

Report of Audit
on the
Financial Statements
of the
Township of Cranford
in the
County of Union
New Jersey
for the
Year Ended
December 31, 2016

TOWNSHIP OF CRANFORD

I N D E X

PAGES

PART I

Independent Auditor's Report

1-3

EXHIBITS

Financial Statements - Regulatory Basis

Current Fund:

Balance Sheets - Regulatory Basis

"A"

Statements of Operations and Change in Fund Balance - Regulatory Basis

"A-1"

Statement of Revenues - Regulatory Basis - Year Ended December 31, 2015

"A-2"

Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2015

"A-3"

Trust Fund:

Balance Sheets - Regulatory Basis

"B"

General Capital Fund:

Balance Sheets - Regulatory Basis

"C"

Statement of Fund Balance - Regulatory Basis

"C-1"

Swim Pool Utility Fund:

Balance Sheets - Regulatory Basis

"D"

Statements of Operations and Change in Fund Balance - Regulatory Basis

"D-1"

Statement of Revenues - Regulatory Basis - Year Ended December 31, 2015

"D-2"

Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2015

"D-3"

General Fixed Asset Account Group:

Balance Sheets - Regulatory Basis

"F"

PAGES

Notes to Financial Statements

4-36

TOWNSHIP OF CRANFORD

INDEX (CONTINUED)

Supplementary Schedules

EXHIBITS

Current Fund:

Schedule of Cash-Collector-Treasurer	"A-4"
Schedule of Schedule of Petty Cash	"A-5"
Schedule of Change Funds	"A-6"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-7"
Schedule of Tax Title Liens	"A-8"
Schedule of Revenue Accounts Receivable	"A-9"
Schedule of Interfunds	"A-10"
Schedule of Special District Taxes	"A-11"
Schedule of Deferred Charges	"A-12"
Schedule of 2015 Appropriation Reserves	"A-13"
Schedule of County Taxes Payable	"A-14"
Schedule of Local District School Tax	"A-15"
Schedule of Due State of New Jersey Per Chapter 20, P.L.1971	"A-16"
Schedule of Prepaid Taxes	"A-17"
Schedule of Tax Overpayments	"A-18"
Schedule of Grants Receivable	"A-19"
Schedule of Accounts Payable	"A-20"
Schedule of Reserve for Maintenance of Free Public Library	"A-21"
Schedule of Reserve for Sale of Municipal Assets	"A-22"
Schedule of Reserve for Grants-Unappropriated	"A-23"
Schedule of Reserve for Grants-Appropriated	"A-24"
Schedule of Emergency Note Payable	"A-25"
Schedule of Property Acquired for Taxes at Assessed Valuation	"A-26"
Schedule of Reserve for Outside Liens	"A-27"
Schedule of DCA Fees Due State of New Jersey	"A-28"
Schedule of Marriage Licenses Due State of New Jersey	"A-29"
Schedule of Sewer Charge Overpayments	"A-30"
Schedule of Sewer Charges Receivable	"A-31"
Schedule of Sewer Charge Liens Receivable	"A-32"
Schedule of Encumbrances Payable	"A-33"
Schedule of Reserve for Library	"A-34"

Trust Fund:

Schedule of Cash-Treasurer	"B-1"
Analysis of Assessment Fund Cash	"B-2"
Schedule of Interfunds - Assessment Trust Fund	"B-3"
Schedule of Community Development Block - Grants Receivable	"B-4"
Schedule of Community Development Block - Grants Reserve	"B-5"
Schedule of Reserve for District Management Corporation	"B-6"
Schedule of Interfunds-Animal Control Fund	"B-7"
Schedule of Reserve for Payroll Deductions	"B-8"
Schedule of Escrow Deposits	"B-9"
Schedule of Reserve for Miscellaneous Deposits	"B-10"
Schedule of Interfunds – Trust Other Fund	"B-11"

TOWNSHIP OF CRANFORD

INDEX (CONTINUED)

EXHIBITS

General Capital Fund:

Schedule of Cash-Treasurer	"C-2"
Analysis of Cash	"C-3"
Schedule of Due Cranford Board of Education	"C-4"
Schedule of Deferred Charges to Future Taxation-Funded	"C-5"
Schedule of Deferred Charges to Future Taxation-Unfunded	"C-6"
Schedule of Grants Receivable	"C-7"
Schedule of Improvement Authorizations	"C-8"
Schedule of Bond Anticipation Notes	"C-9"
Schedule of General Serial Bonds	"C-10"
Schedule of Capital Improvement Fund	"C-11"
Schedule of Green Trust Loans Payable	"C-12"
Schedule of Local Homeowners Receivable	"C-13"
Schedule of Contracts Payable	"C-14"
Schedule of Interfunds	"C-15"
Schedule of NJ Infrastructure Loans Payable	"C-16"
Schedule of Miscellaneous Reserves	"C-17"
Schedule of Infrastructure Loan Receivable	"C-18"
Schedule of Reserve for Debt Service	"C-19"
Schedule of Deferred Charge	"C-20"
Schedule of Bonds and Notes Authorized but Not Issued	"C-21"

Swim Pool Utility Fund:

Schedule of Cash-Treasurer	"D-4"
Schedule of Swim Pool Utility Capital Cash	"D-5"
Schedule of Bond Anticipation Notes	"D-6"
Schedule of Change Fund	"D-7"
Schedule of Contracts Payable	"D-8"
Schedule of Fixed Capital Authorized and Uncompleted	"D-9"
Schedule of Fixed Capital	"D-10"
Schedule of Grants Receivable	"D-11"
Schedule of 2015 Appropriation Reserves - Operating Fund	"D-12"
Schedule of Encumbrances Payable - Operating Fund	"D-13"
Schedule of Accrued Interest on Notes - Operating Fund	"D-14"
Schedule of Improvement Authorizations - Capital Fund	"D-15"
Schedule of Capital Improvement Fund - Capital Fund	"D-16"
Schedule of Reserve for Amortization - Capital Fund	"D-17"
Schedule of Reserve for Deferred Amortization - Capital Fund	"D-18"

TOWNSHIP OF CRANFORD

INDEX (CONTINUED)

	<u>PAGES</u>
<u>PART II</u>	
Independent Auditor's 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	37-38
Schedule of Expenditures of Federal Awards - Year Ended December 31, 2016	39-40
Schedule of Expenditures of State Financial Assistance - Year Ended December 31, 2016	41
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance - Year Ended December 31, 2016	42-43
 <u>PART III</u>	
Statistical Data	44-47
Officials in Office and Surety Bonds	48
Comments and Recommendations	49-52

TOWNSHIP OF CRANFORD

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2016 AND 2015



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Cranford
County of Union
Cranford, New Jersey 07016

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Cranford, as of December 31, 2016 and 2015, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting prescribed by 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

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

SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 regulatory financial statements.

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

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

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township of Cranford on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township of Cranford as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2016.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets of the various individual funds and account groups as of December 31, 2016 and 2015, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2016 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

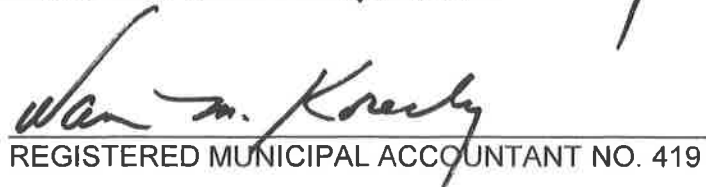
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Cranford's regulatory financial statements. The information included in the supplementary information and schedule of expenditures of federal awards and schedule of expenditures of state financial assistance and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed and the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance and data listed in the table of contents, as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2017 on our consideration of the Township of Cranford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Cranford's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

June 27, 2017

CURRENT FUND

TOWNSHIP OF CRANFORD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
<u>ASSETS</u>			
Cash	A-4	\$ 9,403,882.84	\$ 9,488,033.03
Cash - Change Fund	A-6	660.00	630.00
Due State of New Jersey - Chapter 20, P.L.1971	A-16	7,719.87	9,252.75
Grants Receivable	A-19	386,318.82	165,818.82
		<u>\$ 9,798,581.53</u>	<u>\$ 9,663,734.60</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 845,915.15	\$ 853,561.95
Tax Title Liens Receivable	A-8	5,309.25	4,112.33
Delinquent Sewer Taxes Receivable	A-31	86,840.24	146,133.48
Sewer Charge Liens Receivable	A-32	9.44	9.44
Property Acquired for Taxes - Assessed Valuation	A-26	3,765,400.00	3,765,400.00
Revenue Accounts Receivable	A-9	41,321.97	41,164.92
Interfunds Receivable	A-10	15,527.67	89,835.47
	A	<u>\$ 4,760,323.72</u>	<u>\$ 4,900,217.59</u>
Deferred Charges:			
Special Emergency Authorizations	A-12	\$	\$ 80,000.00
Emergency Appropriations	A-12	848,073.00	23,630.00
		<u>\$ 848,073.00</u>	<u>\$ 103,630.00</u>
		<u>\$ 15,406,978.25</u>	<u>\$ 14,667,582.19</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE DECEMBER 31, 2015</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 1,466,861.50	\$ 1,777,175.11
Prepaid Taxes	A-17	484,515.24	292,360.14
Encumbrances Payable	A-33	1,240,714.53	487,242.92
Accounts Payable	A-20	16,438.72	820.00
County Taxes Payable	A-14	96,004.36	229,393.85
Sewer Overpayments	A-30	6,806.39	
Emergency Note Payable	A-25		80,000.00
Reserve For:			
Grants - Unappropriated	A-23	910.80	
Grants - Appropriated	A-24	372,222.93	377,707.59
DCA Fees Due State of New Jersey	A-28	10,909.00	12,746.00
Marriage Licenses Due State of New Jersey	A-29	2,525.00	700.00
Sale of Municipal Assets	A-22	268,000.00	118,000.00
Outside Liens	A-27	935.10	935.10
Maintenance of Free Public Library	A-21	2,867.85	
Library	A-34	997.78	19,544.46
		\$ 3,970,709.20	\$ 3,396,625.17
Reserve for Receivables and Other Assets	A	4,760,323.72	4,900,217.59
Fund Balance	A-1	6,675,945.33	6,370,739.43
		\$ 15,406,978.25	\$ 14,667,582.19

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2016	YEAR ENDED DECEMBER 31, 2015
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 2,277,600.00	\$ 1,845,000.00
Miscellaneous Revenue Anticipated	A-2	10,670,605.50	9,773,130.83
Receipts from Delinquent Taxes	A-2	853,316.82	989,314.27
Receipts from Current Taxes	A-2	98,158,642.47	95,527,678.97
Non-Budget Revenue	A-2	600,118.95	326,151.70
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	1,547,529.97	1,132,253.11
Interfunds Returned		89,835.47	52,402.86
Tax Overpayments Canceled			253.01
Animal Control Excess Fees	A-10	15,527.67	
Accounts Payable Canceled			46,128.30
<u>Total Income</u>		<u>\$ 114,213,176.85</u>	<u>\$ 109,692,313.05</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 23,825,910.16	\$ 23,526,601.81
Deferred Charges and Statutory Expenditures	A-3	2,950,562.00	2,859,818.00
Operations Excluded From "CAPS":			
Operating	A-3	4,578,069.78	3,608,955.22
Capital Improvements	A-3	1,063,073.00	273,630.00
Municipal Debt Service	A-3	4,217,923.41	3,972,499.52
Deferred Charges	A-3	222,078.31	80,000.00
County Taxes	A-14	21,909,777.48	20,627,457.81
County Share of Added Taxes	A-14	96,004.36	229,393.85
Local District School Tax	A-15	53,099,942.00	51,432,193.00
Special District Tax	A-11	189,828.00	189,828.00
Refund of Prior Year's Revenue	A-4	309,747.78	55,945.88
Federal and State Grant Canceled			27,641.46
Interfunds Advanced		15,527.67	89,835.47
<u>Total Expenditures</u>		<u>\$ 112,478,443.95</u>	<u>\$ 106,973,800.02</u>
Excess in Revenue		\$ 1,734,732.90	\$ 2,718,513.03
Adjustments to Income Before Fund Balance:			
Expenditures Included above which are Deferred			
Charges to Budget of Succeeding Year		848,073.00	23,630.00
Expenditures included above which were Funded by Bond Ordinance			200,000.00
Statutory Excess to Fund Balance		\$ 2,582,805.90	\$ 2,942,143.03
<u>Fund Balance</u>			
Balance, January 1	A	6,370,739.43	5,273,596.40
		\$ 8,953,545.33	\$ 8,215,739.43
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	2,277,600.00	1,845,000.00
Fund Balance, December 31	A	<u>\$ 6,675,945.33</u>	<u>\$ 6,370,739.43</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

		ANTICIPATED	SPECIAL		EXCESS
	REF.	BUDGET	NJS 40A:4-87	REALIZED	OR
					(DEFICIT)
Fund Balance Anticipated	A-1	\$ 2,277,600.00	\$	\$ 2,277,600.00	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	\$ 25,900.00	\$	\$ 25,902.00	\$ 2.00
Other	A-2	3,900.00		20,974.75	17,074.75
Fees and Permits:					
Construction Code Official	A-9	949,500.00		942,971.50	(6,528.50)
Other	A-2	196,315.00		146,003.93	(50,311.07)
Fines:					
Municipal Court	A-9	438,600.00		497,063.75	58,463.75
Interest and Cost on Taxes	A-9	275,500.00		239,756.28	(35,743.72)
Parking Meters and Permits	A-9	789,500.00		795,401.62	5,901.62
Interest on Investments and Deposits	A-9	18,400.00		33,928.31	15,528.31
Cable TV Franchise Tax	A-9	354,000.00		369,039.38	15,039.38
Energy Receipts Tax	A-9	2,900,712.00		2,900,712.00	
Clean Communities Program	A-19		51,258.66	51,258.66	
Recycling Tonnage Grant	A-19	23,177.11		23,177.11	
Drunk Driving Enforcement Fund	A-19		9,438.34	9,438.34	
Federal Bulletproof Vest Program	A-19		1,821.60	1,821.60	
Drive Sober or Get Pulled Over	A-19		5,000.00	5,000.00	
Alcohol Education Rehabilitation Fund	A-19		1,933.81	1,933.81	
Body Armor Replacement Fund	A-19		4,750.53	4,750.53	
Sustainable NJ Grant	A-19		10,000.00	10,000.00	
Union County Kids Trust Grant	A-19		60,000.00	60,000.00	
Fitness Equipment Grant Middlesex County	A-19		2,500.00	2,500.00	
Union County Memorial Field	A-19		150,000.00	150,000.00	
Greening Union County	A-19		8,500.00	8,500.00	
PEG Grant	A-19	35,000.00		35,000.00	
Statewide Insurance	A-19		7,456.02	7,456.02	
Memorial Field Soccer Club	A-19		400,000.00	400,000.00	
Alistate Foundation	A-19		1,000.00	1,000.00	
Municipal Alliance	A-19	18,614.00		18,614.00	
General Capital Fund Balance	A-9	190,000.00		190,000.00	
Borough Of Winfield Park Police Dispatch	A-9	21,900.00		21,946.56	46.56
Utility Operating Surplus	A-9	55,000.00		55,000.00	
Uniform Fire Safety Act	A-9	86,600.00		76,779.43	(9,820.57)
NJ Housing Finance Agency - P.I.L.O.T.	A-9	137,000.00		140,268.00	3,268.00
Cranford Lincoln Associates - P.I.L.O.T.	A-9	41,000.00		44,764.00	3,764.00
Library Cost Allocation	A-9	30,000.00		30,000.00	
Developer Debt	A-9	118,600.00		117,066.50	(1,533.50)
Ambulance Fees	A-9	319,000.00		361,489.46	42,489.46
Hotel Tax	A-9	119,000.00		135,976.36	16,976.36
Sewer Flow Use Charge		2,412,709.00		2,551,430.52	138,721.52
Conservation Center Fees	A-9	201,200.00		146,890.00	(54,310.00)
Cell Tower Lease	A-9	35,700.00		36,791.08	1,091.08
	A-1	\$ 9,796,827.11	\$ 713,658.96	\$ 10,670,605.50	\$ 160,119.43
Receipts from Delinquent Taxes	A-1	\$ 858,367.00	\$	\$ 853,316.82	\$ (5,050.18)
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-7	\$ 22,465,415.70	\$	\$ 22,928,978.63	\$ 463,562.93
Minimum Library Tax	A-2:A-7	1,334,112.00		1,334,112.00	
		23,799,527.70		24,263,090.63	463,562.93
<u>Budget Totals</u>		\$ 36,732,321.81	\$ 713,658.96	\$ 38,064,612.95	\$ 618,632.18
Non-Budget Revenue	A-1:A-2			600,118.95	600,118.95
		\$ 36,732,321.81	\$ 713,658.96	\$ 38,664,731.90	\$ 1,218,751.13

