

**BURLINGTON COUNTY
BRIDGE COMMISSION**

REPORT OF AUDIT

**WITH
SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEARS ENDING
SEPTEMBER 30, 2017 and 2016**

BURLINGTON COUNTY BRIDGE COMMISSION
Table of Contents

		<u>Page</u>
	Roster of Officials	1
<u>PART I – FINANCIAL SECTION</u>		
	Independent Auditor's Report	3
	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6
	Management's Discussion and Analysis	8
<u>Exhibit No.</u>	<u>Basic Financial Statements</u>	
A	Comparative Statements of Net Position	14
B	Comparative Statements of Revenues, Expenses and Changes in Net Position	16
C	Comparative Statements of Cash Flows	17
	Notes to Financial Statements	19
	<u>Required Supplementary Information</u>	
RSI-1	Schedule of Funding Process for the OPEB Plan	48
RSI-2	Schedule of Employer Contributions to the OPEB Plan	48
RSI-3	Schedule of the Commission's Proportionate Share of the Net Pension Liability –PERS	49
RSI-4	Schedule of Commission Contributions – PERS	50
	Notes to Required Supplementary Information	51
<u>Schedule No.</u>	<u>Supplementary Schedules</u>	
1	Combining Schedule of Revenues, Expenses and Changes in Net Position	53
2	Schedule of Cash Receipts, Cash Disbursements and Changes in Cash and Investments	54
3	Schedule of Revenues and Expenses—Budget and Actual--Non-GAAP Budgetary Basis	55
4	Analysis of Toll Revenue	60
5	Analysis of Investment Income Receivable	62
6	Analysis of Improvements in Progress	63
7	Analysis of Other Accounts Receivable	63
8	Analysis of Unearned Revenue	64
9	Analysis of Accrued Expenses Payable	64
10	Analysis of Accrued Interest Payable on Notes	65
11	Analysis of Accrued Interest Payable on Bonds	65
12	Schedule of Revenue Bonds	66

BURLINGTON COUNTY BRIDGE COMMISSION
Table of Contents (Continued)

<u>Schedule No.</u>		<u>Page</u>
	<u>Schedules Required by Trust Indentures</u>	
13	Schedule of Conduit Debt	68
14	Schedule of Trust Estates Cash Receipts and Disbursements	69
 <u>PART II - SCHEDULE OF FINDINGS AND RECOMENDATIONS</u>		
	Schedule of Findings and Recommendations	74
	Summary Schedule of Prior Year Findings and Recommendations	75
	 <u>APPRECIATION</u>	 76

BURLINGTON COUNTY BRIDGE COMMISSION
ROSTER OF OFFICIALS
As of September 30, 2017

MEMBERS

John B. Comegno, II
James D. Fattorini
Troy E. Singleton

POSITION

Chairman
Vice-Chairman
Commissioner

OTHER OFFICIALS

John D. Jeffers

Executive Director

Christine J. Nociti

Treasurer

Kathleen M. Wiseman

Secretary

Michelle Chiemiego

Procurement Officer

PROFESSIONALS

Pennonni Associates Inc.

Consulting Engineer

Anthony T. Drollas, Jr..
of Capehart & Scatchard, P.A.

Solicitor

**BURLINGTON COUNTY BRIDGE
COMMISSION**

PART I

FINANCIAL SECTION

**FOR THE FISCAL YEARS ENDED
SEPTEMBER 30, 2017 AND 2016**

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of
The Burlington County Bridge Commission
Palmyra, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Burlington County Bridge Commission, in the County of Burlington, State of New Jersey, a component unit of the County of Burlington (Commission), as of and for the fiscal years ended September 30, 2017 and 2016 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

31100

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Burlington County Bridge Commission, in the County of Burlington, State of New Jersey as of September 30, 2017 and 2016 and the changes in its financial position and its cash flows thereof for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Commission's proportionate share of the net pension liability, schedule of the Commission's contributions, schedule of funding progress for the OPEB Plan and schedule of employer contributions to the OPEB Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary schedules as listed in the table of contents are not a required part of the basic financial statements.

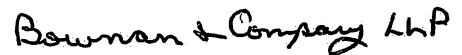
The accompanying supplementary schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

31100

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018 on our consideration of the Commission'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 Commission's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 26, 2018

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

INDEPENDENT AUDITOR'S REPORT

The Chairman and Members of
The Burlington County Bridge Commission
Palmyra, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the business-type activities of the Burlington County Bridge Commission, in the County of Burlington, State of New Jersey, a component unit of the County of Burlington (Commission), as of and for the fiscal year ended September 30, 2017 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 26, 2018.

Internal Control Over Financial Reporting

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

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

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

31100

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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* and the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
June 26, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This Management Discussion and Analysis ("MD&A") by the Burlington County Bridge Commission (the "Commission") provides an introduction to the financial statements of the Commission for the fiscal year ended September 30, 2017. The financial section of the annual audit report consists of three sections: the MD&A, the basic financial statements together with the notes thereto, and required supplementary information. The intent of the discussion and analysis is to look at the Commission's financial performance and review the notes to the basic financial statements to enhance the understanding of the Commission's financial performance.

The Commission's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America which are promulgated by the Governmental Accounting Standards Board. As the Commission follows the accrual method of accounting, the current year's revenues and expenses are accounted for in the comparative statements of revenues, expenses, and changes in net position regardless of when cash is received or paid. Net position - the difference between the Commission's assets, deferred inflows of resources, liabilities and deferred outflows of resources - is a measure of the Commission's financial health. Accordingly, the Commission is structured as a single enterprise fund with revenues recognized when earned and expenses recognized when incurred. Capital assets, which meet certain criteria, are capitalized and depreciated over their useful lives (with the exception of land and construction in progress). A summary of the Commission's significant accounting policies is described in the "Notes to the Financial Statements" which is included with the audit as described above.

The comparative statements of net position (Exhibit A) include all of the Commission's assets, liabilities and inflows and outflows of resources. The comparative statements of revenues, expenses and changes in net position (Exhibit B) provide a breakdown of the various areas of revenues and expenses encountered during the fiscal year. The comparative statements of cash flows (Exhibit C) provide a breakdown of the various sources of cash flow, categorized into three areas: Cash flows from operating activities, capital and related financing activities and investing activities.

FINANCIAL HIGHLIGHTS:

- During the fiscal year ended September 30, 2017, the Commission continued to record net pension liability and related expenses in accordance with Governmental Accounting Standard Board (GASB) Statement No. 68, and GASB Statement No. 71. For the fiscal year ended September 30, 2017, the Commission recorded a liability of \$25,187,395, a decrease of \$7,546,163 from September 30, 2016. Since this pension liability is expected to be paid out over decades, the Commission's management backs out these amounts when making operating decisions. Management feels the current ratio, the comparison of current assets to current liabilities, is the best way to evaluate the operations of the Commission. When you compare the current assets of \$116,556,795 to the current liabilities of \$61,648,225, the Commission is in a stable financial position, more than able to meet current operating requirements. In addition, the notes to the financial statements provide a more thorough discussion of GASB 68 and GASB 71 and the effects to the financial statements.
- Operating expenses are up from 2016 which is largely attributable to an increase in Major Repairs expense as the Commission continues to follow through on the repairs and other projects earmarked with the 2015 toll increase. The Commission also continues to dedicate resources in a joint effort with the County to provide support which will conserve taxpayer dollars through shared services. The Commission attributes the global success of their ability to stabilize costs to the continued pursuit of efficiencies offered through technology and the strength of the Commission's leadership and management's efforts.
- Total assets at the end of fiscal year 2017 was just under \$224.2 million. After adding deferred outflows of \$6.2 million and deducting liabilities and deferred inflows totaling just over \$146.3 million, net position came to \$84.1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
(UNAUDITED)

SUMMARY OF FINANCIAL POSITION:

The largest portion of the Commission's net position is represented by its investment in capital assets (e.g. bridges and equipment), less the related debt outstanding used to acquire those capital assets. The Commission remains devoted to providing the best possible facilities to its customers and visitors. The Commission's investment in its capital assets is reported net of related debt; the resources required to repay this debt was substantially provided from operations in recent years.

An additional portion of the Commission's net position includes resources that are subject to external restrictions on how they can be used under bond resolutions and State regulations. The Commission will apply these restricted funds as appropriate for State Unemployment Compensation and Bond Resolution Covenants.

The remaining portion of the Commission's net position is a deficit in unrestricted net position. The deficit is primarily a result of the Commission's net pension liability.

COMPARATIVE STATEMENTS OF NET POSITION AS OF SEPTEMBER 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
ASSETS:			
UNRESTRICTED ASSETS	\$ 41,478,248.57	\$ 42,959,738.44	\$ 28,658,647.50
RESTRICTED ASSETS	75,078,546.50	78,476,505.02	33,067,948.09
CAPITAL ASSETS (NET OF DEPRECIATION)	107,639,267.46	102,575,498.95	100,608,862.94
TOTAL ASSETS	<u>224,196,062.53</u>	<u>224,011,742.41</u>	<u>162,335,458.53</u>
DEFERRED OUTFLOWS OF RESOURCES:			
RELATED TO PENSIONS	6,255,141.00	9,096,597.00	3,478,674.00
LIABILITIES:			
CURRENT LIABILITIES	61,648,225.25	62,133,936.65	11,764,651.64
LONG TERM LIABILITIES	78,697,903.82	90,964,794.17	85,430,815.80
TOTAL LIABILITIES	<u>140,346,129.07</u>	<u>153,098,730.82</u>	<u>97,195,467.44</u>
DEFERRED INFLOWS OF RESOURCES:			
RELATED TO PENSIONS	6,005,751.00	733,279.00	1,324,957.00
NET POSITION:			
NET INVESTMENT IN CAPITAL ASSETS	75,318,817.44	70,108,808.91	70,384,154.10
RESTRICTED	9,915,081.50	9,966,011.68	9,903,063.70
UNRESTRICTED	(1,134,575.48)	(798,491.00)	(12,993,509.71)
TOTAL NET POSITION	<u>\$ 84,099,323.46</u>	<u>\$ 79,276,329.59</u>	<u>\$ 67,293,708.09</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
(UNAUDITED)

SUMMARY OF FINANCIAL POSITION (CONT'D):

CHANGES IN NET POSITION:

The total net position in fiscal year 2017 continues to benefit primarily as the result of the Commission's rate increase on September 15, 2015. Resources continue to be applied to Major Repairs and other appropriate uses consistent with the Commission's continued focus and aggressive policy regarding bridge safety. Management's adheres to its long term plan to keep the Commission's revenue generating assets in the best condition and also to keep current with technology. Because improvements and large scale repairs require longer periods of time to design and implement, the associated costs may not be spread equally from year to year as projects develop from the design to construction phase. In fiscal year 2017, the total expended for Major Repairs was \$11.3 million; Completed Projects (Net of Accumulated Depreciation) reflected no meaningful increase in the 2017 financial statements.

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
OPERATING REVENUES:			
TOLL REVENUE	\$ 49,311,983.53	\$ 51,195,356.70	\$ 34,365,157.94
OTHER REVENUE	620,787.19	623,955.32	436,214.45
TOTAL OPERATING REVENUE	<u>49,932,770.72</u>	<u>51,819,312.02</u>	<u>34,801,372.39</u>
OPERATING EXPENSES:			
COST OF PROVIDING SERVICE	37,881,469.19	33,439,029.40	30,496,502.17
ADMINISTRATIVE	5,098,371.36	5,075,890.45	5,150,343.13
TOTAL OPERATING EXPENSES	<u>42,979,840.55</u>	<u>38,514,919.85</u>	<u>35,646,845.30</u>
OPERATING INCOME (LOSS)	6,952,930.17	13,304,392.17	(845,472.91)
NON-OPERATING REVENUES			
AND (EXPENSES):			
INVESTMENT INCOME	218,018.15	77,331.60	42,354.04
CONTRIBUTION TO COUNTY			(1,400,000.00)
INTEREST EXPENSE	(1,155,581.94)	(1,035,862.83)	(733,235.64)
NET OTHER ITEMS AND TRANSFERS	(1,192,372.51)	(363,239.44)	
TOTAL NON-OPERATING ITEMS	<u>(2,129,936.30)</u>	<u>(1,321,770.67)</u>	<u>(2,090,881.60)</u>
INCREASE (DECREASE) IN NET POSITION	<u>\$ 4,822,993.87</u>	<u>\$ 11,982,621.50</u>	<u>\$ (2,936,354.51)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
(UNAUDITED)

BUDGETARY HIGHLIGHTS:

The Commission must adopt an annual budget in accordance with N.J.A.C. 5:31-2. The budget is adopted on the accrual basis of accounting with cash provisions for bond principal. Significant variances between the original adopted budget and actual budget amounts fall within the two categories of favorable and unfavorable.

The Commission overall experienced modest favorable and unfavorable variances in budgetary expenses with an overall variable variance. There were no particular areas that suffered any unreasonable fluctuations when comparing budgeted and actual expenditures. Overall the fiscal year concluded with a net favorable operation appropriation variance of just under \$1.3 million.

DEBT ADMINISTRATION:

The Commission continues to pay down the \$46,290,000 2013 Bonds. The Bonds have interest rates ranging from 3.25% to 5.00% with principal payments until October 2030. The Bonds were issued to provide funds for the costs of various capital improvements to the Commission's Bridge System, funding the Debt Service Reserve Fund, and paying costs and expenses associated with the issuance of the Series 2013 Bonds.

During the fiscal year ended September 30, 2016, the Commission issued \$49,820,000 County Guaranteed Bridge System Subordinated Revenue Notes, Series 2015. The proceeds of which will be used consistent with the Commission's continued focus and aggressive policy regarding bridge safety.

