	E-1	559,887.92	492,921.67
Total Operating Fund		635,249.50	589,498.59
Capital Fund:			
Bond Anticipation Notes Payable	E-14	178,000.00	98,000.00
Wastewater Treatment Loan Payable	E-16		121,889.34
Improvement Authorizations:			
Funded	E-10	41,795.20	22,974.95
Unfunded	E-10	519,602.68	37,170.24
Capital Improvement Fund	E-11	55,950.00	78,000.00
Deferred Reserve for Amortization	E-12	323,000.00	245,000.00
Reserve for Amortization	E-13	2,220,025.00	2,098,135.66
Total Capital Fund		3,338,372.88	2,701,170.19
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 3,973,622.38</u>	<u>\$ 3,290,668.78</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 - REGULATORY BASIS

		Year Ended December 31	
	<u>Ref.</u>	2016	2015
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 40,000.00	\$ 40,000.00
Rents		306,822.34	322,458.48
Miscellaneous Revenue Not Anticipated		6,701.05	49,499.92
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		56,605.84	30,743.44
Total Income		410,129.23	442,701.84
<u>Expenditures</u>			
Budget Expenditures:			
Operating		131,340.00	144,775.00
Capital Improvements		35,950.00	5,500.00
Debt Service		135,372.98	156,686.19
Deferred Charges and Statutory Expenditures		500.00	500.00
Total Expenditures		303,162.98	307,461.19
Excess in Revenue/Statutory Excess to Fund Balance		106,966.25	135,240.65
<u>Fund Balance</u>			
Balance January 1	E	492,921.67	397,681.02
		599,887.92	532,921.67
Decreased by:			
Utilized as Anticipated Revenue		40,000.00	40,000.00
Balance December 31	E	\$ 559,887.92	\$ 492,921.67

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 - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

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 - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 40,000.00	\$ 40,000.00	
Sewer Rents	<u>275,230.00</u>	<u>306,822.34</u>	<u>\$ 31,592.34</u>
	315,230.00	346,822.34	31,592.34
Miscellaneous Revenue Not Anticipated		<u>6,701.05</u>	<u>6,701.05</u>
	<u>\$ 315,230.00</u>	<u>\$ 353,523.39</u>	<u>\$ 38,293.39</u>

Sewer Rents

Sewer Rent Collections	\$ 288,564.60
Prepaid Sewer Rents	<u>18,257.74</u>
	<u>\$ 306,822.34</u>

Analysis of Miscellaneous Revenue Not Anticipated

Treasurer:

Interest on Sewer Deposits	\$ 307.64	
Interest on Sewer Rents	2,994.49	
Miscellaneous Refunds	15.21	
Other Sewer Fees	<u>3,302.12</u>	
		\$ 6,619.46

Due from Sewer Utility Capital Fund:

Interest on Deposits		<u>81.59</u>
		<u>\$ 6,701.05</u>

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

TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Operating:					
Salaries and Wages	\$ 10,000.00	\$ 10,000.00	\$ 6,886.54	\$ 3,113.46	
Other Expenses	61,275.00	61,175.00	33,864.41	27,310.59	
Musconetcong Sewerage Authority Fee	60,165.00	60,165.00	49,240.86	10,924.14	
Capital Improvements:					
Capital Improvement Fund	35,950.00	35,950.00	35,950.00		
Debt Service:					
Payment of Wastewater Loans Principal	121,890.00	121,890.00	111,586.90		\$ 10,303.10
Payment of Bond Anticipation Notes	20,000.00	20,000.00	20,000.00		
Interest on Loans	4,200.00	4,200.00	2,450.00		1,750.00
Interest on Notes	1,250.00	1,350.00	1,336.08		13.92
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.)	200.00	200.00		200.00	
Unemployment Compensation Insurance	200.00	200.00	200.00		
	<u>\$ 315,230.00</u>	<u>\$ 315,230.00</u>	<u>\$ 261,514.79</u>	<u>\$ 41,648.19</u>	<u>\$ 12,067.02</u>
<u>Ref.</u>				E	
<u>Analysis of Paid or Charged</u>					
Cash Disbursed			\$ 254,849.63		
Accrued Interest on Loans			2,450.00		
Accrued Interest on Notes			1,336.08		
Encumbered		E	2,879.08		
			<u>\$ 261,514.79</u>		

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

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
GENERAL FIXED ASSETS ACCOUNT GROUP
UNAUDITED

TOWNSHIP OF BYRAM
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
UNAUDITED

	December 31,	
	2016	2015
<u>ASSETS</u>		
Land	\$ 972,600.00	\$ 972,600.00
Buildings	1,758,533.00	1,758,533.00
Equipment and Vehicles	5,611,043.66	5,092,134.95
<u>TOTAL ASSETS</u>	<u>\$ 8,342,176.66</u>	<u>\$ 7,823,267.95</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	\$ 8,342,176.66	\$ 7,823,267.95
<u>TOTAL RESERVES</u>	<u>\$ 8,342,176.66</u>	<u>\$ 7,823,267.95</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, 2016

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 ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB 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 practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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.

Assessment Trust Fund – Resources and expenditures for the payment of Assessment Trust Fund Debt.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

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

B. Description of Funds (Cont'd)

Sewer Utility Operating and Capital Funds – Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

General Fixed Assets Account Group (Unaudited) – 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 following is a summary of the significant accounting 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.

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; investments would generally be stated at fair value; and fixed assets purchased by the Sewer Utility Capital Fund would be depreciated, and the Township's net pension liability and related deferred inflows and outflows would be recorded.

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

TOWNSHIP OF BYRAM
 NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
 (Continued)

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

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 at 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.

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.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

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

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

General Fixed Assets (Unaudited) – 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 Fixed Assets”. When properties are retired or otherwise disposed of, the asset and the reserve are 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. Fixed 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.

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.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 2: Long-Term Debt

Summary of Municipal Debt

	December 31,		
	2016	2015	2014
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 2,970,616.07	\$ 2,861,453.53	\$ 2,821,084.85
Trust Assessment:			
Loans	1,275,193.69		
Sewer Utility:			
Bonds, Loans and Notes	178,000.00	219,889.34	374,494.41
	<u>4,423,809.76</u>	<u>3,081,342.87</u>	<u>3,195,579.26</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes		142,250.00	565,000.00
Sewer Utility:			
Bonds and Notes	398,000.00		
	<u>398,000.00</u>	<u>142,250.00</u>	<u>565,000.00</u>
Less:			
Open Space - Debt Service Reserve	354,654.90	398,986.77	443,318.64
Assessment Trust Cash	123,127.70		
Reserve to Pay Debt Service	279,454.58	304,454.58	329,454.58
	<u>757,237.18</u>	<u>703,441.35</u>	<u>772,773.22</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 4,064,572.58</u>	<u>\$ 2,520,151.52</u>	<u>\$ 2,987,806.04</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 Revised Annual Debt Statement and indicates a statutory net debt of .361%.

	Gross Debt	Deductions	Net Debt
School Debt	\$ 3,540,000.00	\$ 3,540,000.00	
Sewer Utility Debt	576,000.00	576,000.00	
Trust Assessment Debt	1,275,193.69	123,127.70	\$ 1,152,065.99
General Debt	2,970,616.07	634,109.48	2,336,506.59
	<u>\$ 8,361,809.76</u>	<u>\$ 4,873,237.18</u>	<u>\$ 3,488,572.58</u>

Net Debt: \$3,488,572.58 divided by Average Equalized Valuations of \$966,150,464 of Real Property = .361%.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(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 \$33,815,266.24

Net Debt 3,488,572.58

Remaining Borrowing Power \$30,326,693.66

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

Cash Receipts from Fees, Rents or Other Charges for Year \$ 353,523.39

Deductions:

Operating and Maintenance Cost	\$	131,840.00
Debt Service		<u>135,372.98</u>
		<u>267,212.98</u>

Excess in Revenue \$ 86,310.41

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 Revised Annual Debt Statement filed by the Chief Financial Officer.