REF. A-3 A-3

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	<u>REF.</u>	
Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A-7	\$ 98,158,642.47
Allocated to:		
School and County Taxes		75,105,723.84
Special District Taxes		189,828.00
		\$ 22,863,090.63
Add: Appropriation - "Reserve for Uncollected Taxes"	A-3	1,400,000.00
Amount for Support of Municipal Budget Appropriations	A-2	\$ 24,263,090.63
Licenses - Other:		
Clerk	A-9	\$ 4,961.00
Board of Health	A-9	16,013.75
	A-2	\$ 20,974.75
Fees and Permits - Other:		
Board of Health	A-9	\$ 19,328.75
Engineer	A-9	3,170.00
Police	A-9	45,359.68
Recreation	A-9	12,672.50
Board of Adjustment	A-9	44,805.00
Planning Board	A-9	4,017.00
Fire Department	A-9	16,161.00
Tax/Tax Assessor	A-9	490.00
	A-2	\$ 146,003.93
<u>Analysis of Non-Budget Revenues</u>		
Senior Citizen and Veterans Administration Fee		\$ 3,714.32
Storm Reimbursements		446,027.56
Union County Tonnage Rebate		28,137.00
Administrative Fee Police Outside Duty		67,059.25
Canoe Club		4,000.00
Duplicate Tax Bills		1,165.00
Miscellaneous		50,015.82
	A-2:A-4	\$ 600,118.95

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive:					
Salaries and Wages	\$ 253,009.00	\$ 263,009.00	\$ 258,774.08	\$ 4,234.92	\$
Other Expenses	112,000.00	162,000.00	117,527.45	44,472.55	
Channel 35					
Salaries and Wages	69,000.00	74,000.00	72,038.22	1,961.78	
Other Expenses	18,300.00	18,300.00	17,726.04	573.96	
Elections:					
Other Expenses	19,000.00	19,000.00	17,492.84	1,507.16	
Township Committee:					
Salaries and Wages	26,000.00	26,000.00	12,832.92	13,167.08	
Other Expenses	27,000.00	27,000.00	24,611.76	2,388.24	
Township Clerk:					
Salaries and Wages	221,403.00	229,403.00	224,163.45	5,239.55	
Other Expenses	78,000.00	78,000.00	65,483.44	12,516.56	
Financial Administration:					
Salaries and Wages	304,000.00	314,000.00	310,487.94	3,512.06	
Other Expenses	132,000.00	134,700.00	134,700.00		
Audit	40,900.00	40,900.00		40,900.00	
Assessment of Taxes:					
Salaries and Wages	141,779.75	146,779.75	144,195.12	2,584.63	
Other Expenses	41,550.00	41,550.00	12,677.04	28,872.96	
Collection of Taxes:					
Salaries and Wages	153,000.00	159,000.00	154,879.44	4,120.56	
Other Expenses	37,238.61	37,238.61	35,862.13	1,376.48	
Legal Services and Costs:					
Other Expenses	500,000.00	470,000.00	448,904.11	21,095.89	
Public Defender:					
Salaries and Wages	4,000.00	4,000.00	4,000.00		
Insurance:					
General Liability	452,891.00	452,891.00	448,223.00	4,668.00	
Workers' Compensation	390,000.00	390,000.00	385,833.00	4,167.00	
Employee Group Health	4,528,000.00	4,528,000.00	4,238,804.37	289,195.63	
Group Insurance - Health Benefit Waiver	62,000.00	70,300.00	70,272.96	27.04	

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>GENERAL GOVERNMENT (CONTINUED)</u>					
Engineering Services and Costs:					
Other Expenses	\$ 120,000.00	\$ 125,000.00	\$ 114,773.75	\$ 10,226.25	\$
Public Buildings and Grounds:					
Other Expenses	466,800.00	466,800.00	381,233.11	85,566.89	
Municipal Land Use Law - Planning Board (N.J.S. 40:55D-1):					
Other Expenses	16,000.00	16,000.00	13,127.92	2,872.08	
Zoning Board of Adjustment:					
Other Expenses	8,750.00	13,750.00	11,123.74	2,626.26	
<u>ZONING/PLANNING BOARD OF ADJUSTMENT</u>					
Salaries and Wages	149,464.00	149,464.00	131,795.95	17,668.05	
Other Expenses	17,100.00	30,100.00	26,527.56	3,572.44	
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	5,997,286.00	5,997,286.00	5,876,509.18	120,776.82	
Other Expenses	250,012.00	250,012.00	223,787.52	26,224.48	
Fire:					
Salaries and Wages	3,032,431.84	3,074,431.84	3,074,209.59	222.25	
Other Expenses	540,700.00	540,700.00	540,036.57	663.43	
Uniform Fire Safety Act:					
Other Expenses	86,600.00	86,600.00	86,574.18	25.82	
Emergency Management Services:					
Salaries and Wages	192,000.00	180,000.00	152,900.27	27,099.73	
Other Expenses	41,000.00	41,000.00	41,000.00		
<u>EMERGENCY MANAGEMENT</u>					
Other Expenses	10,000.00	10,000.00	9,983.76	16.24	

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED RESERVED	UNEXPENDED BALANCE CANCELED
STREETS AND ROADS					
Road Repairs and Maintenance:					
Salaries and Wages	\$ 1,672,024.76	\$ 1,672,024.76	\$ 1,587,098.23	\$ 84,926.53	\$
Other Expenses	410,400.00	410,400.00	353,358.62	57,041.38	
Communications:					
Other Expenses	93,350.00	93,350.00	92,804.91	545.09	
Conservation Center:					
Salaries and Wages	42,500.00	42,500.00	34,430.59	8,069.41	
Other Expenses	166,500.00	166,500.00	91,951.04	74,548.96	
Recycling:					
Other Expenses	210,600.04	210,600.04	160,100.04	50,500.00	
HEALTH AND WELFARE (BOARD OF HEALTH - LOCAL HEALTH AGENCY)					
Board of Health:					
Salaries and Wages	145,500.00	145,500.00	127,928.17	17,571.83	
Other Expenses	84,300.00	84,300.00	78,476.39	5,823.61	
Environmental Commission					
Other Expenses	3,500.00	3,500.00	721.73	2,778.27	
Animal Control					
Other Expenses	40,800.00	40,800.00	39,686.13	1,113.87	
RECREATION AND EDUCATION					
Recreation:					
Salaries and Wages	234,580.00	234,580.00	217,778.26	16,801.74	
Salaries and Wages - Youth Services	30,268.00	30,268.00	25,718.53	4,549.47	
Other Expenses	46,000.00	46,000.00	45,863.33	136.67	
Celebration of Public Events:					
Other Expenses	5,250.00	5,250.00	5,240.53	9.47	
Senior Citizens' Bus Transportation Program:					
Salaries and Wages	20,244.00	20,744.00	19,576.81	1,167.19	
Other Expenses	10,000.00	10,000.00	636.84	9,363.16	
Municipal Court:					
Salaries and Wages	227,546.03	235,546.03	224,591.04	10,954.99	
Other Expenses	18,545.00	18,545.00	17,337.02	1,207.98	

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED RESERVED	UNEXPENDED BALANCE CANCELED
STATE UNIFORM CONSTRUCTION CODE (N.J.S.A. 52:270-120 ET. SEQ.)					
Construction Official:					
Salaries and Wages	\$ 524,748.00	\$ 534,748.00	\$ 534,186.57	\$ 561.43	\$
Other Expenses	76,307.00	76,307.00	48,857.84	27,449.16	
UNCLASSIFIED:					
Salary Adjustment	187,232.13	732.13		732.13	
UTILITIES:					
Motor Oils and Fuels:					
Other Expenses	206,500.00	206,500.00	175,233.92	31,266.08	
Street Lighting:					
Other Expenses	290,000.00	290,000.00	247,578.41	42,421.59	
Utilities - All	580,000.00	580,000.00	454,580.33	125,419.67	
TOTAL OPERATIONS WITHIN "CAPS"	23,865,910.16	23,825,910.16	22,466,807.69	1,359,102.47	
DEFERRED CHARGES AND STATUTORY EXPENDITURES- MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employee's Retirement System	622,799.00	601,949.70	561,353.20	40,596.50	
Social Security System	499,000.00	539,000.00	534,284.26	4,715.74	
Police and Firemen's Retirement System	1,788,763.00	1,809,612.30	1,809,612.30		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"	2,910,562.00	2,950,562.00	2,905,249.76	45,312.24	

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED RESERVED	UNEXPENDED BALANCE CANCELED
	\$ 26,776,472.16	\$ 26,776,472.16	\$ 25,372,057.45	\$ 1,404,414.71	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"					
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Rahway Valley Sewerage Authority:					
Operating Expenses	1,734,010.00	1,734,010.00	1,734,010.00		
Maintenance Free Public Library	1,334,112.00	1,334,112.00	1,318,663.90	15,448.10	
Communications - 911:					
Salaries and Wages	387,429.00	387,429.00	340,430.31	46,998.69	
Tax Appeals	276,765.71	276,765.71	276,765.71		
LOSAP	28,750.00	28,750.00	28,750.00		
Township of Winfield- Police Dispatching					
Salaries and Wages	21,900.00	21,900.00	21,900.00		
<u>PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES</u>					
County of Union - Greening Union County:		8,500.00	8,500.00		
Other Expenses (40A-4-87+\$4,500.00)		51,258.66	51,258.66		
Clean Communities Program (40A-4-87+\$51258.66)		1,933.81	1,933.81		
Municipal Alcohol Education/Rehabilitation Program (40A-4-87+\$1,933.81)		23,177.11	23,177.11		
Recycling Tonnage Grant		1,821.60	1,821.60		
Federal Bulletproof Partnership (40A-4-87+\$1,821.60)		5,000.00	5,000.00		
Drive Sober or Get Pulled Over (40A-4-87+\$5,000.00)		9,438.34	9,438.34		
Drunk Driving Enforcement Fund (40A-4-87+\$9,438.34)		18,614.00	18,614.00		
Municipal Alliance		4,653.00	4,653.00		
Municipal Alliance - Match		10,000.00	10,000.00		
Sustainable Jersey Capacity Bldg(40A-4- 87 + \$10,000)		4,750.53	4,750.53		
State Body Armor Replacement Program (40A-4-87+\$4,750.53)		35,000.00	35,000.00		
PEG Technology Grant		2,500.00	2,500.00		
Fitness Equipment Grant- Middlesex County(40A-4-87 + \$2,500)		150,000.00	150,000.00		
Union County Memorial Field(40A-4-87 + \$150,000)		1,000.00	1,000.00		
Youth Academy Kids Grant(40A-4-87 + \$1,000)		7,456.02	7,456.02		
Safety Grant Program(40A-4- 87 + \$7,456.02)		400,000.00	400,000.00		
Memorial Field(40A-4-87 + \$400,000)		60,000.00	60,000.00		
UC2016 Kids Rec Grant/ Memorial Turf Field (40A-4-87 + \$60,000)					
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	3,864,410.82	4,578,069.78	4,515,622.99	62,446.79	
Detail:					

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED RESERVED	UNEXPENDED BALANCE CANCELED
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Downpayment on Improvements	\$ 215,000.00	\$ 848,073.00	\$ 848,073.00	\$	
Capital Improvement Fund		215,000.00	215,000.00		
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"	215,000.00	1,063,073.00	1,063,073.00		
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,840,000.00	1,840,000.00	1,840,000.00		
Payment of Bond Anticipation Notes and Capital Notes	1,032,000.00	1,032,000.00	1,031,897.00		103.00
Interest on Bonds	568,744.50	568,744.50	568,743.50		1.00
Interest on Notes	258,084.56	258,084.56	258,263.67		1,820.89
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	13,991.22	13,991.22	13,991.22		
NJ Infrastructure Loan Program					
Loan Repayments for Principal and Interest	541,540.24	541,540.24	507,028.02		34,512.22
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	4,254,360.52	4,254,360.52	4,217,923.41		36,437.11
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"					
Special Emergency Authorizations N.J.S.A. 40A:4-55	80,000.00	80,000.00	80,000.00		
Emergency Authorizations	23,630.00	23,630.00	23,630.00		
Deferred Charges to Future Taxation Unfunded	118,448.31	118,448.31	118,448.31		
TOTAL DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"	222,078.31	222,078.31	222,078.31		

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 8,555,849.65	\$ 10,117,581.61	\$ 10,018,697.71	\$ 62,446.79	\$ 36,437.11
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	35,332,321.81	36,894,053.77	35,390,755.16	1,466,861.50	36,437.11
	1,400,000.00	1,400,000.00	1,400,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 36,732,321.81</u>	<u>\$ 38,294,053.77</u>	<u>\$ 36,790,755.16</u>	<u>\$ 1,466,861.50</u>	<u>\$ 36,437.11</u>
	A-2		A-1	A-A-1	

Budget Appropriations
Emergency Authorizations
Appropriation by 40A.4-87

\$ 36,732,321.81
848,073.00
713,658.96
\$ 38,294,053.77

Encumbrances Payable
Reserve for Uncollected Taxes
Reserve for Grants-Appropriated
Deferred Charges
Cash Disbursements
Less: Refunds

\$ 608,083.53
1,400,000.00
795,103.07
103,630.00
34,788,307.35
\$ 37,695,123.95
904,368.79
\$ 36,790,755.16

The accompanying Notes to the Financial Statements are an integral part of this statement.

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TRUST FUND

TOWNSHIP OF CRANFORD

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER 31, 2016	BALANCE DECEMBER 31, 2015
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 57,433.67	\$ 55,926.49
		<u>\$ 57,433.67</u>	<u>\$ 55,926.49</u>
Other Funds:			
Cash	B-1	\$ 3,938,708.36	\$ 4,075,234.77
Community Development Block Grants Receivable	B-4	24,500.00	62,090.00
		<u>\$ 3,963,208.36</u>	<u>\$ 4,137,324.77</u>
		<u>\$ 4,020,642.03</u>	<u>\$ 4,193,251.26</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Fund:			
Reserve for Expenditures	B-3	\$ 41,877.40	\$ 39,159.30
Due State of New Jersey	B-2	28.60	61.20
Interfunds Payable	B-7	15,527.67	16,705.99
		<u>\$ 57,433.67</u>	<u>\$ 55,926.49</u>
Other Funds:			
Interfunds Payable	B-11	\$	\$ 73,129.48
Reserve for:			
Miscellaneous Reserves	B-10	2,262,736.75	2,168,365.70
Payroll Deductions Payable	B-8	119,376.44	190,995.78
Escrow Deposits	B-9	1,463,257.49	1,523,686.20
District Management Corporation	B-6	102,127.54	127,999.30
Community Development Block Grant	B-5	15,710.14	53,148.31
		<u>\$ 3,963,208.36</u>	<u>\$ 4,137,324.77</u>
		<u>\$ 4,020,642.03</u>	<u>\$ 4,193,251.26</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL CAPITAL FUND

TOWNSHIP OF CRANFORDGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
<u>ASSETS</u>			
Cash	C-2	\$ 2,596,458.19	\$ 1,168,437.22
Deferred Charges to Future Taxation:			
Funded	C-5	16,009,809.08	18,297,610.01
Unfunded	C-6	50,643,389.81	27,268,343.10
Grants Receivable	C-7	1,599,368.80	1,529,513.80
Local Homeowners Receivable	C-13	1,045,503.00	1,045,503.00
Due From Cranford Board of Education	C-4	24,153.00	24,153.00
Deferred Charge	C-20		118,448.31
Due From State of NJ - Infrastructure Loan Receivable	C-18	538,568.00	638,342.00
		<u>\$ 72,457,249.88</u>	<u>\$ 50,090,350.44</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-10	\$ 11,350,000.00	\$ 13,190,000.00
Bond Anticipation Notes	C-9	26,659,839.00	21,005,064.00
Green Trust Loans Payable	C-12	131,916.05	143,100.90
NJ Infrastructure Loan Payable	C-16	4,527,893.03	4,964,509.11
Reserve for:			
Miscellaneous	C-17		9,000.00
Improvement Authorizations:			
Funded	C-8	1,768,507.21	850,930.83
Unfunded	C-8	25,269,960.67	4,241,875.77
Contracts Payable	C-14	2,444,659.89	5,462,506.62
Reserve for Debt Service	C-19	6,061.67	6,061.67
Fund Balance	C-1	298,412.36	217,301.54
		<u>\$ 72,457,249.88</u>	<u>\$ 50,090,350.44</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2015	C	\$	217,301.54
Increased by:			
Premium on Sale of Notes	C-2	266,110.82	
Miscellaneous Reserve Cancelled	C-17	<u>5,000.00</u>	
			<u>271,110.82</u>
		\$	<u>488,412.36</u>
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2		<u>190,000.00</u>
Balance, December 31, 2016	C	\$	<u><u>298,412.36</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

