

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015**

HODULIK & MORRISON, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
HIGHLAND PARK, N.J.

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY**

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**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**

**PART I
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS**

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REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Piscataway
Middlesex County, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and governmental fixed assets of the Township of Piscataway, County of Middlesex, New Jersey, as of and for the years ended December 31, 2016 and 2015, and the statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2016, and the related notes to the financial, which collectively comprise the basic financial statements of the Township, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 entity's preparation and 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 entity'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.

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

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

As described in Note 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles 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. Accordingly, the accompanying financial statements - regulatory basis are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The effect on the financial statements of the differences between these regulatory accounting practices 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 matters discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial positions of the Township of Piscataway, County of Middlesex, New Jersey, as of December 31, 2016, the changes in its financial position, and, where applicable, its cash flows for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to in the first paragraph present fairly, in all material respects, the financial position - regulatory basis of the various funds and governmental fixed assets of the Township of Piscataway, County of Middlesex, State of New Jersey as of December 31, 2016 and 2015 and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2016, on the basis of accounting described in Note 2.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain information, including the Notes thereto, (Required Supplementary Information – Part II), as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board and is prescribed by the Division of Local Government Services, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was made for the purpose of forming an opinion on the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The information included in Part IV - Supplementary Schedules and Part V - Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The information included in Part III - the accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of State Grants and State Aid," issued in conjunction with federal requirements of *Title 2 U.S. Code of Federal regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and is also not a required part of the financial statements. The information included in Part III - the schedules of schedule of state financial assistance and Part IV - Supplementary Schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements - regulatory basis taken as a whole.

The schedules and information contained in Part V - Supplementary Data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated September 13, 2017 on our consideration of the Township of Piscataway's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Piscataway's internal control over financial reporting and compliance.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants
Public School Accountants



Andrew G. Hodulik
Registered Municipal Accountant
No. 406
Highland Park, New Jersey
September 13, 2017

FINANCIAL STATEMENTS

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

ASSETS		BALANCE DEC. 31, 2016	BALANCE DEC. 31, 2015	LIABILITIES, RESERVES AND FUND BALANCE		BALANCE DEC. 31, 2016	BALANCE DEC. 31, 2015
Cash and Investments - Treasurer	A- 4 \$	33,571,514.75	\$ 33,454,739.93	Liabilities:			
Cash - Change Fund	A	535.00	535.00	Appropriation Reserves	A-3, A-9 \$	5,284,915.57	\$ 4,332,350.39
Due from State of N.J. per Ch. 20, P.L. 1976	A- 6	214,985.20	226,572.51	Reserve for Encumbrances	A-3, A-9	2,197,625.28	2,753,852.03
				Prepaid Taxes	A- 7	896,508.69	1,115,451.68
				Various Payables	A-10	2,224,330.81	4,378,265.16
		33,787,034.95	33,681,847.44	Various Reserves	A-10	3,458,389.08	3,242,723.56
				Tax Overpayments	A-14	-	327,153.90
Receivables With Offsetting Reserves:							
Taxes Receivable	A- 7	1,425,603.82	1,769,496.38			14,061,769.43	16,149,796.72
Tax Title Liens	A- 7	646,530.20	621,161.51				
Property Acquired for Taxes (At Assessed Valuation)	A- 7	2,592,900.00	2,592,900.00	Reserve for Receivables	Reserve	4,712,028.62	5,050,293.98
Revenue Accounts Receivable	A- 8	46,994.60	66,736.09	Fund Balance	A- 1	19,725,265.52	17,832,050.72
Deferred Charges:							
Special Emergency	A-18	-	300,000.00				
		4,712,028.62	5,050,293.98				
Total Regular Fund		38,499,063.57	39,032,141.42	Total Regular Fund		38,499,063.57	39,032,141.42
State and Federal Grant Fund:				State and Federal Grant Fund:			
Cash and Investments - Treasurer	A-4	140,030.93	75,999.17	Reserve for State and Federal Grants:			
Grants Receivable	A-15	689,781.11	1,887,702.15	Appropriated	A-17	765,896.98	808,026.41
				Reserve for Encumbrances	A-17	63,915.06	224,674.91
				Interfunds Payable	A-16		931,000.00
Total State and Federal Grant Fund		829,812.04	1,963,701.32	Total State and Federal Grant Fund		829,812.04	1,963,701.32
Grand Total		\$ 39,328,875.61	\$ 40,995,842.74			\$ 39,328,875.61	\$ 40,995,842.74

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	<u>CY 2016</u>	<u>CY 2015</u>
Fund Balance Utilized	A-1, A-2	\$ 9,265,682.60	\$ 6,986,820.16
Miscellaneous Revenues Anticipated	A-2	12,481,445.64	10,295,259.86
Receipts from Delinquent Taxes	A-2	1,762,696.42	1,715,921.95
Non-Budget Revenue	A-2	1,867,973.56	1,804,051.66
Receipts from Current Taxes	A-7	166,796,415.36	164,418,522.85
Other Credits to Income:			
Prior Year Revenue	A-4	74,037.90	
Prior Year Senior Citizen Deduction Allowed	A-6	14,096.53	13,034.93
Unexpended Balances of Approp. Reserves	A-9	4,216,486.75	4,283,374.10
Accounts Payable Cancelled	A-10	3,698,576.62	
Overpayments Cancelled	A-14	469,107.84	
Interfunds:			
Interfunds Returned - Net	A-11	-	896,615.70
Total Revenues		<u>200,646,519.22</u>	<u>190,413,601.21</u>
<u>EXPENDITURES AND OTHER CHARGES</u>			
Budget Appropriations and Emergency Appropriations Within "CAP"			
Operations:			
Salaries and Wages	A-3	20,788,824.00	20,011,477.00
Other Expenses	A-3	18,402,293.39	17,747,964.28
Deferred Charges and Statutory Expend.	A-3	4,709,315.16	4,641,924.00
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages	A-3	1,088,325.35	798,624.00
Other Expenses	A-3	6,273,330.74	5,355,355.76
Capital Improvements	A-3	2,618,850.00	2,025,000.00
Municipal Debt Service	A-3	11,142,148.06	10,267,048.75
Deferred Charges and Statutory Expend.	A-3	1,936,022.74	300,000.00
Special District Taxes	A-13	3,823,380.00	3,749,329.00
County Tax	A-13	25,052,235.67	22,948,302.71
County Open Space Fund	A-13	2,076,120.55	1,868,950.71
Due County for Added Taxes	A-13	45,374.22	672,713.43
Local District School Taxes	A-13	90,934,806.00	88,504,363.00
Tax Overpayments			
Tax Appeals	A-7	548,441.60	1,041,089.13
Grant Canceled	A-12	44,487.84	
Refund Current Years Revenue	A-4	2,846.50	8,442.51
Refund Prior Years Revenue	A-4	820.00	255,142.29
Total Expenditures		<u>189,487,621.82</u>	<u>180,195,726.57</u>
Excess in Revenue		11,158,897.40	10,217,874.64
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Years		-	300,000.00
Statutory Excess to Fund Balance		11,158,897.40	10,517,874.64
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>17,832,050.72</u>	<u>14,300,996.24</u>
Decreased by:		28,990,948.12	24,818,870.88
Utilization as Anticipated Revenue	A-1	<u>9,265,682.60</u>	<u>6,986,820.16</u>
Balance - December 31	A	<u>\$ 19,725,265.52</u>	<u>\$ 17,832,050.72</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

EXHIBIT A-2

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	REF.	ANTICIPATED CY 2016 BUDGET	APPROP. N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 9,265,682.60	\$	\$ 9,265,682.60	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	52,000.00		56,126.00	4,126.00
Other	A-8	75,000.00		146,145.00	71,145.00
Fees and Permits	A-8	475,000.00		620,290.88	145,290.88
Fines and Costs:					
Municipal Court	A-8	900,000.00		697,701.80	(202,298.20)
Interest and Costs on Taxes	A-5	375,000.00		395,566.47	20,566.47
Interest on Investments and Deposits	A-8	45,000.00		193,721.32	148,721.32
Reserve for PCTV	A-10	14,000.00		14,000.00	-
Hotel and Motel Tax	A-8	300,000.00		443,828.91	143,828.91
Cable Franchise Fees	A-8	180,000.00		199,299.52	19,299.52
Library Fines and Fees	A-8	36,000.00		39,000.00	3,000.00
Consolidated Municipal Property Tax Relief Aid	A-8	387,172.00		387,172.00	-
Energy Receipts Taxes	A-8	5,471,407.00		5,471,407.00	-
Dedicated Uniform Construction Code Fees offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17):	A-8	750,000.00		1,039,255.18	289,255.18
Uniform Fire Safety Act	A-8	55,000.00		80,155.78	25,155.78
Interlocal Services: Shared Services with Dunellen	A-8	48,000.00		51,000.00	3,000.00
Capital Surplus Fund	A-8	1,200,000.00		1,200,000.00	-
Reserve for Debt Service - Capital Fund	A-8	49,485.78		49,485.78	-
Public and Private Revenues Offset with Approps.:					
Alcohol Education Rehabilitation Fund	A-12		2,235.96	2,235.96	-
Body Armor Fund	A-12		7,397.08	7,397.08	-
Clean Communities Program	A-12	-	115,634.89	115,634.89	-
Community Development Block Grant	A-12		220,487.00	220,487.00	-
COPS in Shop Grant	A-12	2,800.00		2,800.00	-
Federal Emergency Management Grant	A-12		9,400.00	9,400.00	-
Friends of The Library	A-12		36,974.80	36,974.80	-
Middlesex County Cultural and Heritage Library	A-12		1,000.00	1,000.00	-
Multi-Jurisdictional Gang, Gun & Narcotics Task Force	A-12	6,000.00	12,000.00	18,000.00	-
Municipal Alliance on Alcoholism and Drug Abuse	A-12		39,620.00	39,620.00	-
Recycling Tonnage Grant	A-12	48,740.27		48,740.27	-
Safe and Secure Communities Program	A-12	60,000.00	60,000.00	120,000.00	-
NJDOT Grant: School Street	A-12	400,000.00	375,000.00	775,000.00	-
Total Miscellaneous Revenues	A-1	10,930,605.05	879,749.73	12,481,445.64	671,090.86
Receipts from Delinquent Taxes	A-1,A-7	1,500,000.00		1,762,696.42	262,696.42
Subtotal General Revenues		21,696,287.65	879,749.73	23,509,824.66	933,787.28
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-7	44,200,000.00		44,681,426.86	481,426.86
Minimum Library Tax	A-7	2,269,506.00		2,269,506.00	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	A-2	46,469,506.00	-	46,950,932.86	481,426.86
Budget Totals		68,165,793.65	879,749.73	70,460,757.52	\$ 1,415,214.14
Non-Budget Revenues	A-1,A-8			1,867,973.56	
		\$ 68,165,793.65	\$ 879,749.73	\$ 72,328,731.08	
	Ref.	A-3	A-3		

() Denotes Deficit

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	CY 2016 BUDGET	\$	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
					ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"							
<u>General Government:</u>							
Township Council							
Salaries and Wages	77,000.00	\$	77,000.00	\$ 71,272.20	\$	5,727.80	
Other Expenses	21,700.00		23,700.00	22,501.54	362.50	835.96	
Township Clerk							
Salaries and Wages	220,375.00		220,375.00	217,740.06	-	2,634.94	
Other Expenses	49,869.00		59,869.00	30,781.16	10,769.81	18,318.03	
Elections							
Salaries and Wages	25,000.00		1,150.00	1,150.00	-	-	
Other Expenses	30,300.00		300.00	-	-	300.00	
<u>Administration:</u>							
Dept. of Administration							
Salaries and Wages	435,669.00		400,669.00	375,583.74	-	25,085.26	
Other Expenses	143,155.00		113,155.00	53,426.72	2,585.36	57,142.92	
Division of Personnel							
Salaries and Wages	116,000.00		116,000.00	115,864.84	-	135.16	
Other Expenses	14,620.00		14,620.00	9,797.77	3,555.00	1,267.23	
Computer Center							
Salaries and Wages	76,000.00		76,000.00	75,929.24	-	70.76	
Other Expenses	305,500.00		105,500.00	95,857.55	4,239.29	5,403.16	
Division of Purchasing							
Salaries and Wages	42,900.00		48,900.00	48,876.84	-	23.16	
Other Expenses:	54,850.00		54,850.00	28,397.62	12,599.89	13,852.49	
Postage (All Depts.)	70,000.00		70,000.00	51,835.89	16,980.62	1,183.49	
Duplicating (All Depts.)	10,000.00		10,000.00	3,099.96	-	6,900.04	
Municipal Land Use (N.J.S.A. 40:55 D-1):							
Planning Board							
Salaries and Wages	12,000.00		12,000.00	7,064.04	-	4,935.96	
Other Expenses	61,707.00		61,707.00	28,867.24	4,560.60	28,279.16	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	CY 2016 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
<u>Administration (cont'd):</u>						
Zoning Board of Adjustment						
Salaries and Wages	\$ 12,000.00	\$ 12,000.00	\$ 7,063.08	\$ -	\$ 4,936.92	
Other Expenses	67,200.00	67,200.00	39,523.09	6,114.91	21,562.00	
Cable TV Studio						
Salaries and Wages	203,549.00	203,549.00	198,998.22	-	4,550.78	
Other Expenses	10,385.00	10,385.00	9,769.35	84.42	531.23	
Celebration of Public Events						
Other Expenses	20,000.00	8,000.00	4,000.00	4,000.00	-	
<u>Finance and Revenue</u>						
Department of Finance						
Salaries and Wages	366,656.00	366,656.00	345,651.37	-	21,004.63	
Other Expenses	83,750.00	83,750.00	58,351.75	7,543.29	17,854.96	
Annual Audit	70,000.00	70,000.00	-	58,450.00	11,550.00	
Division of Assessment						
Salaries and Wages	213,375.00	213,375.00	206,845.21	-	6,529.79	
Other Expenses	252,625.00	302,625.00	199,114.46	83,177.94	20,332.60	
Division of Revenue						
Salaries and Wages	153,875.00	123,875.00	106,244.67	-	17,630.33	
Other Expenses	54,300.00	54,300.00	22,899.15	2,409.36	28,991.49	
Insurance						
Liability Insurance	1,576,538.00	1,556,538.00	1,251,453.21	130,543.89	174,540.90	
Worker's Compensation Insurance	5,000.00	-	-	-	-	
Health Insurance Waiver	120,000.00	120,000.00	90,929.00	900.00	28,171.00	
Employee Group Insurance	7,847,533.26	7,847,533.26	7,165,015.56	682,517.70	0.00	
<u>Municipal Court</u>						
Salaries and Wages	466,315.00	416,315.00	354,532.59	-	61,782.41	
Other Expenses	31,400.00	31,400.00	15,592.03	115.50	15,692.47	
Public Defender (P.L. 1997, Ch. 256)						
Other Expenses	27,148.00	27,148.00	27,148.00	-	-	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	CY 2016 BUDGET	\$	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	UNEXPENDED BALANCE
					ENCUMBERED	RESERVED CANCELLED
<u>Law</u>						
Department of Law						
Other Expenses						
Municipal Prosecutor						
Other Expenses	480,000.00	\$	620,000.00	\$ 303,067.03	\$ 74,530.52	\$ 242,402.45
	75,000.00		75,000.00	68,024.89	4,975.11	2,000.00
<u>PUBLIC SAFETY:</u>						
Uniform Fire Safety Act (P.L. 1983 C. 383)						
Salaries and Wages	258,175.00		258,175.00	255,184.75	-	2,990.25
Other Expenses	15,414.00		15,414.00	10,523.83	2,984.80	1,905.37
Animal Control						
Salaries and Wages	20,000.00		4,000.00	1,198.61	-	2,801.39
Other Expenses	19,650.00		19,650.00	7,433.00	7,194.88	5,022.12
Division of Schools Crossing Guards						
Salaries and Wages	330,000.00		330,000.00	252,637.37	-	77,362.63
Other Expenses	1,489.00		1,489.00	407.00	1,050.00	32.00
Division of Police						
Salaries and Wages	12,266,408.00		12,041,408.00	11,159,973.96	-	881,434.04
Other Expenses	424,510.00		424,510.00	320,049.82	32,636.91	71,823.27
First Aid Organization - Contribution	94,800.00		94,800.00	56,458.00	34,429.00	3,913.00
Office of Emergency Management						
Salaries and Wages	40,000.00		40,000.00	24,094.74	-	15,905.26
Other Expenses	15,050.00		15,050.00	1,211.70	-	13,838.30
<u>PUBLIC WORKS:</u>						
Department of Public Works						
Salaries and Wages	331,150.00		331,150.00	258,568.97	-	72,581.03
Other Expenses	44,950.00		49,950.00	38,456.04	7,063.36	4,430.60
Division of Engineering						
Salaries and Wages	527,712.00		527,712.00	428,851.99	-	98,860.01
Other Expenses	52,386.00		52,386.00	16,586.87	6,443.39	29,355.74

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	CY 2016 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
PUBLIC WORKS(CONTD):						
Division of Community Development and Planning						
Salaries and Wages	\$ 307,125.00	\$ 307,125.00	\$ 296,806.75	\$ -	\$ 10,318.25	
Other Expenses	39,910.00	39,910.00	9,137.80	27,570.12	3,202.08	
Zoning Enforcement						
Salaries and Wages	135,375.00	135,375.00	132,276.64	-	3,098.36	
Other Expenses	56,000.00	56,000.00	1,823.72	584.20	53,592.08	
Public Building and Grounds						
Salaries and Wages	182,266.00	182,266.00	165,569.79	-	16,696.21	
Other Expenses	367,500.00	347,500.00	182,455.53	95,594.16	69,450.31	
Division of Property Maintenance TRAFFIC						
Salaries and Wages	187,306.00	187,306.00	126,808.71	-	60,497.29	
Other Expenses	93,600.00	93,600.00	34,829.45	6,608.35	52,162.20	
Division of Property Maintenance FLEET						
Salaries and Wages	456,532.00	456,532.00	351,968.30	-	104,563.70	
Other Expenses	395,100.00	395,100.00	263,210.63	114,691.02	17,198.35	
Division of Streets and Road Maintenance						
Salaries and Wages	1,019,330.00	1,019,330.00	885,025.55	-	134,304.45	
Other Expenses	54,500.00	54,500.00	26,796.79	15,423.26	12,279.95	
Snow Removal						
Salaries and Wages	250,000.00	250,000.00	250,000.00	-	-	
Other Expenses	200,000.00	200,000.00	153,964.50	41,535.50	4,500.00	
All Utilities	1,968,862.13	1,968,862.13	934,210.71	313,458.96	721,192.46	
Division of Parks						
Salaries and Wages	657,064.00	657,064.00	529,932.93	-	127,131.07	
Other Expenses	292,000.00	292,000.00	217,031.80	40,281.57	34,686.63	
Division of Sanitation - Sewer System						
Shade Tree						
Other Expenses	1,350.00	1,350.00	430.49	-	919.51	
Other Expenses	32,500.00	32,500.00	-	-	32,500.00	
Solid Waste Collection						
Salaries and Wages	644,798.00	644,798.00	466,813.04	-	177,984.96	
Other Expenses	5,100.00	10,100.00	4,088.50	69.25	5,942.25	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	CY 2016 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED
Uniform Construction Code					
Division of Inspections					
Salaries and Wages	\$ 587,250.00	\$ 587,250.00	\$ 533,485.67	\$ -	\$ 53,764.33
Other Expenses	19,875.00	19,875.00	13,645.08	1,814.99	4,414.93
Boards and Commissions					
Salaries and Wages	6,000.00	6,000.00	5,619.34	-	380.66
Other Expenses	44,530.00	44,530.00	23,362.78	2,210.00	18,957.22
Total Operations Within "CAPS"	39,684,967.39	39,191,117.39	33,074,486.64	1,910,084.06	4,206,546.69
Contingent					
Total Operations Including Contingent Within "CAPS"	39,684,967.39	39,191,117.39	33,074,486.64	1,910,084.06	4,206,546.69
DETAIL:					
Salaries and Wages	21,162,674.00	20,788,824.00	18,734,447.22	-	2,054,376.78
Other Expenses (Including Contingent)	18,522,293.39	18,402,293.39	14,340,039.42	1,910,084.06	2,152,169.91
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	1,120,000.00	870,000.00	724,951.84	-	145,048.16
Public Employees Retirement System	1,126,691.16	1,126,691.16	1,126,691.16	-	-
Police and Firemen's Pension Fund	2,623,624.00	2,623,624.00	2,623,624.00	-	-
State Unemployment Insurance	75,000.00	75,000.00	75,000.00	-	-
Defined Contribution Retirement Program	14,000.00	14,000.00	12,076.18	-	1,923.82
Total Deferred Charges and Statutory Expenditures	4,959,315.16	4,709,315.16	4,562,343.18	-	146,971.98
Municipal Within "CAPS"					
Judgments					
Total General Appropriations for Municipal Purposes Within "CAPS"	44,644,282.55	43,900,432.55	37,636,829.82	1,910,084.06	4,353,518.67

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	CY 2016 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
OPERATIONS EXCLUDED FROM "CAPS"						
911 Emergency Telecommunication Services	\$ 977,000.00	\$ 977,000.00	\$ 827,248.37	\$ -	\$ 149,751.63	
Salaries and Wages	512,576.00	537,576.00	497,731.14	9,507.67	30,337.19	
Other Expenses	2,622,860.31	2,622,860.31	2,506,719.00	111,479.65	4,661.66	
Maintenance of Free Public Library (NJSA 40:54-8)						
NJDES - Storm Water						
Other Expenses	59,000.00	59,000.00	45,767.22	12,992.78	240.00	
Supplemental Fire Services District Payment	18,425.00	18,425.00	18,425.00	-	-	
MCIA Recycling Program	600,000.00	600,000.00	454,925.47	97,074.53	48,000.00	
MCUA Solid Waste Agreement	400,000.00	400,000.00	145,577.00	46,423.00	208,000.00	
Edison Animal Control Contract	60,000.00	60,000.00	49,936.41	10,063.59	(0.00)	
UMDNJ Agreements	27,500.00	27,500.00	8,426.52	-	19,073.48	
Middlesex County Health Department	410,000.00	410,000.00	405,912.06	-	4,087.94	
Declared State of Emergency Cost of Snow Removal						
Salaries and Wages	111,325.35	111,325.35	111,325.35	-	-	
Other Expenses	90,679.43	90,679.43	90,679.43	-	-	

PUBLIC AND PRIVATE PROGRAMS
OFFSET BY REVENUES (Cont'd.)

Alcohol Education Rehab Program	2,235.96	2,235.96	2,235.96	-	-	
Bullet Proof Vest Grant	7,397.08	7,397.08	7,397.08	-	-	
Clean Communities Grant	115,634.89	115,634.89	115,634.89	-	-	
Cops In shop	2,800.00	2,800.00	2,800.00	-	-	
Community Development Block Grant-	220,487.00	220,487.00	220,487.00	-	-	
Federal Emergency Management: OEM	9,400.00	9,400.00	9,400.00	-	-	
Friends of Public Library	36,974.80	36,974.80	36,974.80	-	-	
Municipal Alliance on Alcoholism and Drug Abuse Grant	39,620.00	39,620.00	39,620.00	-	-	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	CY 2016 BUDGET	\$	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
					ENCUMBERED	RESERVED	
PUBLIC AND PRIVATE PROGRAMS							
OFFSET BY REVENUES (Cont'd.)							
Middlesex County Cultural & Heritage							
Multi-Jurisdictional Gang, Gun & Narcotic							
Task Force Program	6,000.00		18,000.00	18,000.00			
Recycling Tonnage Grant	48,740.27		48,740.27	48,740.27			
Safe and Secure Communities Program	60,000.00		120,000.00	120,000.00			
NJDOT-School Street	400,000.00		775,000.00	775,000.00			
Matching Funds	50,000.00		50,000.00	14,605.00		35,395.00	
Total Operations Excluded from "CAPS"	6,456,906.36		7,361,656.09	6,574,567.97	287,541.22	499,546.90	-
DETAIL:							
Salaries and Wages	1,088,325.35		1,088,325.35	938,573.72	-	149,751.63	-
Other Expenses	5,368,581.01		6,273,330.74	5,635,994.25	287,541.22	349,795.27	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"							
Down Payment on Improvements	1,500,000.00		2,050,887.60	2,050,887.60	-	-	-
4-Wheel Vehicles for Code Enforcement	150,000.00		136,112.40	136,112.40	-	-	-
Land Acquisition	250,000.00		431,850.00	-	-	431,850.00	-
Total Capital Improvements Excl. from "CAPS"	1,900,000.00		2,618,850.00	2,187,000.00	-	431,850.00	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"							
Payment of Bond Principal	9,540,000.00		9,540,000.00	9,540,000.00	-	-	-
Interest on Bonds	1,602,148.06		1,602,148.06	1,602,148.06	-	-	-
Total Municipal Debt Service - Excl. from "CAPS"	11,142,148.06		11,142,148.06	11,142,148.06	-	-	-

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	CY 2016 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
\$	1,039,000.00	\$ 1,039,000.00	\$ 1,039,000.00	-	\$ -	-
	139,522.74	139,522.74	139,522.74	-	-	-
	257,500.00	257,500.00	257,500.00	-	-	-
	40,000.00	40,000.00	40,000.00	-	-	-
	160,000.00	160,000.00	160,000.00	-	-	-
	300,000.00	300,000.00	300,000.00	-	-	-
	1,936,022.74	1,936,022.74	1,936,022.74	-	-	-
	21,435,077.16	23,058,676.89	21,839,738.77	287,541.22	931,396.90	-
	66,079,359.71	66,959,109.44	59,476,568.59	2,197,625.28	5,284,915.57	-
	2,086,433.94	2,086,433.94	2,086,433.94	-	-	-

DEFERRED CHARGES - MUNICIPAL
EXCLUDED FROM "CAPS"

Deferred Charges

Unfunded Ordinance 06-36
Unfunded Ordinance 07-33
Unfunded Ordinance 12-02
Unfunded Ordinance 12-28
Unfunded Ordinance 06-48
Emergency Authorizations - 5 yrs

Total Deferred Charges - Municipal
Excluded from "CAPS"

Total General Appropriations for Municipal
Purposes Excluded from "CAPS"

Subtotal General Appropriations

Reserve for Uncollected Taxes

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	CY 2016 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	UNEXPENDED BALANCE
				ENCUMBERED	RESERVED CANCELLED
Total General Appropriations	\$ 68,165,793.65	\$ 69,045,543.38	\$ 61,563,002.53	\$ 2,197,625.28	\$ 5,284,915.57
			A-1	A,A-1	A-1
REF.					
Adopted Budget	\$ 68,165,793.65				
Approp. by N.J.S.A. 40A:4-87		879,749.73			
	\$	\$ 69,045,543.38			
Disbursed					
Reserve for Uncollected Taxes			\$ 55,512,575.08		
Reserve for Tax Appeals			2,086,433.94		
Emergency Authorization: Real Property Valua.			1,800,000.00		
Appropriation Reserve			300,000.00		
Due To Trust Fund: Snow			10,493.90		
Due To Trust Fund: Dare			413,605.45		
Due to Trust Fund: Public Defender			851.16		
Due to State and Federal Grants Fund			27,148.00		
			1,411,895.00		
			\$ 61,563,002.53		

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

ASSETS	REF.	BALANCE DEC. 31, 2016	BALANCE DEC. 31, 2015	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC. 31, 2016	BALANCE DEC. 31, 2015
Animal Control Fund:							
Cash and Investments - Treasurer	B-1	\$		Animal Control Fund:	B-1	\$	
Due from State of New Jersey	B-1	74,189.67	54,941.87	Due to State of New Jersey	B-1	187.80	-
			48.60	Reserve for Animal Control Expenditures		74,001.87	54,990.47
Total Animal Control Fund		74,189.67	54,990.47	Total Animal Control Fund		74,189.67	54,990.47
Other Trust Funds:				Other Trust Funds:			
Cash and Investments - Treasurer	B-1	18,521,273.66	15,675,013.89	Payroll Liabilities	B-1	141,820.90	124,110.61
				Unemployment Insurance Trust Fund	B-1	497,897.95	489,474.88
				Miscellaneous Deposits	B-1	8,638,179.16	8,668,453.52
				Affordable Housing	B-1	1,280,491.95	690,672.67
				Recreation Trust	B-1	58,665.99	56,127.99
				Schedule of Escrows	B-2	7,904,217.71	5,646,174.22
Total Other Trust Fund		18,521,273.66	15,675,013.89	Total Other Trust Fund		18,521,273.66	15,675,013.89
Public Assistance Fund:				Public Assistance Fund:			
Cash and Investments - Treasurer	B-1	12,411.35	10,411.35	Reserve for Public Assistance	B-1	12,411.35	10,411.35
Total Public Assistance Fund		12,411.35	10,411.35	Total Public Assistance Fund		12,411.35	10,411.35
Grand Total		\$ 18,607,874.68	\$ 15,740,415.71			\$ 18,607,874.68	\$ 15,740,415.71

Note: See Notes to Financial Statements.