During fiscal year 2017, the Commission made payments of \$4.9 million in principal and \$1.8 million in interest to meet the required payments of the 2013 bonds and Subordinated Revenue Note, Series 2015.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES:

As set forth above, the Commission invested significant resources during the year toward capital improvements and construction activities. These capital improvement expenditures during the fiscal year include project costs as well as design and engineering expenses.

FACTORS BEARING ON THE COMMISSION'S FUTURE FINANCIAL POSITION:

Toll Revenue is generally subject to local economic conditions and vehicle fares for alternate routes. The Commission's Tacony-Palmyra Bridge continues to enjoy a competitive price advantage for automobile traffic when compared to the nearest alternate route. Alternate routes for the Burlington-Bristol Bridge are less convenient to travelers. Daily weather conditions and impediments to approach roadway access are generally short term in duration and have little impact on annual revenue.

COMPONENT UNITS:

It has been determined by the Commission that the Friends of the Palmyra Nature Cove, Inc. is considered a component unit. The Commission has determined that the entity is not fiscally significant and, therefore, has not been included in the basic financial statements. Requests for financial information should be addressed to Friends of the Palmyra Nature Cove, Inc. 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey 08065.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
(UNAUDITED)

ADDITIONAL FINANCIAL INFORMATION:

This financial report is designed to provide the Commission's customers, investors and other interested parties with an overview of the Commission's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Commission's Chief Financial Officer/Compliance Officer/Treasurer: Christine J. Nociti, J.D., C.P.A. at 1300 Route 73 North, P.O. Box 6, Palmyra, New Jersey 08065-1090.

BASIC FINANCIAL STATEMENTS

BURLINGTON COUNTY BRIDGE COMMISSION
 Comparative Statements of Net Position
 As of September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$ 34,610,010.52	\$ 36,104,990.74
EZ-Pass Receivable	2,489,324.00	2,552,308.00
Other Accounts Receivable	3,719,664.90	3,681,741.75
Prepaid Expenses	659,249.15	620,697.95
	<hr/>	<hr/>
Total Unrestricted Assets	41,478,248.57	42,959,738.44
	<hr/>	<hr/>
Restricted Assets:		
Cash and Cash Equivalents	75,078,546.50	78,476,505.02
	<hr/>	<hr/>
Total Current Assets	116,556,795.07	121,436,243.46
	<hr/>	<hr/>
Noncurrent Assets:		
Capital Assets		
Completed (Net of Depreciation)	88,894,874.15	89,009,606.93
Improvements in Progress	18,744,393.31	13,565,892.02
	<hr/>	<hr/>
Total Noncurrent Assets	107,639,267.46	102,575,498.95
	<hr/>	<hr/>
Total Assets	224,196,062.53	224,011,742.41
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	6,255,141.00	9,096,597.00
	<hr/>	<hr/>

(Continued)

BURLINGTON COUNTY BRIDGE COMMISSION
Comparative Statements of Net Position
As of September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
LIABILITIES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	\$ 3,291,756.32	\$ 4,458,052.23
Accrued Liabilities - Related to Early Retirement Incentive Programs - Current Portion	86,516.00	84,335.00
Accounts Payable - Related to Pensions	1,002,364.00	981,865.00
Payments in Lieu of Taxes		21,502.47
Escrow and Retained Funds	313,634.20	189,573.08
Unearned Revenue	4,993.51	11,212.85
Compensated Absences Payable - Current Portion	179,807.10	52,508.58
	<hr/>	<hr/>
Total Current Liabilities Payable from Unrestricted Assets	4,879,071.13	5,799,049.21
Current Liabilities Payable from Restricted Assets:		
Accounts Payable	523,831.81	1,777,073.44
Accrued Interest Payable on Notes	844,676.39	752,835.56
Accrued Interest Payable on Bonds	908,493.75	981,118.75
Bridge System Revenue Notes Payable	49,597,152.17	49,918,859.69
Bridge System Revenue Bonds Payable	4,895,000.00	2,905,000.00
	<hr/>	<hr/>
Total Current Liabilities Payable from Restricted Assets	56,769,154.12	56,334,887.44
Long-Term Liabilities Payable:		
Compensated Absences Payable	2,016,225.93	1,916,049.18
Net OPEB Obligation	14,953,500.00	13,706,261.51
Accrued Liabilities - Related to Early Retirement Incentive Program	600,914.00	687,430.00
Accrued Liabilities - Related to Pensions	250,591.00	245,466.00
Net Pension Liability	25,187,395.00	32,733,558.00
Bridge System Revenue Bonds Payable	35,689,277.89	41,676,029.48
	<hr/>	<hr/>
Total Long-Term Liabilities	78,697,903.82	90,964,794.17
	<hr/>	<hr/>
Total Liabilities	140,346,129.07	153,098,730.82
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	6,005,751.00	733,279.00
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	75,318,817.44	70,108,808.91
Restricted:		
State Unemployment Compensation		10,524.18
Bond Resolution Covenants	9,915,081.50	9,955,487.50
Unrestricted (Deficit)	(1,134,575.48)	(798,491.00)
	<hr/>	<hr/>
Total Net Position	\$ 84,099,323.46	\$ 79,276,329.59
	<hr/>	<hr/>

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

BURLINGTON COUNTY BRIDGE COMMISSION
 Comparative Statements of Revenues, Expenses and Changes in Net Position
 For the Fiscal Years Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues:		
Tolls	\$ 49,311,983.53	\$ 51,195,356.70
Miscellaneous Revenue	620,787.19	623,955.32
Total Operating Revenues	<u>49,932,770.72</u>	<u>51,819,312.02</u>
Operating Expenses:		
Administration:		
Salaries and Wages	2,147,082.68	2,108,420.66
Employee Benefits	1,438,418.31	1,736,995.50
Other Expenses	1,512,870.37	1,230,474.29
Cost of Providing Service:		
Salaries and Wages	8,271,689.42	8,211,858.91
Employee Benefits	5,688,865.20	6,772,796.51
Other Expenses	7,584,058.04	6,977,655.87
Major Repairs Expense	11,254,868.02	6,444,027.84
Depreciation	5,081,988.51	5,032,690.27
Total Operating Expenses	<u>42,979,840.55</u>	<u>38,514,919.85</u>
Operating Income	6,952,930.17	13,304,392.17
Non-Operating Revenues (Expenses):		
Investment Income	218,018.15	77,331.60
Interest on Bonds	(1,155,581.94)	(1,035,862.83)
Debt Issue Costs	(247,810.00)	(360,240.00)
Loss on Disposal of Capital Assets	(944,562.51)	(2,999.44)
Total Non-Operating (Expenses)	<u>(2,129,936.30)</u>	<u>(1,321,770.67)</u>
Change in Net Position	4,822,993.87	11,982,621.50
Net Position - Beginning	<u>79,276,329.59</u>	<u>67,293,708.09</u>
Net Position - Ending	<u>\$ 84,099,323.46</u>	<u>\$ 79,276,329.59</u>

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

BURLINGTON COUNTY BRIDGE COMMISSION
Comparative Statements of Cash Flows
For the Fiscal Years Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 49,374,967.53	\$ 50,752,650.45
Payments to Suppliers	(10,302,778.99)	(8,699,628.03)
Payments to Employees and Agencies	(15,582,786.85)	(15,314,682.29)
Provision for Major Repairs	(11,254,868.02)	(6,490,397.24)
Other Operating Receipts (Disbursements)	<u>576,644.70</u>	<u>(1,780,073.41)</u>
Net Cash Provided by Operating Activities	<u>12,811,178.37</u>	<u>18,467,869.48</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(12,219,500.04)	(6,915,502.00)
Retainage		(58,402.50)
Cost of Issuance	(247,810.00)	(360,240.00)
Issuance of Notes	50,078,689.48	50,367,023.60
Redemption of Notes	(49,820,000.00)	
Bond Principal	(2,905,000.00)	(2,900,000.00)
Interest on Notes	(918,902.20)	
Interest on Bonds	<u>(1,889,612.50)</u>	<u>(2,005,737.50)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(17,922,135.26)</u>	<u>38,127,141.60</u>
Cash Flows from Investing Activities:		
Investment Income Receipts	<u>218,018.15</u>	<u>77,331.60</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	(4,892,938.74)	56,672,342.68
Cash and Cash Equivalents at Beginning of Year	<u>114,581,495.76</u>	<u>57,909,153.08</u>
Cash and Cash Equivalents at End of Year	<u>\$ 109,688,557.02</u>	<u>\$ 114,581,495.76</u>

(Continued)

BURLINGTON COUNTY BRIDGE COMMISSION
 Comparative Statements of Cash Flows
 For the Fiscal Years Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 6,952,930.17	\$ 13,304,392.17
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	5,081,988.51	5,032,690.27
Pension Liability Expense - GASB 68:	572,890.00	1,994,224.00
Change in Assets and Liabilities:		
EZ-Pass Receivable	62,984.00	(442,706.25)
Other Accounts Receivable	(37,923.15)	(2,403,772.02)
Prepaid Expenses	(38,551.20)	(190,826.92)
Escrow and Retained Funds		(46,369.40)
Accounts Payable	(1,145,796.91)	(300,670.95)
Unearned Revenue	(6,219.34)	(256.71)
Post Employment Benefits - Other Than Pension	1,247,238.49	1,472,982.39
Compensated Absences Payable	227,475.27	130,060.90
Payment in Lieu of Taxes	(21,502.47)	
Early Retirement Incentive Program	(84,335.00)	(81,878.00)
Total Adjustments	<u>5,858,248.20</u>	<u>5,163,477.31</u>
Net Cash Provided by Operating Activities	<u>\$ 12,811,178.37</u>	<u>\$ 18,467,869.48</u>

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

BURLINGTON COUNTY BRIDGE COMMISSION
Notes to Financial Statements
For the Fiscal Years Ended September 30, 2017 and 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Burlington County Bridge Commission (the "Commission") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Reporting Entity

The Commission is a component unit of the County of Burlington, State of New Jersey. The Commission was created by the Board of Chosen Freeholders of the County of Burlington on October 22, 1948 under the laws of the State of New Jersey. The Commission operates and maintains the Tacony-Palmyra and Burlington-Bristol Bridges that span the Delaware River along with several other non-toll producing bridges. The Commission was granted the power to act as an Improvement Commission during 2002 in order to provide within the County, public facilities for use by the State, the County or any municipality in the County and to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon. The Commission consists of three Commissioners, who are appointed by resolution by the Burlington County Board of Chosen Freeholders for three-year terms. The daily operations are managed by the Executive Director.

Component Unit

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing Commission, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Commission is a component unit of the County of Burlington, and it has been determined by the Commission that the following organization is considered a component unit. The Commission has determined that it is not significant and, therefore, has not been included in the basic financial statements:

Friends of the Palmyra Nature Cove, Inc.
1300 Route 73 North,
PO Box 6
Palmyra, New Jersey 08065

Requests for financial information should be addressed to the organization listed above.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Presentation**

The financial statements of the Commission have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Commission is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Enterprise funds are accounted for using the accrual basis of accounting.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Bridge toll charges are recognized as revenue when services are provided.

Non-exchange transactions, in which the Commission receives value without directly giving equal value in return, include grants, contributed capital, and donations. Revenue from grants, contributed capital, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Commission must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis.

Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Budgets and Budgetary Accounting

The Commission must adopt an annual budget in accordance with N.J.A.C. 5:31-2. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Commission budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Commission's fiscal year. The governing body may amend the budget at any point during the fiscal year. The budget is adopted on the accrual basis of accounting with provisions for cash payments for bond principal. Depreciation expense, bond issue costs, bond premiums, deferred loss on defeasance and the annual required contribution for the Commission's Other Postemployment Benefits ("OPEB") Plan are not included in the budget appropriations.

The legal level of budgetary control is established at the detail shown on the Comparative Statements of Revenues, Expenses and Changes in Net Position. All budget transfers and amendments to those accounts must be approved by resolution of the Commission as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected. There are no statutory requirements that budgetary line items not be over-expended. The Commission did not adopt an amending budget resolution during the fiscal year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets and Budgetary Accounting (Cont'd)**

The Commission records encumbrances. An encumbrance represents a commitment related to unperformed contracts for goods or services. The issuance of a purchase order or the signing of a contract would create an encumbrance. The encumbrance does not represent an expenditure for the period, only a commitment to expend resources. At fiscal year-end, the accounting records are adjusted to record only expenses in accordance with generally accepted accounting principles.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds and cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey governmental units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or bonds or other obligations of school district of which the local unit is a part or within which the school district is located, bonds or other obligations approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Additionally, the Commission has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the GUDPA. In lieu of designating a depository, the cash management plan may provide that the local unit make deposits with the State of New Jersey Cash Management Fund.

Inventories

Inventory consists principally of road deicer for the treatment of the bridge and the surrounding roads and is valued at cost.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses**

Prepaid expenses recorded on the financial statements represent payments made to vendors for services that will benefit periods beyond the applicable fiscal year end.

Capital Assets

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Commission. Assets purchased prior to June 30, 1993 are stated at estimated cost. Assets purchased since are stated at actual cost. Donated capital assets are recorded at their fair market value as of the date received.

Expenditures, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the capital asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Costs incurred during construction of an asset are recorded as construction in progress. In the fiscal year that the project is completed, these costs are transferred to Capital Assets - Completed. Interest costs incurred during construction are not capitalized into the cost of the asset.

Expenditures are capitalized when they meet the following requirements:

- 1) Cost of \$25,000.00 or more
- 2) Cost of \$5,000.00 or more if purchased with Federal or State grants
- 3) Vehicles with a cost of \$15,000.00 or more
- 4) Useful life of more than five years
- 5) Asset is not affected by consumption

Depreciation

Depreciation is provided using the straight-line method over the following estimated useful life of the assets:

	<u>Years</u>
Bridges, Approaches and Improvements	40-100
Buildings and Improvements	10-40
Equipment	5-25
Mobile Equipment	5-15

Depreciation is calculated from the month of acquisition.