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SWIM POOL UTILITY FUND

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TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE DECEMBER 31, 2015</u>
Operating Fund:			
Cash	D-4	\$ 194,325.54	\$ 257,056.18
Cash - Change Fund	D-7	150.00	25.00
		<u>194,475.54</u>	<u>257,081.18</u>
<u>Total Operating Fund</u>		\$ <u>194,475.54</u>	\$ <u>257,081.18</u>
Capital Fund:			
Cash	D-4	\$ 1,401,722.50	\$ 63,234.69
Grant Receivable	D-11	72,790.00	72,790.00
Fixed Capital	D-10	5,297,928.34	5,297,928.34
Fixed Capital Authorized and Uncompleted	D-9	<u>1,670,000.00</u>	<u>1,170,000.00</u>
<u>Total Capital Fund</u>		\$ <u>8,442,440.84</u>	\$ <u>6,603,953.03</u>
		\$ <u>8,636,916.38</u>	\$ <u>6,861,034.21</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3:D-12	\$ 17,972.94	\$ 58,675.78
Encumbrances Payable	D-13	17,686.94	23,779.88
Accrued Interest on Notes	D-14	<u>10,230.37</u>	<u>10,230.37</u>
		\$ <u>45,890.25</u>	\$ <u>92,686.03</u>
Fund Balance	D-1	<u>148,585.29</u>	<u>164,395.15</u>
<u>Total Operating Fund</u>		\$ <u>194,475.54</u>	\$ <u>257,081.18</u>
Capital Fund:			
Bond Anticipation Notes	D-6	\$ 1,435,651.00	\$ 145,151.00
Improvement Authorizations:			
Funded	D-15	23,122.65	46,115.62
Unfunded	D-15	1,121,542.85	891,069.07
Capital Improvement Fund	D-16	6,840.00	5,840.00
Contracts Payable	D-8	323,007.00	76,000.00
Reserve for Deferred Amortization	D-18	558,349.00	465,849.00
Reserve for Amortization	D-17	<u>4,973,928.34</u>	<u>4,973,928.34</u>
<u>Total Capital Fund</u>		\$ <u>8,442,440.84</u>	\$ <u>6,603,953.03</u>
		\$ <u>8,636,916.38</u>	\$ <u>6,861,034.21</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORDSWIM POOL UTILITY FUNDSTATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2015</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-2	\$ 46,118.00	\$ 46,000.00
Membership Fees	D-2	1,272,478.65	1,270,168.50
Miscellaneous	D-2	451,592.39	431,982.71
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-12	<u>61,311.49</u>	<u>165,849.85</u>
<u>TOTAL INCOME</u>		<u>\$ 1,831,500.53</u>	<u>\$ 1,914,001.06</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D-3	\$ 1,574,378.00	\$ 1,583,609.00
Capital Improvements	D-3	25,000.00	26,000.00
Municipal Debt Service	D-3	70,314.39	70,568.84
Deferred Charges and Statutory Expenditures	D-3	76,500.00	76,500.00
Anticipated in Current Budget - Surplus	D-4	55,000.00	
Refund of Prior Year Revenue			<u>250.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 1,801,192.39</u>	<u>\$ 1,756,927.84</u>
Excess in Revenue		\$ 30,308.14	\$ 157,073.22
<u>Fund Balance</u>			
Balance, January 1	D	<u>164,395.15</u>	<u>53,321.93</u>
		\$ 194,703.29	\$ 210,395.15
Decreased by:			
Utilization by Swim Pool Operating Budget	D-1:D-2	<u>\$ 46,118.00</u>	<u>\$ 46,000.00</u>
Balance, December 31	D	<u><u>\$ 148,585.29</u></u>	<u><u>\$ 164,395.15</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ 46,118.00	\$ 46,118.00	\$
Membership Fees	D-1:D-4	1,270,028.00	1,272,478.65	2,450.65
Miscellaneous	D-1:D-4	<u>431,982.00</u>	<u>451,592.39</u>	<u>19,610.39</u>
	D-3	<u>\$ 1,748,128.00</u>	<u>\$ 1,770,189.04</u>	<u>\$ 22,061.04</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY OPERATING FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Operating:					
Salaries and Wages	\$ 942,578.00 \$	947,578.00 \$	947,442.43 \$	135.57 \$	
Other Expenses	631,800.00	626,800.00	613,977.38	12,822.62	
<u>Total Operating</u>	<u>\$ 1,574,378.00 \$</u>	<u>1,574,378.00 \$</u>	<u>1,561,419.81 \$</u>	<u>12,958.19 \$</u>	
Capital Improvements:					
Capital Improvement Fund	\$ 25,000.00 \$	25,000.00 \$	25,000.00 \$		
Debt Service:					
Payment of Notes	\$ 68,500.00 \$	68,500.00 \$	68,500.00 \$		1,935.61
Interest on Notes	3,750.00	3,750.00	1,814.39		
	<u>\$ 72,250.00 \$</u>	<u>72,250.00 \$</u>	<u>70,314.39 \$</u>		<u>1,935.61</u>
Statutory Expenditures:					
Contributions to:					
Social Security System	\$ 76,500.00 \$	76,500.00 \$	71,485.25 \$	5,014.75 \$	
<u>Total Statutory Expenditures</u>	<u>\$ 76,500.00 \$</u>	<u>76,500.00 \$</u>	<u>71,485.25 \$</u>	<u>5,014.75 \$</u>	
	<u>\$ 1,748,128.00 \$</u>	<u>1,748,128.00 \$</u>	<u>1,728,219.45 \$</u>	<u>17,972.94 \$</u>	<u>1,935.61</u>
REF.	D-2		D-1	D:D-1	
Cash Disbursements					
Encumbrances Payable		\$	1,710,532.51		
			17,686.94		
		\$	1,728,219.45		

The accompanying Notes to the Financial Statements are an integral part of this statement.

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GENERAL FIXED ASSETS ACCOUNT GROUP

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TOWNSHIP OF CRANFORD

GENERAL FIXED ASSET ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2016</u>	BALANCE DECEMBER <u>31, 2015</u>
General Fixed Assets:		
Land	\$ 39,249,984.00	\$ 39,234,800.00
Buildings	24,291,200.00	24,291,200.00
Machinery and Equipment	<u>11,704,780.38</u>	<u>10,569,568.51</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 75,245,964.38</u>	<u>\$ 74,095,568.51</u>
Investment in General Fixed Assets:	<u>\$ 75,245,964.38</u>	<u>\$ 74,095,568.51</u>
	<u>\$ 75,245,964.38</u>	<u>\$ 74,095,568.51</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF CRANFORD

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Cranford is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Cranford include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Cranford, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Cranford do not include the operations of the municipal library or the local school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Cranford 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 financial transactions and accounts of the Township of Cranford are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

Swim Pool Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Swim Pool Utility.

General Fixed Asset Account Group - utilized to account for property, land, buildings and equipment that has been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenues when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally 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. Outstanding encumbrances, at December 31st, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis, interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General Fixed Assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general 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.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on General Fixed Assets or reported in the financial statements.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an outside appraiser. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital has not been accounted for separately.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Swim Pool Utility

Accounting for utility fund "fixed capital" remains uncharged under the requirements of NJAC 5:30-5.6.

Property and equipment purchased by the Swim Pool Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions - In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions 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 pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

In November of 2013, GASB approved Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events.

At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C.5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be held in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, and Certificates of Deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Township of Cranford had the following cash and cash equivalents at December 31, 2016:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$8,666,380.27	\$829,700.53	\$92,197.96	\$9,403,882.84
Animal Control Trust Fund	57,433.67			57,433.67
Other Trust Fund	3,974,521.39	\$79,295.45	115,108.48	3,938,708.36
General Capital Fund	4,627,191.11		2,030,732.92	2,596,458.19
Swim Pool Utility:				
Operating	173,249.53	22,407.01	1,331.00	194,325.54
Capital	42,722.50	1,359,000.00		1,401,722.50
	<u>\$17,541,498.47</u>	<u>\$2,290,402.99</u>	<u>\$2,239,370.36</u>	<u>\$17,592,531.10</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2015, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$508,597.51 was covered by Federal Depository Insurance, \$17,032,900.96 was covered under the provisions of NJGUDPA.

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Township of Cranford's investment activities during the year were in accordance with the above New Jersey Statute. As of December 31, 2016, the Township had no investment in any securities as described above. Based upon the limitation set forth by New Jersey Statute 40A:5-15.1, the Township is generally not exposed to credit risky custodial risks, concentration of credit risks, and internal note risks for its investments nor is it exposed to foreign currency for its deposits and investments.

NOTE 3: MUNICIPAL TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years of financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2016</u>	<u>YEAR 2015</u>	<u>YEAR 2014</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 42,669,648.08	\$ 39,302,674.01	\$ 36,568,207.81
Swim Pool Utility:			
Bonds and Notes	<u>1,435,651.00</u>	<u>145,151.00</u>	<u>213,584.00</u>
Net Debt Issued	<u>44,105,299.08</u>	<u>39,447,825.01</u>	<u>36,781,791.81</u>
Less: Reserve for Debt Service	6,061.67	6,061.67	6,061.66
Less: Cash on Hand to Pay Notes	405,826.55	259,909.60	
Less: Refunding Bonds (N.J.S.A 40A:2-52)	<u> </u>	<u>104,200.00</u>	<u>208,400.00</u>
	<u>\$ 43,693,410.86</u>	<u>\$ 39,077,653.74</u>	<u>\$ 36,567,330.15</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	24,389,407.36	6,523,188.70	6,350,652.10
Swim Pool Utility:			
Bonds and Notes	<u> </u>	<u>883,000.00</u>	<u> </u>
Total Authorized but not Issued	<u>24,389,407.36</u>	<u>7,406,188.70</u>	<u>6,350,652.10</u>
Net Bonds and Notes Issued and and Authorized but not issued	<u>\$ 68,082,818.22</u>	<u>\$ 46,483,842.44</u>	<u>\$ 42,917,982.25</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION
(ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.659%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 10,070,000.00	\$ 10,070,000.00	\$ -0-
Utility Debt	1,435,651.00	1,435,651.00	-0-
General Debt	<u>67,059,055.44</u>	<u>411,988.22</u>	<u>66,647,067.22</u>
	<u>\$ 78,564,706.44</u>	<u>\$ 11,917,639.22</u>	<u>\$ 66,647,067.22</u>

NET DEBT \$66,647,067.22 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$4,017,499,920.33 EQUALS 1.659%.

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2016	\$4,017,499,920.33
3-1/2 of Equalized Valuation Basis	140,612,497.21
Net Debt	<u>66,647,067.22</u>
Remaining Borrowing Power	<u>\$73,965,429.99</u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Township of Cranford for the last three (3) preceding years.

CALCULATION OF "SELF-LIQUIDATING PURPOSE"
SWIM POOL UTILITY PER N.J.S.A. 40A:2-45

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year	\$ 1,770,189.04
Deductions:	
Operating and Maintenance Cost	\$ 1,650,876.00
Debt Service	<u>70,314.39</u>
Total Deductions	<u>1,721,190.39</u>
Excess in Revenue – Self Liquidating	<u>\$ 48,998.65</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT

General Serial Bonds:

	OUTSTANDING BALANCE DECEMBER <u>31, 2016</u>
\$10,000,000.00 in General Improvement Bonds dated December 15, 2005, due in remaining annual installments of \$1,300,000.00 beginning August 15, 2017 and ending August 15, 2018 with interest at 3.75%	\$2,600,000.00
\$5,497,000.00 in General Improvement Bonds dated August 15, 2006, due in remaining annual installments ranging between \$85,000.00 and \$437,000.00 beginning August 15, 2017 and ending August 15, 2037 with interest ranging between 4.30% and 4.35%	\$5,097,000.00
\$1,603,000.00 in General Improvement Bonds dated August 15, 2006, due in remaining annual installments ranging between \$30,000.00 and \$123,000.00 beginning August 15, 2017 and ending August 15, 2037 with interest ranging between 6.25% and 6.30%	\$1,443,000.00
\$3,885,000.00 in Refunding Bonds dated August 15, 2013, due in remaining annual installments ranging between \$550,000.00 and \$555,000.00 beginning August 15, 2017 and ending August 15, 2020 with interest ranging between 4.00% and 4.50%	<u>\$2,210,000.00</u>
	<u><u>\$11,350,000.00</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2016

CALENDAR YEAR	<u>GENERAL CAPITAL</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2017	\$1,970,000.00	\$502,878.50	\$2,472,878.50
2018	1,990,000.00	426,398.50	2,416,398.50
2019	690,000.00	348,961.00	1,038,961.00
2020	705,000.00	317,508.50	1,022,508.50
2021	170,000.00	285,411.00	455,411.00
2022-2026	1,210,000.00	1,282,332.50	2,492,332.50
2027-2031	1,725,000.00	948,605.00	2,673,605.00
2032-2036	2,330,000.00	481,792.50	2,811,792.50
2037	560,000.00	26,758.50	586,758.50
	<u>\$11,350,000.00</u>	<u>\$4,620,646.00</u>	<u>\$15,970,646.00</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND
INTEREST FOR GREEN LOAN TRUST PAYABLE DECEMBER 31, 2016

CALENDAR YEAR	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	\$11,409.66	\$2,581.56	\$13,991.22
2018	11,638.99	2,352.23	13,991.22
2019	11,872.95	2,118.27	13,991.22
2020	12,111.58	1,879.63	13,991.21
2021	12,355.03	1,636.19	13,991.22
2022-2026	65,601.51	4,354.58	69,956.09
2027	6,926.34	69.27	6,995.61
	<u>\$131,916.06</u>	<u>\$14,991.73</u>	<u>\$146,907.79</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR INFRASTRUCTURE LOAN PAYABLE DECEMBER 31, 2016

CALENDAR YEAR	TOTAL	TRUST LOAN		FUND LOAN
		PRINCIPAL	INTEREST	PRINCIPAL
2017	\$536,902.60	\$211,930.00	\$97,056.54	\$227,916.06
2018	539,312.13	222,028.00	88,408.70	228,875.43
2019	532,069.78	227,160.00	78,901.38	226,008.40
2020	532,765.79	237,336.00	69,138.76	226,291.03
2021	531,999.38	247,548.00	58,476.58	225,974.80
2022-2026	2,050,164.18	1,037,049.00	124,228.28	888,886.90
2026-2030	276,738.16	77,159.00	10,617.36	188,961.80
2031-2032	55,347.51	16,976.00	578.90	37,792.61
	<u>\$5,055,299.53</u>	<u>\$2,277,186.00</u>	<u>\$527,406.50</u>	<u>\$2,250,707.03</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2016, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund \$24,389,407.36

SHORT TERM DEBT

BOND ANTICIPATION NOTES

	Interest Rate	Maturity Dates	Amount
General Capital Fund	2.00%	1/27/2017	\$9,623,349.00
General Capital Fund	2.00%	5/20/2017	9,000,000.00
General Capital Fund	0.80%	5/19/2017	490,490.00
General Capital Fund	0.70%	9/8/2017	80,000.00
General Capital Fund	0.85%	6/30/2017	3,200,000.00
General Capital Fund	2.00%	6/30/2017	4,266,000.00
Swim Pool Utility Capital Fund	2.00%	1/27/2017	76,651.00
Swim Pool Utility Capital Fund	2.00%	6/30/2017	1,359,000.00
			<u>\$28,095,490.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2016 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2017 were as follows:

Current Fund	\$3,000,000.00
Swim Pool Utility Fund	\$ 28,013.00

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, <u>2016</u>	BALANCE DECEMBER 31, <u>2015</u>
Prepaid Taxes	<u>\$484,515.24</u>	<u>\$292,360.14</u>

NOTE 6: 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 Current and Fund:

	BALANCE DECEMBER 31, <u>2016</u>	2017 BUDGET <u>APPROPRIATION</u>
Current Fund:		
Emergency Appropriations	\$ <u>848,073.00</u>	\$ <u>848,073.00</u>
	\$ <u>848,073.00</u>	\$ <u>848,073.00</u>

NOTE 7: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit. In which case, benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 7: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. Effective 2015 PERS provides for employee contributions of 7.06% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2015, members contributed at a uniform rate of 10.00% of base salary.