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>
<u>ASSETS</u>			
Cash, Cash Equivalents and Investments	C- 2	\$ 3,678,549.35	\$ 1,597,000.27
Federal and State Grants Receivable	C- 8	375,000.00	-
Due from Grant Fund	C- 10	-	931,000.00
Deferred Charges to Future Taxation:			
Funded	C- 4	44,763,000.00	49,103,000.00
Unfunded	C- 5	<u>45,540,057.00</u>	<u>46,920,079.74</u>
Total Assets		<u>\$ 94,356,606.35</u>	<u>\$ 98,551,080.01</u>
<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
General Serial Bonds	C-9	\$ 44,763,000.00	\$ 49,103,000.00
Improvement Authorizations:			
Funded	C- 8	3,721,221.89	3,866,760.45
Unfunded	C- 8	30,964,418.72	34,029,875.18
Reserve for Encumbrances	C- 8	6,614,855.67	3,552,286.18
Capital Improvement Fund	C- 6	1,403,386.90	501,499.30
Contributions - Off-Site Improvements	C- 7	2,009,570.15	1,737,960.49
Reserve for Preliminary Expenses	C-11	475,251.49	1,055,935.10
Reserve for Debt Service	C-15		49,485.78
Contributions - Tree Contributions	C-12	6,000.00	6,000.00
Reserve: Stelton Streetscape	C-13	20,250.00	20,250.00
Reserve: Community Center	C-14	3,684,893.00	2,995,000.00
Reserve: Good Faith Deposit	C-16		196,000.00
Fund Balance	C- 1	<u>693,758.53</u>	<u>1,437,027.53</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 94,356,606.35</u>	<u>\$ 98,551,080.01</u>
Bonds & Notes Authorized but not Issued	C-17	<u>\$ 45,540,057.00</u>	<u>\$ 46,920,079.74</u>
Note: See Notes to Financial Statements			

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE PERIOD ENDED DECEMBER 31, 2016

	<u>REF.</u>	
Balance - December 31, 2015	C	\$ 1,437,027.53
Increased by:		
Premium on Sale of Serial Bonds	C-2	<u>456,731.00</u>
		1,893,758.53
Decreased by:		
Current Fund Budget Appropriation	C-2	<u>1,200,000.00</u>
Balance - December 31, 2016	C	<u><u>\$ 693,758.53</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>	<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>
Operating Fund:							
Cash and Investments - Treasurer	D- 5	\$ 5,805,547.76	\$ 6,478,379.91	Operating Fund:			
Change Fund - Collector	D	100.00	100.00	Appropriation Reserves	D-4, D-11\$	1,769,263.80	\$ 1,343,585.12
				Reserve for Encumbrances	D-4, D-11	453,107.46	1,500,292.20
				Accrued Interest Payable	D-12	27,734.90	30,554.69
				Prepaid Sewer Charges	D-13	12,144.00	22,468.70
				Sewer Overpayments	D-14	-	8,667.25
				Accounts Payable	D-15	572,378.15	121,788.53
Receivables and Inventory With							
Offsetting Reserves:							
Sewer Lien Receivable	D- 8		1,431.26				
Sewer Charges Receivable	D- 8	1,077,378.75	1,473,686.70			2,834,628.31	3,027,356.49
				Reserve for Receivables	Reserve	1,077,378.75	1,475,117.96
				Fund Balance	D-1	2,971,019.45	3,451,123.42
Total Operating Fund		6,883,026.51	7,953,597.87	Total Operating Fund		6,883,026.51	7,953,597.87
Capital Fund:							
Cash and Investments - Treasurer	D- 5	5,288,633.87	2,065,358.29	Serial Bonds Payable	D-24	2,805,000.00	3,060,000.00
Fixed Capital	D- 9	14,992,561.49	14,992,561.49	Reserve for Encumbrances	D-16	1,507,868.56	256,171.22
Fixed Capital Authorized and Uncompleted	D-10	12,325,000.00	12,045,000.00	Improvement Authorizations:			
				Funded	D-16	3,780,075.34	3,771,864.31
				Unfunded	D-16		1,126,632.76
				Capital Improvement Fund	D-19		153,750.00
				Reserve for Amortization	D-20	19,009,061.49	16,909,061.52
				Deferred Reserve for Amortization	D-17	5,503,500.00	3,723,500.00
				Fund Balance	D- 2	689.97	101,939.97
Total Capital Fund		32,606,195.36	29,102,919.78	Total Capital Fund		32,606,195.36	29,102,919.78
Grand Total		\$ 39,489,221.87	\$ 37,056,517.65	Grand Total		\$ 39,489,221.87	\$ 37,056,517.65

There were Bonds and Notes Authorized but Not Issued on December 31, 2016 and 2015 in the amount of \$0.00 and \$1,844,999.97 (Exhibit D-24).

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D-1

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE CALENDAR YEARS ENDED DECEMBER 31, 2016 AND 2015

<u>REVENUE AND OTHER INCOME</u>		<u>CY 2016</u>	<u>CY 2015</u>
Fund Balance Utilized	D-1,D- 3 \$	2,992,709.84 \$	1,757,926.84
Sewer Charges	D- 3	11,088,940.77	9,380,225.82
Connection Fees	D- 3	416,940.00	36,180.00
Interest on Investments	D- 3	3,317.58	2,493.49
Interest on Delinquent Accounts	D- 3	136,455.55	68,531.19
Other Credits to Income:			
Miscellaneous Revenue	D- 3	99,793.88	685,779.74
Unexpended Balance of Appropriation Reserves			
Lapsed and Reserve for Encumb. Canceled	D-11	1,721,063.27	920,724.01
Total Revenues		16,459,220.89	12,851,861.09
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D- 4 \$	9,096,750.00 \$	9,203,350.00
Capital Improvements	D- 4	825,000.00	1,525,000.00
Debt Service	D- 4	372,580.21	346,578.13
Deferred Charges and Statutory Expend.	D- 4	2,149,284.81	776,451.84
Capital Ordinance Funded	D- 5	1,500,000.00	
Refund of Revenue	D- 5	3,000.00	-
Total Expenditures		13,946,615.02	11,851,379.97
Excess/(Deficit) in Revenues		2,512,605.87	1,000,481.12
<u>FUND BALANCE</u>			
Balance - January 1	D	3,451,123.42	4,208,569.14
		5,963,729.29	5,209,050.26
Decreased by:			
Utilized as Anticipated Revenue	D-1	2,992,709.84	1,757,926.84
Balance - December 31	D \$	2,971,019.45 \$	3,451,123.42

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit D-2

SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	<u>REF</u>	
Balance December 31, 2015	D	\$ 101,939.97
Decreased by:		
Improvement Authorizations	D-15	<u>101,250.00</u>
Balance December 31, 2016	D	<u><u>\$ 689.97</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	<u>REF.</u>	<u>CY 2016 BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	D- 1	\$ 2,992,709.84	\$ 2,992,709.84	\$ -
Sewer Service Charges	D- 1,D-3	9,380,000.00	11,088,940.77	1,708,940.77
Sewer Connection Fees & Permits	D- 1,D-3	35,000.00	416,940.00	381,940.00
Interest on Investments	D- 1,D-3	1,000.00	3,317.58	
Miscellaneous	D- 1,D-3		99,793.88	99,793.88
Interest on Delinquencies	D- 1,D-3	<u>40,000.00</u>	<u>136,455.55</u>	<u>96,455.55</u>
Total		\$ <u>12,448,709.84</u>	\$ <u>14,738,157.62</u>	\$ <u>2,287,130.20</u>

Ref. D-4

Analysis of Realized Revenues:

Sewer Service Charges:

Prepays Applied	D-13	\$ 22,468.70
Overpayments Applied	D-15	7,168.34
Collected	D- 8	<u>11,059,303.73</u>
	D- 3	\$ <u>11,088,940.77</u>

Connection Fees:

Received by Collector		\$ <u>416,940.00</u>
	D-3,D-6	\$ <u>416,940.00</u>

Interest on Delinquent Accounts:

Collected		\$ <u>136,455.55</u>
	D-3,D-6	\$ <u>136,455.55</u>

Interest on Investments:

Collected	D-5	\$ <u>3,317.58</u>
	D-3	\$ <u>3,317.58</u>

Miscellaneous Revenue:

Received by Collector	D-6	\$ 60.00
Collected	D-5	<u>99,733.88</u>
	D-3	\$ <u>99,793.88</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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

	CY 2016 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED		
Operating:						
Salaries and Wages	\$ 1,580,000.00	\$ 1,580,000.00	\$ 1,226,604.40	\$	\$ 353,395.60	\$
Other Expenses	1,716,750.00	1,716,750.00	1,032,586.50	97,471.71	586,691.79	
Middlesex County Utilities Authority						
Service Charges - Contractual	5,800,000.00	5,800,000.00	5,291,425.44	355,635.75	152,938.81	
Capital Improvements:						
Down Payments on Improvements	25,000.00	25,000.00	25,000.00		-	
Capital Outlay	800,000.00	800,000.00	123,762.40		676,237.60	
Debt Service:						
Payment on Bond Principle	255,000.00	255,000.00	255,000.00			-
Interest on Bonds	122,675.00	122,675.00	117,580.21			5,094.79
Deferred Charges and Statutory Expenditures:						
Public Employees' Retirement System	183,414.84	183,414.84	183,414.84		-	
Social Security System (O.A.S.I.)	120,870.00	120,870.00	120,870.00		-	
Unfunded Bond Ordinances	1,845,000.00	1,845,000.00	1,844,999.97		-	0.03
Total Sewer Utility Appropriations	\$ 12,448,709.84	\$ 12,448,709.84	\$ 10,221,243.76	\$ 453,107.46	\$ 1,769,263.80	\$ 5,094.82
Ref	D-3	D-3	D-1	D,D-1	D,D-1	
Cash Disbursements						
Due to Sewer Capital			\$ 8,233,663.58			
Accrued Interest			1,869,999.97			
			117,580.21			
			\$ 10,221,243.76			

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - E

SENIOR CITIZENS HOUSING UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

ASSETS	REF.	BALANCE DEC.31, 2016	BALANCE DEC.31, 2015	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC.31, 2016	BALANCE DEC.31, 2015
Operating Fund:							
Cash and Investments - Treasurer	E- 5	\$ 1,247,933.80	\$ 1,260,255.89	Operating Fund:			
				Appropriation Reserves	E-4, E-7	\$ 355,462.95	\$ 320,181.52
				Reserve for Encumbrances	E-4, E-7	133,746.55	160,553.58
		1,247,933.80	1,260,255.89	Accounts Payable	E- 7	26,626.63	5,709.66
				Accrued Interest on Bonds	E- 8	43,875.00	48,322.92
				Security Deposits	E- 9	128,410.58	128,746.93
				Fund Balance	E- 1	688,121.71	663,514.61
						559,812.09	596,741.28
Total Operating Fund		1,247,933.80	1,260,255.89	Total Operating Fund		1,247,933.80	1,260,255.89
Capital Fund:				Capital Fund:			
Cash and Investments - Treasurer	E- 5	628,765.82	598,803.22	Serial Bonds Payable	E-12	1,700,000.00	1,935,000.00
Fixed Capital	E-15	10,351,052.26	10,351,052.26	Improvement Authorizations:			
Fixed Capital Authorized and Uncompleted	E-16	2,283,000.00	2,283,000.00	Funded	E-11	312,521.73	210,981.68
				Reserve for:			
				Encumbrances	E-11	30.60	101,608.05
				Capital Improvement Fund	E-13	244,035.75	214,035.75
				Amortization	E-10	10,051,052.26	9,816,052.26
				Deferred Amortization	E-14	883,000.00	883,000.00
				Fund Balance	E- 2	72,177.74	72,177.74
Total Capital Fund		13,262,818.08	13,232,855.48	Total Capital Fund		13,262,818.08	13,232,855.48
		\$ 14,510,751.88	\$ 14,493,111.37			\$ 14,510,751.88	\$ 14,493,111.37

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit E-1

SENIOR CITIZEN HOUSING UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

<u>REVENUE AND OTHER INCOME</u>		<u>CY 2016</u>	<u>CY 2015</u>
Fund Balance Utilized	E- 3	\$ 347,323.00	319,181.00
Rental Income	E- 3	1,504,017.99	1,516,205.99
Interest on Investments	E- 3	1,204.09	372.99
Other Credits to Income:			
Non-Budget Revenue	E- 3	11,376.53	10,508.06
Unexpend. Balance of Appropriation			
Reserves Lapsed	E- 7	<u>299,350.66</u>	<u>229,380.26</u>
Total Revenues		<u>2,163,272.27</u>	<u>2,075,648.30</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	E- 4	\$ 1,288,700.00	1,237,000.00
Capital Improvements	E- 4	260,000.00	260,000.00
Debt Service	E- 4	299,302.08	312,683.35
Deferred Charges and Statutory Expend.	E- 4	4,873.00	5,271.00
Refund of Prior Year Revenue	E- 5	<u>3.38</u>	<u>1,673.00</u>
Total Expenditures		<u>1,852,878.46</u>	<u>1,816,627.35</u>
Excess/(Deficit) in Revenues		310,393.81	259,020.95
Statutory Excess to Fund Balance		310,393.81	259,020.95
<u>FUND BALANCE</u>			
Balance - January 1	E	<u>596,741.28</u>	<u>656,901.33</u>
		907,135.09	915,922.28
Decreased by:			
Utilized as Anticipated Revenue	E- 1	<u>347,323.00</u>	<u>319,181.00</u>
Balance - December 31	E	<u><u>\$ 559,812.09</u></u>	<u><u>596,741.28</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>REF.</u>	
Balance - December 31, 2015	E	\$ 72,177.74
Balance - December 31, 2016	E	<u>\$ 72,177.74</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>REF.</u>	<u>CY 2016 BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	E-1	\$ 347,323.00	\$ 347,323.00	\$
Rental Income	E-1,E-3	1,510,000.00	1,504,017.99	(5,982.01)
Interest on Investments	E-1,E-3		1,204.09	1,204.09
		<u>1,857,323.00</u>	<u>1,852,545.08</u>	<u>(4,777.92)</u>
Non-Budget Revenues	E-1,E-3		11,376.53	11,376.53
		<u>\$ 1,857,323.00</u>	<u>\$ 1,863,921.61</u>	<u>\$ 6,598.61</u>
	<u>Ref.</u>	E-4		

Analysis of Realized Revenues:

Analysis of Rental Income:

Rental Income		\$ 1,485,937.99
Surcharge for Utilities:		
Aircondition Surcharge		<u>18,080.00</u>
	E-3,E-5	<u>\$ 1,504,017.99</u>

Analysis of Non-Budget Revenues:

Laundromat Income		\$ 8,813.65
Miscellaneous		1,917.88
Deposit Withheld		
Late Fees		570.00
Replacement Key		50.00
Return Check Fees		<u>25.00</u>
	E-3,E-5	<u>\$ 11,376.53</u>

Analysis of Interest on Investments:

Senior Citizen Capital Fund	E-17	\$ 1,202.52
Senior Citizen Operating Fund	E-5	<u>1.57</u>
	E-3	<u>\$ 1,204.09</u>

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	CY 2016 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
Operating:						
Salaries and Wages	\$ 63,700.00	\$ 63,700.00	\$ 50,889.48	\$ 12,810.52	\$	
Other Expenses	1,225,000.00	1,225,000.00	971,398.52	120,521.55	133,079.93	
Debt Service:						
Payment on Bond Principle	235,000.00	235,000.00	235,000.00	-	-	
Interest on Bonds	68,750.00	68,750.00	64,302.08	-	-	4,447.92
Deferred Charges and Statutory Expenditures:						
Emergency Authorizations		-		-	-	
Statutory Expenditures:						
Social Security System (O.A.S.I.)	4,873.00	4,873.00	4,873.00	-	-	
Capital Improvements:						
Capital Improvement Fund	230,000.00	230,000.00	7,202.50	13,225.00	209,572.50	
Down Payments on Improvements	30,000.00	30,000.00	30,000.00	-	-	
Total Senior Citizen Housing Appropriations	\$ 1,857,323.00	\$ 1,857,323.00	\$ 1,363,665.58	\$ 133,746.55	\$ 355,462.95	\$ 4,447.92
Ref.	E- 3	E- 3	E-1	E,E-1	E,E-1	
Cash Disbursements			\$ 1,130,613.50			
Due to Current Fund -			168,750.00			
Accrued Interest on Bonds			64,302.08			
			\$ 1,363,665.58			

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - F

STATEMENT OF GOVERNMENTAL FIXED ASSETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	<u>BALANCE</u> <u>DEC. 31, 2016</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>
Governmental Fixed Assets:		
Land	\$ 26,221,400.00	\$ 26,221,400.00
Buildings and Improvements	17,110,200.00	17,110,200.00
Machinery and Equipments	<u>22,676,121.00</u>	<u>21,868,521.00</u>
Total Governmental Fixed Assets	<u>\$ 66,007,721.00</u>	<u>\$ 65,200,121.00</u>
Investments in Governmental Fixed Assets	<u>\$ 66,007,721.00</u>	<u>\$ 65,200,121.00</u>

Notes: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Note 1: FORM OF GOVERNMENT

The Township is managed under a Mayor-Council form of government authorized under Plan F of the "Faulkner Act of 1950". This form of government adopted in 1967 by Township voters provides for the direct election of the Mayor and seven Council members for four-year terms. This form of government provides for the administrative function of government under the Mayor, supported by a Business Administrator and various department heads and for the legislative function under the Township Council.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Piscataway include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Piscataway, as required by the provisions of N.J.S.A. 40A: 5-5. Accordingly, the financial statements of the Township of Piscataway do not include the operations of the municipal library, first aid organizations, fire districts or local school district.

B. Description of Funds

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

Current Fund - resources and expenditures for governmental operations of a general nature, including fiscal activity of Federal and State Grant Programs, except as otherwise noted.

Trust Fund - The records of receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A: 4-39, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

Animal Control Trust Fund
Unemployment Compensation Insurance Trust Fund
Dedicated Law Enforcement Trust Fund
Workmen's Compensation Self-Insurance Fund
Developer's Escrow Fund
Disposal of Forfeited Property (P.L. 1985, Ch. 135)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

B. Description of Funds (Cont'd.)

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Sewer Utility Fund and Senior Citizens Housing Utility Fund - resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Sewer Utility and Senior Citizens Housing Facility.

Governmental Fixed Assets - the Governmental Fixed Asset system is used to account for fixed assets used in governmental fund type operations for control purposes. Infrastructure assets such as roads, sidewalks, etc. are not capitalized. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on governmental fixed assets.

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles (GAAP) for state and local governments. GAAP provides for the issuance of entity-wide financial statements along with the presentation of separate fund financial statements that differ from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation.

C. Basis of Accounting and Measurement Focus

The basis of accounting as prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The more significant differences are as follows:

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and sewer utility consumer charges are recorded with offsetting reserves within the Current Fund and Sewer Utility Fund, respectively. Except for rental income receivable in the Senior Citizen Housing Utility, which is not recognized in the financial statements, other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of Sewer Utility consumer charges and Senior Citizen Housing Utility rent, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, 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 and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP.

For the purposes of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the balance sheet of the affected Fund. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2016 is set forth in Note 7.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized, as a "component unit" of the Township, and discrete reporting of the Library's financial position and operating results would be incorporated in the Township's financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

Compensated Absences - The Township has adopted a written policy which sets forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Sewer Utility and Senior Citizens Housing Utility) fund on a full accrual basis.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation established by the last revaluation program in 1975 and is fully reserved. Additions since 1975 are recorded on the basis of the latest assessed value. GAAP requires such property to be recorded in the statement of governmental fixed assets at the lower of cost or fair market value.

Self-Insurance Reserves - Charges to self-insurance reserves are recorded when payments of claims and related expenses are made. Increases to self-insurance reserves are recorded from budgetary appropriations in the accounting period in which budgetary expenditures are recorded. Earnings on investments and miscellaneous reimbursements are credited to reserves when received in cash. GAAP requires that liabilities for incurred claims be recorded as determined actuarially, and that operating transfers to self-insurance funds not exceed the amount determined.

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 receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. Although the expenditure method of accounting for purchases of supplies is in accordance with GAAP, the cost of inventory on hand at the close of the year should be reported on the balance sheet with an offsetting reserve for conformity with GAAP.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. The Township has reserved amounts of proceeds from property sales totaling \$550,418.456 at December 31, 2016 and \$421,475.06 at December 31, 2015. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

Governmental Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Property and equipment purchased by the Sewer Utility Fund and the Senior Housing Utility are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonment. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for amortization accounts in the Utility Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements, and costs funded from sources other than bonded debt of the utility.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Fixed Capital - Sewer Utility and Senior Citizens Housing Utility - Capital acquisitions, including utility infrastructure costs of the Utilities are recorded at cost upon purchase or project completion in the Fixed Capital Account of the Utilities. Fixed Capital accounts are adjusted for dispositions or abandonment. The accounts include Moveable Fixed Assets of the Utilities but are not specifically identified and are considered as duplicated in the Fixed Asset Group of Accounts. The condition is considered as insignificant on its effect on the financial statements taken as a whole. Utility improvements that may have been constructed by developers and transferred to the Township are not recorded as additions to Fixed Capital. Fixed Capital of the Utilities is offset by accumulations in Amortization Reserve Accounts. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utilities represent charges to operations for the costs of acquisitions of property, equipment and improvement and costs funded from sources other than bonded debt of the utilities.

The utilities do not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Disclosures About Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments - The carrying amount approximates fair value because of the short maturity of those investments.

Long-term debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is disclosed in Note 3 to the financial statements.

Disclosures About Pension Liabilities - The Township has included information relating to its allocated shares of the net pension liabilities of the state sponsored, cost-sharing, multiple employer defined benefit pension plans in which it participates in Note 12 and the accompanying required supplementary information. As the Township does not present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the net pension liability of the defined benefit plans in which its employees are enrolled. GAAP requires the recognition of the net pension liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONT'D.)

C. Basis of Accounting and Measurement (Cont'd.)Recent Accounting Standards

GASB issued Statement No. 72, “Fair Value Measurement and Application” in February 2015. This statement provides guidance for determining the fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value instruments.

GASB issued Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68” in June 2015. This Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB issued Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans” in June 2015. This Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” in June 2015. This Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB issued Statement No. 76, “The hierarchy of generally accepted accounting principles for state and local governments”, in June 2015. This Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

GASB issued Statement No. 77, "Tax abatement disclosures" in August 2015. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time.

GASB issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans" in December 2015. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

GASB issued Statement No. 79, "Certain External Investment Pools and Pool Participants" in December 2015. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

GASB issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14" in January 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended.

GASB issued Statement No. 81, "Irrevocable Split-Interest Agreements" in March 2016. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB issued Statement No. 82, "Pension Issues-an amendment of GASB Statements No. 67, No. 68 and No. 73" in March 2016. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

GASB issued Statement No. 83, "Certain Asset Retirement Obligations" in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles. Unless these new standards are incorporated into the other comprehensive basis of accounting that is utilized by the Township through legislation or rulemaking they will not become part of the standards followed by the Township for financial reporting. The Division of Local Government Services has adopted rules which require full disclosure in the Notes to Financial Statements of OPEB related matters, as set forth in GASB Statement No. 45, based upon the GASB implementation schedule. See Note 17 for a description of matters relating to GASB 45.

Use of Estimates – The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in order to provide an understanding of changes on the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Governmental Fixed Assets – N.J.A.C. 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. The Township has complied with the mandate, formerly known as Technical Accounting Directive No. 85-2. Fixed assets used in governmental operations are accounted for in the reporting of Governmental Fixed Assets. Public domain (infrastructure) governmental fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land, which is valued at estimated market value. No depreciation is provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as construction is completed and put into operation. Fixed assets acquired through grants in aid or contributed capital is not accounted for separately.