Bond Premiums

Bond premiums arising from the issuance of long-term debt are amortized over the life of the bonds, in a systematic and rational method from the issue date to maturity as a component of interest expense. Bond premiums are presented as an adjustment of the face amount on the bonds.

Deferred Outflows of Resources

The Commission reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its comparative statements of net position. The only deferred outflows of resources reported in this fiscal year's financial statements is a deferred outflow of resources for contributions made to the Commission's defined benefit pension plans between the measurement date of the net pension liabilities from those plans and the end of the Commission's fiscal year.

Deferred Inflows of Resources

The Commission's comparative statements of net position report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. Deferred inflows of resources are reported in the Commission's comparative statements of net position for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense. This deferred inflow of resources is attributed to pension expense over a total of five (5) fiscal years, including the current fiscal year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Commission and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Commission and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the Commission is eligible to realize the revenue.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

In accordance with the provisions of GASB Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", the Commission has classified its net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at fiscal year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component as the unspent amount.

Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets." This component includes net position that may be allocated for specific purposes by the Commission's Board.

Income Taxes

The Commission operates as defined by the Internal Revenue Code Section 115 and appropriately is exempt from income taxes under Section 115.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Operating and Non-Operating Revenues and Expenses**

Operating revenues include all revenues derived from facility charges (i.e., toll revenues, which include E-Z Pass revenues) and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts.

Operating expenses include expenses associated with the operation, maintenance and repair of the bridges and general administrative expenses. Non-operating expenses principally include expenses attributable to the Commission's interest on funded debt, debt issuance costs and loss on the disposal of capital assets.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Policies**Recently Issued and Adopted Accounting Pronouncements**

For the fiscal year ended September 30, 2017, the Commission adopted Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The adoption this Statement had no impact on the Commission's financial statements.

Also, the Commission adopted GASB Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The adoption this Statement had no impact on the Commission's financial statements.

Lastly, the Commission adopted GASB Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The adoption this Statement had no impact on the Commission's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the Commission in the fiscal year ending September 30, 2018. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the Commission in the fiscal year ending September 30, 2018. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The Statement will become effective for the Commission in the fiscal year ending September 30, 2019. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the Commission in the fiscal year ending September 30, 2020. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The Statement will become effective for the Commission in the fiscal year ending September 30, 2018. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The Statement will become effective for the Commission in the fiscal year ending September 30, 2018. Management has not yet determined the impact of this Statement on the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement will become effective for the Commission in the fiscal year ending September 30, 2021. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement will become effective for the Commission in the year ending September 30, 2019. Management has not yet determined the impact of this Statement on the financial statements.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**Compliance with finance related legal and contractual provisions**

Management of the Commission is unaware of any material violations of finance related legal and contractual provisions.

General Bond Resolution

The Commission is subject to the provisions and restrictions of a Bond Resolution adopted April 27, 1993. A summary of the activities of each account created by the Bond Resolution is covered below.

Revenue Account - All money collected by the Commission for bridge tolls or from any other source for operating, maintaining or repairing the system is deposited in this account. All revenues of the Commission are deposited into this account and are transferred in turn to the appropriate trust account on or before the 20th day of each month.

Operating Account - The balance on deposit must be equal to at least 10% of the annual budgeted appropriations for operating expenses, not including principal payments on debt. At September 30, 2017, the balance in the operating account meets the requirements of the Bond Resolution.

Debt Service Account - The amount on deposit in this account must equal at least the accrued interest payable on the Bridge System Revenue bonds plus that portion of the principal installment, which would have accrued if principal accrued in the same manner as interest. At September 30, 2017, the balance meets the requirements of the Bond Resolution.

Debt Reserve Account - The amount of funds on deposit must be maintained at a level equal to the Maximum Debt Service to insure funds are available for payment of Debt Service. The balance on September 30, 2017 meets the requirements of the Bond Resolution.

Reserve Maintenance Account - The amount on deposit in this account must be equal to the greater of \$500,000.00 or a larger amount if certified as necessary by the Consulting Engineer. Amounts in this account may be applied to the cost of major or extraordinary repairs, renewals and replacements of the Bridge System and major acquisitions of equipment. Additionally, the Commission received insurance proceeds for damage to the bridge fender system. These funds are held in trust and utilized for the repair and maintenance of the fender system. At September 30, 2017, the balance meets the requirements of the Bond Resolution.

Note 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT'D)**General Bond Resolution (Cont'd)**

General Reserve Account – All excess funds of the Commission are recorded in the General Reserve Account. If the Commission is not in default in the payment of bond principal or interest and all fund requirements are satisfied and there is no money owing to the County under the Security Agreement (See Note 4), then the Commission may use the excess funds for any lawful purpose.

Debt Service Coverage

The Commission's Bond Resolution requires that net revenues equal at least 105% of debt service. Compliance with this covenant is calculated as follows:

	<u>2017</u>		<u>2016</u>
Net Revenue:			
Operating Income (Exhibit B)	\$ 6,952,930.17		\$ 13,304,392.17
Add:			
Depreciation Expenses	5,081,988.51		5,032,690.27
Major Repairs and Acquisitions	11,254,868.02		6,444,027.84
Interest Revenue	218,018.15		77,331.60
	<u>\$ 23,507,804.85</u>		<u>\$ 24,858,441.88</u>
Debt Service			
Interest Charges	\$ 1,816,987.50		\$ 1,962,237.52
Bond Principal (Due Oct. 1)	4,895,000.00		2,905,000.00
	<u>\$ 6,711,987.50</u>		<u>\$ 4,867,237.52</u>
Net Revenue	<u>\$ 23,507,804.85</u>	= 350%	<u>\$ 24,858,441.88</u>
Debt Service	<u>\$ 6,711,987.50</u>		<u>\$ 4,867,237.52</u>
			= 511%

Note 3: DETAIL NOTES - ASSETS**Cash and Cash Equivalents**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits might not be recovered. Although the Commission does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Commission in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Commission relative to the happening of a future condition. If the Commission had any such funds, they would be shown as Uninsured and Uncollateralized in the schedule on the next page.

Note 3: DETAIL NOTES - ASSETS (CONT'D)**Cash and Cash Equivalents (Cont'd)**

As of September 30, 2017 and 2016, the Commission's bank balances were exposed to custodial credit risk as follows:

	<u>2017</u>	<u>2016</u>
Insured by FDIC	\$ 250,000.00	\$ 252,490.00
Insured by GUDPA	35,744,771.00	37,741,230.47
Uninsured and Uncollateralized	<u>75,418,625.43</u>	<u>78,796,267.01</u>
Total	<u>\$111,413,396.43</u>	<u>\$ 116,789,987.48</u>

Required Cash and Investment Balances

Below is a schedule of amounts required to be on deposit as of September 30, 2017, as discussed in Note 2:

	<u>Balance Sept. 30, 2017</u>	<u>Required Balance</u>	<u>Excess/ (Deficit)</u>
Unrestricted:			
Revenue Account	\$ 4,194,603.05		\$ 4,194,603.05
Operating Account	28,816,411.02	\$ 2,825,470.00	25,990,941.02
General Reserve Account	<u>1,598,996.45</u>		<u>1,598,996.45</u>
	<u>34,610,010.52</u>	<u>2,825,470.00</u>	<u>31,784,540.52</u>
Restricted:			
Other	1,980.00		1,980.00
Construction Fund	62,032,481.92		62,032,481.92
Debt Service	5,822,120.30		5,822,120.30
Debt Service Reserve	6,721,959.98	6,589,611.50	132,348.48
Reserve Maintenance	<u>500,004.30</u>	<u>500,000.00</u>	<u>4.30</u>
	<u>75,078,546.50</u>	<u>7,089,611.50</u>	<u>67,988,935.00</u>
	<u>\$ 109,688,557.02</u>	<u>\$ 9,915,081.50</u>	<u>\$ 99,773,475.52</u>

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Capital Assets**

During the fiscal year ended September 30, 2017 and 2016, the following changes in capital assets occurred:

	<u>Balance Oct. 1, 2016</u>	<u>Additions and Transfers</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2017</u>
Capital Assets not being Depreciated				
Land	\$ 2,323,076.92	\$ -	\$ -	\$ 2,323,076.92
Capital Assets being Depreciated				
Bridges and Improvements	107,728,084.61	4,608,345.94		112,336,430.55
Approaches	4,803,881.20			4,803,881.20
Buildings and Improvements	16,771,000.01	21,782.80		16,792,782.81
Equipment	21,339,378.92	124,452.36	79,686.00	21,384,145.28
Mobile Equipment	2,286,900.77	217,946.48	38,842.00	2,466,005.25
Total Capital Assets being Depreciated	<u>152,929,245.51</u>	<u>4,972,527.58</u>	<u>118,528.00</u>	<u>157,783,245.09</u>
Total Capital Assets	<u>155,252,322.43</u>	<u>4,972,527.58</u>	<u>118,528.00</u>	<u>160,106,322.01</u>
Less: Depreciation	<u>66,242,715.50</u>	<u>5,081,988.51</u>	<u>113,356.15</u>	<u>71,211,347.86</u>
Capital Assets, Net	<u>\$ 89,009,606.93</u>	<u>\$ (109,460.93)</u>	<u>\$ 5,171.85</u>	<u>\$ 88,894,974.15</u>
	<u>Balance Oct. 1, 2015</u>	<u>Additions and Transfers</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2016</u>
Capital Assets not being Depreciated				
Land	\$ 2,323,076.92	\$ -	\$ -	\$ 2,323,076.92
Capital Assets being Depreciated				
Bridges and Improvements	99,922,144.84	7,805,939.77		107,728,084.61
Approaches	4,803,881.20			4,803,881.20
Buildings and Improvements	16,346,085.03	424,914.98		16,771,000.01
Equipment	21,214,493.15	248,999.77	124,114.00	21,339,378.92
Mobile Equipment	2,250,998.53	104,071.30	68,169.06	2,286,900.77
Total Capital Assets being Depreciated	<u>144,537,602.75</u>	<u>8,583,925.82</u>	<u>192,283.06</u>	<u>152,929,245.51</u>
Total Capital Assets	<u>146,860,679.67</u>	<u>8,583,925.82</u>	<u>192,283.06</u>	<u>155,252,322.43</u>
Less: Depreciation	<u>61,399,308.85</u>	<u>5,032,690.27</u>	<u>189,283.62</u>	<u>66,242,715.50</u>
Capital Assets, Net	<u>\$ 85,461,370.82</u>	<u>\$ 3,551,235.55</u>	<u>\$ 2,999.44</u>	<u>\$ 89,009,606.93</u>

Note 3: DETAIL NOTES – ASSETS (CONT'D)**Toll Revenues**

The following is a three-year comparison of toll revenues:

<u>Fiscal Year</u>	<u>Cash Revenue</u>	<u>E-Z Pass Revenue</u>	<u>Total Revenue</u>
2017	\$ 20,755,720.53	\$ 28,556,263.00	\$ 49,311,983.53
2016	23,136,407.20	28,058,949.50	51,195,356.70
2015	17,576,367.94	16,788,790.00	34,365,157.94

Note 4: DETAIL NOTES - LIABILITIES**Long Term Liabilities**

During the fiscal years ended September 30, 2017 and 2016, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>October 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>September 30, 2017</u>	<u>(Memo)</u> <u>Due Within</u> <u>One Year</u>
Bonds Payable:					
Revenue Bonds	\$ 40,460,000.00		\$ (2,905,000.00)	\$ 37,555,000.00	\$ 4,895,000.00
Issuance Premiums	4,121,029.48		(1,091,751.59)	3,029,277.89	
Total Bonds Payable	44,581,029.48	\$ -	(3,996,751.59)	40,584,277.89	4,895,000.00
Other Liabilities					
Net Pension Liability	32,733,558.00	8,313,083.00	(15,859,246.00)	25,187,395.00	
Accrued Liabilities:					
Early Retirement	771,765.00		(84,335.00)	687,430.00	86,516.00
Pensions	245,466.00	250,591.00	(245,466.00)	250,591.00	
Net OPEB Obligation	13,706,261.51	2,679,759.02	(1,432,520.53)	14,953,500.00	
Compensated Absences	1,968,557.76	331,532.69	(104,057.42)	2,196,033.03	179,807.10
Total Other Liabilities	49,425,608.27	11,574,965.71	(17,725,624.95)	43,274,949.03	266,323.10
Total Long Term Liabilities	\$ 94,006,637.75	\$ 11,574,965.71	\$ (21,722,376.54)	\$ 83,859,226.92	\$ 5,161,323.10

	<u>Balance</u> <u>October 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>September 30, 2016</u>	<u>(Memo)</u> <u>Due Within</u> <u>One Year</u>
Bonds Payable:					
Revenue Bonds	\$ 43,360,000.00		\$ (2,900,000.00)	\$ 40,460,000.00	\$ 2,905,000.00
Issuance Premiums	5,352,075.82		(1,231,046.34)	4,121,029.48	
Total Bonds Payable	48,712,075.82	\$ -	(4,131,046.34)	44,581,029.48	2,905,000.00
Other Liabilities					
Net Pension Liability	24,540,233.00	13,152,177.00	(4,958,852.00)	32,733,558.00	
Accrued Liabilities:					
Early Retirement	853,643.00		(81,878.00)	771,765.00	84,335.00
Pensions	234,966.00	245,466.00	(234,966.00)	245,466.00	
Net OPEB Obligation	12,233,279.12	2,793,100.00	(1,320,117.61)	13,706,261.51	
Compensated Absences	1,838,496.86	301,735.33	(171,674.43)	1,968,557.76	52,508.58
Total Other Liabilities	39,700,617.98	16,492,478.33	(6,767,488.04)	49,425,608.27	136,843.58
Total Long Term Liabilities	\$ 88,412,693.80	\$ 16,492,478.33	\$ (10,898,534.38)	\$ 94,006,637.75	\$ 3,041,843.58

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Revenue Notes Payable - County Guaranteed Bridge System Revenue Notes**

The Commission issued \$49,820,000 of the Series 2015 Notes pursuant to a resolution dated October 14, 2015 with an interest rate of 2.00%. The Notes were issued to provide funds for the costs of various capital improvements to the Commission's Bridge System and paying costs and expenses associated with the issuance of the Series 2015 Notes.