Certain Township employees are also covered by the Federal Insurance Contribution Act. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$2,411,562.00 for 2016, \$2,284,818.00 for 2015 and \$2,104,117.86 for 2014.

All contributions were equal to the required contributions for each of the three years, respectively.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" and is effective for fiscal years beginning after June 15, 2014. This statement requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2016. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2016.

Public Employees Retirement System (PERS)

At June 30, 2016, the State reported a net pension liability of \$21,420,058.00 for the Township of Cranford's proportionate share of the total net pension liability. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Township's proportion was 0.0723232026 percent, which was a decrease of 0.0001178769 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the State recognized an actuarially determined pension expense of \$2,365,369.00 for the Township of Cranford's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statement based on the April 1, 2016 billing was \$622,799.00.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2016, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	-	\$398,348.00
Changes of assumptions		4,437,092.00
Net difference between projected and actual earnings on pension plan investments		816,766.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>\$19,210.00</u>	<u>1,174,550.00</u>
	<u>\$19,210.00</u>	<u>\$6,826,756.00</u>

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2017	\$1,597,804.00
2018	1,597,804.00
2019	1,782,684.00
2020	1,437,817.00
2021	<u>391,437.00</u>
	<u>\$6,807,546.00</u>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Inflation	3.04 Percent	3.08 Percent
Salary Increases (based on age)		
Though 2026	2.15-4.40 Percent	1.65-4.15 Percent
Thereafter	3.15-5.40 Percent	2.65-5.15 Percent
Investment Rate of Return	7.90 Percent	7.65 percent

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 (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA.

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 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 experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

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 Investment 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	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%
	<u>100.00%</u>	

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, 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:

	June 30, 2016		
	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
Township's proportionate share of the pension liability	\$26,247,781.00	\$21,420,058.00	\$17,434,354.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2016, the State reported a net pension liability of \$42,090,987.00 for the Township of Cranford's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Township's proportion was 0.220342125209 percent, which was an increase of 0.0002817286 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the State recognized an actuarially determined pension expense of \$4,285,550.00. The pension expense recognized in the Township's financial statement based on the April 1, 2016 billing was \$1,788,763.00

At June 30, 2016, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Inflow of <u>Resources</u>	Deferred Outflow of <u>Resources</u>
Differences between expected and actual experience	\$275,913.00	
Changes of assumptions		\$5,829,948.00
Net difference between projected and actual earnings on pension plan investments		2,949,230.00
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>2,086,970.00</u>	<u>1,277,330.00</u>
	<u>\$2,362,883.00</u>	<u>\$10,056,508.00</u>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2017	\$1,803,849.00
2018	1,803,849.00
2019	2,557,320.00
2020	1,455,610.00
2021	72,997.00

Actuarial Assumptions

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

	<u>2016</u>	<u>2015</u>
Inflation	3.08 Percent	3.04 Percent
Salary Increases (based on age)		
Through 2026	2.10-8.98 Percent	2.60-9.48 Percent
Thereafter	3.10-9.98 Percent	3.60-10.48 Percent
Investment Rate of Return	7.65 Percent	7.90 Percent

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.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

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.

Long-Term Rate of Return

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 Investment 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.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
US 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%
	<u>100.00%</u>	

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, 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:

	1% Decrease <u>4.55%</u>	At Current Discount Rate <u>5.55%</u>	1% Increase <u>6.55%</u>
Township's proportionate share of the PFRS pension liability	\$54,273,242.00	\$42,090,987.00	\$32,157,091.00

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Township under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Township does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Township related to this legislation.

At December 31, 2016 and 2015, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$3,534,599.00 and \$3,214,467.00 respectively.

At December 31, 2016, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$42,090,987.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>3,534,599.00</u>
	<u>\$45,625,586.00</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 8: COMPENSATED ABSENCES

Under the existing policy of the Township, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off or paid at a later date at an agreed upon rate. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and has not been determined, but is probably material. The Township annually appropriates the amounts that are required to be paid in that year's budget.

NOTE 9: LITIGATION

The Township Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Township's insurance carrier or would have a material financial impact on the Township.

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the year 2016. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 11: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. The state and federal grants received and expended in 2016 were subject to the Single Audit Act Amendments of 1996, which mandates that grant revenues and expenditures be audited in conjunction with the Township's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II, Schedule of Findings and Questioned Costs. In addition, 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.

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township is a member of the Statewide Insurance Fund (the "Fund"), which was formed in accordance with P.L. 1983, C. 372 entitled "An Act Concerning Joint Insurance Funds for Local Government Units of Government." The Fund provides insurance coverage covering each of the above-mentioned risks of loss. The Township's contribution to the Fund is based on actuarial assumptions determined by the Fund's actuary. The Fund also purchases commercial insurance for claims in excess of coverage provided by the Fund.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Below is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Township's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 882.20	\$ -0-	\$ 353,324.15
2015	50,491.65	-0-	352,441.95
2014	111,414.61	4,727.98	301,950.30

NOTE 13: DEFERRED COMPENSATION

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the Plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships. In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of Plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

NOTE 13: DEFERRED COMPENSATION (CONTINUED)

All assets of the Plan are held by one of two independent administrators, ICMA and Lincoln National Life Insurance Company.

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 15,527.67	
Animal Control Fund		\$ 15,527.67
	<u>\$ 15,527.67</u>	<u>\$ 15,527.67</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 15: LENGTH OF SERVICE AWARDS PROGRAM

The Township of Cranford adopted an ordinance establishing a Length of Service Awards Program for the members of the Cranford Volunteer Fire Department and the Cranford Volunteer Rescue Squad pursuant to N.J.S.A. 40A:14-183 *et seq.*

All assets of the plan are held by an independent administrator, the Lincoln National Life Insurance Company.

Under this program, each volunteer that performs the minimum amount of service will have an annual amount of \$1,300.00 deposited into a tax deferred income account that will earn interest for the volunteer. The cost will be budgeted annually in the budget of the Township and is anticipated to be \$10,000.00 in 2017.

The accompanying financial statements do not include the Township's Length of Service Awards Program's activities. The Township's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 16: GASB 45: OTHER POST-RETIREMENT BENEFITS

Plan Description. The Township contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.* to provide health benefits to State employees, retirees, and their dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions>.

Funding Policy. Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Township on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Township's contributions to SHBP for the years ended December 31, 2016, 2015 and 2014 were \$1,730,182.13, \$1,686,580.71 and \$1,420,863.23 respectively, which equaled the required contributions for each year.

NOTE 17: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through June 27, 2017 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that there are no subsequent events needed to be disclosed.

TOWNSHIP OF CRANFORD
SUPPLEMENTARY SCHEDULES - ALL FUNDS
YEAR ENDED DECEMBER 31, 2016

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF CASH-COLLECTOR-TREASURER

	<u>REF.</u>		
Balance, December 31, 2015	A	\$	9,488,033.03
Increased by Receipts:			
Taxes Receivable	A-7	\$	98,532,166.27
Revenue Accounts Receivable	A-9		7,328,724.91
Miscellaneous Revenue Not Anticipated	A-2		600,118.95
Interfunds	A-10		1,692,524.07
Outside Liens	A-27		906,383.71
DCA Fees Due State of New Jersey	A-28		47,783.00
Marriage Licenses Due State of New Jersey	A-29		2,500.00
Maintenance of Free Public Library	A-21		9,844.00
Sale of Municipal Assets	A-22		150,000.00
Senior Citizens Disallowed	A-16		3,250.00
Tax Overpayments	A-18		256,839.06
Prepaid Taxes	A-17		484,515.24
State of New Jersey-Chapter 20,P.L. 1971	A-16		185,715.76
Grants - Unappropriated	A-23		910.80
Sewer Charges Receivable	A-31		2,551,430.52
Sewer Charges Overpayments	A-30		8,061.88
Petty Cash	A-5		100.00
Appropriation Refunds	A-3		904,368.79
Grants Receivable	A-19		567,022.53
			<u>114,232,259.49</u>
		\$	123,720,292.52
Decreased by Disbursements:			
2016 Appropriations	A-3	\$	34,788,307.35
2015 Appropriation Reserves	A-13		700,924.34
Accounts Payable	A-20		345.00
County Taxes	A-14		22,139,171.33
Local District School Tax	A-15		53,099,942.00
Refund of Tax Overpayments	A-18		256,839.06
Change Fund	A-6		30.00
Interfunds	A-10		1,602,688.60
Petty Cash	A-5		100.00
Emergency Note Payable	A-25		80,000.00
DCA Fees Due State of New Jersey	A-28		49,620.00
Marriage Licenses Due State of New Jersey	A-29		675.00
Maintenance of Free Public Library	A-21		6,976.15
Reserve for Library	A-34		18,546.68
Refund of Prior Year Revenue	A-1		309,747.78
Refund of Sewer Flow Charges	A-30		1,255.49
Outside Liens	A-27		906,383.71
DMC Levy Payable	A-11		189,828.00
Grants - Appropriated	A-24		165,029.19
			<u>114,316,409.68</u>
Balance, December 31, 2016	A	\$	<u>9,403,882.84</u>

"A-5"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF PETTY CASH

REF.

Increased by:

Cash Receipts

A-4

\$ 100.00

Decreased by:

Cash Disbursements

A-4

\$ 100.00

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 630.00
Inceased by		
Cash Disbursement	A-4	<u>30.00</u>
Balance, December 31, 2016	A	\$ <u><u>660.00</u></u>

OFFICE

Collector	\$ 500.00
Board of Health	30.00
Construction code	30.00
Municipal Court	<u>100.00</u>
	\$ <u><u>660.00</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2015	2016 LEVY	IN 2015	COLLECTED IN 2016	CANCELLED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2016
2015 and Prior	\$ 853,561.95	\$	\$	\$ 853,316.82	7.29	\$ 237.84	\$
2016		99,460,919.17	292,360.14	97,866,282.33	455,402.47	959.08	845,915.15
	\$ 853,561.95	\$ 99,460,919.17	\$ 292,360.14	\$ 98,719,599.15	\$ 455,409.76	\$ 1,196.92	\$ 845,915.15
REF.	A		A-2-A-17	A-2		A-8	A
Collector							
State of New Jersey				\$ 98,532,166.27			
				187,432.88			
				\$ 98,719,599.15			

ANALYSIS OF 2016 PROPERTY TAX LEVY

TAX YIELD							
General Purpose Tax	\$	98,816,173.50					
Added Taxes (54-4-63.1 et seq.)		454,917.67					
District Management Corporation		189,828.00					
	\$	99,460,919.17					
TAX LEVY							
Local District School Tax (Abstract)	A-15	\$	53,099,942.00				
County Taxes:							
County Tax (Abstract)	A-14	\$	21,909,777.48				
Due County for Added Taxes (54-4-63.1 et seq.)	A-14		96,004.36				
Total County Taxes			22,005,781.84				
District Management Corporation	A-11						
Local Tax for Municipal Purposes (Abstract)	A-2	\$	189,828.00				
Minimum Library Tax	A-2		22,465,415.70				
Add: Additional Tax Levied			1,334,112.00				
			365,839.63				
			24,165,367.33				
		\$	99,460,919.17				

"A-8"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 4,112.33
Increased by:		
Transfers From Taxes Receivable	A-7	<u>1,196.92</u>
Balance, December 31, 2016	A	\$ <u>5,309.25</u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>ACCRUED IN 2016</u>	<u>COLLECTED BY COLLECTOR- TREASURER</u>	<u>BALANCE DECEMBER 31, 2016</u>
Alcoholic Beverage Licenses	A-2	\$	\$ 25,902.00	\$ 25,902.00	\$
Clerk:					
Licenses-Other	A-2		4,961.00	4,961.00	
Board of Health:					
Licenses-Other	A-2		16,013.75	16,013.75	
Fees and Permits	A-2		19,328.75	19,328.75	
Engineer:					
Fees and Permits	A-2		3,170.00	3,170.00	
Police Department:					
Fees and Permits	A-2		45,359.68	45,359.68	
Recreation Department:					
Fees and Permits	A-2		12,672.50	12,672.50	
Board of Adjustment					
Fees and Permits	A-2		44,805.00	44,805.00	
Planning Board :					
Fees and Permits	A-2		4,017.00	4,017.00	
Assessor	A-2		480.00	480.00	
Tax Search Fees	A-2		10.00	10.00	
Fire Department:					
Fees and Permits	A-2		16,161.00	16,161.00	
Municipal Court:					
Fines and Costs	A-2	41,164.92	497,220.80	497,063.75	41,321.97
Construction Code Fees	A-2		942,971.50	942,971.50	
Interest and Costs on Taxes	A-2		239,756.28	239,756.28	
Parking Meters	A-2		795,401.62	795,401.62	
Interest on Investments and Deposits	A-2		33,928.31	33,928.31	
Conservation Center Fees	A-2		146,890.00	146,890.00	
Energy Receipts Tax	A-2		2,900,712.00	2,900,712.00	
Borough of Winfield Park Police Dispatch	A-2		21,946.56	21,946.56	
Cable T.V. Franchise Tax	A-2		369,039.38	369,039.38	
Hotel Tax	A-2		135,976.36	135,976.36	
Ambulance Fees	A-2		361,489.46	361,489.46	
Uniform Fire Safety Act	A-2		76,779.43	76,779.43	
NJ Housing Finance Agency - P.I.L.O.T	A-2		140,268.00	140,268.00	
Cranford Lincoln Associates - P.I.L.O.T	A-2		44,764.00	44,764.00	
Utility Operating Surplus	A-2		55,000.00	55,000.00	
Developer Debt	A-2		117,066.50	117,066.50	
Library Cost Allocation	A-2		30,000.00	30,000.00	
Cell Tower Lease	A-2		36,791.08	36,791.08	
Capital Fund Balance	A-2		190,000.00	190,000.00	
		\$ <u>41,164.92</u>	\$ <u>7,328,881.96</u>	\$ <u>7,328,724.91</u>	\$ <u>41,321.97</u>
	<u>REF.</u>	A		A-4	A

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2015:					
Due From	A	\$ 89,835.47	\$ 16,705.99	\$ 73,129.48	\$
Due To	A				
Cash Receipts	A-4	1,692,524.07	16,938.99	1,094,765.98	580,819.10
Excess Animal Control Fees	A-1	15,527.67	15,527.67		
Cash Disbursements	A-4	1,602,688.60	233.00	1,021,636.50	580,819.10
Balance, December 31, 2016:					
Due From	A	\$ 15,527.67	\$ 15,527.67	\$	\$

"A-11"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF SPECIAL DISTRICT TAXES

REF.

Increased by:

2016 Levy

A-1:A-7

\$

189,828.00

Decreased by:

Cash Disbursements

A-4

\$

189,828.00

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

<u>PURPOSE</u>	BALANCE DECEMBER 31, 2015	ADDED IN 2016	RAISED IN 2016 BUDGET	BALANCE DECEMBER 31, 2016
Emergency Authorization (N.J.S.A. 40A:4-46)	\$ 23,630.00	848,073.00	23,630.00	848,073.00
Emergency Appropriation (N.J.S.A. 40A:4-53)	80,000.00		80,000.00	
	<u>\$ 103,630.00</u>	<u>\$ 848,073.00</u>	<u>\$ 103,630.00</u>	<u>\$ 848,073.00</u>

REF.