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION - DECEMBER 31, 2016

The Local Bond Law, Chapter 40A:2 et seq, governs the issuance of bonds to finance municipal capital expenditures. The Township's debt is summarized as follows:

A. SUMMARY OF MUNICIPAL DEBT - YEAR ENDED DECEMBER 31, 2016

	<u>CY 2016</u>	<u>CY 2015</u>
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 44,763,000.00	\$ 49,103,000.00
Sewer Utility:		
Bonds and Notes	2,805,000.00	3,060,000.00
Senior Citizens Housing Utility:		
Bonds and Notes	<u>1,700,000.00</u>	<u>1,935,000.00</u>
Net Debt Issued	<u>\$ 49,268,000.00</u>	<u>\$ 54,098,000.00</u>
<u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	45,540,057.00	46,920,079.74
Sewer Utility:		
Bonds and Notes	<u> </u>	<u>1,844,999.97</u>
Total Authorized But Not Issued	<u>45,540,057.00</u>	<u>48,765,079.71</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 94,808,057.00</u>	<u>\$ 102,863,079.71</u>

Summarized below are the Township's individual bond issues which are outstanding at December 31, 2016

	<u>CY 2016</u>	<u>CY 2015</u>
<u>General Debt:</u>		
\$15,500,000 General Obligation Refunding Bonds of 2007, due in annual installments of \$800,000 to \$1,600,000 through November 2019, interest at 3.500% to 6.000%.	\$ 4,800,000.00	\$ 6,300,000.00
\$17,710,000 General Improvement Bonds of 2009, due in annual installments of \$1,000,000 to \$1,960,000 through March 2021, interest at 3.000% to 4.000%.	8,860,000.00	10,360,000.00
\$2,290,000 Tax Appeal Bonds of 2009, due in annual installments of \$325,000 to \$340,000 through March 2016, interest at 3.000% to 3.250%.		340,000.00
\$4,564,000 General Improvement Bonds of 2011, due in annual installments of \$350,000 to \$564,000 through February 2021, interest at 2.000% to 4.000%.	2,564,000.00	3,014,000.00
\$2,610,000 Tax Appeal Refunding Bonds, Series A of 2011, due in annual installments of \$525,000 to \$510,000 through February 2016, interest at 2.000% to 4.000%.	-	510,000.00

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

	<u>CY 2016</u>	<u>CY 2015</u>
\$7,820,000 Tax Appeal Refunding Bonds, Series B of 2011, due in annual installments of \$1,100,000 to \$1,220,000 through February 2018, interest at 2.000% to 4.000%.	\$ 2,320,000.00	\$ 3,420,000.00
\$6,050,000 General Improvement Refunding Bonds of 2011, due in annual installments of \$545,000 to \$975,000 through February 2017, interest at 3.000% to 4.000%.	975,000.00	2,145,000.00
\$3,595,000 General Improvement Refunding Bonds of 2012, due in annual installments of \$860,000 to \$960,000 through March 2017, interest at 3.000% to 4.000%.	960,000.00	1,880,000.00
\$5,884,000 General Improvement Refunding Bonds of 2012, due in annual installments of \$600,000 to \$1,034,000 through December 2019, interest at 2.000% to 3.000%.	2,884,000.00	3,734,000.00
\$8,100,000 General Improvement Bonds of 2014, due in annual installments of \$500,000 to \$1,000,000 through December 2024, interest at 2.000% to 3.000%.	7,100,000.00	7,600,000.00
\$9,800,000 General Improvement Bonds of 2015, due in annual installments of \$700,000 to \$1,400,000 through December 2025, interest at 2.000% to 4.000%.	9,100,000.00	9,800,000.00
5,200,000 General Improvement Bonds of 2016, due in annual installments of \$3250,000 to \$1625,000 through December 207, interest at 3.000% to 4.000%.	<u>5,200,000.00</u>	
Total General Capital Debt	<u>\$ 44,763,000.00</u>	<u>\$ 49,103,000.00</u>
<u>Sewer Utility Debt:</u>		
\$380,000 Sewer Utility Bond Bonds of 2004, due in annual intallments of \$25,000 to \$40,000 through August 2017, interest at 3.125% to 3.750%.	\$ 40,000.00	\$ 80,000.00
\$2,146,000 Sewer Utility Bond Bonds of 2007, due in annual intallments of \$60,000 to \$120,000 through November 2033, interest at 3.500% to 6.000%.	1,560,000.00	1,630,000.00
\$1,200,000 Sewer Utility Bond Bonds of 2009, due in annual intallments of \$50,000 to \$100,000 through March 2025, interest at 3.000% to 4.500%.	780,000.00	850,000.00
\$700,000 Sewer Utility Bond Bonds of 2011, due in annual intallments of \$50,000 to \$100,000 through February 2021, interest at 2.000% to 4.000%.	<u>425,000.00</u>	<u>500,000.00</u>
Total Sewer Utility Debt	<u>\$ 2,805,000.00</u>	<u>\$ 3,060,000.00</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

	<u>CY 2016</u>	<u>CY 2015</u>
<u>Senior Citizen Housing Utility Debt:</u>		
\$2,204,500 Senior Citizen Housing Refunding Bonds of 2001, due in annual installments of \$79,500 to \$180,000 through August 2019, interest at 3.5% to 5.0%.	\$ 500,000.00	\$ 635,000.00
\$8,100,000 General Improvement Bonds of 2014, due in annual installments of \$500,000 to \$1,000,000 through December 2024, interest at 2.000% to 3.000%.	<u>1,200,000.00</u>	<u>1,300,000.00</u>
Total Sewer Utility Debt	<u>\$ 1,700,000.00</u>	<u>\$ 1,935,000.00</u>
Total Debt	<u>\$ 49,268,000.00</u>	<u>\$ 54,098,000.00</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTD)

B. Summary of Statutory Debt Condition - Annual Debt Statement 2016

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of:

<u>2016</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 19,365,000.00	\$ 19,365,000.00	-
Sewer Utility Debt	2,805,000.00	2,805,000.00	-
Senior Citizen Housing Utility Debt	1,700,000.00	1,700,000.00	-
General Debt	90,303,057.00		90,303,057.00
	<u>\$ 114,173,057.00</u>	<u>\$ 23,870,000.00</u>	<u>\$ 90,303,057.00</u>

Net Debt \$90,303,057.00 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended 6,674,437,081.33 = 1.353%

Average Equalized Valuation Basis

2014 Equalized Value of Real Property	\$6,300,934,890.00
2015 Equalized Value of Real Property	6,789,998,119.00
2016 Equalized Value of Real Property	<u>6,932,378,235.00</u>
Average Equalized Valuation	<u>\$6,674,437,081.33</u>

<u>2015</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 22,105,000.00	\$ 22,105,000.00	-
Sewer Utility Debt	4,095,000.00	4,095,000.00	-
Senior Citizen Housing Utility Debt	1,935,000.00	1,935,000.00	-
General Debt	96,023,079.74		96,023,079.74
	<u>\$ 124,158,079.74</u>	<u>\$ 28,135,000.00</u>	<u>\$ 96,023,079.74</u>

Net Debt \$96,023,079.74 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended 6,373,829,247.67 = 1.507%

Average Equalized Valuation Basis

2013 Equalized Value of Real Property	\$6,030,554,734.00
2014 Equalized Value of Real Property	6,300,934,890.00
2015 Equalized Value of Real Property	<u>6,789,998,119.00</u>
Average Equalized Valuation	<u>\$6,373,829,247.67</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. SUMMARY OF STATUTORY DEBT CONDITION

<u>ANNUAL DEBT STATEMENT (CONT'D.)</u>	<u>2016</u>	<u>2015</u>
<u>Borrowing Power Under N.J.S.A. 40A:2-6 As Amended</u>		
3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$233,605,297.85 <u>90,303,057.00</u>	\$223,084,023.67 <u>96,023,079.74</u>
Remaining Borrowing Power	<u>\$143,302,240.85</u>	<u>\$127,060,943.93</u>
<u>Calculation of "Self-Liquidating Purpose"</u> <u>Sewer Utility Per N.J.S.A. 40A:2-45</u>		
Cash Receipts from Fees, Rents or Other Charges for Year	\$14,738,157.62	\$11,931,033.02
Deductions:		
Operating and Maintenance Cost	\$11,246,034.81	\$ 9,979,697.78
Debt Service per Sewer Account	<u>372,580.21</u>	<u>346,578.13</u>
Total Deductions	<u>11,618,615.02</u>	<u>10,326,275.91</u>
Excess/(Deficit) in Revenues	<u>\$3,119,542.60</u>	<u>\$1,604,757.11</u>
<u>Deduction of Self-Liquidating Utility Debt for</u> <u>Statutory Net Debt - Sewer Utility Per N.J.S.A. 40A:2-48</u>		
The difference between the excess/(deficit) in revenues for debt statement purposes and the excess/(deficit) in revenues on a cash basis for the Sewer Utility Fund is as follows:		
Excess/(Deficit) in Revenues - Cash Basis (D-1)	\$4,012,605.87	\$1,000,481.12
Add: Capital Improvements	825,000.00	1,525,000.00
Refund of Prior Year Revenue	<u>3,000.00</u>	
	\$4,840,605.87	\$2,525,481.12
Less: Reserves Lapsed	<u>1,721,063.27</u>	<u>920,724.01</u>
Excess/(Deficit) in Revenue per Debt Statement	<u>\$3,119,542.60</u>	<u>\$1,604,757.11</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. SUMMARY OF STATUTORY DEBT CONDITION

ANNUAL DEBT STATEMENT (CONT'D.)

	<u>2016</u>	<u>2015</u>
Calculation of "Self-Liquidating Purpose"		
<u>Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45</u>		
Cash Receipts from Fees, Rents or Other		
Charges for Year	\$1,863,921.59	\$1,846,268.04
Deductions:		
Operating and Maintenance Cost	\$1,293,573.00	\$ 1,242,271.00
Debt Service per Housing Account	<u>299,302.06</u>	<u>312,683.35</u>
Total Deductions	<u>1,592,875.06</u>	<u>1,554,954.35</u>
Excess/(Deficit) in Revenues	<u>\$271,046.53</u>	<u>\$291,313.69</u>
Calculation of "Self-Liquidating Purpose"		
<u>Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45 (Cont'd.)</u>		
The difference between the excess in revenues for debt statement purposes and the excess in revenues on a cash basis for the Senior Citizen Housing Utility Fund is as follows:		
Excess in Revenues - Cash Basis (E-1)	\$310,393.81	\$259,020.95
Add: Capital Improvement	260,000.00	260,000.00
Refund of Prior Year Revenue	<u>3.38</u>	<u>1,673.00</u>
	570,397.19	520,693.95
Less: Reserves Lapsed/Accounts Payable Canceled	<u>299,350.66</u>	<u>229,380.26</u>
Excess in Revenue per Debt Statement	<u>\$271,046.53</u>	<u>\$291,313.69</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

C. SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING

Year	General		Senior Housing		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2017	\$ 9,460,000.00	\$ 1,452,654.31	\$ 285,000.00	\$ 59,125.00	\$ 265,000.00	\$ 110,850.00	\$ 11,632,629.31
2018	7,895,000.00	1,168,380.00	285,000.00	47,375.00	235,000.00	101,100.00	9,731,855.00
2019	6,884,000.00	905,230.00	330,000.00	35,250.00	235,000.00	91,500.00	8,480,980.00
2020	4,575,000.00	656,710.00	150,000.00	21,750.00	260,000.00	81,400.00	5,744,860.00
2021	4,949,000.00	495,230.00	150,000.00	17,250.00	280,000.00	70,800.00	5,962,280.00
Subtotal	33,763,000.00	4,678,204.31	1,200,000.00	180,750.00	1,275,000.00	455,650.00	41,552,604.31
2022	2,500,000.00	377,250.00	150,000.00	12,750.00	180,000.00	61,543.75	3,281,543.75
2023	2,600,000.00	287,250.00	175,000.00	7,875.00	180,000.00	54,175.00	3,304,300.00
2024	2,725,000.00	193,250.00	175,000.00	2,625.00	200,000.00	46,475.00	3,342,350.00
2025	1,950,000.00	109,250.00			200,000.00	38,037.50	2,297,287.50
2026	600,000.00	36,750.00			100,000.00	31,787.50	768,537.50
Subtotal	10,375,000.00	1,003,750.00	500,000.00	23,250.00	860,000.00	232,018.75	12,994,018.75
2027	625,000.00	18,750.00			100,000.00	27,787.50	771,537.50
2028					110,000.00	23,662.50	133,662.50
2029					110,000.00	19,125.00	129,125.00
2030					110,000.00	14,587.50	124,587.50
2031					120,000.00	10,050.00	130,050.00
Subtotal	625,000.00	18,750.00	-	-	550,000.00	95,212.50	1,288,962.50
2032					120,000.00	5,100.00	125,100.00
Subtotal	-	-	-	-	120,000.00	5,100.00	125,100.00
	<u>\$ 44,763,000.00</u>	<u>\$ 5,700,704.31</u>	<u>\$ 1,700,000.00</u>	<u>\$ 204,000.00</u>	<u>\$ 2,805,000.00</u>	<u>\$ 787,981.25</u>	<u>\$ 55,960,685.56</u>

Note 4: GOVERNMENTAL FIXED ASSETS

The Township's governmental fixed assets are reported as follows:

	Balance <u>Dec. 31, 2015</u>	Increase (Decrease)	Balance <u>Dec. 31, 2016</u>
Governmental Fixed Assets			
Land	\$26,221,400	\$ -0-	\$26,221,400
Building and Improvements	17,110,200	-0-	17,110,200
Machinery and Equipment	<u>21,868,521</u>	<u>807,600</u>	<u>22,676,121</u>
Total Governmental Fixed Assets	<u>\$65,200,121</u>	<u>\$807,600</u>	<u>\$66,007,721</u>

Note 5: DEFERRED COMPENSATION TRUST FUND

The Township of Piscataway, County of Middlesex Deferred Compensation Plan was established pursuant to section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The Township of Piscataway, County of Middlesex has engaged a private contractor to administer the plan.

Note 5: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1, in each year and filed with the County Board of Taxation by January 10th of the following year. Upon the filing of certified adopted budgets by the Township, Local School District, County and Fire Districts, the tax rate is struck by the board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector on or before May 13th.

Note 6: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

Tax bills are prepared and mailed by the Collector of Taxes of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The NJ Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers.

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amounts delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

NOTES TO FINANCIAL STATEMENTS

Note 7: FUND BALANCE APPROPRIATED

Fund balances at December 31, 2016 and December 31, 2015 were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending December 31, 2016 and December 31, 2015 as follows:

	<u>FUND BALANCE DECEMBER 31, 2016</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$19,725,265.52	\$10,359,046.09
Sewer Utility Fund	2,971,019.45	1,943,050.00
Senior Citizens Utility Fund	559,812.09	174,125.00

	<u>FUND BALANCE DECEMBER 31, 2015</u>	<u>UTILIZED IN SUCCEEDING BUDGET</u>
Current Fund	\$17,832,050.72	\$9,265,682.60
Sewer Utility Fund	3,451,123.42	2,992,709.84
Senior Citizens Utility Fund	596,741.28	347,323.00

Note 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the balance sheet of the various funds:

	<u>Balance December 31, 2015</u>	<u>Amount Raised in 2016</u>	<u>Balance December 31, 2016</u>
Current Fund:			
Revaluation of Real Property	<u>\$300,000.00</u>	<u>(\$300,000.00)</u>	<u>\$-0-</u>
Total	<u>\$300,000.00</u>	<u>(\$300,000.00)</u>	<u>\$-0-</u>

Note 9: LEASES

The Township did not enter into operating lease agreements providing for facilities and equipment during CY 2016, and accordingly no future minimum annual rental payments disclosed.

NOTES TO FINANCIAL STATEMENTS

Note 10: INTERFUNDS

The Township had no outstanding interfund balances on the balance sheet at December 31, 2016:

Note 11: DEPOSITS AND INVESTMENTS

State statutes set forth deposit requirements and investments that may be purchased by local units and the Township deposits and invests its funds pursuant to its policies and an adopted cash management plan.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent, to secure the deposits of governmental units.

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. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

The cash and cash equivalents and investments of the Township on deposit and on-hand consisted of the following at December 31, 2016 and December 31, 2015:

	<u>2016</u>	<u>2015</u>
Cash (Demand Accts.)	\$70,927,821.94	\$63,926,569.51
NJ Cash Management Fund	755,425.27	752,374.52
Change Funds (On-Hand)	<u>635.00</u>	<u>635.00</u>
Total	<u>\$71,683,882.21</u>	<u>\$64,679,579.03</u>

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year-end for 2016, the carrying amount of the Township's deposits was \$68,969,485.96 and the bank balance was \$71,683,882.21. Of the bank balance, \$1,251,198.32 was covered by Federal depository insurance and \$69,676,623.62 was covered under the provisions of NJGUDPA.

Note 11: DEPOSITS AND INVESTMENTS (CONT'D.)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The government does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute. As of December 31, 2016, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amount of the Township's bank balance was considered exposed to custodial risk.

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
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 such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located;
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

NOTES TO FINANCIAL STATEMENTS

Note 11: DEPOSITS AND INVESTMENTS (CONT'D.)

As of December 31, 2016, the Township had \$755,425.72 on deposit with the New Jersey Cash Management Fund. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

Note 12: PENSION PLANS

Description of Plans - The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period.

The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

A. Public Employees' Retirement System (PERS) - The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2016:

Inactive plan members or beneficiaries currently receiving benefits	171,422
Inactive plan members entitled to but not yet receiving benefits	703
Active plan members	<u>261,171</u>
 Total	 <u>433,296</u>

Contributing Employers – 1,713.

Note 12. PENSION PLANS (CONT'D.)

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

Significant Legislation – Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

Payrolls and Covered Wages:

For the year ended December 31, 2016 the Township's total payroll for all employees was \$24,138,239.67. Total PERS covered payroll was \$10,248,387. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015 and increased to 7.06% for State fiscal year 2016, commencing July 1, 2015. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent State fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended December 31, 2016 and 2015 were \$1,310,106 and \$1,174,543, respectively. Township Contributions are due and payable on April 1st in the calendar year subsequent to the plan year for which the contribution requirements were calculated. Township payments to PERS for the years ending December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Normal Cost	\$ 211,502	\$ 185,753
Amortization of Accrued Liability	<u>974,313</u>	<u>857,969</u>
Total Pension	1,185,815	1,043,445
NCGI Premiums	<u>63,490</u>	<u>70,672</u>
Total Regular Billing	1,249,305	1,114,117
Additional Billings:		
Chapter 19	<u>60,801</u>	<u>60,426</u>
Total PERS Payment	<u>\$ 1,310,106</u>	<u>\$ 1,174,543</u>

The Township recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

Note 12. PENSION PLANS (CONT'D.)

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

Where applicable, Ch. 19, P.L. 2009 billings reflect the recoupment of the 50% deferral of normal and accrued liability costs due on April 1, 2009. The law set a fifteen-year repayment schedule for the deferred amount, with additional annual adjustments to reflect the return on investment of actuarial net assets of the plan on deferred principal balances. The Township is a participant in the Ch. 19, P.L. 2009 program.

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

The following represents the membership tiers for PERS:

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

A service retirement benefit of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2016, the PERS reported a net pension liability of \$29,617,131,759 for its Local Employer Member Group. The Township's proportionate share of the net pension liability for the Local Employer Member Group that was attributable to the Township was \$43,950,176 or 0.1483945%. At June 30, 2015, the PERS reported a net pension liability of \$22,447,996,119 for its Local (Non-State) Employer Member Group. The Township's proportionate share of the net pension liability for the Local Employer Member Group that is attributable to the Township was \$32,619,933 or 0.145313%.

Note 12. PENSION PLANS (CONT'D.)

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

Inflation	3.08%
Salary Increases Through 2026	1.65-1.15% Based on age
Thereafter	2.65-5.15% Based on age
Investment rate of return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 are summarized in the following table:

NOTES TO FINANCIAL STATEMENTS

Note 12: PENSION PLANS (CONT'D.)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.52%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%
Commodities	.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate – The discount rate used to measure the pension liabilities of PERS was 3.98%.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS participating employers as of June 30, 2016, calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease (2.98%)</u>	<u>At current discount rate (3.98%)</u>	<u>At 1% increase (4.98%)</u>
State	\$34,422,851,197	\$29,390,685,705	\$25,246,574,457
Local	<u>36,292,338,055</u>	<u>29,617,131,759</u>	<u>24,106,170,190</u>
PERS Plan Total	<u>\$70,715,189,252</u>	<u>\$59,007,817,464</u>	<u>\$49,352,744,647</u>
Township's proportionate share of The net pension liability	<u>\$53,855,811</u>	<u>\$43,950,176</u>	<u>\$35,772,216</u>

Components of Net Pension Liability – The components of the net pension liability for PERS, including the State of New Jersey, at June 30, 2016 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$36,295,189,928	\$49,474,698,146	\$85,769,888,074
Plan Fiduciary Net Position	<u>6,904,504,223</u>	<u>19,857,566,387</u>	<u>26,726,070,610</u>
Net Pension Liability	<u>\$29,390,685,705</u>	<u>\$29,617,131,759</u>	<u>\$59,007,817,464</u>

Note 12: PENSION PLANS (CONT'D.)

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

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>Amount</u>
2017	\$3,066,028
2018	3,066,028
2019	3,443,006
2020	2,900,849
2021	<u>880,320</u>
Total	<u>\$13,356,231</u>

Changes in Proportion - The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for the 2016, 2015, and 2014 amounts, respectively.

B. Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police or firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2016:

Inactive plan members or beneficiaries currently receiving benefits	45,423
Inactive plan members entitled to but not yet receiving benefits	51
Active plan members	<u>42,036</u>
Total	<u>87,510</u>

Contributing Employers – 586.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the year ended December 31, 2016 the Township's total payroll for all employees was \$24,138,239.67. Total PFRS covered payroll was \$9,549,916. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan.

Note 12: PENSION PLANS (CONT'D.)

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

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended December 31, 2016 and 2015 were \$2,623,624 and \$2,117,848, respectively. Township Contributions are due and payable on April 1st in the calendar year subsequent to the plan year for which the contribution requirements were calculated. Township payments to PFRS for the years ending December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Normal Cost	\$ 865,556	\$ 724,182
Amortization of Accrued Liability	<u>1,545,607</u>	<u>1,192,120</u>
Total Pension	2,381,163	1,916,302
NCGI Premiums	<u>111,102</u>	<u>73,134</u>
Total Regular Billing	2,492,265	1,989,436
Additional Billings:		
Chapter 19	<u>131,359</u>	<u>128,412</u>
Total PFRS Payment	<u>\$ 2,623,624</u>	<u>\$ 2,117,848</u>

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

The following represents the membership tiers for PFRS:

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

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

Note 12: PENSION PLANS (CONT'D.)

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until fiscal period in which such payments will become due and payable.

At June 30, 2016, the PFRS reported a net pension liability of \$20,706,699,056 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$61,993,476 or 0.299389%. At June 30, 2015, the PFRS reported a net pension liability of \$16,656,514,197 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State, Non-Special Funding Situation Employer Member Group was \$51,070,190 or 0.306608%.

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

Inflation	3.08%
Salary Increases Through 2026	2.10-8.98% Based on age
Thereafter	3.10-9.98% Based on age
Investment rate of return	7.65%

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

Disability mortality rates were based on special mortality tables used for the period after disability retirement.

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

Note 12: PENSION PLANS (CONT'D.)

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

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

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

NOTES TO FINANCIAL STATEMENTS

Discount Rate – The discount rate used to measure the pension liabilities of PFRS was 5.55%.as of June 30, 2016.

Sensitivity of Net Pension Liability – Sensitivity of Net Pension Liability – The following presents the collective net pension liability of the participating employers as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (<u>4.55%</u>)	At current discount rate (<u>5.55%</u>)*	At 1% increase (<u>6.55%</u>)
State	\$ 5,612,325,178	\$ 4,710,744,193	\$ 3,977,817,225
Local	<u>26,699,770,118</u>	<u>20,706,699,056</u>	<u>15,819,710,095</u>
PFRS Plan Total	<u>\$32,312,095,296</u>	<u>\$25,417,443,249</u>	<u>\$19,797,527,320</u>
Township's proportionate share of the net pension liability	<u>\$79,936,042</u>	<u>\$61,993,476</u>	<u>\$47,362,393</u>

*- Local Share includes \$1,604,141,087 of Special Funding Situation allocated to the State of NJ as a non-employer.

Components of Net Pension Liability – The components of the net pension liability for PFRS, including the State of New Jersey, at June 30, 2016 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 6,255,619,682	\$43,146,550,231	\$49,402,169,913
Plan Fiduciary Net Position	<u>1,544,875,489</u>	<u>22,439,851,175</u>	<u>23,984,726,664</u>
Net Pension Liability	<u>\$ 4,710,744,193</u>	<u>\$20,706,699,056</u>	<u>\$25,417,443,249</u>

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>Amount</u>
2017	\$3,370,080
2018	3,370,080
2019	4,307,478
2020	2,275,677
2021	<u>(33,800)</u>
Total	<u>\$13,289,515</u>

Changes in Proportion - The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.58, 5.53, and 6.17 years for the 2016, 2015 and 2014 amounts, respectively.

Note 12: PENSION PLANS (CONT'D.)

C. Defined Contribution Retirement System (DCRP)

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2016, the membership in the DCRP, based on the information within the Division's database, was 46,557.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employees base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended December 31, 2016 the Township's total payroll for all employees was \$24,138,239.67. Total DCRP covered payroll was \$405,016.12. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan. Township and employee contributions to the DCRP for the year ended December 31, 2016 were \$12,319.54 and \$22,585.95, respectively.

D. Cumulative PERS and PFRS Deferred Outflows of Resources and Deferred Inflows of Resources

	<u>Net Pension Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Total Pension Expense</u>
PERS	\$ 43,950,176	\$13,372,409	\$16,178	\$1,310,106
PFRS	<u>61,993,476</u>	<u>14,494,877</u>	<u>1,205,361</u>	<u>2,623,624</u>
Total	<u>\$105,943,652</u>	<u>\$27,867,286</u>	<u>\$1,221,539</u>	<u>\$3,933,730</u>

NOTES TO FINANCIAL STATEMENTS

Note 13: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS & POST RETIREMENT HEALTH CARE BENEFITS

The Township of Piscataway provides its retirees with health benefits, which are fully funded by the Township. These benefits are negotiated for through each bargaining unit's contract. In order to receive fully paid health benefits, retirees must have been enrolled in the Public Employees Retirement Fund for 25 years. Retirees receive the same type of health insurance coverage that they were receiving prior to retirement. There are approximately 194 retirees enrolled in health benefits programs, which are fully funded by the Township. The annual costs are determined by the provider, per approved schedules in accordance with the insured individual's age and plan status. This represents billings to the Township on an experience basis. The amount paid by the Township for retirees' health benefits was \$3,110,000 and \$2,964,900 for CY 2016 and CY 2015 respectively.

The contribution requirements of plan members and the participating agencies are established and may be amended by the MCJHIF Commissioners. The Township's annual postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, any amounts contributed to the plan and the Township's net OPEB obligation. For 2016, the Township's annual OPEB cost (expense) of \$8,377,400 was greater than the ARC of \$8,369,000.

	<u>2016 Total</u>	<u>2015 Total</u>
Net OPEB obligation – beginning of year	\$32,378,600	\$27,317,800
Annual required contribution (ARC)	8,369,000	8,018,600
Interest on Net OPEB Obligation (NOO)	1,295,100	1,092,700
Amortization on the NOO	<u>(1,286,700)</u>	<u>(1,085,600)</u>
Annual OPEB Cost (AOC)	8,377,400	8,025,700
Less: Contributions	<u>3,110,000</u>	<u>2,964,900</u>
Net OPEB obligation – end of year	<u>\$37,646,000</u>	<u>\$32,378,600</u>

The funded status of the plan for the Township as of January 1, 2015, is as follows:

	<u>2015 Total</u>
Actuarial accrued liability (AAL)	\$106,905,000
Actuarial value of plan assets	<u>-0-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$106,905,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$18,069,200
UAAL as a percentage of covered payroll	592%

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health-care cost trend. 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.

Note 13: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS & POST RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents trend information about 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 and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2015 actuarial valuation, the projected unit credit method was used. A rate of 4.00% was utilized as the discount rate and the amount of increase in the normal cost amount. The unfunded accrued liability is being amortized as a level dollar amount using an open period of thirty (30) years.

Note 14: RISK MANAGEMENT

The Township, together with other governmental units, is a member of the Central Jersey Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. The Fund's governing board based upon actuarial and budgetary requirements calculates payments to the Fund. Each participant in the Fund is jointly and severably obligated for any deficiency in the amount available to pay all claims. The Joint Insurance fund insures against property damage, general liability, auto liability, equipment liability, public official liability, and law enforcement liability and workers compensation. While additional assessments or premiums can be levied by the Fund to assure payment of the Fund's obligations, no such additional premiums have been necessary as of December 31, 2016. The Fund will be self-sustaining through member premiums, reported as an expenditure in the Township's financial statements. The Fund contracts for excess liability insurance for property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and workers' compensation. The Township continues to carry commercial insurance for other risks of loss, principally employee health insurance.

At December 31, 2016, the Fund reported for all years combined, total assets of 19,940,289.81, liabilities and reserves of \$12,596,085.69, which includes case reserves of \$6,824,820.19 and IBNR of \$5,351,003.00 and a fund balance for all years of \$7,344,204.12 and at December 31, 2015, the Fund reported for all years combined, total assets of \$19,628,462.01, liabilities and reserves of \$14,818,348.20, which includes case reserves of \$9,080,135.52 and IBNR of \$5,552,180.00 and a fund balance for all years of \$4,810,113.81.

Self-Insurance – Worker's Compensation

The Township maintains a self-insurance risk management program for claims relating to Worker's Compensation for program periods beginning in 1985 and terminating with the state fiscal year ended June 30, 1998. The Township continued to engage an outside claims service bureau to serve as Fund Administrator. The Administrator for estimated benefits and expenses for reported claims establish reserves. The status of the Township's self-insurance cash reserves, as compared to the reserve requirements established by the Fund Administrator for claims reported at the close of the year, is zero.

