

*TOWNSHIP OF BYRAM*  
*COUNTY OF SUSSEX*  
*REPORT OF AUDIT*  
*2012*

*NISIVOCCIA LLP*  
*CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF BYRAM

COUNTY OF SUSSEX

REPORT OF AUDIT

2012

TOWNSHIP OF BYRAM  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2012

<u>PART I – Financial Statements and Supplementary Data</u>	
Independent Auditors' Report	1-3
<u>Financial Statements</u>	
<u>Current Fund</u>	
Comparative Balance Sheet	A
Comparative Statement of Operations and Change in Fund Balance	A-1
Statement of Revenue	A-2
Statement of Expenditures	A-3
<u>Trust Funds</u>	
Comparative Balance Sheet	B
Statement of Fund Balance - Assessment Trust Fund (Not Applicable)	B-1
Statement of Revenue - Assessment Trust Fund (Not Applicable)	B-2
Statement of Expenditures - Assessment Trust Fund (Not Applicable)	B-3
<u>General Capital Fund</u>	
Comparative Balance Sheet	C
Statement of Fund Balance	C-1
<u>Water Utility Fund (Not Applicable)</u>	
<u>Sewer Utility Fund</u>	
Comparative Balance Sheet	E
Comparative Statement of Operations and Changes in Fund Balance – Sewer Utility	
Operating Fund	E-1
Statement of Sewer Capital Fund Balance (Not Applicable)	E-1A
Statement of Revenue	E-2
Statement of Expenditures	E-3
<u>Public Assistance Fund (Not Applicable)</u>	F
<u>Bond and Interest Fund (Not Applicable)</u>	G
<u>General Fixed Assets Account Group (Unaudited)</u>	
Comparative Balance Sheet (Unaudited)	H
<u>Notes to Financial Statements</u>	1-20
<u>Supplementary Data</u>	<u>Schedule</u>
Officials in Office and Surety Bonds	1
Required Supplementary Information – Post Retirement Benefits –	
Schedule of Funding Progress	2
<u>Current Fund</u>	
Schedule of Cash	A-4
Schedule of Cash - Collector	A-5
Schedule of Cash - Grant Funds (Not Applicable)	A-6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7
Schedule of Tax Title Liens	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of Consumer Accounts Receivable (Not Applicable)	A-10
Schedule of 2011 Appropriation Reserves	A-11
Schedule of Local School District Taxes Payable	A-12
Schedule of Regional High School District Taxes Payable	A-13
Schedule of Special Emergency Notes Payable	A-14

TOWNSHIP OF BYRAM  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

PART I – Financial Statements and Supplementary Data (Cont'd)

<u>Supplementary Data</u>	<u>Schedule</u>
<u>Trust Funds</u>	
Schedule of Cash - Treasurer	B-4
Schedule of Cash – Animal Control Collector (Not Applicable)	B-4A
Schedule of Cash - Assessment Trust Fund (Not Applicable)	B-5
Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Fund	B-6
<u>General Capital Fund</u>	
Schedule of Cash	C-2
Analysis of Cash	C-3
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Bond Anticipation Notes Payable	C-7
Schedule of Serial Bonds Payable	C-8
Schedule of Green Acres Loans Payable #1	C-9
Schedule of Green Acres Loans Payable #2	C-9A
Schedule of Bonds and Notes Authorized But Not Issued	C-10
<u>Water Utility Fund (Not Applicable)</u>	D
<u>Sewer Utility Fund</u>	
Schedule of Cash - Treasurer	E-4
Schedule of Cash - Collector (Not Applicable)	E-4A
Analysis of Capital Cash	E-5
Schedule of Consumer Accounts Receivable and Liens	E-6
Schedule of Liens Receivable	E-6a
Schedule of Fixed Capital	E-7
Schedule of Fixed Capital Authorized and Uncompleted	E-8
Schedule of 2011 Appropriation Reserves	E-9
Schedule of Improvement Authorizations	E-10
Schedule of Capital Improvement Fund	E-11
Schedule of Deferred Reserve for Amortization	E-12
Schedule of Reserve for Amortization	E-13
Schedule of Bond Anticipation Notes Payable	E-14
Schedule of Serial Bonds Payable (Not Applicable)	E-15
Schedule of New Jersey Wastewater Treatment Loan Payable	E-16
Schedule of Bonds and Notes Authorized But Not Issued	E-17
<u>Public Assistance Fund (Not Applicable)</u>	F
<u>PART II – Single Audit</u>	
Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of State Awards	2
Notes to the Schedule of Expenditures of Federal and State Awards	3
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4-5
Schedule of Findings and Responses	6-7
Summary Schedule of Prior Audit Findings	8

TOWNSHIP OF BYRAM  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

PART III – Comments and Recommendations

Comments and Recommendations

9-13

Summary of Recommendations

14

TOWNSHIP OF BYRAM

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2012

## 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 then ended December 31, 2012 and 2011, and the related notes to the financial statements, as listed in the foregoing 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 principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as described in Note 1 to the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. Except as discussed in the eighth paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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  
Page 2

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2012 and 2011, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

***Basis for Qualified Opinion***

The Township's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. The basis of accounting is not in conformity with U. S. generally accepted accounting principles but is in accordance with the accounting principles prescribed by the Division. As described in Note 1, based upon the underlying accounting records, we have not audited the general fixed assets account group.

The Township's financial statements do not disclose the post-retirement benefits funding status for 2011 or 2012 as required by GASB No. 45 which is required to conform with accounting principles generally accepted in the United States of America.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects on the December 31, 2012 and 2011 financial statements of the matters described in the *Basis for Qualified Opinion* paragraphs, the financial statements – *regulatory basis* referred to above present fairly, in all material respects, the financial position of the various funds of the Township of Byram at December 31, 2012 and 2011, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended in accordance with accounting principles on the basis of the financial reporting provisions prescribed by the Division, as described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*;

The Honorable Mayor and Members  
of the Township Committee  
Township of Byram  
Page 3

and New Jersey's OMB Circular 04-04, *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.

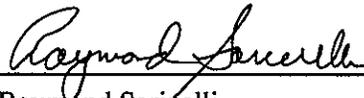
The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 February 20, 2013 on our consideration of the Township of Byram's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township of Byram's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
February 20, 2013

NISIVOCCIA LLP



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Raymond Sarinelli  
Certified Public Accountant  
Registered Municipal Accountant No. 383

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
CURRENT FUND

TOWNSHIP OF BYRAM  
CURRENT FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 4,025,504.52	\$ 3,962,337.98
Change Fund		250.00	250.00
		<u>4,025,754.52</u>	<u>3,962,587.98</u>
Due From State of New Jersey			
Senior Citizen and Veterans Deductions		8,791.10	7,949.32
		<u>8,791.10</u>	<u>7,949.32</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	612,248.79	555,495.94
Tax Title Liens Receivable	A-8	843,797.39	771,860.12
Property Acquired for Taxes at Assessed Valuation		1,704,800.00	1,704,800.00
Revenue Accounts Receivable	A-9	91,404.75	95,877.76
Due from Animal Control Fund	B	11,727.91	11,943.78
Due from General Capital Fund	C	102.69	150,000.00
		<u>3,264,081.53</u>	<u>3,289,977.60</u>
Total Receivables and Other Assets With Full Reserves			
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)		120,000.00	224,000.00
		<u>120,000.00</u>	<u>224,000.00</u>
<u>TOTAL ASSETS</u>		<u>\$ 7,418,627.15</u>	<u>\$ 7,484,514.90</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 189,034.93	\$ 357,060.42
Unencumbered	A-3;A-11	706,614.42	654,753.13
		<u>895,649.35</u>	<u>1,011,813.55</u>
Prepaid Taxes		135,360.81	167,942.48
Special Emergency Notes Payable	A-14	120,000.00	150,000.00
Accounts Payable - Vendors		6,738.00	109,117.43
Due to State of New Jersey:			
Marriage License Fees			175.00
DCA Training Fees		2,247.47	4,573.47
Tax Overpayments		41,240.70	41,883.24

TOWNSHIP OF BYRAM  
CURRENT FUND  
COMPARATIVE BALANCE SHEET  
(Continued)

	Ref.	December 31,	
		2012	2011
<u>LIABILITIES, RESERVES AND FUND BALANCE</u> (Cont'd)			
Due to Other Trust Funds	B	\$ 109,809.93	\$ 84,228.18
Due to County of Sussex - Added & Omitted Taxes		4,120.66	8,600.01
Reserve for Sale of Municipal Assets		202,302.61	179,889.86
Reserve for Garden State Preservation Trust Fund		41,921.00	41,921.00
Reserve for Bike Path Improvements		303.57	303.57
Reserve for Pending Tax Appeals		493,818.00	300,000.00
Reserve for Revaluation		9,788.32	63,300.00
Reserve for Grant Funds - Appropriated:			
Drunk Driving Enforcement Fund		14,867.59	16,088.89
Stormwater Grant		16,936.00	16,936.00
Clean Communities			106.19
Body Armor Replacement Fund		2,011.00	3,195.00
Municipal Alliance on Alcoholism and Drug Abuse		3,995.63	3,995.63
Environmental Protection Grant			
Recycling Tonnage Grant		9,616.74	18,225.90
RMP Compliance		7,500.00	7,500.00
Highlands Grant		61,239.50	
Recreation Trails Grant		25,284.02	22,871.05
Reserve for Grant Funds - Unappropriated:			
Recycling Tonnage Grant		11,286.75	
Body Armor Replacement Fund		2,186.44	2,235.95
		<u>2,218,224.09</u>	<u>2,254,902.40</u>
Reserve for Receivables and Other Assets	A	3,264,081.53	3,289,977.60
Fund Balance	A-1	1,936,321.53	1,939,634.90
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 7,418,627.15</u>	<u>\$ 7,484,514.90</u>

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

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

	Ref.	Year Ended December 31,	
		2012	2011
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,240,102.00	\$ 1,200,102.00
Miscellaneous Revenue Anticipated		1,147,366.31	1,227,988.23
Receipts from:			
Delinquent Taxes		595,917.50	607,108.76
Current Taxes		28,902,249.41	28,441,926.26
Nonbudget Revenue		221,974.17	127,666.86
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		247,573.08	487,334.33
Interfunds Returned		161,943.78	5,538.00
Cancellation of Accounts Payable		41,692.31	
<b>Total Income</b>		<u>32,558,818.56</u>	<u>32,097,664.44</u>
<u>Expenditures</u>			
Municipal Purposes		9,290,992.00	9,401,258.00
Local School District Taxes		11,048,664.00	10,847,807.00
County Taxes		4,744,304.38	4,912,669.69
Regional School District Taxes		5,886,275.16	5,652,076.48
Municipal Open Space		110,517.79	110,603.86
Refund of Prior Year Revenue		5,307.00	600.09
Increase in Reserve for Pending Tax Appeals		220,000.00	42,123.01
Accounts Payable - Refund of Prior Year Revenue		4,139.00	
Interfunds Advanced		11,830.60	161,943.78
<b>Total Expenditures</b>		<u>31,322,029.93</u>	<u>31,129,081.91</u>
Statutory Excess to Fund Balance		1,236,788.63	968,582.53
Adjustment to Income Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			150,000.00
Statutory Excess to Fund Balance		1,236,788.63	1,118,582.53
<u>Fund Balance</u>			
Balance January 1	A	1,939,634.90	2,021,154.37
		3,176,423.53	3,139,736.90
Decreased by:			
Utilized as Anticipated Revenue		1,240,102.00	1,200,102.00
Balance December 31	A	<u>\$ 1,936,321.53</u>	<u>\$ 1,939,634.90</u>

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

TOWNSHIP OF BYRAM  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 1,240,102.00		\$ 1,240,102.00	
Miscellaneous Revenue:				
Alcoholic Beverages	6,000.00		6,273.80	\$ 273.80
Fees and Permits	20,000.00		24,430.90	4,430.90
Municipal Court - Fines and Costs	110,000.00		140,201.96	30,201.96
Interest on Investments	10,500.00		17,297.04	6,797.04
Interest and Costs on Taxes	125,000.00		150,837.34	25,837.34
Consolidated Municipal Property Tax Relief Act	61,602.00		61,602.00	
Energy Receipts Tax (P.L. 1998, Chapters 162 & 167)	513,873.00		513,873.00	
Garden State Preservation Trust Fund	41,920.00		41,920.00	
Uniform Construction Code Fees	125,000.00		146,582.00	21,582.00
Reserve for Clean Communities	237.00	\$ 16,000.00	16,013.60	223.40 *
Municipal Alliance Program	11,420.00		1,471.67	9,948.33 *
Click It or Ticket Grant		4,000.00		4,000.00 *
Reserve for Body Armor Replacement Fund	1,863.00		1,863.00	
Reserve for Recreation Trails	135.00			135.00 *
Reserve to Pay Debt Service	25,000.00		25,000.00	
	<u>1,052,550.00</u>	<u>20,000.00</u>	<u>1,147,366.31</u>	<u>74,816.31</u>