A

A-3

A-3

A

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2015	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Administrative and Executive	\$ 7,236.35	\$ 7,236.35	\$	7,236.35
Channel 35	23.84	23.84		23.84
Township Committee	13,273.62	13,273.62		13,273.62
Township Clerk	5,893.81	5,893.81		5,893.81
Financial Administration	10,157.05	10,157.05		10,157.05
Assessment of Taxes	3,851.57	3,851.57		3,851.57
Collection of Taxes	8,665.19	8,665.19		8,665.19
Public Defender	0.04	333.37	333.33	0.04
Zoning/Planning Board of Adjustment	14,064.10	14,064.10		14,064.10
Police	164,913.43	164,913.43		164,913.43
Fire	149,759.54	149,759.54		149,759.54
Emergency Management Services	8,241.43	8,241.43		8,241.43
Road Repair and Maintenance	85,705.12	85,705.12		85,705.12
Communications - 911	2,785.92	2,785.92		2,785.92
Conservation Center	4,828.95	4,828.95		4,828.95
Board of Health	7,549.26	7,549.26		7,549.26
Recreation	12,001.90	12,001.90		12,001.90
Youth Services	2,472.59	3,296.59	1,120.00	2,176.59
Senior Citizen Bus Transportation	3,553.61	3,686.46	79.03	3,607.43
Construction Code Official	816.12	5,101.12		5,101.12
Police Dispatch	178.75	12,783.54	12,604.79	178.75
Municipal Court	7,370.31	7,370.31		7,370.31
<u>OTHER EXPENSES</u>				
Administrative and Executive	35,513.45	56,835.16	19,691.98	37,143.18
Channel 35	790.88	1,980.88	1,411.00	569.88
Elections	1,692.97	1,692.97		1,692.97
Township Committee	8,401.45	12,134.38	1,761.78	10,372.60
Township Clerk	21,943.14	40,843.71	16,011.57	24,832.14
Financial Administration	5,158.40	7,408.39	7,406.91	1.48
Audit	2,850.00	34,650.00	34,650.00	
Assessment of Taxes	13,661.97	16,558.72	2,896.75	13,661.97
Collection of Taxes	7.85	1,312.81	1,304.96	7.85
Legal Services and Costs	157,636.62	197,894.52	50,778.94	147,115.58
Engineering Services and Costs	10,639.99	40,896.69	37,494.69	3,402.00
Public Buildings and Grounds	69,124.02	131,316.35	81,473.32	49,843.03
Municipal Land Use Law (N.J.S. 40:55d-1):				
Planning Board	3,257.21	3,257.21	88.30	3,168.91
Zoning Board of Adjustment	417.05	417.05	236.78	180.27
Zoning/Planning Board of Adjustment	2,464.42	3,931.49	960.21	2,971.28
Group Insurance-Health Benefit Waiver	50,000.00	50,000.00		50,000.00
Employee Group Health	240,489.60	240,489.63	29,421.05	211,068.58
General Liability Insurance	34,342.00	34,342.00	19.25	34,322.75
Workers' Compensation	536.00	536.00		536.00
Police	36,855.06	87,442.04	63,828.00	23,614.04
Fire	80,331.31	101,060.99	74,665.30	26,395.69
Uniform Fire Safety Act	2,221.59	4,189.43	3,176.31	1,013.12
Emergency Management Services	9,551.32	10,559.33	1,388.81	9,170.52
Emergency Management	160.29	8,460.29	8,300.00	160.29
Road Repair and Maintenance	42,576.31	93,543.90	55,549.11	37,994.79

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2015	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>				
Other Expenses- Sewer Line	\$ 20,851.25	\$ 26,704.97	\$ 26,704.97	\$
Communications	199.67	12,626.72	12,598.23	28.49
Conservation Center	91,500.44	135,550.44	79,927.50	55,622.94
Recycling	27,702.02	42,321.19	29,491.44	12,829.75
Board of Health	15,796.55	20,782.14	4,646.59	16,135.55
Environmental Commission	2,275.81	2,275.81		2,275.81
Celebration of Public Events: Anniversary or Holiday	386.04	386.04	105.95	280.09
Recreation	762.15	3,909.01	3,224.41	684.60
Dog Regulation		5,505.60	5,505.60	
Construction Code Official	898.09	11,844.50	11,624.05	220.45
Municipal Court	5,683.61	6,687.86	955.06	5,732.80
Motor Oils and Fuels	64,944.09	75,649.60	10,705.51	64,944.09
Street Lighting	14,676.26	14,676.26		14,676.26
Utilities-ALL	49,649.41	53,808.00	2,144.67	51,663.33
Contribution to:				
Consolidated Police and Firemen's Pension Fund	40,000.00	40,000.00		40,000.00
Social Security System	90.46	90.46		90.46
Maintenance of Free Public Library	22,072.75	22,601.91	22,601.91	
Group Health	36,261.00	36,261.00		36,261.00
Salary Adjustment	39,460.11	39,460.11		39,460.11
	<u>\$ 1,777,175.11</u>	<u>\$ 2,264,418.03</u>	<u>\$ 716,888.06</u>	<u>\$ 1,547,529.97</u>

REF.

A

A-1

Balance, December 31, 2016	A	\$ 1,777,175.11	
Encumbrances Payable	A-33	<u>487,242.92</u>	
		<u>\$ 2,264,418.03</u>	
Cash Disbursements	A-4		\$ 700,924.34
Accounts Payable	A-20		<u>15,963.72</u>
			<u>\$ 716,888.06</u>

"A-14"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2015	A	\$	229,393.85
Increased by:			
2016 Tax Levy:			
County Taxes	A-1:A-7	\$	21,909,777.48
County Share of Added Taxes	A-1:A-7		<u>96,004.36</u>
			22,005,781.84
		\$	<u>22,235,175.69</u>
Decreased by:			
Cash Disbursements	A-4		<u>22,139,171.33</u>
Balance, December 31, 2016	A	\$	<u><u>96,004.36</u></u>

"A-15"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Increased by:			
2016 Levy	A-1:A-7	\$	<u>53,099,942.00</u>
Decreased by:			
Cash Disbursements	A-4	\$	<u><u>53,099,942.00</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2015 (Due From)	A	\$	9,252.75
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$	22,000.00
Veterans			164,500.00
Senior Citizens and Veterans Allowed by Collector			<u>2,750.00</u>
			189,250.00
		\$	<u>198,502.75</u>
Decreased by:			
Senior Citizens Disallowed by Collector			
Current Year		\$	1,817.12
Senior Citizens Disallowed by Collector	A-4		3,250.00
Received From State of New Jersey	A-4		<u>185,715.76</u>
			<u>190,782.88</u>
Balance, December 31, 2016 (Due From)	A	\$	<u><u>7,719.87</u></u>

SUMMARY OF 2016 EXEMPTIONS

Senior Citizens and Veterans Exemptions			
Per Tax Billings		\$	186,500.00
Senior Citizens and Veterans Exemptions			
Allowed by Tax Collector			<u>2,750.00</u>
		\$	189,250.00
Senior Citizens and Veterans Exemptions			
Disallowed by Tax Collector			<u>1,817.12</u>
	A-7	\$	<u><u>187,432.88</u></u>

"A-17"

TOWNSHIP OF CRANFORD
CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>REF.</u>	
Balance, December 31, 2015 (2016 Taxes)	A	\$ 292,360.14
Increased by:		
Collection of 2017 Taxes	A-4	484,515.24
		\$ <u>776,875.38</u>
Decreased by:		
Application to 2016 Taxes Receivable	A-7	<u>292,360.14</u>
Balance, December 31, 2016	A	\$ <u><u>484,515.24</u></u>

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

Increased by:		
Overpayments in 2016	A-4	\$ <u>256,839.06</u>
Decreased by:		
Refund of Overpayments	A-4	\$ <u><u>256,839.06</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>PROGRAM</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>ACCRUED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2016</u>
Clean Communities Program	\$	\$ 51,258.66	\$ 51,258.66	\$
Alcohol Education Rehabilitation Fund		1,933.81	1,933.81	
Federal Bulletproof Vest Program		1,821.60	1,821.60	
Drive Sober or Get Pulled Over		5,000.00	5,000.00	
Statewide Insurance Grant		7,456.02	7,456.02	
Body Armor Replacement Fund		4,750.53	4,750.53	
Middlesex County Fitness		2,500.00	2,500.00	
Drunk Driving Enforcement Fund		9,438.34	9,438.34	
Recycling Tonnage Grant		23,177.11	23,177.11	
Municipal Alliance	24,676.57	18,614.00	18,614.00	24,676.57
River Cleaning Project	108,418.81			108,418.81
Sustainable New Jersey		10,000.00	5,000.00	5,000.00
Union County Kids Recreation	25,223.44	60,000.00		85,223.44
Union County Memorial Field		150,000.00		150,000.00
Cranford Soccer Club Memorial Field		400,000.00	400,000.00	
Green Communities	7,500.00	8,500.00	3,000.00	13,000.00
PEG Technology		35,000.00	35,000.00	
The Allstate Foundation		1,000.00	1,000.00	
	<u>\$ 165,818.82</u>	<u>\$ 790,450.07</u>	<u>\$ 569,950.07</u>	<u>\$ 386,318.82</u>

REF.

A

A-2

A

Cash Receipts
Canceled

A-4

\$ 567,022.53
2,927.54
\$ 569,950.07

"A-20"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 820.00
Increased by:		
2015 Appropriation Reserves	A-13	15,963.72
		\$ <u>16,783.72</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u>345.00</u>
Balance, December 31, 2016	A	\$ <u><u>16,438.72</u></u>

"A-21"

SCHEDULE OF RESERVE FOR MAINTENANCE OF
FREE PUBLIC LIBRARY

Increased by:		
Cash Receipts	A-4	\$ 9,844.00
Decreased by:		
Cash Disbursements	A-4	\$ <u>6,976.15</u>
Balance, December 31, 2016	A	\$ <u><u>2,867.85</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 118,000.00
Increased by:		
Cash Receipts	A-4	<u>150,000.00</u>
Balance, December 31, 2016	A	<u>\$ 268,000.00</u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

Federal Bulletproof Vest Program

	BALANCE DECEMBER 31, 2015	CASH RECEIPTS	BALANCE DECEMBER 31, 2016
	\$	\$ 910.80	\$ 910.80
	\$	\$ 910.80	\$ 910.80
REF.	A	A-4	A

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>2016 BUDGET APPROPRIATION</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2016</u>
Clean Communities Program	\$ 91,632.51	\$ 51,258.66	\$ 38,514.73	\$ 104,376.44
Alcohol Education Rehabilitation Fund	4,482.60	1,933.81	2,140.00	4,276.41
Federal Bulletproof Vest Program	5,598.63	1,821.60	7,420.23	
Drive Sober or Get Pulled Over		5,000.00	5,000.00	
Body Armor Replacement Fund	4,709.71	4,750.53	4,709.71	4,750.53
Sustainable NJ Grant		7,456.02		7,456.02
Statewide Insurance		10,000.00		10,000.00
Cranford Soccer Club Memorial Field		400,000.00	400,000.00	
Union County Kids Trust Grant Program	32,783.88	60,000.00	64,650.00	28,133.88
Click it or Ticket	2,650.00			2,650.00
Drunk Driving Enforcement Fund	8,054.65	9,438.34	12,775.88	4,717.11
Recycling Tonnage Grant	58,807.65	23,177.11	45,267.00	36,717.76
Municipal Alliance	18,614.00	18,614.00	26,179.45	11,048.55
Municipal Alliance-Match	4,452.13	4,653.00	3,750.03	5,355.10
River Cleaning Project	44,455.01			44,455.01
DOT South Avenue Paving	2,561.82		2,561.82	0.00
Green Communities	8,750.00	8,500.00	7,313.61	9,936.39
Union County River Cleaning	90,155.00			90,155.00
Middlesex County Fitness		2,500.00		2,500.00
The Allstate Foundation		1,000.00	999.99	0.01
PEG Technology		35,000.00	29,305.28	5,694.72
Union County Memorial Field		150,000.00	150,000.00	
	<u>\$ 377,707.59</u>	<u>\$ 795,103.07</u>	<u>\$ 800,587.73</u>	<u>\$ 372,222.93</u>

REF.

A

A-3

A

Cash Disbursements

A-4

Canceled

\$ 165,029.19

Encumbrances Payable

A-33

2,927.54

632,631.00

\$ 800,587.73

"A-25"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF EMERGENCY NOTE PAYABLE

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 80,000.00
Decreased by: Cash Disbursements	A-4	<u>80,000.00</u>

"A-26"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION

Balance, December 31, 2015 and December 31, 2016	A	\$ <u>3,765,400.00</u>
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"A-27"

SCHEDULE OF RESERVE FOR OUTSIDE LIENS

Balance, December 31, 2015	A	\$ 935.10
Increased by: Cash Receipts	A-4	<u>906,383.71</u>
		\$ 907,318.81
Decreased by: Cash Disbursements	A-4	<u>906,383.71</u>
Balance, December 31, 2016	A	\$ <u>935.10</u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF DCA FEES DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 12,746.00
Increased by:		
Cash Receipts	A-4	47,783.00
		\$ <u>60,529.00</u>
Decreased by:		
Cash Disbursements	A-4	<u>49,620.00</u>
Balance, December 31, 2016	A	\$ <u><u>10,909.00</u></u>

SCHEDULE OF MARRIAGE LICENSES DUE STATE OF NEW JERSEY

Balance, December 31, 2015	A	\$ 700.00
Increased by:		
Cash Receipts	A-4	2,500.00
		\$ <u>3,200.00</u>
Decreased by:		
Cash Disbursements	A-4	<u>675.00</u>
Balance, December 31, 2016	A	\$ <u><u>2,525.00</u></u>

"A-30"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF SEWER CHARGE OVERPAYMENTS

	<u>REF.</u>	
Increased by:		
Cash Receipts	A-4	\$ <u>8,061.88</u>
Decreased by:		
Refunded	A-4	\$ <u>1,255.49</u>
Balance, December 31, 2016	A	\$ <u><u>6,806.39</u></u>

"A-31"

SCHEDULE OF SEWER CHARGES RECEIVABLE

Balance, December 31, 2015	A	\$ 146,133.48
Increased by:		
Sewer Billing		<u>2,492,137.28</u>
		\$ <u>2,638,270.76</u>
Decreased by:		
Cash Receipts	A-4	<u>2,551,430.52</u>
Balance, December 31, 2016	A	\$ <u><u>86,840.24</u></u>

"A-32"

SCHEDULE OF SEWER CHARGE LIENS RECEIVABLE

Balance, December 31, 2015 and Balance, December 31, 2016	A	\$ <u><u>9.44</u></u>
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"A-33"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2015	A	\$	487,242.92
Increased by:			
2016 Budget	A-3	\$	608,083.53
Federal and State Grants Appropriated	A-24		<u>632,631.00</u>
			1,240,714.53
		\$	<u>1,727,957.45</u>
Decreased by:			
Transferred to Appropriation Reserves	A-13		<u>487,242.92</u>
Balance, December 31, 2016	A	\$	<u><u>1,240,714.53</u></u>

"A-34"

SCHEDULE OF RESERVE FOR LIBRARY

Balance, December 31, 2015	A	\$	19,544.46
Decreased by:			
Cash Disbursements	A-4		<u>18,546.68</u>
Balance, December 31, 2016	A	\$	<u><u>997.78</u></u>

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF CASH-TREASURER

REF.	ANIMAL CONTROL	OTHER
B	\$ 55,926.49	\$ 4,075,234.77
B-3	\$ 22,904.90	
B-2	1,548.60	
B-11		
B-4		3,016,636.50
B-8		27,090.00
B-10		13,773,881.86
B-9		2,110,403.08
B-6		85,316.92
		190,124.97
	24,453.50	19,203,453.33
	\$ 80,379.99	\$ 23,278,688.10
B-5	\$	\$ 26,938.17
B-3	4,659.13	
B-2	1,581.20	
B-6		
B-8		215,996.73
B-7-B-11		13,845,501.20
B-10	16,705.99	3,089,765.98
B-9		2,016,032.03
		145,745.63
	22,946.32	19,339,979.74
B	\$ 57,433.67	\$ 3,938,708.36

Balance, December 31, 2015

Increased by Receipts:

License Fees Collected

Due State of New Jersey

Interfunds

Community Development Block Grants

Payroll Deductions

Miscellaneous Trust Deposits

Escrow Deposits

District Management Corporation

Decreased by Disbursements:

Community Development Block Grants

Expenditures Under R.S. 4:19-15.11

Due State of New Jersey

District Management Corporation

Payroll Deductions

Interfunds

Miscellaneous Trust Deposits

Escrow Deposits

Balance, December 31, 2016

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
ANIMAL CONTROL FUND

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 61.20
Increased by:		
Cash Receipts	B-1	<u>1,548.60</u>
		\$ <u>1,609.80</u>
Decreased by:		
Cash Disbursements	B-1	<u>1,581.20</u>
Balance, December 31, 2016	B	<u><u>\$ 28.60</u></u>

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2015	B	\$	39,159.30
Increased by:			
Dog License Fees Collected	B-1	\$	19,365.90
Cat License Fees Collected	B-1		<u>3,539.00</u>
		\$	<u>22,904.90</u>
			62,064.20
Decreased by:			
Statutory Excess in Reserve for Animal			
Control Fund Expenditures	B-7	\$	15,527.67
Cash Disbursements	B-1		<u>4,659.13</u>
			<u>20,186.80</u>
Balance, December 31, 2016	B	\$	<u><u>41,877.40</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2014	\$ 20,206.40
2015	<u>21,671.00</u>
	<u><u>\$ 41,877.40</u></u>

"B-4"

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK
GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2015	B	\$	62,090.00
Increased by:			
Grants Received	B-5		<u>24,500.00</u>
		\$	<u>86,590.00</u>
Decreased by:			
Cash Receipts	B-1	\$	27,090.00
Canceled	B-5		<u>35,000.00</u>
			<u>62,090.00</u>
Balance, December 31, 2016	B	\$	<u><u>24,500.00</u></u>

"B-5"

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK
GRANTS RESERVE

Balance, December 31, 2015	B	\$	53,148.31
Increased by:			
Grants Received	B-4		<u>24,500.00</u>
		\$	<u>77,648.31</u>
Decreased by:			
Cash Disbursements	B-1	\$	26,938.17
Canceled	B-4		<u>35,000.00</u>
			<u>61,938.17</u>
Balance, December 31, 2016	B	\$	<u><u>15,710.14</u></u>

"B-6"

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR DISTRICT MANAGEMENT CORPORATION

	<u>REF.</u>		
Balance, December 31, 2015	B	\$	127,999.30
Increased by:			
Levy	B-1	\$	189,828.00
Miscellaneous Receipts	B-1		<u>296.97</u>
			190,124.97
		\$	<u>318,124.27</u>
Decreased by:			
Cash Disbursements	B-1		<u>215,996.73</u>
Balance, December 31, 2016	B	\$	<u><u>102,127.54</u></u>

"B-7"

SCHEDULE OF DUE CURRENT FUND-ANIMAL CONTROL FUND

Balance, December 31, 2015 (Due To)	B	\$	16,705.99
Increased by:			
Animal Control Statutory Excess	B-3		<u>15,527.67</u>
		\$	<u>32,233.66</u>
Decreased by:			
Cash Disbursements	B-1		<u>16,705.99</u>
Balance, December 31, 2016 (Due To)	B	\$	<u><u>15,527.67</u></u>

"B-8"

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 190,995.78
Increased by:		
Cash Receipts	B-1	13,773,881.86
		\$ <u>13,964,877.64</u>
Decreased by:		
Cash Disbursements	B-1	<u>13,845,501.20</u>
Balance, December 31, 2016	B	\$ <u><u>119,376.44</u></u>

"B-9"

SCHEDULE OF ESCROW DEPOSITS

Balance, December 31, 2015	B	\$ 1,523,686.20
Increased by:		
Cash Receipts	B-1	85,316.92
		\$ <u>1,609,003.12</u>
Decreased by:		
Cash Disbursements	B-1	<u>145,745.63</u>
Balance, December 31, 2016	B	\$ <u><u>1,463,257.49</u></u>

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER 31, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2016
Medical Reimbursement	\$ 10,146.24	\$ 2,538.40	\$ 3,671.81	\$ 9,012.83
Public Defender	26,626.19	13,568.00	5,050.00	35,144.19
Sign Fund	436.30			436.30
Tax Sale Premiums	1,076,000.00	916,400.00	831,500.00	1,160,900.00
POAA	13,048.45	4,024.00	5,400.00	11,672.45
Cable TV Donations	1,123.79	1,090.00	417.14	1,796.65
Developer's Deposits	100,398.86	174.09		100,572.95
State Unemployment Insurance	352,441.95	882.20		353,324.15
Enrichment	195,403.22	243,871.45	229,788.23	209,486.44
Recycling	14,351.87	11,393.62	1,382.95	24,362.54
DMC Donations	2,071.00			2,071.00
Forfeiture Accounts	25,423.81	579.83	10,025.22	15,978.42
Body Armor	2,304.68	5,725.00	2,442.86	5,586.82
Fire Penalties	263.51			263.51
LOSAP	24,400.00	5,524.99		29,924.99
Post Office Donations	36,906.14			36,906.14
Municipal Alliance	3,767.88	1,134.50	634.50	4,267.88
Police Outside Overtime	35,634.80	768,865.00	782,886.75	21,613.05
C.O.A.H.	53,775.00	19,632.00		73,407.00
Snow Removal	193,842.01	115,000.00	142,832.57	166,009.44
	<u>\$ 2,168,365.70</u>	<u>\$ 2,110,403.08</u>	<u>\$ 2,016,032.03</u>	<u>\$ 2,262,736.75</u>
REF.	B	B-1	B-1	B

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF INTERFUNDS - TRUST OTHER FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2015				
Due To	B	\$ 73,129.48 \$	73,129.48 \$	
Cash Receipts	B-1	3,016,636.50	1,016,636.50	2,000,000.00
Cash Disbursements	B-1	\$ 3,089,765.98 \$	1,089,765.98 \$	2,000,000.00

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2015	C	\$	1,168,437.22
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-11	\$	1,063,073.00
Grants Receivable	C-7		230,459.45
Bond Anticipation Notes	C-9		26,659,839.00
Refunds	C-2		21,114.18
Loan Receivable	C-18		99,774.00
Interfunds	C-15		2,580,819.10
Deferred Charges to Future Taxation			261,756.29
Deferred Charge - Cancelled	C-21		118,448.31
Premium on Sale of Notes	C-1		266,110.82
			<u>31,301,394.15</u>
		\$	<u>32,469,831.37</u>
Decreased by Disbursements:			
Contracts Payable	C-14	\$	7,125,387.08
Bond Anticipation Notes	C-9		19,973,167.00
Interfunds	C-15		2,580,819.10
Miscellaneous Reserves	C-17		4,000.00
Capital Fund Balance Utilized in Current Fund	C-1		190,000.00
			<u>29,873,373.18</u>
Balance, December 31, 2016	C:C-3	\$	<u><u>2,596,458.19</u></u>

"C-3"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

ANALYSIS OF CASH

BALANCE
DECEMBER
31, 2016

Fund Balance	\$ 298,412.36
Improvement Authorizations Funded Set Forth on "C-8"	1,768,507.21
Improvement Authorizations Expended As Set Forth on Exhibit "C-6"	(1,978,578.98)
Improvement Authorizations Unfunded - Unexpended Proceeds of Notes "C-6"	2,859,132.29
Grants Receivable	(1,599,368.80)
Local Homeowners Receivable	(1,045,503.00)
Due From State of New Jersey Infrastructure Loan Receivable	(538,568.00)
Contracts Payable	2,444,659.89
Reserve for Debt Service	6,061.67
Cash on Hand to Pay Notes Ordinances 04-15/ 06-11 "C-6"	405,856.55
Due From Cranford Board of Education	<u>(24,153.00)</u>

\$ 2,596,458.19

REF.

C-2

"C-4"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM CRANFORD BOARD OF EDUCATION

REF.

Balance, December 31, 2015 and
December 31, 2016

C

\$ 24,153.00

"C-5"

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

Balance, December 31, 2015

C

\$ 18,297,610.01

Decreased by:

Budget Appropriation to Pay Bonds

C-10

\$ 1,840,000.00

Budget Appropriation to Pay Infrastructure Loans

C-16

436,616.08

Budget Appropriation to Pay Green Trust Loans

C-12

11,184.85

2,287,800.93

Balance, December 31, 2016

C

\$ 16,009,809.08

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	ANALYSIS OF BALANCE, DECEMBER 31, 2016			UNEXPENDED IMPROVEMENT AUTHORIZATIONS
			BOND ANTICIPATION NOTES	EXPENDITURES		
91-26	DMC and Hansen Park	\$ 65,528.62	\$ 65,528.00	\$ 0.62		
01-38/03-27/5-37	Construction of a Municipal Parking Garage	1,266,235.59	490,490.00	683,388.95		92,356.64
06-28/07-35/11-31	Storm Drainage and Flood Management Improvements	1,001,867.00	1,001,867.00			
02-04	Various Capital Improvements Including Purchase of Equipment	227,730.00	227,730.00			
03-03	Acquisition of Ambulance	0.31				
05-01	Various Improvements	685,270.00				
05-12/09-35	Multi-Purpose	80,919.90				
06-10	Sidewalks-Centennial Avenue	120,300.00				
06-11	Multi-Purpose	239,682.00				
07-07	Various Public Improvements	304,862.00				
07-16	Reconstruction of High Street Foot Bridge	453,176.00				
08-18	Various Public Improvements	568,746.00				
09-36	Construction of Crane Place	375,788.00				
09-37	Various Sewer Projects	37,090.00				
10-30	Acquisition of Real Property for Recreation and Municipality	1,740,188.00				37,090.00
10-43	Various Improvements	462,000.00				
09-11	Various Public Improvements	985,795.00				
11-30	Installation of Turf Field	80,000.00				
12-15	Reconstruction of Lower Level-Municipal Building	1,835,538.53				
12-19	Various Improvements	264,181.40				
12-21	Multi-Purpose	986,035.05				
12-37	Various Storm Improvements	427,500.00				
13-03	Purchase of Computer Equipment	66,000.00				
13-15	Various Improvements and Acquisitions	599,500.00				
13-16	Multi-Purpose	1,238,000.00				
14-06	Various Public Improvements	738,000.00				
14-14	Various Public Improvements	4,802,256.41				
15-24	Various Public Improvements	3,785,000.00				
15-27	Various Public Improvements	1,266,500.00				
15-31	Acquisition of Real Property	1,271,000.00				
16-12	Multi-Purpose	3,268,000.00				
16-13	Turf Field	285,700.00				
16-18	Storm Drainage & Flood Mgmt.	3,500,000.00				
16-28	Acq. Of Real Property	17,615,000.00				
		\$ 50,643,389.81	\$ 26,253,982.45	\$ 1,978,578.98	\$ 22,410,828.38	

REF.	C	C-3
Bond Anticipation Notes	\$ 26,659,839.00	
Cash on Hand to Pay Notes - Ord. 12-19 and 12-21	405,856.55	
	\$ 26,253,982.45	
Improvement Authorizations-Unfunded		\$ 25,269,960.67
Less: Bond Anticipation Note Proceeds		2,859,132.29
Unexpended Ordinances-Various		\$ 22,410,828.38

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2015	C	\$	1,529,513.80
Increased by:			
Grants Awarded	C-8		<u>342,355.00</u>
		\$	<u>1,871,868.80</u>
Decreased by:			
Cash Receipts	C-2	\$	230,459.45
Canceled	C-8		<u>42,040.55</u>
			<u>272,500.00</u>
Balance, December 31, 2016	C	\$	<u><u>1,599,368.80</u></u>

TOWNSHIP OF CRANFORD
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2015		2016 AUTHORIZATIONS	NET PAID OR CHARGED	CONTRACTS PAY CANCELED	REFUNDS	IMPROVEMENT AUTHORIZATIONS CANCELED	BALANCE DECEMBER 31, 2016	
			FUNDED	UNFUNDED						FUNDED	UNFUNDED
91-26	DMC and Hansen Park	\$ 2,258,000.00	\$	\$	\$	252.93	19,086.00	262.93	\$	\$	\$
00-13	Technology	300,000.00					4,417.25			19,086.00	
01-02	Various Improvements	375,000.00								4,417.25	
01-38/03-27/											
05-37/06-28/											
07-35	Construction of a Municipal Parking Garage	6,100,000.00		75,268.36							92,356.64
02-04	Storm Drainage and Flood Management Imps.	9,250,000.00		268,410.18							352,662.73
02-09	Various Public Improvements	2,109,000.00									
03-03	Various Capital Improvements	2,161,200.00								23,107.30	
04-15	Various Capital Improvements	2,503,644.00								10,346.55	
05-12	Various Capital Improvements	2,132,650.00								2,824.00	
06-11	Sidewalk Improvements-Centennial Avenue	200,000.00									
06-24	Multi-Purpose	564,000.00									
07-07	Various Public Improvements	677,700.00									
07-16	Reconstruction of High Street Footbridge	600,000.00									
08-18	Various Public Improvements	878,000.00									
09-11	Installation of Turf Field	606,500.00									
09-34	Various Public Improvements	372,000.00									
09-36	Reconstruction of Crane Place	500,000.00									
09-37	Various Sewer Projects	1,038,000.00									
10-30	Acquisition of Real Property for Recreation and Other Municipal Purposes	1,925,000.00									
10-42	Hillside Avenue Tunnel	40,000.00									
10-43	Various Improvements	900,000.00									
11-10	Refunding	521,000.00									
11-30	Various Public Improvements, Replace Equip.	1,165,000.00									
12-01	Refunding	1,173,000.00									
12-13	Elevation of Homes	4,182,015.00									
12-15	Reconstruction Lower Level-Municipal Building	3,500,000.00									
12-19	Various Improvements	830,000.00									
12-21	Multi-Purpose	1,361,800.00									
12-37	Various Storm Improvements	560,000.00									
13-03	Purchase of Computer Equipment	69,500.00									
13-15	Various Improvements & Acquisitions	630,000.00									
13-16	Multi-Purpose	1,300,500.00									
14-06	Various Public Improvements	775,000.00									
14-14	Various Public Improvements	5,455,000.00									
14-16	Various Improvements to Municipal Building	1,003,760.00									
15-24	Various Public Improvements	4,435,000.00									
15-27	Various Public Improvements	1,330,000.00									
15-31	Acquisition of Real Property	1,335,000.00									
16-12	Multi-Purpose	3,774,128.00									
16-13	Turf Field	300,000.00									
16-18	Storm Drainage & Flood Mgmt.	3,500,000.00									
16-28	Acq. Of Real Property	18,500,000.00									
			\$ 850,930.83	\$ 4,241,875.77	\$ 26,074,128.00	\$ 4,459,171.52	\$ 351,631.17	\$ 21,114.18	\$ 42,040.55	\$ 1,768,507.21	\$ 25,289,960.67
			C	C		C-14	C-14	C-2	C-7	C-C-3	C-C-6

Capital Improvement Fund
Grants Receivable
Deferred Charges to Future Taxation - Unfunded

\$ 1,063,073.00
342,355.00
24,868,700.00
\$ 26,074,128.00

TOWNSHIP OF CRANFORD
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE DECEMBER 31, 2016</u>
					\$	\$	\$	\$
05-01	Acquisition of Ambulance	01/30/15	01/29/16	1.25%	27,478.00		27,478.00	
05-12; 09-35	Various Improvements	01/30/14	01/29/16	1.00%	1,205,270.00		1,205,270.00	
05-12; 09-35	Various Improvements	01/28/16	01/27/17	2.00%		685,270.00		685,270.00
06-10	Multi-Purpose	01/28/16	1/27/17	2.00%		80,919.00		80,919.00
06-10	Multi-Purpose	01/30/15	01/29/16	1.25%	87,445.00		87,445.00	
06-24	Multi-Purpose	01/28/16	1/27/17	2.00%		239,682.00		239,682.00
06-24	Multi-Purpose	01/30/15	01/29/16	1.25%	259,656.00		259,656.00	
02-04	Flood Management Improvements	01/28/16	1/27/17	2.00%		1,001,867.00		1,001,867.00
02-04	Flood Management Improvements	01/30/15	01/29/16	1.25%	1,015,782.00		1,015,782.00	
91-26	DMC Improvements	01/28/16	1/27/17	2.00%		65,528.00		65,528.00
91-26	DMC Improvements	01/30/15	01/29/16	1.25%	71,251.00		71,251.00	
03-03	Various Capital Improvements	01/28/16	1/27/17	2.00%		227,730.00		227,730.00
03-03	Various Capital Improvements	01/30/15	01/29/16	1.25%	245,275.00		245,275.00	
06-11	Centennial Avenue Sidewalks	01/28/16	1/27/17	2.00%		120,300.00		120,300.00
06-11	Centennial Avenue Sidewalks	01/30/15	01/29/16	1.25%	130,325.00		130,325.00	
07-07	Various Capital Improvements	01/28/16	1/27/17	2.00%		304,862.00		304,862.00
07-07	Various Capital Improvements	01/30/15	01/29/16	1.25%	314,596.00		314,596.00	
07-16	Reconst. of High Street Foot Bridge	01/28/16	1/27/17	2.00%		453,176.00		453,176.00
07-16	Reconst. of High Street Foot Bridge	01/30/15	01/29/16	1.25%	472,880.00		472,880.00	
08-18	Various Public Improvements	01/28/16	1/27/17	2.00%		568,746.00		568,746.00
08-18	Various Public Improvements	01/30/15	01/29/16	1.25%	585,455.00		585,455.00	
09-36	Reconst. of Crane Parkway	01/28/16	1/27/17	2.00%		375,788.00		375,788.00
09-36	Reconst. of Crane Parkway	01/30/15	01/29/16	1.25%	400,841.00		400,841.00	
10-30	Acquisition of Real Property for Recreation and Other Purposes	01/28/16	1/27/17	2.00%		1,740,188.00		1,740,188.00
10-30	Acquisition of Real Property for Recreation and Other Purposes	01/30/15	01/29/16	1.25%	1,763,391.00		1,763,391.00	
10-43	Various Improvements	01/28/16	1/27/17	2.00%		462,000.00		462,000.00
10-43	Various Improvements	01/30/15	01/29/16	1.25%	475,000.00		475,000.00	
11-10	Refunding Bond Ordinance	01/30/15	01/29/16	1.25%	104,200.00		104,200.00	
11-30	Various Public Improvements	01/28/16	1/27/17	2.00%		985,795.00		985,795.00
11-30	Various Public Improvements	01/30/15	01/29/16	1.25%	1,047,640.00		1,047,640.00	
14-14	Various Public Improvements	01/30/15	01/29/16	1.25%	1,348,364.00		1,348,364.00	
01-38	Parking Garage	05/21/15	05/20/16	0.65%	496,860.00		496,860.00	
01-38	Parking Garage	05/20/16	5/20/17	2.00%		1,835,534.00		1,835,534.00
12-15	Reconstruction of Lower Level	05/22/15	05/20/16	1.50%	1,904,500.00		1,904,500.00	
12-15	Reconstruction of Lower Level	05/20/16	5/20/17	2.00%		490,736.00		490,736.00
12-19	Various Improvements	05/23/13	05/22/15	1.50%	518,000.00		518,000.00	
12-19	Various Improvements	05/22/15	5/20/17	2.00%		1,165,337.00		1,165,337.00
12-21	Multi-Purpose	05/23/13	05/22/15	1.50%	1,200,000.00		1,200,000.00	
12-21	Multi-Purpose	05/22/15	5/20/17	2.00%		66,000.00		66,000.00
13-03	Purchase of Computer Equipment	05/23/14	05/22/15	1.50%	66,000.00		66,000.00	
13-03	Purchase of Computer Equipment	05/22/15	5/20/17	2.00%		599,500.00		599,500.00
13-15	Various Improvements	05/23/14	05/20/16	1.50%	599,500.00		599,500.00	
13-15	Various Improvements	05/22/15	05/20/16	1.50%				