Note 14: RISK MANAGEMENT (CONT'D.)

New Jersey Unemployment Compensation Insurance – The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Following is a summary of Township appropriations, interest earning and remittances to the State for the current and prior year:

<u>Year</u>	<u>Township Appropriation</u>	<u>Employee Contribution</u>	<u>Overpayment Refund</u>	<u>Interest Earnings</u>	<u>Amounts Reimbursed</u>	<u>Ending Balance</u>
CY 2016	\$75,000.00	\$-0-	\$-0-	-0-	\$66,576.93	\$497,8978.95
CY 2015	\$100,000.00	\$-0-	\$-0-	-0-	\$48,046.75	\$489,474.88
CY 2014	\$100,000.00	\$-0-	\$-0-	-0-	\$42,806.98	\$437,521.63

Note 15: CONTINGENT LIABILITIES

A. Supplemental and Retrospective Insurance Assessments

As a constituent member of the Central Jersey Joint Insurance Fund (the “CJJIF”), the Township of Piscataway, together with the other Members of the CJJIF, is jointly and severally responsible for the timely payment of Supplemental Assessments levied with the approval of the CJJIF Commissioners. At December 31, 2016, the CJJIF had outstanding Supplemental and Retrospective Assessments receivable in the amount of \$3,195,629, which were levied in Fund Years 2010, 2011, 2013, 2014 and 2015, and are due in ten equal annual installments consisting of:

<u>Supplemental Assessments</u>			
<u>Year Levied</u>	<u>Original Levy</u>	<u>December 31, 2016 Balance</u>	<u>Final Installment</u>
2010	\$3,769,587	\$1,502,002	2021
2011	952,802	410,922	2022
2014	1,349,762	725,927	2023
2015	<u>824,241</u>	<u>556,778</u>	2024
Totals	<u>\$6,896,392</u>	<u>3,195,629</u>	

<u>Retrospective Assessments</u>		
<u>Year Levied</u>	<u>Original Levy</u>	<u>December 31, 2015 Balance</u>
2015	1,626,407	646,029

The Supplemental Assessments were established as receivables from the constituent members in the same proportion as the original assessments for each Loss Year were levied. At December 31, 2016, it is estimated that Piscataway Township will be required to make additional payments to the CJJIF or forego dividend payments (if any should be declared) from 2016 through 2024 in the total amount of \$375,922 for its allocated share of the Supplemental Assessments.

Note 15: CONTINGENT LIABILITIES (CONT'D.)

The Retrospective Assessments were established as receivables from the constituent members based upon actuarial calculations, if projected actual claim losses exceed the amounts upon which annual assessments were based. At December 31, 2016, it was determined that Piscataway's actual claim loss exceeded the amounts upon which annual assessments were based for Fund Year 2015 and 2015 in an aggregate amount of \$130,284.

B. Litigation Pending or Threatened

At December 31, 2016, the Township had litigation pending. The majority of this litigation involves claims against the Township relating to matters that traditionally would be covered through the procurement of workers' compensation and liability insurance policy coverages. As more fully described in Note 11, the Township has participated in a joint insurance fund since June 1998.

In regard to State Court Tax Appeals, those matters, as with all matters, are being vigorously defended and settled when prudent. The Township has addressed, in its Budget, and has implemented procedures in accordance with the applicable State finance and budget statutes and regulations to satisfy refunds and/or credits required by settlements and/or judgments for State Court Tax Appeals. It is expected that the settlements and/or judgments for these matters in the aggregate will result in significant reductions to assessed values and require refunds and/or credits that would be material to the Township's financial position.

Note 16: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick pay, which may be taken as time off when sick or paid at retirement. Accumulated unused sick days may be used at the time of retirement as salary extension for a time equal to the number of days of retirement, or the employee involved may request a cash payment from the Township for the accumulated days, at the employee's sole discretion. There is a limit of 240 days with some minor adjustments. Current Township policy and provisions of collective bargaining agreements generally limit accumulations to 5 days per calendar year. As of December 31, 2016, and December 31, 2015 it is estimated that the current cost of such unpaid sick pay would approximate \$6,209,878.00 and \$6,440,630.00. These amounts represent the current value of all accumulations, and are not intended to portray amounts that would be recorded under GAAP. The Township has set aside reserves with in the trust Fund to pay for these cost in the amount of \$4,051,723.53 and \$4,708,068.33 for 2016 and 2015 respectively.

The Township has not discounted the total based upon a study of utilization by employees separating from service. Neither has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined.

The estimated value of accumulated unused vacation pay has not been calculated. Township policies generally require employees to utilize accrued vacation pay during the calendar year it accrues. With the written approval of the Business Administrator and Department Head, unused vacation benefits may be carried only until March 31st of the succeeding year.

Note 17: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2016, the Township does not believe that any material liabilities will result from such audits.

As at December 31, 2016 and through the date of this report, the Township had litigation pending, including property tax appeals and other matters. The Township estimates that potential claims against the Township not covered by insurance resulting from such litigation would not materially affect the financial statements of the Township.

Note 18: LONG TERM TAX EXEMPTIONS

The Township provides for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. Taxes abated include municipal, local school and county taxes. The Township is required to remit five percent (5.00%) to the County for any payments received in lieu of taxes (PILOT payments). The Township did not have any properties receiving long term tax exemptions in 2016. As of the date of the audit report the Township is in the process of approving properties for the program.

Note 19: SUBSEQUENT EVENTS

During the period subsequent to the balance sheet date, through the date of the auditor's report, the Township has authorized capital improvement projects, which provide for the issuance of bonds and notes to finance the costs thereof, as follows:

The following Programs/Projects for CY 2017 have been authorized:

<u>Project</u>	<u>Total</u>	<u>Bond/Notes Authorized</u>
Various road improvements	\$5,200,000	\$4,000,000
Various Capital Improvements	1,160,000.00	0.00

On May 2, 2017, the Governing Body adopted the FY2017 Municipal Budget in the aggregate of \$68,279,384.49.

On May 17, 2017, the Township issued \$4,605,000 in General Obligation Bonds, Series 2017 consisting of \$3,145,000 General Improvement Refunding Bonds and \$1,460,000 Sewer Utility Refunding Bonds at interest rates ranging from 2.00% to 4.00%.

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

PART II
REQUIRED SUPPELEMENTARY INFORMATION

TOWNSHIP OF PISCATAWAY
 SCHEDULE OF THE TOWNSHIP'S SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Township's Proportion Share of the Net Pension Liability	0.148394%	0.145313%	0.135145%
Township's Proportion Share of the Net Pension Liability	\$43,950,176	\$32,619,933	\$25,302,865
Township's Covered-Employee Payroll	\$ 10,248,387	\$ 10,085,179	\$ 9,839,286
Township's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	428.85%	323.44%	257.16%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	31.20%	38.21%	42.74%

* Amounts presented for each fiscal year were determined as of June 30.

TOWNSHIP OF PISCATAWAY
 SCHEDULE OF THE TOWNSHIP'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,310,106	\$ 1,174,543	\$ 1,078,553
Contribution in Relation to Contractually Required Contribution	<u>\$ (1,310,106)</u>	<u>\$ (1,174,543)</u>	<u>\$(1,078,553)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Township's Proportionate Share of the Payroll	\$ 10,248,387	\$ 10,085,179	\$ 9,839,286
Contributions as a percentage of Covered Employee Payroll	12.78%	11.65%	10.96%

* Amounts presented for each fiscal year were determined as of June 30.

TOWNSHIP OF PISCATAWAY
 SCHEDULE OF THE TOWNSHIP'S SHARE OF THE NET PENSION LIABILITY
POLICE AND FIREMEN RETIREMENT SYSTEM
 (Non-State, Non-Special Funding Situation Employer Member Group)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Non-State, Non-Special Funding Situation Employer Group Net Pension Liability attributable to the Township	0.299389%	0.306608%	0.292104%
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State, Non-Special Funding Situation Employer Group	\$61,993,476	\$51,070,190	\$36,743,917
Township's Covered-Employee Payroll	\$9,549,916	\$9,856,374	\$9,478,902
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State, Non-Special Funding Situation Employer Group as a percentage of the Township's Covered-Employee Payroll	649.15%	518.14%	387.64%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	48.55%	52.84%	58.86%

* Amounts presented for each fiscal year were determined as of June 30.

Note: Percentages shown are Plan-wide, and include NPL and PFNP
data that include employees of the State of New Jersey.

TOWNSHIP OF PISCATAWAY
 SCHEDULE OF THE TOWNSHIP'S CONTRIBUTIONS
POLICE AND FIREMEN RETIREMENT SYSTEM
 (Non-State, Non-Special Funding Situation Employer Member Group)

Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 2,623,624	\$ 2,117,848	\$ 2,374,527
Contribution in Relation to Contractually Required Contribution	<u>\$ (2,623,624)</u>	<u>\$ (2,117,848)</u>	<u>\$(2,374,527)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Township's Proportionate Share of the Payroll	\$ 9,549,916	\$ 9,856,374	\$ 9,478,902
Contributions as a percentage of Covered Employee Payroll	27.47%	21.49%	25.05%

* Amounts presented for each fiscal year were determined as of June 30.

**TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX, NEW JERSEY**

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
DECEMBER 31, 2016**

NOTE 1. CHANGES IN ASSUMPTIONS

The following information is as abstracted from the State of New Jersey, Division of Pension and Benefits, Financial Statements and Supplementary Schedules report as of June 30, 2016, dated March 14, 2017. This information pertains to the RSI schedules of changes in net pension liability contained in that report.

PERS

Changes in benefit terms - None

Changes in assumptions - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 – June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually, For 2014, the discount rate was 5.39%.

PFRS

Changes in benefit terms – None

Changes in assumptions - For 2016, the discount rate change to 5.55%, the long-term expected rate of return changed to 7.65% and the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 – June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

**TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX, NEW JERSEY**

Schedule 5

**REQUIRED SUPPLEMENTARY INFORMATION
POSTEMPLOYMENT HEALTH BENEFITS
SCHEDULE OF FUNDING PROGRESS**

<u>Year</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAAL as a Percentage of Covered Payroll</u>
01/01/11	\$ -	\$ 78,625,900.00	\$ 78,625,900.00	0.00%	\$ 17,506,964.00	449.11%
01/01/13	-	85,931,300	85,931,300	0.00%	16,873,000	509.28%
01/01/15	-	106,905,000	106,905,000	0.00%	18,069,200	591.64%

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

PART III
SINGLE AUDIT SECTION

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
1102 RARITAN AVENUE, P.O. BOX 1450
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(732) 393-1000
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ANDREW G. HODULIK, CPA, RMA, PSA
ROBERT S. MORRISON, CPA, RMA, PSA

MEMBERS OF:
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

**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 AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Piscataway
Middlesex County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Piscataway, County of Middlesex, New Jersey as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township of Piscataway's basic financial statements and have issued our report thereon date September 13, 2017. Our report was modified to reflect the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2, that are embodied in the Other Comprehensive Basis of Accounting utilized for financial statement presentations, and was unqualified based upon that Other Comprehensive Basis of Accounting.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Piscataway'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Piscataway's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Piscataway'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Piscataway'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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township in the General Comments section of the Report of Audit.

We also noted other matters involving compliance and internal control over financial reporting that we have reported to management of the Township of Piscataway in the General Comments section of the Report of Audit.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants
Public School Accountants

Highland Park, New Jersey
September 13, 2017

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY NEW JERSEY CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Piscataway
Middlesex County, New Jersey

Report on Compliance for Each Major Federal Program

We have audited the Township of Piscataway, County of Middlesex, New Jersey compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of State Grants and State Aid" that could have a direct and material effect on each of the Township of Piscataway's major state programs for the year ended December 31, 2016. The Township of Piscataway's major state programs are identified in the "Summary of Auditor's Results Section" of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirement of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Piscataway's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and New Jersey OMB Circular 15-08. Those standards and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of Piscataway's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the Township of Piscataway's compliance.

Basis for Qualified Opinion Major State Programs

As described in the accompanying "Schedule of Findings and Questioned Costs," The Township of Piscataway, County of Middlesex, State of New Jersey did not comply with requirements of New Jersey OMB 15-08 as described in finding number 2016-01. Compliance with such requirements is necessary, in our opinion, for the Township of Piscataway to comply with the requirements applicable to New Jersey OMB 15-08.

Opinion on Each Major State Program

In our opinion, except for the noncompliance described in the "Basis for Qualified Opinion" paragraph, the Township of Piscataway, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of the Township of Piscataway is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Piscataway's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Piscataway's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants
Public School Accountants

Highland Park, New Jersey
September 13, 2017

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE

TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2016

STATE FUNDING DEPARTMENT OR DIVISION	STATE ACCOUNT NUMBER	TOTAL AWARD	GRANT YEAR	CASH RECEIPTS 2016	EXPENDITURE	CUMULATIVE DISBURSEMENTS/ CANCELLED EXPENDITURES
<i>Department of Law & Public Safety,</i> <i>Division of Criminal Justice</i>						
Body Armor Replacement Fund	1020-718-001-2017	7,397.08	2016	\$ 7,397.08	\$ -	\$ -
Safe and Secure Communities Program	1020-100-232-2016	60,000.00	2016	60,000.00	60,000.00	60,000.00
Total Department of Law & Public Safety Division of Criminal Justice				67,397.08	60,000.00	60,000.00
<i>Division of Highway Traffic Safety</i>						
Drunk Driving Enforcement Fund	1160-100-057-2013	9,233.47	2013		3,416.03	9,156.51
Drunk Driving Enforcement Fund	1160-100-057-2014	6,256.02	2014		444.18	444.18
Total Department of Law & Public Safety Division of Highway Traffic Safety				-	3,860.21	9,600.69
Total Department of Law & Public Safety				67,397.08	63,860.21	69,600.69
<i>Department of Environmental Protection</i> <i>Solid Waste Administration</i>						
Clean Communities Grant	042-4900-765-004-2014	83,476.45	2014		37,749.40	51,799.92
Clean Communities Grant	042-4900-765-004-2015	102,047.67	2015		3,605.19	3,605.19
Clean Communities Grant	042-4900-765-004-2016	115,634.89	2016	115,634.89	-	-
Recycling Tonnage Grant	042-4900-752-001	106,724.03	2012		38,544.26	106,724.03
Recycling Tonnage Grant	042-4900-752-001	57,045.56	2013		50,297.56	50,297.56
Recycling Tonnage Grant	042-4910-100-224-15	76,284.00	2015		20,822.80	20,920.00
Recycling Tonnage Grant	042-4910-100-224-16	48,740.27	2016	48,740.27	-	-
Total Department of Environmental Protection- Solid Waste Administration				164,375.16	151,019.21	233,346.70
<i>Division of Parks and Forestry</i>						
NNL Grant: Community Forestry	PF13-091	19,500.00	2014	19,500.00	5,700.00	19,500.00
NNL Grant: Community Forestry Rt 18 Project	PF13-091	558,300.00	2014	558,300.00	175,013.90	534,622.00
Total Department of Environmental Protection- Solid Waste Administration				577,800.00	180,713.90	554,122.00
Total Department of Environmental Protection				742,175.16	331,733.11	787,468.70

TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2016

<u>STATE FUNDING DEPARTMENT OR DIVISION</u>	<u>STATE ACCOUNT NUMBER</u>	<u>TOTAL AWARD</u>	<u>GRANT YEAR</u>	<u>CASH RECEIPTS 2016</u>	<u>EXPENDITURE</u>	<u>CUMULATIVE DISBURSEMENTS/ CANCELLED EXPENDITURES</u>
<i>Department of Transportation: State Highway</i>						
NJDOT: Lakeview Avenue	078-6320-480-AK3-6010	300,000.00	CY-2014	\$ 75,000.00	\$ -	-
NJDOT: Hoes Lane West	078-6320-480-AJ3-6010	360,000.00	CY-2014	90,000.00	-	-
NJDOT: School Street	078-6320-480-AJ3-6010	775,000.00	CY-2016	675,000.00	775,000.00	775,000.00
Total Department of Transportation-State Highway Projects				840,000.00	775,000.00	775,000.00
<i>Middlesex County Offices on Alcoholism, Drug Abuse and Addiction Services</i>						
Municipal Alliance Program	082-2000-100-044	44,620.00	2015	44,620.00	2,739.14	44,620.00
Municipal Alliance Program	082-2000-100-044	44,620.00	2015	35,700.43	7,260.00	44,620.00
Total Middlesex County Offices on Alcoholism, Drug Abuse and Addiction Services				80,320.43	9,999.14	89,240.00
				\$ 1,894,267.83	\$ 1,331,611.67	\$ 1,954,656.09

Foot Notes:

Grant Award/Amount Reflects Current Year Awards

NOTE: See accompanying Notes to Schedules of Expenditures of Awards

The Township's state grants are presented within the Township's overall financial statements on the modified accrual basis of accounting in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

* Includes a Match

TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2016

NOTE 1: GENERAL

The accompanying schedules of state financial assistance present the activity of all state financial assistance of the Township of Piscataway. The Township is defined in Note 1(A) to the financial statements – regulatory basis. All state financial assistance received directly from state agencies, as well as state financial assistance passed through other governmental agencies are included on the schedule of state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance is presented using the basis of accounting as described in Note 2 to the Township's financial statements – regulatory basis.

NOTE 3: RELATIONSHIP TO GENERAL FINANCIAL STATEMENTS

Unless specifically noted, the amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements – regulatory basis.

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Unless specifically noted, the amounts reported in the accompanying schedules agree with the amounts reported in the related state financial reports, where required, or applicable.

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Section 1 – Summary of Auditor’s Results

Financial Statements-

Type of auditor’s report issued: Unmodified-OCBOA

Internal Control over financial reporting:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiencies identified that
are not considered to be material weaknesses? _____ Yes X No

Noncompliance material to general-purpose financial
statements noted? _____ Yes X No

Federal Awards- NOT APPLICABLE

Internal Control over major programs:

1) Material weakness(es) identified? _____ Yes _____ No

2) Significant deficiencies identified that
are not considered to be material
weaknesses? _____ Yes _____ No

Type of auditor’s report issued on compliance for major programs: _____

Any audit findings disclosed that are required to be reported
in accordance with OMB Uniform Guidance? _____ Yes _____ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between type A and B programs: \$ _____

Auditee qualified as low-risk auditee? _____ Yes _____ No

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>078-6320-480-AJ3-6010</u>	<u>NJDOT: School Street Project</u>
_____	_____

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(continued)

Section II – Financial Statement Findings

Significant Deficiency(s)

Current Fiscal Year –None

Non-Compliance:

Current Fiscal Year - None

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(continued)

Section III - State Financial Assistance Findings and Questioned Costs

Significant Deficiency(s):

Current Fiscal Year –None

Non-Compliance:

Finding #2016-01

Criteria or Specific Requirements:

In accordance with NJOMB Circular Letter 15-08, the single audit report is to be filed within nine months after the end of the audit period.

Condition:

The Township audit was not filed within the required time frame as required by NJOMB Circular Letter 15-08 as the end of the audit period.

Questioned Costs:

None Identified

Context:

N/A

Effect:

None Identified

Cause:

The preparation of the financial statements and schedule of expenditures of state financial assistance were not preformed in a timely manner.

Recommendation:

It is recommended that the financial statements and schedules of expenditures of state financial assistance be prepared and submitted in a timely manner.

Management Response:

The Township will review procedures in place to ensure the completeness and timeliness of the preparation and submission of the financial statements and schedule of expenditures of state financial assistance.

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY
SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

Section 1 – Summary of Prior Year Findings

Summary of Prior Year Findings

None

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

PART IV
SUPPELEMENTARY SCHEDULES

Current Fund

SCHEDULE OF CASH

	<u>Ref.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Cash Balance Dec 31, 2015.....	A	\$ 33,454,739.93	\$ 75,999.17
Increased by Cash Receipts			
Collector	A-5	169,095,049.14	
Due from State of NJ - Ch. 20	A-6	273,788.69	
Revenue Accounts Receivable	A-8	10,664,885.97	
Miscell. Revenue Not Anticipated	A-8	1,856,662.47	
Homestead Rebate - State of NJ	A-7	1,659,712.29	
Various Payables	A-10	99,149.00	
Various Reserves	A-10	282,451.21	
Interfunds Receivable	A-11	11,671,742.45	
Operations	A-1	74,037.90	
Interfunds Payable	A-12/A-16	21,282,351.14	234,485.91
Federal and State Grants Receivable	A-15		2,397,605.91
Total Cash Receipts.....		<u>216,959,830.26</u>	<u>2,632,091.82</u>
Decreased by Disbursements			
Refund of Prior Year Revenue	A-1	820.00	
Refund of Current Year Revenue	A-1	2,846.50	
CY 2016 Appropriations	A-3	55,512,575.08	
CY 2015 Approp. Reserves	A-9	955,917.56	
Various Payables	A-10	263,569.16	
Various Reserves	A-10	4,409,379.53	
Interfunds Receivable	A-11	12,412,398.98	
Interfunds Payable	A-12	21,338,183.88	
County Tax	A-13	27,173,730.44	
Fire District Tax	A-13	3,823,380.00	
Local School District Tax	A-13	90,934,806.00	
Tax Overpayments	A-14	15,448.31	
Interfunds Returned	A-16		1,106,393.07
Federal and State Grants Appropriated	A-17		1,461,666.99
Total Cash Disbursements.....		<u>216,843,055.44</u>	<u>2,568,060.06</u>
Cash Balance December 31, 2016.....	A	\$ 33,571,514.75	\$ 140,030.93

SCHEDULE OF COLLECTORS CASH
CURRENT FUND

Ref.

Increased by Receipts:

Interest and Cost on Taxes	A-2	395,566.47
Taxes Receivable - Current Year	A-7	163,429,674.37
Taxes Receivable - Delinquent	A-7	1,774,847.27
Taxes Receivable - Arrears	A-7	631.23
Taxes Receivable -Prepaid Taxes	A-7	896,508.69
Tax Title Liens Receivable	A-7	1,314.45
Non-Budget Revenue	A-8	30,120.82
Trust Fund: Premium	A-11	2,556,593.84
Miscellaneous Revenue	A-8	<u>9,792.00</u>

\$ 169,095,049.14

Decreased by:

Deposited to Treasurer	A-4	<u><u>\$ 169,095,049.14</u></u>
------------------------	-----	---------------------------------

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
FOR ALLOWABLE DEDUCTIONS PER CHAPTER 20, P.L. 1976
CURRENT FUND

	<u>REF.</u>		
Balance - December 31, 2015	A		\$ 226,572.51
Increased by:			
Allowable Deductions per			
Tax Billings	A- 6	\$ 285,250.00	
2016 Sr. Citizens and Vet.			
Ded. Allowed by Collector	A- 6	1,250.00	
2012-2015 Sr. Citizens and Vet.			
Ded. Allowed by Collector	A- 6	<u>250.00</u>	
			<u>286,750.00</u>
			513,322.51
Decreased by:			
Collected	A- 4	273,788.69	
2016 Sr. Citizens and Vet.			
Ded. Disallowed by Collector	A- 6	10,202.09	
2012-2015 Sr. Citizens and Vet.			
Ded. Disallowed by Collector	A- 6	<u>14,346.53</u>	
			<u>298,337.31</u>
Balance - December 31, 2016	A		<u><u>\$ 214,985.20</u></u>
Analysis of Sr. Citizens & Veterans			
<u>Deductions Allowed - 2016 Taxes</u>			
Per Tax Billings	A- 6	\$ 285,250.00	
Allowed (Disallowed) by Tax Collector Current Year	A- 6	(8,952.09)	
Allowed (Disallowed) by Tax Collector Prior Year	A- 6, A-1	<u>(14,096.53)</u>	
Total	A-7		<u><u>\$ 262,201.38</u></u>

CURRENT FUND
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

	<u>Total</u>	<u>2017 Prepaid</u>	<u>CY 16 Current</u>	<u>CY 15 Delinquent</u>	<u>Arrears</u>	<u>Tax Title Liens</u>	<u>Property Acquired for Taxes</u>
<u>Ref.</u>							
Balance 12/31/15.....	\$ 3,868,106.21	\$ (1,115,451.68)	\$	\$ 1,769,496.38	\$ -	\$ 621,161.51	\$ 2,592,900.00
py adjustment							
Billings / Levy:							
Original Levy.....	168,428,373.49		168,428,373.49				
Added & Omitted.....	282,184.95		282,184.95				
Reductions due to tax appeals..	(548,441.60)		(220,622.89)	(355,165.09)	27,346.38		
Canceled Taxes.....	(257,521.27)		(259,469.46)	1,948.19			
Transfers							
Tax Lien.....	1,231.78		(24,429.46)	(1,021.90)		26,683.14	
Revenue							
Sr. Citizens & Vets.....							
Original Levy.....	(285,250.00)		(285,250.00)				
Allowed/Disallowed.....	23,048.62		8,952.09	14,096.53			
Cash Receipts.....	(166,102,976.01)	(896,508.69)	(163,429,674.37)	(1,774,847.27)	(631.23)	(1,314.45)	
Homestead Rebate.....	(1,659,712.29)		(1,659,712.29)				
Transferred to Overpayments.....	632,691.81		297,931.25	357,293.28	(22,532.72)		
Prepaid Applied.....	-	1,115,451.68	(1,115,451.68)				
Tax Overpayments.....	(613,210.36)		(613,210.36)				
Balance 12/31/16.....	\$ 3,768,525.33	\$ (896,508.69)	\$ 1,409,621.27	\$ 11,800.12	\$ 4,182.43	\$ 646,530.20	\$ 2,592,900.00

	<u>Ref.</u>	<u>A</u>	<u>A, A-7</u>	<u>A</u>	<u>A</u>	<u>A</u>	<u>A</u>
Analysis of CY 2016 Property Tax Levy:							
<u>Tax Yield:</u>							
General Purpose Tax	\$ 168,428,373.49						
Added Taxes	282,184.95						
	<u>\$ 168,710,558.44</u>						
A-7							
<u>Tax Levy:</u>							
Local School District Tax							
County Tax							
County Open Space							
Due County - Added & Omitted							
Special District Taxes							
	<u>\$ 168,710,558.44</u>						
A-7							
<u>Taxes Realized:</u>							
Sr. Citizens & Vets							
Cash Receipts							
Overpayments Applied							
Subtotal							
Res. For Uncoll. Tax							
	<u>\$ 168,710,558.44</u>						
A-7							
<u>Delinquent Taxes Realized:</u>							
FY 16 Collections	\$ 1,774,847.27						
Sr. Citizens Vets	(14,096.53)						
Arrears Collections	631.23						
Tax Liens Collected	1,314.45						
	<u>\$ 1,762,696.42</u>						
A-1, A-2							

CURRENT FUND
SCHEDULE OF NONBUDGET REVENUES & VARIOUS ACCOUNTS RECEIVABLES

	December 31, 2015	Accrued/ Adjustments	Cash Receipts	December 31, 2016
Revenue Accounts Receivable:				
Licenses - Other	\$ -	\$ 146,145.00	\$ (146,145.00)	\$ -
Alcoholic Beverage License		56,126.00	(56,126.00)	-
Fees and Permits		620,290.88	(620,290.88)	-
Fines and Costs - Municipal Court	63,736.09	680,960.31	(697,701.80)	46,994.60
Capital Surplus Fund		1,200,000.00	(1,200,000.00)	-
Capital Fund: Reserve for Debt		49,485.78	(49,485.78)	-
Construction Code Fees		1,039,255.18	(1,039,255.18)	-
Interest on Investments and Deposits		193,721.32	(193,721.32)	-
Cable Franchise Fees		199,299.52	(199,299.52)	-
Hotel and Motel Tax		443,828.91	(443,828.91)	-
Interlocal Services: Shared Services		51,000.00	(51,000.00)	-
Library Fines	3,000.00	36,000.00	(39,000.00)	-
State Aid: Energy Receipts Tax		5,471,407.00	(5,471,407.00)	-
State Aid: Consolidated Municipal Property Tax Relief Aid		387,172.00	(387,172.00)	-
Uniform Fire Safety Act		80,155.78	(80,155.78)	-
A-2	66,736.09	10,654,847.68	(10,674,589.17)	46,994.60
Non - Budget Revenue:				
Administrative Fees Outside Jobs		429,916.47	(429,916.47)	-
Abandoned Vehicles		14.00	(14.00)	-
Calendar - 350th Year Anniversary		330.00	(330.00)	-
Citizens' & Veterans 2% Admin Fees		5,490.77	(5,490.77)	-
Cost of Tax Sale		11,623.58	(11,623.58)	-
Credit Card Convenience Fees		15,173.75	(15,173.75)	-
Delinquent Fees		14,040.00	(14,040.00)	-
DMV Inspection Fees		1,035.39	(1,035.39)	-
FEMA Reimbursements		1,158,715.43	(1,158,715.43)	-
Fire Report		125.00	(125.00)	-
Fire Penalty		3,000.00	(3,000.00)	-
Homeowner Mail Reimbursement		2,113.80	(2,113.80)	-
ID Card Replacement Fee		63.00	(63.00)	-
Contributions In Lieu of Taxes		23,000.00	(23,000.00)	-
July 4th Fireworks		3,250.00	(3,250.00)	-
Insurance Claims		3,017.53	(3,017.53)	-
Maintenance Liens		16,767.42	(16,767.42)	-
Medical Appointments		4,530.00	(4,530.00)	-
Middlesex County - Red Light Camera Balance		43,313.73	(43,313.73)	-
Miscellaneous		20,078.29	(20,078.29)	-
Central Jersey JIF Awards		3,650.00	(3,650.00)	-
PCTV Control Room		454.00	(454.00)	-
Photo Copies		9,592.06	(9,592.06)	-
Police Report		2,649.30	(2,649.30)	-
Recycling Batteries		1,216.80	(1,216.80)	-
Recycling Bins		391.00	(391.00)	-
Recycling Electronic Waste		210.82	(210.82)	-
Rent Land		29,351.00	(29,351.00)	-
Returned Check Fees		1,316.76	(1,316.76)	-
Rent: Senior Center		5,700.00	(5,700.00)	-
Restitution		205.00	(205.00)	-
Scrap Metal		993.73	(993.73)	-
Zoning & Planning Fees		2,100.00	(2,100.00)	-
Visitor's Fee		12.00	(12.00)	-
Violations - Code		8,000.00	(8,000.00)	-
Worker's Compensation Refund		46,532.93	(46,532.93)	-
A-1, A-2	-	1,867,973.56	(1,867,973.56)	-
Total	\$ 66,736.09	\$ 12,522,821.24	\$ (12,542,562.73)	\$ 46,994.60
	Ref	A	Reserve	A
Analysis of Miscellaneous Revenues:				
Account Receivable Collections	A-4		\$ 10,664,885.97	
Interest on Investments	A-12		(88.80)	
Grass Coupons: A/c Receivables Collections	A-5		9,792.00	
Subtotal			10,674,589.17	
Non-Budget Revenue	A-4		1,856,662.47	
Cost of Tax Sale	A-5		11,623.58	
Return Check Fee	A-5		600.00	
Tax Search	A-5		0.00	
Maintenance Lien	A-5		16,767.42	
Interest of Maintenance Lien	A-5		1,129.82	
Trust Fund	A-11		(18,809.73)	
Subtotal			1,867,973.56	
Total			\$ 12,542,562.73	

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY 2015
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DEC 31, 2015	ENCUMBERED DEC 31, 2015	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS"					
<u>General Government</u>					
Township Council	\$ 1,018.31	\$ 1,543.14	\$ 2,561.45	\$ 1,316.91	\$ 1,244.54
Other Expenses					
Township Clerk	1,435.15		1,435.15	-	1,435.15
Salaries and Wages	315.67	10,222.38	10,538.05	2,556.03	7,982.02
Other Expenses					
Elections					
Salaries and Wages	10,862.50		10,862.50	-	10,862.50
Other Expenses	1,211.28		1,211.28	-	1,211.28
<u>Administration</u>					
Department of Administration					
Salaries and Wages	304.00		304.00	-	304.00
Other Expenses	74,474.24	6,816.64	81,290.88	3,993.62	77,297.26
Division of Personnel					
Salaries and Wages	40.40		40.40	-	40.40
Other Expenses	3,978.39	775.70	4,754.09	90.00	4,664.09
Computer Center					
Salaries and Wages	2,360.45		2,360.45	-	2,360.45
Other Expenses	206,482.12	7,609.23	214,091.35	7,436.16	206,655.19

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2015
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	BALANCE DEC 31, 2015	ENCUMBERED DEC 31, 2015	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
Division of Purchasing					
Salaries and Wages	\$ 19,959.63	\$	19,959.63	\$ -	19,959.63
Other Expenses:	12,827.06	4,402.46	17,229.52	2,125.39	15,104.13
Postage (All Departments)	787.92	4,892.77	5,680.69	109.20	5,571.49
Duplicating (All Departments)	4,278.84		4,278.84	-	4,278.84
Miscellaneous Other Expenses				-	-
Municipal Land Use (N.J.S.A. 40:55 D-1):					
Planning Board					
Salaries and Wages	9.96		9.96	9.96	-
Other Expenses	33,335.09	1,200.00	34,535.09	600.00	33,935.09
Zoning Board					
Salaries and Wages	10.92		10.92	10.92	-
Other Expenses	4,165.17	12,551.41	16,716.58	7,850.13	8,866.45
Cable TV Studio					
Salaries and Wages	2,340.56		2,340.56	2,340.56	-
Other Expenses	2,062.50	1,865.64	3,928.14	1,700.23	2,227.91
<u>Finance and Revenue</u>					
Department of Finance					
Salaries and Wages	28,714.40		28,714.40	311.20	28,403.20
Other Expenses	2,604.13	22,194.93	24,799.06	11,134.07	13,664.99
Annual Audit		70,000.00	70,000.00	53,561.00	16,439.00

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2015
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	BALANCE DEC 31, 2015	ENCUMBERED DEC 31, 2015	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
Division of Assessment					
Salaries and Wages	\$ 767.23	\$	767.23	\$ 767.23	\$ -
Other Expenses	8,849.62	10,258.82	19,108.44	18,880.14	228.30
Division of Revenue					
Salaries and Wages	72,665.17		72,665.17	72,665.17	-
Other Expenses	7,193.51	223.30	7,416.81	211.80	7,205.01
Insurance					
Liability Insurance	77,455.18	39,826.32	117,281.50	129.00	117,152.50
Health Insurance Waiver	39,125.00		39,125.00	-	39,125.00
Employee Group Insurance	321,981.89	511,836.94	833,818.83	504,506.33	329,312.50
Municipal Court					
Salaries and Wages	57,449.46		57,449.46	57,449.46	-
Other Expenses	15,931.80	521.10	16,452.90	8.40	16,444.50
Public Defender (P.L. 1997, Ch. 256)					
Other Expenses	12,000.00		12,000.00	-	12,000.00
<u>Law</u>					
Department of Law					
Other Expenses	3,267.97	150,414.27	153,682.24	151,906.51	1,775.73
Municipal Prosecutor					
Other Expenses	10,000.00	8,927.74	18,927.74	5,591.66	-
					13,336.08

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2015
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	BALANCE DEC 31, 2015	ENCUMBERED DEC 31, 2015	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
<u>Public Safety</u>					
Uniform Fire Safety Act					
Salaries and Wages	\$ 7,104.99	\$	7,104.99	\$ 7,104.99	\$ -
Other Expenses	126.88	3,503.96	3,630.84	3,438.37	192.47
Animal Control					
Salaries and Wages	11,177.24		11,177.24	-	11,177.24
Other Expenses	12,000.00	1,236.00	13,236.00	6,705.40	6,530.60
Division of Schools Crossing Guards					
Salaries and Wages	55,537.01		55,537.01	-	55,537.01
Other Expenses	1,140.00		1,140.00	-	1,140.00
Division of Police					
Salaries and Wages	609,975.55		609,975.55	47,786.66	562,188.89
Other Expenses	98,376.96	5,382.83	103,759.79	8,486.39	95,273.40
First Aid Organization - Contribution	51,713.00	9,429.00	61,142.00	7,071.75	54,070.25
Division of Emergency Management Services					
Salaries and Wages	9.84		9.84	-	9.84
Other Expenses	3,058.27	926.20	3,984.47	926.20	3,058.27
<u>Public Works</u>					
Department of Public Works					
Salaries and Wages	24,405.35		24,405.35	24,405.35	-
Other Expenses	13,393.89	15,444.14	28,838.03	13,339.82	15,498.21

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2015
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	BALANCE DEC 31, 2015	ENCUMBERED DEC 31, 2015	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
Division of Engineering					
Salaries and Wages	\$ 141,710.89	\$	\$ 141,710.89	\$ 141,710.89	\$ -
Other Expenses	32,198.33	875.46	33,073.79	694.90	32,378.89
Division of Community Development and Planning					
Salaries and Wages	327.44		327.44	327.44	-
Other Expenses	59,134.90	33,597.29	92,732.19	52,529.73	40,202.46
Public Buildings and Grounds					
Salaries and Wages	15,857.63		15,857.63	15,857.63	-
Other Expenses	4,839.88	105,794.04	110,633.92	84,631.90	26,002.02
Division of Property Maintenance					
Salaries and Wages	16,071.40		16,071.40	16,071.40	-
Other Expenses	76,121.09	5,226.41	81,347.50	527.73	80,819.77
Division of Fleet Maintenance					
Salaries and Wages	15,852.93		15,852.93	15,852.93	-
Other Expenses	12,911.52	74,878.80	87,790.32	31,858.76	55,931.56
Division of Streets					
Salaries and Wages	47,558.55		47,558.55	47,558.55	-
Other Expenses	24,148.43	5,688.09	29,836.52	631.76	29,204.76
Snow Removal					
Salaries and Wages	150,173.43		150,173.43	150,173.43	-
Other Expenses	12,577.06	89,461.39	102,038.45	102,038.45	-
All Utilities	475,802.88	462,830.64	938,633.52	113,224.93	825,408.59

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2015
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	BALANCE DEC 31, 2015	ENCUMBERED DEC 31, 2015	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
Division of Parks					
Salaries and Wages	\$ 44,469.36	\$	\$ 44,469.36	44,469.36	-
Other Expenses	10,057.40	30,230.59	40,287.99	15,270.33	25,017.66
Shade Trees					
Other Expenses	570.00		570.00	-	570.00
Division of Sanitation - Sewer System					
Other Expenses	30,000.00	700.00	30,700.00	-	30,700.00
Solid Waste Collection					
Salaries and Wages	14,037.29		14,037.29	14,037.29	-
Other Expenses	2,427.75	421.42	2,849.17	-	2,849.17
Recycling Program					
Other Expenses	63,484.25	2,723.07	66,207.32	505.00	65,702.32
Municipal Services Act	115,000.00		115,000.00	38,235.23	76,764.77
Health and Welfare					
Office on Aging					
Salaries and Wages	64,784.28		64,784.28	4,199.28	60,585.00
Other Expenses	25,275.76	13,556.26	38,832.02	5,654.42	33,177.60
Recreation and Education					
Department of Recreation					
Salaries and Wages	571.38		571.38	372.52	198.86
Other Expenses	9,597.61	55,493.47	65,091.08	20,892.71	44,198.37

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2015
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	BALANCE DEC 31, 2015	ENCUMBERED DEC 31, 2015	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
<u>Uniform Construction Code</u>					
Division of Inspections					
Salaries and Wages	\$ 25,583.24	\$	25,583.24	25,583.24	\$ -
Other Expenses	3,571.80	2,978.40	6,550.20	2,978.40	3,571.80
Boards and Commissions					
Other Expenses	28,078.29		28,078.29	-	28,078.29
Total Operations Within "CAPS"	3,451,079.27	1,786,460.25	5,237,539.52	1,972,414.22	3,265,125.30
Total Operation Including Contingent	3,451,079.27	1,786,460.25	5,237,539.52	1,972,414.22	3,265,125.30
Deferred Charges and Statutory Expenditures - <u>Municipal Within "CAPS"</u>					
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System	394,818.10		394,818.10	-	394,818.10
Defined Contribution Retirement Program	4,552.13		4,552.13	-	4,552.13
Total Deferred Charges and Statutory Expenditures Within "CAPS"	399,370.23	-	399,370.23	-	399,370.23
Total General Appropriations Within "CAPS"	3,850,449.50	1,786,460.25	5,636,909.75	1,972,414.22	3,664,495.53

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2015
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	BALANCE DEC 31, 2015	ENCUMBERED DEC 31, 2015	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library	\$ 6,080.06	\$ 108,541.04	\$ 114,621.10	\$ 91,345.93	\$ 23,275.17
9-1-1 Emergency Telecommunications Services					
Salaries and Wages	101.90		101.90	101.90	-
Other Expenses	21,671.39	15,730.54	37,401.93	13,615.02	23,786.91
NJDES - Storm Water				-	
Other Expenses	3,410.50	5,535.20	8,945.70	1,620.00	7,325.70
MCIA Recycling Program	200,000.00	68,114.94	268,114.94	52,160.78	215,954.16
MCUA Solid Waste Agreement	220,000.00	44,951.06	264,951.06	9,581.57	255,369.49
Edison Animal Control Contract		60,000.00	60,000.00	60,000.00	-
UMDNJ Agreements	19,279.04		19,279.04	-	19,279.04
Middlesex County Health Department	2,047.00		2,047.00	-	2,047.00
Total Operations - Excluded from "CAPS"	472,589.89	302,872.78	775,462.67	228,425.20	547,037.47
<u>Capital Improvements - Excluded from "CAPS"</u>					
Land Acquisition		498,830.00	498,830.00	498,766.25	63.75
Equipment PCTV	4,421.00	20,579.00	25,000.00	25,000.00	-
Uniform Code Enforcement Trucks	4,890.00	145,110.00	150,000.00	145,110.00	4,890.00
Total Capital Improvements - Excluded from Caps	9,311.00	664,519.00	673,830.00	668,876.25	4,953.75

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY-2015
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2016

	BALANCE DEC 31, 2015	ENCUMBERED DEC 31, 2015	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
OPERATIONS EXCLUDED FROM "CAPS"					
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	481,900.89	967,391.78	1,449,292.67	897,301.45	551,991.22
Total General Appropriations	\$ 4,332,350.39	\$ 2,753,852.03	\$ 7,086,202.42	\$ 2,869,715.67	\$ 4,216,486.75
REF					A-1
Cash Disbursed				955,917.56	
Transfer to Accounts Payable				1,709,062.43	
Interfund Trust: Snow Reserves				218,489.68	
Interfund Grant Fund				(3,260.10)	
Appropriation				(10,493.90)	
				2,869,715.67	

CURRENT FUND
SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES & RESERVES

	Dec. 31, 2015	Transfer from/(to) Budget	Cash Receipts	Cash Disbursements	Adjustments	Dec. 31, 2016
Accounts Payable:						
Vendor Accounts Payable.....	\$ 4,347,796.16			\$ (155,470.16)	\$ (1,989,514.19)	\$ 2,202,811.81
State of New Jersey 3rd Party Fees	-					-
State Training Fees	27,519.00		92,534.00	(101,684.00)		18,369.00
Marriage License Fee	2,725.00		6,600.00	(6,400.00)		2,925.00
Domestic Partnership Fee	225.00					225.00
Burial Permit Fee	-		15.00	(15.00)		-
Subtotal	4,378,265.16	-	99,149.00	(263,569.16)	(1,989,514.19)	2,224,330.81
Reserve for:						
Library State Aid	29,409.00		29,260.00	(29,409.00)		29,260.00
Lien Redemption & Premium	-		-	(2,556,593.84)	2,556,593.84	-
PCTV	54,457.05		14,174.00		(14,000.00)	54,631.05
Sale of Municipal Assets	421,475.06		128,943.39			550,418.45
Tax Appeals Pending	1,656,796.59	1,800,000.00		(1,063,802.82)		2,392,993.77
Hurricane Sandy Expenses	808,143.15			(603,259.87)		204,883.28
Third Party Inspections	-		-	(72,274.00)		-
Electrical	92,424.31		-			20,150.31
Plumbing	-		-			-
Elevator	3,411.94		57,993.82	(23,870.00)		37,535.76
Certificate of Occupancy	130,792.80		1,260.00			132,052.80
Certificate of Continued Occupancy	16,180.00		6,933.00			23,113.00
Fire	29,633.66		43,887.00	(60,170.00)		13,350.66
Subtotal	3,242,723.56	1,800,000.00	282,451.21	(4,409,379.53)	2,542,593.84	3,458,389.08
Total.....	\$ 7,620,988.72	\$ 1,800,000.00	\$ 381,600.21	\$ (4,672,948.69)	\$ 553,079.65	\$ 5,682,719.89
	Ref	A	A-3	A-4	A	A
Reserve for Tax Appeals Cancelled						
Account Payable Cancelled	A-7				61,663.71	
Revenue Receivable	A-10				(3,698,576.62)	
Interfund: Trust Fund	A-11				(14,000.00)	
Appropriation Reserves	A-9				2,494,930.13	
					<u>1,709,062.43</u>	
					<u>\$ 553,079.65</u>	

CURRENT FUND
STATEMENT OF INTERFUNDS RECEIVABLE

	Dec. 31, 2015	Cash Receipts	Collector Receipts	Cash Disbursements	Operations	Revenue Receivables	Appropriation Reserve	Budget Appropriation December 31 2016	Dec. 31, 2016
Interfunds									
Due from/(to) Other Trust Fund.....		11,671,742.45	2,556,593.84	(12,412,398.98)	(2,494,930.13)	18,898.53	218,489.68	441,604.61	(0.00)
Total.....	\$ -	\$ 11,671,742.45	\$ 2,556,593.84	\$ (12,412,398.98)	\$ (2,494,930.13)	\$ 18,898.53	\$ 218,489.68	\$ 441,604.61	\$ (0.00)
<u>Ref</u>		A-4	A-5	A-4	A-10	A-8	A-9	A-3	A

CURRENT FUND
STATEMENT OF INTERFUNDS PAYABLE

	Dec. 31, 2015	Cash Receipts	Cash Disbursements	Reserves Revenues	Grants Cancelled	Budget Appropriations	Appropriation Reserve	Dec. 31, 2016
			+					
Interfunds								
Due (to)/from Grant Fund	\$ -	\$ (820,804.50)	\$ 876,637.24	\$ 1,397,290.00	\$ (44,487.84)	\$ (1,411,895.00)	\$ 3,260.10	\$ -
General Capital Fund.....		(7,600,000.00)	7,600,000.00			-		-
Unemployment Trust Fund.....		(500,000.00)	500,000.00			-		-
Sewer Operating Fund.....		(8,982,796.64)	8,982,796.64			-		-
Senior Housing Operating Fund...		(1,038,750.00)	1,038,750.00			-		-
Payroll Trust Fund.....		(340,000.00)	340,000.00			-		-
Sewer Capital Fund.....		(2,000,000.00)	2,000,000.00			-		-
Total.....	\$ -	\$ (21,282,351.14)	\$ 21,338,183.88	\$ 1,397,290.00	\$ (44,487.84)	\$ (1,411,895.00)	\$ 3,260.10	\$ -
<u>Ref.</u>	A	A-4	A-4	A-2	A-1	A-3,A-10	A-9	A

**CURRENT FUND
SCHEDULE OF TAXES PAYABLE**

	Taxes Levied	Cash Disbursements
County - General.....	\$ 25,052,235.67	\$ (25,052,235.67)
County - Open Space.....	2,076,120.55	(2,076,120.55)
County - Added & Omitted.....	45,374.22	(45,374.22)
Local School District Taxes.....	90,934,806.00	(90,934,806.00)
Fire District Taxes.....	3,823,380.00	(3,823,380.00)
Total.....	<u>\$ 121,931,916.44</u>	<u>\$ (121,931,916.44)</u>
<u>Ref.</u>	A-1,A-7	A-4

CURRENT FUND
SCHEDULE OF PROPERTY TAX OVERPAYMENTS

		Total
	<u>Ref.</u>	
Balance - 12/31/2015.....	A	\$ 327,153.90
Applied to Taxes Receivable.....	A-7	632,691.81
Cash Payments - Refunds.....	A-4	(15,448.31)
Overpayments Cancelled.....	A-1	(469,107.84)
Overpayments Received	A-7	(613,210.36)
Balances Adjustments.....	A-7	<u>137,920.80</u>
Balance - 12/31/2016.....	A	<u><u>\$ -</u></u>

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

BUDGET YEAR	GRANTS	GRANT FUND				CY 2016 BUDGET REVENUE REALIZED	CY 2016 CHP 159 REVENUE REALIZED	CY 2016 BUDGET REVENUE REALIZED	COLLECTED	CANCELLED	BALANCE DEC. 31, 2016
		BALANCE DEC. 2015	BUDGET REVENUE REALIZED	BUDGET REVENUE REALIZED	BUDGET REVENUE REALIZED						
SFY 2002	Hazardous Discharge Grant	\$ 80,974.65	\$						\$ 80,974.65	\$	-
SFY 2007	Municipal Stormwater Grant	10,310.00							10,310.00		-
SFY 2008	Pedestrian/Bicycle Grant	20,000.00							20,000.00		-
SFY 2009	NJ DOT - William Street	60,000.00									60,000.00
	NJ DOT - Operation Safe Children and Roadways	30,000.00									30,000.00
CY-2011	Historic Preservation Trust: Metlar, Knapp Bodine Grant	150,000.00									150,000.00
CY-2013	Community Development Block Grant - 2012	463,992.30							463,992.30		-
CY-2014	NNL Rt 18 Extension	19,500.00							19,500.00		-
	RT 18 Project>NNL Grant	558,300.00							558,300.00		-
	NJDOT: Lakeview Ave Road	75,000.00							75,000.00		-
	NJDOT: Hoes Lane West Road	90,000.00							90,000.00		-
CY-2015	Multi-Jurisdictional Task Force	6,000.00								6,000.00	-
	Municipal Alliance on Alcoholism	80,320.48							80,320.48		12,274.11
	Drunk Driving Enforcement Grant	12,274.11							8,543.61		-
	Bullet Proof Vest Grant	8,543.61							220,487.00		-
	Community Development Block Grant	220,487.00									2,000.00
	EMPG-EMAA	2,000.00									-
CY-2016	Middlesex County Cultural & Heritage Grant					1,000.00			1,000.00		-
	Multi-Jurisdictional Task Force		6,000.00			12,000.00			12,000.00		6,000.00
	Municipal Alliance on Alcoholism					39,620.00			39,620.00		39,620.00
	Body Armor Grant					7,397.08			7,397.08		-
	COPS In Shop		2,800.00			2,800.00			2,800.00		-
	Alcohol Education Rehab Program					2,235.96			2,235.96		-
	Safe and Secure Grant		60,000.00			60,000.00			60,000.00		60,000.00
	Recycling Tonnage Grant		48,740.27			48,740.27			48,740.27		-
	Clean Communities Grant Program					115,634.89			115,634.89		-
	Community Development Block Grant					220,487.00			220,487.00		220,487.00
	Friends of Piscataway Library					36,974.80			36,974.80		-
	CED Program - Taser		400,000.00			775,000.00			675,000.00		100,000.00
	NJDOT: School Street					9,400.00			9,400.00		9,400.00
	EMPG-EMAA										-
Totals		\$ 1,887,702.15	\$ 551,540.27	\$ 879,749.73	\$ 1,397,290.00	\$ 2,397,605.91	\$ 197,605.13	\$ 689,781.11			
		Ref	A		A-16	A-4	A-16	A			

GRANT FUND
STATEMENT OF INTERFUNDS RECEIVABLE/PAYABLE

	Dec. 31, 2015	Cash Receipts	Cash Disbursements	Budget Revenues	Budget Appropriations	Adjustments	Dec. 31, 2016
<hr/>							
Interfunds							
General Capital Fund Due (to)	\$ (931,000.00)	\$ -	\$ 931,000.00	\$ -	\$ -	\$ -	\$ -
Current Fund Due (to)/from		(234,485.91)	175,393.07	(1,397,290.00)	1,411,895.00	44,487.84	(0.00)
<hr/>							
Total.....	\$ (931,000.00)	\$ (234,485.91)	\$ 1,106,393.07	\$ (1,397,290.00)	\$ 1,411,895.00	\$ 44,487.84	\$ (0.00)
<hr/>							
<u>Ref.</u>	A	A-4	A-4	A-15	A-17		A
				Grant Receivable - cancellation	A-15	\$ 197,605.13	
				Grant Appropriation - Cancellation	A-17	(153,117.29)	
						<u>\$ 44,487.84</u>	

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED

BUDGET YEAR/PROGRAM	GRANT FUND					CH 152	TRANSFER & CANCELLATIONS	PAID OR CHARGED	ENC DEC. 31 2016	BALANCE DEC. 31 2016
	BALANCE DEC. 31 2015	ENC DEC 31 2015	TRANSFERRER FROM CY 2016 BUDGET	TOTAL						
	\$	\$	\$	\$	\$					
SFY 2002	31,516.34									
Hazardous Discharge Grant										
SFY 2007	20,000.00									
Durham Park Bike Path										
SFY 2008	25,282.40									
Pedestrian/Bicycle Grant										
SFY 2009	30,000.00									
NJ DOT - Safe Routes to School Program										
SFY 2010	1,175.13									
Alcohol Education Rehab Program										
CY-2011	2,211.32									
Municipal Court Alcohol And Education Rehab										
CY-2012	2,860.04									
Municipal Court Alcohol And Education Rehab										
Recycling Tonnage Grant	38,544.26									
CY-2013	3,539.52									
Multi-Jurisdictional Task Force	738.85									
Alcohol Education Rehab Program	57,045.56									
Recycling Tonnage Grant	3,276.12									
Drunk Driving Enforcement Grant		216.87								
CY 2014	5,585.00									
Multi-Jurisdictional Task Force		198,691.90								
Forestry Grant: Rt 18 Project	44,725.93	24,700.00								
Clean Communities Grant-FY 2014	1,640.00									
Making The Future Grant: Library	2,768.26									
American Library Association	6,256.02									
Drunk Driving Enforcement										
CY 2015	151.00									
Middlesex County Cultural & Heritage Grant	12,000.00									
Multi-Jurisdictional Task Force	102,047.67									
Clean Communities Grant Program	2,887.72									
Alcohol Education Rehab Program	76,186.80									
Recycling Tonnage Grant	12,936.26									
Municipal Alliance on Alcoholism	9,131.30									
Municipal Alliance on Alcoholism Match	37,360.00									
Municipal Alliance on Alcoholism	9,824.85									
Municipal Alliance on Alcoholism Match	12,274.11									
Drunk Driving Enforcement	220,487.00									
Clean Communities Grant Program	11,574.95									
CED Program - Tasers	12,000.00									
EMPG EMMA	12,000.00									
EMPG EMMAA Match										
CY 2016										
Middlesex County Cultural & Heritage Grant										
Multi-Jurisdictional Task Force	6,000.00									
Community Development Block Grant	220,487.00									
Alcohol Education Rehab Program	2,235.96									
Body Armor Grant	7,397.08									
Cops In Shop										
Recycling Tonnage Grant	2,800.00									
Alcohol Education Rehab Program	48,740.27									
Municipal Alliance on Alcoholism	39,620.00									
Municipal Alliance on Alcoholism Match	9,905.00									
Friends of Piscataway Library	36,974.80									
Safe & Secure Grant	60,000.00									
Clean Communities Grant Program	115,634.89									
NJDOT: School Street Grant	375,000.00									
EMPG EMMA	9,400.00									
EMPG EMMAA Match	4,700.00									
Totals	\$ 808,026.41	\$ 224,674.91	\$ 517,540.27	\$ 894,354.73	\$ 153,117.29	\$ 1,461,666.99	\$ 63,915.06	\$ 765,896.98		
Ref.	A	A	A-16	A-16	A-16	A-4	A	A		