TOWNSHIP OF BYRAM  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Receipts from Delinquent Taxes	\$ 339,350.00		\$ 595,917.50	\$ 256,567.50
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes	<u>7,826,629.00</u>		<u>8,300,127.08</u>	<u>473,498.08</u>
Budget Totals	10,458,631.00	\$ 20,000.00	11,283,512.89	<u>\$ 804,881.89</u>
Nonbudget Revenue			<u>221,974.17</u>	
	<u>\$ 10,458,631.00</u>	<u>\$ 20,000.00</u>	<u>\$ 11,505,487.06</u>	
<u>Ref.</u>	A-3	A-3		

TOWNSHIP OF BYRAM  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012  
(continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes \$ 28,902,249.41

Allocated to:

Local School District Taxes	\$ 11,048,664.00	
Regional High School Taxes	5,886,275.16	
County Taxes	4,744,304.38	
Open Space Trust	110,517.79	
	21,789,761.33	

21,789,761.33

Balance for Support of Municipal Budget		7,112,488.08
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7,112,488.08

Add: Appropriation "Reserve for Uncollected Taxes"		1,187,639.00
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1,187,639.00

Realized for Support of Municipal Budget		\$ 8,300,127.08
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\$ 8,300,127.08

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 523,969.17
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Tax Title Liens Collections		71,948.33
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71,948.33

\$ 595,917.50

Analysis of Fees and Permits:

Clerk Fees	\$ 3,071.15	
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Planning/Zoning Board Fees	5,278.40	
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Police Fees	1,671.20	
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Board of Health Fees	14,410.15	
	24,430.90	

\$ 24,430.90

Analysis of Interest on Investments:

Collected/Received by Treasurer	\$ 3,432.14	
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Due from Other Trust Fund	12,492.34	
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Due from General Capital Fund	1,372.56	
	17,297.04	

\$ 17,297.04

TOWNSHIP OF BYRAM  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012  
(continued)

Analysis of Nonbudget Revenue:

Treasurer:

Cable Television Franchise Fees	\$	32,742.00	
DMV Inspection Fees		300.00	
Miscellaneous Restitution		6,638.55	
Copies		266.40	
FEMA Reimbursement		64,525.39	
Joint Insurance Dividend		41,485.00	
Senior Citizen and Veteran Deductions Administrative Fee		1,570.00	
Other Miscellaneous		30,822.26	
	\$		178,349.60

Prior Year Revenue Accounts Receivable Collected:

Sussex Branch Trail Improvements		3,448.00	
Business Stimulus		7,000.00	
Municipal Alliance		4,574.75	
			15,022.75

Tax Collector - Other Miscellaneous			16,873.91
Statutory Excess Due from Animal Control Trust Fund			11,727.91
	\$		221,974.17

TOWNSHIP OF BYRAM  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>GENERAL GOVERNMENT:</b>					
General Administration:					
Salaries & Wages	\$ 197,000.00	\$ 197,000.00	\$ 195,657.68	\$ 1,342.32	
Other Expenses	68,150.00	68,150.00	51,940.68	16,209.32	
Mayor & Council:					
Salaries & Wages	17,500.00	17,500.00	17,500.00		
Other Expenses	9,500.00	9,500.00	6,490.11	3,009.89	
Municipal Clerk:					
Salaries & Wages	74,500.00	74,500.00	74,365.00	135.00	
Election:					
Other Expenses	8,000.00	8,000.00	5,865.09	2,134.91	
Financial Administration:					
Salaries & Wages	90,000.00	90,000.00	85,692.70	4,307.30	
Other Expenses	37,411.00	37,411.00	13,932.37	23,478.63	
Audit					
	28,980.00	28,980.00		28,980.00	
Tax Assessment Administration:					
Salaries & Wages	74,000.00	74,000.00	73,414.06	585.94	
Other Expenses	38,920.00	38,920.00	24,608.52	14,311.48	
Revenue Administration (Tax Collection):					
Salaries & Wages	40,500.00	40,500.00	39,037.86	1,462.14	
Other Expenses	7,300.00	7,300.00	5,719.90	1,580.10	
Legal Services and Costs:					
Other Expenses - Fees	115,000.00	115,000.00	91,268.41	23,731.59	
Environmental Commission:					
Other Expenses	2,600.00	2,600.00	929.42	1,670.58	

TOWNSHIP OF BYRAM  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL GOVERNMENT (continued):					
Engineering Services:					
Other Expenses	\$ 40,000.00	\$ 40,000.00	\$ 30,612.88	\$ 9,387.12	
Municipal Land Use Law (N.J.S.A. 40A:55D-1):					
Planning Board:					
Salaries and Wages	19,000.00	19,000.00	18,637.06	362.94	
Other Expenses	41,350.00	41,350.00	18,012.92	23,337.08	
Zoning Commission:					
Salaries & Wages	29,000.00	29,000.00	28,969.00	31.00	
Other Expenses	500.00	500.00	313.84	186.16	
Insurance: (P.L. 2003, C.92)					
Employee Group Insurance	1,406,445.00	1,406,445.00	1,387,581.14	18,863.86	
Workers' Compensation	87,482.00	87,482.00	87,482.00		
General Liability Insurance	173,029.00	173,029.00	172,953.50	75.50	
Unemployment Insurance	100.00	100.00	100.00		
Employee Group Insurance-Health Benefit Waiver	40,509.00	40,509.00	38,545.51	1,963.49	
PUBLIC SAFETY :					
Fire:					
Other Expenses	88,525.00	88,525.00	88,231.65	293.35	
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Fire Prevention Bureau:					
Salaries & Wages	2,400.00	2,400.00	2,096.50	303.50	
Other Expenses	1,500.00	1,500.00	1,336.20	163.80	
Office of Emergency Management:					
Other Expenses	3,000.00	3,000.00		3,000.00	

TOWNSHIP OF BYRAM  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>PUBLIC SAFETY :</b>					
Police:					
Salaries & Wages	\$ 1,878,500.00	\$ 1,878,500.00	\$ 1,871,449.69	\$ 7,050.31	
Other Expenses	129,250.00	129,250.00	114,461.70	14,788.30	
First Aid Organization Contribution	25,500.00	25,500.00	25,500.00		
Police Radio & Communication and 911 - Contractual	176,500.00	176,500.00	174,827.36	1,672.64	
Municipal Court:					
Salaries & Wages	71,200.00	71,200.00	70,963.40	236.60	
Other Expenses	10,100.00	10,100.00	3,097.87	7,002.13	
Municipal Prosecutor:					
Other Expenses - Fees	25,000.00	25,000.00	9,000.00	16,000.00	
<b>STREETS AND ROADS:</b>					
Road Repair and Maintenance:					
Salaries & Wages	739,950.00	739,950.00	619,669.34	120,280.66	
Other Expenses - Miscellaneous	281,250.00	281,250.00	200,821.68	80,428.32	
Other Expenses-Improvements to Streets and Roads	70,000.00	70,000.00	58,594.11	11,405.89	
Other Expenses - Fleet Maintenance	113,500.00	113,500.00	91,317.52	22,182.48	
Public Building and Grounds:					
Salaries & Wages	54,000.00	54,000.00	53,830.40	169.60	
Other Expenses	35,600.00	35,600.00	28,990.33	6,609.67	
Garbage Removal - Contractual	702,500.00	702,500.00	698,436.89	4,063.11	
Recycling:					
Salaries & Wages	5,600.00	5,600.00	4,926.60	673.40	
Other Expenses	10,000.00	10,000.00		10,000.00	

TOWNSHIP OF BYRAM  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>HEALTH AND WELFARE:</b>					
Animal Control:					
Salaries & Wages	\$ 9,500.00	\$ 9,500.00	\$ 8,519.50	\$ 980.50	
Other Expenses	9,250.00	9,250.00	8,375.00	875.00	
Board of Health:					
Other Expenses	400.00	400.00		400.00	
<b>RECREATION AND EDUCATION:</b>					
Parks and Playgrounds:					
Salaries & Wages	65,200.00	65,200.00	65,006.00	194.00	
Other Expenses	6,150.00	6,150.00	5,329.87	820.13	
Senior Citizens' Transportation:					
Salaries & Wages	22,000.00	22,000.00	18,862.30	3,137.70	
Senior Citizens' Program:					
Other Expenses	9,000.00	9,000.00	9,000.00		
Recreation Land Lease:					
Other Expenses	976.00	976.00	975.90	0.10	
Celebration of Public Events:					
Other Expenses	2,000.00	2,000.00	1,823.16	176.84	
<b>UNIFORM CONSTRUCTION CODE:</b>					
Construction Code Official:					
Salaries & Wages	128,000.00	128,000.00	127,930.40	69.60	
Other Expenses	7,475.00	7,475.00	4,336.63	3,138.37	

TOWNSHIP OF BYRAM  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>UNCLASSIFIED:</b>					
Utilities:					
Gasoline	\$ 125,000.00	\$ 125,000.00	\$ 81,599.44	\$ 43,400.56	
Electricity	87,000.00	87,000.00	46,423.16	40,576.84	
Heating Oil	120,000.00	120,000.00	37,491.21	82,508.79	
Street Lighting	36,000.00	36,000.00	29,770.55	6,229.45	
Telephone	30,000.00	30,000.00	24,553.09	5,446.91	
Municipal Sewer Charges	15,200.00	15,200.00	15,102.45	97.55	
Accumulated Sick and Vacation	100.00	100.00		100.00	
	<hr/>	<hr/>	<hr/>	<hr/>	
Total Operations Within "CAPS"	7,743,902.00	7,743,902.00	7,072,279.55	671,622.45	
	<hr/>	<hr/>	<hr/>	<hr/>	
Detail:					
Salaries & Wages	3,517,950.00	3,517,950.00	3,376,527.49	141,422.51	
Other Expenses	4,225,952.00	4,225,952.00	3,695,752.06	530,199.94	
	<hr/>	<hr/>	<hr/>	<hr/>	
<b>STATUTORY EXPENDITURES:</b>					
Public Employee's Retirement System	141,221.00	141,221.00	141,221.00		
Contribution to Social Security System (O.A.S.I.)	275,000.00	275,000.00	252,303.77	22,696.23	
Police and Fireman's Retirement System of NJ	370,571.00	370,571.00	370,571.00		
DCRP	6,000.00	6,000.00	4,765.86	1,234.14	
	<hr/>	<hr/>	<hr/>	<hr/>	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	792,792.00	792,792.00	768,861.63	23,930.37	
	<hr/>	<hr/>	<hr/>	<hr/>	
Total General Appropriations for Municipal Purposes Within "CAPS"	8,536,694.00	8,536,694.00	7,841,141.18	695,552.82	
	<hr/>	<hr/>	<hr/>	<hr/>	

TOWNSHIP OF BYRAM  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>OPERATIONS EXCLUDED FROM "CAPS":</b>					
Musconetcong Sewer Authority Fees	\$ 69,000.00	\$ 69,000.00	\$ 61,522.85	\$ 7,477.15	
Employee Group Insurance (P.L. 2007, C.62)	84,173.00	84,173.00	84,173.00		
Recycling Tax	10,500.00	10,500.00	7,692.72	2,807.28	
<b>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:</b>					
Municipal Alliance Program	11,420.00	11,420.00	11,253.43	166.57	
Click It or Ticket Grant (N.J.S.A 40A:4-87, + \$4,000.00)		4,000.00	4,000.00		
Recreation Trails Grant	135.00	135.00	135.00		
Clean Communities Grant (N.J.S.A 40A:4-87, + \$16,000.00)	237.00	16,237.00	15,626.40	610.60	
Reserve for Body Armor Replacement Fund	1,863.00	1,863.00	1,863.00		
<b>Total Operations Excluded from "CAPS"</b>	<b>177,328.00</b>	<b>197,328.00</b>	<b>186,266.40</b>	<b>11,061.60</b>	
<b>Detail:</b>					
Other Expenses	177,328.00	197,328.00	186,266.40	11,061.60	
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</b>					
Capital Improvement Fund	5,000.00	5,000.00	5,000.00		
Supplement to Roseville Road Phase 3	50,000.00	50,000.00	50,000.00		
Drainage Improvements	1,000.00	1,000.00	1,000.00		
<b>Total Capital Improvements - Excluded from "CAPS"</b>	<b>56,000.00</b>	<b>56,000.00</b>	<b>56,000.00</b>		

TOWNSHIP OF BYRAM  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":					
Payment of Bond Principal	\$ 195,000.00	\$ 195,000.00	\$ 195,000.00		
Payment of Bond Anticipation Notes and Capital Notes	105,910.00	105,910.00	105,910.00		
Interest on Bonds	29,500.00	29,500.00	29,500.00		
Interest on Notes	21,155.00	21,155.00	21,155.00		
Loan Repayments for Principal and Interest	43,530.00	43,530.00	43,530.00		
Payment of Interest on Emergency Notes	1,875.00	1,875.00	1,875.00		
<b>Total Municipal Debt Service - Excluded from "CAPS"</b>	<b>396,970.00</b>	<b>396,970.00</b>	<b>396,970.00</b>		
DEFERRED CHARGES - EXCLUDED FROM "CAPS":					
Special Emergency Authorizations- 5 Years (N.J.S.A.40A:4-53)	104,000.00	104,000.00	104,000.00		
<b>Total Deferred Charges - Municipal - Excluded from "CAPS":</b>	<b>104,000.00</b>	<b>104,000.00</b>	<b>104,000.00</b>		
<b>Total General Appropriations - Excluded from "CAPS"</b>	<b>734,298.00</b>	<b>754,298.00</b>	<b>743,236.40</b>	<b>\$ 11,061.60</b>	
Subtotal General Appropriations	9,270,992.00	9,290,992.00	8,584,377.58	706,614.42	
Reserve for Uncollected Taxes	1,187,639.00	1,187,639.00	1,187,639.00		
<b>Total General Appropriations</b>	<b>\$ 10,458,631.00</b>	<b>\$ 10,478,631.00</b>	<b>\$ 9,772,016.58</b>	<b>\$ 706,614.42</b>	<b>\$ -0-</b>

Ref.

A

TOWNSHIP OF BYRAM  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	Ref.	Analysis of	
		Budget After Modification	Paid or Charged
Adopted Budget	A-2	\$ 10,458,631.00	
Added by N.J.S.A. 40A:4-87	A-2	20,000.00	
		\$ 10,478,631.00	
Reserve for Uncollected Taxes			\$ 1,187,639.00
Reserve for Encumbrances	A		189,034.93
Clean Communities			10,646.95
Reserve for Recreation Trails			135.00
Reserve for Body Armor Replacement Fund			1,863.00
Deferred Charges - Special Emergency Authorization			104,000.00
Cash Disbursed			8,362,627.83
			9,855,946.71
Less: Appropriation Refunds			83,930.13
			\$ 9,772,016.58

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

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
TRUST FUNDS

TOWNSHIP OF BYRAM  
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	\$ 39,899.11	\$ 45,726.18
		<u>39,899.11</u>	<u>45,726.18</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	2,657,206.43	2,758,857.63
Due from Current Fund	A	109,809.93	84,228.18
		<u>2,767,016.36</u>	<u>2,843,085.81</u>
<u>TOTAL ASSETS</u>		<u>\$ 2,806,915.47</u>	<u>\$ 2,888,811.99</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey:			
Board of Health		\$ 9.60	
Due to Current Fund	A	11,727.91	\$ 11,943.78
Reserve for Animal Control Expenditures	B-6	28,161.60	33,782.40
		<u>39,899.11</u>	<u>45,726.18</u>
Other Trust Funds:			
Master Escrow		398,403.48	377,933.63
Reserve for:			
Recreation Deposits		142,267.24	143,029.93
State Unemployment Insurance		61,416.69	61,709.44
Outside Police Services		49,319.96	53,628.08
Public Defender		5,045.00	3,563.00
Drainage		30,676.48	30,676.48
Open Space		662,590.94	625,300.00
Open Space - Debt Service		531,982.38	517,589.25
Park Project		7,065.04	7,065.04
Housing Rehabilitation		214,784.17	229,475.17
School Diesel Agreement		1,582.96	72,068.86

TOWNSHIP OF BYRAM  
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	December 31,	
<u>Ref.</u>	2012	2011
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Other Trust Funds:		
Reserve for:		
Cranberry Lake	\$ 50,568.34	\$ 48,118.34
Byram Day	100.00	100.00
Tax Sale Premiums	99,200.00	101,300.00
Parking Offense Adjudication Act	308.00	288.00
Municipal Alliance	81.00	81.00
Snow Removal	118,844.44	75,000.00
Affordable Housing	493.96	63,716.71
Sick and Vacation Leave	392,286.28	432,442.88
	2,767,016.36	2,843,085.81
 <u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	\$ 2,806,876.31	\$ 2,888,811.99

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

TOWNSHIP OF BYRAM  
ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

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

TOWNSHIP OF BYRAM  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF BYRAM  
ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

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

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
GENERAL CAPITAL FUND

TOWNSHIP OF BYRAM  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 1,604,040.39	\$ 1,723,403.30
Due from State of New Jersey:			
Department of Transportation		50,000.00	78,750.00
Deferred Charges to Future Taxation:			
Funded		1,814,784.44	2,102,879.72
Unfunded	C-4	1,696,944.00	1,690,150.00
<u>TOTAL ASSETS</u>		<u>\$ 5,165,768.83</u>	<u>\$ 5,595,183.02</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 1,696,944.00	\$ 1,690,150.00
Serial Bonds Payable	C-8	1,318,000.00	1,573,000.00
Green Acres Loan Payable #1	C-9	107,116.80	117,258.72
Green Acres Loan Payable #2	C-9A	389,667.64	412,621.00
Improvement Authorizations:			
Funded	C-5	30,364.74	55,062.30
Unfunded	C-5	457,104.95	465,623.99
Due to Current Fund	A	102.69	150,000.00
Capital Improvement Fund	C-6	256,613.43	251,613.43
Reserve For:			
Drainage		50,000.00	44,000.00
Road Resurfacing		74,500.00	74,500.00
Field Irrigation		40,000.00	40,000.00
Department of Public Works Equipment		50,000.00	
Fire Department Grant		49,782.16	49,782.16
Payment of Debt Service		379,454.58	411,754.58
Fund Balance	C-1	266,117.84	259,816.84
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 5,165,768.83</u>	<u>\$ 5,595,183.02</u>

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

TOWNSHIP OF BYRAM  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE

	<u>Ref</u>	
Balance December 31, 2011	C	\$ 259,816.84
Increased by:		
Notes Premium		<u>6,301.00</u>
Balance December 31, 2012	C	<u>\$ 266,117.84</u>

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

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
WATER OPERATING FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
SEWER OPERATING FUND

TOWNSHIP OF BYRAM  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 317,377.74	\$ 239,732.34
Due from Sewer Utility Capital Fund	E	17.73	
Receivables with Full Reserves:			
Consumer Accounts Receivable and Liens	E-6	14,772.47	18,491.62
Sewer Liens Receivable	E-6a		911.25
 Total Operating Fund		<u>332,167.94</u>	<u>259,135.21</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	261,247.05	110,125.91
Fixed Capital	E-7	2,220,025.00	2,220,025.00
Fixed Capital Authorized and Uncompleted	E-8	343,000.00	185,000.00
 Total Capital Fund		<u>2,824,272.05</u>	<u>2,515,150.91</u>
 <u>TOTAL ASSETS</u>		<u>\$ 3,156,439.99</u>	<u>\$ 2,774,286.12</u>

TOWNSHIP OF BYRAM  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 74,033.13	\$ 33,490.18
Encumbered	E-3;E-9	6,138.83	4,745.10
Total Appropriation Reserves		<u>80,171.96</u>	<u>38,235.28</u>
Accrued Interest on Wastewater Treatment Loans		7,700.00	7,895.00
Accrued Interest on Notes		514.04	48.29
Prepaid Sewer Rents		23,455.58	13,965.58
Sewer Overpayments		1,888.25	2,178.33
		<u>113,729.83</u>	<u>62,322.48</u>
Reserve for Receivables	E	14,772.47	19,402.87
Fund Balance	E-1	203,665.64	177,409.86
		<u>203,665.64</u>	<u>177,409.86</u>
Total Operating Fund		<u>332,167.94</u>	<u>259,135.21</u>
Bond Anticipation Notes Payable			
Wastewater Treatment Loan Payable	E-14	158,000.00	15,000.00
Due to Sewer Utility Operating Fund	E-16	456,229.86	561,200.36
Improvement Authorizations:	E	17.73	
Funded	E-10	54,125.91	39,125.91
Unfunded	E-10	145,603.41	15,000.00
Capital Improvement Fund	E-11	61,500.00	56,000.00
Deferred Reserve for Amortization	E-12	185,000.00	170,000.00
Reserve for Amortization	E-13	1,763,795.14	1,658,824.64
		<u>2,824,272.05</u>	<u>2,515,150.91</u>
Total Capital Fund		<u>2,824,272.05</u>	<u>2,515,150.91</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 3,156,439.99</u>	<u>\$ 2,774,286.12</u>

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

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

	Ref.	Year Ended December 31	
		2012	2011
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 50,000.00	\$ 50,000.00
Rents		331,595.76	315,890.62
Miscellaneous Revenue Not Anticipated		8,567.00	3,128.87
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		33,524.71	46,381.30
Total Income		<u>423,687.47</u>	<u>415,400.79</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		205,519.00	205,040.00
Capital Improvements		5,500.00	5,000.00
Debt Service		135,549.73	134,183.24
Deferred Charges and Statutory Expenditures		300.00	300.00
Refund of Prior Year Revenue		562.96	
Total Expenditures		<u>347,431.69</u>	<u>344,523.24</u>
Excess in Revenue/Statutory Excess to Fund Balance		76,255.78	70,877.55
<u>Fund Balance</u>			
Balance January 1	E	<u>177,409.86</u>	<u>156,532.31</u>
		253,665.64	227,409.86
Decreased by:			
Utilized as Anticipated Revenue		50,000.00	50,000.00
Balance December 31	E	<u>\$ 203,665.64</u>	<u>\$ 177,409.86</u>

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

TOWNSHIP OF BYRAM  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF SEWER CAPITAL FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

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

TOWNSHIP OF BYRAM  
SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 50,000.00	\$ 50,000.00	
Sewer Rents	300,000.00	331,595.76	\$ 31,595.76
	<u>350,000.00</u>	<u>381,595.76</u>	<u>31,595.76</u>
Miscellaneous Revenue Not Anticipated		8,567.00	8,567.00
	<u>\$ 350,000.00</u>	<u>\$ 390,162.76</u>	<u>\$ 40,162.76</u>

Sewer Rents

Consumer Accounts Recievable		\$ 330,684.51
Sewer Liens		<u>911.25</u>
		<u>331,595.76</u>

Analysis of Miscellaneous Revenue Not Anticipated

Treasurer:		
Interest on Sewer Deposits	\$ 252.42	
Interest on Sewer Rents	7,301.46	
Other Sewer Fees	<u>897.41</u>	
		\$ 8,451.29
Due from Sewer Utility Capital Fund:		
Interest on Deposits		<u>115.71</u>
		<u>\$ 8,567.00</u>

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

TOWNSHIP OF BYRAM  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 100.00	\$ 100.00		\$ 100.00	
Other Expenses	101,419.00	101,419.00	\$ 39,501.60	61,917.40	
Musconetcong Sewerage Authority Fee	104,000.00	104,000.00	92,284.27	11,715.73	
Capital Improvements:					
Capital Improvement Fund	5,500.00	5,500.00	5,500.00		
Debt Service:					
Payment of Wastewater Loans Principal	104,971.00	104,971.00	104,971.00		
Payment of Bond Anticipation Notes	15,000.00	15,000.00	15,000.00		
Interest on Bonds	18,370.00	18,058.00	14,927.33		\$ 3,130.67
Interest on Notes	340.00	652.00	651.40		0.60
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	100.00	100.00		100.00	
Social Security System (O.A.S.I.)	100.00	100.00		100.00	
Unemployment Compensation Insurance	100.00	100.00		100.00	
	<u>\$ 350,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 272,835.60</u>	<u>\$ 74,033.13</u>	<u>\$ 3,131.27</u>

Ref.

E

Analysis of Paid or Charged

Cash Disbursed		\$ 291,047.55
Accrued Interest on Loans		14,927.33
Accrued Interest on Notes		651.40
Encumbered	E	6,138.83
		<u>312,765.11</u>
Less: Refunded		<u>39,929.51</u>
		<u>\$ 272,835.60</u>

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

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
GENERAL FIXED ASSETS ACCOUNT GROUP  
UNAUDITED

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

	December 31,	
	2012	2011
<u>ASSETS</u>		
Land	\$ 972,600.00	\$ 972,600.00
Buildings	1,758,533.00	1,758,533.00
Equipment and Vehicles	4,999,722.12	4,999,722.12
<u>TOTAL ASSETS</u>	<u>\$ 7,730,855.12</u>	<u>\$ 7,730,855.12</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Reserve for Fixed Assets	\$ 7,730,855.12	\$ 7,730,855.12
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>\$ 7,730,855.12</u>	<u>\$ 7,730,855.12</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, 2012

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Description of Funds

The accounting policies of the Township of Byram conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Byram accounts for its financial transactions through the following separate funds:

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

Trust Fund - Receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

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

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

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

B. Description of Funds (Cont'd)

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

C. Basis of Accounting

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

The accounting policies of the Township of Byram conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The following is a summary of the significant policies.