The Commission issued \$49,525,000 of the Series 2016 Notes pursuant to a resolution dated October 14, 2016 with an interest rate of 2.00%. The Notes were issued to pay off the 2015 Notes and paying costs and expenses associated with the issuance of the Series 2016 Notes.

	<u>Balance</u> <u>October 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>September 30, 2017</u>
Notes Payable:				
Revenue Notes	\$ 49,820,000.00	\$ 49,525,000.00	\$ (49,820,000.00)	\$ 49,525,000.00
Issuance Premiums	98,859.69	553,689.48	(580,397.00)	72,152.17
Total Notes Payable	<u>\$ 49,918,859.69</u>	<u>\$ 50,078,689.48</u>	<u>\$ (50,400,397.00)</u>	<u>\$ 49,597,152.17</u>

Revenue Bonds Payable - County Guaranteed Bridge System Revenue Bonds Series 2013

The Commission issued \$46,290,000 of the Series 2013 Bonds pursuant to a resolution dated April 18, 2013 with interest rates ranging from 2.50% to 5.00%. The Bonds were issued to provide funds for the costs of various capital improvements to the Commission's Bridge System, funding the Debt Service Reserve Fund, and paying costs and expenses associated with the issuance of the Series 2013 Bonds.

The following schedule reflects the Debt Requirements until 2030.

<u>Fiscal Year Ending</u> <u>Sept. 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 4,895,000.00	\$ 1,816,987.50	\$ 6,711,987.50
2019	4,760,000.00	1,572,237.50	6,332,237.50
2020	4,605,000.00	1,334,237.50	5,939,237.50
2021	4,425,000.00	1,103,987.50	5,528,987.50
2022	4,255,000.00	882,737.50	5,137,737.50
2023-2027	12,095,000.00	1,840,437.50	13,935,437.50
2028-2030	2,520,000.00	165,287.50	2,685,287.50
	<u>37,555,000.00</u>	<u>\$ 8,715,912.50</u>	<u>\$ 46,270,912.50</u>
Adjustments:			
Premium on Bonds	<u>3,029,277.89</u>		
	<u>\$ 40,584,277.89</u>		

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Burlington County Guarantee**

The Burlington County Board of Chosen Freeholders (the "Board") adopted a resolution on April 28, 1993, as supplemented on March 28, 2001 (the "Prior County Guaranty"), which authorized the guaranty by the County of the payment, when due, of the principal of and interest on certain bonds of the Commission issued in 1993 and 2002 (collectively, the "Prior County Guaranteed Bonds"). The Board further adopted a resolution on November 14, 2012 (the "New County Guaranty" and together with the Prior County Guaranty, the "County Guaranty") which authorized the guaranty by the County of the payment, when due, of the principal of and interest on the Bonds (the "New County Guaranteed Bonds" and together with the Prior County Guaranteed Bonds, the "County Guaranteed Bonds"). Pursuant to the terms of the County Guaranty, the County has covenanted to pay, when due, the principal of and interest on the outstanding County Guaranteed Bonds to the extent that the revenues or other moneys or securities or funds of the Commission are not available under the terms of the Resolution therefor.

The payments which are required by the County under the terms of the New County Guaranty will constitute the valid, binding, direct and general obligations of the County and are payable out of the first funds becoming legally available for such purpose. In the opinion of Bond Counsel to the Commission, the County has the power, and is obligated, to levy ad valorem taxes upon all the taxable real property within the jurisdiction of the County, for the purpose of making such payments under the New County Guaranty, as the same shall become due, without limitation as to rate or amount, if such funds are not otherwise available. The New County Guaranty will remain in full force and effect for as long as the Bonds remain outstanding.

Compensated Absences

Full-time employees earn sick and vacation days based on years of service. Part-time employees are not entitled to paid vacation or sick days. Sick days are cumulative; however, vacation days not used during the fiscal year may only be carried forward until December 15th, of the following year. Operations employees may convert five sick and/or vacation days to cash on an annual basis as of December 15th. Additionally, Operations employees may use five sick days as personal days per year. Administrative employees may use four sick days as personal days per year. Upon retirement from the Commission, employees will be paid for all accrued sick and vacation time, eligible for payout, at their then current hourly rate. Administrative employees hired on or before May 1, 2005 who retire after April 13, 2010, cannot be paid for unused sick time in excess of the amount earned as of April 15, 2010. Administration employees and Operations employees hired after May 1, 2005 and April 1, 1998 respectively, have a maximum sick payout of \$15,000.00. Employees tendering their resignation or terminated are only entitled to accrued vacation time at their then current hourly rate. The Commission's accrued liability for accumulated sick leave and vacation time at September 30, 2017 is estimated at \$2,196,033.03 and September 30, 2016 is estimated at \$1,968,557.76.

Unearned Federal and State Grants

The Commission has received grants from the State of New Jersey for DWI enforcement, the purchase of body armor, and seatbelt safety. These grants are recorded as deferred revenue until the Commission expends the funds.

Net Pension Liability

For details on the net pension liability, see the Pension Plans section. The Commission's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Lease Obligations**

At September 30, 2017, the Commission has operating lease agreements in effect for copiers and a postage machine.

Operating Leases – Future minimum rental payments under operating lease agreements are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 18,317.28
2019	18,317.28
2020	18,317.28
2021	6,122.10
2022	2,057.04
	<u>63,130.98</u>
	<u>\$ 63,130.98</u>

Current year payments under operating leases totaled \$18,528.24.

Pension Plans

A substantial number of Commission employees participate in the Public Employees' Retirement System ("PERS"), a defined benefit pension plan, which is administered by the New Jersey Division of Pensions and Benefits ("the Division"). In addition, Commission employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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/financial-reports.shtml>

Plan Descriptions

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Commission, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

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

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Contributions**

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017 and 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10% in State fiscal year 2017. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Commission's contractually required contribution rate for the fiscal years ended September 30, 2017 and 2016 was 13.20% and 13.12% of the Commission's covered payroll. These amounts were actuarially determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the fiscal year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the Commission's contractually required contribution to the pension plan for the fiscal year ended September 30, 2017 was \$1,002,364.00, and is payable by April 1, 2018. Based on the PERS measurement date of June 30, 2016, the Commission's contractually required contribution to the pension plan for the fiscal year ended September 30, 2016 was \$981,865.00, which was paid on April 1, 2017. Employee contributions to the Plan during the fiscal years ended September 30, 2017 and 2016 were \$551,488.64 and \$535,284.44, respectively.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Commission contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended September 30, 2017 and 2016, employee contributions totaled \$31,367.46 and \$46,359.66 respectively. The Commission recognized pension expense of \$17,641.91 and \$25,844.43 for the fiscal years ended September 30, 2017 and 2016, which equaled the required contributions. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – PERS

At September 30, 2017, the Commission's proportionate share of the net pension liability was \$25,187,395.00. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the Commission's proportion was .1082007077%, which was a decrease of .0023216680% from its proportion measured as of June 30, 2016.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – PERS**

At September 30, 2016, the Commission's proportionate share of the net pension liability was \$32,733,558.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the Commission's proportion was .1105223757%, which was an increase of .0012020044% from its proportion measured as of June 30, 2015.

For the fiscal years ended September 30, 2017 and 2016, the Commission recognized pension expense of \$1,575,245.00 and \$2,976,032.00, respectively. These amounts were based on the plan's June 30, 2017 and 2016 measurement dates, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources - At September 30, 2017 and 2016, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>September 30, 2017</u>		<u>September 30, 2016</u>	
	Measurement Date June 30, 2017		Measurement Date June 30, 2016	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 593,076.00	\$ -	\$ 608,745.00	\$ -
Changes of Assumptions	5,074,392.00	5,055,788.00	6,780,645.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	171,509.00	-	1,248,160.00	-
Changes in Proportion and Differences between Commission Contributions and Proportionate Share of Contributions	165,573.00	949,963.00	213,581.00	733,279.00
Commission Contributions Subsequent to the Measurement Date	250,591.00	-	245,466.00	-
	<u>\$ 6,255,141.00</u>	<u>\$ 6,005,751.00</u>	<u>\$ 9,096,597.00</u>	<u>\$ 733,279.00</u>

The deferred outflows of resources related to pensions totaling \$250,591.00 and \$245,466.00 will be included as a reduction of the net pension liability in the fiscal years ended September 30, 2018 and 2017, respectively. This amount is based on an estimated April 1, 2019 and April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2017 and June 30, 2016 to the Commission's year end of September 30, 2017 and 2016.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to PERS – PERS (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Commission will amortize the other deferred outflows of resources and deferred inflows of resources related to PERS over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between Commission Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions PERS (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	
2018	\$ 351,458.00
2019	653,276.00
2020	353,009.00
2021	(789,028.00)
2022	(569,916.00)
	<u>\$ (1,201.00)</u>

Actuarial Assumptions – PERS

The net pension liability was measured as of June 30, 2017 and 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017 and 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	Measurement Date June 30, 2017	Measurement Date June 30, 2016
Inflation Rate	2.25%	3.08%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2011 - June 30, 2014

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Actuarial Assumptions – PERS (Cont'd)**

For the June 30, 2017 measurement date, preretirement 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).

For the June 30, 2016 measurement date, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. 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).

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 and 2016 are summarized in the table on the following page.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Pension Plans (Cont'd)****Actuarial Assumptions – PERS (Cont'd)**

<u>Asset Class</u>	<u>Measurement Date</u> <u>June 30, 2017</u>		<u>Measurement Date</u> <u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%	5.00%	0.87%
Cash Equivalents	5.50%	1.00%	1.50%	1.74%
U.S. Treasuries	3.00%	1.87%	8.00%	1.79%
Investment Grade Credit	10.00%	3.78%	2.00%	1.67%
Public High Yield	2.50%	6.82%	2.00%	4.56%
Global Diversified Credit	5.00%	7.10%	1.50%	3.44%
Credit Oriented Hedge Funds	1.00%	6.60%	26.00%	8.53%
Debt Related Private Equity	2.00%	10.63%	13.25%	6.83%
Debt Related Real Estate	1.00%	6.61%	6.50%	9.95%
Private Real Estate	2.50%	11.83%	9.00%	12.40%
Equity Related Real Estate	6.25%	9.23%	12.50%	4.68%
U.S. Equity	30.00%	8.19%	2.00%	6.91%
Non-U.S. Developed Markets Equity	11.50%	9.00%	0.50%	5.45%
Emerging Markets Equity	6.50%	11.64%	5.00%	-0.25%
Buyouts/Venture Capital	8.25%	13.08%	5.25%	5.63%
	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00%. The respective single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 rates 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 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)

Pension Plans (Cont'd)

Actuarial Assumptions – PERS (Cont'd)

Discount Rate (Cont'd) - The discount rate used to measure the total pension liability at June 30, 2016 was 3.98%. The respective single blended discount rates were 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 rates 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 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 liabilities.

Sensitivity of Commission's Proportionate Share of Net Pension Liability to Changes in the Discount Rate – PERS

The following presents the Commission's proportionate share of the net pension liability at June 30, 2017, the plans measurement date, calculated using a discount rate of 5.00%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
Proportionate Share of the Net Pension Liability	<u>\$ 31,246,673.00</u>	<u>\$ 25,187,395.00</u>	<u>\$ 20,139,266.00</u>

The following presents the Commission's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease <u>(2.98%)</u>	Current Discount Rate <u>(3.98%)</u>	1% Increase <u>(4.98%)</u>
Proportionate Share of the Net Pension Liability	<u>\$ 40,111,155.00</u>	<u>\$ 32,733,558.00</u>	<u>\$ 26,642,712.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Early Retirement Incentive Program**

Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These programs, which were subject to the approval of the Commission's governing body (within a limited period of time), were available to employees who met certain minimum requirements. The governing body of the Commission approved the program on January 14, 1992, March 17, 1992 and November 9, 1993 for eligible members of the PERS. Seven employees applied for early retirement under the 1991 and 1993 programs. Program costs are billed annually by the Division of Pensions.

As of September 30, 2017, the accrued liability to the PERS for the 1991 and 1993 programs were \$298,735.00 and \$388,695.00, respectively. As of September 30, 2016, the accrued liability to the PERS for the 1991 and 1993 programs were \$365,492.00 and \$406,273.00 respectively. The Commission incurred and recorded the costs the year the programs were adopted and have made all payments annually. The current fiscal year payments for the 1991 and 1993 programs were \$66,757.00 and \$17,578.00, respectively. The payments for the fiscal year ending September 30, 2016 for the 1991 and 1993 programs were \$64,812.00 and \$17,066.00, respectively. The payments are scheduled to increase 4% annually.

Post-Employment Benefits

Plan Description - The Burlington County Bridge Commission provides medical benefits to employees that have retired from the Commission. The Commission provides family prescription and medical insurance, a \$5,000.00 life and accidental death insurance policy, and 50% of the Medicare B premium, if eligible, deducted from the employee's social security check for both the employee and the spouse.

As of September 30, 2017, there were approximately 106 active employees and 159 retirees, surviving spouses and dependents participants. One hundred percent of all future eligible retirees will be covered by the medical and life insurance plans as well as be reimbursed for 50% of their Medicare part B premiums, if eligible. The benefits are determined by negotiated contract of each collective bargaining unit. As a result, changes can only be made through a negotiated process agreed upon by the Union and the Commission. Benefits for administrative personnel are determined by the Commissioner's since they are not represented by a collective bargaining unit.