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2015	Additions	Retirements	Balance 12/31/2016
Serial Bonds:				
General Capital Fund	\$ 1,928,000.00		\$ 200,000.00	\$ 1,728,000.00
Open Space Trust Fund	540,000.00		60,000.00	480,000.00
Bond Anticipation Notes:				
General Capital Fund		\$ 405,000.00		405,000.00
Sewer Utility Capital Fund	98,000.00	178,000.00	98,000.00	178,000.00
Loans Payable:				
General Capital				
Green Acres Loans #1	75,451.45		10,982.24	64,469.21
Green Acres Loans #2	318,002.08		24,855.22	293,146.86
Assessment Trust Fund:				
Department of Environmental Protection Loan		1,342,309.15	67,115.46	1,275,193.69
Sewer Utility Capital Fund:				
Wastewater Treatment Loan	121,889.34		121,889.34	
	<u>\$ 3,081,342.87</u>	<u>\$ 1,925,309.15</u>	<u>\$ 582,842.26</u>	<u>\$ 4,423,809.76</u>

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

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

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/2014	Additions	Retirements	Balance 12/31/2015
Serial Bonds:				
General Capital Fund	\$ 203,000.00	\$ 1,928,000.00	\$ 203,000.00	\$ 1,928,000.00
Open Space Trust Fund	600,000.00		60,000.00	540,000.00
Bond Anticipation Notes:				
General Capital Fund	1,589,500.00		1,589,500.00	
Sewer Utility Capital Fund	138,000.00	98,000.00	138,000.00	98,000.00
Loans Payable:				
General Capital				
Green Acres Loans #1	86,217.31		10,765.86	75,451.45
Green Acres Loans #2	342,367.54		24,365.46	318,002.08
Sewer Utility Capital Fund:				
Wastewater Treatment Loan	236,494.41		114,605.07	121,889.34
	<u>\$ 3,195,579.26</u>	<u>\$ 2,026,000.00</u>	<u>\$ 2,140,236.39</u>	<u>\$ 3,081,342.87</u>

Analysis of Debt Issued and Outstanding:

General Capital Serial Bonds

Purpose	Final Maturity	Interest Rate	Amount
General Improvement Bonds	9/1/2025	1.50-2.75%	<u>\$ 1,728,000.00</u>

Open Space Serial Bonds

Purpose	Final Maturity	Interest Rate	Amount
Open Space Bonds	10/1/2024	3.75-4.00%	<u>\$ 480,000.00</u>

General Capital Green Acres Loans Payable

Purpose	Final Maturity	Interest Rate	Amount
Acquisition of Property	3/18/2022	2.00%	\$ 64,469.21
Acquisition of Property	5/17/2027	2.00%	293,146.86
			<u>\$ 357,616.07</u>

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

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

General Capital - Bond Anticipation Notes Payable

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Various Capital Improvements	9/22/2017	1.18%	<u>\$ 405,000.00</u>

Sewer Utility Capital - Bond Anticipation Notes Payable

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Sewer Utility Improvements	9/23/2017	1.1799%	<u>\$ 178,000.00</u>

Assessment Trust Fund - Department of Environmental Protection Loans Payable

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Forest Lake Club - Dam Restoration	5/2/2026	2.00%	<u>\$ 1,275,193.69</u>
Total Debt Issued and Outstanding			<u>\$ 4,423,809.76</u>

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.

Department of Environmental Protection Payable

The Forest Lakes Club 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 \$1,342,309.15 which represents direct obligations of the Forest Lakes Club. The loan agreements were obtained to finance the dam restoration in Forest Lakes. The Township of Byram established a Special Assessment Trust Fund to ensure collection, proper administration and repayment of the loan funds on behalf of the Forest Lakes Club.

Principal payments on the Loan commenced on November 2nd, 2016, and will continue on an annual basis over 10 years at 2.00% interest. The Township will be responsible for all such interest and principal payments.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

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

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt and

Current Year	<u>Loans Issued and Outstanding</u>						Total
	General		Open Space		Assessment Trust		
	Principal	Interest	Principal	Interest	Principal	Interest	
2017	\$ 236,557.79	\$ 43,990.43	\$ 60,000.00	\$ 18,600.00	\$ 111,663.83	\$ 22,567.08	\$ 493,379.13
2018	237,292.61	40,255.63	60,000.00	16,350.00	113,908.27	20,322.65	488,129.16
2019	238,042.18	36,006.06	60,000.00	14,100.00	116,197.83	18,033.08	464,346.07
2020	238,806.82	31,241.40	60,000.00	11,850.00	118,533.41	15,697.51	460,431.63
2021	239,586.85	26,461.39	60,000.00	9,600.00	120,915.93	13,315.00	456,564.17
2022-2026	879,937.88	44,758.41	180,000.00	14,400.00	574,912.18	29,126.93	1,694,008.47
2027	15,391.94	153.92					15,545.86
	<u>\$2,085,616.07</u>	<u>\$ 222,867.24</u>	<u>\$ 480,000.00</u>	<u>\$ 84,900.00</u>	<u>\$1,156,131.45</u>	<u>\$ 119,062.25</u>	<u>\$4,072,404.49</u>

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be \$5,880,649 at June 30, 2016. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$9,541,502 at June 30, 2016. See Note 5 for further information on the PERS and PFRS.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2016 which was included in the adopted budget as appropriated and as anticipated revenue for the year ending December 31, 2017 budget were as follows:

Current Fund	\$ 1,370,102.00
Sewer Utility Operating Fund	40,000.00

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: Pension Plans

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$165,031 for 2016.

The employee contribution rate was 7.06% effective July 1, 2015 and increased to 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2016, the Township's liability was \$5,880,649 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the Township's proportion was 0.0199%, which was an increase of 0.001% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Township recognized actual pension expense in the amount of \$165,031.

Actuarial Assumptions

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

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.65%

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

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

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex. U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Township's proportionate share of the collective net pension liability as of June 30, 2016 calculated using the discount rate as disclosed below, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Cont'd)

	June 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Township's proportionate share of the Net Pension Liability	\$ 7,206,049	\$ 5,880,649	\$ 4,786,416

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

Plan Description

The State of New Jersey, State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after 4 years of service. The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 6: Pension Plans (Cont'd)

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. The June 30, 2016 State special funding situation net pension liability amount is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense for the fiscal year ended June 30, 2016 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2016. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Township contributions to PFRS amounted to \$395,354 for the year ended December 31, 2016. During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$30,702 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$102,338.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense

At June 30, 2016, the Township's liability for its proportionate share of the net pension liability was \$9,541,502. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the Township's proportion was 0.050%, which was an increase of 0.001% from its proportion measured as of June 30, 2015.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$801,250 as of June 30, 2016. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the State's proportion was 0.050%, which was an increase of 0.001% from its proportion measured as of June 30, 2015 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 9,541,502
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>801,250</u>
Total Net Pension Liability	<u><u>\$ 10,342,752</u></u>

For the year ended December 31, 2016, the Township recognized total pension expense of \$395,354.

Actuarial Assumptions

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

Inflation Rate	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% based on age
Thereafter	3.10% - 9.98% based on age
Investment Rate of Return	7.65%

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 6: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long Term Expected Rate of Return

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

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 6: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex. U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 6: Pension Plans (Cont'd)

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

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Township) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Township) as of June 30, 2016 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2016			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(4.55%)	(5.55%)	(6.55%)

Township's proportionate share of the NPL and the
State's proportionate share of the Net Pension

Liability associated with the Township	\$ 13,336,220	\$ 10,342,752	\$ 7,901,758
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Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. 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 DCRP. 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.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. 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.

For DCRP, the Township recognized pension expense of \$9,173.27 for the year ended December 31, 2016. Employee contributions to DCRP amounted to \$12,902.33 for the year ended December 31, 2016.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

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 \$823,956 at December 31, 2016. 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 \$478,776 on the Trust Fund balance sheet at December 31, 2016.

Note 8: Post-Retirement Benefits

Plan description 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 20 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.

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.

The Township's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. During 2016 and 2015, the Township recognized expenditures/expenses in the amount of \$738,535.08 and \$653,402, respectively.

The Township accounts for certain post-employment health care benefits provided in accordance with Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Employers that participate in *single-employer* or *agent multiple-employer defined benefit* OPEB plans (sole and agent employers) are required to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting. Annual OPEB cost is equal to the employer's annual required contribution to the plan (ARC), with certain adjustments if the employer has a net OPEB obligation for past under- or over contributions.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

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

Funding Policy (Cont'd)

The ARC is defined as the employer's required contributions for the year, calculated in accordance with certain parameters, and includes (a) the normal cost for the year and (b) a component for amortization of the total unfunded actuarial accrued liabilities (or funding excess) of the plan over a period not to exceed thirty years. If the methods and assumptions used in determining a plan's funding requirements meet the parameters, the same methods and assumptions are required for financial reporting by both a plan and its participating employer(s). However, if a plan's method of financing does not meet the parameters (for example, the plan is financed on a pay-as-you-go basis), the parameters nevertheless apply for financial reporting purposes.

The Township as a sole employer should recognize OPEB expense in an amount equal to annual OPEB cost. Net OPEB obligations, if any, should be displayed as liabilities (or assets) in the financial statements.

Annual OPEB Cost and Net OPEB Obligation

The Township's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer. The Township has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial accrued liabilities over a period not to exceed 30 years, with an assumption that payroll increases by 4% per year.

Actuarial Methods and Assumptions

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 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.

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.

In the 2014 actuarial valuation, the projected unit credit cost method was used. Under this method, the present value of benefits is allocated uniformly over an employee's expected working lifetime. For medical benefits, the initial rate utilized was 8.0% in 2014, reducing by .5% per annum, leveling at 5.0% in 2020.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

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

Annual OPEB Cost per Actuarial Valuation

The table on the following page shows the components of the Township's annual OPEB cost for the year, the amount actually contribution to the plan and the Township's obligation to the Plan at December 31, 2015 and 2016:

Since it has fewer than 200 plan members the Township follows the three year rotation cycle. The Township has rolled forward the valuation information from December 31, 2014, 2015 to December 31, 2016:

Benefit Obligations and Normal Cost

	Valuation December 31,		
	2014	2015	2016
Actuarial accrued liability (AAL)	\$ 31,670,690	N/A	N/A
Unfunded actuarial accrued liability (UAAL)	31,670,690	N/A	N/A
Normal cost at beginning of year	1,063,548	N/A	N/A
Amortization factor based on 30 years	1,944,312	N/A	N/A
Annual covered payroll	N/A	N/A	N/A
UAAL as a percentage of covered payroll	N/A	N/A	N/A

Level Dollar Amortization

Calculation of ARC under Projected Unit Credit Cost Method

	2014	2015	2015
ARC normal cost with interest to end of year	1,063,548	N/A	N/A
Amortization of unfunded actuarial accrued liability (UAAL) over 30 years with interest at year end	1,944,312	N/A	N/A
Annual Required Contribution (ARC)	3,007,860		
Interest on net OPEB obligation	-0-		
Adjustment to ARC	-0-		
Annual OPEB cost (expense)	3,007,860		
Pay as you go benefits			
Net OPEB expense at December 31,:			
2014, 2015 and 2016, respectively	3,007,860		
Prior year	13,151,119	N/A	N/A
Net OPEB obligation December 31,:			
2014, 2015 and 2016, respectively	\$ 16,158,979	N/A	N/A
Unfunded actuarial accrued liability (December 31, 2014)			\$ 31,670,690
Projected unfunded actuarial accrued liability (December 31, 2015)			N/A
Projected unfunded actuarial accrued liability (December 31, 2016)			N/A

Since it has fewer than 200 plan members the Township follows the three year rotation cycle. The table above and on the following page indicates N/A in the years when the valuation report was not available.

N/A - Not Applicable

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Tax Rate</u>	\$ 3.43	\$ 3.32	\$ 3.27

Apportionment of Tax Rate

Municipal	0.91	0.89	0.88
County	0.58	0.54	0.55
Local School	1.27	1.25	1.23
Regional School	0.67	0.66	0.66

Assessed Valuations

2016	<u>\$ 925,408,700.00</u>		
2015		<u>\$ 926,659,300.00</u>	
2014			<u>\$ 930,010,451.00</u>

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 10: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2016	\$ 31,828,935.22	\$ 31,151,841.11	97.87%
2015	30,972,145.11	30,289,224.28	97.79%
2014	30,929,628.91	30,213,435.96	97.68%

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.

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 the following two pages.

Custodial Credit Risk – The Township's policy with respect to custodial credit risk requires that the Township ensures that Township funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds.

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.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

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

Deposits: (Cont'd)

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;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (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;

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

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

Investments (Cont'd)

- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2016, cash and cash equivalents of the Township 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	\$ 225.00	\$ 6,182,738.86	\$ 202,767.03	\$ 6,385,730.89
Other Trust Fund		2,935,447.10		2,935,447.10
Assessment Trust Fund		218,826.95		218,826.95
Animal Control Trust Fund		33,921.91		33,921.91
General Capital Fund		2,162,627.83		2,162,627.83
Sewer Utility Operating Fund		619,008.86		619,008.86
Sewer Utility Capital Fund		219,347.88		219,347.88
	<u>\$ 225.00</u>	<u>\$ 12,371,919.39</u>	<u>\$ 202,767.03</u>	<u>\$12,574,911.42</u>

During the period ended December 31, 2016, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2016, was \$12,574,911.42 and the bank balance was \$12,557,398.69. The \$202,767.03 invested with the State of New Jersey Cash Management Fund is uninsured and/or unregistered.

During the period ended December 31, 2015, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2015, was \$11,262,782.72 and the bank balance was \$11,268,769.14. The \$201,948.17 invested with the State of New Jersey Cash Management Fund is uninsured and/or unregistered.

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.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 12: Risk Management (Cont'd)

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, 2016 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, 2015 is as follows:

	<u>Statewide</u> <u>Insurance Fund</u>
Total Assets	<u>\$ 42,511,989.00</u>
Net Position	<u>\$ 5,327,694.00</u>
Total Revenue	<u>\$ 27,313,612.00</u>
Total Expenses	<u>\$ 27,163,170.00</u>
Change in Net Position	<u>\$ 150,442.00</u>
Members Dividends	<u>\$ -0-</u>

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

Statewide Insurance Fund
One Sylvan Way
Parsippany, New Jersey 07054
(862) 260-2050

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 12: Risk Management (Cont'd)

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, 2016 audit report of the North Jersey Municipal Employee Benefits Fund is as follows:

	<u>North Jersey Municipal Employee Benefits Fund</u>
Total Assets	<u>\$ 20,658,810.00</u>
Net Position	<u>\$ 18,007,291.00</u>
Total Revenue	<u>\$ 41,782,291.00</u>
Total Expenses	<u>\$ 38,418,024.00</u>
Change in Net Position	<u>\$ 1,861,758.00</u>
Members Dividends	<u>\$ 1,502,509.00</u>

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

PERMA Risk Management Services
6 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 12: Risk Management (Cont'd)

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:

<u>Year</u>	<u>Township Contributions</u>	<u>Interest Earned</u>	<u>Employees Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 100.00	\$ 39.86	\$ 4,390.78	\$ 93.00	\$ 82,328.82
2015	100.00	32.19	4,172.91	97.50	77,891.18
2014	100.00	34.81	4,373.99	93.00	73,683.58

Note 13: Interfund Receivables and Payables

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 8,552.96	\$ 531,528.92
Animal Control Fund		8,544.71
Other Trust Funds	176,528.92	
Trust Assessment Fund		8.25
General Capital Fund	355,000.00	
	<u>\$ 540,081.88</u>	<u>\$ 540,081.88</u>

The Township's interfund receivable in Current Fund is a result of the statutory excess in the Animal Control Fund and the interest earned in the Trust Assessment Fund not turned over at year end. The interfund payable from Current Fund to the Other Trust Funds is for increases in the reserve for storm recovery of \$20,000, reserve for sick and vacation leave of \$76,000, and an increase in the self insurance Reserve of \$80,561. The interfund payable from Current Fund to the General Capital Fund is for an increase to the reserve for drainage improvements of \$55,000 and an increase to capital improvement fund of \$300,000.

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.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(Continued)

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.

Various tax appeals on assessed valuations have been filed against the Township. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve in the amount of \$871,865.65 which it feels should be sufficient to cover these taxes appeals.

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 2016 Open Space tax levy was \$113,207.66. The balance of the Open Space Trust Fund as of December 31, 2016 was \$516,125.44.

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 \$44,331.87 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, 2016 was \$354,654.90.

TOWNSHIP OF BYRAM

SUPPLEMENTARY DATA

TOWNSHIP OF BYRAM
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2016

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
James Oscovitch	Mayor	
David Gray	Deputy Mayor	
Scott Olson	Councilman	
Marie Raffay	Councilwoman	
Nisha Kash	Councilwoman	
Joseph A. Sabatini	Township Manager	(A)
Ashleigh Frueholz	Chief Financial Officer	(A)
Linda Roth	Interim Tax/Sewer Collector	(A)
Thomas Pinand	Building Inspector	(A)
Penny Holenstein	Tax Assessor	(A)
Doris Flynn	Township Clerk	(A)

All bonds were examined and were properly executed.

(A) A Blanket Position Bond for \$1,000,000 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
COUNTY OF SUSSEX
2016
CURRENT FUND

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2015	A	\$ 5,499,582.32
Increased by Receipts:		
Tax Collector		\$ 32,256,921.44
Revenue Accounts Receivable		1,158,154.73
Miscellaneous Revenue Not Anticipated		143,259.99
Due Animal Control Trust Fund:		
Prior Year Interfund Returned		7,156.29
Interest Due Current Fund		17.81
Due Other Trust Fund:		
Prior Year Interfund Returned		87.50
Self Insurance Refunds - Received on Behalf of Other Trust Fund		80,561.00
Interest Due Current Fund		1,209.21
Due General Capital Fund:		
Interest Due Current Fund		925.96
Due Special Assessment Trust Fund:		
Interest Due Current Fund		78.64
Due Payroll Fund:		
Interest Due Current Fund		44.87
Due State of New Jersey:		
Marriage License Fees		1,275.00
DCA Training Fees		9,577.00
Veterans and Senior Citizens' Deductions		71,250.00
Due Borough of Netcong:		
Construction Fees		13,628.00
Reserve for Sale of Municipal Assets		14,416.09
Unappropriated Grant Reserves:		
Volunteer Fire Assistance		3,500.00
		<hr/>
		33,762,063.53
		<hr/>
		39,261,645.85