DEFERRED CHARGES - EMERGENCY APPROPRIATION
CURRENT FUND

	<u>BALANCE</u> <u>DEC 31, 2015</u>	<u>BUDGET</u> <u>APPROPR</u>	<u>BALANCE</u> <u>DEC 31, 2016</u>
Special Emergency:			
Revaluation of Real Property	\$ 300,000.00	\$ (300,000.00)	\$ -
Total	<u>\$ 300,000.00</u>	<u>\$ (300,000.00)</u>	<u>\$ -</u>
<u>Ref.</u>	A	A-3	A

Trust Fund

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance Dec. 31, 2015	Cash Receipts	Disbursements	Adjustments	Balance Dec. 31, 2016
Animal Control:					
Due NJ - State License Fees..... \$	(48.60)	\$ 2,214.60	\$ (1,978.20)		\$ 187.80
Animal Control Reserves.....	54,990.47	18,936.40	1,689.10	(1,614.10)	74,001.87
Total	54,941.87	21,151.00	(289.10)	(1,614.10)	74,189.67
Other Trust Funds:					
State and Federal Grants Receivable.....	-	12,907,021.73	(12,907,021.73)		-
Due to/(from) Current Fund.....	-				-
Due to/Senior Housing Capital Fund.....	-				-
Due to/from Capital Fund.....	-				-
Due to Sewer Utility Operating Fund.....	-				-
Payroll Liabilities.....	124,110.61	41,829,061.52	(41,811,351.23)		141,820.90
Prepaid Payroll Expenditures.....	-				-
Unemployment Trust Fund.....	489,474.88	75,000.00	(66,576.93)		497,897.95
Reserve for CDBG.....	-				-
Reserve for Affordable Housing.....	690,672.67	641,243.46	(51,424.18)		1,280,491.95
Miscellaneous Deposits.....	8,668,453.52	5,253,751.79	(5,284,026.15)		8,638,179.16
Recreation Trust.....	56,127.99	6,330.00	(3,792.00)		58,665.99
Schedule of Escrows.....	5,646,174.22	4,556,157.84	(2,298,114.35)		7,904,217.71
Total	15,675,013.89	65,268,566.34	(62,422,306.57)	-	18,521,273.66
Public Assistance Trust Fund:					
Reserve for Public Assistance.....	10,411.35	2,000.00			12,411.35
Total	10,411.35	2,000.00	-	-	12,411.35
Total	\$ 15,740,367.11	\$ 65,291,717.34	\$ (62,422,595.67)	\$ (1,614.10)	\$ 18,607,874.68

<u>Ref.</u>	B	B
Reserve for Animal Control		
<u>License Fees Collected:</u>		
<u>Year</u>		
CY 2014	\$ 26,309.60	
CY 2015	21,065.80	
	<u>\$ 47,375.40</u>	

Note: R.S. 4:19.11

" there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

SCHEDULE OF ESCROW FUND DEPOSITS AND RESERVES
TRUST OTHER FUNDS

Purpose	Balance		Increases	Decreases	Balance	
	Dec. 31, 2015	Dec. 31, 2016			Dec. 31, 2015	Dec. 31, 2016
1. CB Engineering & Inspections Fees (over \$5,000)	\$ 1,059,208.56	\$ 584,818.31	\$ 112,852.48	\$ 1,531,174.39		
2. CB Engineering & Inspections Fees (under \$5,000)	186,219.84	16,870.47	25,158.81	177,931.50		
3. Performance Bonds (over \$10,000)	982,492.23	500.00		982,992.23		
4. CB Planning Board (Under \$5,000)	374,385.75	233,210.35	248,528.84	359,067.26		
5. CB Planning Board (Over \$5,000)	323,123.61	212,694.67	175,643.02	360,175.26		
6. CB Developers Interest	3,105.12	3,693.72		6,798.84		
7. CB Performance (under \$5,000)	236,265.51	11,530.92	16,747.11	231,049.32		
8. CB Operations	-	1,149,057.16	1,149,057.16	-		
9. CB Developers	2,277,623.60	2,343,596.29	568,278.27	4,052,941.62		
10. CB Developers Fiber Optics	3,750.00		1,848.66	1,901.34		
11. CB Developers Tree Bond	200,000.00	185.95		200,185.95		
Total	\$ 5,646,174.22	\$ 4,556,157.84	\$ 2,298,114.35	\$ 7,904,217.71		
	B	B-1	B-1	B		

Ref.

SCHEDULE OF MISCELLANEOUS DEPOSITS
TRUST - OTHER FUND

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
1. DARE Program	\$ 1,963.04	\$ 1,000.00	2,963.04	\$ -
2. Dep. For Redemp. Of Tax Sale Certif.	7,194.05			7,194.05
3. Donations: Emergency Management	34,016.50	10,054.00	12,939.61	31,130.89
4. Escrow/Bond: Appraisal	950.00			950.00
5. Escrow/Bond: Curb Repair	43,423.85			43,423.85
6. Federal Forfeiture Funds	94.87	0.19		95.06
7. Forfeiture Funds	65,203.60	9,909.85	30,719.39	44,394.06
8. Future Improvement Deposits	226,786.52			226,786.52
9. Grading Bonds	11,000.00			11,000.00
10. Landscape Bonds	264,261.25	10,000.00	111,000.00	163,261.25
11. Local Seized Funds	-	5,651.01	1,800.00	3,851.01
12. Municipal Court - POAA	4,526.45	282.00		4,808.45
13. Municipal Court - Bail	1,200.00	1,866.00		3,066.00
14. Prem. Received at Tax Sale	1,669,100.00	1,443,300.00	1,382,100.00	1,730,300.00
15. Public Defender Fees	612.98	21,564.25	7,662.00	14,515.23
16. Public Relations Beautification Fund	22,487.54	3,455.00	1,193.00	24,749.54
17. Recapture Fees- Sale of Afford. Hsg.	3,000.00			3,000.00
18. Reserve for Domestic Violence	32,588.81			32,588.81
19. Reserve for Police Off-Duty Pay	-	1,652,922.34	1,652,922.34	-
20. Reserve for Recycling Project	9,733.13			9,733.13
21. Senior Citizens Trips	6,233.30	16,006.90	13,038.14	9,202.06
22. Seized Funds	5,651.01		5,651.01	-
23. Sick and Vacation Accrual	4,708,068.33	275,000.00	931,344.80	4,051,723.53
24. Snow Removal	732,705.86	632,095.13		1,364,800.99
25. Street Opening Bonds	261,019.35	57,351.28	17,862.69	300,507.94
26. Tax Lien Redemption	555,593.08	1,113,293.84	1,112,830.13	556,056.79
27. Youth Center Donations	1,040.00			1,040.00
Total	\$ 8,668,453.52	\$ 5,253,751.79	\$ 5,284,026.15	\$ 8,638,179.16
<u>Ref.</u>	B	B- 1	B- 1	B

General Capital Fund

SCHEDULE OF CASH AND INVESTMENTS - TREASURER
GENERAL CAPITAL FUND

	<u>REF.</u>		
Balance - December 31, 2015	C		\$ 1,597,000.27
Increased by Receipts:			
CY 2016 Budget Appropriation	C-6	\$ 2,050,887.60	
Contributions - Off-Site Improvements	C- 1	456,731.00	
Reserve for Good Faith Deposit	C- 7	271,609.66	
Reserve for Community Center	C-11	0.00	
Interfund: Receipts	C-14	689,893.00	
Deferred Unfunded from Current	C-10	8,531,000.00	
Reserve for Debt Service	C-5	1,636,022.74	
Serial Bonds	C-16	0.00	
	C-9	<u>5,200,000.00</u>	
			<u>18,836,144.00</u>
			20,433,144.27
Decreased by Disbursements:			
Current Fund Budget Appropriation	C- 1	1,200,000.00	
Improvement Authorizations	C-15	49,485.78	
Interfund: Payments	C-8	7,128,425.53	
Preliminary Expenses	C-10	7,600,000.00	
Reserve for Good Faith Deposit	C-11	580,683.61	
	C-11	<u>196,000.00</u>	
			<u>16,754,594.92</u>
Balance - December 31, 2016	C		<u><u>\$ 3,678,549.35</u></u>

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
GENERAL CAPITAL FUND

	BALANCE DEC. 31, 2015	BALANCE DEC. 31, 2016
Fund Balance	\$ 1,437,027.53	\$ 693,758.53
Capital Improvement Fund	501,499.30	1,403,386.90
Contributions - Off-Site Improvements	1,737,960.49	2,009,570.15
Contributions - Tree Contributions	6,000.00	6,000.00
Reserve for Good Faith Deposit	196,000.00	-
Reserve for Preliminary Expenses	1,055,935.10	475,251.49
Reserve for Stelton Streetscape	20,250.00	20,250.00
Reserve for Community Center	2,995,000.00	3,684,893.00
Reserve for Debt Service	49,485.78	-
Due to Current Fund	-	-
Due to Trust Fund	-	-
Due to Grant Fund	(931,000.00)	-
Due from Sewer Utility Fund	-	-
Reserve for Encumbrances	3,552,286.18	6,614,855.67
ORD. IMPROVEMENT	-	-
<u>NO. AUTHORIZATIONS</u>	-	-
01-01 Various Improvements	-	-
02-24 Various Park Improvements	-	-
02-25 Various Capital Improvements	47,553.66	90,027.53
03-10 Acquisition of Land	-	-
03-39 Various Capital Improvements	(0.00)	(0.00)
04-05 Various Capital Improvements	-	-
04-52 Various Capital Projects	-	-
05-11 Various Capital Projects	344,640.31	344,284.31
05-13 Various Capital Projects	(0.00)	10,620.49
05-41, 06-14 Various Capital Improvements	0.00	7,844.00
06-26 William Street Improvements	-	-
06-36 Various Capital Improvements	(720,420.84)	11,853.93
06-48 Various Capital Improvements	(153,350.62)	211,344.61
07-02 Various Capital Improvements	16,751.66	3,211.54
07-33 Various Capital Improvements	(136,529.98)	(0.00)
08-10 Acquisition of Land: Highland	24,189.81	24,189.81
09-04 Various Capital Improvements	(340,584.70)	(380,380.20)
09-20 Digital Tax Maps	49,296.20	49,296.20
09-40 Various Capital Improvements	(416,174.57)	(894,915.76)
10-01 Various Improvements	(1,462,804.74)	(2,609,280.36)
11-01 Revaluation	209,041.26	204.50
11-04 Various Road Improvements - Annual	(415,000.00)	(415,000.00)
11-08 Various Road Improvements (\$300,00 -NJDOT)	(244,801.42)	(310,020.08)
11-14 Various Capital Improvements	330,184.76	45,570.72
Renovations, Expansion and Improvements	-	-
11-21 to Municipal Facilities	(2,429,012.59)	(2,418,858.73)
12-02 Various Roads	(57,500.00)	346,663.16
12-04 Various Twp Roads	(354,637.02)	(437,221.00)
12-28 Various Capital Improvements	402,043.26	441,664.46
12-30 Various Road Rehabilitation & Improvements:	(348,475.86)	(355,000.00)
13-06 Various Capital Improvements	(871,689.19)	(1,198,678.01)
13-07 Various Capital Improvements	(1,587,829.26)	(1,636,393.21)
13-26 Rehab of Various Roads (see 12-19)	181,684.91	(589,267.09)
13-27 Various Capital Improvements	(297,500.00)	(386,447.04)
14-01 Annual Roads	(1,013,252.05)	(1,057,701.10)
14-20 Annual Roads	(1,346,307.40)	(1,342,519.40)
14-21 School Street	95,769.34	(329,256.12)
14-22 Columbus Park	(649,334.32)	(6,557.00)
14-29 Various Capital Improvements	265,405.28	440,549.20
15-19 Backland Avenue Road Improvements	234,200.00	(135,714.50)
15-34 Various Roads, Curbs, & Parking Lot Impr	262,500.00	(289,989.67)
15-39 Various Park Improvements	70,500.00	-
15-40 Acquisition of Various Equipment	1,288,000.00	-
16-09 Various Park Improvements	-	(66,695.13)
16-10 Acquisition of Various Equipments & Vehicles	-	454,153.55
16-37 Various Roads, Curbs, Sidewalk Improvements	-	49,000.00
16-39 Various Park Improvements	-	100,000.00
16-43 Various Equipment, Vehicles & Systems	-	1,000,000.00
Total	\$ 1,597,000.27	\$ 3,678,549.35

Ref

C

C

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance - December 31, 2015	C	\$ 49,103,000.00
Increased by:		
Serial Bonds	C-5	<u>5,200,000.00</u>
		54,303,000.00
Decreased by:		
2016 Budget Approp. to Pay Bonds	C-9	<u>9,540,000.00</u>
Balance - December 31, 2016	C	<u><u>\$ 44,763,000.00</u></u>

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

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE						
		DEC. 31, 2016					UNEXPENDED IMPROVEMENT AUTHORIZATIONS	
		BALANCE DEC. 31, 2015	2016 AUTHORIZATION	FUNDED BY BUDGET APPROPR	SERIAL BONDS ISSUED	BALANCE DEC. 31, 2016		EXPENDITURES
06-36	Various Capital Improvements	\$ 1,039,000.00	\$ -	\$ 1,039,000.00	\$ -	\$ -	\$ -	-
06-48	Various Capital Improvements	160,000.00	-	160,000.00	-	-	-	-
07-33	Various Capital Improvements	139,522.74	-	139,522.74	-	-	-	-
09-04	Various Capital Improvements	953,200.00	-	-	-	953,200.00	380,380.20	572,819.80
09-40	Various Capital Improvements	1,281,050.00	-	-	-	1,281,050.00	894,915.76	386,134.24
10-01	Various Improvements	5,357,500.00	-	-	-	5,357,500.00	2,609,280.36	2,748,219.64
11-04	Various Improvements	415,000.00	-	-	-	415,000.00	415,000.00	-
11-08	Various Improvements	850,000.00	-	-	-	850,000.00	310,020.08	539,979.92
11-21	Various Improvements	2,450,000.00	-	-	-	2,450,000.00	2,418,858.73	31,141.27
12-02	Various Road Improvements	257,500.00	-	257,500.00	-	1,947,500.00	437,221.00	1,510,279.00
12-04	Various Road & Engineering Projects	1,947,500.00	-	-	-	-	-	-
12-28	Various Capital Improvements	400,000.00	-	40,000.00	-	400,000.00	400,000.00	-
12-30	Various Road Rehabilitation	2,018,750.00	-	-	-	2,018,750.00	1,198,678.01	820,071.99
13-06	Various Capital Improvements	3,040,000.00	-	-	-	3,040,000.00	1,636,393.21	1,403,606.79
13-07	Various Capital Improvements (See 12-19)	6,175,000.00	-	-	-	6,175,000.00	589,267.09	5,585,732.91
13-26, 15-32	Rehab of Various Road	1,947,500.00	-	-	-	1,947,500.00	386,447.04	1,561,052.96
13-27	Various Capital Improvements	1,140,000.00	-	-	-	1,140,000.00	1,057,701.10	82,298.90
14-01	Various Capital Improvements	1,425,000.00	-	-	-	1,425,000.00	1,342,519.40	82,480.60
14-20	Annual Road Improvements	3,800,000.00	2,625,000.00	-	1,000,000.00	5,425,000.00	-	5,425,000.00
14-21, 15-13, 16-36	Road Rehab & Improvements	1,006,557.00	-	-	1,000,000.00	6,557.00	6,557.00	-
14-22	Various Park Improvements	4,750,000.00	-	-	-	4,750,000.00	135,714.50	4,614,285.50
15-19	Bakeland Avenue Road Improvements	4,987,500.00	-	-	2,000,000.00	2,987,500.00	289,989.67	2,697,510.33
15-34, 16-36	Various Roads, Curbs, & Parking Lot Impr	1,339,500.00	(1,339,500.00)	-	-	-	-	-
15-39	Various Park Improvements	-	1,339,500.00	-	1,200,000.00	139,500.00	66,695.13	72,804.87
16-09	Various Park Improvements	-	931,000.00	-	-	931,000.00	-	931,000.00
16-37	Various Roads, Curbs, Sidewalk Improvements	-	1,900,000.00	-	-	1,900,000.00	-	1,900,000.00
16-39	Various Park Improvements	-	-	-	-	-	-	-
Total		\$ 46,920,079.74	\$ 5,456,000.00	\$ 1,636,022.74	\$ 5,200,000.00	\$ 45,540,057.00	\$ 14,575,638.28	\$ 30,964,418.72

Ref.

C

C-8

C-2

C-4

C

SCHEDULE OF CAPITAL IMPROVEMENT FUND
GENERAL CAPITAL FUND

	<u>REF.</u>	
Balance - December 31, 2015	C	\$ 501,499.30
Increased by:		
CY 2016 Budget Appropriation	C-2	<u>2,050,887.60</u>
		2,552,386.90
Decreased by:		
Appropriation to Finance Improvement Authorizations	C- 8	<u>1,149,000.00</u>
Balance - December 31, 2016	C	<u><u>\$ 1,403,386.90</u></u>

SCHEDULE OF CONTRIBUTIONS - OFF-SITE IMPROVEMENTS

	<u>REF.</u>	
Balance - December 31, 2015	C	\$ 1,737,960.49
Increased by:		
Cash Receipts	C- 2	<u>271,609.66</u>
Balance - December 31, 2016	C	<u><u>\$ 2,009,570.15</u></u>

SCHEDULE OF GENERAL SERIAL BONDS
GENERAL CAPITAL FUND

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING			INTEREST RATE	BALANCE DEC. 31, 2015	INCREASED	DECREASED	BALANCE DEC. 31, 2016
			DEC. 31, 2016							
General Improvement Bonds	11/01/07	\$ 15,500,000.00	11/01/17	1,600,000.00	3.625%	\$ 6,300,000.00		\$ 1,500,000.00		\$ 4,800,000.00
			11/01/18	1,600,000.00	3.750%					
			11/01/19	1,600,000.00	3.750%					
General Improvement Bonds	03/15/09	17,710,000.00	03/15/17	1,600,000.00	4.000%	10,360,000.00		1,500,000.00		8,860,000.00
			03/15/18	1,700,000.00	4.000%					
			03/15/19	1,700,000.00	5.000%					
			03/15/20	1,900,000.00	4.000%					
			03/15/21	1,960,000.00	4.000%					
Tax Appeals	03/15/09	2,290,000.00				340,000.00		340,000.00		
General Improvement Bonds	1/27/11	4,564,000.00	2/1/17/8-1-17	475,000.00	4.000%	3,014,000.00		450,000.00		2,564,000.00
			2/1/18/8-1-18	500,000.00	4.000%					
			2/1/19/8-1-19	500,000.00	4.000%					
			2/1/20/8-1-20	525,000.00	4.000%					
			2/1/21/8-1-21	564,000.00	4.000%					
Tax Appeals Refunding Bonds-Series A	1/27/11	2,610,000.00				510,000.00		510,000.00		
Tax Appeals Refunding Bonds-Series B	1/27/11	7,820,000.00	2/1/17/8-1-17	1,100,000.00	4.000%	3,420,000.00		1,100,000.00		2,320,000.00
			2/1/18/8-1-18	1,220,000.00	4.000%					
General Improvement Refunding Bonds	3/24/11	6,050,000.00	02/01/17	975,000.00	4.000%	2,145,000.00		1,170,000.00		975,000.00
General Improvement Refunding Bonds	11/28/12	3,595,000.00	03/01/17	960,000.00	4.000%	1,880,000.00		920,000.00		960,000.00
General Improvement Bonds	12/28/12	5,884,000.00	12/15/17	900,000.00	2.000%	3,734,000.00		850,000.00		2,884,000.00
			12/15/18	950,000.00	3.000%					

SCHEDULE OF GENERAL SERIAL BONDS
GENERAL CAPITAL FUND

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DEC. 31, 2015	INCREASED	DECREASED	BALANCE DEC. 31, 2016
			DEC. 31, 2016	DEC. 31, 2016					
General Improvement Bonds	1/15/14	\$ 8,100,000.00				\$ 7,600,000.00		\$ 500,000.00	\$ 7,100,000.00
			01/15/17	750,000.00	3.000%				
			01/15/18	750,000.00	3.000%				
			01/15/19	800,000.00	3.000%				
			01/15/20	800,000.00	3.000%				
			01/15/21	1,000,000.00	3.000%				
			01/15/22	1,000,000.00	3.000%				
			01/15/23	1,000,000.00	3.000%				
			01/15/24	1,000,000.00	3.000%				
General Improvement Bonds	12/16/15	9,800,000.00				9,800,000.00		700,000.00	9,100,000.00
			12/15/17	775,000.00	2.000%				
			12/15/18	825,000.00	2.000%				
			12/15/19	875,000.00	2.000%				
			12/15/20	925,000.00	2.000%				
			12/15/21	975,000.00	2.000%				
			12/15/22	1,025,000.00	4.000%				
			12/15/23	1,100,000.00	4.000%				
			12/15/24	1,200,000.00	4.000%				
			12/15/25	1,400,000.00	4.000%				
General Improvement Bonds	11/30/16	5,200,000.00					5,200,000.00		5,200,000.00
			11/01/17	325,000.00	4.000%				
			11/01/18	350,000.00	4.000%				
			11/01/19	375,000.00	4.000%				
			11/01/20	425,000.00	4.000%				
			11/01/21	450,000.00	4.000%				
			11/01/22	475,000.00	4.000%				
			11/01/23	500,000.00	4.000%				
			11/01/24	525,000.00	4.000%				
			11/01/25	550,000.00	3.000%				
			11/01/26	600,000.00	3.000%				
			11/01/27	625,000.00	3.000%				
<hr/>									
Total						\$ 49,103,000.00	\$ 5,200,000.00	\$ 9,540,000.00	\$ 44,763,000.00
						Ref.	C	C-2	C-4
									C

SCHEDULE OF INTERFUNDS PAYABLE

	<u>REF.</u>	<u>Total</u>	<u>Due to Current Fund</u>	<u>Due from Grant Fund</u>
Balance - December 31, 2015	C	\$ (931,000.00)	\$	(\$931,000.00)
Increased by:				
Cash Received	C- 2	<u>8,531,000.00</u>	<u>7,600,000.00</u>	<u>931,000.00</u>
		7,600,000.00	7,600,000.00	-
Decreased by:				
Cash Disbursed	C- 2	<u>7,600,000.00</u>	<u>7,600,000.00</u>	
		<u>7,600,000.00</u>	<u>7,600,000.00</u>	-
Balance - December 31, 2016	C	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF PRELIMINARY EXPENSES
GENERAL CAPITAL FUND

	<u>REF.</u>	
Balance December 31, 2015	C	\$ 1,055,935.10
Decreased by:		
Cash Disbursed	C- 2	<u>580,683.61</u>
Balance December 31, 2016	C	<u><u>\$ 475,251.49</u></u>

SCHEDULE OF RESERVES DEVELOPER'S TREE CONTRIBUTIONS

	<u>REF.</u>	
Balance December 31, 2015	C	<u>\$ 6,000.00</u>
Balance December 31, 2016	C	<u><u>\$ 6,000.00</u></u>

SCHEDULE OF STELTON STREETSSCAPE

	<u>REF.</u>	
Balance December 31, 2015	C	\$ 20,250.00
Balance December 31, 2016	C	<u>\$ 20,250.00</u>

SCHEDULE OF RESERVES COMMUNITY CENTER

	<u>REF.</u>	
Balance December 31, 2015	C	\$ 2,995,000.00
Increased by:		
Cash Received	C-2	<u>689,893.00</u>
Balance December 31, 2016	C	<u>\$ 3,684,893.00</u>

SCHEDULE OF RESERVES FOR DEBT SERVICE

Balance December 31, 2015	C	\$ 49,485.78
Decreased by:		
Caah Disbursed	C-2	<u>\$ 49,485.78</u>

SCHEDULE OF RESERVE: GOOD FAITH DEPOSIT

	<u>REF.</u>	
Balance December 31, 2015	C	\$ 196,000.00
Decreased by:		
Cash Disbursed	C-2	<u>\$ 196,000.00</u>

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

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DEC. 31, 2015	2016 <u>AUTHORIZATIONS</u>	BONDS ISSUED	Budget Cash <u>Refund</u>	BALANCE DEC. 31, 2016
	<u>General Improvements</u>					
04-52,05-40	Various Capital Improvements	\$	\$	\$	\$	\$
06-36	Various Capital Improvements	1,039,000.00			1,039,000.00	
06-48	Various Capital Improvements	160,000.00			160,000.00	
07-33	Various Capital Improvements	139,522.74			139,522.74	
09-04	Various Capital Improvements	953,200.00				953,200.00
09-40	Various Capital Improvements	1,281,050.00				1,281,050.00
10-01	Various Improvements	5,357,500.00				5,357,500.00
11-04	Various Improvements	415,000.00				415,000.00
11-08	Various Improvements	850,000.00				850,000.00
11-21	Various Improvements	2,450,000.00				2,450,000.00
12-02	Various Roads	257,500.00			257,500.00	
12-04	Various Twp Roads	1,947,500.00				1,947,500.00
12-28	Various Capital Improvements	40,000.00			40,000.00	
12-30	Various Road Rehabilitation & Improvements:	400,000.00				400,000.00
13-06	Various Capital Improvements	2,018,750.00				2,018,750.00
13-07	Various Capital Improvements (See 12-19)	3,040,000.00				3,040,000.00
13-26,15-32	Rehab of Various Road	6,175,000.00				6,175,000.00
13-27	Various Capital Improvements	1,947,500.00				1,947,500.00
14-01	Various Capital Improvements	1,140,000.00				1,140,000.00
14-20	Annual Road Improvements	1,425,000.00				1,425,000.00
14-21,15-33	Road Rehab & Improvements	3,800,000.00	2,625,000.00	1,000,000.00		5,425,000.00
14-22	Various Park Improvements	1,006,557.00		1,000,000.00		6,557.00
15-19	Baekeland Avenue Road Improvements	4,750,000.00				4,750,000.00
15-34	Various Roads, Curbs, & Parking Lot Impr	4,987,500.00		2,000,000.00		2,987,500.00
15-39	Various Park Improvements	1,339,500.00	(1,339,500.00)			
16-09	Various Park Improvements		1,339,500.00			139,500.00
16-37	Various Roads, Curbs, & Parking Lot Impr		931,000.00	1,200,000.00		931,000.00
16-39	Various Park Improvements		1,900,000.00			1,900,000.00
Total		\$ 46,920,079.74	\$ 5,456,000.00	\$ 5,200,000.00	\$ 1,636,022.74	\$ 45,540,057.00

Ref.

C

Sewer Utility Fund

SCHEDULE OF SEWER UTILITY CASH AND INVESTMENTS
TREASURER

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2015		\$ 6,478,379.91	\$ 2,065,358.29
Increased by Receipts:			
Interest on Investments	D-3	3,317.58	
Miscellaneous Revenues	D-3	99,733.88	
Collector	D-6	11,624,903.28	
Deferred Reserve for Amortization	D-17		1,500,000.00
Due from Current Fund	D-18	8,982,796.64	
Due from Sewer Capital	D-21	0.03	
Due from Sewer Operating Fund	D-22		<u>1,870,000.00</u>
		<u>20,710,751.41</u>	<u>3,370,000.00</u>
		27,189,131.32	5,435,358.29
Decreased by Disbursements:			
FY 2016 Budget	D-4	8,233,663.58	
Appropriation Reserves	D-11	622,272.28	
Accrued Interest	D-12	120,400.00	
Sewer Overpayment	D-14	1,498.91	
Improvement Authorizations	D-16		146,724.39
Due from Current Fund	D-18	8,982,796.64	
Accounts Payable	D-15	49,952.15	
Due to Sewer Capital Fund	D-21	1,870,000.00	
Due from Sewer Operating Fund	D-22		0.03
Refund of Revenue	D-1	3,000.00	
Capital Ordinance Funded	D-1	<u>1,500,000.00</u>	
		<u>21,383,583.56</u>	<u>146,724.42</u>
Balance - December 31, 2016	D	<u>\$ 5,805,547.76</u>	<u>\$ 5,288,633.87</u>

SCHEDULE OF CASH - COLLECTOR
SEWER UTILITY FUND

	<u>REF</u>	
Increased by:		
Sewer Service Charges	D- 8	\$ 11,059,303.73
Interest on Delinquent Accounts	D- 3	136,455.55
Miscellaneous Revenue	D- 3	60.00
Connection Fees	D- 3	416,940.00
Prepaid Sewer Charges	D-13	<u>12,144.00</u>
		<u>\$ 11,624,903.28</u>
Decreased by:		
Payments to Treasurer	D- 5	<u><u>\$ 11,624,903.28</u></u>

ANALYSIS OF SEWER UTILITY CAPITAL
CASH AND INVESTMENTS

	BALANCE DEC. 31, <u>2016</u>	BALANCE DEC. 31, <u>2015</u>
Fund Balance	\$ 689.97	\$ 101,939.97
Capital Improvement Fund	-	153,750.00
Reserve for Encumbrances	1,507,868.56	256,171.22
Improvement Authorizations Funded	3,780,075.34	3,771,864.31
Improvement Authorizations Expended	-	(2,218,367.21)
	<hr/>	<hr/>
Total	<u>\$ 5,288,633.87</u>	<u>\$ 2,065,358.29</u>
<u>Ref.</u>	D	D

SCHEDULE OF SEWER CHARGES & SEWER LIEN RECEIVABLE
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	<u>SEWER CHARGES</u>	<u>SEWER LIENS</u>
Balance - December 31, 2015	D	\$ 1,473,686.70	\$ 1,431.26
Increased by:			
Transfer from Liens	D-8	1,431.26	0.00
Sewer Charges Levied	Reserve	<u>10,691,201.56</u>	<u> </u>
Sub Total		12,166,319.52	1,431.26
Decreased by:			
Collection	D-3,D-6	\$ 11,059,303.73	
Transfer to Receivables	D-8		1,431.26
Prepays Applied	D-13	22,468.70	
Overpayments Applied	D-14	<u>7,168.34</u>	<u> </u>
Sub Total		<u>11,088,940.77</u>	<u>1,431.26</u>
Balance - December 31, 2016	D	<u><u>\$ 1,077,378.75</u></u>	<u><u>\$ -</u></u>

**SCHEDULE OF FIXED CAPITAL
SEWER UTILITY CAPITAL FUND**

ORD <u>NO.</u>	BALANCE DEC. 31 <u>2015</u>	BALANCE DEC. 31 <u>2016</u>
Arbor-New Market Sewers	\$ 4,600,000.00	\$ 4,600,000.00
63-1 Oakdale Pumping Station	29,302.00	29,302.00
64-1 Knollwood Area Sewers	160,240.00	160,240.00
64-2 Randolphville Road Sewer	8,353.00	8,353.00
65-1 Ambrose Brook Trunk Sewer	2,093,430.00	2,093,430.00
67-1 River Road Sewers	178,793.00	178,793.00
69-1 River Road Sewers	40,000.00	40,000.00
70-1 Sewer System Improvements	349,925.00	349,925.00
70-20 Purchase of Equipment	18,696.00	18,696.00
70-21 Sewer System Improvements	315,276.00	315,276.00
71-1 Park Avenue Sewer	25,000.00	25,000.00
73-1 Purchase of Equipment	32,384.00	32,384.00
72-1 Sewer System Improvements	1,443,500.00	1,443,500.00
77-2 Extension of Sewer System	100,000.00	100,000.00
77-58 Sanitary Sewer - Orris-Dunbar	10,000.00	10,000.00
76-20 Sanitary Sewer - Buena Vista Avenue	2,325.00	2,325.00
75-29 Sanitary Sewer - Stelton Road	88,180.00	88,180.00
77-18 Sanitary Sewer - River Road Area	172,150.00	172,150.00
77-64 &	-	-
80-48 Sanitary Sewer - Overbrook Road Area	508,506.00	508,506.00
78-17 Public Works Center	274,639.00	274,639.00
78-22 Public Works Equipment	20,000.00	20,000.00
80-40 Public Works Equipment	52,677.06	52,677.06
78-19 San. Sewer - Blue Ridge/Gates Avenue	-	-
South Randolphville Road Area	199,398.16	199,398.16
76-63 &	-	-
81-33 Sanitary Sewer - Hillside Ave.	106,853.00	106,853.00
82-20 Sanitary Sewer - Sunset Lane & River	-	-
Road and Fisher and Ludlow Avenues	232,825.00	232,825.00
82-48 Public Works Equipment	58,981.00	58,981.00
84-43 Public Works Equipment	33,000.00	33,000.00
84-11 Ethel Road Sanitary Sewer	227,656.22	227,656.22
90-26 Public Works Equipment	192,472.05	192,472.05
94-17 Sewer Utility Equipment	38,000.00	38,000.00
89-25 & Gramercy Drive and River		
89-52 Road Sanitary Sewer	600,000.00	600,000.00
98-21 Reduction of I & I	230,000.00	230,000.00
03-40 Various Sewer Improvements	400,000.00	400,000.00
04-10 Various Sewer Projects	495,000.00	495,000.00
05-10 Various Sewer Projects	460,000.00	460,000.00
07-34 Acquisition of Various Equipment	770,000.00	770,000.00
10-13 Acquisition of Various Vehicles	425,000.00	425,000.00
Total	<u>\$ 14,992,561.49</u>	<u>\$ 14,992,561.49</u>

REF.

D

D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SEWER UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DEC. 31, 2015	CY2016 AUTHORIZATIONS	BALANCE DEC. 31, 2016
05-42	Freedom Avenue Improvements	01/03/06	\$ 1,100,000.00	\$ 1,100,000.00	\$	1,100,000.00
06-05	Various Sewer Projects	12/19/06	1,400,000.00	1,400,000.00		1,400,000.00
06-49	Various Sewer Improvements	12/22/07	1,700,000.00	1,700,000.00		1,700,000.00
09-05	Various Sewer Improvements	04/27/10	425,000.00	945,000.00		945,000.00
11-23	Constructio & Rehad Sewer Facilities	01/29/13	2,000,000.00	2,000,000.00		2,000,000.00
13-04	Sewer Garbage Building	01/28/14	1,400,000.00	2,000,000.00		2,000,000.00
14-02	Various Sewer Improvements	12/02/14	1,500,000.00	1,400,000.00		1,400,000.00
14-23	Various Sewer Improvements Utility	12/02/14	1,500,000.00	1,500,000.00		1,500,000.00
16-14	Various Sewer Vehicles & Equipment	12/20/16	280,000.00		280,000.00	280,000.00
Total				\$ 12,045,000.00	\$ 280,000.00	\$ 12,325,000.00

Ref. D D-16 D

Exhibit D-11

SCHEDULE OF CY 2015 APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND

	BALANCE DECEMBER 31, 2015	BALANCE AFTER TRANSFERS	PAYD OR CHARGED	BALANCED LAPSED
Operations:				
Salaries and Wages	\$ 233,133.58	\$ 233,133.58	\$ -	\$ 233,133.58
Other Expenses	143,437.82	319,893.64	154,613.42	165,280.22
Capital Outlay	-	1,323,836.38	1,323,836.38	-
Middlesex County Utilities Authority				
Service Charges - Contractual	967,013.72	967,013.72	(355,635.75)	1,322,649.47
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Social Security System (O.A.S.I.)		-		-
Total Operations	\$ 1,343,585.12	\$ 1,500,292.20	\$ 1,122,814.05	\$ 1,721,063.27
REF. D D D-1				
Disbursed			\$ 622,272.28	
Transfer to Accounts Payable			500,541.77	
			\$ 1,122,814.05	

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Balance - December 31, 2015	D	\$ 30,554.69
Increased by:		
Accrued Interest Charged to:		
CY 2015 Budget Appropriations	D-4	<u>117,580.21</u>
		148,134.90
Decreased by:		
Payment	D-5	<u>120,400.00</u>
Balance - December 31, 2016	D	<u>\$ 27,734.90</u>

Analysis of Balance - December 31, 2016:

Principal Outstanding <u>12/31/16</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
40,000.00	3.750%	09/01/16	12/31/16	4 mos.	<u>500.00</u>
80,000.00	3.750%	11/01/16	12/31/16	2 mos	500.00
80,000.00	3.750%	11/01/16	12/31/16	2 mos	500.00
80,000.00	3.750%	11/01/16	12/31/16	2 mos	500.00
80,000.00	4.000%	11/01/16	12/31/16	2 mos	533.33
90,000.00	4.000%	11/01/16	12/31/16	2 mos	600.00
90,000.00	4.000%	11/01/16	12/31/16	2 mos	600.00
90,000.00	4.000%	11/01/16	12/31/16	2 mos	600.00
100,000.00	4.000%	11/01/16	12/31/16	2 mos	666.67
100,000.00	4.000%	11/01/16	12/31/16	2 mos	666.67
100,000.00	4.000%	11/01/16	12/31/16	2 mos	666.67
100,000.00	4.125%	11/01/16	12/31/16	2 mos	687.50
110,000.00	4.125%	11/01/16	12/31/16	2 mos	756.25
110,000.00	4.125%	11/01/16	12/31/16	2 mos	756.25
110,000.00	4.125%	11/01/16	12/31/16	2 mos	756.25
120,000.00	4.125%	11/01/16	12/31/16	2 mos	825.00
<u>120,000.00</u>	4.250%	11/01/16	12/31/16	2 mos	<u>850.00</u>
1,560,000.00					10,464.58

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
SEWER UTILITY OPERATING FUND

Analysis of Balance - December 31, 2016:

Principal Outstanding <u>12/31/16</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
70,000.00	4.000%	09/16/15	12/31/15	3.5 mos	816.67
80,000.00	4.000%	09/16/15	12/31/15	3.5 mos	933.33
80,000.00	5.000%	09/16/15	12/31/15	3.5 mos	1,166.67
80,000.00	4.000%	09/16/15	12/31/15	3.5 mos	933.33
90,000.00	4.000%	09/16/15	12/31/15	3.5 mos	1,050.00
90,000.00	4.125%	09/16/15	12/31/15	3.5 mos	1,082.81
90,000.00	4.250%	09/16/15	12/31/15	3.5 mos	1,115.63
100,000.00	4.375%	09/16/15	12/31/15	3.5 mos	1,276.04
<u>100,000.00</u>	4.500%	09/16/15	12/31/15	3.5 mos	<u>1,312.50</u>
780,000.00					9,686.98
75,000.00	4.000%	08/01/15	12/31/15	5 mos	1,250.00
75,000.00	4.000%	08/01/15	12/31/15	5 mos	1,250.00
75,000.00	4.000%	08/01/15	12/31/15	5 mos	1,250.00
100,000.00	4.000%	08/01/15	12/31/15	5 mos	1,666.67
100,000.00	4.000%	08/01/15	12/31/15	5 mos	<u>1,666.67</u>
<u>425,000.00</u>					<u>7,083.33</u>
<u>\$ 2,805,000.00</u>					<u>\$ 27,734.90</u>

SCHEDULE OF PREPAID SEWER CHARGES
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - December 31, 2015	D	\$ 22,468.70
Increased by:		
Overpayments		
Collections	D- 6	<u>12,144.00</u>
		34,612.70
Decreased by:		
Prepays Applied	D-3,D-8	<u>22,468.70</u>
Balance - December 31, 2016	D	<u><u>\$ 12,144.00</u></u>

SCHEDULE OF SEWER OVERPAYMENTS
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance -December 31, 2015	D	\$ 8,667.25
Decreased by:		
Cash Payments	D-5	1,498.91
Applied to Sewer Charges Receivable	D-3,D-8	<u>7,168.34</u>
		<u><u>\$ 8,667.25</u></u>

SCHEDULE OF ACCOUNTS PAYABLE
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - December 31, 2015	D	\$ 121,788.53
Increased by:		
Transferred from Appropriation Reserves	D-11	<u>500,541.77</u>
		622,330.30
Decreased by:		
Cash Payments	D- 5	<u>49,952.15</u>
Balance - December 31, 2016	D	<u><u>\$ 572,378.15</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
SEWER UTILITY CAPITAL FUND

Exhibit D-16

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE - DEC. 31, 2015		CY 2016 AUTHORIZATIONS		ENCUM- BRANCES PAYABLE DEC. 31, 2015	PAID OR CHARGED	ENCUM- BRANCES PAYABLE DEC. 31, 2016	BALANCE - DEC. 31, 2016	
				FUNDED	UNFUNDED	CAPITAL IMPROV.	FUND BALANCE				FUNDED	UNFUNDED
98-21	Reduction of I & I	12/15/98	\$ 230,000.00								\$ -	
05-42	Freedom Avenue Improvements	11/29/05	1,100,000.00	-	126,632.76			430.61	8,328.65	5,312.20	118,734.72	
06-05	Various Sewer Projects	01/03/06	1,400,000.00	-				49,684.90		14,049.79	44,372.70	
06-49	Various Sewer Improvements	12/19/06	1,700,000.00	940,884.05				20,800.00			947,634.26	
09-05	Various Sewer Improvements	02/17/09	945,000.00	255,418.74				99,550.87		69,853.87	285,115.74	
11-23	Construction & Rehab Sewer Fac	12/20/11	2,000,000.00	532,932.33	1,000,000.00			4,902.20	93,379.74	1,064,550.70	379,904.09	
13-04	Sewer Garage Building	01/29/13	2,000,000.00	399.19				15,577.45	27,279.00	2,484.25	13,492.39	
14-02	Various Sewer Improvements	01/28/14	1,400,000.00	887,043.44				23,716.75	17,737.00	44,096.00	839,385.19	
14-23	Various Improvements Sewer Utility	12/02/14	1,500,000.00	1,155,186.56				41,508.44		38,479.75	1,140,478.25	
16-42	Various Sewer Vehicles & Equipment	12/20/16	280,000.00				\$ 178,750.00	\$ 101,250.00		269,042.00	10,958.00	
Total				\$ 3,771,864.31	\$ 1,126,632.76	\$ 178,750.00	\$ 101,250.00	\$ 256,171.22	\$ 146,724.39	\$ 1,507,868.56	\$ 3,780,075.34	\$ -

Ref.

D

D

D-19

D-2

D-5

D

Exhibit D-17

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

ORD.
NUMBER IMPROVEMENT DESCRIPTION

DATE	BALANCE DEC. 31, 2015	CY 2016 AUTHORIZATIONS	FUNDED IMPROVEMENTS	BALANCE DEC. 31, 2016
12/15/98	\$ 11,000.00			\$ 11,000.00
04/05/05	80,500.00			80,500.00
11/29/05	55,000.00			55,000.00
01/03/06	70,000.00			70,000.00
12/18/07	38,500.00			38,500.00
02/17/09	47,250.00			47,250.00
04/27/10	21,250.00			21,250.00
01/29/13	2,000,000.00			2,000,000.00
01/28/14	1,400,000.00		1,500,000.00	1,400,000.00
12/02/14		280,000.00		280,000.00
12/20/16				
Total	\$ 3,723,500.00	\$ 280,000.00	\$ 1,500,000.00	\$ 5,503,500.00

Ref.

D

D-16

D-5

D

SCHEDULE OF DUE FROM CURRENT FUND
SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Increased by:		
Cash Disbursed	D- 5	\$ 8,982,796.64
Decreased by:		
Cash Received	D- 5	<u>\$ 8,982,796.64</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND
SEWER UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance - December 31, 2015	D	\$ 153,750.00
Increased by:		
CY 2016 Budget Appropriation	D- 23	<u>25,000.00</u>
		178,750.00
Decreased by:		
Approp. to Finance Improvement Authorizations	D-17	<u>\$ 178,750.00</u>

SCHEDULE OF RESERVE FOR AMORTIZATION
SEWER UTILITY CAPITAL FUND

	<u>REF.</u>		
Balance - December 31, 2015	D	\$	16,909,061.52
Increased by:			
Serial Bonds	D- 23	\$	255,000.00
CY 2016 Budget Appropriations			
Unfunded Bond Ordinances	D-22	<u>1,844,999.97</u>	
			<u>2,099,999.97</u>
Balance - December 31, 2016	D	<u>\$</u>	<u>19,009,061.49</u>

SCHEDULE OF DUE FROM/TO SEWER CAPITAL
SEWER UTILITY OPERATING FUND

REF.

Increased by:

Interfunds Returned	D-5	\$ 1,870,000.00
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Decreased by:

CY 2016 Budget Appropriation	D- 4	1,869,999.97
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Interfunds Received	D- 5	<div style="border-top: 1px solid black; display: inline-block;">0.03</div>
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\$ 1,870,000.00

SCHEDULE OF DUE TO SEWER UTILITY OPERATING FUND
SEWER UTILITY CAPITAL FUND

REF.

Increased by:

Interfunds Returned	D-5	\$ 1,870,000.00
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Decreased by:

Cash Disbursements	D- 5	0.03
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Capital Improvement Fund	D-19	25,000.00
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CY 2016 Budget Appropriation - Unfunded Ordinances	D-20	<div style="border-top: 1px solid black; display: inline-block;">1,844,999.97</div>
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\$ 1,870,000.00

SCHEDULE OF GENERAL SERIAL BONDS

MATURITIES OF BONDS									
ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	OUTSTANDING - DEC. 31, 2016			INTEREST RATE	BALANCE DEC. 31, 2015	DECREASE	BALANCE DEC. 31, 2016
			DATE	AMOUNT					
Sewer Improvements	03/01/04	\$380,000.00	03/01/17	\$ 40,000.00	3.750%	\$ 80,000.00	\$ 40,000.00	\$ 40,000.00	
Sewer Improvements	11/01/07	2,146,000.00	11/1/2017-2019	80,000.00	3.750%				
			11/01/20	80,000.00	4.000%				
			11/1/2021-2023	90,000.00	4.000%				
			11/1/2024-2026	100,000.00	4.000%				
			11/01/27	100,000.00	4.125%				
			11/1/2028-2030	110,000.00	4.125%				
			11/01/31	120,000.00	4.125%				
			11/01/32	120,000.00	4.250%	1,630,000.00	70,000.00	1,560,000.00	
Sewer Improvements	03/15/09	1,200,000.00	03/15/17	70,000.00	4.000%				
			03/15/18	80,000.00	4.000%				
			03/15/19	80,000.00	5.000%				
			03/15/20	80,000.00	4.000%				
			03/15/21	90,000.00	4.000%				
			03/15/22	90,000.00	4.125%				
			03/15/23	90,000.00	4.250%				
Sewer Improvements	02/01/11	700,000.00	03/15/24	100,000.00	4.375%				
			03/15/25	100,000.00	4.500%	850,000.00	70,000.00	780,000.00	
			2/1/17	75,000	4.000%				
			2/1/18	75,000	4.000%				
			2/1/19	75,000	4.000%				
			2/1/20	100,000	4.000%				
			2/1/21	100,000	4.000%	500,000.00	75,000.00	425,000.00	
							<u>\$ 3,060,000.00</u>	<u>\$ 255,000.00</u>	<u>\$ 2,805,000.00</u>

Ref.

D

D-20

D

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Exhibit D-24

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>FUNDED</u>		
		<u>BALANCE DEC. 31, 2015</u>	<u>CY 2016 BUDGET APPROPRIATION</u>	<u>BALANCE DEC. 31, 2016</u>
05-42	Freedom Avenue Improvements	\$ 845,000.00	\$ 845,000.00	\$ -
11-23	Construction & Rehab of Sewer Facilities	999,999.97	999,999.97	-
		<u>\$ 1,844,999.97</u>	<u>\$ 1,844,999.97</u>	<u>\$ -</u>

Footnote D

Senior Citizens Housing Utility Fund

SCHEDULE OF CASH AND INVESTMENTS
SENIOR CITIZEN HOUSING FUND

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2015	E	\$ 1,260,255.89	\$ 598,803.22
Increased by Receipts:			
Rental Income	E-3	1,504,017.99	
Interest on Investments	E-3	1.57	
Miscellaneous Revenues	E-3	11,376.53	
Security Deposits	E-9	19,185.57	
Interfund: Current Fund	E-19	870,000.00	
Capital Improvement Fund	E-13		30,000.00
Due from Senior Housing Capital	E-18		1,202.52
Due to Senior Housing Operating	E-17	1,202.52	
		<u>2,405,784.18</u>	<u>31,202.52</u>
		3,666,040.07	630,005.74
Decreased by Disbursements:			
Refund of Prior Year Revenue	E-1	3.38	
Budget Appropriations	E-4	1,130,613.50	
Appropriation Reserves	E-7	160,467.47	
Accrued Interest	E-8	68,750.00	
Security Deposits	E-9	19,521.92	
Interfund: Current Fund	E-19	1,038,750.00	
Due from Senior Housing Capital	E-18		1,202.52
Improvement Authorizations	E-11		37.40
		<u>2,418,106.27</u>	<u>1,239.92</u>
Balance - December 31, 2016	E	<u>\$ 1,247,933.80</u>	<u>\$ 628,765.82</u>

ANALYSIS OF SENIOR HOUSING UTILITY
CAPITAL CASH AND INVESTMENTS

		BALANCE DEC. 31, <u>2015</u>	BALANCE DEC. 31, <u>2016</u>
Fund Balance		\$ 72,177.74	\$ 72,177.74
Capital Improvement Fund		214,035.75	244,035.75
Reserve for Encumbrance Payable		101,608.05	30.60
ORD. IMPROVEMENT			
<u>NO. AUTHORIZATION</u>			
06-50	Various Capital Projects	15,153.90	15,153.90
07-33	Various Capital Projects	7,909.15	37,161.60
10-14	S.H Building Improvements	<u>187,918.63</u>	<u>260,206.23</u>
		<u>\$ 598,803.22</u>	<u>\$ 628,765.82</u>
	<u>Ref.</u>	E	E

SCHEDULE OF ACCRUED INTEREST ON BONDS
SENIOR CITIZENS HOUSING UTILITY OPERATING FUND

	<u>REF.</u>	
Balance - December 31, 2015	E	\$ 48,322.92
Increased by:		
Interest on Bonds	E-4	<u>64,302.08</u>
		112,625.00
Decreased by:		
Disbursed	E-5	<u>68,750.00</u>
Balance - December 31, 2016	E	<u><u>\$ 43,875.00</u></u>

Analysis of Balance - December 31, 2016:

<u>Principal Outstanding December 31, 2016</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>\$ 500,000.00</u>	5.000%	08/16/15	12/31/15	4 1/2 mos.	<u>9,375.00</u>
<u>\$ 500,000.00</u>					<u>\$ 9,375.00</u>
125,000.00	3.00%	1/15/16	12/31/16	11 1/2 mos	3,593.75
125,000.00	3.00%	1/15/16	12/31/16	11 1/2 mos	3,593.75
150,000.00	3.00%	1/15/16	12/31/16	11 1/2 mos	4,312.50
150,000.00	3.00%	1/15/16	12/31/16	11 1/2 mos	4,312.50
150,000.00	3.00%	1/15/16	12/31/16	11 1/2 mos	4,312.50
150,000.00	3.00%	1/15/16	12/31/16	11 1/2 mos	4,312.50
175,000.00	3.00%	1/15/16	12/31/16	11 1/2 mos	5,031.25
<u>175,000.00</u>	3.00%	1/15/16	12/31/16	11 1/2 mos	<u>5,031.25</u>
<u>\$ 1,200,000.00</u>					<u>\$ 34,500.00</u>
<u><u>\$ 1,700,000.00</u></u>					<u><u>\$ 43,875.00</u></u>

SCHEDULE OF SECURITY DEPOSITS
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND

	<u>REF.</u>	
Balance -December 31, 2015	E	\$ 128,746.93
Increased by:		
Deposits Received	E- 5	<u>19,185.57</u>
		147,932.50
Decreased by:		
Deposits Refunded	E- 5	<u>19,521.92</u>
Balance -December 31, 2016	E	<u><u>\$ 128,410.58</u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION
SENIOR CITIZEN HOUSING UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance -December 31, 2015	E	\$ 9,816,052.26
Increased by:		
Bonds Paid by Budget Appropriatic	E-12	<u>235,000.00</u>
Balance -December 31, 2016	E	<u><u>\$ 10,051,052.26</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
SENIOR HOUSING UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31,		PAID OR CHARGED	ENCUMB 12/31/15	ENCUMB 12/31/16	BALANCE DECEMBER 31, 2016 FUNDED
		DATE	AMOUNT	2015 FUNDED					
<u>General Improvements:</u>									
06-50	Various Capital Projects	12/19/06	\$ 130,000.00	\$ 15,153.90	\$ -	\$ -			\$ 15,153.90
07-35	Various Capital Projects	12/18/07 4/27/2010	353,000.00	7,909.15	29,252.45				37,161.60
10-14/ 12-18	Senior Housing Building Improve.	& 11/8/2012	1,000,000.00	187,918.63	72,355.60	\$ 37.40		30.60	260,206.23
				<u>\$ 210,981.68</u>	<u>\$ 101,608.05</u>	<u>\$ 37.40</u>		<u>30.60</u>	<u>\$ 312,521.73</u>
Ref.			E	E	E-5	E	E	E	E

SCHEDULE OF GENERAL SERIAL BONDS

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS				BALANCE DEC. 31, 2015	DECREASE	BALANCE DEC. 31, 2016
			OUTSTANDING - DEC. 31, 2016	INTEREST RATE	AMOUNT	DATE			
Senior Citizen Housing Utility	01/15/14	\$ 1,400,000.00							
				1/15/17	\$ 125,000.00	3.00%	\$ 1,300,000.00	\$ 100,000.00	\$ 1,200,000.00
				1/15/18	125,000.00	3.00%			
				1/15/19	150,000.00	3.00%			
				1/15/20	150,000.00	3.00%			
				1/15/21	150,000.00	3.00%			
				1/15/22	150,000.00	3.00%			
Senior Citizen Housing Utility Refunding Bonds	08/01/01	2,204,500.00							
				08/15/17	160,000.00	5.00%	635,000.00	135,000.00	500,000.00
				08/15/18	160,000.00	5.00%			
				08/15/19	180,000.00	5.00%			

Ref.

E

E-10

E

SCHEDULE OF CAPITAL IMPROVEMENT FUND
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

	<u>Ref.</u>	
Balance - December 31, 2015	E	\$ 214,035.75
Increased by:		
CY 2016 Budget Appropriation - Cash	E-5	<u>30,000.00</u>
Balance - December 31, 2016	E	<u><u>\$ 244,035.75</u></u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORD.</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>
06-50	Various Capital Improvements	12/19/06	\$ 130,000.00	\$ 130,000.00
07-35	Various Capital Improvements	12/18/07	353,000.00	353,000.00
12-18	Building Improvements	11/08/12	400,000.00	400,000.00
			<u><u>\$ 883,000.00</u></u>	<u><u>\$ 883,000.00</u></u>
		Ref.	E	E

SCHEDULE OF FIXED CAPITAL
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

ORD NO.		DATE	AMOUNT	BALANCE DEC. 31, 2015	BALANCE DEC. 31, 2016
89-58	Design and Construction of a Senior Citizen Complex	11/21/89	\$ 10,098,252.26	\$ 10,098,252.26	\$ 10,098,252.26
04-51	Replacement of Trunk Line	12/21/04	144,000.00	144,000.00	144,000.00
05-43	Various Capital Improvements	11/29/05	80,000.00	80,000.00	80,000.00
06-22	HVAC System	04/25/06	28,800.00	28,800.00	28,800.00
				<u>\$ 10,351,052.26</u>	<u>\$ 10,351,052.26</u>
		<u>REF.</u>		E	E

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETE
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DEC. 31, 2015	BALANCE DEC. 31, 2016
06-50	Various Capital Improvements	12/19/06	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00
07-35	Various Capital Improvements	12/18/07	353,000.00	353,000.00	353,000.00
10-14	Senior Housing Building Improve.	04/27/10	1,000,000.00	1,800,000.00	1,800,000.00
				<u>\$ 2,283,000.00</u>	<u>\$ 2,283,000.00</u>
		<u>REF.</u>		E	E

SCHEDULE OF DUE FROM SENIOR HOUSING CAPITAL
SENIOR HOUSING UTILITY OPERATING FUND

REF.

Increased by:

Senior Citizen Capital Fund Interest	E-3, E-18	\$ 1,202.52
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Decreased by:

Cash Receipts	E- 5	<u>\$ 1,202.52</u>
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SCHEDULE OF DUE TO SENIOR HOUSING UTILITY OPERATING FUND
SENIOR HOUSING UTILITY CAPITAL FUND

REF.

Increased by:

Senior Citizen Capital Fund Interest	E-5, E-17	\$ 1,202.52
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Decreased by:

Cash Disbursements	E- 5	<u>\$ 1,202.52</u>
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SCHEDULE OF FROM CURRENT FUND\
SENIOR HOUSING UTILITY OPERATING FUND

REF.

Increased by:

Appropriation	E-4	\$ 168,750.00	
Cash Receipts	E- 5	<u>870,000.00</u>	
			<u>1,038,750.00</u>

Decreased by:

Cash Disbursements	E- 5		<u>\$ 1,038,750.00</u>
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TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

PART V
SUPPLEMENTARY DATA

Other Supplementary Data

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

COMBINED BALANCE SHEET
FOR THE YEAR ENDING DECEMBER 31, 2016

	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	SENIOR HOUSING UTILITY	GOVERNMENTAL FIXED ASSETS	MEMORANDUM ONLY TOTALS	
							DEC. 31, 2016	DEC. 31, 2015
ASSETS								
Cash and Investments	\$ 33,712,080.68	\$ 18,607,874.68	\$ 3,678,549.35	\$ 11,094,281.63	\$ 1,876,699.62	\$	\$ 68,969,485.96	\$ 61,271,538.79
Accounts Receivable								
State and Federal Grants Receivable	689,781.11		375,000.00				1,064,781.11	1,887,702.15
Due from State of New Jersey	214,985.20						214,985.20	226,621.11
Taxes, Assessments, Liens & Utility Charges	2,072,134.02			1,077,378.75			2,072,134.02	2,390,657.89
Sewer Charges Receivable							1,077,378.75	1,475,117.96
Interfund Loans							-	931,000.00
Other Accounts Receivable	46,994.60						46,994.60	66,736.09
Property Acquired For Taxes at Assessed Valuation								
Fixed Assets - General	2,592,900.00					66,007,721.00	2,592,900.00	2,592,900.00
Fixed Capital - Utility				14,992,561.49	10,351,052.26		66,007,721.00	65,200,121.00
Fixed Capital - Authorized and Uncompleted - Utility				12,325,000.00	2,283,000.00		25,343,613.75	25,343,613.75
Deferred Charges to Revenue of Succeeding Years							14,608,000.00	14,328,000.00
Deferred Charges to Future Taxation: General Capital Fund			90,303,057.00				90,303,057.00	96,023,079.74
Total Assets	\$ 39,328,875.61	\$ 18,607,874.68	\$ 94,356,606.35	\$ 39,489,221.87	\$ 14,510,751.88	\$ 66,007,721.00	\$ 272,301,051.39	\$ 272,037,088.48
LIABILITIES, RESERVES AND FUND BALANCE								
Bonds and Notes Payable	\$	\$	\$ 44,763,000.00	\$ 2,805,000.00	\$ 1,700,000.00	\$	\$ 49,268,000.00	\$ 54,098,000.00
Prepaid Taxes, Assessments, Utility Charges and Licenses	896,508.69			12,144.00			908,652.69	1,137,920.38
Tax, Assessment, Lien, License and Utility Charge Overpayments								335,821.15
Appropriation Reserves	6,050,812.55			1,769,263.80	355,462.95		8,175,539.30	6,804,143.44
Reserves for Encumbrances/ Accounts Payable	4,485,871.15	142,008.70	6,614,855.67	2,533,354.17	160,403.78		13,936,493.47	13,179,312.13
Other Liabilities				27,734.90	43,875.00		71,609.90	78,877.61
Amounts Pledged to Specific Purposes	3,458,389.08	10,561,648.27	7,599,351.54		372,446.33		21,991,835.22	20,271,517.79
Interfund Loans						66,007,721.00	66,007,721.00	931,000.00
Investments in General Fixed Assets		7,904,217.71					65,200,121.00	65,200,121.00
Escrow Funds			34,685,640.61	3,780,075.34	312,521.73		7,904,217.71	5,646,174.22
Improvement Authorization Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				24,512,561.49	10,934,052.26		38,778,237.68	43,006,114.38
Reserve for Certain Assets Acquired or Receivables & Inventories	4,712,028.62			1,077,378.75			35,446,613.75	31,331,613.78
Fund Balance	19,725,265.52		693,758.53	2,971,709.42	631,989.83		5,789,407.37	6,525,411.94
Total Liabilities, Reserves and Fund Balance	\$ 39,328,875.61	\$ 18,607,874.68	\$ 94,356,606.35	\$ 39,489,221.87	\$ 14,510,751.88	\$ 66,007,721.00	\$ 272,301,051.39	\$ 272,037,088.48

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

REVENUE AND OTHER <u>INCOME REALIZED</u>	CALENDAR YEAR 2016		CALENDAR YEAR 2015	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Fund Balance Utilized	\$ 9,265,682.60	4.62	\$ 6,986,820.16	3.67
Miscellaneous - From Other than Local				
Property Tax Levies	22,821,724.84	11.37	17,292,336.25	9.08
Collection of Delinquent Taxes and Tax				
Title Liens	1,762,696.42	0.88	1,715,921.95	0.90
Collections of Current Tax Levy	<u>166,796,415.36</u>	<u>83.13</u>	<u>164,418,522.85</u>	<u>86.35</u>
Total Income	<u>200,646,519.22</u>	<u>100.00</u>	<u>190,413,601.21</u>	<u>100.00</u>
 <u>EXPENDITURES</u>				
Budget Expenditures				
Municipal Purposes	66,959,109.44	35.34	61,147,393.79	33.93
Special District Taxes	3,823,380.00	2.02	3,749,329.00	2.08
County Taxes	27,173,730.44	14.34	25,489,966.85	14.15
Local School Taxes	90,934,806.00	47.99	88,504,363.00	49.12
Other Expenditures	<u>596,595.94</u>	<u>0.31</u>	<u>1,304,673.93</u>	<u>0.72</u>
Total Expenditures	<u>189,487,621.82</u>	<u>100.00</u>	<u>180,195,726.57</u>	<u>100.00</u>
Less: Expenditures to be Raised by Future Taxes			<u>300,000.00</u>	
Total Adjusted Expenditures	<u>189,487,621.82</u>		<u>179,895,726.57</u>	
Excess in Revenue	11,158,897.40		10,517,874.64	
Fund Balance January 1	<u>17,832,050.72</u>		<u>14,300,996.24</u>	
	28,990,948.12		24,818,870.88	
Less: Util. as Anticipated Revenue	<u>9,265,682.60</u>		<u>6,986,820.16</u>	
Fund Balance December 31	<u>\$ 19,725,265.52</u>		<u>\$ 17,832,050.72</u>	

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

REVENUE AND OTHER <u>INCOME REALIZED</u>	CALENDAR YEAR 2016		CALENDAR YEAR 2015	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Fund Balance Utilized	\$ 2,992,709.84	18.18	\$ 1,757,926.84	13.68
Collection of Sewer Service Charges	11,088,940.77	67.37	9,380,225.82	72.99
Miscellaneous - From Other than Sewer Service Charges	<u>2,377,570.28</u>	<u>14.45</u>	<u>1,713,708.43</u>	<u>13.33</u>
Total Income	<u>16,459,220.89</u>	<u>100.00</u>	<u>12,851,861.09</u>	<u>100.00</u>
<u>EXPENDITURES</u>				
Budget Expenditures				
Operating	9,096,750.00	65.23	9,203,350.00	77.66
Capital Improvements	825,000.00	5.92	1,525,000.00	12.87
Debt Service	372,580.21	2.67	346,578.13	2.92
Deferred Charges & Statutory Expend.	2,149,284.81	15.41	776,451.84	6.55
Capital Ordinance Funded	1,500,000.00	10.76		
Refund of Prior Years Revenue	<u>3,000.00</u>	<u>0.02</u>		
Total Expenditures	<u>13,946,615.02</u>	<u>100.00</u>	<u>11,851,379.97</u>	<u>100.00</u>
Excess/(Deficit) in Revenue	2,512,605.87		1,000,481.12	
Fund Balance January 1	<u>3,451,123.42</u>		<u>4,208,569.14</u>	
	5,963,729.29		5,209,050.26	
Decreased by:				
Util. as Anticipated Revenue	<u>2,992,709.84</u>		<u>1,757,926.84</u>	
Fund Balance December 31	<u>\$ 2,971,019.45</u>		<u>\$ 3,451,123.42</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE -
SENIOR CITIZENS HOUSING UTILITY FUND

REVENUE AND OTHER <u>INCOME REALIZED</u>	CALENDAR YEAR 2016		CALENDAR YEAR 2015	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
Fund Balance	\$ 347,323.00	16.06	\$ 319,181.00	15.38
Rental Income	1,504,017.99	69.53	1,516,205.99	73.05
Miscellaneous - From Other than Rental Income	<u>311,931.28</u>	<u>14.42</u>	<u>240,261.31</u>	<u>11.58</u>
Total Income	<u>2,163,272.27</u>	<u>100.00</u>	<u>2,075,648.30</u>	<u>100.00</u>
<u>EXPENDITURES</u>				
Budget Expenditures				
Operating	1,288,700.00	69.55	1,237,000.00	68.09
Capital Improvements	260,000.00	14.03	260,000.00	14.31
Debt Service	299,302.08	16.15	312,683.35	17.21
Statutory Expenditures	4,873.00	0.26	5,271.00	0.29
Miscellaneous Expenditures	<u>3.38</u>	<u>0.00</u>	<u>1,673.00</u>	<u>0.09</u>
Total Expenditures	<u>1,852,878.46</u>	<u>100.00</u>	<u>1,816,627.35</u>	<u>100.00</u>
Excess in Revenue	310,393.81		259,020.95	
Fund Balance January 1	<u>596,741.28</u>		<u>656,901.33</u>	
	907,135.09		915,922.28	
Less: Util. As Anticip. Revenue	<u>347,323.00</u>		<u>319,181.00</u>	
Fund Balance December 31	<u>\$ 559,812.09</u>		<u>\$ 596,741.28</u>	

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate:	<u>\$2.616</u>	<u>\$2.577</u>	<u>\$2.518</u>
Apportionment of Tax Rate:			
Municipal	<u>\$0.702</u>	<u>\$0.700</u>	<u>\$0.688</u>
Municipal Library	<u>\$0.036</u>	<u>\$0.034</u>	<u>\$0.032</u>
County	<u>\$0.399</u>	<u>\$0.373</u>	<u>\$0.363</u>
County Open Space	<u>\$0.033</u>	<u>\$0.031</u>	<u>\$0.030</u>
Local School	<u>\$1.446</u>	<u>\$1.439</u>	<u>\$1.405</u>
Assessed Valuation:			
2016	<u>\$6,291,856,286</u>		
2015		<u>\$6,154,647,288</u>	
2014			<u>\$6,140,922,792</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENT CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2016	\$ 168,230,466	\$ 166,490,088	98.97%
2015	166,732,369	164,418,523	98.61%
2014	159,817,001	157,266,477	98.40%
2013	154,087,435	151,702,194	98.45%
2012	146,348,436	143,705,802	98.19%

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last five years.

<u>YEAR</u>	AMOUNT OF TAX TITLE <u>LIENS</u>	AMOUNT OF DELINQUENT <u>TAXES</u>	TOTAL <u>DELINQUENT</u>	PERCENTAGE <u>OF TAX LEVY</u>
2016	\$ 646,530.20	\$ 15,982.55	\$ 662,512.75	0.39%
2015	621,161.51	1,769,496.38	2,390,657.89	1.43%
2014	596,653.18	1,608,618.99	2,205,272.17	1.38%
2013	574,136.57	1,942,317.33	2,516,453.90	1.63%
2012	556,212.06	2,155,871.06	2,712,083.12	1.85%

COMPARISON OF SEWER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS</u>
2016	\$ 10,691,202	\$ 11,059,304
2015	9,360,111	9,381,657
2014	9,586,208	9,853,323
2013	9,097,844	9,191,492
2012	9,418,291	9,413,004

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>		<u>BALANCE</u> <u>31-Dec</u>	<u>UTILIZED</u> <u>IN BUDGET OF</u> <u>SUCCEEDING YEAR</u>
CURRENT FUND	2016	\$	19,725,266	\$ 10,359,046
	2015		17,832,051	9,265,683
	2014		14,300,996	6,986,820
	2013		11,709,009	9,000,000
	2012		12,066,806	7,000,000
SEWER UTILITY	2016		2,971,019	1,943,050
OPERATING FUND	2015		3,451,123	2,992,710
	2014		4,208,569	1,757,927
	2013		4,079,924	2,545,000
	2012		4,656,832	1,600,000
SENIOR CITIZENS	2016		559,812	174,125
HOUSING	2015		596,741	347,323
UTILITY FUND	2014		656,901	319,181
	2013		374,348	253,700
	2012		182,827	130,000

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at December 31, 2016:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Brian C. Wahler	Mayor	
Steven D. Cahn	Council President	
Gabrielle Cahill	Council Vice-President	
Chanelle McCullum	Council Member	
James Bullard	Council Member	
Camille Fernicola	Council Member	
Frank Uhrin	Council Member	
Michele Lombardi	Council Member	
Joseph Criscuolo	Business Administrator	
Daniel Mensah Lamptey	Director of Finance	400,000.00 (A)
Van Khurana	Chief Financial Officer	
Melissa A. Seader	Township Clerk	
Michael Baker	Director of Law - Attorney	
James F. Clarkin III, Esq.	Director of Law - Assistant Attorney	
Kathleen Silber	Tax Collector	
Dennis Fackelman	Magistrate, Presiding Judge	
James Hoebich	Associate Judge	
Vanessa Colon	Court Administrator	
Lisa E. Stephens	Tax Assessor	

The municipal court employees were covered under a blanket bond in the amount of \$75,000 by the Selective Insurance Company of America.

All other employees were covered under a blanket bond in the amount of \$75,000 by the Selective Insurance Company of America.

All of the bonds were examined and found to be properly executed for items tested.

(A) Fidelity & Deposit Company of Maryland

**TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY**



**PART VI
GENERAL COMMENTS AND RECOMMENDATIONS**

**TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX, NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2016**

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Township of Piscataway, County of Middlesex, New Jersey, for the year ended December 31, 2016, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Township of Piscataway, County of Middlesex, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of Township of Piscataway, County of Middlesex, New Jersey as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses.

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 combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or 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.

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (Cont'd.)

With respect to the reporting of internal control matters, standards require that only a significant deficiency and/or a material weakness need be reported in writing to management and those charged with governance.

The deficiencies in internal control, as reported below, are not considered to be significant deficiencies nor material weaknesses. In addition, these deficiencies are not required to be reported in writing, however, these deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in review of the Township's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

As indicated below, we identified certain deficiencies in internal control, as follows:

In addition, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated September 13, 2017 on the financial statements of the Township of Piscataway. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

Internal Control Deficiencies:

2016-1 Segregation of Duties - Other Offices/Departments Collecting Municipal Fees

Conditions exist whereby the same individual may collect, record and/or deposit/turnover or may have access to cash receipts collections and functions in the following offices / departments: Municipal Court, Police Department, Municipal Clerk's Office, Cable TV, Recreation Department, Engineering Department, Planning & Zoning Department, Inspection Fees Office, Registrar of Vital Statistics, and Health Department.

This condition may be the result of multiple tasks assigned and performed by the same individual within the respective office/department.

OTHER MATTERS

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

N.J.S.A. 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 bidder 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.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

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

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

On September 28, 2015, the Local Public Contracts Law was amended, effective on July 1, 2015. The amendment addresses the bid threshold (Section 7, N.J.S.A. 40A:11-3), thereby increasing the amount from \$36,000.00 to \$40,000.00 under which a contract may be awarded without public advertising for those municipalities that have appointed a Qualified Purchasing Agent. The maximum bid threshold remains at \$17,500.00 for those municipalities that do not have a Qualified Purchasing Agent. The minutes indicate that bids were requested by public advertising for the following items:

Materials, Supplies and Equipment

Books and Non-Print Materials for Public Library; Recreation Equipment and Uniforms; 32-yd Garbage Truck; Incident Respond Trailer with Dynamic Sign; Regenerative Air System Street Sweeper; Bio-degradable Leaf Bags.

Services and Rentals

Management Service at Sterling Village; Geese Control Services; Snow Plowing Services; Automation Services for Public Library; Debris and Stump Removal; Municipal Cleaning Services; Landscaping; Fireworks Display; 2017 HVAC Maintenance Services; Turf and Vegetation Treatments; Screen Printing Services; Tree Removal Services; Fire Suppression System Testing; Property Valuation Services; Re-evaluate Master Plan.

Construction and Repairs

Painting at Sterling Village; Demolition of residential structures; Curb and Sidewalks Improvements; 2015-16 milling and road surface preparation; 2016-17 Hot Mix Asphalt Road Construction Material; Various Road Improvements; DPW Fueling Facility; Columbus Park Improvements; School Street Road Improvements-Phase I; Drake Lane Storm Sewer Improvements; Bathroom Renovations at Public Library; Roof Replacement at Public Library; Market Lake Retaining Wall.

The minutes indicate that State Contracts were authorized for the following:

Contracts

Data Network Services; Rock Salt; Maintenance and Repair of Heavy Equipment; 2016 Ford Explorer, Copier Leases; Police Vehicles and communications Equipment in Vehicles; Playground Equipment; TV Equipment; Various Parts, Tires, and Services for Vehicles; Gasoline.

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.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

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

The examination of expenditures revealed that no individual payments, contracts or agreements in excess of \$17,500 "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A: 11-5. The minutes also indicate the awarding of "Open-End Contracts" pursuant to N.J.A.C. 5:34-4.9.

Any interpretation as to possible violation of N.J.A.C. 40A: 11-4 would be in the province of the Township solicitor.

We suggest that the Township review the amendments to the Local Public Contracts Law and determine the impact of the comprehensive amendments with regard to the Township, including an analysis of the effect of requiring the position of a "Qualified" Purchasing Agent on a cost benefit or other alternate approach.

Compliance with P.L. 2005, c.271

On January 5, 2006, P.L. 2005, c.271 was signed into law. A key element of the law authorizes municipalities and counties to adopt their own pay-to-play policies. Secondly, required new disclosures for "non-fair and open" contracts over \$17,500.

Tests of expenditures for vendors with payments in excess of \$17,500.00 and less than the applicable bid threshold and for contracts not awarded through state contracts, bidding or the "fair and open process" indicated no exceptions related to the requisite disclosure forms on file.

We suggest that the vendor files be reviewed and maintained complete in all respects with the applicable Pay-to-Play and Business Registration Requirements

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 2, 2016, adopted the following resolution authorizing interest to be charged on delinquent taxes; assessments and sewer service charges:

BE IT RESOLVED, by the Township Council of Piscataway Township, New Jersey that:

WHEREAS, Delinquent taxes and sewer service charges shall bear interest at the rate of 8% per annum for the first \$1,500 and 18% per annum on any delinquent amount in excess of \$1,500; and

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Collection of Interest on Delinquent Taxes and Assessments (Cont'd)

BE IT FURTHER RESOLVED that unpaid assessments shall bear interest at the rate of 8% per annum; and

BE IT RESOLVED that no interest shall be charged by the Township of Piscataway if the payment of installment for taxes, sewer service charges or assessments is made within ten (10) calendar days after the date upon which such installment is payable; and

BE IT FURTHER RESOLVED that if payment of the installment for taxes, sewer service charges or assessments is not made within the ten (10) calendar day period, interest shall be charged in accordance with the rates specified in this Resolution and such interest shall revert to the date the installment was due.

An examination of the Tax Collector's records indicated that interest on delinquent accounts was calculated in accordance with the foregoing resolution for items tested.

Delinquent Taxes and Tax Title Liens

The Township held a tax sale during CY 2016. The Tax Collector should continue to review all delinquent and disputed items to determine the status of delinquent accounts for proper disposition. Upon final determination of the status of the delinquent accounts, where appropriate, the delinquent item should be included in the following tax sale.

The tax sale omitted items that were reported to be in bankruptcy proceedings, installment agreements and or disputed items for real estate taxes and sewer utility charges. Delinquent real estate taxes as at December 31, 2016 reported \$4,182.43 amount due in previous tax years.

The following comparison is made of the number of tax title liens receivable at year-end of the current and two previous years:

<u>DEC. 31</u>	<u>NUMBER OF LIENS</u>
CY 2016	19
CY 2015	17
CY 2014	16

It is essential to good management that all means provided by statute be utilized to liquidate Tax Title Liens in order to return properties to a tax-paying basis.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Investment of Idle Funds

The Chief Financial Officer had the greater portion of the idle funds of the Township invested in interest-bearing investments or accounts during CY 2016. Earnings from the investments are shown as revenue in the various funds of the Township for CY 2016.

All deposits and investments held by the Township were directly confirmed as of December 31, 2016.

The Township adopted a formal Cash Management Plan for depositing and investing of Township funds for CY 2016 in accordance with 40A: 5-14 on January 5, 2016.

Purchase Order System and Encumbrance System

The Township utilized a purchase order system for most of its expenditures in connection with its budgetary accounting system during the year under review. The accounting is processed on a data processing system for budgetary control. Operation of the encumbrance system appeared to be generally good with timely entries made. Prior years' outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

Interfund Balances

The Township had cleared all of its interfund balances of the year ended December 31, 2016.

Outside Offices/Departments and Other Officials Collecting Fees

Our review of records maintained for other officials collecting fees were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over to the Treasurer's accounts within a 48-hour period as required by N.J.S.A. 40A: 5-15, and the fees charged were in accordance with the provisions of the Township Code.

Municipal Court

The records maintained by the Municipal Court during the period under review were found to be in good condition. The examination of the general account indicated that bank reconciliations were performed on a monthly basis, however minor differences were noted in comparing the bank reconciliations to book balance. Disbursements were made to appropriate agencies on a timely basis. The bail account was reconciled monthly and open bail listings were proved to the account balance periodically or at the close of the year. The examination of the bail account's financial and supporting records maintained by the Municipal Court indicated no exceptions for items tested.

It is suggested that the court administrator continues to work towards balancing the bank, book and receipts balance.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Administration and Accounting of State & Federal Grants

During CY 2016, the Township operated programs that were funded in whole or in part by state or federal grant awards. As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. Based upon the myriad compliance and reporting requirements for grant awards, the Township should continue to develop sound administrative functions over grant programs.

The acceptance of grant funds also places additional requirements upon the Township with respect to the filing of the financial audit report within nine months of the close of the fiscal year. The Township did not have the financial statements completed timely in all material respects in order to allow for audit procedures to be completed and the report to be filed within the required time frame.

We also suggest that the financial statements be prepared in a timely manner in order to comply with the applicable filing requirements of NJ OMB Circular 15-08.

“Schedule C” included within the Single Audit Section of this report contains the finding(s) for CY 2016.

Condition of Records – Tax & Sewer Utility Office

During CY 2016, the Tax Collector utilized a monthly financial tax and sewer utility office reporting system. These reports are intended to be all-inclusive, summarizing all tax and sewer utility office transactions on a monthly basis for posting/recording within the Township general ledger financial accounting system, respectively.

Condition of Records – Finance Department

The Finance Department utilized a computerized general ledger accounting and reporting system during CY 2016. General ledgers were maintained for all funds. The Township is currently in compliance with New Jersey Administration Code 5:30-5.7, establishment and maintenance of a general ledger for at least the current fund.

The Finance Department encountered unforeseen personnel and staffing issues during the period subsequent to the balance sheet date and accordingly, management has stated hindered the timely the preparation of financial statements, supplemental schedules, and the Schedule of Expenditures of State Financial Assistance for the year ended December 31, 2016.

It is recommended that the Township complete the necessary financial reporting process and procedures, including the preparation of financial statements, supplemental schedules and the Schedule of Expenditures of State Financial Assistance on a timely basis in accordance, with Federal and State Guidelines.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Condition of Records – Finance Department (Cont'd.)

Statement on Auditing Standards 115 identifies inadequate documentation of internal controls as a possible deficiency, significant deficiency or material weakness. As the Township continues the process of documenting its controls, we suggest that the Township consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. We also suggest that the documentation also include the internal controls that exist over grant compliance.

Compliance with N.J.A.C 5:30

The Local Finance Board, State of New Jersey, adopted the following requirements, previously identified as “technical accounting directives”, as codified in the New Jersey Administration Code as follows:

N.J.A.C. 5:30-5.2 - Encumbrance Systems: This directive requires the development and implementation of accounting systems, which can reflect the commitment of funds at the point of commitment. The Township of Piscataway is in compliance with this directive.

N.J.A.C. 5:30-5.6 – Accounting for Governmental Fixed Assets: This directive requires the development and implementation of accounting systems which assign values to covered assets and can track additions, retirements and transfers of inventoried assets. Our review indicated that the Township of Piscataway has established a Governmental Fixed Asset Accounting System.

N.J.A.C. 5:30 – 5.7 – General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, at least, the Current Fund. The Township is in compliance with this directive.

Compliance with Local Finance Notices

In accordance with Local Finance Notice No. CFO-10, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c) 2, and no exceptions were noted for those items tested.

The Township of Piscataway, County of Middlesex was not required to prepare a corrective action plan for the CY 2015, pursuant to Local Finance Board Notice Number 92-15.

RECOMMENDATIONS

We recommended the following:

That the Township complete the necessary financial reporting process and procedures, including the preparation of financial statements, supplemental schedules and the Schedule of Expenditures of State Financial Assistance on a timely basis in accordance, with Federal and State Guidelines.

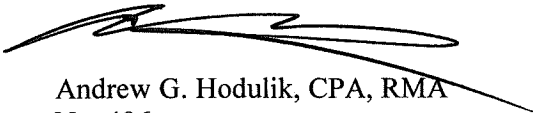
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During the course of our audit we received the complete cooperation of the various officials of the Township, and the courtesies extended to us were greatly appreciated.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

Very truly yours,

HODULIK & MORRISON, P.A.



Andrew G. Hodulik, CPA, RMA
No. 406