Funding Policy - The contribution requirement of the Commission is the established policy of the Commission and certain employment contracts and may be amended by same. The required contribution is based on projected pay-as-you-go financing requirements. Plan members are not required to make any contributions to the plan.

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Commission is required to expense the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$2,932,000.00 at an unfunded discount rate of 4.0%. For the fiscal year ending September 30, 2017, the Commission has funded the cost of existing retirees in the amount of \$1,432,520.53 contributed to the plan for current premiums and Medicare part B reimbursements. The Commission has accrued the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost - For fiscal year 2017, the Commission's annual OPEB cost (expense) of \$2,679,759.02 for the plan was equal to the ARC plus certain adjustments because the Commission's actual contributions in prior years differed from the ARC.

The Commission's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for fiscal years 2017, 2016, and 2015 are listed in the table on the following page.

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Post-Employment Benefits (Cont'd)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Normal Cost	\$ 1,021,800.00	\$ 968,000.00	\$ 968,000.00
Amortization Payment	1,910,200.00	1,983,300.00	1,983,300.00
Interest on Net OPEB Obligation	545,300.00	525,200.00	525,200.00
Adjustment to ARC	(797,540.98)	(683,400.00)	(683,400.00)
	<hr/>	<hr/>	<hr/>
Annual OPEB Cost	2,679,759.02	2,793,100.00	2,793,100.00
Contributions Made	(1,432,520.53)	(1,320,117.61)	(1,192,254.49)
	<hr/>	<hr/>	<hr/>
	1,247,238.49	1,472,982.39	1,600,845.51
Net OPEB Obligation - Beginning of Year	<hr/>	<hr/>	<hr/>
	13,706,261.51	12,233,279.12	10,632,433.61
Net OPEB Obligation - End of Year	<hr/>	<hr/>	<hr/>
	\$ 14,953,500.00	\$ 13,706,261.51	\$ 12,233,279.12

Funded Status and Funding Progress - The funded status of the plan as of the three past actuarial valuation dates is as follows:

Actuarial Accrued Liability (AAL)	\$ 33,031,500.00
Actuarial Value of Plan Assets	<hr/> -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 33,031,500.00
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0%
Covered Payroll (Active Plan Members)	\$ 8,181,168.00
UAAL as a Percentage of Covered Payroll	404%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Note 4: DETAIL NOTES – LIABILITIES (CONT'D)**Post-Employment Benefits (Cont'd)**

Actuarial Methods and Assumptions (Cont'd) - In the October 1, 2016 actuarial valuation, the projected unit credit cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The remaining amortization period at September 30, 2017, was twenty years. The actuarial assumptions included the following:

- *Mortality*: MP-2017 Headcount Weighted Combined Healthy Male / Female Mortality with Fully Generational Projection
- *Annual Discount Rate*: 4.0 % investment rate of return (net of administrative expenses)
- *Medical Trend (Pre-medicare)*: 6.5% and decreases to a 5.0% long-term trend rate after ten years
- *Medical Trend (Post-medicare)*: 7.5% and decreases to a 5.0% long-term trend rate after eight years
- *Prescription Trend*: 9.5% and decreases to a 5.0% long-term trend rate after ten years
- *Medicare Part B Trend*: 5.0%

Note 5: CONDUIT DEBT OBLIGATIONS

The Commission is authorized to provide within the County, public facilities for use by the State, the County or any municipality in the County and to acquire real estate within the County by lease or purchase and to construct, reconstruct and rehabilitate improvements thereon and to lease the same to governmental units. Utilizing this authorization, the Commission has issued certain debt bearing its name to lower the cost of borrowing for specific governmental entities. This debt is commonly referred to as conduit (or non-commitment) debt. Typically, the debt proceeds are used to finance facilities within the Commission's jurisdiction that are transferred to the third party either by lease or by sale. The underlying lease or mortgage loan agreement, which serves as collateral for the promise of payments by the third party, calls for payments that are essentially the same as those required by the debt. These payments are made by the third-party directly to an independent trustee, who is appointed to service and administer the arrangement. The Commission assumes no responsibility for repayment of this debt beyond the resources provided by the underlying leases or mortgage loans.

As of September 30, 2017, there were twenty-two series of Special Revenue Bonds outstanding. The corresponding aggregate principal totaling \$321,517,000.00 is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and accordingly is not included in the financial statements.

As of September 30, 2016, there were twenty-two series of Special Revenue Bonds outstanding. The corresponding aggregate principal totaling \$343,274,000.00 is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and accordingly is not included in the financial statements.

Note 6: INTERGOVERNMENTAL AGREEMENTS**Burlington County Service Agreement**

The Commission remitted \$1,500,000.00 to Burlington County as set forth and described in an Interlocal Service Agreement approved on August 14, 2012. The funds were applied toward the operation and maintenance of County bridges and the network of roadways which feed the bridges under the Commission's jurisdiction.

Note 7: COMMITMENTS**Construction Contracts**

The Commission had several outstanding or planned construction projects as of September 30, 2017. These projects are evidenced by contractual commitments with contractors and include:

<u>Project</u>	<u>Awarded</u>	<u>Remaining</u>
Tacony Palmyra Bascule Span Deck Replacement	\$ 6,680,500.00	\$ 105,000.00
Tacony Palmyra Bascule Span Deck Replacement, Phase 2	2,130,896.00	319,016.13
Burlington Bristol Bridge Mounted Structures Rehabilitation	2,829,096.83	76,469.60
Burlington Bristol Bridge Commercial Coating, Removal, Rehabilitation and Painting	14,686,100.00	10,995,561.66
Tacony Palmyra Bascule Span Mechanical Systems Rehab.	<u>2,373,000.00</u>	<u>1,224,527.54</u>
	<u>\$ 28,699,592.83</u>	<u>\$ 12,720,574.93</u>

Note 8: DEFERRED COMPENSATION SALARY ACCOUNT

The Commission offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Commission or its creditors. Since the Commission does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Commission's financial statements.

Note 9: RISK MANAGEMENT**Joint Insurance**

The Bridge Commission presently purchases insurance through the Burlington County Insurance Commission. Excess insurance is managed by the New Jersey Counties Excess Joint Insurance Fund.

The Insurance Commission provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

Through membership in the New Jersey Counties Excess Joint Insurance Fund, the Commission receives the following ancillary insurance coverage:

Public Officials Liability/Employment Practices Liability
Crime
Pollution Liability
Medical Professional Liability
Employed Lawyers Liability

Note 9: RISK MANAGEMENT**Joint Insurance (Cont'd)**

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Commission's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the New Jersey Counties Excess Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the fiscal year ended June 30, 2017 which can be obtained from:

Burlington County Insurance Commission
49 Rancocas Road
PO Box 6000
Mt Holly, New Jersey 08060

Note 10: CONTINGENCIES

Litigation - The Commission is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Commission, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 11: SUBSEQUENT EVENTS

Subsequent to September 30, 2017, the Commission authorized and issued bonds as follows:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
Redeem County Guaranteed Bridge System Revenue Notes, Series 2016	October 31, 2017	\$ 44,730,000.00

REQUIRED SUPPLEMENTARY INFORMATION

BURLINGTON COUNTY BRIDGE COMMISSION
 Required Supplementary Information
 Schedule of Funding Progress for the OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
10/1/2016	\$ -	\$ 33,031,500.00	\$ 33,031,500.00	0%	\$ 8,181,168.00	404%
10/1/2014	-	30,487,800.00	30,487,800.00	0%	7,847,725.00	388%
10/1/2012	-	28,822,300.00	28,822,300.00	0%	N/A	N/A

RSI Exhibit 2

BURLINGTON COUNTY BRIDGE COMMISSION
 Required Supplementary Information
 Schedule of Employer Contributions to the OPEB Plan

Fiscal Year Ended September 30,	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 2,679,759.02	53.5%	\$ 14,953,500.00
2016	2,793,100.00	47.3%	13,706,261.51
2015	2,793,100.00	42.7%	12,233,279.12

BURLINGTON COUNTY BRIDGE COMMISSION
 Required Supplementary Information
 Schedule of the Commission's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Five Plan Years

	<u>Measurement Date Ending June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commission's Proportion of the Net Pension Liability	0.1082007077%	0.1105223757%	0.1093203713%	0.1151776579%	0.1150043118%
Commission's Proportionate Share of the Net Pension Liability	\$ 25,187,395.00	\$ 32,733,558.00	\$ 24,540,233.00	\$ 21,564,408.00	\$ 21,979,609.00
Commission's Covered Payroll (Plan Measurement Period)	7,488,264.00	7,392,796.00	7,350,920.00	7,845,196.00	7,950,440.00
Commission's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	336.36%	442.78%	333.84%	274.87%	276.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

BURLINGTON COUNTY BRIDGE COMMISSION
 Required Supplementary Information
 Schedule of the Commission's Contributions
 Public Employees' Retirement System (PERS)
 Last Five Fiscal Years

	<u>Fiscal Year Ended September 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commission's Contractually Required Contribution	\$ 1,002,364.00	\$ 981,865.00	\$ 939,862.00	\$ 949,508.00	\$ 866,534.00
Commission's Contribution in Relation to the Contractually Required Contribution	<u>(1,002,364.00)</u>	<u>(981,865.00)</u>	<u>(939,862.00)</u>	<u>(949,508.00)</u>	<u>(866,534.00)</u>
Commission's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's Covered Payroll (Fiscal Year)	\$ 7,593,551.00	\$ 7,485,534.00	\$ 7,516,759.00	\$ 7,487,073.00	\$ 7,791,967.00
Commission's Contributions as a Percentage of Covered Payroll	13.20%	13.12%	12.50%	12.68%	11.12%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information

BURLINGTON COUNTY BRIDGE COMMISSION
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2017

Note 1: OTHER POSTEMPLOYMENT BENEFITS

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	October 1, 2016
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Open Level Dollar Method, for 30 Years
Remaining Amortization Periods	20 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.0%
Rate of Medical Inflation	6.5% grading to 5.0% over 10 years (Pre Medicare) 7.5% grading to 5.0% over 8 years (Post Medicare)
Prescription Drug Inflation	9.5% grading to 5.0% over 10 years
Medicare Part B Premium Reimbursement	5.0%

For determining the GASB ARC, the rate of employer contributions to the Burlington County Bridge Commission Plan is composed of the Normal Cost plus amortization of the Unfunded Actuarial Liability. The Normal Cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The Actuarial Liability is that portion of the Present Value of Projected Benefits that will not be paid by Future Employer Normal Costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the Unfunded Actuarial Liability.

Note 2: POSTEMPLOYMENT BENEFITS - PENSION**Public Employees' Retirement System (PERS)**

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

SUPPLEMENTARY SCHEDULES

BURLINGTON COUNTY BRIDGE COMMISSION
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended September 30, 2017

	Unrestricted		Restricted				Total	
	Revenue	Operating	General Reserve	Debt Service	Debt Service Reserve	Reserve Maintenance		Unemployment Reserve
Operating Revenues:								
Tolls	\$ 49,311,983.53						\$ 49,311,983.53	
Miscellaneous	605,332.72					\$ 15,454.47	620,787.19	
Operating Expenses:								
Administration:								
Salaries and Wages	(2,147,082.68)						(2,147,082.68)	
Employee Benefits	(1,412,439.66)					(25,978.65)	(1,438,418.31)	
Other Expenses	(1,512,870.37)						(1,512,870.37)	
Cost of Providing Service:								
Salaries and Wages	(8,271,689.42)						(8,271,689.42)	
Employee Benefits	(5,688,865.20)						(5,688,865.20)	
Other Expenses	(7,584,058.04)						(7,584,058.04)	
Major Repairs Expense			\$ (11,254,868.02)				(11,254,868.02)	
Depreciation		\$ (5,081,988.51)					(5,081,988.51)	
Operating Income (Loss)	23,300,310.88	(5,081,988.51)	(11,254,868.02)	\$ -	\$ -	\$ -	(10,524.18)	6,952,930.17
Non-operating Income (Expenses):								
Investment Income	109,007.77	86,583.12	6,378.58	5,798.43	9,949.83	274.82	25.60	218,018.15
Debt Issue Costs			(247,810.00)					(247,810.00)
Loss on Disposal of Capital Assets			(944,562.51)					(944,562.51)
Interest on Bonds			1,672,148.59	(2,827,730.53)				(1,155,581.94)
Total Non-Operating Income (Expense)	109,007.77	86,583.12	486,154.66	(2,821,932.10)	9,949.83	274.82	25.60	(2,129,936.30)
Income (Loss) before Transfers	23,409,318.65	(4,995,405.39)	(10,768,713.36)	(2,821,932.10)	9,949.83	274.82	(10,498.58)	4,822,993.87
Transfers	(23,409,318.65)	5,077,375.39	15,642,637.41	2,821,932.10	(132,325.83)	(274.82)	(25.60)	
Change in Net Position	-	81,970.00	4,873,924.05	-	(122,376.00)	-	(10,524.18)	4,822,993.87
Net Position Oct. 1	-	2,743,500.00	69,310,317.91	-	6,711,987.50	500,000.00	10,524.18	79,276,329.59
Net Position Sept. 30	\$ -	\$ 2,825,470.00	\$ 74,184,241.96	\$ -	\$ 6,589,611.50	\$500,000.00	\$ -	\$ 84,099,323.46
Analysis of Balance:								
Net Investment in Capital Assets			\$ 75,318,817.44					\$ 75,318,817.44
Restricted:								
Bond Resolution Covenants		\$ 2,825,470.00			\$ 6,589,611.50	\$500,000.00		9,915,081.50
Unrestricted (Deficit)			(1,134,575.48)					(1,134,575.48)
	\$ -	\$ 2,825,470.00	\$ 74,184,241.96	\$ -	\$ 6,589,611.50	\$500,000.00	\$ -	\$ 84,099,323.46