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Decreased by Disbursements:		
2016 Appropriation Expenditures	\$ 8,382,403.14	
2015 Appropriation Reserves	265,252.06	
Local School Taxes	11,726,275.00	
Regional School Taxes	6,163,789.00	
County Taxes	5,354,896.81	
Due Other Trust Funds:		
Open Space Tax Levy	113,207.66	
Prior Year Interfund Returned	11,049.91	
Redemption of Outside Liens	485,971.01	
Due State of New Jersey:		
DCA Training Fees	9,335.00	
Marriage License Fees	1,100.00	
Refund of Uniform Construction Code Fees	1,537.00	
Reserve for Pending Tax Appeals	13,203.04	
Reserve for Revaluation	2,046.67	
Appropriated Grant Reserves:		
Recycling Tonnage Grant	30,113.38	
Recycling Bonus Grant	22,500.00	
Municipal Alliance on Alcoholism and Drug Abuse	11,037.92	
Clean Communities	17,258.87	
Highlands Grant	60,000.00	
No Net Loss Grant	53,970.15	
PSE&G Susquehanna Roseland Agreement	91,669.59	
Click-It or Ticket	5,000.00	
Drunk Driving Enforcement Fund	1,360.38	
Risk Control Grant	1,305.33	
Refund of Prior Year Revenue	1,316.00	
Accounts Payable	7,220.00	
Special Emergency Notes Payable	30,000.00	
Tax Overpayments	13,322.04	
		<u>\$ 32,876,139.96</u>
Balance December 31, 2016	A	<u><u>\$ 6,385,505.89</u></u>

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2016

Increased by Receipts:

Taxes Receivable	\$ 31,376,446.00	
Tax Title Liens	36,218.65	
Interest and Costs on Taxes	132,767.28	
2017 Prepaid Taxes	201,049.99	
Tax Overpayments	9,812.20	
Outside Liens	485,971.01	
Other Miscellaneous	14,656.31	
	<hr/>	
		\$ 32,256,921.44

Decreased by:

Disbursed to Municipal Treasurer		<u><u>\$ 32,256,921.44</u></u>
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TOWNSHIP OF BYRAM
SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2016

NOT APPLICABLE

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

Year	Balance	2016 Levy	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2015		2015	2016			Dec. 31, 2016	
2012	\$ 2,922.84							\$ 2,922.84
2013	3,398.84							3,398.84
2014	3,463.80							3,463.80
2015	514,628.11			\$ 497,727.47			\$ 5,843.54	11,057.10
	524,413.59			497,727.47			5,843.54	20,842.58
2016		\$ 31,828,935.22	\$ 203,122.58	30,878,718.53	\$ 70,000.00	\$ 69,045.68	109,249.45	498,798.98
	\$ 524,413.59	\$ 31,828,935.22	\$ 203,122.58	\$ 31,376,446.00	\$ 70,000.00	\$ 69,045.68	\$ 115,092.99	\$ 519,641.56

Ref. A

A

Analysis of 2016 Property Tax Levy:

Tax Yield:

General Purpose Tax	\$ 31,695,247.97	
Added and Omitted Taxes	133,687.25	
	<u>\$ 31,828,935.22</u>	

Tax Levy:

Local School District Taxes		\$ 11,726,275.00
Regional School District Taxes		6,163,789.00
County Taxes	\$ 5,349,910.83	
County Added and Omitted Taxes	22,598.43	
	<u>5,372,509.26</u>	
Local Tax for Open Space - Due Other Trust Funds		113,207.66
		<u>23,375,780.92</u>
Local Tax for Municipal Purposes Levied	8,337,180.00	
Add: Additional Tax Levied	115,974.30	
	<u>8,453,154.30</u>	
		<u>\$ 31,828,935.22</u>

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2015	A	\$ 977,204.50
Increased by:		
Transfer from Taxes Receivable		\$ 115,092.99
Interest and Costs on Tax Sale		<u>1,328.98</u>
		<u>116,421.97</u>
		1,093,626.47
Decreased by:		
Redeemed		<u>36,218.65</u>
Balance December 31, 2016	A	<u><u>\$ 1,057,407.82</u></u>

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Accrued In</u> <u>2016</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Municipal Clerk:					
Alcoholic Beverage Licenses		\$ 6,222.00	\$ 6,222.00		
Fees and Permits		12,735.06	12,735.06		
Planning/Zoning Board Fees:					
Fees and Permits		18,835.00	18,835.00		
Police:					
Fees and Permits		1,420.80	1,420.80		
Board of Health:					
Fees and Permits		10,315.75	10,315.75		
Recycling Fees		15,765.75	14,601.15		\$ 1,164.60
Other Fees and Permits		8,545.00	8,545.00		
Construction Code Official:					
Fees and Permits		146,917.00	146,917.00		
Municipal Court:					
Fines and Costs		67,513.53	63,499.85		4,013.68
Interest on Deposits		3,556.06	3,556.06		
Consolidated Municipal Property Tax Relief Program		37,952.00	37,952.00		
Garden State Preservation		41,920.00	41,920.00		
Energy Receipts Taxes		537,523.00	537,523.00		
Clean Communities Grant		24,503.11	24,503.11		
Highlands Grant	\$ 234,993.87		60,000.00		174,993.87
No Net Loss Grant	373,200.00		55,500.00	\$ 146.00	317,554.00
Community Stewardship Incentive Grant - 2015	20,000.00		20,000.00		
Community Stewardship Incentive Grant - 2016		1,500.00	1,000.00		500.00

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2016	Accrued In 2016	Collected by Treasurer	Cancelled	Balance Dec. 31, 2016
Reserve to Pay Debt Service		\$ 25,000.00	\$ 25,000.00		
Recycling Bonus Grant		22,500.00	22,500.00		
Recycling Tonnage		18,160.20	18,160.20		
Recreation Walking Grant		2,500.00	2,500.00		
Municipal Alliance Grant 2016		11,420.00	3,519.43		\$ 7,900.57
Municipal Alliance Grant 2015	\$ 11,420.00		9,614.77	\$ 1,805.23	
Click It or Ticket Grant		5,000.00	5,000.00		
Risk Control Grant -2015	2,805.33		2,805.33		
Risk Control Grant -2016		2,928.57			2,928.57
Hazard Mitigation Grant	25,000.00				25,000.00
Body Armor Replacement		1,622.78	1,622.78		
Drunk Driving Enforcement Fund		2,386.44	2,386.44		
	<u>\$ 667,419.20</u>	<u>\$ 1,026,742.05</u>	<u>\$ 1,158,154.73</u>	<u>\$ 1,951.23</u>	<u>\$ 534,055.29</u>
Ref.	A				A

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

NOT APPLICABLE

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016

	Balance Dec. 31, 2015	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries & Wages	\$ 18,741.89	\$ 18,741.89	\$ 18,741.89	
Other Expenses	23,288.03	18,288.03	6,710.18	\$ 11,577.85
Mayor & Council:				
Other Expenses	1,959.72	1,959.72	318.90	1,640.82
Municipal Clerk:				
Salaries & Wages	238.68	238.68		238.68
Other Expenses	1,933.14	1,933.14		1,933.14
Financial Administration:				
Salaries & Wages	719.42	719.42		719.42
Other Expenses	30,189.80	30,189.80	30,188.89	0.91
Audit Fees	29,560.00	29,560.00	29,560.00	
Assessment of Taxes:				
Salaries & Wages	406.88	406.88		406.88
Other Expenses	27,009.39	27,009.39	6,592.02	20,417.37
Revenue Administration (Tax Collection):				
Salaries & Wages	13,310.24	13,310.24	13,310.24	
Other Expenses	4,888.31	4,888.31	4,641.61	246.70
Legal Services and Costs:				
Other Expenses - Fees	55,662.60	55,662.60	15,061.29	40,601.31
Environmental Commission:				
Other Expenses	1,348.24	1,348.24	47.90	1,300.34
Engineering Services:				
Other Expenses	37,445.69	7,445.69	2,412.14	5,033.55
Municipal Land Use Law:				
Planning Board:				
Salaries & Wages	185.44	185.44		185.44
Other Expenses	32,319.46	32,319.46	7,465.71	24,853.75
Zoning Commission:				
Salaries & Wages	8,368.84	8,368.84	8,368.84	
Other Expenses	51.00	51.00		51.00
Insurance: (P.L. 2003, C.92)				
Employee Group Insurance	251,050.72	101,050.72		101,050.72
General Liability Insurance	1,500.00	1,500.00		1,500.00
Employee Group Insurance-Health Benefit	5,554.80	5,554.80	5,554.80	
PUBLIC SAFETY				
Uniform Fire Safety Act:				
Fire Prevention Bureau:				
Salaries & Wages	120.58	120.58		120.58
Other Expenses	61.50	61.50		61.50

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016
(Continued)

