

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
REPORT OF AUDIT
2018

NISIVOC CIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF BYRAM

COUNTY OF SUSSEX

REPORT OF AUDIT

2018

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TOWNSHIP OF BYRAM

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2018



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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, 2018 and 2017, 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, 2018 and 2017, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account group of the Township as of December 31, 2018 and 2017, 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 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.

Emphasis of Matter

As discussed in Note 7 to the financial statements, the Township implemented Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the year ended December 31, 2018. Our opinions are not modified with respect to this matter.

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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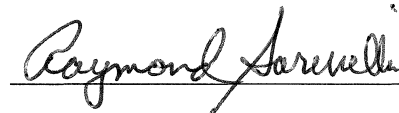
The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to 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 22, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
May 22, 2019

NISIVOCCIA LLP

A handwritten signature in dark ink, reading "Raymond G. Sarinelli", is written over a horizontal line.

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

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
CURRENT FUND

TOWNSHIP OF BYRAM
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 6,509,512.40	\$ 7,570,908.66
Change Fund		425.00	225.00
		<u>6,509,937.40</u>	<u>7,571,133.66</u>
Due From State of New Jersey			
Senior Citizen and Veterans Deductions		<u>9,591.10</u>	<u>8,949.32</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	558,731.67	461,471.87
Tax Title Liens Receivable	A-8	1,214,531.82	1,115,319.82
Property Acquired for Taxes at Assessed Valuation		2,268,500.00	2,268,500.00
Revenue Accounts Receivable	A-9	606,264.51	606,171.76
Due from Animal Control Fund	B	8,454.42	8,333.61
Due from Assessment Trust Fund	B	2.05	
Due from General Capital Fund	C	121.49	
Due from Sewer Utility Operating Fund	E		1,021.87
Total Receivables and Other Assets With Full Reserves		<u>4,656,605.96</u>	<u>4,460,818.93</u>
<u>TOTAL ASSETS</u>		<u>\$ 11,176,134.46</u>	<u>\$ 12,040,901.91</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 387,323.42	\$ 168,754.92
Unencumbered	A-3;A-11	1,042,412.31	965,286.82
		<u>1,429,735.73</u>	<u>1,134,041.74</u>
Prepaid Taxes		230,036.75	1,421,930.57
Accounts Payable - Vendors			1,000.00
Due to State of New Jersey:			
Marriage License Fees		250.00	150.00
DCA Training Fees		2,842.00	2,249.00
Tax Overpayments		13,937.87	11,881.23

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

		December 31,	
	Ref.	2018	2017
<u>LIABILITIES, RESERVES AND FUND BALANCE (Cont'd)</u>			
Due to Other Trust Funds	B	\$ 225,788.76	\$ 527,946.23
Due to Assessment Trust Fund	B		22.51
Due to County of Sussex - Added & Omitted Taxes		11,588.22	8,236.55
Due - Borough of Netcong - Construction Fees		8,834.50	8,824.50
Reserve for Sale of Municipal Assets		243,581.32	234,633.83
Reserve for Pending Tax Appeals		857,769.99	859,992.15
Reserve for Revaluation		700.27	700.27
Reserve for Grant Funds - Appropriated:			
Drunk Driving Enforcement Fund		25,403.77	28,225.23
Stormwater Grant		16,936.00	16,936.00
Clean Communities		21,930.80	25,779.61
Body Armor Replacement Fund		1,967.03	1,967.03
Municipal Alliance on Alcoholism and Drug Abuse		13,569.38	5,646.65
Recycling Tonnage Grant		43,960.76	29,096.16
Highlands Grant		141,244.12	142,600.37
Recreation Walking Grant		662.13	662.13
No Net Loss Grant		260,861.10	265,251.95
PSE&G Susquehanna Roseland Agreement		116,812.98	116,812.98
Hazard Mitigation		108,418.93	137,500.00
Risk Control Grant		2,698.00	3,018.31
New Jersey Department of Transportation Grant		11,030.06	
Reserve for Grant Funds - Unappropriated:			
Recycling Tonnage Grant		2,273.95	17,914.80
		<u>3,792,834.42</u>	<u>5,003,019.80</u>
Reserve for Receivables and Other Assets	A	4,656,605.96	4,460,818.93
Fund Balance	A-1	<u>2,726,694.08</u>	<u>2,577,063.18</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 11,176,134.46</u>	<u>\$ 12,040,901.91</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,	
	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,470,102.00	\$ 1,370,102.00
Miscellaneous Revenue Anticipated		1,298,441.27	1,297,365.12
Receipts from:			
Delinquent Taxes		452,955.07	548,446.70
Current Taxes		32,185,707.09	31,716,998.18
Nonbudget Revenue		158,800.48	207,533.59
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		726,836.49	594,787.74
Interfunds Returned		9,355.48	8,552.96
Cancellation of Reserve for Third Party Tax Title Liens			40.00
Cancellation of Tax Overpayments			6,112.46
Cancellation of Municipal Alliance		86.22	
Cancellation of Volunteer Fire Assistance			7,500.00
Total Income		<u>36,302,284.10</u>	<u>35,757,438.75</u>
<u>Expenditures</u>			
Municipal Purposes		10,405,686.49	10,343,461.26
Local School District Taxes		11,920,194.00	11,791,694.00
County Taxes		5,763,923.49	5,520,217.01
Regional School District Taxes		6,470,356.00	6,363,406.00
Municipal Open Space		110,634.50	110,582.40
Interfunds Advanced		8,577.96	9,355.48
Prior Year Veteran and Senior Citizen Deductions Disallowed		3,178.76	2,750.00
Total Expenditures		<u>34,682,551.20</u>	<u>34,141,466.15</u>
Statutory Excess to Fund Balance		1,619,732.90	1,615,972.60
<u>Fund Balance</u>			
Balance January 1	A	<u>2,577,063.18</u>	<u>2,331,192.58</u>
		4,196,796.08	3,947,165.18
Decreased by:			
Utilized as Anticipated Revenue		<u>1,470,102.00</u>	<u>1,370,102.00</u>
Balance December 31	A	<u>\$ 2,726,694.08</u>	<u>\$ 2,577,063.18</u>

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, 2018

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 1,470,102.00		\$ 1,470,102.00	
Miscellaneous Revenue:				
Alcoholic Beverages	6,000.00		6,211.80	\$ 211.80
Fees and Permits	25,000.00		63,730.86	38,730.86
Municipal Court - Fines and Costs	60,000.00		72,354.02	12,354.02
Interest on Investments	4,500.00		66,032.17	61,532.17
Interest and Costs on Taxes	120,000.00		115,905.06	4,094.94 *
Consolidated Municipal Property Tax Relief Act	20,548.00		20,548.00	
Energy Receipts Tax (P.L. 1998, Chapters 162 & 167)	554,927.00		554,927.00	
Garden State Preservation Trust Fund	41,920.00		41,920.00	
Uniform Construction Code Fees	130,000.00		131,426.50	1,426.50
Reserve for Recycling Tonnage Grant	15,640.85		15,640.85	
Municipal Alliance on Alcoholism and Drug Abuse		\$ 11,420.00		11,420.00 *
NJDEP - Clean Communities Program		19,925.69	19,925.69	
Click It or Ticket Grant		5,250.32	5,250.32	
NJ Department of Transportation		200,000.00	150,000.00	50,000.00 *
Risk Control		2,698.00		2,698.00 *
Prior Year Anticipated Assessment Fund Balance	9,569.00		9,569.00	
Reserve to Pay Debt Service	25,000.00		25,000.00	
	1,013,104.85	239,294.01	1,298,441.27	46,042.41

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<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		\$ 452,955.07	\$ 102,955.07
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	<u>8,536,187.40</u>	<u></u>	<u>9,120,599.10</u>	<u>584,411.70</u>
Budget Totals	<u>\$ 11,369,394.25</u>	<u>\$ 239,294.01</u>	<u>\$ 12,342,097.44</u>	<u>\$ 733,409.18</u>
	<u>Ref.</u>	<u>A-3</u>	<u>A-3</u>	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 32,185,707.09	
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Allocated to:

Local School District Taxes	\$ 11,920,194.00	
Regional High School Taxes	6,470,356.00	
County Taxes	5,763,923.49	
Open Space Trust	110,634.50	

24,265,107.99

Balance for Support of Municipal Budget	7,920,599.10	
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Add: Appropriation "Reserve for Uncollected Taxes"	1,200,000.00	
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Realized for Support of Municipal Budget	\$ 9,120,599.10	
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 439,741.34	
Tax Title Liens Collections	13,213.73	

\$ 452,955.07

Analysis of Fees and Permits:

Clerk Fees	\$ 32,844.44	
Planning/Zoning Board Fees	8,975.00	
Police Fees	1,217.25	
Board of Health Fees	14,626.07	
Recycling Fees	2,573.10	
Other Fees and Permits	3,495.00	

\$ 63,730.86

Analysis of Interest on Investments:

Collected/Received by Treasurer	\$ 38,538.10	
Due from Animal Control Trust Fund	156.79	
Due from Assessment Trust Fund	1,954.54	
Due from Payroll Fund	346.35	
Due from Other Trust Fund	10,580.21	
Due from General Capital Fund	14,456.18	

\$ 66,032.17

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(continued)

Analysis of Uniform Construction Code Fees Collected	\$ 131,426.50	<u>\$ 131,426.50</u>
Analysis of Nonbudget Revenue:		
Treasurer:		
Cable Television Franchise Fees	\$ 32,641.00	
Statewide Dividend	6,955.68	
Police Outside Administrative Fee	4,460.00	
Rural Community Fire Protection	3,171.60	
Prior Year Refund	3,456.81	
Payment In Lieu of Taxes	1,000.00	
Senior Citizen and Veteran Deductions Administrative Fee	1,293.45	
Other Miscellaneous	34,095.75	
	<u>\$ 87,074.29</u>	
Less: Refunded	<u>(2,343.68)</u>	
		\$ 84,730.61
Prior Year Revenue Accounts Receivable Collected:		
Department of Transportation Grant	42,000.00	
Municipal Alliance Grant 2017	8,295.62	
Risk Control Grant	3,018.31	
No Net Loss Grant	4,800.00	
Highlands Grant	3,750.00	
	<u>61,863.93</u>	
Tax Collector - Other Miscellaneous		3,751.52
Statutory Excess Due from Animal Control Trust Fund		<u>8,454.42</u>
		<u>\$ 158,800.48</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, 2018