BURLINGTON COUNTY BRIDGE COMMISSION
 Schedule of Cash Receipts, Cash Disbursements and Changes in Cash and Cash Equivalents
 For the Fiscal Year Ended September 30, 2017

	Unrestricted			Restricted					Total
	Revenue	Operating	General Reserve	Reserve Maintenance	Construction Fund	Debt Service	Debt Service Reserve	Other	
Balance - October 1, 2016	\$ 4,154,784.41	\$ 30,357,648.46	\$ 1,592,557.87	\$ 500,001.23	\$ 67,362,531.30	\$ 3,890,934.37	\$ 6,712,010.15	\$ 11,027.97	\$ 114,581,495.76
Cash Receipts:									
Tolls	20,755,720.53								20,755,720.53
EZ-Pass Receivable	28,619,247.00								28,619,247.00
Investment Income	109,007.77	86,583.12	6,378.58	274.82		5,798.43	9,949.83	25.60	218,018.15
Other Accounts Receivable	112,333.54								112,333.54
Unearned Revenue	41,874.53								41,874.53
Miscellaneous Income	560,869.36							15,454.47	576,323.83
Issuance of Notes					50,078,689.48				50,078,689.48
Transfers In		37,754,836.47	60.00			57,458,902.20		1,450.61	95,215,249.28
Total Cash Receipts and Investments Available	54,353,837.14	68,199,068.05	1,598,996.45	500,276.05	117,441,220.78	61,355,635.00	6,721,959.98	27,958.65	310,198,952.10
Cash Disbursements:									
Budgetary		19,550,525.92						25,978.65	19,576,504.57
Major Repairs and Expenses		11,254,868.02							11,254,868.02
Unrestricted Accounts Payable		5,439,917.23							5,439,917.23
Accrued Expenses Payable		209,894.89							209,894.89
Other Accounts Receivable		153,887.20							153,887.20
Prepaid Expenses		659,249.15							659,249.15
Capital Acquisitions		2,114,314.62			10,105,185.42				12,219,500.04
Cost of Issuance					247,810.00				247,810.00
Debt Principal						52,725,000.00			52,725,000.00
Accrued Interest Payable						2,808,514.70			2,808,514.70
Transfers Out	50,159,234.09			271.75	45,055,743.44				95,215,249.28
Total Cash Disbursements	50,159,234.09	39,382,657.03	0.00	271.75	55,408,738.86	55,533,514.70	0.00	25,978.65	200,510,395.08
Balance - September 30, 2017	\$ 4,194,603.05	\$ 28,816,411.02	\$ 1,598,996.45	\$ 500,004.30	\$ 62,032,481.92	\$ 5,822,120.30	\$ 6,721,959.98	\$ 1,980.00	\$ 109,688,557.02
Analysis of Balance:									
Cash and Cash Equivalents	\$ 4,194,603.05	\$ 28,816,411.02	\$ 1,598,996.45	\$ 500,004.30	\$ 62,032,481.92	\$ 5,822,120.30	\$ 6,721,959.98	\$ 1,980.00	\$ 109,688,557.02

BURLINGTON COUNTY BRIDGE COMMISSION
 Schedule of Revenues and Expenses - Budget and Actual
 Non-GAAP Budgetary Basis
 For the Fiscal Year Ended September 30, 2017

	Adopted <u>Budget</u>	Modifications/ <u>Transfers</u>	Modified <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Operating Revenues:					
Tolls	\$ 33,563,000.00		\$ 33,563,000.00	\$ 49,311,983.53	\$ 15,748,983.53
Miscellaneous Income	120,000.00		120,000.00	620,787.19	500,787.19
Total Operating Revenues	33,683,000.00	\$ -	33,683,000.00	49,932,770.72	16,249,770.72
Non-Operating Revenues:					
Investment Income	40,000.00		40,000.00	218,018.15	178,018.15
Total Anticipated Revenues	33,723,000.00	-	33,723,000.00	50,150,788.87	16,427,788.87
Cost of Providing Service:					
Toll Collection:					
Salaries	3,602,000.00		3,602,000.00	3,623,847.90	(21,847.90)
Uniforms		10,000.00	10,000.00	8,890.08	1,109.92
Services	14,000.00	8,000.00	22,000.00	21,361.66	638.34
Other Expenses	2,000.00	(300.00)	1,700.00	1,050.00	650.00
Minor Tools and Equipment	4,000.00	87,989.67	91,989.67	91,445.19	544.48
Materials and Supplies	19,500.00	(3,000.00)	16,500.00	15,723.68	776.32
Travel & Meetings	900.00	300.00	1,200.00	783.58	416.42
Membership Dues	600.00		600.00	400.00	200.00
Total Toll Collection	3,643,000.00	102,989.67	3,745,989.67	3,763,502.09	(17,512.42)
Police:					
Salaries	2,590,000.00		2,590,000.00	2,592,384.63	(2,384.63)
Uniforms	10,000.00	15,000.00	25,000.00	19,578.86	5,421.14
Other Professional Expenses	30,000.00	(9,786.00)	20,214.00	17,133.49	3,080.51
Subscriptions	5,000.00	(3,000.00)	2,000.00	1,317.00	683.00
Services	8,000.00	(5,214.00)	2,786.00	2,587.50	198.50
Other Expenses	14,300.00	7,614.00	21,914.00	21,225.18	688.82
Materials and Supplies	25,100.00	2,400.00	27,500.00	23,446.96	4,053.04
Minor Tools and Equipment		1,122.89	1,122.89		1,122.89
Travel and Meetings	5,500.00	(851.00)	4,649.00	3,748.56	900.44
Membership Dues	2,500.00		2,500.00	2,025.00	475.00
Telephone	13,000.00	(7,000.00)	6,000.00	2,758.18	3,241.82
Total Police	2,703,400.00	285.89	2,703,685.89	2,686,205.36	17,480.53

(Continued)

BURLINGTON COUNTY BRIDGE COMMISSION
 Schedule of Revenues and Expenses - Budget and Actual
 Non-GAAP Budgetary Basis
 For the Fiscal Year Ended September 30, 2017

	<u>Adopted Budget</u>	<u>Modifications/ Transfers</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cost of Providing Service (Cont'd):					
Maintenance:					
Salaries	\$ 2,005,000.00		\$ 2,005,000.00	\$ 1,660,391.28	\$ 344,608.72
Services	9,400.00	\$ 15,800.00	25,200.00	18,887.97	6,312.03
Landscaping	1,200.00		1,200.00	1,090.87	109.13
Land Lease	6,500.00		6,500.00	6,363.00	137.00
Trash	17,100.00	(7,000.00)	10,100.00	9,010.98	1,089.02
Equipment Rental	10,500.00	(7,000.00)	3,500.00	3,064.96	435.04
Electrical Maintenance	4,000.00	(4,000.00)			
Other Expense	4,600.00		4,600.00	4,234.11	365.89
Uniforms		4,000.00	4,000.00	2,010.54	1,989.46
Membership Dues	500.00		500.00		500.00
Travel & Meetings	300.00		300.00		300.00
Minor Tools and Equipment	16,000.00	(16,000.00)			
Materials and Supplies	325,500.00	(49,800.00)	275,700.00	236,858.15	38,841.85
Engineering	8,100.00	(5,000.00)	3,100.00	2,383.61	716.39
Total Maintenance	2,408,700.00	(69,000.00)	2,339,700.00	1,944,295.47	395,404.53
Information Technology:					
Salaries	475,000.00		475,000.00	395,065.61	79,934.39
Other Expense	20,000.00	(15,000.00)	5,000.00	4,920.40	79.60
Materials and Supplies	32,000.00	(10,439.00)	21,561.00	12,430.54	9,130.46
Tools and Equipment	3,000.00		3,000.00		3,000.00
Uniforms	700.00		700.00	320.50	379.50
Meetings	1,000.00		1,000.00	25.00	975.00
Membership Dues	40,000.00	(39,000.00)	1,000.00	500.00	500.00
Travel	4,000.00	439.00	4,439.00	4,438.80	0.20
Data Processing	60,500.00	(1,000.00)	59,500.00	58,471.58	1,028.42
Telephone	166,000.00	(12,000.00)	154,000.00	149,580.61	4,419.39
EZ Pass	803,600.00	60,000.00	863,600.00	1,150,652.56	(287,052.56)
ETC	215,000.00	(19,800.00)	195,200.00	194,192.74	1,007.26
Security	152,500.00	2,000.00	154,500.00	153,853.04	646.96
Support	246,600.00	(21,200.00)	225,400.00	178,813.14	46,586.86
Total Information Technology	2,219,900.00	(56,000.00)	2,163,900.00	2,303,264.52	(139,364.52)

(Continued)

BURLINGTON COUNTY BRIDGE COMMISSION
 Schedule of Revenues and Expenses - Budget and Actual
 Non-GAAP Budgetary Basis
 For the Fiscal Year Ended September 30, 2017

	Adopted <u>Budget</u>	Modifications/ <u>Transfers</u>	Modified <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Cost of Providing Service (Cont'd):					
Other Operations:					
Employee Benefits	\$ 5,483,000.00		\$ 5,483,000.00	\$ 5,688,865.20	\$ (205,865.20)
General Supplies	10,000.00	\$ (2,000.00)	8,000.00	6,892.47	1,107.53
Utilities	639,500.00	(272,365.67)	367,134.33	365,272.46	1,861.87
Insurance	2,850,000.00	340,000.00	3,190,000.00	3,189,730.67	269.33
PILOT Fees	51,500.00		51,500.00	50,943.81	556.19
Other Expense	1,590,000.00	(43,909.89)	1,546,090.11	1,545,640.61	449.50
Total Other Operations	10,624,000.00	21,724.44	10,645,724.44	10,847,345.22	(201,620.78)
Total Cost of Providing Service	21,599,000.00	-	21,599,000.00	21,544,612.66	54,387.34
Administration:					
General Administrative:					
Salaries	1,900,000.00	(27,000.00)	1,873,000.00	1,732,885.16	140,114.84
Employee Benefits	1,672,000.00		1,672,000.00	1,438,418.31	233,581.69
Other Expenses	62,800.00	131,140.00	193,940.00	167,631.31	26,308.69
Materials & Supplies	16,500.00	7,000.00	23,500.00	17,097.10	6,402.90
Travel & Meetings	15,500.00	5,350.00	20,850.00	16,703.08	4,146.92
Membership Dues	12,600.00		12,600.00	4,736.83	7,863.17
Data Processing	30,000.00	(5,715.00)	24,285.00	18,624.08	5,660.92
Postage	12,200.00		12,200.00	5,255.82	6,944.18
Printing & Binding		555.00	555.00	555.00	
Legal	442,875.00	(79,581.00)	363,294.00	242,281.45	121,012.55
Accounting	80,000.00		80,000.00	77,967.00	2,033.00
Engineering	150,000.00	(95,000.00)	55,000.00	62,835.16	(7,835.16)
Other Professional Services	67,400.00	27,445.00	94,845.00	56,384.20	38,460.80
Total General Administrative	4,461,875.00	(35,806.00)	4,426,069.00	3,841,374.50	584,694.50
Economic Development:					
Services	15,000.00	(200.00)	14,800.00		14,800.00
Advertising	23,000.00		23,000.00	796.25	22,203.75
Legal	40,000.00	122,411.00	162,411.00	161,958.88	452.12
Accounting	15,000.00	(10,000.00)	5,000.00		5,000.00
Other Pro Services	25,000.00	25,000.00	50,000.00	46,654.55	3,345.45
Other Expenses	83,800.00	(6,000.00)	77,800.00	71,026.53	6,773.47
Office Supplies	9,000.00		9,000.00	3,395.72	5,604.28
Subscriptions	1,800.00		1,800.00	976.33	823.67
Meetings	2,000.00		2,000.00	1,709.69	290.31
Membership Dues	5,325.00		5,325.00	4,196.00	1,129.00
Travel	4,000.00		4,000.00	3,480.76	519.24
Energy Aggregation	5,000.00	12,676.00	17,676.00	17,676.00	
Total Economic Development	228,925.00	143,887.00	372,812.00	311,870.71	60,941.29

(Continued)

BURLINGTON COUNTY BRIDGE COMMISSION
 Schedule of Revenues and Expenses - Budget and Actual
 Non-GAAP Budgetary Basis
 For the Fiscal Year Ended September 30, 2017