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

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

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

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

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

C. Basis of Accounting (Cont'd)

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

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

D. Deferred Charges to Future Taxation

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

E. Other significant accounting policies include:

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

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

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

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

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

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

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

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

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

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

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

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012

(Continued)

Note 2: Long-Term Debt

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

Summary of Municipal Debt

	December 31,		
	2012	2011	2010
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 3,511,728.44	\$ 3,793,029.72	\$ 3,786,922.90
Sewer Utility:			
Bonds, Loans and Notes	614,229.86	576,200.36	695,011.76
	<u>4,125,958.30</u>	<u>4,369,230.08</u>	<u>4,481,934.66</u>
Less:			
Open Space - Debt Service Reserve	531,982.38	517,589.25	557,403.81
Reserve to Pay Debt Service	379,454.58	411,754.58	436,754.58
	<u>911,436.96</u>	<u>979,343.83</u>	<u>994,158.39</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 3,214,521.34</u>	<u>\$ 3,389,886.25</u>	<u>\$ 3,487,776.27</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 .24%.

	Gross Debt	Deductions	Net Debt
School Debt	\$ 5,725,000.00	\$ 5,725,000.00	
Sewer Utility Debt	614,229.86	614,229.86	
General Debt	3,511,728.44	911,436.96	\$ 2,600,291.48
	<u>\$ 9,850,958.30</u>	<u>\$ 7,250,666.82</u>	<u>\$ 2,600,291.48</u>

Net Debt: \$2,600,291.48 divided by Average Equalized Valuations of \$1,085,615,063.00 of Real Property = .24%.

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012

(Continued)

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

<u>Borrowing Power Under N.J.S. 40A:2-6 As Amended</u>		
3-1/2% Average Equalized Valuation of Real Property		\$37,996,527.21
Net Debt		<u>2,600,291.48</u>
Remaining Borrowing Power		<u><u>\$35,396,235.73</u></u>
 <u>Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S.40A:2-45</u>		
Cash Receipts from Fees, Rents or Other Charges for Year		\$ 390,162.76
Deductions:		
Operating and Maintenance Cost	\$ 205,819.00	
Debt Service	<u>141,049.73</u>	
		<u>346,868.73</u>
Excess in Revenue		<u><u>\$ 43,294.03</u></u>

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 12/31/2011	Additions	Retirements	Balance 12/31/2012
<b>Serial Bonds:</b>				
General Capital Fund	\$ 793,000.00		\$ 195,000.00	\$ 598,000.00
Open Space Trust Fund	780,000.00		60,000.00	720,000.00
<b>Bond Anticipation Notes:</b>				
General Capital Fund	1,690,150.00	\$ 1,696,944.00	1,690,150.00	1,696,944.00
Sewer Utility Capital Fund	15,000.00	158,000.00	15,000.00	158,000.00
<b>Loans Payable:</b>				
General Capital				
Green Acres Loans #1	117,258.72		10,141.92	107,116.80
Green Acres Loans #2	412,621.00		22,953.36	389,667.64
Sewer Utility Capital Fund:				
Wastewater Treatment Loan	561,200.36		104,970.50	456,229.86
	<u>\$ 4,369,230.08</u>	<u>\$ 1,854,944.00</u>	<u>\$ 2,098,215.78</u>	<u>\$ 4,125,958.30</u>

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

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

Summary of Municipal Debt Issued and Outstanding - Prior Year

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

Analysis of Debt Issued and Outstanding:

General Capital Serial Bonds

Final Maturity	Rate	Amount
10/1/2015	3.75%	\$ 598,000.00

Open Space Serial Bonds

Final Maturity	Rate	Amount
10/1/2024	3.75-4.00%	\$ 720,000.00

Green Acres Loans Payable

Final Maturity	Rate	Amount
3/18/2022	2.00%	\$ 107,116.80
5/17/2027	2.00%	389,667.64
		<u>\$ 496,784.44</u>

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

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

General Capital - Bond Anticipation Notes Payable

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
9/27/2013	1.25%	\$ 53,000.00
9/27/2013	1.25%	130,600.00
9/27/2013	1.25%	288,100.00
9/27/2013	1.25%	552,894.00
9/27/2013	1.25%	200,000.00
9/27/2013	1.25%	352,350.00
9/27/2013	1.25%	120,000.00
		<u>\$ 1,696,944.00</u>

Sewer Utility - Bond Anticipation Notes Payable

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
9/27/2013	1.25%	<u>\$ 158,000.00</u>

Sewer Utility - New Jersey Wastewater Treatment Loans Payable

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
9/30/2016	0.00%	\$ 181,229.86
9/30/2016	2.00%	275,000.00
		<u>\$ 456,229.86</u>

Wastewater Treatment Loans

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

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

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

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012

(Continued)

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

Green Acres Loan Payable

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

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

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

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

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

<u>Calendar Year</u>	<u>General</u>	<u>Open Space</u>	<u>Sewer Utility*</u>	<u>Total</u>
2013	\$ 260,953.24	\$ 87,600.00	\$ 126,306.91	\$ 474,860.15
2014	258,640.71	85,350.00	120,588.54	464,579.25
2015	254,140.74	83,100.00	122,725.07	459,965.81
2016	43,528.22	80,850.00	126,089.34	250,467.56
2017	43,528.23	78,600.00		122,128.23
2018-2022	211,422.83	291,900.00		503,322.83
2023-2027	139,912.26	194,400.00		334,312.26
	<u>\$ 1,212,126.23</u>	<u>\$ 901,800.00</u>	<u>\$ 495,709.86</u>	<u>\$ 2,609,636.09</u>

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

Note 3: Fund Balances Appropriated

As of the date of this report, the budget for 2013 has not been adopted. The amount of fund balance at December 31, 2012 which was included in the Current Fund and Sewer Operating Fund budgets for the year ending December 31, 2013 has not yet been determined.

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012

(Continued)

Note 4: School District Taxes

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

Note 5: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charge is shown on the balance sheet of the Current Fund:

	Balance Dec. 31, 2012	To be Raised in 2013 Budget	Balance to Succeeding Years' Budgets
<u>Current Fund</u>			
Special Emergency Authorization	\$ 120,000.00	\$ 120,000.00	\$ -0-

The appropriation in the 2013 budget will not be less than that required by statute.

Note 6: Pension Plans

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

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

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

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as for PERS, the contribution rate was 6.5% of base salary from October 1, 2011 thru June 30, 2012 and increased to 6.64% effective July 1, 2012. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 6: Pension Plans (Cont'd)

Employee contributions to DCRP are based on a percentage of 5.50% of the employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the PERS and PFRS Funds.

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

Township contributions to PFRS amounted to \$454,744, \$385,468 and \$304,583 for 2012, 2011, and 2010, respectively. Township contributions to PERS amounted to \$141,221, \$139,778, and \$106,103 for 2012, 2011, and 2010, respectively.

The employee and employer contributions for the DCRP were \$4,765.86, \$4,550.39 and \$3,417.45, for 2012, 2011 and 2010, respectively.

Note 7: Accrued Sick and Vacation Benefits

The Township permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$557,500 at December 31, 2012. 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 \$392,286.28 on the Trust Fund balance sheet at December 31, 2012.

Note 8: Post-Retirement Benefits

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

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

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

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

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

The Township's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. During 2012 and 2011, the Township recognized expenditures/expenses in the amount of \$543,645 and \$404,774, respectively.

Funding Policy

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

Currently, there are no contribution requirements of plan members.

Annual OPEB Cost per Actuarial Valuation

For 2008, 2009 and 2010, the Township's annual OPEB cost (expense) of \$733,600 was equal to the ARC. An update to the 2008 valuation was not prepared for 2009 and 2010 as there were no significant plan changes, significant population changes or changes in assumptions used to complete the valuation. An actuarial valuation was not prepared as required by GASB #45 for 2011 and 2012. The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008, 2009 and 2010 is as follows:

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

Funding Status and Funding Progress

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

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

N/A – Not Available

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

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

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

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

Note 9: Deferred Compensation

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

Note 10: Selected Tax Information

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

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 10: Selected Tax Information (Cont'd)

	<u>2012*</u>	<u>2011</u>	<u>2010</u>
<u>Tax Rate</u>	\$ 3.18	\$ 2.64	\$ 2.55
<u>Apportionment of Tax Rate</u>			
Municipal	0.85	0.70	0.68
County	0.51	0.45	0.42
Local School	1.19	0.98	0.96
Regional School	0.63	0.51	0.49
<u>Assessed Valuations</u>			
2012	<u>\$ 932,256,721.00</u>		
2011		<u>\$ 1,104,306,570.00</u>	
2010			<u>\$ 1,108,142,151.00</u>

\* Revaluation of Property Taxes

Comparison of Tax Levies and Collections Currently

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2011	\$ 29,643,131.70	\$ 28,902,249.41	97.50%
2011	29,160,377.29	28,441,926.26	97.54%
2010	28,244,296.62	27,502,702.88	97.37%

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

Note 11: Cash and Cash Equivalents

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

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

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

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

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

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

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

Deposits:

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

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

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

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

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

Investments

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

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

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2012, cash and cash equivalents of the Township of Byram consisted of the following:

<u>Fund</u>	<u>Change Funds</u>	<u>Checking Accounts</u>	<u>NJ Cash Management Fund</u>	<u>Total</u>
Current Fund	\$ 250.00	\$ 3,823,991.48	\$ 201,513.04	\$ 4,025,754.52
Animal Control Trust Fund		39,899.11		39,899.11
Other Trust Fund		2,657,206.43		2,657,206.43
General Capital Fund		1,604,040.39		1,604,040.39
Sewer Utility Operating Fund		317,377.74		317,377.74
Sewer Utility Capital Fund		261,247.05		261,247.05
	<u>\$ 250.00</u>	<u>\$ 8,703,762.20</u>	<u>\$ 201,513.04</u>	<u>\$ 8,905,525.24</u>

During the period ended December 31, 2012, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2012, was \$8,905,525.24 and the bank balance was \$9,088,785.88. The \$201,513.04 invested with the State of New Jersey Cash Management Fund is uninsured and/or unregistered.

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

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 12: Risk Management

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

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

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

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

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

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

The December 31, 2012 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, 2011 is as follows:

	<u>Statewide Insurance Fund</u>
Total Assets	\$ 34,778,489.00
Net Position	\$ 4,594,316.00
Total Revenue	\$ 19,197,570.00
Total Expenditures	\$ 18,517,334.00
Change in Net Position	\$ 680,236.00
Members Dividends	\$ -0-

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 12: Risk Management (Cont'd)

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

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

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

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

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

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

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

The December 31, 2012 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, 2011 is as follows:

	<u>North Jersey Municipal Employee Benefits Fund</u>
Total Assets	<u>\$ 15,217,929.00</u>
Net Position	<u>\$ 10,337,899.00</u>
Total Revenue	<u>\$ 38,346,991.00</u>
Total Expenditures	<u>\$ 38,268,505.00</u>
Change in Net Positions	<u>\$ (1,121,514.00)</u>
Members Dividends	<u>\$ 1,200,000.00</u>

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 12: Risk Management (Cont'd)

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

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

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Interest Earned</u>	<u>Employees Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ -0-	\$ 50.07	\$ 100.00	\$ 442.82	\$ 61,416.69
2011	-0-	77.39	8,022.18	3,933.32	61,709.44
2010	-0-	137.89	188.35	127.50	57,543.19

Note 13: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2012:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 11,830.60	\$ 109,809.93
Animal Control Fund		11,727.91
Other Trust Funds	109,809.93	
General Capital Fund		102.69
Sewer Utility Operating Fund	17.73	
Sewer Utility Capital Fund		17.73
	<u>\$ 121,658.26</u>	<u>\$ 121,658.26</u>

The Township's interfund receivable to Current Fund is a result of the statutory excess in the Animal Control fund, as well as the December balance of interest not turned over from General Capital. The interfund payable from Current Fund is a 2012 budget appropriation due to the Other Trust Funds for Reserve for Sick and Vacation Leave and Snow Removal and the balance of the Open Space Tax Levy. The Chief Financial Officer monitors all interfunds for these accounts and liquidates them on a monthly basis. The balances remaining at December 31, 2012, represent activity not liquidated by year end which were subsequently liquidated in January 2013.

TOWNSHIP OF BYRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012

(Continued)

Note 14: Economic Dependency

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

Note 15: Contingent Liabilities

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

The Township has been advised that a number of tax appeals have been filed. Potential refunds on tax appeals could be as much as \$490,000. A reserve for pending tax appeals in the amount of \$493,818 has been recorded as a liability as of December 31, 2012.

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

Note 16: Open Space Trust Reserve

The Township created an Open Space Trust Fund with a tax levy of \$.02 per \$100 of assessed valuation in 1999. The funds collected are used to acquire and maintain open space property in the Township. The 2012 Open Space tax levy was \$110,517.79. The balance of the Open Space Trust Fund as of December 31, 2012 was \$662,590.94.

The Township of Byram also received grants for the acquisition of open space land previously purchased by the municipality in previous years. The intention of the municipality is to use this funding to offset the debt issued to acquire these properties. These funds are being held in a Reserve for Open Space – Debt Service on the Other Trust Fund balance sheet. The reserve disbursed \$44,331.87 during the current year to fund the debt service payments of the current year. The balance of the Open Space Trust Fund – Debt Service as of December 31, 2012 was \$531,982.38.

TOWNSHIP OF BYRAM

SUPPLEMENTARY DATA

TOWNSHIP OF BYRAM  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2012

Name	Title	Amount of Bond	Name of Corporate Surety
James Oscovitch	Mayor	(A)	
Scott Olson	Councilman	(A)	
Marie Raffay	Councilwoman	(A)	
Nisha Kash	Councilman	(A)	
Carlos Luaces	Councilman	(A)	
Joseph A. Sabatini	Township Manager	(A)	
Theresa Vervaet	Chief Financial Officer and Tax Collector through October 19, 2012	\$ 250,000.00	Selective Insurance Company
Marie Goble	Chief Financial Officer from November 1, 2012	(A)	
Theresa Vervaet	Sewer Utility Collector through October 19, 2012	50,000.00	Selective Insurance Company
Karen Ferrone	Tax and Sewer Utility Collector from November 1, 2012	(A)	
Richard Bowe	Magistrate	5,000.00	Selective Insurance Company
Mary Beth Swanson	Court Administrator	60,000.00	Selective Insurance Company
Richard O'Connor	Building Inspector	(A)	
Penny Holenstein	Tax Assessor	(A)	
Doris J. Flynn	Township Clerk	(A)	

All bonds were examined and were properly executed.

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

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

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

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
CURRENT FUND

TOWNSHIP OF BYRAM  
CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 3,962,337.98
Increased by Receipts:		
Tax Collector		\$ 29,808,400.27
Revenue Accounts Receivable		953,903.82
Miscellaneous Revenue Not Anticipated		178,349.60
Due Animal Control Trust Fund:		
Prior Year Interfund Returned		11,943.78
Due Other Trust Fund :		
Prior Year Interfund Returned		100,000.00
Interest Due Current		12,404.55
Due General Capital Fund		
Prior Year Interfund Returned		151,269.87
Due Sewer Utility Operating Fund:		
Prior Year Interfund Returned		33,108.31
Due State of New Jersey:		
Marriage License Fees		725.00
DCA Training Fees		7,565.00
Veterans and Senior Citizens' Deductions		78,500.00
Appropriation Refunds		83,930.13
Appropriation Reserve Refunds		2,637.50
Reserve for Sale of Municipal Assets		22,412.75
Reserve for Recycling		11,286.75
Reserve for Body Armor Replacement Fund		1,813.49
Reserve for Garden State Preservation Trust Fund		41,920.00
Notes Payable		120,000.00
		31,620,170.82
		35,582,508.80

TOWNSHIP OF BYRAM  
CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Decreased by Disbursements:		
2012 Appropriation Expenditures	\$	8,362,627.83
2011 Appropriation Reserves		584,377.06
Local School Taxes		11,048,664.00
Regional School Taxes		5,886,275.16
County Taxes		4,748,783.73
Due Other Trust Funds:		
Open Space Tax Levy		110,603.86
Prior Year Interfund Returned		190,088.83
Due Sewer Utility Operating Fund		33,108.31
Redemption of Outside Liens		249,086.85
Due State of New Jersey:		
DCA Training Fees		9,891.00
Marriage License Fees		900.00
Reserve for Pending Tax Appeals		26,182.00
Reserve for Revaluation		53,511.68
Appropriated Grant Reserves:		
Recycling Tonnage Grant		8,609.16
Sussex Branch Trail Improvements		540.00
Body Armor Replacement Fund		3,047.00
Clean Communities		10,753.14
Drunk Driving Enforcement Fund		1,221.30
Refund of Prior Year Revenue		5,307.00
Accounts Payable		67,425.12
Notes Payable		150,000.00
Tax Overpayments		6,001.25
		\$ 31,557,004.28
Balance December 31, 2012	A	\$ 4,025,504.52

TOWNSHIP OF BYRAM  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2012

## Increased by Receipts:

Taxes Receivable	\$ 29,145,592.71
Tax Title Liens	71,948.33
Interest and Costs on Taxes	150,837.34
2012 Prepaid Taxes	135,360.61
Tax Overpayments	38,700.52
Outside Liens	249,086.85
Other Miscellaneous	<u>16,873.91</u>

\$ 29,808,400.27

TOWNSHIP OF BYRAM  
SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE



TOWNSHIP OF BYRAM  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 771,860.12
Increased by:			
Transfer from Taxes Receivable		\$ 134,617.18	
Interest and Costs on Tax Sale		<u>9,268.42</u>	
			<u>143,885.60</u>
			915,745.72
Decreased by:			
Redeemed			<u>71,948.33</u>
Balance December 31, 2012	A		<u>\$ 843,797.39</u>

TOWNSHIP OF BYRAM  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued In</u> <u>2012</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Municipal Clerk:				
Alcoholic Beverage Licenses		\$ 6,273.80	\$ 6,273.80	
Fees and Permits		3,071.15	3,071.15	
Planning/Zoning Board Fees:				
Fees and Permits		5,278.40	5,278.40	
Police:				
Fees and Permits		1,671.20	1,671.20	
Board of Health:				
Fees and Permits		14,410.15	14,410.15	
Construction Code Official:				
Fees and Permits		146,582.00	146,582.00	
Municipal Court:				
Fines and Costs	\$ 7,349.46	140,579.97	140,201.96	\$ 7,727.47
Interest on Deposits		3,432.14	3,432.14	
Consolidated Municipal Property Tax Relief Program		61,602.00	61,602.00	
Energy Receipts Taxes		513,873.00	513,873.00	
Clean Communities		16,237.00	16,013.60	223.40
Highlands Grant - 2011	64,687.50			64,687.50
Reserve to Pay Debt Service		25,000.00	25,000.00	
Business Stimulus Grant	7,000.00		7,000.00	
Municipal Alliance - 2012		11,420.00	1,471.67	9,948.33
Municipal Alliance - 2011	4,574.75		4,574.75	
Recreation Trails Grant	12,266.05		3,448.00	8,818.05
	<u>\$ 95,877.76</u>	<u>\$ 949,430.81</u>	<u>\$ 953,903.82</u>	<u>\$ 91,404.75</u>

Ref.

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TOWNSHIP OF BYRAM  
CURRENT FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF BYRAM  
CURRENT FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>GENERAL GOVERNMENT:</b>				
General Administration:				
Salaries & Wages	\$ 12,910.05	\$ 12,910.05	\$ 12,910.05	
Other Expenses	27,483.84	27,483.84	2,566.69	\$ 24,917.15
Mayor & Council:				
Other Expenses	4,801.56	4,801.56	3,832.02	969.54
Clerk:				
Salaries & Wages	638.20	638.20	638.20	
Election:				
Other Expenses	1,484.54	1,484.54		1,484.54
Financial Administration:				
Salaries & Wages	399.70	399.70	399.70	
Other Expenses	25,570.12	25,570.12	23,482.93	2,087.19
Audit Fees	28,980.00	28,980.00	28,980.00	
Assessment of Taxes:				
Salaries & Wages	81.52	81.52	81.52	
Other Expenses	4,168.72	6,968.72	6,283.00	685.72
Revenue Administration (Tax Collection):				
Salaries & Wages	6,486.78	6,486.78	6,486.78	
Other Expenses	6,838.27	6,838.27	6,354.60	483.67
Legal Services and Costs:				
Other Expenses - Fees	53,248.58	50,448.58	7,845.19	42,603.39
Environmental Commission:				
Other Expenses	1,778.80	1,778.80	30.00	1,748.80
Engineering Services:				
Other Expenses	7,713.00	7,713.00	6,139.25	1,573.75
Municipal Land Use Law:				
Planning Board:				
Salaries & Wages	106.52	106.52	106.52	
Other Expenses	39,153.63	19,153.63	3,777.20	15,376.43
Zoning Commission:				
Salaries & Wages	11.00	11.00	11.00	
Other Expenses	211.96	211.96		211.96
Insurance: (P.L. 2003, C.92)				
Employee Group Insurance	14,319.34	14,319.34	14,005.19	314.15
General Liability Insurance	75.00	75.00		75.00
Employee Group Insurance-Health Benefit	12,117.27	12,117.27	12,117.27	

TOWNSHIP OF BYRAM  
CURRENT FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>PUBLIC SAFETY</b>				
Uniform Fire Safety Act:				
Fire Prevention Bureau:				
Salaries & Wages	\$ 19.64	\$ 19.64	\$ 19.64	
Other Expenses	53,033.79	53,033.79	52,705.01	\$ 328.78
Fire:				
Other Expenses	1,183.29	1,183.29		1,183.29
Office of Emergency Management:				
Other Expenses	1,101.05	1,101.05		1,101.05
Police:				
Salaries & Wages	37,931.11	72,931.11	22,931.11	50,000.00
Other Expenses	52,095.51	37,095.51	34,110.82	2,984.69
Other Expenses - Radio & Comm. 911	3,333.99	3,333.99	99.95	3,234.04
Municipal Court:				
Salaries & Wages	1,471.76	1,471.76	1,471.76	
Other Expenses	5,444.46	5,444.46	516.35	4,928.11
Municipal Prosecutor:				
Other Expenses - Fees	14,100.00	14,100.00	4,200.00	9,900.00
<b>STREETS AND ROADS:</b>				
Road Repairs and Maintenance:				
Salaries & Wages	35,823.26	85,823.26	85,823.26	
Other Expenses - Miscellaneous	222,494.16	222,494.16	222,494.16	
Other Expenses - Fleet Maintenance	46,330.86	46,330.86	33,961.65	12,369.21
Public Building and Grounds:				
Salaries & Wages	58.40	58.40	58.40	
Other Expenses	11,095.21	11,095.21	11,095.21	
Recycling:				
Salaries & Wages	5,171.60	5,171.60	5,171.60	
Other Expenses	8,866.00	8,866.00	8,866.00	
<b>HEALTH AND WELFARE:</b>				
Board of Health:				
Other Expenses	262.95	262.95		262.95
Animal Control:				
Salaries & Wages	545.83	545.83	545.83	
Other Expenses	1,120.00	1,120.00	1,120.00	

TOWNSHIP OF BYRAM  
CURRENT FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	Balance Dec. 31, 2011	Balance After Modification	Paid or Charged	Balance Lapsed
<b>RECREATION AND EDUCATION:</b>				
Parks and Playground:				
Salaries & Wages	\$ 807.11	\$ 807.11	\$ 807.11	
Other Expenses	3,432.70	3,432.70	1,481.83	\$ 1,950.87
Senior Citizens Transportation:				
Salaries & Wages	5,728.11	5,728.11	5,728.11	
Recreation Land Lease:				
Other Expenses	0.10	0.10		0.10
Celebration of Public Events				
Other Expenses	1,703.22	1,703.22		1,703.22
<b>UNIFORM CONSTRUCTION CODE:</b>				
Construction Code Official:				
Salaries & Wages	402.20	402.20	402.20	
Other Expenses	3,018.17	3,018.17	598.05	2,420.12
<b>UNCLASSIFIED:</b>				
Utilities:				
Heating Oil	84,028.34	84,028.34	23,879.78	60,148.56
Street Lighting	4,650.02	650.02	108.64	541.38
Electricity	24,986.53	5,986.53	5,176.21	810.32
Gasoline	15,366.08	366.08		366.08
Telephone	7,452.20	1,452.20	1,139.30	312.90
Municipal Sewer Charges	97.55	97.55		97.55
Accumulated Sick and Vacation	100.00	100.00	100.00	
Social Security System (O.A.S.I.)	3,566.03	3,566.03	3,566.03	
DCRP	24.61	24.61		24.61
Musconetcong Sewer Authority Fees	5,085.68	85.68		85.68
Recycling Tax Appropriation	10,500.00	9,500.00	9,282.41	217.59
<b>STATE AND FEDERAL PROGRAMS</b>				
<b>OFFSET BY REVENUES:</b>				
PBA Representative Private Contract				
Revenue Contract	12.33	12.33		12.33
Municipal Alliance Program	1,938.80	1,938.80	1,880.44	58.36
Recreation Trails Grant	19,165.00	19,165.00	19,165.00	
Highlands Grant	64,687.50	64,687.50	64,687.50	

TOWNSHIP OF BYRAM  
CURRENT FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Balance Dec. 31, 2011</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
CAPITAL IMPROVEMENTS:				
Drainage Improvements	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
	<u>\$ 1,011,813.55</u>	<u>\$ 1,011,813.55</u>	<u>\$ 764,240.47</u>	<u>\$ 247,573.08</u>

Ref.

Analysis of Balance @12/31/11

Unencumbered	A \$ 654,753.13
Encumbered	A 357,060.42
	<u>\$ 1,011,813.55</u>

Analysis of Paid or Charged

Cash Disbursed	\$ 584,377.06
Due to Other Trust - Reserve for Snow Removal	43,844.44
Due to Other Trust - Reserve for Sick and Vacation Leave	72,000.00
Appropriated Grant Reserves:	
Highlands Grant	61,239.50
Recreation Trails Grant	2,817.97
Accounts Payable	<u>2,599.00</u>
	766,877.97
Refunded	<u>(2,637.50)</u>
	<u>\$ 764,240.47</u>

TOWNSHIP OF BYRAM  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2012

Increased by:

Levy - Calendar Year 2012

\$ 11,048,664.00

Decreased by:

Payments to Local School District

\$ 11,048,664.00

CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2012

Increased by:

Levy - Calendar Year 2012

\$ 5,886,275.16

Decreased by:

Payments to Regional High School District

\$ 5,886,275.16

TOWNSHIP OF BYRAM  
CURRENT FUND  
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2010	Issued	Matured	Balance Dec. 31, 2011
		Original Issue	Issue	Maturity					
16-06	Revaluation Notes	09/29/11	09/29/11	09/29/12	1.500%	\$ 150,000.00		\$ 150,000.00	
			09/27/12	09/27/13	1.250%		\$ 120,000.00		\$ 120,000.00
						<u>\$ 150,000.00</u>	<u>\$ 120,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 120,000.00</u>
					<u>Ref.</u>	A			A

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
TRUST FUNDS

TOWNSHIP OF BYRAM  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2011	B	\$ 45,726.18	\$ 2,758,857.63
Increased by Receipts:			
Due Current Fund:			
Interest on Investments			\$ 12,492.34
Prior Year Interfund Returned			190,001.04
Dog License Fees		\$ 12,579.60	
Interest on Investments		39.16	
State Registration Fees		2,009.40	
Miscellaneous Fees		3,545.00	
Master Escrow Deposits			196,317.17
Tax Sale Premiums			33,700.00
Parking Offense Adjudication Act			20.00
Reserve for Sick Leave			100,000.00
Unemployment Insurance Deposits			150.07
Public Defender Deposits			3,682.00
Reserve for Municipal Alliance			
Reserve for School Diesel Agreement			35,695.65
Reserve for Outside Police Services			28,453.00
Open Space Trust:			
Interest on Investments			944.66
Open Space Receipts - Reserve for Debt Service			58,725.00
Tax Levy			110,430.00
Due Current Fund			173.86
Cranberry Lake Deposits			3,090.00
Recreation Deposits			79,378.80
Affordable Housing Deposits			27.25
		<hr/>	
		18,173.16	853,280.84
		<hr/>	<hr/>
		63,899.34	3,612,138.47

TOWNSHIP OF BYRAM  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:		
Due Current Fund:		
Prior Year Interfund Returned	\$ 11,943.78	\$ 100,000.00
Interest Earned		12,404.55
State of New Jersey Board of Health	1,999.80	
Expenditures Under R.S. 4:19-15.11	10,056.65	
Master Escrow Expenditures		175,847.32
Tax Sale Premiums		35,800.00
Unemployment Insurance Expenditures		442.82
Reserve for Sick and Vacation Leave		212,156.60
Open Space Expenditures		74,083.72
Debt Service Expenditures		44,331.87
Reserve for School Diesel Agreement		106,181.55
Reserve for Outside Police Services		32,761.12
Cranberry Lake Expenditures		640.00
Housing Rehabilitation Expenditures		14,691.00
Public Defender Expenditures		2,200.00
Recreation Expenditures		80,141.49
Affordable Housing		63,250.00
	<u>\$ 24,000.23</u>	<u>\$ 954,932.04</u>
Balance December 31, 2012	B <u>\$ 39,899.11</u>	<u>\$ 2,657,206.43</u>

TOWNSHIP OF BYRAM  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF BYRAM  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

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

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 33,782.40
Increased by:		
Dog License Fees:		
Collected in Current Year		\$ 12,579.60
Interest		39.16
Miscellaneous Fees		3,545.00
		16,163.76
		49,946.16
Decreased by:		
Expenditures Under R.S. 4:19-15.11		10,056.65
Statutory Excess Due to Current Fund		11,727.91
		21,784.56
Balance December 31, 2012	B	\$ 28,161.60

<u>License Fees Collected</u>	<u>Amount</u>
<u>Year</u>	
2010	\$ 15,735.60
2011	12,426.00
	28,161.60
Maximum Allowable Reserve	\$ 28,161.60

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
GENERAL CAPITAL FUND

TOWNSHIP OF BYRAM  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 1,723,403.30
Increased by:		
Budget Appropriation:		
Capital Improvement Fund	\$ 5,000.00	
Down Payment on Improvements	50,000.00	
Payment of Bond Anticipation Notes	113,206.00	
State of New Jersey:		
Department of Transportation	228,750.00	
Premium on Note Sale	6,301.00	
Bond Anticipation Notes	1,696,944.00	
Reserve for Drainage	6,000.00	
Reserve for Public Works Equipment	50,000.00	
Due Current Fund:		
Interest	1,372.56	
	<hr/>	2,157,573.56
		<hr/>
		3,880,976.86
Decreased by:		
Improvement Authorizations	403,216.60	
Bond Anticipation Notes	1,690,150.00	
Reserve to Pay Debt Service Anticipated in 2011 Budget	32,300.00	
Due Current Fund:		
Interest	1,269.87	
Interfund Advanced	150,000.00	
	<hr/>	2,276,936.47
		<hr/>
		2,276,936.47
Balance December 31, 2012	C	<u>\$ 1,604,040.39</u>

TOWNSHIP OF BYRAM  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2011	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2012	
		Miscellaneous	Budget Appropriation	Bond Anticipation Notes	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To		
Capital Fund Balance	\$ 259,816.84	\$ 6,301.00								\$ 266,117.84	
Capital Improvement Fund	251,613.43		\$ 5,000.00							256,613.43	
Due Current Fund	150,000.00	1,372.56					\$ 151,269.87			102.69	
Due from NJ Department of Transportation	(78,750.00)	228,750.00						\$ 200,000.00		(50,000.00)	
Reserve for Road Resurfacing	74,500.00									74,500.00	
Reserve for Field Irrigation	40,000.00									40,000.00	
Reserve for Drainage	44,000.00		6,000.00							50,000.00	
Reserve for Payment of Debt Service	411,754.58						25,000.00	7,300.00		379,454.58	
Reserve for Public Works Equipment		50,000.00								50,000.00	
Reserve for Fire Grant	49,782.16									49,782.16	
<u>Ord. No.</u>	<u>Improvement Description</u>										
06-97	Various General Improvements	3,073.49								3,073.49	
22-04	Open Space Acquisition	12.15			12.15						
14-06	Various Capital Improvements	15,291.25								15,291.25	
16-06	Acquisition of Rescue Vehicle		28,000.00	\$ 53,000.00		\$ 81,000.00					
10-07	Various Capital Improvements	57,467.96	34,000.00	130,600.00	1,980.00	164,600.00				55,487.96	
11-08	Various Capital Improvements	5,906.17	6,800.00	288,100.00	4,359.29	302,200.00		\$ 7,300.00		1,546.88	
11-09	Various Capital Improvements	56,375.16	37,106.00	552,894.00	21,949.96	590,000.00				34,425.20	
07-10	Various Capital Improvements	42,155.00		200,000.00	1,980.00	200,000.00				40,175.00	
04-11	Roseville Road Phase II	24,685.41			24,685.41						
05-11	Various Capital Improvements	315,719.70		352,350.00	63,384.21	352,350.00				252,335.49	
05-12	Various Road Improvements		50,000.00	120,000.00	284,865.58				200,000.00	85,134.42	
		<u>\$ 1,723,403.30</u>	<u>\$ 286,423.56</u>	<u>\$ 166,906.00</u>	<u>\$ 1,696,944.00</u>	<u>\$ 403,216.60</u>	<u>\$ 1,690,150.00</u>	<u>\$ 176,269.87</u>	<u>\$ 207,300.00</u>	<u>\$ 207,300.00</u>	<u>\$ 1,604,040.39</u>



TOWNSHIP OF BYRAM  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2011		2012 Authorizations		Balance December 31, 2012		
		Date	Amount	Funded	Unfunded	Various Sources	Deferred Charges to Future Taxation Unfunded	Paid or Charged	Funded	Unfunded
06-97	Various Improvements	09/15/97	\$ 750,000.00	\$ 3,073.49					\$ 3,073.49	
22-04	Open Space Acquisition	10/04/04	1,200,000.00	12.15				12.15		
14-06/08-07	Various Capital Improvements	09/05/06	77,784.00							
		05/07/07	15,900.00	15,291.25					15,291.25	
10-07	Various Capital Improvements	06/04/07	284,100.00	12,000.00	45,467.96			1,980.00	12,000.00	\$ 43,487.96
11-08	Various Capital Improvements	07/21/08	325,000.00		5,906.17			4,359.29		1,546.88
11-09	Various Capital Improvements	05/18/09	620,000.00		56,375.16			21,949.96		34,425.20
07-10	Various Capital Improvements	06/07/10	425,000.00		42,155.00			1,980.00		40,175.00
04-11	Roseville Road Phase II	04/05/11	240,000.00	24,685.41				24,685.41		
05-11	Various Capital Improvements	06/02/11	465,000.00		315,719.70			63,384.21		252,335.49
05-12	Various Road Improvements	06/06/12	370,000.00			250,000.00	\$ 120,000.00	284,865.58		85,134.42
				<u>\$ 55,062.30</u>	<u>\$ 465,623.99</u>	<u>\$ 250,000.00</u>	<u>\$ 120,000.00</u>	<u>\$ 403,216.60</u>	<u>\$ 30,364.74</u>	<u>\$ 457,104.95</u>
<u>Ref.</u>				C	C				C	C

New Jersey Department of Transportation Grant	200,000.00
Budget Appropriations	50,000.00
	<u>\$ 250,000.00</u>

TOWNSHIP OF BYRAM  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 251,613.43
Increased by:		
Current Fund Budget Appropriation		<u>5,000.00</u>
Balance December 31, 2012	C	<u>\$ 256,613.43</u>

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

Ord. No.	Improvement Description	Original Issue	Date of		Interest Rate	Balance Dec. 31, 2011	Issued	Matured	Balance Dec. 31, 2012
			Issue	Maturity					
16-06	Acquisition of Rescue Vehicle	10/06/06	09/29/11	09/29/12	1.500%	\$ 81,000.00	\$ 53,000.00	\$ 81,000.00	\$ 53,000.00
			09/27/12	09/27/13	1.250%				
10-07	Various Capital Improvements	10/05/07	09/29/11	09/29/12	1.500%	164,600.00	130,600.00	164,600.00	130,600.00
			09/27/12	09/27/13	1.250%				
11-08	Various Capital Improvements	10/02/08	09/29/11	09/29/12	1.500%	302,200.00	288,100.00	302,200.00	288,100.00
			09/27/12	09/27/13	1.250%				
11-09	Various Capital Improvements	10/01/09	09/29/11	09/29/12	1.500%	590,000.00	552,894.00	590,000.00	552,894.00
			09/27/12	09/27/13	1.250%				
07-10	Various Capital Improvements	09/30/10	09/29/11	09/29/12	1.500%	200,000.00	200,000.00	200,000.00	200,000.00
			09/27/12	09/27/13	1.250%				
05-11	Various Capital Improvements	09/29/11	09/29/11	09/29/12	1.500%	352,350.00	352,350.00	352,350.00	352,350.00
			09/27/12	09/27/13	1.250%				
05-12	Various Road Improvements	09/27/12	09/27/12	09/27/13	1.250%		120,000.00		120,000.00
						<u>\$ 1,690,150.00</u>	<u>\$ 1,696,944.00</u>	<u>\$ 1,690,150.00</u>	<u>\$ 1,696,944.00</u>
Ref. C									C
							\$ 1,576,944.00	\$ 1,576,944.00	
							120,000.00		
								105,906.00	
								7,300.00	
							<u>\$ 1,696,944.00</u>	<u>\$ 1,690,150.00</u>	

TOWNSHIP OF BYRAM  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance		Balance
			Date	Amount		Dec. 31, 2011	Matured	
General Improvement Bonds	10/01/05	\$ 1,793,000.00	10/01/13	\$ 195,000.00	3.750%			
			10/01/14	200,000.00	3.750%			
			10/01/15	203,000.00	3.750%	\$ 793,000.00	\$ 195,000.00	\$ 598,000.00
Open Space Bonds	10/01/05	1,140,000.00	10/01/13	60,000.00	3.750%			
			10/01/14	60,000.00	3.750%			
			10/01/15	60,000.00	3.750%			
			10/01/16	60,000.00	3.750%			
			10/01/17	60,000.00	3.750%			
			10/01/18	60,000.00	3.750%			
			10/01/19	60,000.00	3.750%			
			10/01/20	60,000.00	3.750%			
			10/01/21	60,000.00	4.000%			
			10/01/22	60,000.00	4.000%			
			10/01/23	60,000.00	4.000%			
			10/01/24	60,000.00	4.000%			
						<u>\$ 1,573,000.00</u>	<u>\$ 255,000.00</u>	<u>\$1,318,000.00</u>
					<u>Ref.</u>	C	C	C

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

Balance December 31, 2011	<u>Ref.</u> C	\$ 117,258.72
Decreased by:		
Loan Payments		<u>10,141.92</u>
Balance December 31, 2012	C	<u>\$ 107,116.80</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS  
OUTSTANDING DECEMBER 31, 2012

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
					\$ 107,116.80
21	03/18/13	2.00%	\$ 1,071.17	\$ 5,147.15	101,969.65
22	09/18/13	2.00%	1,019.70	5,198.62	96,771.03
23	03/18/14	2.00%	967.71	5,250.61	91,520.42
24	09/18/14	2.00%	915.20	5,303.11	86,217.31
25	03/18/15	2.00%	862.17	5,356.15	80,861.16
26	09/18/15	2.00%	808.61	5,409.71	75,451.45
27	03/18/16	2.00%	754.51	5,463.80	69,987.65
28	09/18/16	2.00%	699.88	5,518.44	64,469.21
29	03/18/17	2.00%	644.69	5,573.63	58,895.58
30	09/18/17	2.00%	588.96	5,629.36	53,266.22
31	03/18/18	2.00%	532.66	5,685.66	47,580.56
32	09/18/18	2.00%	475.81	5,742.51	41,838.05
33	03/18/19	2.00%	418.38	5,799.94	36,038.11
34	09/18/19	2.00%	360.38	5,857.94	30,180.17
35	03/18/20	2.00%	301.80	5,916.52	24,263.65
36	09/18/20	2.00%	242.64	5,975.68	18,287.97
37	03/18/21	2.00%	182.88	6,035.44	12,252.53
38	09/18/21	2.00%	122.53	6,095.79	6,156.74
39	03/18/22	2.00%	61.57	6,156.74	-0-
			<u>\$ 11,031.25</u>	<u>\$ 107,116.80</u>	

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

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 412,621.00
Decreased by:		
Loan Payments		22,953.36
Balance December 31, 2012	C	\$ 389,667.64

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS  
OUTSTANDING DECEMBER 31, 2012

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

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

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS  
OUTSTANDING DECEMBER 31, 2012

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
31	05/17/23	2.0%	\$ 665.83	\$ 7,107.07	\$ 59,475.74
32	11/17/23	2.0%	594.76	7,178.14	52,297.60
33	05/17/24	2.0%	522.98	7,249.92	45,047.68
34	11/17/24	2.0%	450.48	7,322.42	37,725.26
35	05/17/25	2.0%	377.25	7,395.65	30,329.61
36	11/17/25	2.0%	303.30	7,469.60	22,860.01
37	05/17/26	2.0%	228.60	7,544.30	15,315.71
38	11/17/26	2.0%	153.16	7,619.74	7,695.97
39	05/17/27	2.0%	76.96	7,695.97	-0-
			<u>\$ 30,580.27</u>	<u>\$ 194,833.82</u>	

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

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS  
OUTSTANDING DECEMBER 31, 2012

Payment Number	Maturity Date	Interest Rate	Payment of		Balance of Loan
			Interest	Principal	
					\$ 194,833.82
11	05/17/13	2.0%	1,948.34	5,824.56	189,009.26
12	11/17/13	2.0%	1,890.09	5,882.81	183,126.45
13	05/17/14	2.0%	1,831.26	5,941.63	177,184.82
14	11/17/14	2.0%	1,771.85	6,001.05	171,183.77
15	05/17/15	2.0%	1,711.84	6,061.06	165,122.71
16	11/17/15	2.0%	1,651.23	6,121.67	159,001.04
17	05/17/16	2.0%	1,590.01	6,182.89	152,818.15
18	11/17/16	2.0%	1,528.18	6,244.72	146,573.43
19	05/17/17	2.0%	1,465.73	6,307.16	140,266.27
20	11/17/17	2.0%	1,402.66	6,370.24	133,896.03
21	05/17/18	2.0%	1,338.96	6,433.94	127,462.09
22	11/17/18	2.0%	1,274.62	6,498.28	120,963.81
23	05/17/19	2.0%	1,209.64	6,563.26	114,400.55
24	11/17/19	2.0%	1,144.01	6,628.89	107,771.66
25	05/17/20	2.0%	1,077.72	6,695.18	101,076.48
26	11/17/20	2.0%	1,010.76	6,762.13	94,314.35
27	05/17/21	2.0%	943.14	6,829.76	87,484.59
28	11/17/21	2.0%	874.85	6,898.05	80,586.54
29	05/17/22	2.0%	805.87	6,967.03	73,619.51
30	11/17/22	2.0%	736.19	7,036.70	66,582.81
31	05/17/23	2.0%	665.83	7,107.07	59,475.74
32	11/17/23	2.0%	594.76	7,178.14	52,297.60
33	05/17/24	2.0%	522.98	7,249.92	45,047.68
34	11/17/24	2.0%	450.48	7,322.42	37,725.26
35	05/17/25	2.0%	377.25	7,395.65	30,329.61
36	11/17/25	2.0%	303.30	7,469.60	22,860.01
37	05/17/26	2.0%	228.60	7,544.30	15,315.71
38	11/17/26	2.0%	153.16	7,619.74	7,695.97
39	05/17/27	2.0%	76.96	7,695.97	-0-
			<u>\$ 30,580.27</u>	<u>\$ 194,833.82</u>	

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

<u>Ord. Number</u>	<u>Ord. Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Appropriations</u>	<u>Funded by Budget Appropriation</u>	<u>Funded by Reserve for Debt Service</u>	<u>Bond Anticipation Notes Issued</u>	<u>Bond Anticipation Notes Redeemed</u>	<u>Balance Dec. 31, 2012</u>
16-06	09/05/06	Acquisition of Rescue Vehicle			\$ 28,000.00		\$ 53,000.00	\$ 81,000.00	
10-07	06/04/07	Various Capital Improvements			34,000.00		130,600.00	164,600.00	
11-08	07/21/08	Various Capital Improvements			6,800.00	\$ 7,300.00	288,100.00	302,200.00	
11-09	05/18/09	Various Capital Improvements			37,106.00		552,894.00	590,000.00	
07-10	06/07/10	Various Capital Improvements					200,000.00	200,000.00	
05-11	06/21/11	Various Capital Improvements					352,350.00	352,350.00	
05-12	06/06/12	Various Road Improvements		\$ 120,000.00			120,000.00		
			\$ -0-	\$ 120,000.00	\$ 105,906.00	\$ 7,300.00	\$ 1,696,944.00	\$ 1,690,150.00	\$ -0-

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
WATER OPERATING FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
SEWER OPERATING FUND

TOWNSHIP OF BYRAM  
SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2011	E	\$ 239,732.34	\$ 110,125.91
Increased by Receipts:			
Consumer Accounts Receivable		\$ 314,540.62	
Sewer Overpayments		1,888.23	
Sewer Liens		911.25	
Prepaid Sewer Rents		23,455.58	
Miscellaneous Revenue not Anticipated:			
Interest on Sewer Deposits		252.42	
Interest on Sewer Rents		7,301.46	
Other Sewer Fees		897.41	
Due Sewer Utility Capital Fund		97.98	
Due Sewer Utility Operating Fund:			
Interest Earned			\$ 115.71
Bond Anticipation Notes			158,000.00
Appropriation Refund		39,929.51	
Budget Appropriation:			
Capital Improvement Fund			5,500.00
		<u>389,274.46</u>	<u>163,615.71</u>
		629,006.80	273,741.62
Decreased by Disbursements:			
2012 Budget Appropriations		291,047.55	
2011 Appropriation Reserves		4,710.57	
Accrued Interest on Wastewater Loans		15,122.33	
Accrued Interest on Bond Anticipation Notes		185.65	
Sewer Overpayments Refunded		562.96	
Improvement Authorizations			12,396.59
Due Sewer Utility Operating Fund			97.98
		<u>311,629.06</u>	<u>12,494.57</u>
Balance December 31, 2012	E	<u>\$ 317,377.74</u>	<u>\$ 261,247.05</u>

TOWNSHIP OF BYRAM  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

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

		<u>Receipts</u>			<u>Disbursements</u>		
		Balance	Budget	Bond			Balance
		<u>Dec. 31, 2011</u>	<u>Appropriation</u>	<u>Anticipation</u>	<u>Miscellaneous</u>	<u>Improvement</u>	<u>Dec. 31, 2012</u>
				<u>Notes</u>		<u>Authorizations</u>	
						<u>Miscellaneous</u>	
Capital Improvement Fund		\$ 56,000.00	\$ 5,500.00				\$ 61,500.00
Due Sewer Utility Operating Fund					\$ 115.71	\$ 97.98	17.73
<u>Ord. No.</u>	<u>Improvement Description</u>						
09-03	Sewer Utility Improvements	54,125.91					54,125.91
06-12	Sewer Utility Improvements			\$ 158,000.00		\$ 12,396.59	145,603.41
		<u>\$ 110,125.91</u>	<u>\$ 5,500.00</u>	<u>\$ 158,000.00</u>	<u>\$ 115.71</u>	<u>\$ 12,396.59</u>	<u>\$ 261,247.05</u>
<u>Ref.</u>		E					E

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

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 18,491.62
Increased by:		
Sewer Rents Levied		326,965.36
		<u>345,456.98</u>
Decreased by Collections:		
Sewer Rents	\$	314,540.62
Overpayments Applied		2,178.31
Prepaid Sewer Rents Applied		13,965.58
		<u>330,684.51</u>
Balance December 31, 2012	E	<u>\$ 14,772.47</u>

E-6a

TOWNSHIP OF BYRAM  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF LIENS RECEIVABLE

Balance December 31, 2011	\$ 911.25
Decreased by:	
Sewer Liens Received	911.25
	<u>911.25</u>
Balance December 31, 2012	<u>\$ -0-</u>

TOWNSHIP OF BYRAM  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Sewer Plant	<u>\$ 2,220,025.00</u>	<u>\$ 2,220,025.00</u>
<u>Ref.</u>	E	E

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

<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2011</u>	<u>Deferred Charges to Future Revenue</u>	<u>Balance Dec. 31, 2012</u>
Sewer Utility Improvements	05/05/03	\$ 185,000.00	\$ 185,000.00		\$ 185,000.00
Sewer Utility Improvements	09/27/12	158,000.00		\$ 158,000.00	158,000.00
			<u>\$ 185,000.00</u>	<u>\$ 158,000.00</u>	<u>\$ 343,000.00</u>
		<u>Ref.</u>	E		E

TOWNSHIP OF BYRAM  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 100.00	\$ 100.00		\$ 100.00
Other Expenses	29,706.72	29,706.72	\$ 4,710.57	24,996.15
Musconetcong Sewerage Authority Fee	8,128.56	8,128.56		8,128.56
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	100.00	100.00		100.00
Social Security System (O.A.S.I.)	100.00	100.00		100.00
Unemployment Compensation Insurance	100.00	100.00		100.00
	<u>\$ 38,235.28</u>	<u>\$ 38,235.28</u>	<u>\$ 4,710.57</u>	<u>\$ 33,524.71</u>

Ref.