TOWNSHIP OF CRANFORD
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE DECEMBER 31, 2016</u>
13-16	Multi-Purpose	05/23/14	5/20/16	5/20/17	2.00%	1,238,000.00	1,238,000.00		1,238,000.00
13-16	Multi-Purpose	05/23/14	05/22/15	05/20/16	1.50%	1,238,000.00		1,238,000.00	
14-06	Various Public Improvements	05/23/14	5/20/16	5/20/17	2.00%		738,000.00		738,000.00
14-06	Various Public Improvements	05/23/14	05/22/15	05/20/16	1.50%	738,000.00		738,000.00	
14-14	Various Public Improvements	05/22/15	05/22/15	05/20/16	1.50%	2,336,000.00		2,336,000.00	
14-14	Various Public Improvements	11/30/15	11/30/15	6/30/16	0.35%	1,000,000.00		1,000,000.00	
14-14	Various Public Improvements	5/22/15	5/20/16	5/20/17	2.00%	2,336,000.00			2,336,000.00
14-14	Various Public Improvements	1/30/15	01/28/16	01/27/17	2.00%	1,348,364.00			1,348,364.00
14-14	Various Public Improvements	11/30/15	6/30/16	6/30/17	0.85%	1,000,000.00			1,000,000.00
15-24	Various Public Improvements	11/30/15	11/30/15	6/30/16	0.35%	1,200,000.00		1,200,000.00	
15-24	Various Public Improvements	1/29/16	1/29/16	1/27/17	2.00%		963,134.00		963,134.00
15-24	Various Public Improvements	5/20/16	5/20/16	5/20/17	2.00%		530,893.00		530,893.00
15-24	Various Public Improvements	6/30/16	6/30/16	6/30/17	0.85%	153,355.00		153,355.00	
09-11	Installation of Turf Field	04/24/10	09/11/13	09/09/16	0.50%		80,000.00		80,000.00
09-11	Installation of Turf Field	04/24/10	9/9/16	9/8/17	0.70%		1,200,000.00		1,200,000.00
15-31	Acq. Of Real Property	12/8/16	12/8/16	6/30/17	0.85%		1,266,000.00		1,266,000.00
15-27	Various Public Improvements	12/8/16	12/8/16	6/30/17	2.00%		3,000,000.00		3,000,000.00
16-12	Multi-Purpose	12/8/16	12/8/16	6/30/17	2.00%				
						<u>\$ 21,005,064.00</u>	<u>\$ 26,659,839.00</u>	<u>\$ 21,005,064.00</u>	<u>\$ 26,659,839.00</u>
<u>REF.</u>						<u>C</u>	<u>C-2</u>	<u>C-C-6</u>	
Notes Paid by Budget									
Cash Disbursements									
						<u>\$ 1,031,897.00</u>	<u>\$ 19,973,167.00</u>		
							<u>\$ 21,005,064.00</u>		

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2016</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Improvements	12/15/05	\$ 10,000,000.00	08/15/17	\$ 1,300,000.00	3.750%	3,775,000.00	1,175,000.00	2,600,000.00
			08/15/18	1,300,000.00	3.750%			
General Improvements	08/15/06	5,497,000.00	08/15/17	85,000.00	4.300%	5,177,000.00	80,000.00	5,097,000.00
			08/15/18-37	2,685,000.00	Various			
General Improvements	08/15/06	1,603,000.00	08/15/17	30,000.00	6.250%	1,468,000.00	25,000.00	1,443,000.00
			08/15/18-37	1,413,000.00	Various			
Refunding Bonds	08/15/13	3,885,000.00	08/15/17	555,000.00	4.000%			
			08/15/18	555,000.00	4.000%			
			08/15/19-20	550,000.00	4.500%			
						<u>2,770,000.00</u>	<u>560,000.00</u>	<u>2,210,000.00</u>
						<u>\$ 13,190,000.00</u>	<u>\$ 1,840,000.00</u>	<u>\$ 11,350,000.00</u>
					<u>REF.</u>	C	C-5	C

"C-11"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Increased by:		
2016 Budget Appropriation	C-2	\$ 1,063,073.00
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-8	\$ <u>1,063,073.00</u>

"C-12"

SCHEDULE OF GREEN TRUST LOANS PAYABLE

Balance, December 31, 2015	C	\$ 143,100.90
Decreased by:		
Loans Paid by Budget	C-5	<u>11,184.85</u>
Balance, December 31, 2016	C	\$ <u>131,916.05</u>

"C-13"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF LOCAL HOMEOWNERS RECEIVABLE

REF.

Balance, December 31, 2015 and
December 31, 2016

C

\$ 1,045,503.00

"C-14"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2015

C

\$ 5,462,506.62

Increased by:

Improvement Authorizations Charged

C-8

4,459,171.52

9,921,678.14

Decreased by:

Cash Disbursements

C-2

7,125,387.08

Canceled

C-8

351,631.17

7,477,018.25

Balance, December 31, 2016

C

\$ 2,444,659.89

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>TRUST OTHER FUND</u>	<u>CURRENT FUND</u>
Cash Receipts	C-2 \$	2,580,819.10 \$	2,000,000.00 \$	580,819.10
Cash Disbursements	C-2 \$	2,580,819.10 \$	2,000,000.00 \$	580,819.10

"C-16"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF NJ INFRASTRUCTURE LOANS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 4,964,509.11
Decreased by:		
Loans Paid by Budget	C-5	<u>436,616.08</u>
Balance, December 31, 2016	C	\$ <u><u>4,527,893.03</u></u>

"C-17"

SCHEDULE OF MISCELLANEOUS RESERVES

Balance, December 31, 2015		\$ 9,000.00
Decreased by:		
Cancelled to fund balance	C-1	\$ 5,000.00
Cash Disbursement	C-2	<u>4,000.00</u>
		\$ <u><u>9,000.00</u></u>

"C-18"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF INFRASTRUCTURE LOAN RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 638,342.00
Decreased by:		
Receipts	C-2	<u>99,774.00</u>
Balance, December 31, 2016	C	<u>\$ 538,568.00</u>

"C-19"

SCHEDULE OF RESERVE FOR DEBT SERVICE

Balance, December 31, 2015 and December 31, 2016	C	<u>\$ 6,061.67</u>
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TOWNSHIP OF CRANFORD
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGE

	<u>REF.</u>		
Balance, December 31, 2015	C	\$	118,448.31
Decreased by:			
Receipts	C-2	\$	<u><u>118,448.31</u></u>

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2016</u>
91-26	DMC and Hansen Park	\$ 0.62
05-01	Ambulance	0.31
01-38/03-27/05-47/06-28/7-35/11-31	Construction of a Municipal Parking Garage	775,745.59
06-10	Multi-Purpose	0.90
09-37	Various Sewer Projects	37,090.00
12-15	Reconstruction of Lower Level-Municipal Building	4.53
12-37	Various Storm Improvements	427,500.00
14-14	Various Public Improvements	117,892.41
15-24	Various Public Improvements	1,290,973.00
15-27	Various Public Improvements	500.00
15-31	Acq. Of Real Property	71,000.00
16-12	Multi-Purpose	268,000.00
16-13	Turf Field	285,700.00
16-18	Storm Drainage & Flood Mgmt.	3,500,000.00
16-28	Acq. Of Real Property	17,615,000.00
		<u>\$ 24,389,407.36</u>

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2015	D	\$ 257,056.18	\$ 63,234.69
Increased by Receipts:			
Bond Anticipation Notes	D-6	\$	\$ 1,435,651.00
Memberships	D-2	1,272,478.65	
Capital Improvement Fund	D-16		25,000.00
Miscellaneous	D-2	451,592.39	
		<u>1,724,071.04</u>	<u>1,460,651.00</u>
		\$ 1,981,127.22	\$ 1,523,885.69
Decreased by Disbursements:			
2016 Appropriations	D-3	\$ 1,710,532.51	\$
2015 Appropriation Reserves	D-12	21,144.17	
Increase in Change Fund	D-7	125.00	
Bond Anticipation Notes	D-6		76,651.00
Fund Balance	D-1	55,000.00	
Contracts Payable	D-8		45,512.19
		<u>1,786,801.68</u>	<u>122,163.19</u>
Balance, December 31, 2016	D:D-5	\$ 194,325.54	\$ 1,401,722.50

"D-5"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

SCHEDULE OF SWIM POOL UTILITY CAPITAL CASH

		BALANCE DECEMBER <u>31, 2016</u>
Capital Improvement Fund	\$	6,840.00
Contracts Payable		323,007.00
Grants Receivable		(72,790.00)
Improvement Authorizations 10-15		13,767.23
Improvement Authorizations 15-26		631,775.62
Improvement Authorizations 16-17		<u>499,122.65</u>
	\$	<u><u>1,401,722.50</u></u>

REF.

D-4

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE DECEMBER 31, 2016</u>
10-15	Various Pool Improvements	04/13/10	2/01/15	1/31/16	0.50%	\$ 145,151.00	\$	145,151.00	\$
10-15	Various Pool Improvements	04/13/10	1/30/16	1/27/17	2.00%		76,651.00		76,651.00
15-26	Various Pool Improvements	12/8/16	12/8/16	6/30/17	2.00%		883,000.00		883,000.00
16-17	Various Pool Improvements	12/8/16	12/8/16	6/30/17	2.00%		476,000.00		476,000.00
						<u>\$ 145,151.00</u>	<u>1,435,651.00</u>	<u>145,151.00</u>	<u>\$ 1,435,651.00</u>
					<u>REF.</u>	<u>D</u>	<u>D-4</u>		<u>D</u>
	Cash Disbursements				D-4			\$ 76,651.00	
	Notes Paid by Budget				D-18			<u>68,500.00</u>	
								<u>\$ 145,151.00</u>	

"D-7"

TOWNSHIP OF CRANFORD
SWIM POOL UTILITY OPERATING FUND
SCHEDULE OF CHANGE FUND

	<u>REF.</u>		
Balance, December 31, 2015	D	\$	25.00
Increased by:			
Cash Disbursement	D-4		125.00
		\$	<u>150.00</u>
Balance, December 31, 2016	D	\$	<u><u>150.00</u></u>

"D-8"

SWIM POOL UTILITY CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2015	D	\$	76,000.00
Increased by:			
Improvement Authorizations	D-15		298,519.19
		\$	<u>374,519.19</u>
Decreased by:			
Cash Disbursements	D-4	\$	45,512.19
Canceled	D-15		<u>6,000.00</u>
			<u>51,512.19</u>
Balance, December 31, 2016	D	\$	<u><u>323,007.00</u></u>

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>2016 AUTHORIZATIONS</u>	<u>BALANCE DECEMBER 31, 2016</u>
	General Improvements:				
10-15	Various Pool Improvements	\$ 170,000.00	\$ 170,000.00	\$	\$ 170,000.00
15-26	Various Pool Improvements	1,000,000.00	1,000,000.00		1,000,000.00
16-17	Various Pool Improvements	500,000.00		500,000.00	500,000.00
			<u>\$ 1,170,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 1,670,000.00</u>
	<u>REF.</u>		D	D-15	D

"D-10"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

BALANCE
DECEMBER
31, 2016

Swim Pool Facilities:
Orange Avenue
Centennial Avenue
Pool Improvements
General Equipment

\$ 1,242,525.00
2,000,449.00
1,280,000.00
774,954.34

\$ 5,297,928.34

REF.

D

"D-11"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2015 and
December 31, 2016

D

\$ 72,790.00

TOWNSHIP OF CRANFORD
SWIM POOL UTILITY OPERATING FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES

		<u>BALANCE DECEMBER 31, 2015</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operating:					
Salaries and Wages		\$ 22,611.50	\$ 22,611.50	\$	\$ 22,611.50
Other Expenses		30,199.40	53,979.28	21,144.17	32,835.11
Statutory Expenditures:					
Social Security		<u>5,864.88</u>	<u>5,864.88</u>	<u></u>	<u>5,864.88</u>
		\$ <u>58,675.78</u>	\$ <u>82,455.66</u>	\$ <u>21,144.17</u>	\$ <u>61,311.49</u>
	<u>REF.</u>	D:D-12		D-4	D-1
Balance, December 31, 2015	D-12		\$ 58,675.78		
Encumbrances Payable	D-13		<u>23,779.88</u>		
			\$ <u>82,455.66</u>		

"D-13"

TOWNSHIP OF CRANFORD
SWIM POOL UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2015	D	\$ 23,779.88
Increased by:		
Charges to 2016 Appropriations	D-3	17,686.94
		\$ <u>41,466.82</u>
Decreased by:		
Transferred to 2015 Appropriation Reserves	D-12	<u>23,779.88</u>
Balance, December 31, 2016	D	\$ <u><u>17,686.94</u></u>

"D-14"

SCHEDULE OF ACCRUED INTEREST ON NOTES

Balance, December 31, 2015 and December 31, 2016	D	\$ <u><u>10,230.37</u></u>
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TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2015		IMPROVEMENT AUTHORIZATIONS	CONTRACTS PAYABLE CANCELED	PAID OR CHARGED	BALANCE DECEMBER 31, 2016	
			FUNDED	UNFUNDED				FUNDED	UNFUNDED
<u>General Improvements:</u>									
10-15	Various Pool Improvements	\$ 170,000.00	\$	8,069.07	\$	6,000.00	\$ 301.84	\$	13,767.23
15-26	Various Pool Improvements	1,000,000.00	46,115.62	883,000.00			297,340.00		631,775.62
16-17	Various Pool Improvements	500,000.00			500,000.00		877.35	23,122.65	476,000.00
			<u>46,115.62</u>	<u>891,069.07</u>	<u>500,000.00</u>	<u>6,000.00</u>	<u>298,519.19</u>	<u>23,122.65</u>	<u>1,121,542.85</u>
			D	D	D-9	D-8	D-8	D	D
<u>Capital Improvements:</u>									
	Capital Improvement Fund				24,000.00				
	Deferred Charges to				<u>476,000.00</u>				
	Future Revenue				<u>\$ 500,000.00</u>				

"D-16"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2015	D	\$ 5,840.00
Increased by:		
Cash Receipts	D-4	25,000.00
		<u>\$ 30,840.00</u>
Decreased by:		
Improvement Authorizations	D-15:D-18	24,000.00
		<u>24,000.00</u>
Balance, December 31, 2016	D	<u>\$ 6,840.00</u>

"D-17"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2015 and December 31, 2016	D	<u>\$ 4,973,928.34</u>
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"D-18"

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Balance, December 31, 2015	D	\$ 465,849.00
Increased by:		
Notes Paid by Budget	D-6	\$ 68,500.00
Capital Improvement Fund		<u>24,000.00</u>
		<u>92,500.00</u>
Balance, December 31, 2016	D	<u>\$ 558,349.00</u>

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TOWNSHIP OF CRANFORD

PART II

INDEPENDENT AUDITOR'S 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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Cranford, New Jersey 07016-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members
of the Township Committee
Township of Cranford
County of Union
Cranford, New Jersey 07016

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Cranford, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated June 27, 2017. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Cranford prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township of Cranford'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's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a matter of noncompliance which is discussed in Part III, General Comments and Recommendations Section of the report.