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 214,500.00	\$ 217,500.00	\$ 212,304.76	\$ 5,195.24	
Other Expenses	139,200.00	171,200.00	119,147.27	52,052.73	
Mayor & Council:					
Salaries & Wages	17,500.00	17,500.00	17,500.00		
Other Expenses	8,500.00	8,500.00	8,433.05	66.95	
Municipal Clerk:					
Salaries & Wages	91,200.00	92,950.00	92,925.12	24.88	
Other Expenses	9,950.00	9,950.00	7,056.68	2,893.32	
Financial Administration:					
Salaries & Wages	117,000.00	117,000.00	115,154.65	1,845.35	
Other Expenses	37,585.00	25,585.00	19,524.03	6,060.97	
Audit	53,650.00	53,650.00		53,650.00	
Tax Assessment Administration:					
Salaries & Wages	59,600.00	60,800.00	60,784.80	15.20	
Other Expenses	43,570.00	43,570.00	12,985.81	30,584.19	
Revenue Administration (Tax Collection):					
Salaries & Wages	75,500.00	75,500.00	63,636.42	11,863.58	
Other Expenses	22,959.00	22,959.00	17,641.59	5,317.41	
Legal Services and Costs:					
Other Expenses - Fees	115,000.00	115,000.00	89,243.59	25,756.41	
Environmental Commission:					
Salaries & Wages	1,000.00	1,000.00		1,000.00	
Other Expenses	2,600.00	2,600.00	1,594.02	1,005.98	
Engineering Services:					
Other Expenses	40,000.00	40,000.00	19,714.86	20,285.14	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
GENERAL GOVERNMENT (continued):					
Planning Board:					
Salaries and Wages	\$ 55,000.00	\$ 56,150.00	\$ 56,100.00	\$ 50.00	
Other Expenses	101,350.00	89,850.00	27,588.81	62,261.19	
Zoning Commission:					
Salaries & Wages	59,500.00	59,500.00	55,182.00	4,318.00	
Other Expenses	1,050.00	1,050.00	541.94	508.06	
Insurance: (P.L. 2003, C.92)					
Employee Group Insurance	1,453,548.00	1,440,098.00	1,210,019.94	230,078.06	
Workers' Compensation	92,535.00	92,535.00	92,535.00		
General Liability Insurance	177,265.00	177,265.00	177,265.00		
Unemployment Insurance	100.00	100.00	100.00		
Employee Group Insurance-Health Benefit Waiver	58,767.40	62,017.40	61,684.07	333.33	
PUBLIC SAFETY :					
Fire:					
Uniform Allowance	25,000.00	25,000.00	16,000.00	9,000.00	
Other Expenses	63,525.00	63,525.00	61,713.68	1,811.32	
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Fire Prevention Bureau:					
Other Expenses	8,700.00	8,700.00	7,192.00	1,508.00	
Office of Emergency Management:					
Salaries & Wages	3,000.00	3,000.00	3,000.00		
Other Expenses	500.00	500.00		500.00	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
PUBLIC SAFETY :					
Police:					
Salaries & Wages	\$ 1,896,500.00	\$ 1,865,500.00	\$ 1,840,893.47	\$ 24,606.53	
Other Expenses	98,900.00	98,900.00	81,805.79	17,094.21	
First Aid Organization Contribution	25,500.00	25,500.00	25,500.00		
Police Radio & Communication and 911 - Contractual	145,000.00	136,500.00	133,865.97	2,634.03	
Municipal Court:					
Other Expenses	130,050.00	130,050.00	130,050.00		
STREETS AND ROADS:					
Road Repair and Maintenance:					
Salaries & Wages	848,750.00	848,750.00	750,964.07	97,785.93	
Other Expenses - Miscellaneous	291,250.00	265,250.00	233,206.97	32,043.03	
Other Expenses-Improvements to Streets and Roads	225,500.00	225,500.00	197,037.10	28,462.90	
Other Expense - DPW Equipment	100,000.00	72,000.00	69,385.74	2,614.26	
Other Expense - Purchase of Vehicles		84,000.00	81,883.36	2,116.64	
Other Expenses - Vehicle Expenses	29,000.00	29,000.00	29,000.00		
Other Expenses - Fleet Maintenance	123,500.00	123,500.00	72,254.69	51,245.31	
Public Building and Grounds:					
Salaries & Wages	70,700.00	70,700.00	70,669.44	30.56	
Other Expenses	34,500.00	38,500.00	33,869.61	4,630.39	
Garbage Removal - Contractual	690,000.00	690,000.00	665,700.10	24,299.90	
Recycling:					
Salaries & Wages	6,100.00	6,100.00		6,100.00	
Other Expenses	10,000.00	10,000.00	3,869.00	6,131.00	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
HEALTH AND WELFARE:					
Animal Control:					
Salaries & Wages	\$ 9,800.00	\$ 9,800.00	\$ 8,862.90	\$ 937.10	
Other Expenses	9,250.00	9,250.00	7,200.00	2,050.00	
Board of Health:					
Other Expenses	3,400.00	3,400.00	1,352.53	2,047.47	
RECREATION AND EDUCATION:					
Parks and Playgrounds:					
Salaries & Wages	36,500.00	35,400.00	18,486.76	16,913.24	
Other Expenses	6,560.00	6,560.00	4,117.64	2,442.36	
Senior Citizens' Transportation:					
Salaries & Wages	24,500.00	24,600.00	18,921.09	5,678.91	
Senior Citizens' Program:					
Other Expenses	9,500.00	9,500.00	9,500.00		
Recreation Land Lease:					
Other Expenses	976.00	976.00	20.00	956.00	
Celebration of Public Events:					
Other Expenses	3,300.00	3,300.00	1,699.29	1,600.71	
UNIFORM CONSTRUCTION CODE:					
Construction Code Official:					
Salaries & Wages	87,000.00	87,000.00	65,279.93	21,720.07	
Other Expenses	11,000.00	11,000.00	3,365.55	7,634.45	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
UNCLASSIFIED:					
Utilities:					
Gasoline	\$ 120,000.00	\$ 120,000.00	\$ 67,222.56	\$ 52,777.44	
Electricity	57,000.00	57,000.00	40,875.64	16,124.36	
Heating Oil	70,000.00	70,000.00	35,877.25	34,122.75	
Street Lighting	36,000.00	36,000.00	24,870.50	11,129.50	
Telephone	25,500.00	25,500.00	23,224.00	2,276.00	
Municipal Sewer Charges	6,575.00	6,575.00	5,841.68	733.32	
Accumulated Sick and Vacation	100.00	100.00	100.00		
Total Operations Within "CAPS"	8,391,365.40	8,390,265.40	7,383,341.72	1,006,923.68	
Detail:					
Salaries & Wages	3,683,700.00	3,647,850.00	3,450,765.41	197,084.59	
Other Expenses	4,707,665.40	4,742,415.40	3,932,576.31	809,839.09	
STATUTORY EXPENDITURES:					
Public Employee's Retirement System	167,946.00	167,946.00	167,946.00		
Contribution to Social Security System (O.A.S.I.)	280,575.00	280,575.00	254,178.59	26,396.41	
Police and Fireman's Retirement System of NJ	425,074.00	425,074.00	425,074.00		
Defined Contribution Retirement Plan (D.C.R.P)	9,500.00	10,600.00	9,774.84	825.16	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	883,095.00	884,195.00	856,973.43	27,221.57	
Total General Appropriations for Municipal Purposes Within "CAPS"	9,274,460.40	9,274,460.40	8,240,315.15	1,034,145.25	

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS EXCLUDED FROM "CAPS":					
Musconetcong Sewer Authority Fees	\$ 40,000.00	\$ 40,000.00	\$ 33,395.84	\$ 6,604.16	
Recycling Tax	10,500.00	10,500.00	8,837.10	1,662.90	
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:					
Clean Communities Grant (N.J.S.A 40A:4-87, + \$19,925.69)		19,925.69	19,925.69		
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, + \$5,250.32)		5,250.32	5,250.32		
NJ Department of Transportation (N.J.S.A 40A:4-87, + \$200,000.00)		200,000.00	200,000.00		
Recycling Tonnage Grant	15,640.85	15,640.85	15,640.85		
Risk Control Grant (N.J.S.A 40A:4-87, + \$2,698.00)		2,698.00	2,698.00		
Total Operations Excluded from "CAPS"	66,140.85	305,434.86	297,167.80	8,267.06	
Detail:					
Other Expenses	66,140.85	305,434.86	297,167.80	8,267.06	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":					
Capital Improvement Fund	398,453.00	398,453.00	398,453.00		
Supplement to Roseville Road Phase	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"	503,453.00	503,453.00	503,453.00		

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(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		
Payment of Bond Anticipation Notes	37,500.00	37,500.00	37,500.00		
Interest on Bonds	37,020.00	37,020.00	34,020.00		\$ 3,000.00
Interest on Notes	7,290.00	7,290.00	7,289.99		0.01
Loan Repayments for Principal and Interest	43,530.00	43,530.00	43,528.24		1.76
Total Municipal Debt Service - Excluded from "CAPS"	325,340.00	325,340.00	322,338.23		3,001.77
Total General Appropriations - Excluded from "CAPS"	894,933.85	1,134,227.86	1,122,959.03	\$ 8,267.06	3,001.77
Subtotal General Appropriations	10,169,394.25	10,408,688.26	9,363,274.18	1,042,412.31	3,001.77
Reserve for Uncollected Taxes	1,200,000.00	1,200,000.00	1,200,000.00		
Total General Appropriations	<u>\$ 11,369,394.25</u>	<u>\$ 11,608,688.26</u>	<u>\$ 10,563,274.18</u>	<u>\$ 1,042,412.31</u>	<u>\$ 3,001.77</u>

Ref.

A

TOWNSHIP OF BYRAM
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 11,369,394.25	
Added by N.J.S.A. 40A:4-87	A-2	<u>239,294.01</u>	
		<u>\$ 11,608,688.26</u>	
Reserve for Uncollected Taxes			\$ 1,200,000.00
Reserve for Encumbrances	A		387,323.42
Reserve for Clean Communities			19,925.69
New Jersey Department of Transportation			200,000.00
Reserve for Municipal Alliance			11,420.00
Reserve for Click It or Ticket			5,250.32
Reserve for Recycling Tonnage			15,640.85
Reserve for Risk Control Grant			2,698.00
Cash Disbursed			<u>8,721,015.90</u>
			<u>\$ 10,563,274.18</u>

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

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
TRUST FUNDS

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

		December 31,	
	Ref.	2018	2017
<u>ASSETS</u>			
Assessment Trust Fund:			
Cash and Cash Equivalents	B-4	\$ 338,016.04	\$ 302,059.98
Assessments Receivable	B-7	788,523.80	968,255.22
Assessments Liens Receivable	B-9	10,471.68	10,471.68
Due from Current Fund	A		22.51
		<u>1,137,011.52</u>	<u>1,280,809.39</u>
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	<u>30,360.22</u>	<u>32,361.61</u>
		<u>30,360.22</u>	<u>32,361.61</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	3,445,685.48	3,046,022.87
Due from Current Fund	A	225,788.76	527,946.23
Other Receivables		<u>7,222.50</u>	<u>13,057.50</u>
		<u>3,678,696.74</u>	<u>3,587,026.60</u>
<u>TOTAL ASSETS</u>		<u>\$ 4,846,068.48</u>	<u>\$ 4,900,197.60</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Trust Fund:			
Due to Current Fund	A	\$ 2.05	
Due to Forest Lakes Club Association	B-7	53,724.60	\$ 53,724.60
N.J. Department of Environmental Protection Loan Payable	B-8	1,006,731.87	1,140,962.79
Fund Balance	B-1	<u>76,553.00</u>	<u>86,122.00</u>
		<u>1,137,011.52</u>	<u>1,280,809.39</u>
Animal Control Fund:			
Due to State of New Jersey:			
Board of Health		20.40	3.60
Due to Current Fund	A	8,454.42	8,333.61
Reserve for Animal Control Expenditures	B-6	<u>21,885.40</u>	<u>24,024.40</u>
		<u>30,360.22</u>	<u>32,361.61</u>
Other Trust Funds:			
Master Escrow		446,182.22	461,670.91

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

	December 31,	
<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Other Trust Funds:		
Reserve for:		
Recreation Deposits	\$ 44,452.71	\$ 50,087.15
State Unemployment Insurance	91,519.75	86,664.61
Public Defender	10,507.50	10,507.50
Drainage	176.48	176.48
Open Space	410,341.49	465,814.47
Open Space - Debt Service	265,991.18	310,323.04
Park Project	7,065.04	7,065.04
Housing Rehabilitation	191,032.89	223,578.99
School Diesel Agreement	9,636.12	21,737.20
Cranberry Lake	52,132.27	52,132.27
Partridge Run Detention Basin Escrow	5,600.00	5,600.00
Tax Sale Premiums	349,600.00	434,500.00
Parking Offense Adjudication Act	322.00	316.00
Fire Dedicated Penalties	500.00	500.00
Municipal Alliance	81.00	81.00
Storm Recovery	520,844.44	470,844.44
Affordable Housing	112,530.12	99,848.07
Self Insurance	256,255.00	122,280.00
Third Party Liens	74,816.53	
Sick and Vacation Leave	829,110.00	763,299.43
	<u>3,678,696.74</u>	<u>3,587,026.60</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>\$ 4,846,068.48</u>	<u>\$ 4,900,197.60</u>

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

Balance December 31, 2017	<u>Ref.</u> B	\$ 86,122.00
Decreased by:		
Anticipated as Budget Revenue - Current Fund		<u>9,569.00</u>
Balance December 31, 2018	B	<u><u>\$ 76,553.00</u></u>