Analysis of Balance @ 12/31/2011:

Unencumbered	E	\$ 33,490.18
Encumbered	E	<u>4,745.10</u>
		<u>\$ 38,235.28</u>

TOWNSHIP OF BYRAM  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2011		2012 Autohoizations	Paid or Charged	Balance December 31, 2012	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
09-03	Sewer Utility Improvements	05/05/03	\$ 185,000.00	\$ 39,125.91	\$ 15,000.00			\$ 54,125.91	
06-12	Sewer Utility Improvements	09/27/12	158,000.00			\$ 158,000.00	\$ 12,396.59		\$145,603.41
				<u>\$ 39,125.91</u>	<u>\$ 15,000.00</u>	<u>\$ 158,000.00</u>	<u>\$ 12,396.59</u>	<u>\$ 54,125.91</u>	<u>\$145,603.41</u>
			<u>Ref.</u>	<u>E</u>	<u>E</u>			<u>E</u>	<u>E</u>

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

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 56,000.00
Increased by:		
2012 Budget Appropriation		<u>5,500.00</u>
Balance December 31, 2012	E	<u>\$ 61,500.00</u>

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

<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2011</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2012</u>
Sewer Utility Improvements	05/05/03	<u>\$ 170,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 185,000.00</u>
		<u>\$ 170,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 185,000.00</u>
	<u>Ref.</u>	E		E

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

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 1,658,824.64
Increased by:		
Loans Paid by Operating Budget		<u>104,970.50</u>
Balance December 31, 2012	E	<u>\$ 1,763,795.14</u>

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

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2011	Issued	Matured	Balance Dec. 31, 2012
		Original Issue	Issue	Maturity					
09-03	Sewer Utility Improvements	10/06/05	09/29/11	09/29/12	1.250%	\$ 15,000.00		\$ 15,000.00	
06-12	Sewer Utility Improvements	09/27/12	09/27/12	09/27/13	1.250%		\$ 158,000.00		\$ 158,000.00
						<u>\$ 15,000.00</u>	<u>\$ 158,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 158,000.00</u>
					<u>Ref.</u>	E			E
			Issued				\$ 158,000.00		
			Paid by Budget Appropriation					\$ 15,000.00	
							<u>\$ 158,000.00</u>	<u>\$ 15,000.00</u>	

TOWNSHIP OF BYRAM  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

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

Balance December 31, 2011	<u>Ref.</u> E	\$ 561,200.36
Decreased by:		
Matured		104,970.50
Balance December 31, 2012	E	\$ 456,229.86

NEW JERSEY WASTEWATER TREATMENT LOAN PAYABLE - FUND  
SCHEDULE OF PRINCIPAL PAYMENTS OUTSTANDING DECEMBER 31, 2012

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

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

NEW JERSEY WASTEWATER TREATMENT LOAN PAYABLE - TRUST  
SCHEDULE OF PRINCIPAL PAYMENTS OUTSTANDING DECEMBER 31, 2012

<u>Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 275,000.00
2013	\$ 15,400.00	\$ 65,000.00	210,000.00
2014	11,760.00	65,000.00	145,000.00
2015	8,120.00	70,000.00	75,000.00
2016	4,200.00	75,000.00	-0-
	<u>\$ 39,480.00</u>	<u>\$ 275,000.00</u>	

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

Improvement Description	Ordinance Date	Balance Dec. 31, 2011	2012 Improvement Authorizations	Funded by Budget Appropriation	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed	Balance Dec. 31, 2012
Sewer Utility Improvements	05/05/03	\$ -0-		\$ 15,000.00		\$ 15,000.00	\$ -0-
Sewer Utility Improvements	09/27/12		\$ 158,000.00		\$ 158,000.00		\$ -0-
		<u>\$ -0-</u>	<u>\$ 158,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 158,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ -0-</u>

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF BYRAM  
COUNTY OF SUSSEX  
2012  
BOND AND INTEREST FUND

TOWNSHIP OF BYRAM

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2012

TOWNSHIP OF BYRAM  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Funding Department	Federal Program	CFDA #	Pass Through Entity ID	Grant Name	Grant Period		Grant Award Amount	Grant Receipts	Amount of Expenditures	Cumulative Expenditures
					From	To				
Department of Environmental Protection (Passed through New Jersey Department of Environmental Protection)	Recreation Trails Program	20.219	N/A	Recreation Trail Improvements	01/01/07	12/31/13	\$ 25,000.00	\$ 3,448.00	\$ 540.00	\$ 4,995.77
Department of Agriculture (Passed Through New Jersey Department of Parks and Forrestry)	Business Stimulus Fund Grant - ARRA	10.688	N/A	Business Stimulus	01/01/11	12/31/12	7,000.00	\$ 7,000.00		7,000.00
Department of Homeland Security	Disaster Grants- Public Assistance- F.E.M.A	97.036	N/A	N/A	01/01/11	12/31/12	64,525.39	64,525.39	64,525.39 *	64,525.39
Department of Transportation (Passed through New Jersey Department of Transportation)	State Highway Projects	20.205	N/A	Roseville Road Phase II	01/01/10	12/31/12	150,000.00	37,500.00		150,000.00
				Roseville Road Phase III	01/01/11	12/31/12	165,000.00	41,250.00		165,000.00
				Road Improvements	01/01/12	12/31/12	200,000.00	150,000.00	200,000.00	200,000.00
								<u>228,750.00</u>	<u>200,000.00</u>	<u>515,000.00</u>
Total Department of Transportation										
<b>TOTAL FEDERAL AWARDS</b>								<u>\$ 303,723.39</u>	<u>\$ 265,065.39</u>	<u>\$ 591,521.16</u>

N/A - Not Available/Applicable

\* - Expended in Prior Years

TOWNSHIP OF BYRAM  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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-	01/01/10	12/31/12	\$ 16,828.42		\$ 106.19	\$ 16,828.42
		004-V42Y-6020	01/01/12	12/31/12	16,237.00	\$ 16,013.60	10,646.95	
	Recycling Grant	752-042-4900-001-	01/01/09	12/31/12	9,746.00		570.68	9,746.00
		V42Y-6020	01/01/10	12/31/13	8,038.48		8,038.48	8,038.48
			01/01/12	12/31/13	11,286.75	11,286.75		
Subtotal - Department of Environmental Protection						27,300.35	19,362.30	34,612.90
Department of the Treasury Passed through Sussex County	Governor's Council on Alcoholism and Drug Abuse	200-475-	01/01/10	12/31/12	11,420.00	4,574.75	1,880.44	11,361.64
		665120-60	01/01/12	12/31/12	11,420.00	1,471.67	11,253.43	11,253.43
						6,046.42	13,133.87	22,615.07
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-078-6400-	01/01/08	12/31/12	14,219.62		1,221.30	7,572.49
		260-YYYY						
	Body Armor Replacement Fund	718-066-1020	01/01/10	12/31/12	2,029.00		2,029.00	2,029.00
		001-YCJS-6120	01/01/11	12/31/12	2,235.95		1,018.00	1,018.00
			01/01/12	12/31/12	1,813.49	1,813.49		
Subtotal - Department of Law and Public Safety						1,813.49	4,268.30	10,619.49
TOTAL STATE AWARDS						\$ 35,160.26	\$ 36,764.47	\$ 80,659.96

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, 2012

Note 1. GENERAL

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

Note 2. BASIS OF ACCOUNTING

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

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 4. STATE LOANS OUTSTANDING

The Township of Byram has the following loans outstanding as of December 31, 2012:

Department of Environmental Protection:	
Green Acres #1	\$ 107,116.80
Green Acres #2	389,667.64
Wastewater Treatment Loan	456,229.86

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



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

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

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, 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, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated February 20, 2013. These financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group and that the post retirement benefits funding status for 2011 or 2012 was not disclosed in the notes to the financial statements.

**Internal Control Over Financial Reporting**

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

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

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

that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2012-01, 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*. However, we noted certain matters that we reported to management in the comments and recommendations section of this report.

### **The Township's Response to the Finding**

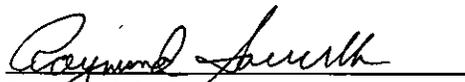
The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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  
February 20, 2013

NISIVOCCIA LLP



Raymond G. Sarnelli

Certified Public Accountant

Registered Municipal Accountant No. 383

TOWNSHIP OF BYRAM  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2012

Summary of Auditors' Results:

- A qualified report was issued on the Township's financial statements prepared on another comprehensive basis of accounting as the general fixed asset accounting group was not audited and post retirement benefit funding status for 2011 and 2012 as it was not disclosed required by GASB No. 45.
- The audit did not disclose any material weaknesses in the internal controls of the Township.
- The audit did not disclose any noncompliance that is material to the financial statements of the Township.
- The Township was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* for 2012 as grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

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

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

Finding 2012-1

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

Management's Response

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

Findings and Questioned Costs for Federal Awards:

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

TOWNSHIP OF BYRAM  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2012  
Continued

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, 2012

The Township's prior year audit finding regarding segregation of duties has not been resolved and is included as finding 2012-1.

TOWNSHIP OF BYRAM

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

TOWNSHIP OF BYRAM  
COMMENTS AND RECOMMENDATIONS

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

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

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

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

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

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

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

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

TOWNSHIP OF BYRAM  
COMMENTS AND RECOMMENDATIONS  
(Continued)

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

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

On January 3, 2012, 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, 2012, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2012 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>
2012	98
2011	93
2010	85

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 2012 Taxes	20
Payment of 2011 Taxes	20
Delinquent Taxes	15
Tax Title Liens	5
Payment of 2012 Sewer Rents	10
Payment of 2011 Sewer Rents	10
Delinquent Sewer Rents	3

Technical Accounting Directives

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

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

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

Segregation of Duties

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

Management's Response

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

Finance

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

TOWNSHIP OF BYRAM  
COMMENTS AND RECOMMENDATIONS  
(Continued)

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

Management Response

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

Our review of expenditures revealed that all required signatures were not always obtained prior to the release of funds. Effective as of November 1, 2012 the CFO resigned creating a period of time during which there was no CFO. During this time, funds were released without formal approval from a CFO.

It is recommended that all payments include all required certifications prior to their release.

Management Response

Management has hired a full time CFO who will ensure all payments are reviewed and signed prior to release

Office of Recreation

Our review of the records of the Recreation Office revealed that deposits are not being made within 48 hours of receipt in every case. However, a greater effort was made and a majority of receipts were deposited within a reasonable time period; therefore it was deemed that no formal recommendation be made at this time.

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2012.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

<u>AGENCY</u>	<u>BALANCE 12/31/2011</u>	<u>CASH RECEIVED</u>	<u>CASH DISBURSED</u>	<u>BALANCE 12/31/2012</u>
State of New Jersey	\$ 3,249.54	\$ 71,819.56	\$ 69,472.50	\$ 5,596.60
County of Sussex	3,105.00	80,046.02	78,177.02	4,974.00
Township of Byram	7,349.46	144,760.62	144,382.68	7,727.40
Diesel Fuel	180.00			180.00
Fish and Game	500.00	376.00	876.00	
Parks and Forest	50.00	900.00	850.00	100.00
Weights and Measures	850.00	6,550.00	6,200.00	1,200.00
Conditional Discharge		595.00	525.00	70.00
Restitution	200.00	1,488.00	1,688.00	
<b>TOTAL</b>	<b>\$ 15,484.00</b>	<b>\$ 306,535.20</b>	<b>\$ 302,171.20</b>	<b>\$ 19,848.00</b>

TOWNSHIP OF BYRAM  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Other Post Employment Benefits

An updated valuation in accordance with GASB#45 and Local Finance Notice #2007-15 was not obtained from the Joint Insurance Fund (JIF). Thus, the required disclosures regarding funding status of Other Post Employment Benefits were not disclosed. It is recommended that an actuarial valuation in accordance with GASB#45 and Local Finance Notice #2007-15 be obtained from the JIF so the required disclosures regarding the funding status of Other Post Employment Benefits can be disclosed.

Management Response

An actuarial valuation will be requested from the JIF in accordance with GASB#45 and Local Finance Notice #2007-15.

Status of Prior Year Recommendations

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2011 audit report. Recommendations 3 and 4 were resolved in the current year and recommendations 1, and 2 are included as current year recommendation and are in the process of being implemented.

TOWNSHIP OF BYRAM  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.
2. The Escrow Trust account in the Other Trust Fund be reconciled on a monthly basis.
3. All payments include all required certifications prior to their release.
4. An actuarial valuation in accordance with GASB #45 and Local Finance Notice # 2007-15 be obtained from the JIF so the required disclosures regarding the funding status of Other Post Employment Benefits can be disclosed.