	Balance Dec. 31, 2015	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY				
Fire:				
Uniform Allowance	\$ 10,500.00	\$ 10,500.00		\$ 10,500.00
Other Expenses	35,362.01	35,362.01	\$ 30,327.83	5,034.18
Office of Emergency Management:				
Other Expenses	3,000.00			
Police:				
Salaries & Wages	48,314.75	48,314.75	46,288.54	2,026.21
Other Expenses	53,554.36	53,554.36	11,666.03	41,888.33
Other Expenses - Radio & Comm. 911	3,021.11	3,021.11	99.99	2,921.12
STREETS AND ROADS:				
Road Repairs and Maintenance:				
Salaries & Wages	11,562.75	11,562.75	11,562.75	
Other Expenses - Miscellaneous	56,079.05	56,079.05	56,079.05	
Other Expenses - Fleet Maintenance	55,083.30	55,083.30	55,083.30	
Public Building and Grounds:				
Salaries & Wages	1.25	1.25		1.25
Other Expenses	6,415.75	6,415.75	5,784.64	631.11
Garbage Removal - Contractual	90,785.15	32,785.15	32,109.90	675.25
Recycling:				
Salaries & Wages	1,751.26	1,751.26		1,751.26
Other Expenses	10,000.00	10,000.00		10,000.00
HEALTH AND WELFARE:				
Board of Health:				
Other Expenses	3,400.00	400.00	47.90	352.10
Animal Control:				
Salaries & Wages	921.58	921.58		921.58
Other Expenses	1,750.00	1,750.00		1,750.00
RECREATION AND EDUCATION:				
Parks and Playground:				
Salaries & Wages	25.08	25.08		25.08
Other Expenses	3,256.79	3,256.79	492.27	2,764.52
Senior Citizens Transportation:				
Salaries & Wages	1,472.45	1,472.45		1,472.45
Senior Citizens' Program:				
Other Expenses	1,000.00	1,000.00	1,000.00	
Recreation Land Lease:				
Other Expenses	0.10	0.10		0.10
Celebration of Public Events:				
Other Expenses	1,297.85	1,297.85	30.00	1,267.85

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016
(Continued)

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
UNIFORM CONSTRUCTION CODE:				
Construction Code Official:				
Salaries & Wages	\$ 128.95	\$ 128.95		\$ 128.95
Other Expenses	2,251.63	2,251.63	\$ 216.92	2,034.71
UNCLASSIFIED:				
Utilities:				
Heating Oil	37,547.85	37,547.85	400.90	37,146.95
Street Lighting	16,504.19	6,504.19	2,446.14	4,058.05
Electricity	22,207.26	12,207.26	5,575.50	6,631.76
Gasoline	56,256.11	25,256.11	6,096.60	19,159.51
Telephone	7,563.56	7,563.56	2,119.14	5,444.42
Municipal Sewer Charges	424.18	424.18		424.18
Social Security System (O.A.S.I.)	37,791.61	37,791.61		37,791.61
Defined Contribution Retirement Plan	1,078.80	1,078.80	185.35	893.45
Musconetcong Sewer Authority Fees	10,154.99	10,154.99		10,154.99
Recycling Tax Appropriation	2,815.65	2,815.65	990.90	1,824.75
CAPITAL IMPROVEMENTS:				
Capital Improvement Fund		300,000.00	300,000.00	
	<u>\$ 1,139,193.74</u>	<u>\$ 1,139,193.74</u>	<u>\$ 717,578.06</u>	<u>\$ 421,615.68</u>

Ref.

Analysis of Balance @12/31/2015

Unencumbered	A \$ 793,027.39
Encumbered	A 346,166.35
	<u>\$ 1,139,193.74</u>

Analysis of Paid or Charged

Cash Disbursed	\$ 265,252.06
Due to Other Trust - Reserve for Storm Recovery	20,000.00
Due to Other Trust - Reserve for Sick and Vacation Leave	76,000.00
Due to General Capital Fund - Capital Improvement Fund	300,000.00
Due to General Capital Fund - Reserve for Drainage	55,000.00
Accounts Payable	1,326.00
	<u>\$ 717,578.06</u>

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2016

Increased by:

Levy - Calendar Year 2016

\$ 11,726,275.00

Decreased by:

Payments to Local School District

\$ 11,726,275.00

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2016

Increased by:

Levy - Calendar Year 2016

\$ 6,163,789.00

Decreased by:

Payments to Regional High School District

\$ 6,163,789.00

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Balance	Matured
		Original Issue	Issue	Maturity		Dec. 31, 2015	
16-06	Revaluation Notes	09/29/11	09/24/15	09/24/16	1.0799%	\$ 30,000.00	\$ 30,000.00
						\$ 30,000.00	\$ 30,000.00
					<u>Ref.</u>	A	

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
TRUST FUNDS

TOWNSHIP OF BYRAM
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Assessment Trust Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2015	B	\$ 32,688.89	\$ -0-	\$ 3,033,561.87
Increased by Receipts:				
Due Current Fund:				
Interest on Investments		\$ 17.81	\$ 86.89	\$ 1,241.29
Prior Year Interfund Returned				11,049.70
Dog License Fees		11,169.40		
State Registration Fees		1,668.60		
Miscellaneous Fees		2,318.00		
Trust Assessment Collections			190,243.17	
Deposit for Administrative Costs			95,691.00	
Master Escrow Deposits				186,570.45
Tax Sale Premiums				167,800.00
Unemployment Insurance Deposits				4,530.64
Public Defender Deposits				260.00
Reserve for School Diesel Agreement				18,748.69
Reserve for Outside Police Services				40,650.00
Reserve for Third Party Liens				485,971.01
Open Space Trust:				
Interest on Investments				387.13
Green Acres Grant				215,371.20
Tax Levy				113,207.66
Housing Rehabilitation Deposits				19,000.35
Reserve for Sick Leave				260.00
Recreation Deposits				69,388.95
Affordable Housing Deposits				72,120.72
		<u>15,173.81</u>	<u>286,021.06</u>	<u>1,406,557.79</u>
		47,862.70		4,440,119.66

TOWNSHIP OF BYRAM
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Assessment Trust Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Due Current Fund:			
Prior Year Interfund Returned	\$ 7,156.29		\$ 87.50
Interest Earned	17.81	\$ 78.64	1,209.21
State of New Jersey Board of Health	1,669.80		
Expenditures Under R.S. 4:19-15.11	5,096.89		
Department of Environmental			
Protection Loan Payment		67,115.47	
Master Escrow Expenditures			146,402.84
Tax Sale Premiums			182,800.00
Unemployment Insurance Expenditures			93.00
Reserve for Sick and Vacation Leave			182,716.19
Open Space Trust:			
Open Space Expenditures			30,311.34
Open Space Expenditures - Land Acquisitons			150,171.57
Debt Service Expenditures			80,850.00
Reserve for Outside Police Services			39,562.50
Reserve for Third Party Liens			497,020.71
Housing Rehabilitation Expenditures			8.00
Partridge Run Detention Basin Escrow			10,400.00
Recreation Expenditures			183,039.70
	<u>\$ 13,940.79</u>	<u>\$ 67,194.11</u>	<u>\$ 1,504,672.56</u>
Balance December 31, 2016	B <u>\$ 33,921.91</u>	<u>\$ 218,826.95</u>	<u>\$ 2,935,447.10</u>

TOWNSHIP OF BYRAM
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2016

NOT APPLICABLE

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2016

		<u>Receipts</u>		<u>Disbursements</u>		<u>Balance Dec. 31, 2016</u>
		<u>Assessments Receivable</u>	<u>Miscellaneous</u>	<u>Miscellaneous</u>	<u>N.J. Department of Environmental Protection Loan</u>	
Fund Balance			\$ 95,691.00			\$ 95,691.00
Due Current Fund			86.89	\$ 78.64		8.25
Assessments Loans:						
Ord.						
No.	<u>Improvement Description</u>					
12-16	Improvement for Forest Lake Club Association	\$ 190,243.17			\$ 67,115.47	123,127.70
		<u>\$ 190,243.17</u>	<u>\$ 95,777.89</u>	<u>\$ 78.64</u>	<u>\$ 67,115.47</u>	<u>\$ 218,826.95</u>

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

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 25,530.20
Increased by:		
Dog License Fees:		
Collected in Current Year	\$ 11,169.40	
Miscellaneous Fees	2,318.00	
		<u>13,487.40</u>
		39,017.60
Decreased by:		
Expenditures Under R.S. 4:19-15.11	5,096.89	
Statutory Excess Due to Current Fund	8,544.71	
		<u>13,641.60</u>
Balance December 31, 2016	B	<u>\$ 25,376.00</u>

<u>License Fees Collected</u>	<u>Amount</u>
<u>Year</u>	
2014	\$ 12,521.00
2015	12,855.00
	<u>25,376.00</u>
Maximum Allowable Reserve	<u>\$ 25,376.00</u>

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENT RECEIVABLE

Ord. No.	Improvement Description	Confirmed	Collected	Balance Dec. 31, 2016	Balance Pledged to	
					N.J. Department of Environmental Protection Loan	Club Association
12-16	Improvement to Forest Lake Club Associaton	\$ 1,396,033.76	\$ 190,243.17	\$ 1,205,790.59	\$ 1,152,065.99	\$ 53,724.60
		<u>\$ 1,396,033.76</u>	<u>\$ 190,243.17</u>	<u>\$ 1,205,790.59</u>	<u>\$ 1,152,065.99</u>	<u>\$ 53,724.60</u>

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
SCHEDULE OF N.J. DEPARTMENT OF ENVIRONMENTAL PROTECTION LOAN PAYABLE

Ord. No.	Improvement Description	Loans Issued	Matured	Balance Dec. 31, 2016
	Forest Lake Club Association	<u>\$ 1,342,309.14</u>	<u>\$ 67,115.46</u>	<u>\$ 1,275,193.68</u>
<u>Ref.</u>				B
				Balance of Loan
				\$ 1,275,193.69
				1,275,193.69
	5/2/2017	\$ 67,115.46		1,208,078.23
	11/2/2017	67,115.45		1,140,962.77
	5/2/2018	67,115.46		1,073,847.31
	11/2/2018	67,115.46		1,006,731.85
	5/2/2019	67,115.45		939,616.40
	11/2/2019	67,115.46		872,500.94
	5/2/2020	67,115.46		805,385.48
	11/2/2020	67,115.46		738,270.01
	5/2/2021	67,115.46		671,154.55
	11/2/2021	67,115.46		604,039.09
	5/2/2022	67,115.45		536,923.64
	11/2/2022	67,115.45		469,808.19
	5/2/2023	67,115.46		402,692.72
	11/2/2023	67,115.45		335,577.27
	5/2/2024	67,115.46		268,461.81
	11/2/2024	67,115.45		201,346.36
	5/2/2025	67,115.45		134,230.90
	11/2/2025	67,115.46		67,115.44
	5/2/2026	67,115.44		
		<u>\$ 1,275,193.69</u>		

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
GENERAL CAPITAL FUND

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2015	C	\$ 1,983,102.64
Increased by:		
Budget Appropriation:		
Capital Improvement Fund	\$ 333,138.00	
Supplement to Street Improvement Program	100,000.00	
Reserve for Drainage	5,000.00	
Deferred Charges to Future Taxation - Unfunded	250.00	
Bond Anticipation Notes	405,000.00	
Due Current Fund:		
Interest	925.96	
		<u>844,313.96</u>
		2,827,416.60
Decreased by:		
Improvement Authorizations	638,862.81	
Reserve to Pay Debt Service Anticipated in 2016 Budget	25,000.00	
Due Current Fund:		
Interest	925.96	
		<u>664,788.77</u>
Balance December 31, 2016	C	<u><u>\$ 2,162,627.83</u></u>

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
ANALYSIS OF CASH

		Receipts			Disbursements				
	Balance/ (Deficit) Dec. 31, 2015		Budget Appropriation	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	Transfers		Balance/ (Deficit) Dec. 31, 2016
		Miscellaneous					From	To	
Capital Fund Balance	\$ 376,963.15						\$ 307,000.00		\$ 69,963.15
Capital Improvement Fund	264,188.43		\$ 333,138.00				22,000.00	\$ 308,000.00	883,326.43
Due Current Fund		\$ 925.96				\$ 925.96	355,000.00		(355,000.00)
Reserve for Road Resurfacing	124,500.00		100,000.00				100,000.00		124,500.00
Reserve for Field Irrigation	40,000.00								40,000.00
Reserve for Drainage	30,000.00		5,000.00					55,000.00	90,000.00
Reserve for Payment of Debt Service	304,454.58					25,000.00			279,454.58
Ord. No.	Improvement Description								
14-06	Various Capital Improvements	15,291.25							15,291.25
10-07	Various Capital Improvements	33,996.65							33,996.65
11-09	Various Capital Improvements	25,602.12			\$ 25,602.12				
05-11	Various Capital Improvements	102,086.31			20,819.93				81,266.38
11-13	Improvements to Tamarack Park	68,550.37			62,349.19				6,201.18
04-14	Improvement for Streets and Roads	1,353.99							1,353.99
07-14	Improvement for Streets and Roads	11,865.79			2,135.04				9,730.75
09-14	Various Capital Improvements	461,085.94			411,211.95				49,873.99
6-15	Various Street Improvements	19,211.73			7,046.62				12,165.11
7-15	Drainage Improvements	63,000.00			57,699.50				5,300.50
8-15	Street Improvements	15,399.02	250.00		266.03				15,382.99
9-15	Technology Improvements	6,553.31							6,553.31
14-15	Ambulance Remount	8,000.00					8,000.00		
15-15	Standby Generator	11,000.00							11,000.00
16-16	Ambulance Remount							155,000.00	155,000.00
18-16	Various Capital Improvements			\$ 405,000.00	10,732.43			233,000.00	627,267.57
21-16	Acquisition of Vehicles for DPW				41,000.00			41,000.00	
	\$ 1,983,102.64	\$ 925.96	\$ 438,388.00	\$ 405,000.00	\$ 638,862.81	\$ 25,925.96	\$ 792,000.00	\$ 792,000.00	\$ 2,162,627.83

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

Ord. No.	Improvement Description	Balance Dec. 31, 2015	2016 Improvement Authorizations	Funded By Budget Appropriation	Improvement Authorization Cancelled	Balance Dec. 31, 2016	Analysis of Balance December 31, 2016
							Bond Anticipation Notes
08-15	Various Capital Improvements	\$ 250.00		\$ 250.00			
14-15	Ambulance Remount	142,000.00			\$ 142,000.00		
18-16	Various Capital Improvements		\$ 405,000.00			\$ 405,000.00	\$ 405,000.00
		<u>\$ 142,250.00</u>	<u>\$ 405,000.00</u>	<u>\$ 250.00</u>	<u>\$ 142,000.00</u>	<u>\$ 405,000.00</u>	<u>\$ 405,000.00</u>
<u>Ref.</u>	C					C	

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance		2016 Authorizations			Paid or Charged	Authorizations Cancelled	Balance	
				December 31, 2015		Capital Improvement Fund	Other Sources	Deferred Charges to Future Taxation Unfunded			December 31, 2016	
		Date	Amount	Funded	Unfunded						Funded	Unfunded
08-07	Various Capital Improvements	05/07/07	15,900.00	\$ 15,291.25							\$ 15,291.25	
10-07	Various Capital Improvements	06/04/07	284,100.00	33,996.65							33,996.65	
11-09	Various Capital Improvements	05/18/09	620,000.00	25,602.12					\$ 25,602.12			
05-11	Various Capital Improvements	06/02/11	465,000.00	102,086.31					20,819.93		81,266.38	
11-13	Improvements to Tamarack Park	06/05/13	350,000.00	68,550.37					62,349.19		6,201.18	
04-14	Improvement for Streets and Roads	05/20/14	100,000.00	1,353.99							1,353.99	
07-14	Improvement for Streets and Roads	07/01/14	35,000.00	11,865.79					2,135.04		9,730.75	
09-14	Various Capital Improvements	07/15/14	600,000.00	461,085.94					411,211.95		49,873.99	
06-15	Various Street Improvements	06/01/15	70,000.00	19,211.73					7,046.62		12,165.11	
07-15	Drainage Improvements	06/01/15	63,000.00	63,000.00					57,699.50		5,300.50	
08-15	Street Improvements	06/01/15	125,000.00	15,399.02	\$ 250.00				266.03		15,382.99	
09-15	Technology Improvements	06/01/15	20,000.00	6,553.31							6,553.31	
14-15	Ambulance Remount	09/15/15	150,000.00	8,000.00	142,000.00					\$ 150,000.00		
15-15	Standby Generator	09/15/15	36,000.00	11,000.00							11,000.00	
16-16	Ambulance Remount	05/02/16	155,000.00				\$ 155,000.00				155,000.00	
18-16	Various Capital Improvements	05/17/16	638,000.00			\$ 22,000.00	211,000.00	\$ 405,000.00	10,732.43		222,267.57	\$ 405,000.00
21-16	Acquisition of Vehicles for DPW	05/17/16	41,000.00				41,000.00		41,000.00			
				<u>\$ 842,996.48</u>	<u>\$ 142,250.00</u>	<u>\$ 22,000.00</u>	<u>\$ 407,000.00</u>	<u>\$ 405,000.00</u>	<u>\$ 638,862.81</u>	<u>\$ 150,000.00</u>	<u>\$ 625,383.67</u>	<u>\$ 405,000.00</u>
		<u>Ref.</u>	C	C							C	C
						Capital Fund Balance	\$ 307,000.00					
						Reserve for Road Resurfacing	100,000.00					
							<u>\$ 407,000.00</u>					
								Deferred Charges to Future Taxation - Unfunded	\$ 142,000.00			
								Capital Improvement Fund	8,000.00			
									\$ 150,000.00			

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2015	C	\$ 264,188.43
Increased by:		
Improvement Authorization Cancelled	\$ 8,000.00	
Due from Current Fund	300,000.00	
Current Fund Budget Appropriation	<u>333,138.00</u>	
		<u>641,138.00</u>
		905,326.43
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>22,000.00</u>
Balance December 31, 2016	C	<u><u>\$ 883,326.43</u></u>

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

Ord. No.	Improvement Description	Date of			Interest Rate	Issued	Balance Dec. 31, 2016
		Original Issue	Issue	Maturity			
18-16	Various Capital Improvements	09/22/16	09/22/16	09/22/17	1.1799%	\$ 405,000.00	\$ 405,000.00
						\$ 405,000.00	\$ 405,000.00
					<u>Ref.</u>		C
					Issued for Cash	\$ 405,000.00	

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2015	Matured	Balance Dec. 31, 2016
			Outstanding					
			December 31, 2016					
			Date	Amount				
General Improvement Bonds	09/24/15	\$ 1,928,000.00	09/01/17	\$ 200,000.00	1.500%			
			09/01/18	200,000.00	1.750%			
			09/01/19	200,000.00	2.000%			
			09/01/20	200,000.00	2.000%			
			09/01/21	200,000.00	2.000%			
			09/01/22	200,000.00	2.000%			
			09/01/23	200,000.00	2.750%			
			09/01/24	200,000.00	2.750%			
			09/01/25	128,000.00	2.750%	\$ 1,928,000.00	\$ 200,000.00	\$ 1,728,000.00
Open Space Bonds	10/01/05	1,140,000.00	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%	540,000.00	60,000.00	480,000.00
						\$ 2,468,000.00	\$ 260,000.00	\$ 2,208,000.00
			Ref.	C		C		

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

Balance December 31, 2015	<u>Ref.</u> C	\$ 75,451.45
Decreased by:		
Loan Payments		<u>10,982.24</u>
Balance December 31, 2016	C	<u><u>\$ 64,469.21</u></u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2016

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
					\$ 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-
			<u>\$ 3,932.30</u>	<u>\$ 64,469.21</u>	

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

	<u>Ref.</u>	
Balance December 31, 2015	C	\$ 318,002.08
Decreased by:		
Loan Payments		<u>24,855.22</u>
Balance December 31, 2016	C	<u><u>\$ 293,146.86</u></u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2016

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 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>\$ 16,657.47</u>	<u>\$ 146,573.43</u>	

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

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2016

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 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>\$ 16,657.47</u>	<u>\$ 146,573.43</u>	

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Ord. Number</u>	<u>Ord. Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Appropriations</u>	<u>Improvement Authorization Cancelled</u>	<u>Funded by Budget Appropriation</u>	<u>Bond Anticipation Notes Issued</u>
08-15	06/01/15	Street Improvements	\$ 250.00			\$ 250.00	
14-15	09/15/15	Ambulance Remount	142,000.00		\$ 142,000.00		
18-16	05/17/16	Various Capital Improvements		\$ 405,000.00			\$ 405,000.00
			<u>\$ 142,250.00</u>	<u>\$ 405,000.00</u>	<u>\$ 142,000.00</u>	<u>\$ 250.00</u>	<u>\$ 405,000.00</u>

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
SEWER UTILITY FUND

TOWNSHIP OF BYRAM
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2015	E	\$ 575,476.81	\$ 138,145.19
Increased by Receipts:			
Consumer Accounts Receivable		\$ 288,564.60	
Sewer Overpayments		67.71	
Prepaid Sewer Rents		13,962.06	
Miscellaneous Revenue not Anticipated:			
Interest on Sewer Deposits		307.64	
Interest on Sewer Rents		2,994.49	
Other Sewer Fees		3,302.12	
Miscellaneous Refunds		15.21	
Due Sewer Utility Capital Fund		81.59	
Due Sewer Utility Operating Fund:			
Interest Earned			\$ 81.59
Bond Anticipation Notes Issued			178,000.00
Budget Appropriation:			
Capital Improvement Fund			35,950.00
		<u>309,295.42</u>	<u>214,031.59</u>
		884,772.23	352,176.78
Decreased by Disbursements:			
2016 Budget Appropriations		254,849.63	
2015 Appropriation Reserves		5,660.31	
Interest on Wastewater Loans		4,200.00	
Interest on Bond Anticipation Notes		1,053.43	
Improvement Authorizations			54,747.31
Bond Anticipation Notes Matured			78,000.00
Due Sewer Utility Operating Fund			81.59
		<u>265,763.37</u>	<u>132,828.90</u>
Balance December 31, 2016	E	<u>\$ 619,008.86</u>	<u>\$ 219,347.88</u>

TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2016

NOT APPLICABLE

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

		Receipts				Disbursements			Transfers		Balance
		Balance	Budget	Bond		Improvement	Bond		From	To	Dec. 31, 2016
		Dec. 31, 2015	Appropriation	Anticipation	Miscellaneous	Authorizations	Anticipation	Miscellaneous			
				Notes			Notes				
Capital Improvement Fund		\$ 78,000.00	\$ 35,950.00						\$ 58,000.00		\$ 55,950.00
Due Sewer Utility Operating Fund					\$ 81.59			\$ 81.59			
Ord. No.	Improvement Description										
09-03	Sewer Utility Improvements	22,974.95				\$ 12,179.75					10,795.20
06-12	Sewer Utility Improvements	37,170.24		\$ 78,000.00		2,757.23	\$ 78,000.00				34,413.01
15-16	Improvements to Pump Station #3								\$ 31,000.00		31,000.00
19-16	Sewer Utility Improvements			100,000.00		39,810.33				27,000.00	87,189.67
		<u>\$ 138,145.19</u>	<u>\$ 35,950.00</u>	<u>\$ 178,000.00</u>	<u>\$ 81.59</u>	<u>\$ 54,747.31</u>	<u>\$ 78,000.00</u>	<u>\$ 81.59</u>	<u>\$ 58,000.00</u>	<u>\$ 58,000.00</u>	<u>\$ 219,347.88</u>
Ref.	E										E

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

	<u>Ref.</u>	
Balance December 31, 2015	E	\$ 14,021.78
Increased by:		
Sewer Rents Levied		309,041.20
		<u>323,062.98</u>
Decreased by Collections:		
Sewer Rents	\$ 288,564.60	
Prepaid Sewer Rents Applied	<u>18,257.74</u>	
		<u>306,822.34</u>
Balance December 31, 2016	E	<u><u>\$ 16,240.64</u></u>

TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
SCHEDULE OF LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

NOT APPLICABLE

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2015	Balance Dec. 31, 2016
Sewer Plant	\$ 2,220,025.00	\$ 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, 2015</u>	<u>2016 Authorizations</u>	<u>Balance Dec. 31, 2016</u>
Sewer Utility Improvements	05/05/03	\$ 185,000.00	\$ 185,000.00		\$ 185,000.00
Sewer Utility Improvements	09/27/12	158,000.00	158,000.00		158,000.00
Improvements to Pump Station #3	05/02/16	31,000.00		\$ 31,000.00	31,000.00
Sewer Utility Improvements	05/17/16	525,000.00		525,000.00	525,000.00
			<u>\$343,000.00</u>	<u>\$556,000.00</u>	<u>\$899,000.00</u>
		<u>Ref.</u>	E		E

TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 7,791.75	\$ 7,791.75		\$ 7,791.75
Other Expenses	25,441.92	25,441.92	\$ 5,660.31	19,781.61
Musconetcong Sewerage Authority Fee	28,732.48	28,732.48		28,732.48
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	100.00	100.00		100.00
Social Security System (O.A.S.I.)	200.00	200.00		200.00
	<u>\$ 62,266.15</u>	<u>\$ 62,266.15</u>	<u>\$ 5,660.31</u>	<u>\$ 56,605.84</u>

Ref.

Analysis of Balance @ 12/31/2015:

Unencumbered	E \$ 56,392.05
Encumbered	E <u>5,874.10</u>
	<u>\$ 62,266.15</u>

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2015		2016 Authorizations		Paid or Charged	Balance December 31, 2016	
		Date	Amount	Funded	Unfunded	Deferred Charges to Future Revenue	Capital Improvement Fund		Funded	Unfunded
09-03	Sewer Utility Improvements	05/05/03	\$ 185,000.00	\$ 22,974.95				\$ 12,179.75	\$ 10,795.20	
06-12	Sewer Utility Improvements	09/27/12	158,000.00		\$ 37,170.24			2,757.23		\$ 34,413.01
15-16	Improvements to Pump Station #3	05/02/16	31,000.00				\$ 31,000.00		31,000.00	
19-16	Sewer Utility Improvements	05/17/16	525,000.00			\$ 498,000.00	27,000.00	39,810.33		485,189.67
				<u>\$ 22,974.95</u>	<u>\$ 37,170.24</u>	<u>\$ 498,000.00</u>	<u>\$ 58,000.00</u>	<u>\$ 54,747.31</u>	<u>\$ 41,795.20</u>	<u>\$ 519,602.68</u>
		<u>Ref.</u>		E	E				E	E

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

	<u>Ref.</u>	
Balance December 31, 2015	E	\$ 78,000.00
Increased by:		
2016 Budget Appropriation		<u>35,950.00</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>58,000.00</u>
Balance December 31, 2016	E	<u>\$ 55,950.00</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, 2015</u>	<u>2016 Authorizations</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
Sewer Utility Improvements	05/05/03	\$ 185,000.00			\$ 185,000.00
Sewer Utility Improvements	09/27/12	60,000.00		\$ 20,000.00	80,000.00
Improvements to Pump Station # 3	05/02/16		\$ 31,000.00		31,000.00
Sewer Utility Improvements	05/17/16		27,000.00		27,000.00
		<u>\$ 245,000.00</u>	<u>\$ 58,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ 323,000.00</u>
	<u>Ref.</u>	E			E

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

	<u>Ref.</u>	
Balance December 31, 2015	E	\$ 2,098,135.66
Loans Paid by Operating Budget		<u>121,889.34</u>
Balance December 31, 2016	E	<u><u>\$ 2,220,025.00</u></u>

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

Ord. No.	Improvement Description	Date of			Interest Rate	Balance	Issued	Matured	Balance
		Original Issue	Issue	Maturity		Dec. 31, 2015			Dec. 31, 2016
06-12	Sewer Utility Improvements	09/27/12	09/24/15	09/24/16	1.0799%	\$ 98,000.00		\$ 98,000.00	
			09/22/16	09/22/17	1.1799%		\$ 78,000.00	\$ 78,000.00	
19-16	Sewer Utility Improvements	09/22/16	09/22/16	09/22/17	1.1799%		100,000.00		100,000.00
						\$ 98,000.00	\$ 178,000.00	\$ 98,000.00	\$ 178,000.00
					<u>Ref.</u>	E			E
			Renewed				\$ 78,000.00	\$ 78,000.00	
			Issued for Cash				100,000.00		
			Paid by Budget Appropriation					20,000.00	
							\$ 178,000.00	\$ 98,000.00	

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

NOT APPLICABLE

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY WASTEWATER TREATMENT LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance December 31, 2015	E	\$ 121,889.34
Decreased by:		
Matured		<u>\$ 121,889.34</u>

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

<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>2016 Improvement Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2016</u>
Sewer Utility Improvements	05/17/16	\$ 498,000.00	\$ 100,000.00	\$ 398,000.00
		<u>\$ 498,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 398,000.00</u>

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2016
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2016

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

Federal Funding Department	Federal Program	CFDA #	Pass Through Entity ID	Grant Name	Grant Period		Grant Award Amount	Grant Receipts	Amount of Expenditures	Cumulative Expenditures	Amounts Provided to Subrecipients
					From	To					
U.S. Department of Transportation (Passed through New Jersey Department of Law and Public Safety)	Click it or Ticket	20.616	100-066-1160-	N/A	01/01/16	12/31/16	5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
Subtotal Department of Transportation								5,000.00	5,000.00	5,000.00	
U.S. Department of Agriculture (Passed through New Jersey Department of Environmental Protection)	Rural Community Fire Protection	10.664	100-042-4870-100-025	Volunteer Fire Assistance	01/01/16	12/31/17	3,500.00	3,500.00			
Subtotal - Department of Agriculture								3,500.00			
TOTAL FEDERAL AWARDS								\$ 8,500.00	\$ 5,000.00	\$ 5,000.00	\$ -0-

N/A - Not Available/Applicable

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF BYRAM
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

New Jersey	Name of	State Grant	Grant Period		Grant	Amount	Amount of	Cumulative
Agency or Department	Program	Award Number	From	To	Award	Received	Expenditures	Expenditures
Department of Environmental Protection	Clean Communities Act	765-042-4900-004-V42Y-6020	01/01/15	12/31/16	21,427.42		\$ 17,258.87	\$ 21,427.42
			01/01/16	12/31/17	24,503.11	\$ 24,503.11		
	Recycling Grant	752-042-4900-001-V42Y-6020	01/01/12	12/31/16	18,629.64		7,342.89	18,629.64
			01/01/13	12/31/16	10,987.20		8,765.27	10,987.20
			01/01/14	12/31/16	11,635.56		11,635.56	11,635.56
			01/01/15	12/31/17	18,160.20	18,160.20	2,369.66	2,369.66
	Recycling Grant - 5 year Program	752-042-4900-001-V42Y-6020	01/01/16	12/31/21	22,500.00	22,500.00	22,500.00	22,500.00
	No Net Loss Grant	N/A	01/01/13	12/31/16	55,646.00	55,500.00	52,245.62	55,646.00
			01/01/15	12/31/17	317,554.00		1,724.53	1,724.53
	Community Stewardship Incentive Program	N/A	01/01/13	12/31/15	20,000.00	20,000.00		20,000.00
			01/01/16	12/31/17	1,500.00	1,000.00		
	Green Acres	1904-00-078	01/01/16	12/31/16	215,371.20	215,371.20	150,171.81	150,171.81
Subtotal - Department of Environmental Protection						357,034.51	274,014.21	315,091.82
Department of the Treasury Passed through Sussex County	Governor's Council on Alcoholism and Drug Abuse	200-475-665120-60	07/01/14	06/30/16	17,130.00		8,067.81	17,130.00
			07/01/15	06/30/16	11,420.00	9,614.77	429.00	11,420.00
			07/01/16	06/30/17	11,420.00	3,519.43	2,541.02	2,541.02
Subtotal - Department of the Treasury						13,134.20	11,037.83	31,091.02
Highlands Planning Council	Raritan Plains Grant	09-033-011-1904	01/01/11	12/31/16	74,351.50	49,993.87	52,391.37	74,351.50
	Regional Master Plan	09-033-011-1904	01/01/15	12/31/17	185,000.00	10,006.13	7,608.63	7,608.63
Subtotal - Department of the Highlands Council						60,000.00	60,000.00	81,960.13
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-078-6400-260-YYYY	01/01/13	12/31/16	14,219.62		1,360.38	14,219.62
			01/01/16	12/31/17	2,386.44	2,386.44		
	Body Armor Replacement Fund	718-066-1020 001-YCJS-6120	01/01/16	12/31/17	1,622.78	1,622.78		
Subtotal - Department of Law and Public Safety						4,009.22	1,360.38	14,219.62
TOTAL STATE AWARDS						\$ 434,177.93	\$ 346,412.42	\$ 442,362.59

N/A- Not Available

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, 2016

Note 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Township of Byram under programs of the federal and state governments for the year ended December 31, 2016. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Township has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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, 2016:

New Jersey Department of Environmental Protection:	
Green Acres #1	\$ 64,469.21
Green Acres #2	293,146.86
Forest Lake Club Association	1,275,193.69

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.



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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*

Independent Auditors' Report

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

We have audited, 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, the financial statements – *regulatory basis* - of the various funds of the Township of Byram, in the County of Sussex (the "Township") as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated May 26, 2017. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that

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

we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2016-01, that we consider to be a significant deficiency.

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*.

The Township's Response to the Finding

The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Mount Arlington, New Jersey
May 26, 2017

NISIVOCIA LLP



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

TOWNSHIP OF BYRAM
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2016

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- A significant deficiency disclosed during the audit of the financial statements is reported in the *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*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Township was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for the year ended December 31, 2016 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

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

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2016-01

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; collections of taxes and permit and license fees; and recording of collections. Also, the reconciliation of bank accounts, and the preparation of the general ledger for the various funds are performed by one person, the Chief Financial Officer. 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 Committee 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
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2016
Continued

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, 2016

The Township's prior year audit finding regarding segregation of duties has not been resolved and is included as finding 2016-1.

TOWNSHIP OF BYRAM

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2016

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 July 1, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) are \$17,500 for a contracting unit without a qualified purchasing agent and \$40,000 for a contracting unit with a qualified purchasing agent.

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 5, 2016, 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, 2016, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2016 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>
2016	106
2015	98
2014	93

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 2017 Taxes	20
Payment of 2016 Taxes	20
Delinquent Taxes	15
Tax Title Liens	5
Payment of 2017 Sewer Rents	10
Payment of 2016 Sewer Rents	10
Delinquent Sewer Rents	3

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed by the New Jersey Administrative Code. 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; collections of taxes and permit and license fees; and recording of collections. Also, the reconciliation of bank accounts, and the preparation of the general ledger for the various funds are performed by one person, the Chief Financial Officer. 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 Committee 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.

Management Suggestions:

Governmental Accounting Standards Board Statements

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the Township will be GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, will be effective for the calendar year ending on December 31, 2018. This standard replaces GASB No. 45, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

TOWNSHIP OF BYRAM
COMMENTS AND RECOMMENDATIONS
(Continued)

Management Suggestions (Cont'd):

Tax Title Liens

Due to the increase in the number of tax title liens over the last few years, management should ensure that they are pursuing collection or foreclosure of properties with delinquent balances. It is essential that management utilize all means provided by statute to pursue collection or foreclosure of tax title liens.

Status of Prior Year Recommendations

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2015 audit report. The prior year recommendation was included as a current year recommendation.

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.