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, 2018

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Assessment Cash	\$ 134,230.92	\$ 134,230.92	\$ -0-

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Paid or Charged</u>	<u>Unexpended Balance Cancelled</u>
Payment of N.J. Department of Environmental Protection Loan	\$ 134,230.92	\$ 134,230.92	\$ -0-

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

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
GENERAL CAPITAL FUND

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

		December 31,	
	Ref.	2018	2017
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 2,705,437.99	\$ 2,355,759.77
Deferred Charged to Future Taxation:			
Funded		1,971,765.67	2,269,058.28
Unfunded	C-4	849,000.00	934,500.00
<u>TOTAL ASSETS</u>		<u>\$ 5,526,203.66</u>	<u>\$ 5,559,318.05</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 849,000.00	\$ 364,500.00
General Serial Bonds Payable	C-8	1,688,000.00	1,948,000.00
Green Acres Loans Payable #1	C-9	41,838.05	53,266.22
Green Acres Loans Payable #2	C-9A	241,927.62	267,792.06
Improvement Authorizations:			
Funded	C-5	526,878.61	638,474.61
Unfunded	C-5	830,699.73	934,500.00
Due to Current Fund	A	121.49	
Capital Improvement Fund	C-6	937,592.43	906,639.43
Reserves for:			
Drainage		1,500.00	12,500.00
Road Resurfacing		67,500.00	67,500.00
Field Irrigation		40,000.00	40,000.00
Payment of Debt Service		229,454.58	254,454.58
Fund Balance	C-1	71,691.15	71,691.15
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 5,526,203.66</u>	<u>\$ 5,559,318.05</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, 2017	C	\$ 71,691.15
		<hr/>
Balance December 31, 2018	C	<u><u>\$ 71,691.15</u></u>

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
SEWER UTILITY FUND

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

		December 31,	
	<u>Ref.</u>	2018	2017
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 696,404.95	\$ 659,251.26
Receivables with Full Reserves:			
Consumer Accounts Receivable and Liens	E-6	1,372.90	23,632.98
Total Operating Fund		697,777.85	682,884.24
Capital Fund:			
Cash and Cash Equivalents	E-4	487,670.10	351,990.81
Fixed Capital	E-7	2,251,025.00	2,251,025.00
Fixed Capital Authorized and Uncompleted	E-8	868,000.00	868,000.00
Total Capital Fund		3,606,695.10	3,471,015.81
<u>TOTAL ASSETS</u>		\$ 4,304,472.95	\$ 4,153,900.05

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

		December 31,	
	Ref.	2018	2017
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 33,554.08	\$ 19,954.91
Encumbered	E-3;E-9	354.96	29,915.82
Total Appropriation Reserves		33,909.04	49,870.73
Accrued Interest on Notes		1,036.86	1,089.00
Due to Current Fund	A		1,021.87
Prepaid Sewer Rents		14,595.33	13,651.66
Sewer Overpayments			0.14
		49,541.23	65,633.40
Reserve for Receivables	E	1,372.90	23,632.98
Fund Balance	E-1	646,863.72	593,617.86
Total Operating Fund		697,777.85	682,884.24
Capital Fund:			
Bond Anticipation Notes Payable	E-14	163,000.00	198,000.00
Improvement Authorizations:			
Funded	E-10	144.70	144.70
Unfunded	E-10	497,050.40	498,471.11
Capital Improvement Fund	E-11	338,475.00	201,375.00
Deferred Reserve for Amortization	E-12	357,000.00	322,000.00
Reserve for Amortization	E-13	2,251,025.00	2,251,025.00
Total Capital Fund		3,606,695.10	3,471,015.81
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>			
		\$ 4,304,472.95	\$ 4,153,900.05

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	
	Ref.	2018	2017
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 40,000.00	\$ 40,000.00
Rents		322,771.39	291,377.26
Miscellaneous Revenue Not Anticipated		12,017.10	3,259.31
Other Credits to Income:			
Sewer Overpayments Cancelled		5.88	
Unexpended Balance of Appropriation Reserves		19,559.35	41,518.68
Total Income		394,353.72	376,155.25
<u>Expenditures</u>			
Budget Expenditures:			
Operating		123,975.00	123,275.00
Capital Improvements		137,100.00	145,425.00
Debt Service		38,907.86	32,625.31
Deferred Charges and Statutory Expenditures		1,125.00	1,100.00
Total Expenditures		301,107.86	302,425.31
Excess in Revenue/Statutory Excess to Fund Balance		93,245.86	73,729.94
<u>Fund Balance</u>			
Balance January 1	E	593,617.86	559,887.92
		686,863.72	633,617.86
Decreased by:			
Utilized as Anticipated Revenue		40,000.00	40,000.00
Balance December 31	E	\$ 646,863.72	\$ 593,617.86

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, 2018

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, 2018

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 40,000.00	\$ 40,000.00	
Sewer Rents	264,000.00	322,771.39	\$ 58,771.39
	<u>304,000.00</u>	<u>362,771.39</u>	<u>58,771.39</u>
Miscellaneous Revenue Not Anticipated		12,017.10	12,017.10
	<u>\$ 304,000.00</u>	<u>\$ 374,788.49</u>	<u>\$ 70,788.49</u>

Sewer Rents

Sewer Rent Collections	\$ 309,119.73
Prepaid Sewer Rents	<u>13,651.66</u>
	<u>\$ 322,771.39</u>

Analysis of Miscellaneous Revenue Not Anticipated

Treasurer:

Interest on Sewer Deposits	\$ 3,105.65	
Interest on Sewer Rents	3,582.21	
Other Sewer Fees	<u>2,874.07</u>	
		\$ 9,561.93
Due from Sewer Utility Capital Fund:		
Interest on Deposits		<u>2,455.17</u>
		<u>\$ 12,017.10</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, 2018

	Appropriations		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operating:					
Salaries and Wages	\$ 10,500.00	\$ 10,500.00	\$ 6,774.33	\$ 3,725.67	
Other Expenses	57,775.00	57,775.00	33,942.07	23,832.93	
Musconetcong Sewerage Authority Fee	55,700.00	55,700.00	50,093.76	5,606.24	
Capital Improvements:					
Capital Improvement Fund	137,100.00	137,100.00	137,100.00		
Debt Service:					
Payment of Bond Anticipation Notes	35,000.00	35,000.00	35,000.00		
Interest on Notes	6,800.00	6,800.00	3,907.86		\$ 2,892.14
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.)	825.00	825.00	535.76	289.24	
Unemployment Compensation Insurance	200.00	200.00	200.00		
	<u>\$ 304,000.00</u>	<u>\$ 304,000.00</u>	<u>\$ 267,553.78</u>	<u>\$ 33,554.08</u>	<u>\$ 2,892.14</u>
	<u>Ref.</u>			<u>E</u>	
<u>Analysis of Paid or Charged</u>					
Cash Disbursed			\$ 263,290.96		
Accrued Interest on Notes			3,907.86		
Encumbered		<u>E</u>	<u>354.96</u>		
			<u>\$ 267,553.78</u>		

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

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31,	
	2018	Restated 2017
<u>ASSETS</u>		
Land	\$ 6,378,800.00	\$ 6,378,800.00
Buildings	5,497,095.00	5,497,095.00
Equipment and Vehicles	5,795,570.58	5,384,041.49
<u>TOTAL ASSETS</u>	<u>\$ 17,671,465.58</u>	<u>\$ 17,259,936.49</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	\$ 17,671,465.58	\$ 17,259,936.49
<u>TOTAL RESERVES</u>	<u>\$ 17,671,465.58</u>	<u>\$ 17,259,936.49</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, 2018

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.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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

B. Description of Funds (Cont'd)

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

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 – 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 accounting principles generally accepted in the United States of America, 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 awarded and inventories would not be reflected as expenditures at the time of purchase, investments would generally be stated at fair value, fixed assets purchased by the Sewer

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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

C. Basis of Accounting (Cont'd)

Utility Capital Fund would be depreciated, and the Township's net OPEB liability and net pension liability and related deferred inflows and outflows, where applicable, would be recorded

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

D. Deferred Charges to Future Taxation

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

E. Other significant accounting policies include:

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

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

Investments – Investments are stated at cost.

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, 2018
(Continued)

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

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

General Fixed Assets— 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, 2018
(Continued)

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

Summary of Municipal Debt

	December 31,		
	2018	2017	2016
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 2,820,765.67	\$ 2,633,558.28	\$ 2,970,616.07
Trust Assessment:			
Loans	1,006,731.87	1,140,962.79	1,275,193.69
Sewer Utility:			
Bonds, Loans and Notes	163,000.00	198,000.00	178,000.00
	<u>3,990,497.54</u>	<u>3,972,521.07</u>	<u>4,423,809.76</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes		570,000.00	
Sewer Utility:			
Bonds and Notes	348,000.00	348,000.00	398,000.00
	<u>348,000.00</u>	<u>918,000.00</u>	<u>398,000.00</u>
Less:			
Open Space - Debt Service Reserve	265,991.18	310,323.04	354,654.90
Assessment Trust Cash	261,460.99	215,960.49	123,127.70
Reserve to Pay Debt Service	229,454.58	254,454.58	279,454.58
	<u>756,906.75</u>	<u>780,738.11</u>	<u>757,237.18</u>
Net Bonds and Notes Issued and			
Authorized but not Issued	<u>\$ 3,581,590.79</u>	<u>\$ 4,109,782.96</u>	<u>\$ 4,064,572.58</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 .312%.

	Gross Debt	Deductions	Net Debt
School Debt	\$ 2,165,000.00	\$ 2,165,000.00	
Sewer Utility Debt	511,000.00	511,000.00	
Trust Assessment Debt	1,006,731.87	261,460.99	\$ 745,270.88
General Debt	<u>2,820,765.67</u>	<u>495,445.76</u>	<u>2,325,319.91</u>
	<u>\$ 6,503,497.54</u>	<u>\$ 3,432,906.75</u>	<u>\$ 3,070,590.79</u>

Net Debt: \$3,070,590.79 divided by Average Equalized Valuations of \$983,824,074.67 of Real Property = .312%.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(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 \$34,134,205.43

Net Debt 3,070,590.79

Remaining Borrowing Power \$31,063,614.64

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

Cash Receipts from Fees, Rents or Other Charges for Year \$ 374,788.49

Deductions:

Operating and Maintenance Cost \$ 125,100.00

Debt Service 38,907.86

164,007.86

Excess in Revenue \$ 210,780.63

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 12/31/2017	Additions	Retirements	Balance 12/31/2018
Serial Bonds:				
General Capital Fund	\$ 1,528,000.00		\$ 200,000.00	\$ 1,328,000.00
Open Space Trust Fund	420,000.00		60,000.00	360,000.00
Bond Anticipation Notes:				
General Capital Fund	364,500.00	\$ 849,000.00	364,500.00	849,000.00
Sewer Utility Capital Fund	198,000.00	163,000.00	198,000.00	163,000.00
Loans Payable:				
General Capital				
Green Acres Loans #1	53,266.22		11,428.17	41,838.05
Green Acres Loans #2	267,792.06		25,864.44	241,927.62
Assessment Trust Fund:				
Department of Environmental Protection Loan	<u>1,140,962.79</u>		<u>134,230.92</u>	<u>1,006,731.87</u>
	<u>\$ 3,972,521.07</u>	<u>\$ 1,012,000.00</u>	<u>\$ 994,023.53</u>	<u>\$ 3,990,497.54</u>

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/2016	Additions	Retirements	Balance 12/31/2017
Serial Bonds:				
General Capital Fund	\$ 1,728,000.00		\$ 200,000.00	\$ 1,528,000.00
Open Space Trust Fund	480,000.00		60,000.00	420,000.00
Bond Anticipation Notes:				
General Capital Fund	405,000.00	\$ 364,500.00	405,000.00	364,500.00
Sewer Utility Capital Fund	178,000.00	198,000.00	178,000.00	198,000.00
Loans Payable:				
General Capital				
Green Acres Loans #1	64,469.21		11,202.99	53,266.22
Green Acres Loans #2	293,146.86		25,354.80	267,792.06
Assessment Trust Fund:				
Department of Environmental Protection Loan	1,275,193.69		134,230.90	1,140,962.79
	<u>\$ 4,423,809.76</u>	<u>\$ 562,500.00</u>	<u>\$ 1,013,788.69</u>	<u>\$ 3,972,521.07</u>

Analysis of Debt Issued and Outstanding:

General Capital Serial Bonds

Purpose	Final Maturity	Interest Rate	Amount
General Improvement Bonds	9/1/2025	1.75-2.75%	<u>\$ 1,328,000.00</u>

Open Space Serial Bonds

Purpose	Final Maturity	Interest Rate	Amount
Open Space Bonds	10/1/2024	3.75-4.00%	<u>\$ 360,000.00</u>

General Capital Green Acres Loans Payable

Purpose	Final Maturity	Interest Rate	Amount
Acquisition of Property	3/18/2022	2.00%	\$ 41,838.05
Acquisition of Property	5/17/2027	2.00%	241,927.62
			<u>\$ 283,765.67</u>

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(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	9/20/2019	2.29%	<u>\$ 849,000.00</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	9/20/2019	2.29%	<u>\$ 163,000.00</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>\$ 1,006,731.87</u>
Total Debt Issued and Outstanding			<u>\$ 3,990,497.54</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, 2018
(Continued)

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

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

Current Year	General		<u>Loans Issued and Outstanding</u> Open Space		Assessment Trust Loan		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$ 238,042.18	\$ 36,006.06	\$ 60,000.00	\$ 14,100.00	\$ 116,197.83	\$ 18,033.09	\$ 482,379.16
2020	238,806.82	31,241.40	60,000.00	11,850.00	118,533.41	15,697.52	476,129.15
2021	239,586.85	26,461.39	60,000.00	9,600.00	120,915.93	13,315.00	469,879.17
2022	234,164.20	18,145.69	60,000.00	7,200.00	123,346.33	10,884.57	453,740.79
2023	228,570.42	13,521.18	60,000.00	4,800.00	125,825.60	8,405.32	441,122.52
2024-2027	432,595.20	13,245.46	60,000.00	2,400.00	325,740.25	9,837.02	843,817.93
	<u>\$ 1,611,765.67</u>	<u>\$ 138,621.18</u>	<u>\$ 360,000.00</u>	<u>\$ 49,950.00</u>	<u>\$ 930,559.35</u>	<u>\$ 76,172.52</u>	<u>\$ 3,167,068.72</u>

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be \$3,769,042 at June 30, 2018. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$6,558,947 at June 30, 2018. See Note 5 for further information on the PERS and PFRS.

Net OPEB Liability

The Township's Net OPEB liability related to the Township's Retired Employees Plan at June 30, 2017 was calculated to be \$32,378,546. See Note 7 for further information on these net OPEB liabilities.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2018 which was included in the adopted budget as appropriated and as anticipated revenue for the year ending December 31, 2019 budget were as follows:

Current Fund	\$ 1,610,500.00
Sewer Utility Operating Fund	90,000.00

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, 2018
(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/financial-reports.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, 2018
(Continued)

Note 5: 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 is being paid by the employer in level annual payments over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$167,946 for 2018.

The employee contribution rate was 7.34% effective July 1, 2017 and increased to 7.50% effective July 1, 2018. Subsequent increases after October 1, 2011 were 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, 2018, the Township's liability was \$3,769,042 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the Township's proportion was .0191%, which was an increase of 0.002% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Township recognized actual pension expense in the amount of \$167,946.

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 5: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2017 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 (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (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>
Risk Management Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, 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, 2018 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, 2018
(Continued)

Note 5: 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, 2018		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's proportionate share of the Net Pension Liability	\$ 4,739,137	\$ 3,769,042	\$ 2,955,196

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.nj.gov/treasury/pensions/financial-reports.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, 2018
(Continued)

Note 5: 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 the retirement system, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual amounts over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and are 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, 2018 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, 2018 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2018. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Township contributions to PFRS amounted to \$425,074 for the year ended December 31, 2018. During the fiscal year ended June 30, 2018, the State of New Jersey contributed \$52,764 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$105,529.

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, 2018
(Continued)

Note 5: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense

At June 30, 2018, the Township's liability for its proportionate share of the net pension liability was \$6,558,947. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the Township's proportion was 0.048%, which was a decrease of 0.000% from its proportion measured as of June 30, 2017.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$890,924 as of June 30, 2018. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the State's proportion was 0.048%, which was a decrease of 0.000% from its proportion measured as of June 30, 2017 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 6,558,947
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>890,924</u>
Total Net Pension Liability	<u>\$ 7,449,871</u>

For the year ended December 31, 2018, the Township recognized total pension expense of \$425,074.

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 5: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

Inflation Rate	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% based on age
Thereafter	3.10% - 9.98% based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Combined Healthy mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For pre-retirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability retirement rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 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 (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 5: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Management Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 50% 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 June 30, 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through June 30, 2062, 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, 2018
(Continued)

Note 5: 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, 2018 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, 2018		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(5.51%)	(6.51%)	(7.51%)
Township's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 9,970,728	\$ 7,449,871	\$ 5,370,624

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 \$9,774.84 for the year ended December 31, 2018. Employee contributions to DCRP amounted to \$13,153.56 for the year ended December 31, 2018.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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Note 6: 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 \$945,690.85 at December 31, 2018. 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 \$829,110 on the Trust Fund balance sheet at December 31, 2018.

Note 7: Post-Retirement Benefits other than Pensions (OPEB)

General Information about the Township's OPEB Plan

Plan Description and Benefits Provided

Plan description described in Note 5, 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.

Contributions

NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowances from the Public Employees Retirement System. For purposes of this valuation and for conservatism, it was assumed that future retiree contribution percentage rates will not increase. Thus, it was assumed that a future retiree will contribute his/her current employee contribution as reported by the Township increased annually by the medical trend rate.

The Township's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. During 2018 and 2017, the Township recognized expenditures/expenses in the amount of \$721,380 and \$776,018.04, respectively.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 7: Post-Retirement Benefits other than Pensions (OPEB) (Cont'd)

General Information about the Township's OPEB Plan (Cont'd)

Employees Covered by Benefit Terms

As of December 31, 2018, there were 42 retirees currently receiving retiree benefits and 22 active participants, of which 2 are eligible to retire as of the valuation date.

Total OPEB Liability

The Township's OPEB liability of \$32,378,546 was measured as of December 31, 2018 and was determined by an actuarial valuation as of December 31, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.10% at December 31, 2018
Salary Increases	2.50% per year
Inflation Assumptions	2.50% per year

The selected discount rate was based on the Bond Buyer 20 Index at December 31, 2018.

<u>Health Care</u>				
<u>Trend Rates</u>	<u>Year</u>	<u>Medical</u>	<u>Drug</u>	<u>Dental</u>
Year 1 Trend	2018	5.80%	10.00%	3.50%
Ultimate Trend	2026	5%	5.00%	3.50%

The medical trend rate reduces .1% per annum, leveling at 5% per annum in 2026.

The drug trend rate reduces .5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026.

Mortality rates were based on the RP 2000 Combined Healthy Male Mortality Rates set forward three years.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at January 1, 2018	\$ 31,445,686
Changes for Year:	
Service Cost	364,798
Interest Cost	1,289,442
Benefit Payments	(721,380)
Net Changes	<u>932,860</u>
Balance at December 31, 2018	<u>\$ 32,378,546</u>

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 7: Post-Retirement Benefits other than Pensions (OPEB) (Cont'd)

General Information about the Township's OPEB Plan (Cont'd)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Township as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage lower (3.10 percent) or 1 percentage higher (5.10 percent) than the current discount rate:

	December 31, 2018		
	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB Liability	\$ 36,522,332	\$ 32,378,546	\$ 28,975,702

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Township as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage lower or 1 percentage higher than the valuation healthcare cost trend rates:

	December 31, 2018		
	1% Decrease	Valuation Healthcare Trend Rates	1% Increase
Total OPEB Liability	\$ 29,655,021	\$ 32,378,546	\$ 36,124,145

OPEB Expense

For the year ended December 31, 2018, the Township's OPEB expense was \$1,654,240 as determined by the actuarial valuation.

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 8: Deferred Compensation

The Township 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 9: 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>2018</u>	<u>2017</u>	<u>2016</u>
<u>Tax Rate</u>	\$ 3.55	\$ 3.48	\$ 3.43
<u>Apportionment of Tax Rate</u>			
Municipal	0.93	0.93	0.91
County	0.62	0.60	0.58
Local School	1.29	1.27	1.27
Regional School	0.70	0.69	0.67
<u>Assessed Valuations</u>			
2018	<u>\$ 925,038,900.00</u>		
2017		<u>\$ 926,499,000.00</u>	
2016			<u>\$ 925,408,700.00</u>

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 9: 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>
2018	\$ 32,858,503.20	\$ 32,185,707.09	97.95%
2017	32,318,088.69	31,716,998.18	98.14%
2016	31,828,935.22	31,151,841.11	97.87%

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 10: 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. 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 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, 2018
(Continued)

Note 10: 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, and

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, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be 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) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 10: Cash and Cash Equivalents (Cont'd)

Investments (Cont'd)

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

As of December 31, 2018, 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	\$ 425.00	\$ 6,301,265.40	\$208,247.00	\$ 6,509,937.40
Other Trust Fund		3,445,685.48		3,445,685.48
Assessment Trust Fund		338,016.04		338,016.04
Animal Control Trust Fund		30,360.22		30,360.22
General Capital Fund		2,705,437.99		2,705,437.99
Sewer Utility Operating Fund		696,404.95		696,404.95
Sewer Utility Capital Fund		487,670.10		487,670.10
	<u>\$ 425.00</u>	<u>\$ 14,004,840.18</u>	<u>\$208,247.00</u>	<u>\$ 14,213,512.18</u>

During the period ended December 31, 2018, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2018, was \$14,213,512.18 and the bank balance was \$14,285,931.17. The \$208,247 invested with the State of New Jersey Cash Management Fund is uninsured and/or unregistered.

During the period ended December 31, 2017, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2017, was \$14,318,579.96 and the bank balance was \$14,138,525.36. The \$204,489.70 invested with the State of New Jersey Cash Management Fund is uninsured and/or unregistered.

Note 11: Risk Management

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

The Township 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, 2018
(Continued)

Note 11: 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, 2018 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, 2017 is as follows:

	<u>Statewide Insurance Fund</u>
Total Assets	<u>\$ 48,640,942.00</u>
Net Position	<u>\$ 13,386,585.00</u>
Total Revenue	<u>\$ 28,241,347.00</u>
Total Expenses	<u>\$ 23,341,898.00</u>
Change in Net Position	<u>\$ 4,899,449.00</u>
Members Dividends	<u>\$ 560,525.00</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, 2018
(Continued)

Note 11: 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, 2018 audit report of the North Jersey Municipal Employee Benefits Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2017 is as follows:

	North Jersey Municipal Employee Benefits Fund
Total Assets	\$ 24,792,222.00
Net Position	\$ 18,577,048.00
Total Revenue	\$ 42,868,531.00
Total Expenses	\$ 38,584,808.00
Change in Net Position	\$ 569,757.00
Members Dividends	\$ 3,713,966.00

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, 2018
(Continued)

Note 11: 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>
2018	\$ 100.00	\$ 476.37	\$ 4,361.27	\$ 82.50	\$ 91,519.75
2017	100.00	71.20	4,268.09	103.50	86,664.61
2016	100.00	39.86	4,390.78	93.00	82,328.82

Note 12: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2018:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 8,577.96	\$ 225,788.76
Animal Control Fund		8,454.42
Other Trust Funds	225,788.76	
Trust Assessment Fund		2.05
General Capital Fund		121.49
	<u>\$ 234,366.72</u>	<u>\$ 234,366.72</u>

The Township's interfund receivable in Current Fund is a result of the statutory excess in the Animal Control Fund, interest earned in the Trust Assessment Fund not turned over at year end, and an interfund advancement to the General Capital Fund from the Current Fund during the year. The interfund payable from Current Fund to the Other Trust Funds is for increases in the reserve for storm recovery of \$50,000, increase in the reserve for sick and vacation leave of \$87,000 in addition to \$89,000 of tax sale premium, offset by interest earned and not turned over to the Current Fund at year end.

Note 13: 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, 2018
(Continued)

Note 14: 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 \$857,769.99 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 15: 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 2018 Open Space tax levy was \$110,582.40. The balance of the Open Space Trust Fund as of December 31, 2018 was \$410,341.49.

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 \$44,331.86 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, 2018 was \$265,991.18.

Note 16: Prior Period Adjustment

The prior period balance for the general fixed assets account group was restated as a result of a recent independent appraisal done to complete a full inventory of the Township's fixed assets.

	Balance 12/31/17 as Previously Reported	Retroactive Adjustments	Balance 12/31/17 as Restated
Fixed Assets			
Land	\$ 972,600.00	\$ 5,406,200.00	\$ 6,378,800.00
Buildings	1,758,533.00	3,738,562.00	5,497,095.00
Equipment and Vehicles	5,679,557.15	(295,515.66)	5,384,041.49
	<u>\$ 8,410,690.15</u>	<u>\$ 8,849,246.34</u>	<u>\$ 17,259,936.49</u>

TOWNSHIP OF BYRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
 (Continued)

Note 17: Fixed Assets

The following schedule is a summary of general fixed assets for the year ended December 31, 2018:

	Balance 12/31/17 as Restated	Additions	Deletions	Balance December 31, 2018
Land	\$ 6,378,800.00			\$ 6,378,800
Buildings	5,497,095			5,497,095
Equipment and Vehicles	5,384,041	\$ 529,960.09	\$ 118,431.00	5,795,571
	<u>\$ 17,259,936.49</u>	<u>\$ 529,960.09</u>	<u>\$ 118,431.00</u>	<u>\$ 17,671,465.58</u>

TOWNSHIP OF BYRAM

SUPPLEMENTARY DATA

TOWNSHIP OF BYRAM
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2018

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Alexander Rubenstein	Mayor	
David Gray	Deputy Mayor	
Harvey Roseff	Councilman	
Scott Olson	Councilman	
Nisha Kash	Councilwoman	
Joseph W. Sabatini	Township Manager	(A)
Ashleigh Frueholz	Chief Financial Officer	(A)
Ashleigh Frueholz	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
2018
CURRENT FUND

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2017	A	\$ 7,570,908.66
Increased by Receipts:		
Tax Collector		\$ 31,892,361.92
Revenue Accounts Receivable		1,200,725.22
Miscellaneous Revenue Not Anticipated		87,074.29
Due Animal Control Trust Fund:		
Prior Year Interfund Returned		8,333.61
Interest Due Current Fund		156.79
Due Other Trust Fund:		
Prior Year Interfund Returned		30,224.00
Tax Sale Premium		89,000.00
Interest Due Current Fund		10,368.97
Due General Capital Fund:		
Interest Due Current Fund		14,456.18
Due Sewer Utility Operating Fund:		
Interest Due Current Fund		1,021.87
Due Special Assessment Trust Fund:		
Prior Year Interfund Returned		1,929.98
Due Payroll Fund:		
Interest Due Current Fund		346.35
Due State of New Jersey:		
Marriage License Fees		775.00
DCA Training Fees		8,646.00
Veterans and Senior Citizens' Deductions		61,321.24
Due Borough of Netcong:		
Construction Fees		8,834.50
Reserve for Sale of Municipal Assets		8,947.49
		<hr/>
		33,424,523.41
		<hr/> 40,995,432.07

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Decreased by Disbursements:		
2018 Appropriation Expenditures	\$ 8,721,015.90	
2017 Appropriation Reserves	270,205.25	
Petty Cash	200.00	
Local School Taxes	11,920,194.00	
Regional School Taxes	6,470,356.00	
County Taxes	5,760,571.82	
Due Other Trust Funds:		
Open Space Tax Levy	110,634.50	
Prior Year Interfund Returned	558,170.23	
Due General Capital Fund:		
Interfund Advanced	121.49	
Redemption of Outside Liens	366,321.01	
Due State of New Jersey:		
DCA Training Fees	8,053.00	
Marriage License Fees	675.00	
Due Borough of Netcong:		
Construction Fees	8,824.50	
Reserve for Pending Tax Appeals	2,222.16	
Appropriated Grant Reserves:		
Recycling Tonnage Grant	776.25	
Municipal Alliance on Alcoholism and Drug Abuse	3,411.05	
Clean Communities	23,774.50	
Highlands Grant	1,356.25	
No Net Loss Grant	4,390.85	
Click-It or Ticket	5,250.32	
Drunk Driving Enforcement Fund	2,821.46	
Risk Control Grant	3,018.31	
New Jersey Department of Transportation - Amity Road	188,969.94	
Hazard Mitigation Grant	29,081.07	
Refund of Miscellaneous Revenue	2,343.68	
Accounts Payable	1,000.00	
Tax Overpayments	22,161.13	
	<hr/>	<hr/>
		\$ 34,485,919.67
Balance December 31, 2018	A	<hr/> <hr/>
		\$ 6,509,512.40

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2018

Increased by Receipts:

Taxes Receivable	\$ 31,138,376.08	
Tax Title Liens	13,213.73	
Interest and Costs on Taxes	115,905.06	
2019 Prepaid Taxes	230,036.75	
Tax Overpayments	24,217.77	
Outside Liens	366,321.01	
Other Fees	540.00	
Other Miscellaneous	3,751.52	
	<hr/>	
		\$ 31,892,361.92

Decreased by:

Disbursed to Municipal Treasurer	<u><u>\$ 31,892,361.92</u></u>
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TOWNSHIP OF BYRAM
SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2018

NOT APPLICABLE

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

					State of NJ			
					Veterans' and			
					Senior Citizens'			
Year	Balance		Collections		Deductions	Cancelled	Transferred	Balance
	Dec. 31, 2017	2018 Levy	2017	2018			to Tax	Dec. 31, 2018
							Title Liens	
2012	\$ 2,922.84							\$ 2,922.84
2013	3,010.24							3,010.24
2014	3,055.32			\$ 250.00	\$ (250.00)			3,055.32
2015	4,274.33			983.29	(601.37)	\$ 820.53		3,071.88
2016	4,551.01			1,298.91	(250.00)			3,502.10
2017	443,658.13			437,209.14	(2,077.39)		\$ 5,322.02	3,204.36
	461,471.87			439,741.34	(3,178.76)	820.53	5,322.02	18,766.74
2018		\$ 32,858,503.20	\$ 1,421,930.57	30,698,634.74	65,141.78	27,143.90	105,687.28	539,964.93
	\$ 461,471.87	\$ 32,858,503.20	\$ 1,421,930.57	\$ 31,138,376.08	\$ 61,963.02	\$ 27,964.43	\$ 111,009.30	\$ 558,731.67

Ref. A

A

Analysis of 2018 Property Tax Levy:

Tax Yield:

General Purpose Tax	\$ 32,792,638.61	
Added and Omitted Taxes	65,864.59	
	<u>\$ 32,858,503.20</u>	

Tax Levy:

Local School District Taxes		\$ 11,920,194.00
Regional School District Taxes		6,470,356.00
County Taxes	\$ 5,752,335.27	
County Added and Omitted Taxes	11,588.22	
	<u>5,763,923.49</u>	
Local Tax for Open Space - Due Other Trust Funds		110,634.50
		<u>24,265,107.99</u>
Local Tax for Municipal Purposes Levied	\$ 8,536,187.40	
Add: Additional Tax Levied	57,207.81	
	<u>8,593,395.21</u>	
		<u>\$ 32,858,503.20</u>

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>		
Balance December 31, 2017	A		\$ 1,115,319.82
Increased by:			
Transfer from Taxes Receivable		\$ 111,009.30	
Interest and Costs on Tax Sale		<u>1,416.43</u>	
			<u>112,425.73</u>
			1,227,745.55
Decreased by:			
Redeemed		<u>13,213.73</u>	
			<u>13,213.73</u>
Balance December 31, 2018	A		<u><u>\$ 1,214,531.82</u></u>

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2017	Accrued In 2018	Collected by Treasurer	Cancelled	Balance Dec. 31, 2018
Municipal Clerk:					
Alcoholic Beverage Licenses		\$ 6,211.80	\$ 6,211.80		
Fees and Permits		32,844.44	32,844.44		
Planning/Zoning Board Fees:					
Fees and Permits		8,975.00	8,975.00		
Police:					
Fees and Permits		1,217.25	1,217.25		
Board of Health:					
Fees and Permits		14,626.07	14,626.07		
Recycling Fees	\$ 2,215.98	3,872.38	2,573.10		\$ 3,515.26
Other Fees and Permits		2,955.00	2,955.00		
Construction Code Official:					
Fees and Permits		131,426.50	131,426.50		
Municipal Court:					
Fines and Costs	3,374.38	68,979.64	72,354.02		
Interest on Deposits		38,538.10	38,538.10		
Consolidated Municipal Property Tax Relief Program		20,548.00	20,548.00		
Garden State Preservation		41,920.00	41,920.00		
Energy Receipts Taxes		554,927.00	554,927.00		
Clean Communities Grant		19,925.69	19,925.69		
Highlands Grant	142,702.87		3,750.00		138,952.87
No Net Loss Grant	263,854.00		4,800.00		259,054.00

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2016	Accrued In 2018	Collected by Treasurer	Cancelled	Balance Dec. 31, 2018
Reserve to Pay Debt Service		\$ 25,000.00	\$ 25,000.00		
Prior Year Anticipated Assessment Fund Balance		9,569.00	9,569.00		
Municipal Alliance Grant 2016	\$ 86.22			\$ 86.22	
Municipal Alliance Grant 2017	11,420.00		8,295.62		\$ 3,124.38
Municipal Alliance Grant 2018		11,420.00			11,420.00
Click It or Ticket Grant		5,250.32	5,250.32		
Risk Control Grant -2016	3,018.31		3,018.31		
Risk Control Grant -2017		2,698.00			2,698.00
Hazard Mitigation Grant	25,000.00				25,000.00
Hazard Mitigation Grant - Little Paint Way	112,500.00				112,500.00
New Jersey Department of Transportation	42,000.00		42,000.00		
New Jersey Department of Transportation		200,000.00	150,000.00		50,000.00
	<u>\$ 606,171.76</u>	<u>\$ 1,200,904.19</u>	<u>\$ \$ 1,200,725.22</u>	<u>\$ 86.22</u>	<u>\$ 606,264.51</u>

Ref. A

A

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

NOT APPLICABLE

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	Balance Dec. 31, 2017	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries & Wages	\$ 5,469.72	\$ 5,469.72	\$ 2,743.00	\$ 2,726.72
Other Expenses	28,290.25	28,290.25	12,042.99	16,247.26
Mayor & Council:				
Other Expenses	1,093.09	1,093.09	1,069.98	23.11
Municipal Clerk:				
Salaries & Wages	96.96	96.96	96.00	0.96
Other Expenses	3,177.68	3,177.68	812.46	2,365.22
Financial Administration:				
Salaries & Wages	3,430.21	3,430.21	3,429.50	0.71
Other Expenses	1,115.02	1,115.02	801.39	313.63
Audit Fees	53,650.00	53,650.00	53,622.00	28.00
Assessment of Taxes:				
Salaries & Wages	713.68	713.68	713.00	0.68
Other Expenses	33,049.42	33,049.42	3,736.65	29,312.77
Revenue Administration (Tax Collection):				
Other Expenses	14,059.17	14,059.17	5,234.52	8,824.65
Legal Services and Costs:				
Other Expenses - Fees	64,756.70	64,756.70	3,674.88	61,081.82
Environmental Commission:				
Other Expenses	1,625.70	1,625.70		1,625.70
Engineering Services:				
Other Expenses	27,787.11	27,787.11	10,303.25	17,483.86
Municipal Land Use Law:				
Planning Board:				
Salaries & Wages	106.56	106.56	106.00	0.56
Other Expenses	57,394.54	57,394.54	3,307.90	54,086.64
Zoning Commission:				
Salaries & Wages	5,399.92	5,399.92	5,399.00	0.92
Other Expenses	91.32	91.32	75.66	15.66
Insurance: (P.L. 2003, C.92)				
Employee Group Insurance	142,008.31	142,008.31		142,008.31
Employee Group Insurance-Health Benefit Waiver	1,686.91	1,686.91		1,686.91
PUBLIC SAFETY				
Uniform Fire Safety Act:				
Fire Prevention Bureau:				
Other Expenses	3,705.00	3,705.00	1,268.50	2,436.50