	Adopted <u>Budget</u>	Modifications/ <u>Transfers</u>	Modified <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Administration (Cont'd):					
Improvement Authority:					
Postage	\$ 2,000.00		\$ 2,000.00	\$ 1,000.00	\$ 1,000.00
Legal Services	150,000.00	\$ (104,750.00)	45,250.00		45,250.00
Engineering Services	25,000.00	(25,000.00)			
Other Prof Services	450,000.00	(32,840.00)	417,160.00	417,027.35	132.65
Other Expenses	25,000.00	(12,083.00)	12,917.00	1,433.00	11,484.00
Meetings	5,000.00		5,000.00		5,000.00
Total Improvement Authority	<u>657,000.00</u>	<u>(174,673.00)</u>	<u>482,327.00</u>	<u>419,460.35</u>	<u>62,866.65</u>
Palmyra Nature Cove:					
Salaries	402,000.00	27,000.00	429,000.00	414,197.52	14,802.48
Postage	2,000.00	(1,000.00)	1,000.00	1,000.00	
Printing & Binding	5,000.00	(5,000.00)			
Legal Services	5,000.00	24,509.00	29,509.00	27,873.00	1,636.00
Accounting	10,000.00	(10,000.00)			
Engineering Services	3,000.00	27,910.00	30,910.00	30,909.57	0.43
Other Professional Services	5,000.00	5,690.00	10,690.00	9,733.76	956.24
Services	3,900.00		3,900.00	3,562.89	337.11
Other Expenses	12,000.00	(2,294.00)	9,706.00	8,305.25	1,400.75
Supplies	7,800.00	972.00	8,772.00	5,179.59	3,592.41
Minor Tools and Equipment	17,000.00	(2,000.00)	15,000.00	12,539.22	2,460.78
Utilities	5,000.00	(2,000.00)	3,000.00		3,000.00
Data Processing	5,000.00	(5,000.00)			
Events	1,500.00	(1,195.00)	305.00	305.00	
Exhibits	4,000.00	9,000.00	13,000.00	12,060.00	940.00
Total Palmyra Cove	<u>488,200.00</u>	<u>66,592.00</u>	<u>554,792.00</u>	<u>525,665.80</u>	<u>29,126.20</u>
Total Administration	<u>5,836,000.00</u>	<u>-</u>	<u>5,836,000.00</u>	<u>5,098,371.36</u>	<u>737,628.64</u>
Total Principal Payments on Debt Service in Lieu of Depreciation	<u>3,405,000.00</u>	<u>-</u>	<u>3,405,000.00</u>	<u>2,905,000.00</u>	<u>500,000.00</u>
Total Operating Appropriations	<u>30,840,000.00</u>	<u>-</u>	<u>30,840,000.00</u>	<u>29,547,984.02</u>	<u>1,292,015.98</u>
Non-Operating Appropriations					
Interest on Bonds	2,883,000.00	-	2,883,000.00	725,235.91	2,157,764.09
Interest on Notes		-		430,346.03	(430,346.03)
Total Non-Operating Appropriations	<u>2,883,000.00</u>	<u>-</u>	<u>2,883,000.00</u>	<u>1,155,581.94</u>	<u>1,727,418.06</u>
Total Operating and Non-Operating Appropriations	<u>33,723,000.00</u>	<u>-</u>	<u>33,723,000.00</u>	<u>30,703,565.96</u>	<u>3,019,434.04</u>
Excess Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,447,222.91</u>	<u>\$ 19,447,222.91</u>

(Continued)

BURLINGTON COUNTY BRIDGE COMMISSION
 Schedule of Revenues and Expenses - Budget and Actual
 Non-GAAP Budgetary Basis
 For the Fiscal Year Ended September 30, 2017

Reconciliation of Actual Expenditures

Cash Disbursements	\$	19,576,504.57
Accounts Payable		4,294,120.32
Increase in Accrued Other Post Employment Benefits		1,247,238.49
Increase in Compensated Absences Payable		331,532.69
Increase in Pension Related Liabilities		572,890.00
Prepaid Expenses Applied		620,697.95
Bond Principal		2,905,000.00
Interest on Bonds		725,235.91
Interest on Notes		430,346.03
		<u>430,346.03</u>
	\$	<u>30,703,565.96</u>

Reconciliation to Operating Income

Excess Revenues over Expenditures (Schedule 3)	\$	19,447,222.91
Add		
Principal Payments on Bonds	\$	2,905,000.00
Interest on Notes		430,346.03
Interest on Bonds		<u>725,235.91</u>
		<u>4,060,581.94</u>
		23,507,804.85
Less:		
Investment Income		(218,018.15)
Depreciation		(5,081,988.51)
Provision for Major Repairs		<u>(11,254,868.02)</u>
		<u>(16,554,874.68)</u>
Total Operating Income (Exhibit B)	\$	<u>6,952,930.17</u>

BURLINGTON COUNTY BRIDGE COMMISSION
 Analysis of Toll Revenue - Cash
 For the Fiscal Year Ended September 30, 2017

Category	Current Year			Prior Year			Increase / (Decrease)		% Change	
	Rate	Units	Revenue	Rate	Units	Revenue	Units	Revenue	Units	Revenue
Auto, Lt. Trucks, Vans	\$4.00	4,830,441	\$19,322,368.00	\$4.00	5,391,890	\$21,568,148.00	(561,449)	\$ (2,245,780.00)	-10.41%	-10.41%
Buses or Dual Wheel Pickups:										
2 Axle	6.00	8,829	53,074.00	6.00	8,659	52,018.00	170	1,056.00	1.96%	2.03%
3 Axle	9.00	35	315.00	9.00	54	490.00	(19)	(175.00)	-35.19%	-35.71%
Extra Axle	3.00	19,194	57,582.00	3.00	19,360	58,080.00	(166)	(498.00)	-0.86%	-0.86%
Trucks:										
2 Axle	12.00	51,460	617,520.00	12.00	56,848	682,176.00	(5,388)	(64,656.00)	-9.48%	-9.48%
3 Axle	18.00	6,337	114,066.00	18.00	7,653	137,754.00	(1,316)	(23,688.00)	-17.20%	-17.20%
4 Axle	24.00	1,805	43,320.00	24.00	2,338	56,112.00	(533)	(12,792.00)	-22.80%	-22.80%
5 Axle	30.00	17,224	516,720.00	30.00	18,415	552,450.00	(1,191)	(35,730.00)	-6.47%	-6.47%
Extra Axle	6.00	5,237	31,422.00	6.00	5,267	31,602.00	(30)	(180.00)	-0.57%	-0.57%
		<u>4,940,562</u>	<u>20,756,387.00</u>		<u>5,510,484</u>	<u>23,138,830.00</u>	<u>(569,922)</u>	<u>(2,382,443.00)</u>	<u>-10.34%</u>	<u>-10.30%</u>
Over / (Short)			<u>(666.47)</u>			<u>(2,422.80)</u>		<u>1,756.33</u>		<u>-72.49%</u>
			<u>\$20,755,720.53</u>			<u>\$23,136,407.20</u>		<u>\$ (2,380,686.67)</u>		<u>-10.29%</u>

BURLINGTON COUNTY BRIDGE COMMISSION
 Analysis of Toll Revenue - Electronic Toll Collection
 For the Fiscal Year Ended September 30, 2017

Category	Current Year			Prior Year			Increase / (Decrease)		% Change	
	Rate	Units	Revenue	Rate	Units	Revenue	Units	Revenue	Units	Revenue
Auto, Lt. Trucks, Vans	\$3.00	7,570,268	\$22,713,304.00	\$3.00	7,608,945	\$22,829,064.00	(38,677)	\$ (115,760.00)	-0.51%	-0.51%
Buses or Dual Wheel Pickups:										
2 Axle	5.00	20,703	103,590.00	5.00	16,234	81,283.00	4,469	22,307.00	27.53%	27.44%
3 Axle	8.00	400	3,212.00	8.00	339	2,724.00	61	488.00	17.99%	17.91%
Extra Axle	2.00	30,603	61,212.00	2.00	27,832	55,687.00	2,771	5,525.00	9.96%	9.92%
Trucks:										
2 Axle	12.00	142,483	1,709,799.00	12.00	148,278	1,779,363.00	(5,795)	(69,564.00)	-3.91%	-3.91%
3 Axle	18.00	38,157	686,826.00	18.00	38,285	689,139.00	(128)	(2,313.00)	-0.33%	-0.34%
4 Axle	24.00	25,323	607,752.00	24.00	26,628	639,072.00	(1,305)	(31,320.00)	-4.90%	-4.90%
5 Axle	30.00	83,572	2,507,160.00	30.00	73,849	2,215,470.00	9,723	291,690.00	13.17%	13.17%
Extra Axle	6.00	13,341	80,046.00	6.00	10,752	64,512.00	2,589	15,534.00	24.08%	24.08%
		<u>7,924,850</u>	28,472,901.00		<u>7,951,142</u>	28,356,314.00	<u>(26,292)</u>	116,587.00	-0.33%	0.41%
Violations, Allowances and Other Adjustments			<u>83,362.00</u>			<u>(297,364.50)</u>		<u>380,726.50</u>		
			<u>\$28,556,263.00</u>			<u>\$28,058,949.50</u>		<u>\$ 497,313.50</u>		1.77%
Cash Received			\$20,755,720.53			\$23,136,407.20		\$ (2,380,686.67)		-10.29%
EZ-Pass Transactions			<u>28,556,263.00</u>			<u>28,058,949.50</u>		<u>497,313.50</u>		1.77%
			<u>\$49,311,983.53</u>			<u>\$51,195,356.70</u>		<u>\$ (1,883,373.17)</u>		-3.68%

BURLINGTON COUNTY BRIDGE COMMISSION
 Analysis of Investment Income Receivable
 For the Fiscal Year Ended September 30, 2017

	<u>Balance</u> <u>Oct. 1, 2016</u>	<u>Investment</u> <u>Income Earned</u>	<u>Received</u>	<u>Balance</u> <u>Sept. 30, 2017</u>
Unrestricted Assets:				
Revenue Account		\$ 109,007.77	\$ 109,007.77	
Operating Account		86,583.12	86,583.12	
General Account		6,378.58	6,378.58	
	<u>\$ -</u>	<u>201,969.47</u>	<u>201,969.47</u>	<u>\$ -</u>
Restricted Assets:				
Unemployment Compensation		25.60	25.60	
Debt Service		5,798.43	5,798.43	
Debt Service Reserve		9,949.83	9,949.83	
Reserve Mainenance		274.82	274.82	
	<u>-</u>	<u>16,048.68</u>	<u>16,048.68</u>	<u>-</u>
Total Restricted Assets	<u>-</u>	<u>\$ 218,018.15</u>	<u>\$ 218,018.15</u>	<u>\$ -</u>

BURLINGTON COUNTY BRIDGE COMMISSION
 Analysis of Improvements in Progress
 For the Fiscal Year Ended September 30, 2017

Balance October 1, 2016		\$ 13,565,892.02
Add:		
Disbursed	\$ 10,105,185.42	
Accounts Payable	521,851.81	
Retainage Due Contractors	<u>124,061.12</u>	
		<u>10,751,098.35</u>
		24,316,990.37
Less:		
Discontinued Projects	939,390.66	
Transferred to Completed	<u>4,633,206.40</u>	
		<u>5,572,597.06</u>
Balance September 30, 2017		<u><u>\$ 18,744,393.31</u></u>

BURLINGTON COUNTY BRIDGE COMMISSION
 Analysis of Other Accounts Receivable
 For the Fiscal Year Ended September 30, 2017

	<u>Balance</u> <u>Oct. 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cancelation</u>	<u>Disbursed</u>	<u>Balance</u> <u>Sept. 30, 2017</u>
Due from Burlington County					
Interlocal Service Agreement	\$ 3,571,575.65			\$ 99,470.02	\$ 3,671,045.67
Miscellaneous Receivable	110,166.10	\$ 112,333.54	\$ 3,630.51	54,417.18	48,619.23
	<u>\$ 3,681,741.75</u>	<u>\$ 112,333.54</u>	<u>\$ 3,630.51</u>	<u>\$ 153,887.20</u>	<u>\$ 3,719,664.90</u>

BURLINGTON COUNTY BRIDGE COMMISSION
 Analysis of Unearned Revenue
 For the Fiscal Year Ended September 30, 2017

	<u>Balance</u> <u>Oct. 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Transferred to</u> <u>Miscellaneous</u> <u>Revenue</u>	<u>Balance</u> <u>Sept. 30, 2017</u>
Unearned Revenue:				
State & Federal Grants	\$ 11,212.85	\$ 41,874.53	\$ 48,093.87	\$ 4,993.51

Schedule 9

BURLINGTON COUNTY BRIDGE COMMISSION
 Analysis of Accrued Expenses Payable
 For the Fiscal Year Ended September 30, 2017

	<u>Compensated</u> <u>Absences</u>	<u>Early Retirement</u> <u>Incentive Programs</u>	<u>Total</u>
Balance October 1, 2016	\$ 1,968,557.76	\$ 771,765.00	\$ 2,740,322.76
Increased by:			
Budget Charges	331,532.69		331,532.69
Decreased by:			
Disbursed	2,300,090.45	771,765.00	3,071,855.45
Balance September 30, 2017	\$ 2,196,033.03	\$ 687,430.00	\$ 2,883,463.03

BURLINGTON COUNTY BRIDGE COMMISSION
 Analysis of Accrued Interest Payable on Notes
 For the Fiscal Year Ended September 30, 2017

Balance October 1, 2016		\$ 752,835.56
Increased by:		
Accrued	\$ 1,010,743.03	
Net Amortization of Premium on Notes	<u>(580,397.00)</u>	
		<u>430,346.03</u>
		1,183,181.59
Decreased by:		
Amount Paid	918,902.20	
Net Amortization of Premium on Notes	<u>(580,397.00)</u>	
		<u>338,505.20</u>
Balance September 30, 2017		<u><u>\$ 844,676.39</u></u>

Schedule 11

BURLINGTON COUNTY BRIDGE COMMISSION
 Analysis of Accrued Interest Payable on Bonds
 For the Fiscal Year Ended September 30, 2017

Balance October 1, 2016		\$ 981,118.75
Increased by:		
Accrued	\$ 1,816,987.50	
Net Amortization of Premium on Bonds	<u>(1,091,751.59)</u>	
		<u>725,235.91</u>
		1,706,354.66
Decreased by:		
Cash Disbursed	1,889,612.50	
Net Amortization of Premium on Bonds	<u>(1,091,751.59)</u>	
		<u>797,860.91</u>
Balance September 30, 2017		<u><u>\$ 908,493.75</u></u>

BURLINGTON COUNTY BRIDGE COMMISSION
 Schedule of Revenue Bonds
 For the Fiscal Year Ended September 30, 2017

<u>Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities</u>		<u>Rate</u>	<u>Balance Oct. 1, 2016</u>	<u>Decreased</u>	<u>Balance Sept. 30, 2017</u>
			<u>Date</u>	<u>Amount</u>				
Series 2013	04/18/13	\$ 46,290,000.00	10/01/17	\$ 4,895,000.00	5.00%			
			10/01/18	4,760,000.00	5.00%			
			10/01/19	4,605,000.00	5.00%			
			10/01/20	4,425,000.00	5.00%			
			10/01/21	4,255,000.00	5.00%			
			10/01/22	4,065,000.00	5.00%			
			10/01/23	2,555,000.00	5.00%			
			10/01/24	2,215,000.00	5.00%			
			10/01/25	1,835,000.00	5.00%			
			10/01/26	1,425,000.00	4.00%			
			10/01/27	965,000.00	3.00%			
			10/01/28	750,000.00	3.25%			
			10/01/29	525,000.00	3.25%			
			10/01/30	280,000.00	3.25%			
Premium on Bonds - Amortized						<u>4,121,029.48</u>	<u>1,091,751.59</u>	<u>3,029,277.89</u>
						<u>\$ 44,581,029.48</u>	<u>\$ 3,996,751.59</u>	<u>\$ 40,584,277.89</u>