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 Township of Cranford's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Cranford's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

June 27, 2017

TOWNSHIP OF CRANFORD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2016

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	GRANTOR'S NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	RECEIVED	EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2016
20.205	Department of Transportation Pass Through State of New Jersey	480-078-6320-ALC-6010	Continuous	\$ 205,000.00	\$	\$	187,638.71
20.205	New Jersey Trust Fund Authority:	480-078-6320-AUG-6010	Continuous	2,561.82		2,561.82	2,561.82
20.205	South Avenue Paving	480-078-6320-ALC-6010	Continuous	500,000.00			375,000.00
20.205	South Union Paving	480-078-6320-ALC-6010	Continuous	190,000.00			147,959.45
20.205	Transit Village Program Ord. 12-19	480-078-6320-ALL-6010	Continuous	115,000.00	5,459.45	5,459.45	89,162.09
20.205	Various Public Improvements-Incolna Ave Sec. 3 Ord. 14-14	480-078-6320-ALW-6010	Continuous	180,000.00	8,563.34	8,563.34	135,000.00
20.205	Various Public Improvements-Ord. 14-14	480-078-6320-AL5-6010	Continuous	191,355.00	135,000.00	135,000.00	191,355.00
20.205	Various Public Improvements-Ord. 15-24	480-078-6320-AMF-6010	Continuous				
20.205	Various Public Improvements-Ord. 16-12						
					149,022.79	342,939.61	1,128,677.07
20.602	NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION						
20.616	Drive Sober or Get Pulled Over		Continuous	5,000.00	5,000.00	5,000.00	5,000.00
	Click It or Ticket		Continuous	4,000.00		5,000.00	1,350.00
						5,000.00	6,350.00
10.923	U. S. Department of Agriculture		6/5/13 12/15/13	330,000.00			
	Emergency Watershed Protection						288,700.00
14.228	U. S. Department of Housing and Urban Development		Continuous	500,000.00	213,192.95		276,201.95
	Community Development Block Grant-Disaster Recovery						
14.218	Pass Through County of Union						
14.218	Community Development Block Grants:						
14.218	Community Development Block Grant - Year XL-406	765-042-4900-004-178900	9/1/15 8/31/16	10,000.00	10,000.00	6,891.86	10,000.00
14.218	Community Development Block Grant - Year XL-217	765-042-4900-004-178900	9/1/15 8/31/16	17,090.00	17,090.00	11,256.45	17,090.00
14.218	Community Development Block Grant - Year XL-111	765-042-4900-004-178900	9/1/15 8/31/16	35,000.00	35,000.00		35,000.00
14.218	Community Development Block Grant - Year XL-406	765-042-4900-004-178900	9/1/16 8/31/17	8,000.00		3,702.06	3,702.06
14.218	Community Development Block Grant - Year XL-217	765-042-4900-004-178900	9/1/16 8/31/17	16,500.00		5,087.80	5,087.80
14.218	Community Development Block Grant - Year XL-111	765-042-4900-004-178900	9/1/16 8/31/17	20,000.00			
					275,282.95	18,148.31	338,291.95
16.607	U. S. Department of Justice						
16.607	Bulletproof Vest Partnership Program		Continuous	9,825.20		5,598.63	9,825.20
16.607	Bulletproof Vest Partnership Program		Continuous	1,821.60	1,821.60	1,821.60	6,270.00
					1,821.60	7,420.23	16,095.20

TOWNSHIP OF CRANFORD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD <u>FROM</u> <u>TO</u>	GRANT AWARD AMOUNT	RECEIVED	EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2016
Pass Through State of New Jersey				\$			
FEMA Disaster Grant-Snow Storm	97 036		Continuous	83,801.91	83,801.91	\$	83,801.91
FEMA Disaster Grant Hurricane Irene	97 036		Continuous	357,996.20	357,996.20		357,996.20
FEMA Hazardous Mitigation Grant	97 039		Continuous	3,136,509.00	441,798.11		2,879,618.86
					<u>83,801.91</u>		<u>3,321,416.97</u>
TOTAL				\$	872,925.45	\$	5,099,531.19

TOWNSHIP OF CRANFORD

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2016

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	FROM	TO	GRANT AWARD AMOUNT	RECEIVED	EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2016
<u>Department of Community Affairs</u>							
Alcohol Education and Rehabilitation Fund-Prior	9735-760-098-6020	Continuous		\$ 3,600.89	\$	2,007.41	\$ 3,600.59
Alcohol Education and Rehabilitation Fund	9735-760-098-6020	Continuous		2,475.19		132.59	132.59
Alcohol Education and Rehabilitation Fund	9735-760-098-6020	Continuous		1,933.81	1,933.81		
					1,933.81	2,140.00	3,733.18
<u>Department of Law and Public Safety</u>							
Body Armor Replacement Fund-Prior	1020-718-066-1020	Continuous		4,709.71		4,709.71	4,709.71
Body Armor Replacement Fund-Prior	1020-718-066-1020	Continuous		4,750.53	4,750.53		1,499.77
Drunk Driving Enforcement Fund	1110-100-066-1110	Continuous		8,054.65		8,054.65	8,054.65
Drunk Driving Enforcement Fund	1110-100-066-1110	Continuous		9,438.34	9,438.34	4,721.23	4,721.23
Pedestrian Safety Grant		Continuous		6,000.00			5,998.63
					14,188.87	17,485.59	24,983.99
<u>Department of Health and Senior Services</u>							
Municipal Alliance		1/1/15	12/31/15	15,686.46	15,686.46	15,686.46	15,686.46
Municipal Alliance		1/1/16	12/31/16	18,614.00		7,565.45	7,565.45
					15,686.46	23,251.91	23,251.91
<u>Department of Environmental Protection</u>							
Clean Communities Program	4900-765-178900-60	Continuous		39,314.02		9,951.04	39,314.02
Clean Communities Program	4900-765-178900-60	Continuous		36,869.00		28,563.69	28,563.69
Clean Communities Program	4900-765-178900-60	Continuous		44,812.47			
Clean Communities Program	4900-765-178900-60	Continuous		51,258.66	51,258.66		
Green Communities		Continuous		8,750.00	3,000.00	7,313.61	7,313.61
Green Communities		Continuous		8,500.00			
Recycling Tonnage Grant	4900-752-042-4900	Continuous		40,007.63		14,944.65	40,007.63
Recycling Tonnage Grant	4900-752-042-4900	Continuous		43,863.00		30,622.35	30,622.35
Recycling Tonnage Grant	4900-752-042-4900	Continuous		23,177.11	23,177.11		
					77,435.77	91,395.34	145,821.30
TOTAL				\$ 109,244.91	\$	134,272.84	\$ 197,790.38

TOWNSHIP OF CRANFORD

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2016

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state financial awards of the Township of Cranford, County of Union, New Jersey. All federal and state financial awards received directly from federal or state agencies, as well as federal financial awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's regulatory basis financial statements. These amounts are reported in either the Current Fund, General Capital Fund or Trust Other Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS-REGULATORY BASIS (CONTINUED)

Revenues:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 448,619.71	\$ 109,244.91	\$ 450,956.02	\$ 1,008,820.64
General Capital Fund	397,215.74		55,000.00	452,215.74
Trust Fund	<u>27,090.00</u>	<u></u>	<u></u>	<u>27,090.00</u>
	<u>\$ 872,925.45</u>	<u>\$ 109,244.91</u>	<u>\$ 505,956.02</u>	<u>\$ 1,488,126.38</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 98,783.96	\$ 134,272.84	\$ 648,705.30	\$ 881,762.10
General Capital Fund	340,377.79			340,377.79
Trust Fund	<u>18,148.31</u>	<u></u>	<u></u>	<u>18,148.31</u>
	<u>\$ 457,310.06</u>	<u>\$ 134,272.84</u>	<u>\$ 648,705.30</u>	<u>\$ 1,240,288.20</u>

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedule.

PART III
TOWNSHIP OF CRANFORD
STATISTICAL DATA
LIST OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2016

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

	YEAR 2016		YEAR 2015	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 2,277,600.00	1.99%	\$ 1,500,000.00	1.41%
Miscellaneous - From Other Than Local				
Property Tax Levies	12,923,617.56	11.32%	11,763,085.35	11.02%
Collection of Delinquent Taxes and				
Tax Title Liens	853,316.82	0.75%	1,173,429.73	1.10%
Collection of Current Tax Levy	98,158,642.47	85.94%	92,297,441.79	86.47%
<u>TOTAL INCOME</u>	<u>114,213,176.85</u>	<u>100.00%</u>	<u>106,733,956.87</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	36,857,616.66	32.77%	33,377,635.27	32.09%
County Taxes	22,005,781.84	19.56%	19,829,861.74	19.06%
Local School Taxes	53,099,942.00	47.21%	50,411,243.00	48.47%
Other Expenditures	515,103.45	0.46%	396,042.22	0.38%
<u>TOTAL EXPENDITURES</u>	<u>112,478,443.95</u>	<u>100.00%</u>	<u>104,014,782.23</u>	<u>100.00%</u>
Excess in Revenue	1,734,732.90		2,719,174.64	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are Deferred				
Charges to Budget of Succeeding Year	848,073.00			
Statutory Excess to Fund Balance	2,582,805.90		2,719,174.64	
Fund Balance, January 1	6,370,739.43		4,054,401.76	
	1,435,000.00		6,773,576.40	
Less: Utilization as Anticipated Revenue	2,277,600.00		1,500,000.00	
Fund Balance, December 31	\$ 6,675,945.33		\$ 5,273,576.40	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - SWIM POOL UTILITY FUND

	YEAR 2016		YEAR 2015	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 46,118.00	2.52%	\$ 46,000.00	2.40%
Collection of Membership Fees	1,272,478.65	69.48%	1,270,168.50	66.36%
Miscellaneous	451,592.39	24.66%	431,982.71	22.57%
Miscellaneous-From Other Than Pool Receipts	61,311.49	3.35%	165,849.85	8.67%
<u>TOTAL INCOME</u>	<u>1,831,500.53</u>	<u>100.00%</u>	<u>1,914,001.06</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	1,574,378.00	90.16%	1,583,609.00	90.14%
Capital Outlay	25,000.00	1.43%	26,000.00	1.48%
Deferred Charges and Statutory Expenditures	70,314.39	4.03%	70,568.84	4.02%
Municipal Debt Service	76,500.00	4.38%	76,500.00	4.35%
Other			250.00	0.00%
<u>TOTAL EXPENDITURES</u>	<u>1,746,192.39</u>	<u>100.00%</u>	<u>1,756,927.84</u>	<u>100.00%</u>
Excess in Revenue	30,308.14		157,073.22	
Fund Balance, January 1	<u>164,395.15</u>		<u>53,321.93</u>	
	194,703.29		210,395.15	
Less: Utilization as Anticipated Revenue	<u>46,118.00</u>		<u>46,000.00</u>	
Fund Balance, December 31	<u>\$ 148,585.29</u>		<u>\$ 164,395.15</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$5.957</u>	<u>\$5.801</u>	<u>\$5.694</u>
Appointment of Tax Rate:			
Municipal	1.355	1.335	1.317
Municipal Library	0.080	0.078	0.077
County	1.320	1.256	1.234
Local School	<u>3.202</u>	<u>3.132</u>	<u>3.066</u>

Assessed Valuation:

2016	\$	<u>1,658,824,467.00</u>	
2015		\$	<u>1,642,076,436.00</u>
2014			\$ <u>1,635,584,905.00</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>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2016	\$ 99,460,919.17	\$ 98,158,642.47	98.69%
2015	\$ 96,534,948.13	\$ 95,527,678.97	98.96%
2014	\$ 93,602,394.34	\$ 92,297,441.79	98.61%

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 three years.

<u>DECEMBER 31, YEAR</u>		<u>AMOUNT OF TAX TITLE LIENS</u>		<u>AMOUNT OF DELINQUENT TAXES</u>		<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2016	\$	5,359.15	\$	845,915.15	\$	851,274.30	0.86%
2015	\$	4,112.33	\$	853,561.95	\$	857,674.28	0.89%
2014	\$	16,576.11	\$	972,592.60	\$	989,168.71	1.06%

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2016	\$ 6,675,945.33	\$ 3,000,000.00
	2015	\$ 6,370,739.43	\$ 2,277,600.00
	2014	\$ 5,273,596.40	\$ 1,845,000.00
	2013	\$ 4,054,401.76	\$ 1,500,000.00
	2012	\$ 3,490,932.65	\$ 1,763,500.00
Swim Pool Utility Operating Fund	2016	\$ 148,585.29	\$ 28,013.00
	2015	\$ 164,395.15	\$ 46,118.00
	2014	\$ 53,321.93	\$ 46,000.00
	2013	\$ 60,085.11	\$ 60,000.00
	2012	\$ 101,719.17	\$ 65,285.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Andis Kalnins	Mayor	*
Mary O'Connnor	Deputy Mayor	*
Thomas Hannen	Commissioner	*
John Mallon	Commissioner	*
Patrick Giblin	Commissioner	*
Terence Wall	Township Administrator	*
Lavona Patterson	Chief Financial Officer	*
Catherine Hendrickson	Tax Collector	*
Tara Rowley	Township Clerk	*
Heather Capone	Deputy Township Clerk	*
Paul Kobliska	Electrical Subcode Official	*
Diane Dabulas, Esq.	Township Attorney	*
Richard Belluscio	Construction Official	*
Robert Hudak	Zoning Officer	*
Christian Jessen	Plumbing Subcode Official	*
Peter Barnett	Tax Assessor	*
Stephen Robertazzi	Director of Parks/Recreation	*
Mark Cassidy	Magistrate	*
Lorraine Powell	Court Administrator	*
Beth Ann Marotta	Deputy Court Administrator	*
Robert P Donovan	Prosecutor	*
James Wozniak	Police Chief	*
Daniel Czeh	Fire Chief	*
Jeffrey Young	Library Treasurer	*
Steve Patterson	Fire Subcode Official	*

* - All Township employees not having their own bond are covered for \$1,000,000.00 under Statewide Insurance Fund

GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

"Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$40,000.00 if the entity has a Qualified Purchasing Agent. The Township appointed a Qualified Purchasing Agent and has elected to increase its bid threshold to \$40,000.00.

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

The minutes indicate that bids were requested by public advertising for the following items:

- Vehicles
- Road/Sidewalk Improvements

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.

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 were advertised during 2016 for the following professional services:

- Auditor
- Attorney/Legal
- Architect
- Engineer

GENERAL COMMENTS (CONTINUED)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 4, 2016 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

"BE IT RESOLVED by the Governing Body of the Township of Cranford that the rate of interest on delinquent taxes and assessments owed to the said Township of Cranford, be and it hereby is set at eight percent (8%) on the first One Thousand Five Hundred Dollars (\$1,500.00) of taxes due and eighteen percent (18%) of any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00). Such interest shall not be charged, however, on payments made within ten (10) days from the due date."

"BE IT FURTHER RESOLVED there will be a six percent (6%) penalty on delinquency of Ten Thousand Dollars (\$10,000.00) or more at the end of the calendar year."

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on September 20, 2016 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2016	3
2015	2
2014	4

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

GENERAL COMMENTS (CONTINUED)

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of the mailing of verification notices as follows:

<u>TYPE</u>	
Payments of 2017 Taxes	25
Payments of 2016 Taxes	25
Delinquent Taxes	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

Purchasing

We noted that several purchase orders are processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order.

RECOMMENDATION

That the practice of issuing confirming purchase orders be discontinued.