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Balance Dec. 31, 2017	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY				
Fire:				
Uniform Allowance	\$ 8,000.00	\$ 8,000.00		\$ 8,000.00
Other Expenses	33,609.13	33,609.13	\$ 28,774.64	4,834.49
Office of Emergency Management:				
Other Expenses	500.00	500.00		500.00
Police:				
Salaries & Wages	37,944.35	37,944.35	37,944.22	0.13
Other Expenses	39,337.06	39,337.06	10,038.89	29,298.17
Other Expenses - Radio & Comm. 911	1,644.70	1,644.70	124.95	1,519.75
STREETS AND ROADS:				
Road Repairs and Maintenance:				
Salaries & Wages	53,906.95	53,906.95	53,906.66	0.29
Other Expenses - Miscellaneous	99,090.30	99,090.30	87,916.88	11,173.42
Other Expenses - Improvements to Streets & Roads	8,431.79	8,431.79		8,431.79
Other Expenses - Fleet Maintenance	28,269.69	28,269.69	6,706.55	21,563.14
Public Building and Grounds:				
Salaries & Wages	30.56	30.56		30.56
Other Expenses	12,916.98	12,916.98	3,146.70	9,770.28
Garbage Removal - Contractual	104,964.43	104,964.43	42,409.84	62,554.59
Recycling:				
Salaries & Wages	5,675.05	5,675.05		5,675.05
Other Expenses	9,440.00	9,440.00		9,440.00
HEALTH AND WELFARE:				
Board of Health:				
Other Expenses	2,210.55	2,210.55		2,210.55
Animal Control:				
Salaries & Wages	1,132.84	1,132.84	162.78	970.06
Other Expenses	1,750.00	1,750.00		1,750.00
RECREATION AND EDUCATION:				
Parks and Playground:				
Salaries & Wages	28.96	28.96		28.96
Other Expenses	3,345.97	3,345.97	54.64	3,291.33
Senior Citizens Transportation:				
Salaries & Wages	5,239.31	5,239.31	347.22	4,892.09
Recreation Land Lease:				
Other Expenses	976.00	976.00	650.60	325.40
Celebration of Public Events:				
Other Expenses	601.85	601.85	80.93	520.92

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018
(Continued)

	<u>Balance</u> <u>Dec. 31, 2017</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	\$ 18,897.48	\$ 18,897.48	\$ 1,280.68	\$ 17,616.80
Other Expenses	9,080.91	9,080.91	675.00	8,405.91
UNCLASSIFIED:				
Utilities:				
Heating Oil	50,958.36	50,958.36	8,740.03	42,218.33
Street Lighting	12,383.72	12,383.72	8,787.61	3,596.11
Electricity	21,389.85	21,389.85	4,331.52	17,058.33
Gasoline	63,638.15	63,638.15		63,638.15
Telephone	5,550.98	5,550.98	2,069.07	3,481.91
Municipal Sewer Charges	733.32	733.32		733.32
Social Security System (O.A.S.I.)	32,538.50	32,538.50		32,538.50
Defined Contribution Retirement Plan	1,719.73	1,719.73	178.52	1,541.21
Musconetcong Sewer Authority Fees	6,924.55	6,924.55		6,924.55
Recycling Tax Appropriation	2,472.45	2,472.45	440.64	2,031.81
	<u>\$ 1,134,041.74</u>	<u>\$ 1,134,041.74</u>	<u>\$ 407,205.25</u>	<u>\$ 726,836.49</u>

Ref.

Analysis of Balance @12/31/2017

Unencumbered	A \$ 965,286.82
Encumbered	A 168,754.92
	<u>\$ 1,134,041.74</u>

Analysis of Paid or Charged

Cash Disbursed	\$ 270,205.25
Due to Other Trust Fund - Reserve for Storm Recovery	50,000.00
Due to Other Trust Fund - Reserve for Sick and Vacation Leave	87,000.00
	<u>\$ 407,205.25</u>

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2018

Increased by:

Levy - Calendar Year 2018

\$ 11,920,194.00

Decreased by:

Payments to Local School District

\$ 11,920,194.00

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2018

Increased by:

Levy - Calendar Year 2018

\$ 6,470,356.00

Decreased by:

Payments to Regional High School District

\$ 6,470,356.00

TOWNSHIP OF BYRAM
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2018

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
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, 2017	B	\$ 32,361.61	\$ 302,059.98	\$ 3,046,022.87
Increased by Receipts:				
Due Current Fund:				
Interest on Investments		\$ 156.79	\$ 1,935.48	\$ 10,580.21
Interest on Delinquent Assessments			19.06	
Prior Year Interfund Returned				558,170.23
Dog License Fees		11,615.00		
State Registration Fees		1,551.00		
Miscellaneous Fees		1,165.00		
Trust Assessment Collections			179,731.42	
Master Escrow Deposits				62,057.89
Parking Offense Adjudication Act				6.00
Unemployment Insurance Deposits				4,937.64
Public Defender Deposits				200.00
Reserve for School Diesel Agreement				23,695.62
Reserve for Outside Police Services				42,705.00
Reserve for Third Party Liens				74,816.53
Reserve for Self Insurance				133,975.00
Open Space Trust:				
Interest on Investments				3,922.23
Highlands Council Grant				227,275.00
Green Acres Grant				238,040.83
Tax Levy				110,634.50
Housing Rehabilitation Deposits				2,200.00
Reserve for Sick Leave				100.00
Recreation Deposits				10,239.75
Affordable Housing Deposits				12,682.05
		<u>14,487.79</u>	<u>181,685.96</u>	<u>1,516,238.48</u>
		46,849.40	483,745.94	4,562,261.35

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	\$	8,333.61		\$ 30,224.00
Interest Earned		156.79	\$ 1,929.98	10,368.97
Fund Balance anticipated as Current Fund Revenue			9,569.00	
State of New Jersey Board of Health		1,534.20		
Expenditures Under R.S. 4:19-15.11		6,464.58		
Department of Environmental				
Protection Loan Payment			134,230.92	
Master Escrow Expenditures				77,546.58
Tax Sale Premiums				173,900.00
Unemployment Insurance Expenditures				82.50
Reserve for Sick and Vacation Leave				21,289.43
Open Space Trust:				
Open Space Expenditures				679,677.40
Reserve for School Diesel Agreement				35,796.70
Reserve for Outside Police Services				36,870.00
Housing Rehabilitation Expenditures				34,746.10
Public Defender Expenditures				200.00
Recreation Expenditures				15,874.19
		<u>\$ 16,489.18</u>	<u>\$ 145,729.90</u>	<u>\$ 1,116,575.87</u>
Balance December 31, 2018	B	<u><u>\$ 30,360.22</u></u>	<u><u>\$ 338,016.04</u></u>	<u><u>\$ 3,445,685.48</u></u>

TOWNSHIP OF BYRAM
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2018

NOT APPLICABLE

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2018

		Receipts		Disbursements		Transfers			
		Balance/ (Deficit) Dec. 31, 2017	Assessments Receivable	Miscellaneous	Miscellaneous	N.J. Department of Environmental Protection Loan	From	To	Balance Dec. 31, 2018
Fund Balance		\$ 86,122.00			\$ 9,569.00				\$ 76,553.00
Due Current Fund		(22.51)		\$ 1,954.54	1,929.98				2.05
Assessments Loans:									
Ord.									
No.	Improvement Description								
12-16	Improvement for Forest Lake Club Association	215,960.49	\$ 179,731.42			\$ 134,230.92			261,460.99
		<u>\$ 302,059.98</u>	<u>\$ 179,731.42</u>	<u>\$ 1,954.54</u>	<u>\$ 11,498.98</u>	<u>\$ 134,230.92</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 338,016.04</u>

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

	<u>Ref.</u>	
Balance December 31, 2017	B	\$ 24,024.40
Increased by:		
Dog License Fees:		
Collected in Current Year	\$ 11,615.00	
Miscellaneous Fees	<u>1,165.00</u>	
		<u>12,780.00</u>
		36,804.40
Decreased by:		
Expenditures Under R.S. 4:19-15.11	6,464.58	
Statutory Excess Due to Current Fund	<u>8,454.42</u>	
		<u>14,919.00</u>
Balance December 31, 2018	B	<u><u>\$ 21,885.40</u></u>

<u>License Fees Collected</u>	<u>Amount</u>
<u>Year</u>	
2016	\$ 11,169.40
2017	<u>10,716.00</u>
Maximum Allowable Reserve	<u><u>\$ 21,885.40</u></u>

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENT RECEIVABLE

Ord. No.	Improvement Description	Balance Dec. 31, 2017	Collected	Balance Dec. 31, 2018	Balance Pledged to	
					N.J. Department of Environmental Protection Loan	Club Association
12-16	Improvement to Forest Lake Club Associaton	\$ 968,255.22	\$ 179,731.42	\$ 788,523.80	\$ 734,799.20	\$ 53,724.60
		<u>\$ 968,255.22</u>	<u>\$ 179,731.42</u>	<u>\$ 788,523.80</u>	<u>\$ 734,799.20</u>	<u>\$ 53,724.60</u>
	<u>Ref.</u>	B		B		

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

Ord. No.	Improvement Description	Balance Dec. 31, 2017	Matured	Balance Dec. 31, 2018
	Forest Lake Club Association	<u>\$ 1,140,962.79</u>	<u>\$ 134,230.92</u>	<u>\$ 1,006,731.87</u>
	<u>Ref.</u>	E		B
	<u>Date</u>	<u>Payment</u>		<u>Balance of Loan</u>
				\$ 1,006,731.87
	5/2/2019	\$ 67,115.45		939,616.42
	11/2/2019	67,115.46		872,500.96
	5/2/2020	67,115.46		805,385.49
	11/2/2020	67,115.46		738,270.03
	5/2/2021	67,115.46		671,154.57
	11/2/2021	67,115.46		604,039.11
	5/2/2022	67,115.45		536,923.66
	11/2/2022	67,115.45		469,808.20
	5/2/2023	67,115.46		402,692.74
	11/2/2023	67,115.45		335,577.29
	5/2/2024	67,115.46		268,461.83
	11/2/2024	67,115.45		201,346.38
	5/2/2025	67,115.45		134,230.92
	11/2/2025	67,115.46		67,115.46
	5/2/2026	67,115.46		-0-
		<u>\$ 1,006,731.87</u>		

TOWNSHIP OF BYRAM
ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENT LIENS RECEIVABLE

Ord. No.	Improvement Description	Balance	Balance	Balance Pledged to
		Dec. 31, 2017	Dec. 31, 2018	N.J. Department of Environmental Protection Loan
12-16	Improvement to Forest Lake Club Associaton	\$ 10,471.68	\$ 10,471.68	\$ 10,471.68
		\$ 10,471.68	\$ 10,471.68	\$ 10,471.68
	<u>Ref.</u>	B	B	

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
GENERAL CAPITAL FUND

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2017	C	\$ 2,355,759.77
Increased by:		
Budget Appropriation:		
Capital Improvement Fund	\$ 398,453.00	
Reserve for Drainage	5,000.00	
Reserve for Road Resurfacing	100,000.00	
Payment of Bond Anticipation Notes	37,500.00	
Bond Anticipation Notes Issued	811,500.00	
Due Sewer Utility Capital - Bond Anticipation Notes	163,000.00	
Due Current Fund:		
Interfund Returned	121.49	
Interest	14,456.18	
	<hr/>	1,530,030.67
		<hr/> 3,885,790.44
Decreased By:		
Improvement Authorizations	650,896.27	
Reserve to Pay Debt Service Anticipated in Budget	25,000.00	
Bond Anticipation Notes	327,000.00	
Due Sewer Utility Capital - Bond Anticipation Notes	163,000.00	
Due Current Fund:		
Interest	14,456.18	
	<hr/>	1,180,352.45
		<hr/>
Balance December 31, 2018	C	<u><u>\$ 2,705,437.99</u></u>

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
ANALYSIS OF CASH

		Receipts			Disbursements					Balance/
		Balance/ (Deficit) Dec. 31, 2017	Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	Transfers From To	Dec. 31, 2018
Capital Fund Balance		\$ 71,691.15								\$ 71,691.15
Capital Improvement Fund		906,639.43	\$ 398,453.00						\$ 397,500.00 \$ 30,000.00	937,592.43
Due Current Fund					\$ 14,577.67			\$ 14,456.18		121.49
Due Sewer Utility Capital Fund					163,000.00			163,000.00		
Reserve for Road Resurfacing		67,500.00	100,000.00						100,000.00	67,500.00
Reserve for Field Irrigation		40,000.00								40,000.00
Reserve for Drainage		12,500.00	5,000.00						16,000.00	1,500.00
Reserve for Payment of Debt Service		254,454.58						25,000.00		229,454.58
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
05-11	Various Capital Improvements	72,316.38								72,316.38
11-13	Improvements to Tamarack Park	74.01								74.01
04-14	Various Road Improvements	1,353.99								1,353.99
07-14	Various Road Improvements	9,730.75								9,730.75
09-14	Various Capital Improvements	45,424.14				\$ 3,482.16				41,941.98
06-15	Various Street Improvements	12,165.11								12,165.11
07-15	Drainage Improvements	5,300.50								5,300.50
08-15	Various Street Improvements	5,252.47				1,711.23				3,541.24
09-15	Technology Improvements	6,553.31								6,553.31
15-15	Stanby Generator	11,000.00								11,000.00
16-16	Ambulance Remount	4,399.00								4,399.00
18-16	Various Capital Improvements	453,712.77	37,500.00	\$ 289,500.00		143,102.84	\$ 327,000.00			310,609.93
05-17	Little Paint Way - Hazard Mitigation	52,500.00								52,500.00
06-17	Improvements to Tamarack Park	78,796.75				57,586.50				21,210.25
12-17	Improvements to Various Streets	62,053.73				19,481.95				42,571.78
13-17	Improvements to Various Streets	53,707.73				44,197.58				9,510.15
14-17	Acquisition of Fire Truck	30,000.00							30,000.00	
16-17	Improvements to Various Streets	49,346.07				38,251.48				11,094.59
05-18	Acquisition of Senior Van								75,000.00	75,000.00
06-18	Drainage Improvements					3,857.61			30,000.00	26,142.39
07-18	Improvements to Various Streets					309,314.72			319,500.00	10,185.28
08-18	Acquisition of Camera System - PD								45,000.00	45,000.00
09-18	Acquisition of Fire Fighting Equipment			522,000.00		29,910.20			28,000.00	520,089.80
14-18	Drainage Improvements								16,000.00	16,000.00
		\$ 2,355,759.77	\$ 540,953.00	\$ 811,500.00	\$ 177,577.67	\$ 650,896.27	\$ 327,000.00	\$ 202,456.18	\$ 543,500.00 \$ 543,500.00	\$ 2,705,437.99

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

Ord. No.	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Funded by Budget Appropriation	Improvement Authorizations Cancelled	Balance Dec. 31, 2018	Analysis of Balance December 31, 2018
							Bond Anticipation Notes
18-16	Various Capital Improvements	\$ 364,500.00		\$ 37,500.00		\$ 327,000.00	\$ 327,000.00
14-17	Acquisition of Fire Truck	570,000.00			\$ 570,000.00		
09-18	Fire Fighting Equipment		\$ 522,000.00			522,000.00	522,000.00
		<u>\$ 934,500.00</u>	<u>\$ 522,000.00</u>	<u>\$ 37,500.00</u>	<u>\$ 570,000.00</u>	<u>\$ 849,000.00</u>	<u>\$ 849,000.00</u>
			Improvement Authorizations - Unfunded				\$ 830,699.73
			Less: Unexpended Proceeds of Bond Anticipation Notes Issued:				
			Ordinance 18-16 (Various Capital Improvements)				(310,609.93)
			Ordinance 09-18 (Fire Fighting Equipment)				(520,089.80)
							<u>\$ -0-</u>

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance		2018 Authorizations			Paid or Charged	Authorization Cancelled	Balance	
				December 31, 2017		Capital Improvement Fund	Other Sources	Deferred Charges to Future Taxation Unfunded			December 31, 2018	
		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	
05-11	Various Capital Improvements	06/02/11	465,000.00	72,316.38							72,316.38	
11-13	Improvements to Tamarack Park	06/05/13	350,000.00	74.01							74.01	
04-14	Various Road Improvements	05/06/14	100,000.00	1,353.99							1,353.99	
07-14	Various Road Improvements	06/16/14	35,000.00	9,730.75							9,730.75	
09-14	Various Capital Improvements	07/01/14	600,000.00	45,424.14					\$ 3,482.16		41,941.98	
06-15	Various Street Improvements	06/01/15	70,000.00	12,165.11							12,165.11	
07-15	Drainage Improvements	06/01/15	63,000.00	5,300.50							5,300.50	
08-15	Various Street Improvements	06/01/15	125,000.00	5,252.47					1,711.23		3,541.24	
09-15	Technology Improvements	06/01/15	20,000.00	6,553.31							6,553.31	
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	4,399.00							4,399.00	
18-16	Various Capital Improvements	05/17/16	638,000.00	89,212.77	\$ 364,500.00				143,102.84			\$ 310,609.93
05-17	Drainage Improvements	04/18/17	52,500.00	52,500.00							52,500.00	
06-17	Improvements to Tamarack Park	04/18/17	110,000.00	78,796.75					57,586.50		21,210.25	
12-17	Improvements to Various Streets	06/20/17	117,000.00	62,053.73					19,481.95		42,571.78	
13-17	Improvements to Various Streets	06/20/17	62,100.00	53,707.73					44,197.58		9,510.15	
14-17	Acquisition of Fire Truck	07/11/17	600,000.00	30,000.00	570,000.00					\$ 600,000.00		
16-17	Improvements to Various Streets	07/11/17	180,500.00	49,346.07					38,251.48		11,094.59	
05-18	Acquisition of Senior Van	04/17/18	75,000.00			\$ 75,000.00					75,000.00	
06-18	Drainage Improvements	04/17/18	30,000.00				\$ 30,000.00		3,857.61		26,142.39	
07-18	Improvements to Various Streets	04/17/18	319,500.00			249,500.00	70,000.00		309,314.72		10,185.28	
08-18	Acquisition of Camera System - PD	04/17/18	45,000.00			45,000.00					45,000.00	
09-18	Acquisition of Fire Fighting Equipment	05/01/18	550,000.00			28,000.00		\$ 522,000.00	29,910.20		-	520,089.80
14-18	Drainage Improvements	06/19/18	16,000.00				16,000.00				16,000.00	
				<u>\$ 638,474.61</u>	<u>\$ 934,500.00</u>	<u>\$ 397,500.00</u>	<u>\$ 116,000.00</u>	<u>\$ 522,000.00</u>	<u>\$ 650,896.27</u>	<u>\$ 600,000.00</u>	<u>\$ 526,878.61</u>	<u>\$ 830,699.73</u>
Ref.				C	C						C	C
						Capital Fund- Reserve for Drainage	\$ 16,000.00					
						Capital Fund- Reserve for Road Resurfacing	100,000.00					
							<u>\$ 116,000.00</u>					

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2017	<u>Ref.</u> C	\$ 906,639.43
Increased by:		
2018 Budget Appropriation	\$ 398,453.00	
Improvement Authroizations Cancelled	<u>30,000.00</u>	
		<u>428,453.00</u>
		1,335,092.43
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>397,500.00</u>
Balance December 31, 2018	C	<u><u>\$ 937,592.43</u></u>

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

Ord. No.	Improvement Description	Date of				Balance Dec. 31, 2017	Issued	Matured	Balance Dec. 31, 2018
		Original Issue	Issue	Maturity	Interest Rate				
18-16	Various Capital Improvements	09/22/16	09/21/17	09/21/18	2.0000%	\$ 364,500.00		\$ 364,500.00	
			09/20/18	09/20/19	2.2900%		\$ 327,000.00		\$ 327,000.00
09-18	Fire Fighting Equipment	09/20/18	09/20/18	09/20/19	2.2900%		522,000.00		522,000.00
						<u>\$ 364,500.00</u>	<u>\$ 849,000.00</u>	<u>\$ 364,500.00</u>	<u>\$ 849,000.00</u>
						<u>Ref. C</u>			<u>C</u>
							\$ 522,000.00		
							327,000.00	\$ 327,000.00	
								37,500.00	
							<u>\$ 849,000.00</u>	<u>\$ 364,500.00</u>	

TOWNSHIP OF BYRAM
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding December 31, 2018		Interest Rate	Balance Dec. 31, 2017	Matured	Balance Dec. 31, 2018
			Date	Amount				
Open Space Bonds	10/01/05	\$ 1,140,000.00	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%	\$ 420,000.00	\$ 60,000.00	\$ 360,000.00
General Improvement Bonds	09/24/15	1,928,000.00	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%	1,528,000.00	200,000.00	1,328,000.00
						<u>\$ 1,948,000.00</u>	<u>\$ 260,000.00</u>	<u>\$ 1,688,000.00</u>
					<u>Ref.</u>	<u>C</u>		<u>C</u>

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

Balance December 31, 2017	<u>Ref.</u> C	\$ 53,266.22
Decreased by:		
Loan Payments		<u>11,428.17</u>
Balance December 31, 2018	C	<u>\$ 41,838.05</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2018

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 41,838.05
33	03/18/19	2.0%	\$ 418.38	\$ 5,799.94	36,038.11
34	09/18/19	2.0%	360.38	5,857.94	30,180.17
35	03/18/20	2.0%	301.80	5,916.52	24,263.65
36	09/18/20	2.0%	242.64	5,975.68	18,287.97
37	03/18/21	2.0%	182.88	6,035.44	12,252.53
38	09/18/21	2.0%	122.53	6,095.79	6,156.74
39	03/18/22	2.0%	<u>61.57</u>	<u>6,156.74</u>	-0-
			<u>\$ 1,690.18</u>	<u>\$ 41,838.05</u>	

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

Balance December 31, 2017	<u>Ref.</u> C	\$ 267,792.06
Decreased by:		
Loan Payments		<u>25,864.44</u>
Balance December 31, 2018	C	<u>\$ 241,927.62</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2018

Payment Number	Maturity Date	Interest Rate	<u>Payment of</u>		Balance of Loan
			<u>Interest</u>	<u>Principal</u>	
					\$ 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>\$ 11,175.50</u>	<u>\$ 120,963.81</u>	

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

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2018

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 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>\$ 11,175.50</u>	<u>\$ 120,963.81</u>	

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

<u>Ord. Number</u>	<u>Ord. Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Authorizations</u>	<u>Cancelled</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2018</u>
14-17	07/11/17	Acquisition of New Fire Truck	\$ 570,000.00		\$ 570,000.00		
09-18	05/01/18	Fire Fighting Equipment		\$ 522,000.00		\$ 522,000.00	\$ -0-
			<u>\$ 570,000.00</u>	<u>\$ 522,000.00</u>	<u>\$ 570,000.00</u>	<u>\$ 522,000.00</u>	<u>\$ -0-</u>

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
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, 2017	E	\$ 659,251.26	\$ 351,990.81
Increased by Receipts:			
Consumer Accounts Receivable		\$ 309,119.73	
Sewer Overpayments		5.74	
Prepaid Sewer Rents		14,595.33	
Miscellaneous Revenue not Anticipated:			
Interest on Sewer Deposits		3,105.65	
Interest on Sewer Rents		3,582.21	
Other Sewer Fees		2,874.07	
Due Sewer Utility Capital Fund		2,455.17	
Due Sewer Utility Operating Fund:			
Interest Earned			\$ 2,455.17
Bond Anticipation Notes Issued			163,000.00
Budget Appropriation:			
Capital Improvement Fund			137,100.00
		<u>335,737.90</u>	<u>302,555.17</u>
		994,989.16	654,545.98
Decreased by Disbursements:			
2018 Budget Appropriations		263,290.96	
2017 Appropriation Reserves		30,311.38	
Interest on Bond Anticipation Notes		3,960.00	
Improvement Authorizations			1,420.71
Bond Anticipation Notes Matured			163,000.00
Due Current Fund:			
Prior Year Interfund Returned		1,021.87	
Due Sewer Utility Operating Fund			2,455.17
		<u>298,584.21</u>	<u>166,875.88</u>
Balance December 31, 2018	E	<u>\$ 696,404.95</u>	<u>\$ 487,670.10</u>

TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2018

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, 2018
		Dec. 31, 2017	Appropriation	Anticipation	Miscellaneous	Authorizations	Anticipation	Miscellaneous			
				Notes			Notes				
Capital Improvement Fund		\$ 201,375.00	\$ 137,100.00								\$ 338,475.00
Due Sewer Utility Operating Fund					\$ 2,455.17			\$ 2,455.17			
<u>Ord. No.</u>	<u>Improvement Description</u>										
09-03	Sewer Utility Improvements	144.70									144.70
06-12	Sewer Utility Improvements	33,988.00		\$ 38,000.00		\$ 410.35	\$ 38,000.00				33,577.65
19-16	Sewer Utility Improvements	116,483.11		125,000.00		1,010.36	125,000.00				115,472.75
		<u>\$ 351,990.81</u>	<u>\$ 137,100.00</u>	<u>\$ 163,000.00</u>	<u>\$ 2,455.17</u>	<u>\$ 1,420.71</u>	<u>\$ 163,000.00</u>	<u>\$ 2,455.17</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 487,670.10</u>
<u>Ref.</u>	E										E

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

	<u>Ref.</u>	
Balance December 31, 2017	E	\$ 23,632.98
Increased by:		
Sewer Rents Levied		300,523.20
		<u>324,156.18</u>
Decreased by Collections:		
Sewer Rents	\$ 309,119.73	
Prepaid Sewer Rents Applied	13,651.66	
Cancelled by Resolution	<u>11.89</u>	
		<u>322,771.39</u>
Balance December 31, 2018	E	<u><u>\$ 1,384.79</u></u>

TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
SCHEDULE OF LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2018

NOT APPLICABLE

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2017	Balance Dec. 31, 2018
	<u> </u>	<u> </u>
Sewer Plant	<u>\$ 2,251,025.00</u>	<u>\$ 2,251,025.00</u>
<u>Ref.</u>	E	E

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

Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2017	Balance Dec. 31, 2018
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
Sewer Utility Improvements	05/17/16	525,000.00	525,000.00	525,000.00
			<u>\$868,000.00</u>	<u>\$868,000.00</u>
		<u>Ref.</u>	E	E

TOWNSHIP OF BYRAM
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 4,847.01	\$ 4,847.01		\$ 4,847.01
Other Expenses	39,169.34	39,169.34	\$ 30,311.38	8,857.96
Musconetcong Sewerage Authority Fee	5,386.84	5,386.84		5,386.84
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	100.00	100.00		100.00
Social Security System (O.A.S.I.)	367.54	367.54		367.54
	<u>\$ 49,870.73</u>	<u>\$ 49,870.73</u>	<u>\$ 30,311.38</u>	<u>\$ 19,559.35</u>

Ref.

Analysis of Balance @ 12/31/2017:

Unencumbered	E \$ 19,954.91
Encumbered	E <u>29,915.82</u>
	<u>\$ 49,870.73</u>

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2017		Paid or Charged	Balance December 31, 2018	
		Date	Amount	Funded	Unfunded		Funded	Unfunded
09-03	Sewer Utility Improvements	05/05/03	\$ 185,000.00	\$ 144.70			\$ 144.70	
06-12	Sewer Utility Improvements	09/27/12	158,000.00		\$ 33,988.00	\$ 410.35		\$ 33,577.65
19-16	Sewer Utility Improvements	05/17/16	525,000.00		464,483.11	1,010.36		463,472.75
				<u>\$ 144.70</u>	<u>\$ 498,471.11</u>	<u>\$ 1,420.71</u>	<u>\$ 144.70</u>	<u>\$ 497,050.40</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, 2017	E	\$ 201,375.00
Increased by:		
2018 Budget Appropriation		<u>137,100.00</u>
Balance December 31, 2018	E	<u><u>\$ 338,475.00</u></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, 2017</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
Sewer Utility Improvements	05/05/03	\$ 185,000.00		\$ 185,000.00
Sewer Utility Improvements	09/27/12	100,000.00	\$ 20,000.00	120,000.00
Sewer Utility Improvements	05/17/16	37,000.00	15,000.00	52,000.00
		<u>\$ 322,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 357,000.00</u>
	<u>Ref.</u>	E		E

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

	<u>Ref.</u>	
Balance December 31, 2017	E	\$ 2,251,025.00
Balance December 31, 2018	E	<u>\$ 2,251,025.00</u>

Ord. No.	Improvement Description	Date of			Interest Rate	Balance		Balance	
		Original Issue	Issue	Maturity		Dec. 31, 2017	Issued	Matured	Dec. 31, 2018
06-12	Sewer Utility Improvements	09/27/12	09/21/17	09/21/18	2.0000%	\$ 58,000.00		\$ 58,000.00	
			09/20/18	09/20/19	2.2900%		\$ 38,000.00		\$ 38,000.00
19-16	Sewer Utility Improvements	09/22/16	09/21/17	09/21/18	2.0000%	90,000.00		90,000.00	
			09/20/18	09/20/19	2.2900%		80,000.00		80,000.00
			09/21/17	09/21/18	2.0000%	50,000.00		50,000.00	
			09/20/18	09/20/19	2.2900%		45,000.00		45,000.00
						\$ 198,000.00	\$ 163,000.00	\$ 198,000.00	\$ 163,000.00
					Ref.	E			E
			Renewed				\$ 163,000.00	\$ 163,000.00	
			Paid by Budget Appropriation					35,000.00	
							\$ 163,000.00	\$ 198,000.00	

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2018

NOT APPLICABLE

TOWNSHIP OF BYRAM
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY WASTEWATER TREATMENT LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2018

NOT APPLICABLE

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>Balance Dec. 31, 2017</u>	<u>Balance Dec. 31, 2018</u>
Sewer Utility Improvements	05/17/16	<u>\$ 348,000.00</u>	<u>\$ 348,000.00</u>
		<u><u>\$ 348,000.00</u></u>	<u><u>\$ 348,000.00</u></u>

TOWNSHIP OF BYRAM
COUNTY OF SUSSEX
2018
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2018

TOWNSHIP OF BYRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

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	20.600	100-066-1160-113-YHTS-6120	N/A	01/01/18	12/31/18	\$ 5,250.32	\$ 5,250.32	\$ 5,250.32	\$ 5,250.32	
(Passed through New Jersey Department of Transportation)	2017 Municipal Aid	20.205	N/A	N/A	01/01/17	12/31/18	168,000.00	42,000.00		168,000.00	
	2018 Municipal Aid	20.205	N/A	N/A	01/01/18	12/31/19	200,000.00	150,000.00	188,969.94	188,969.94	
Subtotal Department of Transportation								197,250.32	194,220.26	362,220.26	
U.S. Department of Homeland Security	Hazard Mitigation	97.039	N/A	N/A	01/01/15	12/31/18	25,000.00		17,800.57	17,800.57	
	Hazard Mitigation	97.039	N/A	N/A	01/01/17	12/31/18	112,500.00		11,280.50	11,280.50	
Total Department of Homeland Security									29,081.07	29,081.07	
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 Assist	01/01/18	12/31/18	3,171.60	3,171.60	3,171.60	*	
Subtotal - Department of Agriculture								3,171.60	3,171.60		
TOTAL FEDERAL AWARDS								\$ 200,421.92	\$ 226,472.93	\$ 391,301.33	\$ -0-

* Expenses Incurred in Prior Year

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, 2018

New Jersey Agency or Department	Name of Program	State Grant Award Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
			From	To				
Department of Environmental Protection	Clean Communities Act	765-042-4900-004-V42Y-6020	01/01/16	12/31/18	\$ 24,503.11		\$ 4,962.68	\$ 24,503.11
			01/01/17	12/31/19	20,816.93		18,811.82	18,811.82
			01/01/18	12/31/20	19,925.69	\$ 19,925.69		
	Recycling Grant	752-042-4900-001-V42Y-6020	01/01/16	12/31/18	18,160.20		776.25	7,070.91
	No Net Loss Grant	N/A	01/01/15	12/31/18	317,554.00	4,800.00	4,390.85	56,546.90
	Green Acres	1904-00-078	01/01/18	12/31/18	238,040.83	238,040.83	238,040.83	238,040.83
Subtotal - Department of Environmental Protection						262,766.52	266,982.43	344,973.57
Department of the Treasury Passed through Sussex County Subtotal - Department of the Treasury	Governor's Council on Alcoholism and Drug Abuse	200-475-665120-60	07/01/17	06/30/18	11,420.00	8,295.62	3,411.05	9,184.40
						8,295.62	3,411.05	9,184.40
Highlands Planning Council	Regional Master Plan	09-033-011-1904	01/01/15	12/31/18	185,000.00	3,750.00	1,356.25	43,755.88
Subtotal - Department of the Highlands Council						3,750.00	1,356.25	43,755.88
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-078-6400-260-YYYY	01/01/18	12/31/18	2,821.46		2,821.46	2,821.46
Subtotal - Department of Law and Public Safety							2,821.46	16,035.03
TOTAL STATE AWARDS						\$ 274,812.14	\$ 274,571.19	\$ 413,948.88

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, 2018

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, 2018. 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 not 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, 2018:

New Jersey Department of Environmental Protection:

Green Acres #1	\$ 41,838.05
Green Acres #2	241,927.62
Forest Lake Club Association	1,006,731.87

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, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated May 22, 2019. 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.

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 have not been 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2018-01, 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

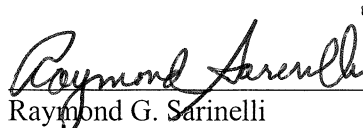
The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 22, 2019

NISIVOCCIA LLP



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

TOWNSHIP OF BYRAM
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2018

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the County'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.
- 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, 2018 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 2018-01

Segregation of Duties

Criteria

Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Condition

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions.

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.

Cause

This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures.

TOWNSHIP OF BYRAM
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2018
Continued

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

Finding 2018-01 (Cont'd)

Effect or Potential Effect

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.

Recommendation

It is recommended that an adequate segregation of duties be maintained with respect to the recording and treasury functions.

Management's Response

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

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

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

TOWNSHIP OF BYRAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

The Township's prior year audit finding 2017-1 regarding segregation of duties has not been resolved due to budgetary constraints and is included as finding 2018-1.

TOWNSHIP OF BYRAM

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2018

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 2, 2018, 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, 2018, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2018 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>
2018	98
2017	105
2016	106

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 2019 Taxes	20
Payment of 2018 Taxes	20
Delinquent Taxes	15
Tax Title Liens	5
Payment of 2019 Sewer Rents	10
Payment of 2018 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. It is recommended that an adequate segregation of duties be maintained with respect to the recording and treasury functions.

Management's Response

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

Status of Prior Year Recommendations

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2017 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.