**SCHEDULES REQUIRED BY TRUST INDENTURES
ASSOCIATED WITH THE ISSUANCE OF CONDUIT DEBT**

BURLINGTON COUNTY BRIDGE COMMISSION
 Schedule of Conduit Debt
 For the Fiscal Year Ended September 30, 2017

<u>Issue</u>	<u>Issue Date</u>	<u>Issued Amount</u>	(Restated) <u>Balance</u> <u>Oct. 1, 2016</u>	<u>Issued</u>	<u>Refunded</u>	<u>Paid</u>	<u>Balance</u> <u>Sept. 30, 2017</u>
Guaranteed by Other Government Entities:							
County Guaranteed Pooled Loan Revenue Bonds, Series 2002	10/24/2002	\$ 73,510,000.00	\$ 1,285,000.00			\$ 85,000.00	\$ 1,200,000.00
County Guaranteed Pooled Loan Revenue Bonds, Series 2003	11/20/2003	42,575,000.00	10,000.00				10,000.00
County Guaranteed Pooled Loan Revenue Bonds, Series 2005	12/22/2005	12,185,000.00	4,340,000.00		\$ 2,970,000.00	970,000.00	400,000.00
County Guaranteed Resource Recovery Project, Series 2006	11/8/2006	7,195,000.00	400,000.00			400,000.00	
County Guaranteed Pooled Loan Revenue Bonds, Series 2006	12/14/2006	22,565,000.00	8,725,000.00		8,725,000.00		
County Guaranteed Lease Revenue Refunding Bonds, Series 2007	5/11/2007	34,020,000.00	21,565,000.00			3,200,000.00	18,365,000.00
County Guaranteed Pooled Loan Revenue Bonds, Series 2007	12/20/2007	4,595,000.00	1,890,000.00		1,520,000.00	180,000.00	190,000.00
County Guaranteed Pooled Loan Revenue Bonds, Series 2009	7/16/2009	18,950,000.00	11,060,000.00		6,120,000.00	1,940,000.00	3,000,000.00
County Guaranteed Pooled Loan Revenue Bonds, Series 2010B	12/8/2010	17,675,000.00	12,640,000.00			1,165,000.00	11,475,000.00
County Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2011A	3/16/2011	37,785,000.00	24,175,000.00			4,900,000.00	19,275,000.00
County Guaranteed Lease Revenue Refunding Bonds, Series 2011	9/8/2011	9,480,000.00	6,830,000.00			870,000.00	5,960,000.00
County Guaranteed Loan Revenue Refunding Bonds, Series 2013A	3/11/2013	47,535,000.00	40,230,000.00			3,905,000.00	36,325,000.00
County Guaranteed Lease Revenue Bonds, Series 2013A	10/7/2013	29,380,000.00	26,380,000.00			1,500,000.00	24,880,000.00
County Guaranteed Loan Revenue Refunding Bonds, Series 2014A	1/2/2014	16,250,000.00	13,645,000.00			1,320,000.00	12,325,000.00
County Guaranteed Lease Revenue Refunding Bonds, Series 2014	6/25/2014	10,605,000.00	8,800,000.00			1,100,000.00	7,700,000.00
County Guaranteed Lease Revenue Bonds, Series 2016	4/14/2016	27,660,000.00	27,660,000.00				27,660,000.00
County Guaranteed Lease Revenue Notes, Series 2016A and 2016B	4/14/2016	74,775,000.00	74,775,000.00			74,775,000.00	
Lenape Regional High School District Board of Education Lease Agreement	5/12/2016	2,175,000.00	2,144,000.00			81,000.00	2,063,000.00
County Guaranteed Lease Revenue Refunding Bonds, Series 2016	8/4/2016	4,450,000.00	4,450,000.00			25,000.00	4,425,000.00
Board of Education of the Township of Delran Lease Agreement	9/14/2016	4,560,000.00	4,560,000.00			205,000.00	4,355,000.00
County Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2017A	3/8/2017	18,925,000.00		\$ 18,925,000.00		2,135,000.00	16,790,000.00
Bass River Township School District Lease Agreement	4/4/2017	369,000.00		369,000.00			369,000.00
County Guaranteed Lease Revenue Notes, Series 2017A and 2017B	4/12/2017	77,275,000.00		77,275,000.00			77,275,000.00
Guaranteed by Other Government Entities			\$ 295,564,000.00	\$ 96,569,000.00	\$ 19,335,000.00	\$ 98,756,000.00	\$ 274,042,000.00
Other Series:							
Lutheran Home Project Economic Development Bonds, Series 2005	12/28/2005	4,570,000.00	\$ 3,135,000.00			\$ 235,000.00	\$ 2,900,000.00
Evergreens Project Economic Development Bonds, Series 2007	10/4/2007	44,575,000.00	44,575,000.00				44,575,000.00
Guaranteed by Other Government Entities			47,710,000.00	\$ -	\$ -	235,000.00	47,475,000.00
			\$ 343,274,000.00	\$ 96,569,000.00	\$ 19,335,000.00	\$ 98,991,000.00	\$ 321,517,000.00

BURLINGTON COUNTY BRIDGE COMMISSION
 Schedule of Trust Estates Cash Receipts and Disbursements
 For the Fiscal Year Ended September 30, 2017

	<u>Burlington County Lease Revenue Bonds</u>			<u>Burlington County Pooled Loan Revenue Bonds</u>		
	<u>Series 2006</u>	<u>Series 2013A</u>	<u>Series 2016</u>	<u>Series 2002</u>	<u>Series 2003</u>	<u>Series 2004</u>
Cash and Cash Equivalents October 1	\$ 3.89	\$ 2,776,929.69	\$ 1,140,014.70	\$ 115,224.43	\$ 660.72	\$ 2.15
Increases:						
Investment Receipts	5.01	809.70	100.53	2.22	1.12	
Lease/Loan Revenue	562,833.02	2,708,957.93	710,883.08	144,447.54	350.00	
Total Increases	562,838.03	2,709,767.63	710,983.61	144,449.76	351.12	-
Decreases:						
Interest on Debt Paid	237,061.02	1,239,000.00	1,133,744.45	56,575.00	500.00	
Debt Principal	325,777.00	1,500,000.00		85,000.00		
Transferred Proceeds	3.90					2.15
Total Decreases	562,841.92	2,739,000.00	1,133,744.45	141,575.00	500.00	2.15
Cash and Cash Equivalents September 30	\$ -	\$ 2,747,697.32	\$ 717,253.86	\$ 118,099.19	\$ 511.84	\$ 0.00

BURLINGTON COUNTY BRIDGE COMMISSION
 Schedule of Trust Estates Cash Receipts and Disbursements
 For the Fiscal Year Ended September 30, 2017

	Burlington County Pooled Loan Revenue Bonds					Burlington County Pooled Loan Refunding Bonds			
	Series 2005	Series 2006	Series 2007	Series 2009	Series 2010	Series 2011A	Series 2013A	Series 2014A	Series 2017
Cash and Cash Equivalents October 1	\$ 0.66	\$ 17.25	\$ 2.48	\$ 13.92	\$ 1,419,778.40	\$ 5,483,375.81	\$ 23,738.08	\$ 7,576.25	
Increases:									
Investment Receipts	7.29	0.96	1.68	606.00	31.93	75.45	164.08	63.26	\$ 777.66
Proceeds from the Issuance of Debt									20,441,131.85
Transfer Proceeds							2.15		
Lease/Loan Revenue	<u>1,067,989.08</u>	<u>191,545.92</u>	<u>227,923.61</u>	<u>2,308,386.41</u>	<u>1,670,393.28</u>	<u>6,041,674.57</u>	<u>5,724,593.72</u>	<u>1,887,315.57</u>	<u>2,408,638.48</u>
Total Increases	<u>1,067,996.37</u>	<u>191,546.88</u>	<u>227,925.29</u>	<u>2,308,992.41</u>	<u>1,670,425.21</u>	<u>6,041,750.02</u>	<u>5,724,759.95</u>	<u>1,887,378.83</u>	<u>22,850,547.99</u>
Decreases:									
Interest on Debt Paid	97,993.13	191,556.26	47,925.00	368,399.99	494,987.50	1,044,250.00	1,819,625.00	563,725.00	273,638.48
Debt Principal	970,000.00		180,000.00	1,940,000.00	1,165,000.00	4,900,000.00	3,905,000.00	1,320,000.00	2,135,000.00
Disbursement to Refunding Escrow									20,089,628.37
Debt Issue Costs									341,927.48
Requisitions							9,000.00	4,500.00	6,334.28
Total Decreases	<u>1,067,993.13</u>	<u>191,556.26</u>	<u>227,925.00</u>	<u>2,308,399.99</u>	<u>1,659,987.50</u>	<u>5,944,250.00</u>	<u>5,733,625.00</u>	<u>1,888,225.00</u>	<u>22,846,528.61</u>
Cash and Cash Equivalents September 30	<u>\$ 3.90</u>	<u>\$ 7.87</u>	<u>\$ 2.77</u>	<u>\$ 606.34</u>	<u>\$ 1,430,216.11</u>	<u>\$ 5,580,875.83</u>	<u>\$ 14,873.03</u>	<u>\$ 6,730.08</u>	<u>\$ 4,019.38</u>

BURLINGTON COUNTY BRIDGE COMMISSION
 Schedule of Trust Estates Cash Receipts and Disbursements
 For the Fiscal Year Ended September 30, 2017

	<u>Burlington County Pooled Lease Refunding Bonds</u>				<u>School District Lease Agreements</u>		
	<u>Series</u> <u>2007</u>	<u>Series</u> <u>2011</u>	<u>Series</u> <u>2014</u>	<u>Series</u> <u>2016</u>	<u>(Restated)</u> <u>Lenape</u>	<u>(Restated)</u> <u>Delran</u>	<u>Bass River</u>
Cash and Cash Equivalents October 1	\$ 18.50	\$ 38,678.47	\$ 25,315.93	\$ 16,495.87	\$ 2,175,000.00	\$ 4,560,000.00	
Increases:							
Proceeds from Issuance of Debt							\$ 369,000.00
Transferred Proceeds				3.90			
Investment Receipts	1,039.71	357.56	502.27				
Lease/Loan Revenue	4,129,779.25	1,138,993.27	1,489,040.36		137,192.40	309,608.93	
Total Increases	4,130,818.96	1,139,350.83	1,489,542.63	3.90	137,192.40	309,608.93	369,000.00
Decreases:							
Interest on Debt Paid	928,200.00	264,500.00	384,850.00		56,192.40	104,608.93	
Debt Principal	3,200,000.00	870,000.00	1,100,000.00		81,000.00	205,000.00	
Debt Issue Costs							22,845.00
Requisitions	1,600.00	9,000.00	4,500.00	9,708.19	1,725,406.53	3,436,800.55	
Total Decreases	4,129,800.00	1,143,500.00	1,489,350.00	9,708.19	1,862,598.93	3,746,409.48	22,845.00
Cash and Cash Equivalents September 30	<u>\$ 1,037.46</u>	<u>\$ 34,529.30</u>	<u>\$ 25,508.56</u>	<u>\$ 6,791.58</u>	<u>\$ 449,593.47</u>	<u>\$ 1,123,199.45</u>	<u>\$ 346,155.00</u>

BURLINGTON COUNTY BRIDGE COMMISSION
 Schedule of Trust Estates Cash Receipts and Disbursements
 For the Fiscal Year Ended September 30, 2017

	Burlington County Lease Revenue Notes			
	Series <u>2013 / 2014</u>	Series <u>2015B</u>	Series <u>2016</u>	Series <u>2017</u>
Cash and Cash Equivalents October 1	\$ 18,302,356.79	\$ 15,107,447.18	\$ 11,305,806.80	
Increases:				
Investment Receipts	11,671.84	7,124.11	12,425.63	\$ 272.60
Proceeds from the Issuance of Debt				77,922,564.50
Transfer Proceeds		2,500,000.00	74,775,000.00	
Lease/Loan Revenue			188,203.32	
Total Increases	11,671.84	2,507,124.11	74,975,628.95	77,922,837.10
Decreases:				
Interest on Debt Paid			1,491,345.83	
Debt Principal			74,775,000.00	
Transferred Proceeds				77,275,000.00
Debt Issue Costs				383,518.09
Requisitions	10,400,156.08	11,533,953.97	8,132,283.38	
Total Decreases	10,400,156.08	11,533,953.97	84,398,629.21	77,658,518.09
Cash and Cash Equivalents September 30	\$ 7,913,872.55	\$ 6,080,617.32	\$ 1,882,806.54	\$ 264,319.01

**BURLINGTON COUNTY BRIDGE
COMMISSION**

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

**FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 2017**

BURLINGTON COUNTY BRIDGE COMMISSION
Schedule of Findings and Recommendations
For the Fiscal Year Ended September 30, 2017

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None

BURLINGTON COUNTY BRIDGE COMMISSION
Summary Schedule of Prior Year Findings and Recommendations
As Prepared By Management

Schedule of Financial Statement Findings

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with the audit requirements as prescribed by the Bureau of Authority Regulations, Division of Local Governmental Services, Department of Community Affairs, State of New Jersey.

None

31100

APPRECIATION

We express our appreciation for the courtesies extended and assistance rendered to us during the course of this audit.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants