

**TOWNSHIP OF WEST AMWELL
COUNTY OF HUNTERDON
STATE OF NEW JERSEY**

**REPORT OF AUDIT
DECEMBER 31, 2013**

TOWNSHIP OF WEST AMWELL

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PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

December 31, 2013

AUDITORS' REPORTS



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of West Amwell
150 Rocktown Lambertville Road
Lambertville, NJ 08530

Report on the Financial Statements

We have audited the accompanying balance sheets-regulatory basis of the various funds of the Township of West Amwell as of December 31, 2013, and the related statements of operations and changes in fund balance-regulatory basis for the year then ended and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year then ended, and the related notes to the financial statements for the year ended December 31, 2013, which collectively comprise the Township's basic financial statements 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 and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with generally accepted auditing standards in the United States of America; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

-Continued-

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

As described in Note 1, the Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed in the fifth paragraph, the financial statements referred to above do not present fairly the respective financial position of the Township of West Amwell at December 31, 2013, or the results of its operations, in conformity with generally accepted accounting principles in the United States of America.

However, in our opinion, the financial statements-regulatory basis referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds of the Township, as of December 31, 2013, and the results of operations and changes in fund balance-regulatory basis of such funds for the year then ended and the statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year then ended, on the basis of accounting described in Note 1.

Other Matters

Other Matter

The regulatory basis financial statements as of and for the year ended December 31, 2012 were audited by other auditors whose report dated June 17, 2013 expressed an unmodified opinion on those financial statements presented on the regulatory basis of accounting.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information exhibits 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.

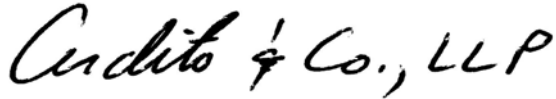
In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1 to the financial statements.

-Continued-

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2014, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 with the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

ARDITO & CO., LLP

A handwritten signature in cursive script that reads "Ardito & Co., LLP".

Frenchtown, New Jersey

May 12, 2014

A handwritten signature in cursive script that reads "Anthony Ardito".

Certified Public Accountant

Registered Municipal Accountant No.524

ARDITO & CO., LLP

Frenchtown, New Jersey

May 12, 2014

FINANCIAL STATEMENTS

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 1

ASSETS	<u>REF.</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
Cash and Cash Equivalents:			
Cash - Treasurer		\$ 2,039,381	\$ 2,130,160
Cash - Change Funds		<u>225</u>	<u>225</u>
Subtotal	A-4	<u>2,039,606</u>	<u>2,130,385</u>
Prepaid Local School Tax		-	2,000
Amount Due To State Of New Jersey For Senior Citizens And Veterans Deductions	A-17	750	250
Receivables And Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	312,100	286,715
Tax Title Liens Receivable	A-7	129,705	119,994
Due State of New Jersey - SHB Overpayment	A-8	-	17,918
Property Acquired For Taxes-Assessed Valuation	A-9	3,150	3,150
Amount Due From Federal and State Grant Fund	A	-	25
Amount Due From Animal Control Trust Fund	B	-	3
Amount Due From Other Trust Fund	B	736	195
Amount Due From General Capital Fund	C	6,240	1,693
Amount Due From Payroll Fund	G	7,528	-
Revenue Accounts Receivable	A-10	<u>11,802</u>	<u>10,874</u>
Subtotal		<u>471,261</u>	<u>440,567</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-26	68,392	91,192
Overexpenditure of Appropriation Reserve	A-1	<u>142</u>	<u>142</u>
Subtotal		<u>68,534</u>	<u>91,334</u>
		<u>2,580,151</u>	<u>2,664,536</u>
Federal And State Grant Fund:			
Cash	A-4	8,233	63,151
Federal and State Grants Receivable	A-22	<u>534,141</u>	<u>20,063</u>
		<u>542,374</u>	<u>83,214</u>
TOTAL ASSETS		<u>\$ 3,122,525</u>	<u>\$ 2,747,750</u>

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

CURRENT FUND
COMPARATIVE BALANCE SHEET

A
Sheet 2

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Appropriation Reserves	A-3:11	\$ 105,481	\$ 146,961
Prepaid Trash Permits	A-4	28,381	28,381
Encumbrances	A-12	36,418	30,885
Accounts Payable	A-13	7,656	6,877
Taxes Collected In Advance	A-14	72,586	111,931
Reserve for Garden State Trust Fund	A-16	-	36,752
Due County for Added Taxes	A-18	18,023	13,280
Local District School Tax Payable	A-19	985,071	949,201
Due Payroll Fund	G	-	2,170
Reserve for Watershed Moritorium Offset	A-25	21,620	21,620
Subtotal		<u>1,275,236</u>	<u>1,348,058</u>
Reserve For Receivables And Other Assets	A	471,261	440,567
Fund Balance	A-1	<u>833,654</u>	<u>875,911</u>
Subtotal		<u>2,580,151</u>	<u>2,664,536</u>
Federal And State Grant Fund:			
Amount Due To Current Fund	A	-	25
Reserve For State Grants	A-23	542,374	44,253
Reserve For State Grants - Unappropriated	A-24	<u>-</u>	<u>38,936</u>
Subtotal		<u>542,374</u>	<u>83,214</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 3,122,525</u>	<u>\$ 2,747,750</u>

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

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE

A-1

REVENUE AND OTHER INCOME REALIZED	<u>REF.</u>	<u>YEAR</u> <u>2013</u>	<u>YEAR</u> <u>2012</u>
Fund Balance Utilized	A-2	\$ 361,000	\$ 96,000
Miscellaneous Revenue Anticipated	A-2	2,237,205	1,968,563
Receipts From Delinquent Taxes	A-2	273,311	184,714
Receipts from Current Taxes	A-2	10,807,149	10,749,401
Non-Budget Revenues	A-2	66,046	110,084
Other Credits To Income:			
Unexpended Balance Of Appropriation Reserves	A-11	142,521	126,973
Payments In Lieu of Taxes on Real Property		624	-
Prior Year Special Emergency Cancelled			23,816
Tax Overpayment Cancelled			2
Interfunds Returned		15,193	4,297
TOTAL INCOME		<u>13,903,049</u>	<u>13,263,850</u>

EXPENDITURES

Budget and Emergency Appropriations:			
Appropriations Within "CAP":			
Operations:			
Salaries and Wages	A-3	1,248,475	1,144,072
Other Expenses	A-3	979,261	931,801
Deferred Charges and Statutory Expenditures	A-3	207,378	232,176
Appropriations Excluded from "CAP":			
Operations:			
Salaries and Wages	A-3	25,000	6,763
Other Expenses	A-3	585,239	85,496
Capital Improvements	A-3	-	15,000
Municipal Debt Service	A-3	663,438	642,029
Deferred Charges and Statutory Expenditures	A-3	22,800	22,800
County Taxes	A-18	1,838,506	1,926,838
Amount Due County For Added and Omitted Taxes	A-18	18,023	13,280
Local District School Taxes	A-19	3,866,729	3,791,804
Regional District School Taxes	A-20	3,830,071	3,780,602
Municipal Open Space Levy	A-21	282,917	280,282
Refund of Prior Year Revenues	A-4	3,881	2,605
Interfund Advances	A-4	12,588	19,639
TOTAL EXPENDITURES		<u>13,584,306</u>	<u>12,895,187</u>
Excess in Revenues		318,743	368,663
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A	-	142
Statutory Excess To Fund Balance		318,743	368,805
Fund Balance January 1	A	875,911	603,106
		<u>1,194,654</u>	<u>971,911</u>
Decreased by:			
Utilization as Anticipated Revenue	A-2	361,000	96,000
Fund Balance December 31	A	<u>\$833,654</u>	<u>\$875,911</u>

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

CURRENT FUND
STATEMENT OF REVENUES

A-2
Sheet 1

	<u>REF.</u>	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>N.J.S. 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>DEFICIT</u>
Anticipated Surplus - Cash Surplus	A-1	\$ 361,000		\$ 361,000	
Miscellaneous Revenues:					
LOCAL REVENUES:					
Liquor Licenses-Clerk	A-10	2,500		3,000	500
Other Fees and Permits	A-10	76,792		80,822	4,030
Fines and Costs-Municipal Court	A-10	135,708		142,540	6,832
Interest and Costs On Taxes	A-5	34,000		62,112	28,112
Interest on Investments	A-10	5,000		5,054	54
Total Local Revenues		254,000		293,528	39,528
STATE AID REVENUES:					
Consolidated Municipal Property Tax Relief Aid	A-10	366,757		366,757	
Energy Receipts Tax	A-10	540,372		540,372	
Watershed Moritorium Offset	A-25	21,620		21,620	
Garden State Trust Fund	A-16	36,752		36,752	
Total State Aid		965,501		965,501	
Uniform Construction Code Fees	A-10	76,792	-	90,009	13,217
INTERLOCAL AGREEMENTS:					
Animal Control	A-10	21,000		22,428	1,428
Total Interlocal Agreements		21,000	-	22,428	1,428

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

CURRENT FUND
STATEMENT OF REVENUES

A-2
Sheet 2

	REF.	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>N.J.S. 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>DEFICIT</u>
FEDERAL AND STATE GRANT REVENUES:					
NJDEP-Alexauken Creek Watershed	A-22		\$ 541,300	541,300	
Clean Communities	A-22		11,277	11,277	
Municipal Alcohol Education/Rehabilitation	A-22		528	528	
Recycling Tonnage Grant	A-22		3,335	3,335	
Body Armor Grant	A-22		1,299	1,299	
Total Federal and State Grant Revenues			<u>-</u>	<u>557,739</u>	<u>557,739</u>
OTHER SPECIAL ITEMS:					
Open Space Trust Fund	B	280,000		280,000	-
General Capital Fund Balance	C	28,000		28,000	-
Total Special Items Of Revenues		<u>308,000</u>	<u>-</u>	<u>308,000</u>	<u>0</u>
Total Miscellaneous Revenue	A-1	<u>1,625,293</u>	<u>557,739</u>	<u>2,237,205</u>	<u>54,173</u>
Receipts From Delinquent Taxes	A-1	<u>240,000</u>		<u>273,311</u>	<u>33,311</u>
Amount To be Raised by Taxes For Support Of Municipal Budget:					
Local Tax For Municipal Purposes	A-2	<u>1,202,562</u>	<u>-</u>	<u>1,225,903</u>	<u>23,341</u>
Total General Revenues		<u>3,428,855</u>	<u>557,739</u>	<u>4,097,419</u>	<u>110,825</u>
Non-Budget Revenues:					
Other Non-Budget Revenues	A-1			<u>66,046</u>	<u>66,046</u>
		<u>\$ 3,428,855</u>	<u>\$ 557,739</u>	<u>\$ 4,163,465</u>	<u>\$ 176,871</u>

A-3

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

CURRENT FUND
STATEMENT OF REVENUES

A-2
Sheet 3

REF.

ANALYSIS OF REALIZED REVENUES

Allocation Of Current Tax Collections:

Revenue from Collections		\$10,775,151
State of New Jersey, Senior Citizens and Veterans Deductions	A-6	<u>31,998</u>
	A-1	10,807,149

Allocated To:

School and County Taxes	A-6	<u>9,836,246</u>
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Deficiency Supported by Municipal Revenues		970,903
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Add (Decreased) by Appropriation: "Reserve For Uncollected Taxes"	A-3	<u>255,000</u>
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Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 1,225,903</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

CURRENT FUND
STATEMENT OF REVENUES

A-2
Sheet 4

ANALYSIS OF NON-BUDGET REVENUES

Miscellaneous Revenue Not Anticipated:

REF.

Treasurer:

Cable TV Franchise Fee	\$ 8,668
Poll Rent	320
MV Fines	1,199
Stream Recycling	4,149
Escrow Cancelled	3,469
Hunting Permit	1,000
Storm Reimbursement	24,786
Cleanup Fees	540
Fire Fees	3,507
Fire Rebates	6,422
Hurricane Relief	8,696
Tax Collector	110
Vets/Sr. Cit. Fee	630
Scrap	<u>2,550</u>

Miscellaneous Revenue Not Anticipated - Total

A-4

\$ 66,046

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 1

<u>OPERATIONS within "CAPS"</u>	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
GENERAL GOVERNMENT FUNCTIONS:					
General Administration:					
Salaries and Wages	\$ 27,980	\$ 27,980	\$ 27,980		
Other Expenses	40,300	47,300	45,013	\$ 2,287	
Mayor and Council:					
Salaries and Wages	9,259	9,259	9,259		
Other Expenses	200	200	-	200	
Municipal Clerk:					
Salaries and Wages	69,440	69,440	66,683	2,757	
Other Expenses	10,200	10,200	5,153	5,047	
Financial Administration (Treasury):					
Salaries and Wages	46,200	46,200	46,200		
Other Expenses	4,000	4,000	1,717	2,283	
Audit Services:					
Other Expenses	19,400	19,400	19,400		
Revenue Administration (Tax Collection):					
Salaries and Wages	16,100	16,100	16,035	65	
Other Expenses	6,800	6,800	6,800		
Tax Assessment Administration:					
Salaries and Wages	32,600	32,600	32,581	19	
Other Expenses	5,000	5,000	5,000		
Legal Services (Legal Dept.):					
Other Expenses	25,000	19,000	16,410	2,590	
Agricultural Adv Committee:					
Other Expenses	500	500	370	130	
Engineering Services:					
Other Expenses:	15,000	6,000	1,900	4,100	
Historical Sites Office:					
Other Expenses	300	300	-	300	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages	13,900	13,900	13,897	3	
Other Expenses	10,200	6,200	4,962	1,238	
Zoning Board of Adjustment:					
Salaries and Wages	6,270	6,270	6,268	2	
Other Expenses	3,000	3,000	1,419	1,581	
Zoning Officer:					
Salaries and Wages	8,740	8,740	6,848	1,892	
Other Expenses	1,500	1,500	1,500		
INSURANCE:					
Liability Insurance	82,228	82,228	78,608	3,620	
Worker Compensation Insurance	42,903	42,903	42,903		
Employee Group Insurance	247,800	265,300	264,370	930	
PUBLIC SAFETY FUNCTIONS:					
Bureau of Fire Prevention:					
Salaries and Wages	5,805	5,805	5,804	1	
Other Expenses	400	400	270	130	
Aid to Volunteer Fire Companies	26,500	26,500	26,500		
Contribution to First Aid Organizations	9,500	9,500	9,500		
Fire Department:					
Other Expenses:					
Fire Hydrant Services	4,200	4,200	4,113	87	
Police:					
Salaries and Wages	651,600	651,600	650,132	1,468	
Other Expenses	41,100	41,100	40,139	961	
Emergency Management:					
Other Expenses	700	700	692	8	

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 2

<u>OPERATIONS within "CAPS"</u>	<u>BUDGET</u>	<u>APPROPRIATION BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
MUNICIPAL COURT:					
Salaries and Wages	61,700	63,200	63,158	42	
Other Expenses	7,000	5,500	2,391	3,109	
Prosecutor Other Expenses	20,000	20,000	20,000		
PUBLIC DEFENDER:					
Other Expenses	2,500	2,500	2,500		
PUBLIC WORKS FUNCTIONS:					
Streets and Road Maintenance:					
Salaries and Wages	220,100	220,100	215,797	4,303	
Other Expenses	80,000	85,000	67,870	17,130	
Buildings and Grounds:					
Salaries and Wages	3,800	3,800	3,800		
Other Expenses	25,000	25,000	21,944	3,056	
Vehicle Maintenance	50,000	56,500	54,160	2,340	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Public Health Services (Board of Health):					
Salaries and Wages	3,400	3,400	3,327	73	
Other Expenses	22,500	22,500	15,974	6,526	
Environmental Health Services (Commission):					
Other Expenses	650	650	572	78	
Animal Control Services:					
Salaries and Wages	8,100	8,100	6,000	2,100	
Community Forestry:					
Other Expenses	300	300	-	300	
Welfare/Public Assistance:					
Salaries and Wages	1,481	1,481	1,221	260	
Other Expenses	180	180	42	138	
Social Services Agencies:					
Other Expenses	2,500	2,500	2,500		
PARK AND RECREATION FUNCTIONS:					
Maintenance of Parks:					
Other Expenses	4,000	4,000	93	3,907	
CONSTRUCTION OFFICIAL:					
Salaries and Wages	54,700	54,700	54,700		
Other Expenses	4,000	4,000	4,000		
UNCLASSIFIED:					
Accumulated Leave Compensation	2,000	2,000	-	2,000	
Celebration of Public Events	100	100	-	100	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	30,000	18,000	14,905	3,095	
Street Lighting	5,200	5,200	4,389	811	
Telephone (excluding equipment acquisition)	16,000	16,000	15,782	218	
Fuel Oil	21,000	21,000	19,835	1,165	
Recycling Surcharge	1,100	1,100	941	159	
Gasoline	55,000	50,000	43,075	6,925	
SOLID WASTE COLLECTION:					
Salaries and Wages	5,800	5,800	5,800		
Other Expenses	35,000	35,000	28,055	6,945	
Total Operations within "CAPS"	2,227,736	2,227,736	2,131,257	96,479	

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 3

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
Total Operations Including Contingent	2,227,736	2,227,736	2,131,257	96,479	
Detail:					
Salaries and Wages	1,246,975	1,248,475	1,235,490	12,985	
Other Expenses	980,761	979,261	895,767	83,494	
DEFERRED CHARGES AND STATUTORY EXPENDITURES within "CAPS"					
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	95,000	95,000	95,000		
Statutory Expenditures:					
Contribution to PERS	60,020	60,020	60,020		
Contribution to PFRS	52,308	52,308	52,308		
Defined Contribution Retirement Program	50	50	-	50	
Total Deferred Charges and Statutory Expenditures within "CAPS"	207,378	207,378	207,328	50	
Total Appropriations within "CAPS"	2,435,114	2,435,114	2,338,585	96,529	
OPERATIONS EXCLUDED FROM "CAPS"					
Affordable Housing (COAH-Fair Share Housing):					
Salaries and Wages	6,000	6,000	2,782	3,218	
Other Expenses	10,000	10,000	5,815	4,185	
	16,000	16,000	8,597	7,403	
Length of Service Awards Program (LOSAP):					
Other Expenses	15,000	15,000	14,000	1,000	
NJPDES STORMWATER PERMIT (NJSA 40A:45.3)					
Street Division					
Other Expenses	500	500	500		
SHARED SERVICES - INTERLOCAL AGREEMENTS:					
Animal Control:					
Salaries and Wages	19,000	19,000	19,000		
Other Expenses	2,000	2,000	1,451	549	
	21,000	21,000	20,451	549	-
Public and Private Programs Offset by Revenues:					
NJDEP - Alexauken Creek Watershed:					
Other Expenses		541,300	541,300		
Clean Communities Program:					
Other Expenses		11,277	11,277		
Municipal Alcohol Education:					
Other Expenses		528	528		
Recycling Tonnage Grant:					
Other Expenses		3,335	3,335		
Body Armor Grant		1,299	1,299		
Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"	-	557,739	557,739	-	
Deferred Charges Excluded from "CAPS":					
Special Emergency Authorizations (NJS 40A:4-55)	22,800	22,800	22,800		
Total Deferred Charges Excluded from "CAPS"	22,800	22,800	22,800		

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

CURRENT FUND
STATEMENT OF EXPENDITURES

A-3
Sheet 4

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
Municipal Debt Service Excluded from "CAPS":					
Payment of Bonds	330,000	330,000	330,000		
Payment of Notes	125,075	125,075	125,075		
Interest on Bonds	169,179	169,179	169,178	\$	1
Payment of Interest on Notes	8,095	8,095	8,094		1
Green Trust Loan Program	31,092	31,092	31,091		1
Total Municipal Debt Service	663,441	663,441	663,438	-	3
Total Appropriations Excluded from "CAPS"	738,741	1,296,480	1,287,525	8,952	3
Detail:					
Salaries and Wages	25,000	25,000	21,782	3,218	-
Other Expenses	713,741	1,271,480	1,265,743	5,734	3
Subtotal General Appropriations	3,173,855	3,731,594	3,626,110	105,481	3
Reserve For Uncollected Taxes	255,000	255,000	255,000		
TOTALS	\$ 3,428,855	\$ 3,986,594	\$ 3,881,110	\$ 105,481	\$ 3

A

Budget	A-2	\$ 3,428,855
Appropriation 40A:4-87	A-2	<u>557,739</u>
		<u>\$ 3,986,594</u>

Reserve for State Grants	A-23	\$ 557,739
Deferred Charges	A-26	22,800
Reserve for Encumbrances	A-12	3,045,571
Reserve for Uncollected Taxes	A-2	<u>255,000</u>
		<u>\$ 3,881,110</u>

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

TRUST FUND
COMPARATIVE BALANCE SHEET

B

ASSETS	REF.	BALANCE 12/31/13	BALANCE 12/31/12
Dog License Fund:			
Cash and Cash Equivalents:			
Cash - Treasurer	B-2	\$ 8,889	\$ 3,639
Total Dog License Fund		<u>8,889</u>	<u>\$ 3,639</u>
Other Trust Funds:			
Cash and Cash Equivalents:			
Cash - Treasurer	B-2	\$ 462,346	\$ 447,834
Total Other Trust Funds		<u>\$ 462,346</u>	<u>\$ 447,834</u>
Municipal Open Space Funds:			
Cash and Cash Equivalents:			
Cash - Treasurer	B-2	\$ 1,026,347	\$ 2,480,410
Total Municipal Open Space Funds		<u>\$ 1,026,347</u>	<u>\$ 2,480,410</u>
TOTAL ASSETS		<u>\$ 1,497,582</u>	<u>\$ 2,931,883</u>

LIABILITIES, RESERVES AND FUND BALANCE

Dog License Fund:			
Reserve for Dog Fund Expenditures	B-3	\$ 8,889	\$ 3,561
Amount Due State of New Jersey	B-4		75
Amount Due Current Fund	B-5	-	3
Total Dog License Fund		<u>\$ 8,889</u>	<u>\$ 3,639</u>
Other Trust Fund:			
Amount Due Current Fund	B-6	\$ 736	\$ 195
Reserve for Developer's Escrow	B-7	38,209	67,284
Reserve for Technology Trust	B-8	-	231
Reserve for POAA Trust	B-9	26	22
Reserve for Historical Preservation Trust	B-10	2,413	2,390
Reserve for Housing Trust	B-11	40,280	182,946
Reserve for Affordable Housing Trust	B-12	-	144,148
Reserve for COAH Escrow Trust	B-13	71,626	-
Reserve for CDBG Rehabilitation Trust	B-14	107,275	-
Reserve for Accumulated Leave Trust	B-15	-	6,708
Reserve for Off Duty Police Trust	B-16	-	543
Reserve for Celebration of Public Events Trust	B-17	3,735	3,778
Reserve for Fire Penalties Trust	B-18	2,000	2,000
Reserve for Public Defender Trust	B-19	972	50
Reserve for Tax Sale Premiums	B-20	154,700	-
Reserve for SUI Trust	B-21	22,587	22,508
Reserve for Municipal Alliance Trust	B-22	17,787	15,031
Total Other Trust Fund		<u>\$ 462,346</u>	<u>\$ 447,834</u>
Municipal Open Space Trust Fund:			
Reserve for Municipal Open Space Trust Deposits	B-23	\$ 996,647	\$ 2,480,410
Amount Due from General Capital Fund	B-24	29,700	-
Total Municipal Open Space Trust Fund		<u>\$ 1,026,347</u>	<u>\$ 2,480,410</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 1,497,582</u>	<u>\$ 2,931,883</u>

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

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

C

ASSETS	REF.	BALANCE 12/31/13	BALANCE 12/31/12
Cash and Cash Equivalents:			
Cash - Treasurer	C-2	\$ 535,557	\$ 462,315
Due Open Space Trust Fund	C-13	29,700	-
Mortgage Receivable	C-11	69,250	73,112
Deferred Charges to Future Taxation:			
Funded	C-3	3,323,543	5,138,928
Unfunded	C-4	<u>1,507,451</u>	<u>1,675,324</u>
TOTAL ASSETS		<u>\$ 5,465,501</u>	<u>\$ 7,349,679</u>

LIABILITIES, RESERVES AND FUND BALANCE

Due Current Fund	C-5	\$ 6,240	\$ 1,693
Capital Improvement Fund	C-6	60,390	160,213
Improvement Authorizations:			
Unfunded	C-7	870,021	875,171
Funded	C-7	321,285	250,632
Bond Anticipation Note Payable	C-8	735,800	735,800
New Jersey Green Trust Loan	C-9	215,543	241,928
Serial Bonds Payable	C-10	3,108,000	4,897,000
Reserve for Mortgage Receivable	C-12	69,250	73,112
Reserve for Preliminary Expenses - Open Space Acquisition	C-15	28,127	35,285
Fund Balance	C-1	<u>50,845</u>	<u>78,845</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 5,465,501</u>	<u>\$ 7,349,679</u>

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

GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE

C-1

REF.

Balance December 31, 2012	C	\$ 78,845
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Decreased by:

Capital Fund Balance Anticipated as Current Fund Revenue	C-2	<u>28,000</u>
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Balance December 31, 2013	C	<u><u>\$ 50,845</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

E

		BALANCE	BALANCE
	REF.	12/31/13	12/31/12
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Cash - Treasurer	E-1	<u>\$12,207</u>	<u>\$3,926</u>
TOTAL ASSETS		<u>\$12,207</u>	<u>\$3,926</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		<u>\$12,207</u>	<u>\$3,926</u>
TOTAL LIABILITIES AND RESERVES		<u>\$12,207</u>	<u>\$3,926</u>

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

STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31, 2013

F

	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>12/31/12</u>
General Fixed Assets:		
Land	\$ 2,222,406	\$ 2,052,406
Buildings	1,696,957	1,696,957
Machinery and Equipment	<u>2,358,593</u>	<u>2,305,469</u>
Total General Fixed Assets	<u>\$ 6,277,956</u>	<u>\$ 6,054,832</u>
Investment In General Fixed Assets		
	<u>\$ 6,277,956</u>	<u>\$ 6,054,832</u>

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

PAYROLL AGENCY FUND
COMPARATIVE BALANCE SHEET

G

	BALANCE <u>12/31/13</u>	BALANCE <u>12/31/12</u>
ASSETS		
Assets:		
Cash	\$ 13,808	
Due Current Fund	<u>-</u>	<u>\$ 2,170</u>
TOTAL ASSETS	<u>\$ 13,808</u>	<u>\$ 2,170</u>
 LIABILITIES AND RESERVES		
Payroll Deductions	\$ 6,280	\$ 2,138
Cash Deficit		32
Due Current Fund	<u>7,528</u>	<u>-</u>
TOTAL LIABILITIES AND RESERVES	<u>\$ 13,808</u>	<u>\$ 2,170</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

GASB Statement No.14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Township to be reported separately.

The financial statements of the Township of West Amwell include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as The financial statements of the Township do not include the operations of the Board of Education.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America(GAAP).

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

Current Fund

Resources and expenditures for governmental operations of a general nature, including State grants for operations.

Trust Funds

Records the receipts, disbursement and custodianship of monies in accordance with the purpose for which each account was established.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

General Capital Fund

The receipts and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

Public Assistance Fund

Receipt and disbursements of funds that provide assistance to certain residents of the Township pursuant to the provisions of Title 44 of New Jersey statutes.

General Fixed Assets Account Group

To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

C. Basis of Accounting

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

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

Revenues--are recorded as received in cash except for certain amounts which are due from other governmental units. Receipts from State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible of accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures--are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Property Tax Revenue--Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, Open Space and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1.

The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally.

If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid to the County by the Township quarterly on February 15, May 15, August 15 and November 15. The Open Space Levy is paid quarterly to the Township's other trust funds on February 15, May 15, August 15 and November 15.

When unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears after the eleventh day of the eleventh month in the year in which they are due, the collector in the municipality shall, subject to provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

In accordance with the accounting Principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP required tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Deferred School Taxes--A portion of the school taxes collected at December 31 relating to the period January 1 to June 30 of the subsequent year have been included in fund balance. GAAP requires such revenue to be deferred and recognized in the accounting period when it becomes susceptible to accrual.

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

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

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

General Fixed Assets--In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the municipality develops a fixed asset accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value.

No depreciation is to be provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

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

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Budget and Budgetary Procedures--The foundation of the New Jersey local finance system is the annual cash basis budget required under the Local Budget Law (N.J.S.A.40A:4-1, et seq.). Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The normal budget calendar begins early in the fiscal year with introduction, public advertisement and after state approval, budget adoption. The cash basis for revenues and budgetary basis for expenditures is the budget basis of accounting.

The Township is not required to adopt budgets for the following funds:

**General Capital Fund
Public Assistance Fund
Trust Fund**

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption, must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Government Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Expenditures--Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31, are reported as expenditures through the establishment of appropriations reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Tax Appeals and Other Contingent Losses--Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

Deferred Charges to Future Taxation Funded and Unfunded--Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A.40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the municipality's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Departures from Generally Accepted Accounting Principles--The accounting principles and practices followed by the Township differ generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

It was not practicable to determine the effect of such difference.

Statutory-Basis Financial Statements--The GASB Codification also defines the financial statements of a governmental unit to be presented to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

Note 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 2: CASH AND CASH EQUIVALENTS (Continued)

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the municipality's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2013, all of the municipality's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The municipality does not have a policy for custodial credit risk.

As of December 31, 2013, cash and cash equivalents of the municipality consisted of the following:

	Cash and Cash Equivalents	Total
Checking	\$4,104,619	\$ 4,104,619
	<u>\$4,104,619</u>	<u>\$ 4,104,619</u>

The carrying amount of the municipality's cash and cash equivalents at December 31, 2013, was \$4,104,619 and the bank balance was \$4,148,648. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$290,392 was covered by federal depository insurances and \$3,858,256 was covered by collateral pool.

Investments

Pursuant to the Enabling Act, the funds of the municipality may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the municipality may approve.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 2: CASH AND CASH EQUIVALENTS (Continued)

In order to maximize liquidity, the municipality utilizes the New Jersey Cash Management Fund ("NJCMF") and investments in direct obligations of the United States of America as its sole investments. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At December 31, 2013, the municipality's investment balance was as follows:

New Jersey Cash Management Fund

\$ 2,374

Custodial Credit Risk: Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The municipality does not have a policy for custodial credit risk.

Credit Risk: The municipality does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The municipality does not have a policy to limit interest rate risk. The average maturity of the municipality's investments is less than one year.

Note 3: LONG-TERM DEBT

	Beginning Balance	Issued	Paid	Ending Balance
Long Term Debt:				
Bond Anticipation Notes	\$ 735,800	\$ 164,011	\$ 164,011	\$ 735,800
Bonds Payable	4,897,000	850,000	2,639,000	3,108,000
Loans Payable	241,928		26,385	215,543
Compensated absences payable	42,880	17,701		60,581
Total Long-Term Debt	<u>\$5,917,608</u>	<u>1,031,712</u>	<u>\$ 2,829,396</u>	<u>\$ 4,119,924</u>

The Local Bond Law governs the issuance of bonds and notes to finance general municipal expenditures. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued by temporarily finance capital projects, must be paid off within ten years or retired by issuance of bonds.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: LONG-TERM DEBT (Continued)

The Township debt is summarized as follows:

Summary of Municipal Debt

	YEAR <u>2013</u>	YEAR <u>2012</u>	YEAR <u>2011</u>
Issued:			
Bonds and Notes	\$ 3,843,800	\$ 5,632,800	\$ 5,928,386
Green Trust Loan Payable	<u>215,543</u>	<u>241,928</u>	<u>267,792</u>
Total Issued	4,059,343	5,874,728	6,196,178
<u>Authorized But Not Issued</u>			
Bonds and Notes	<u>771,651</u>	<u>981,055</u>	<u>1,075,770</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 4,830,994</u>	<u>\$ 6,855,783</u>	<u>\$ 7,271,948</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.944%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 870,000	\$ 870,000	
Regional School Debt	6,181,105	6,181,105	
General Debt	<u>4,830,994</u>	<u>-</u>	\$ 4,830,994
	<u>\$ 11,882,099</u>	<u>\$ 7,051,105</u>	<u>\$ 4,830,994</u>

Net Debt \$4,830,994 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2
as amended, \$ 511,632,173 equals 0.944%

Borrowing Power Under N.J.S.A. 40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$17,907,126
Net Debt	<u>4,830,994</u>
Remaining Borrowing Power	<u>\$13,076,132</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: LONG-TERM DEBT (Continued)

Bond Anticipation Notes

The Township has outstanding at December 31, 2013, a bond anticipation note in the amount of \$735,800 payable to Hopewell Valley Community Bank. This note matures on June 27, 2014. The interest rate on the note was 0.85%. Principal and interest on this note is paid from the current fund budget of the Township.

General Obligation Bonds

Refunding Bonds-dated February 28, 2013, issued in the original amount of \$850,000 with an interest rate of 1.335% to advance refund series 2003 bonds in the amount of \$2,309,000 with interest rates of 3.7% to 4.25%. The net proceeds, along with a \$1,500,000 township contribution from open space reserves, were used to call the outstanding series 2003 bonds on April 1, 2013. This refunding bond is payable in annual installments ranging from \$215,000 to \$210,000 through February 15, 2017. Interest is calculated at 1.335% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2013, was \$850,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

General Improvement Bonds-Multi-Purposes-dated May 1, 2006, issued in the original amount of \$3,118,000. This bond is payable in annual principal installments ranging from \$140,000 to \$208,000 through May 1, 2026. Interest is calculated at 4.375% and is included in the semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2013, was \$2,258,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

Green Trust Loan

Sourlands-dated June 22, 2001 issued in the original amount of \$500,000. This loan is payable over twenty years in semi-annual installments of \$15,586 through March 25, 2021. Interest is calculated at 2.0%. This method of calculating interest is in conformance with New Jersey Statutes. The remaining balance as of December 31, 2013, was \$215,543. Outstanding loan principal and interest is paid from the Current Fund budget of the Township.

	<u>Outstanding</u>
Total General Capital Long-Term Debt Above	<u>\$ 4,059,343</u>

Note 4: GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets:

	Balance <u>1/1/13</u>	<u>Additions</u>	Adjustments/ <u>Deletions</u>	Balance <u>12/31/13</u>
Land	\$ 2,052,406	\$ 170,000	-	\$ 2,222,406
Buildings	1,696,957	-	-	1,696,957
Equipment	2,305,469	53,124	-	2,358,593
	<u>\$ 6,054,832</u>	<u>\$ 223,124</u>	<u>-</u>	<u>\$ 6,277,956</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 5: FUND BALANCES APPROPRIATED

Fund Balances at December 31, 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2013, were as follows:

Current Fund (Introduced) - \$350,000

Note 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the Township had \$68,392 in special emergency deferred charges, and \$142 in 2011 overexpenditures, which are required to be included in subsequent budgets.

The appropriations in the 2014 Budget are not less than that required by statute.

Note 7: SCHOOL TAXES

Regional School District Tax has been raised on a calander year basis and is paid in full to the district by December 31.

Local School District Tax has been raised on a school year basis and liabilities deferred by statute (under provisions of C.63, P.L.1991, as amended), resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	TOTAL DEFERRED TAX 12/31/13	LOCAL DISTRICT SCHOOL TAX BALANCE 12/31/13	BALANCE 12/31/12
Balance of Tax	\$ 985,071	\$ 949,201	
Deferred Portion	<u>948,294</u>	<u>948,294</u>	
Tax Payable	<u>\$ 1,933,365</u>	<u>\$ 1,897,495</u>	
Tax Deferred	<u>\$ 948,294</u>		

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 8: PENSIONS

Description of Plans - All required employees of the Township are covered by the Public Employees' Retirement System which has been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - Legislation enacted during the year ended June 30, 1997, (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Township's normal contributions to the Fund may be reduced based on the revaluation of assets.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 8: PENSIONS (Continued)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2013	\$60,020	100%	-0-
2012	\$70,946	100%	-0-
2011	\$62,500	100%	-0-

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2013	\$52,308	100%	-0-
2012	\$71,780	100%	-0-
2011	\$68,299	100%	-0-

Note 9: POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2012 there were 97,661 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 9: POST-RETIREMENT BENEFITS-(Continued)

The state is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality does not provide post-employment benefits other than pension. Healthcare provided to eligible PERS retirees through the NJ State Health Benefits Program are paid by the the State of New Jersey and as such, no municipal OPEB liability exists.

Note 10: LEASES

The Township has not entered into any long-term lease agreements except for equipment which can be capitalized as installment purchases of fixed assets in accordance with Technical Accounting Directive No. 85-2.

Note 11: ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the liability related to unused sick pay.

The Township permits full-time employees to annually accrue unused vacation and sick pay, which can be taken as time off at a later date. Contractual agreements for police are also included.

In accordance with New Jersey principles, the amount is not reported as an expenditure or liability in the financial statements.

Note 12: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Township participated in a number of state assisted grant programs administered at the state level. These programs, exclusive of the single audit concept, can be subject to program compliance audits by the grantors or their representatives. Accordingly, the Township's compliance with certain applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

LITIGATION

The township estimates that any potential settlements arising from potential litigation would not materially affect the financial statements of the township.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 13: OTHER REQUIRED DISCLOSURES

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

- A. Summary disclosures of debt service requirements for all types of outstanding debt. This requirement is met by Note 3.
- B. Summary disclosures of changes in general fixed assets by major asset class. This requirement is met by Note 4.
- C. Summary disclosures of changes in general long-term debt. This requirement is met by Note 3.
- D. Excesses of expenditures over appropriations in individual funds. There were no excess of expenditures over appropriations in any of the individual funds where budgets were required or employed as a management control device.
- E. Deficit fund balances or retained earnings balances of individual funds. There were no deficits in fund balances or retained earnings in any of the individual funds.
- F. Individual fund interfund receivable and payable balances. All interfund receivable and payable balances outstanding at the beginning of the fiscal period were fully liquidated during the fiscal period, with the following exceptions outstanding at December 31, 2013:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund	\$ 14,504	-
Federal/State Grants Fund	-	-
Other Trust Funds	-	\$ 30,436
Payroll Trust Fund	-	7,528
General Capital Fund	29,700	6,240
	<u>\$ 44,204</u>	<u>\$ 44,204</u>

Note 14: RISK FINANCING

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage. There were no significant reductions in insurance coverage from coverage in the prior year.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 15: OTHER POST-RETIREMENT BENEFITS

Plan Description. The West Amwell Township contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. West Amwell Township authorized participation in the SHBP's post-retirement benefit program through resolution.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb43-sept2013.pdf

Funding Policy: Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the West Amwell Township on a monthly basis. 2013 Contributions for retired health benefits were \$11,506.

PART I I
SUPPLEMENTARY INFORMATION

CURRENT FUND SCHEDULES

CURRENT FUND
SCHEDULE OF CASH -TREASURER

A-4

	<u>REF.</u>	<u>Current Fund</u>		<u>Federal and State Grant Fund</u>
Balance December 31, 2012	A	\$ 2,130,385		\$ 63,151
Increased by Receipts:				
Collector	A-5	\$ 11,074,625		
Miscellaneous Revenue Not Anticipated	A-2	66,046		
Due State of New Jersey	A-8	17,918		
Revenue Accounts Receivable	A-10	1,558,982		
Accounts Payable	A-13	1,556		
Amount Due State of New Jersey for Senior Citizens/Veterans Deductions	A-17	31,498		
Interfunds Returned	A	25		
Watershed Offset Aid	A-25	21,620		
State Grant Funds	A-22	-		
		<u>12,772,270</u>	\$ 39,261	<u>39,261</u>
		14,902,655		102,412
Decreased by Disbursements:				
2012 Appropriation Reserves	A-11	35,325		
Reserve for Encumbrances	A-12	3,013,636		
Accounts Payable	A-13	777		
Tax Overpayments	A-15	2,895		
County Taxes	A-18	1,851,786		
Local District School Tax	A-19	3,830,859		
Regional District School Tax	A-20	3,830,071		
Open Space Trust	A-21	282,917		
Interfunds Advanced	A	-	25	
Interfunds Advanced	B	538		
Interfunds Advanced	C	4,547		
Interfunds Advanced	G	9,698		
State Grant Funds	A-23	-	55,218	
State Grants - Unappropriated	A-24	-	<u>38,936</u>	<u>94,179</u>
		<u>12,863,049</u>		
Balance December 31, 2013	A	\$ <u>2,039,606</u>		\$ <u>8,233</u>

CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

Received:

Interest and Costs on Taxes	A-2	\$	62,112	
Taxes Receivable	A-6		10,937,032	
2013 Prepaid Taxes	A-14		72,586	
Tax Overpayments	A-15		<u>2,895</u>	\$ <u>11,074,625</u>

Decreased by Disbursements:

Payments to Treasurer	A-4			\$ <u>11,074,625</u>
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CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF TAX LEVY

A-6

YEAR	BALANCE 12/31/12	2013 LEVY	CASH COLLECTIONS 2012	2013	TRANSFERRED TO TAX TITLE LIENS	CANCELLED	BALANCE 12/31/13
2011	\$ 9,905			\$ 7,240			2,665
2012	276,810			266,071		\$ 274	10,465
	286,715			273,311	-	274	13,130
2013		\$ 11,124,471	\$ 111,931	10,695,219	\$ 9,711	8,640	298,970
TOTALS	\$ 286,715	\$ 11,124,471	\$ 111,931	\$ 10,968,530	\$ 9,711	\$ 8,914	\$ 312,100

REF.	A	REF.	A-14	A-7	A
State of New Jersey --Senior Citizens and Veterans Deductions Received by Collector					
		A-2	\$ 31,498		
		A-5	10,937,032		
			\$ 10,968,530		

ANALYSIS OF PROPERTY TAX LEVY:

Tax Yield:

General Purpose Tax	\$ 10,741,174	
Levy Special District Taxes	280,204	
Added/Omitted Taxes (54:4-63.1 et.seq.)	103,093	\$ 11,124,471

Tax Levy:

Local District School Tax	A-19	\$ 3,866,729	
Regional School Tax	A-20	3,830,071	
Municipal Open Space	A-21	282,917	
County Taxes:			
County Tax (Abstract)		\$ 1,532,702	
County Library Tax (Abstract)		153,258	
County Open Space Tax		152,546	
Due County for Added and Omitted Taxes (54.4-63.1,et.seq.)	A-18	18,023	1,856,529
Local Tax for Municipal	A-2		1,202,562
Add: Additional Tax Levied		85,663	\$ 11,124,471

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

A-7

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 119,994
Increased by:		
Transfers from Taxes Receivable	A-6	<u>9,711</u>
		129,705
Balance December 31, 2013	A	<u>\$ 129,705</u>

CURRENT FUND
DUE FROM STATE OF NEW JERSEY - SHB OVERPAYMENT

A-8

REF.

Balance December 31, 2012

A \$ 17,918

Decreased by:

Refunded

A-4 \$ 17,918

CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

A-9

	<u>REF.</u>	
Balance December 31, 2012	A	<u>\$ 3,150</u>
Balance December 31, 2013	A	<u>\$ 3,150</u>

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CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-10

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>ACCRUED</u> <u>IN 2013</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>	<u>BALANCE</u> <u>12/31/13</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	3,000	\$	3,000
Fees and Permits	A-2		80,822		80,822
Fines and Costs-Municipal Court	A-2	\$ 10,874	143,468	142,540	\$ 11,802
Interest on Investments and Deposits	A-2		5,054		5,054
Consolidated Municipal Property Tax Relief Aid	A-2		366,757		366,757
Energy Receipts Tax	A-2		540,372		540,372
Uniform Construction Code Fees	A-2		90,009		90,009
Interlocal - Animal Control	A-2		22,428		22,428
Open Space Trust Fund	A-2		280,000		280,000
General Capital Fund Balance	A-2		28,000		28,000
Totals		<u>\$ 10,874</u>	<u>\$ 1,559,910</u>	<u>\$ 1,558,982</u>	<u>\$ 11,802</u>
		A		A-2:4	A

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2012

A-11

	<u>BALANCE</u> <u>12/31/12</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
General Administration:				
Other Expenses	\$ 1,533	\$ 1,533	\$ 70	\$ 1,463
Municipal Clerk:				
Other Expenses	6,757	6,814	215	6,599
Tax Collector (Revenue Admin.):				
Other Expenses	611	611	549	62
Audit:				
Other Expenses	1,250	1,250	600	650
Tax Assessment:				
Other Expenses	2,359	11,748	6,064	5,684
Legal Services (Legal Dept.):				
Other Expenses	8,418	8,418	2,610	5,808
Engineering Services:				
Other Expenses	7,162	7,162	1,252	5,910
Historical Sites:				
Other Expenses	300	300	102	198
Planning Board:				
Other Expenses	3,274	4,279	94	4,185
Zoning Board:				
Other Expenses	2,121	2,121	339	1,782
Police Department:				
Other Expenses	11,703	11,703	24	11,679
Streets and Road Maintenance:				
Other Expenses	24,411	44,845	3,354	41,491
Solid Waste:				
Other Expenses	3,974	3,974	1,366	2,608
Buildings and Grounds:				
Other Expenses	6,084	6,084	596	5,488
Vehicle Maintenance:				
Other Expenses	4,360	4,360	300	4,060
Public Health:				
Other Expenses	339	339	334	5
Welfare:				
Other Expenses	180	180	180	-
Recreation:				
Other Expenses	2,803	2,803	2,666	137
Electricity	6,798	6,798	1,251	5,547
Street Lighting	704	704	400	304
Telephone	160	160	160	-
Fuel Oil	284	284	284	-
Gasoline	1,350	1,350	1,350	-
Recycling Surcharge	150	150	60	90
Construction Department:				
Other Expenses	4,500	4,500	105	4,395
LOSAP	11,000	11,000	11,000	-
Other Accounts - No Change	34,376	34,376		34,376
TOTALS	\$ 146,961	\$ 177,846	\$ 35,325	\$ 142,521

REF.	A		A-4	A-1
Appropriation Reserve	A	\$ 146,961		
Encumbrances	A-12	30,885		
		<u>\$ 177,846</u>		

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-12

	<u>REF.</u>		
Balance December 31, 2012	A	\$	30,885
Increased by:			
Transfer from Current Year Appropriations	A-3	\$ 3,045,571	
Additional/Canceled Encumbrance Appropriations		<u>4,483</u>	<u>\$ 3,050,054</u>
			3,080,939
Decreased by:			
Transfer to Appropriation Reserve	A-11	30,885	
Encumbrances Paid	A-4	<u>3,013,636</u>	<u>\$ 3,044,521</u>
Balance December 31, 2013	A	\$	<u><u>36,418</u></u>

CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE

A-13

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 6,877
Increased by:		
Receipts	A-4	<div style="text-align: right;">1,556</div> <hr/> 8,433
Decreased by:		
Payment	A-4	<div style="text-align: right;">777</div> <hr/>
Balance December 31, 2013	A	<div style="text-align: right;">\$ 7,656</div> <hr/>
State of New Jersey Marriage Licenses		\$ 150
State of New Jersey UCC Fees		1,431
Reserve for Special Emergency		6,000
County Health Inspections		<div style="text-align: right;">75</div> <hr/>
		<div style="text-align: right;">\$ 7,656</div> <hr/>

CURRENT FUND
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-14

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 111,931
Increased by:		
2014 Taxes Collected in Advance	A-5	<u>72,586</u>
		184,517
Decreased by:		
Applied to 2013 Taxes Receivable	A-6	<u>111,931</u>
Balance December 31, 2013	A	<u>\$ 72,586</u>

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

A-15

REF.

Increased by:

2013 Tax Overpayments

A-5

\$ 2,895
2,895

Decreased by:

Refunds

A-4

\$ 2,895

CURRENT FUND
SCHEDULE OF RESERVE FOR GARDEN STATE GRANT FUND

A-16

	<u>REF.</u>	
Balance December 31, 2012	A	<u>\$ 36,752</u>
Decreased by:		
Realized As Revenue 2013 Budget	A-2	<u>\$ 36,752</u>

CURRENT FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS

A-17

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 250
Increased by:		
Senior Citizens Deductions per Tax Billings		\$ 3,998
Veterans Deductions per Tax Billings		<u>28,000</u> <u>31,998</u>
		32,248
Decreased by:		
Received In Cash From State	A-4	<u>31,498</u>
Balance December 31, 2013	A	<u>\$ 750</u>

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

A-18

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 13,280
Increased by:		
2013 Levy:		
County Taxes	A-1:6	\$ 1,532,702
County Library Taxes	A-1:6	153,258
County Open Space Tax	A-1:6	152,546
Prior Year Added and Omitted Taxes	A-1:6	<u>18,023</u> <u>\$1,856,529</u>
		1,869,809
Decreased by:		
Payments	A-4	<u>1,851,786</u>
Balance December 31, 2013	A	<u>\$ 18,023</u>

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-19

	<u>REF.</u>		
Balance December 31, 2012:			
School Tax Payable	A	\$ 949,201	
School Tax Deferred		<u>948,294</u>	\$ 1,897,495
Increased by:			
Levy - School Year July 1, 2013 to June 30, 2014	A-6	<u>3,866,729</u>	
			5,764,224
Decreased by:			
Payments	A-4	<u>3,830,859</u>	
Balance December 31, 2013:			
School Tax Payable	A	985,071	
School Tax Deferred		<u>948,294</u>	<u>\$ 1,933,365</u>
 2013 Liability for Local District School Tax:			
Tax Paid			\$ 3,830,859
Tax Payable 12/31/13			<u>1,933,365</u>
			5,764,224
 Less -- Tax Payable 12/31/12			<u>1,897,495</u>
 Amount Charged to 2013 Operations	A-1		<u>\$ 3,866,729</u>

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

A-20

REF.

Balance December 31, 2012:

School Tax Payable
School Tax Deferred

A None

Increased by:

Levy - Calendar Year 2013

A-6 \$3,830,071

Decreased by:

Payments

A-4 \$3,830,071

Balance December 31, 2013:

School Tax Payable
School Tax Deferred

A None

2013 Liability for Local District School Tax:

Tax Paid
Tax Payable 12/31/13

\$3,830,071
None
3,830,071

Less -- Tax Payable 12/31/12

None

Amount Charged to 2013 Operations

A-1 \$3,830,071

CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

A-21

REF.

Increased by:

Levy 2013

A-6 \$ 280,204

Added Levy 2013

A-6 2,713 \$ 282,917

282,917

Decreased by:

Transfer to Trust Fund

A-4 \$ 282,917

CURRENT FUND
SCHEDULE OF STATE GRANTS RECEIVABLE

A-22

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>CANCELLED</u>	<u>BALANCE</u> <u>12/31/13</u>
Clean Communities Grant CY 2013		\$ 11,277	\$ 11,277		
Alcohol Rehabilitation		528	528		
Recycling Tonnage Grant		3,335	3,335		
NJ Body Armor Grant		1,299	1,299		
NJDEP - Alexauken Creek Watershed Plan		541,300	22,822		\$ 518,478
Police Drive Sober	\$ 4,400			\$ 4,400	-
Community Forestry Grant	3,315				3,315
US Bulletproof Vests	3,336				3,336
Sustainable New Jersey	5,000				5,000
NJDEP - Alexauken Creek Plan I	<u>4,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,012</u>
	<u>\$ 20,063</u>	<u>\$ 557,739</u>	<u>\$ 39,261</u>	<u>\$ 4,400</u>	<u>\$ 534,141</u>
	A	A-2	A-4	A-23	A

CURRENT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS

A-23

	BALANCE <u>12/31/12</u>	TRANSFER FROM 2013 BUDGET <u>APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>CANCELED</u>	BALANCE <u>12/31/13</u>
Clean Communities Grant CY 2013		\$ 11,277	\$ 11,277		
Alcohol Rehabilitation		528			\$ 528
Recycling Tonnage Grant	\$ 4,562	3,335	7,897		-
NJ Body Armor Grant	1,635	1,299	1,430		1,504
NJDEP - Alexauken Creek Watershed Plan		541,300	22,822		518,478
Police Drive Sober	4,400			\$ 4,400	
Community Forestry Grant	5,100				5,100
US Bulletproof Vests	2,432		1,552		880
Sustainable New Jersey	10,000		10,000		-
NJDEP - Alexauken Creek Plan I	9,421				9,421
Drunk Driving Enforcement Grant	4,080		240		3,840
Hazards Emergency Program	2,406				2,406
Muni Stormwater Reg. Grant	217				217
Totals	<u>\$ 44,253</u>	<u>\$ 557,739</u>	<u>\$ 55,218</u>	<u>\$ 4,400</u>	<u>\$ 542,374</u>
REF.	A	A-3	A-4	A-22	A

CURRENT FUND
SCHEDULE OF STATE GRANTS - UNAPPROPRIATED

A-24

	<u>BALANCE</u> <u>12/31/12</u>	<u>TRANSFER</u> <u>TO CAPITAL</u>
Rocktown Hill DRJTBC	<u>\$ 38,936</u>	<u>\$ 38,936</u>
Totals	<u>\$ 38,936</u>	<u>\$ 38,936</u>
REF.	A	A-4

CURRENT FUND
SCHEDULE OF RESERVE FOR WATERSHED MORITURIUM OFFSET

A-25

	<u>REF.</u>	
Balance December 31, 2012	A	\$ 21,620
Increased by:		
State Aid Receipt	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="border-top: 1px solid black; width: 50px; text-align: right;">21,620</div> <div style="width: 50px; text-align: right;">43,240</div> </div>
Decreased by:		
Realized as Revenue in 2013 Budget	A-2	<div style="display: flex; justify-content: flex-end;"> <div style="border-top: 1px solid black; width: 50px; text-align: right;">21,620</div> <div style="width: 50px;"></div> </div>
Balance December 31, 2013	A	<div style="display: flex; justify-content: flex-end;"> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 50px; text-align: right;">21,620</div> <div style="width: 50px;"></div> </div>

CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
SPECIAL EMERGENCY AUTHORIZATIONS

A-26

<u>PURPOSE</u>	<u>DESCRIPTION</u>	<u>DATE</u> <u>AUTHORIZED</u>	<u>NET</u> <u>AMOUNT</u> <u>AUTHORIZED</u>	<u>BALANCE</u> <u>12/31/12</u>	<u>APPROPRIATED</u> <u>2013</u> <u>BUDGET</u>	<u>BALANCE</u> <u>12/31/13</u>
Special Emergency (40A:4-55)	Reassessment	6/22/11	24,000	\$ 19,200	\$ 4,800	\$ 14,400
Special Emergency (40A:4-55)	Severence Liabilites-Contractual	10/26/11	29,992	23,992	6,000	17,992
Special Emergency (40A:4-55)	Hurricane Irene - 2011	10/26/11	60,000	48,000	12,000	36,000
Totals				<u>\$ 91,192</u>	<u>\$ 22,800</u>	<u>\$ 68,392</u>
REF.				A	A-3	A

TRUST FUND SCHEDULES

TRUST FUND
SCHEDULE OF CASH - TREASURER

B-2

	<u>REF.</u>	<u>DOG LICENSES</u>	<u>OTHER TRUST</u>	<u>OPEN SPACE</u>
Balance December 31, 2012	B	\$ 3,639	\$ 447,834	\$ 2,480,410
Increased by Receipts:				
Dog License Fees	B-3	8,589		
State Dog License Fees	B-4	954		
Amount Due Current Fund	B-5:6	34	541	
Escrow Trust Deposits	B-7		72,319	
POAA Deposits	B-9		4	
Historical Preservation Deposits	B-10		2,413	
Housing Trust Deposits	B-11		20,189	
COAH Escrow Deposits	B-13		171,571	
CDBG Rehabilitation Deposits	B-14		233,388	
Off Duty Police Deposits	B-16		1,930	
Celebration of Public Events Deposits	B-17		6,238	
Public Defender Deposits	B-19		922	
Tax Sale Premiums	B-20		154,700	
SUI Deposits	B-21		79	
Municipal Alliance Deposits	B-22		30,360	
Municipal Open Space Trust Deposits	B-23	-	-	336,770
Total Receipts		<u>9,577</u>	<u>694,654</u>	<u>336,770</u>
		<u>13,216</u>	<u>1,142,488</u>	<u>2,817,180</u>
Decreased by Disbursements:				
Expenditures Under R. S. 4:19-15.11	B-3	3,261		
State Dog License Fees	B-4	1,029		
Due Current Fund	B-5:6	37		
Escrow Trust Deposits Refunded	B-7		101,394	
Technology Deposits Refunded	B-8		231	
Historical Preservation	B-10		2,390	
Housing Trust	B-11		162,855	
Affordable Housing	B-12		144,148	
COAH Escrow	B-13		99,945	
CDBG Rehabilitation	B-14		126,113	
Accumulated Leave	B-15		6,708	
Off Duty Police	B-16		2,473	
Celebration of Public Events	B-17		6,281	
Municipal Alliance	B-22		27,604	
Municipal Open Space Trust Disbursements	B-23			290,833
Municipal Open Space Trust Disbursements	B-24	-	-	1,500,000
Total Disbursements		<u>4,327</u>	<u>680,142</u>	<u>1,790,833</u>
Balance December 31, 2013	B	<u>8,889</u>	<u>\$ 462,346</u>	<u>\$ 1,026,347</u>

TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 3,561
Increased by:		
Dog License Fees Collected	B-2	<u>8,589</u>
		12,150
Decreased by:		
Expenditures Under R.S. 4:29-15.11	B-2	<u>3,261</u>
Balance December 31, 2012	B	<u>\$ 8,889</u>

TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF
NEW JERSEY DEPARTMENT OF HEALTH

B-4

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 75
Increased by:		
Collected in 2013:		
State Board of Health Fees	B-2	<u>954</u>
		1,029
Decreased By:		
Payments	B-2	<u>\$1,029</u>

DOG LICENSE FUND
SCHEDULE OF DUE TO CURRENT FUND

B-5

REF.

Balance December 31, 2012

B \$ 3

Increased by:

Interest Earned

B-2 34
 37

Decreased by:

Interfund Returned

B-2 \$ 37

TRUST FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND

B-6

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 195
Increased by:		
Interest Earned - Escrow Account	B-12	<u>541</u>
		736
Balance December 31, 2013	B	<u>\$ 736</u>

TRUST FUND
SCHEDULE OF RESERVE FOR ESCROW TRUST FUND DEPOSITS

B-7

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 67,284
Increased by:		
Escrow Deposits	B-2	<u>72,319</u>
		139,603
Decreased by:		
Escrow Deposits Refunded	B-2	<u>101,394</u>
Balance December 31, 2013	B	<u>\$ 38,209</u>

TRUST FUND
SCHEDULE OF RESERVE FOR TECHNOLOGY TRUST

B-8

REF.

Balance December 31, 2012

B \$ 231

Decreased by:

Deposits Refunded

B-2 \$ 231

TRUST FUND
SCHEDULE OF RESERVE FOR POAA DEPOSITS
TRUST DEPOSITS

B-19

REF.

Balance December 31, 2012	B	\$	22
Increased by:			
Deposits - Interest	B-2		<u>4</u>
			26
Balance December 31, 2013	B	\$	<u>26</u>

TRUST FUND
SCHEDULE OF RESERVE FOR HISTORICAL PRESERVATION
TRUST DEPOSITS

B-10

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 2,390
Increased by:		
Deposits	B-2	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 50px; margin-right: 10px;"></div> 2,413 </div>
		4,803
Decreased by:		
Disbursements	B-2	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 50px; margin-right: 10px;"></div> 2,390 </div>
Balance December 31, 2013	B	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 3px double black; width: 50px; margin-right: 10px;"></div> \$ 2,413 </div>

TRUST FUND
SCHEDULE OF RESERVE FOR HOUSING TRUST
TRUST DEPOSITS

B-11

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 182,946
Increased by:		
Deposits	B-6	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 50px; margin-right: 10px;">20,189</div> 203,135 </div>
Decreased by:		
Disbursements	B-6	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 50px; margin-right: 10px;">162,855</div> </div>
Balance December 31, 2013	B	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 3px double black; width: 50px; margin-right: 10px;">\$ 40,280</div> </div>

TRUST FUND
SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING
TRUST DEPOSITS

B-12

REF.

Balance December 31, 2012

B \$ 144,148

Decreased by:

Deposits Refunded

B-2 \$ 144,148

TRUST FUND
SCHEDULE OF RESERVE FOR COAH ESCROW
TRUST DEPOSITS

B-13

REF.

Increased by:

Deposits

B-2 \$ 171,571
 171,571

Decreased by:

Disbursements

B-2 99,945

Balance December 31, 2013

B \$ 71,626

TRUST FUND
SCHEDULE OF RESERVE FOR CDBG REHABILITATION

B-14

REF.

Increased by:

Deposits

B-2 \$ 233,388
 233,388

Decreased by:

Disbursements

B-2 126,113

Balance December 31, 2013

B \$ 107,275

TRUST FUND
SCHEDULE OF RESERVE FOR ACCUMULATED LEAVE

B-15

	<u>REF.</u>	
Balance December 31, 2012	B	<u>\$ 6,708</u>
Decreased by:		
Disbursements	B-2	<u>\$ 6,708</u>

TRUST FUND
SCHEDULE OF RESERVE FOR OFF DUTY POLICE

B-16

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 543
Increased by:		
Deposits	B-2	<u>1,930</u>
		2,473
Decreased by:		
Disbursements	B-2	<u>\$ 2,473</u>

TRUST FUND
SCHEDULE OF RESERVE FOR CELEBRATION OF PUBLIC EVENTS

B-17

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 3,778
Increased by:		
Deposits	B-2	<u>6,238</u>
		10,016
Decreased by:		
Disbursements	B-2	<u>6,281</u>
Balance December 31, 2013	B	<u>\$ 3,735</u>

TRUST FUND
SCHEDULE OF RESERVE FOR FIRE PENALTIES
TRUST DEPOSITS

B-18

	<u>REF.</u>	
Balance December 31, 2012	B	<u>\$ 2,000</u>
Balance December 31, 2013	B	<u><u>\$ 2,000</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

B-19

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 50
Increased by:		
Deposits	B-2	<u>922</u>
		972
Balance December 31, 2013	B	<u>\$ 972</u>

TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

B-20

REF.

Increased by:

Deposits

B-2

\$ 154,700

154,700

Balance December 31, 2013

B

\$ 154,700

TRUST FUND
SCHEDULE OF RESERVE FOR SUI

B-21

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 22,508
Increased by:		
Deposits	B-2	<u>79</u>
		22,587
Balance December 31, 2013	B	<u>\$ 22,587</u>

TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE

B-22

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 15,031
Increased by:		
Deposits	B-2	<u>30,360</u> 45,391
Decreased by:		
Disbursements	B-2	<u>27,604</u>
Balance December 31, 2013	B	<u>\$ 17,787</u>

TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TRUST

B-23

	<u>REF.</u>	
Balance December 31, 2012	B	\$ 2,480,410
Increased by:		
Municipal Open Space Tax Levy	B-2	\$ 282,917
State/County Reimbursements	B-2	49,509
Interest Earned	B-2	<u>4,344</u>
		<u>336,770</u>
		2,817,180
Decreased by:		
Funding for Improvement Authorizations - Bond Refunding	B-24	1,529,700
Open Space Trust Reserve Anticipated as Current Fund Budgeted Revenue	B-2	280,000
Municipal Open Space Disbursements	B-2	<u>10,833</u>
		<u>1,820,533</u>
Balance December 31, 2013	B	<u>\$ 996,647</u>

OPEN SPACE TRUST FUND
SCHEDULE OF AMOUNT DUE GENERAL CAPITAL FUND

B-24

REF.

Increased by:

Funding for Improvement Authorizations - Bond Refunding	B-23	\$ 1,529,700
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Decreased by:

Paid to General Capital	B-2	<u>1,500,000</u>
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Balance December 31, 2013	C	<u>\$ 29,700</u>
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GENERAL CAPITAL FUND SCHEDULES

GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

C-2

	<u>REF.</u>		
Balance December 31, 2012	C	\$	462,315
Increased by:			
Mortgage Payments Received - Principal	C-11	3,862	
Mortgage Payments Received - Interest	C-5	2,138	
New BAN Proceeds	C-8	164,011	
Bond Proceeds	C-10	850,000	
State of New Jersey	C-14	140,300	
Open Space Trust Fund	C-13	1,500,000	
Interest Due Current Fund	C-5	<u>2,409</u>	<u>2,662,720</u>
			3,125,035
Decreased by:			
Serial Bonds Refunded	C-10	2,309,000	
Capital Fund Balance Anticipated as Current Fund Revenue	C-1	28,000	
Improvement Authorizations Paid	C-7	<u>252,478</u>	<u>2,589,478</u>
Balance December 31, 2013	C	\$	<u>535,557</u>

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

C-3

	<u>REF.</u>	
Balance December 31, 2012	C	\$ 5,138,928
Increased by:		
2013 Authorizations	C-7	<u>850,000</u> 5,988,928
Decreased by:		
General Serial Bonds Paid by Current Fund Budget Appropriation	C-10	\$ 140,000
General Serial Bonds Refunded by Open Space Trust Fund Appropriation	C-10	2,499,000
NJ Economic Dev. Loan Paid by Current Fund Budget Appropriation	C-9	<u>26,385</u> <u>2,665,385</u>
Balance December 31, 2013	C	<u>\$ 3,323,543</u>

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

C-4

ORD NO	IMPROVEMENT DESCRIPTION	BALANCE 12/31/12	DECREASED PAID BY MORTGAGE	DECREASED PAID BY GRANT TRANSFER	DECREASED PAID BY BUDGET	BALANCE 12/31/13	ANALYSIS OF BALANCE		
							BONDS/NOTES AUTHORIZED NOT ISSUED	BOND ANTICIPATION NOTES	EXCESS PROCEEDS
06-06	Acquisition of Fire Vehicles	\$ 353,517			\$ 92,340	\$ 261,177	-	\$ 276,760	\$ 15,583
14-09	Acquisition of Property	170,451	\$ 3,862		32,735	133,854	-	163,665	29,811
20-09	Acquisition of Real Property to Meet the Township's COAH Obligation	300,000				300,000	\$ 300,000		
04-10	Reconstruction of Rocktown Road	75,586		\$ 38,936		36,650	-	36,650	
10-11	Various Capital Improvements	<u>775,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>775,770</u>	<u>517,045</u>	<u>258,725</u>	<u>-</u>
		<u>\$ 1,675,324</u>	<u>\$ 3,862</u>	<u>\$ 38,936</u>	<u>\$ 125,075</u>	<u>\$ 1,507,451</u>	<u>\$ 817,045</u>	<u>\$ 735,800</u>	<u>\$ 45,394</u>
REF.	C		C-12	C-8:A-24	C-8	C	C	C-8	

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-5

	<u>REF.</u>		
Balance December 31, 2012	C	\$	1,693
Increased by:			
Mortgage Payments Received - Interest	C-2	\$ 2,138	
Interest Credits	C-2	<u>2,409</u>	<u>4,547</u>
			6,240
Balance December 31, 2013	C	<u>\$</u>	<u>6,240</u>

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>REF.</u>	
Balance December 31, 2012	C	\$ 160,213
Increased by:		
Improvement Authorizations Cancelled	C-7	<u>23,377</u>
		183,590
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-7	<u>123,200</u>
Balance December 31, 2013	C	<u>\$ 60,390</u>

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-7

IMPROVEMENT DESCRIPTION	NUMBER	ORDINANCE		BALANCE		DEFERRED CHARGE	2013	STATE OF NEW	CAPITAL	OPEN SPACE	CANCELLED	PAID OR	BALANCE	
		DATE	AMOUNT	12/31/12	12/31/13								FUNDED	UNFUNDED
Funding Accessory Loan Program - Rehabilitate Existing Rental Dwellings	96-12	12/4/96	\$ 140,000	\$ 20,000									\$ 20,000	
Acquisition of Real Property to Meet the Township's COAH Obligation	20-09	8/12/09	\$ 315,000		\$ 313,925									\$ 313,925
Acquisition if a Conservation Easement - B/L 14/15	21-09	8/12/09	\$ 725,000	171,572									171,572	
Reconstruction of a Portion of Rocktown Hill Road	04-10	4/7/10	\$ 305,000		27,690							\$ 800		26,890
Township's Share of Agricultural Development Rights Easement - B/L 14/33.95	09-10	7/7/10	\$ 30,000	5,602									5,602	
Purchase of Office Equipment	15-10	12/29/10	\$ 15,000	3,617								3,617	-	
Various Capital Improvements	10-11	6/22/11	\$ 816,600		533,556							4,350		529,206
Various Improvements	10-12	5/23/12	\$ 100,000	49,841							\$ 23,377	16,827	9,637	
Various Police, OEM, Fire, Buildings and Grounds Equipment and George Washington Road Mill and Grade	7-13	7/24/13	\$ 123,200					\$ 123,200				28,330	94,870	
Acquistion of Real Property (Wooden) B/L 29/16	13-13	9/9/13	\$ 170,000				\$ 140,300		\$ 29,700			170,000		
Bond Refunding and NJSA 40A:2-51(b) Costs (Soft Costs)	22-12	12/27/12	Up to \$2,500,000			\$ 850,000				1,500,000		\$ 2,330,396	19,604	

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

C-8

<u>PURPOSE</u>	<u>ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/12</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE 12/31/13</u>
Acquisition of Fire Vehicles - 06-06	7/19/07	6/28/13	6/27/14	0.850%	\$ 369,100		\$ 92,340	\$ 276,760
Acquisition of Property - 14-09	7/2/09	6/28/13	6/27/14	0.850%	196,400		32,735	163,665
Reconstruction of Rocktown Road - 04-10	6/30/11	6/28/13	6/27/14	0.850%	75,586		38,936	36,650
Various Improvements - 10-12	6/28/12	6/28/13	6/27/14	0.850%	94,714	\$ 164,011		258,725
					\$ 735,800	\$ 164,011	\$ 164,011	\$ 735,800
REF.					C	C-2	C-3	C

GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY GREEN TRUST LOAN PROGRAM

C-9

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE 12/31/12</u>	<u>DECREASED</u>	<u>BALANCE 12/31/13</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Sourland/Open Space Acquisition Project	6/25/01	\$500,000	3/25/14	\$13,390.36	2%	\$ 241,928	\$ 26,385	\$ 215,543
			9/25/14	13,524.27				
			3/25/15	13,659.51				
			9/25/15	13,796.11				
			3/25/16	13,934.07				
			9/25/16	14,073.40				
			3/25/17	14,214.15				
			9/25/17	14,356.28				
			3/25/18	14,499.85				
			9/25/18	14,644.84				
			3/25/19	14,791.29				
			9/25/19	14,939.21				
			3/25/20	15,088.60				
			9/25/20	15,239.48				
			3/25/21	15,391.88				

<u>\$ 241,928</u>	<u>\$ 26,385</u>	<u>\$ 215,543</u>
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REF.

C

C-3

C

GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

C-10

<u>PURPOSE</u>	<u>DATE ORIGINAL ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY OF OUTSTANDING BONDS DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/12</u>	<u>INCREASED</u>	<u>REFUNDED DECREASED</u>	<u>BUDGET DECREASED</u>	<u>BALANCE 12/31/13</u>
General Improvements of 2003	2/15/03	\$ 4,009,000	2/15/13	\$ 190,000	3.625%	\$ 2,499,000		\$ 2,309,000	\$ 190,000	-
General Improvement Bonds Series 2006	5/1/06	\$ 3,118,000	5/1/14	140,000	4.375%	2,398,000			140,000	\$ 2,258,000
			5/1/15	150,000	4.375%					
			5/1/16	150,000	4.375%					
			5/1/17	160,000	4.375%					
			5/1/18	160,000	4.375%					
			5/1/19	170,000	4.375%					
			5/1/20	170,000	4.375%					
			5/1/21	180,000	4.375%					
			5/1/22	180,000	4.375%					
			5/1/23	190,000	4.375%					
			5/1/24	190,000	4.375%					
			5/1/25	210,000	4.375%					
			5/1/26	208,000	4.375%					
General Obligation Bonds Series 2013	2/28/13	\$ 850,000	2/15/14	215,000	1.335%		\$ 850,000			850,000
			2/15/15	210,000	1.335%					
			2/15/16	215,000	1.335%					
			2/15/17	210,000	1.335%					

\$ 4,897,000	\$ 850,000	\$ 2,309,000	\$ 330,000	\$ 3,108,000
C	C-2	C-3:7	C-5	C

Funding Sources:

Refunding Bonds Issued	\$ 850,000
Open Space Trust Fund Contribution	1,500,000
Total Cash Funding	<u>\$ 2,350,000</u>

GENERAL CAPITAL FUND
SCHEDULE OF MORTGAGE ACCOUNTS RECEIVABLE

C-11

Balance December 31, 2012	<u>REF.</u> C	\$ 73,112
Decreased by:		
Mortgage Receipt	C-2	<u>3,862</u>
Balance December 31, 2013	C	<u>\$ 69,250</u>

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR MORTGAGE ACCOUNTS RECEIVABLE

C-12

Balance December 31, 2012	<u>REF.</u> C	\$ 73,112
Decreased by:		
Mortgage Receipt	C-4	<u>3,862</u>
Balance December 31, 2013	C	<u>\$ 69,250</u>

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE OPEN SPACE TRUST

C-13

REF.

Increased by:

Funding for Improvement Authorizations

C-7

\$1,529,700

Decreased by:

Receipts from Open Space Trust Fund

C-2

1,500,000

Balance December 31, 2013

C

\$ 29,700

GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE FROM STATE OF NEW JERSEY

C-14

REF.

Increased by:

Funding for Improvement Authorizations-Green Acres Trust	C-7	\$ 140,300
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Decreased by:

Receipts from State of New Jersey	C-2	\$ 140,300
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GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR PRELIMINARY EXPENSES - OPEN SPACE PRESERVATION

C-15

Balance December 31, 2012	<u>REF.</u> C	\$ 35,285
Decreased by:		
Refunded to Improvement Authorization Ordinance	C-7	<u>7,158</u>
Balance December 31, 2013	C	<u><u>\$ 28,127</u></u>

PUBLIC ASSISTANCE FUND SCHEDULES

PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

E-1

	<u>REF.</u>	<u>P.A.T.F.</u> <u>#1</u>	<u>P.A.T.F.</u> <u>#2</u>	<u>FUND</u> <u>TOTAL</u>
Balance December 31, 2012	E	<u>\$ 1,049</u>	<u>\$ 2,877</u>	<u>\$ 3,926</u>
Increased by Receipts:				
Interest		4	18	22
State Aid		-	13,000	13,000
Total Receipts		<u>4</u>	<u>13,018</u>	<u>13,022</u>
		<u>1,053</u>	<u>15,895</u>	<u>16,948</u>
Decreased by Disbursements:				
Public Assistance - 2013		-	4,741	4,741
		-	<u>4,741</u>	<u>4,741</u>
Balance December 31, 2013	E	<u>\$ 1,053</u>	<u>\$11,154</u>	<u>\$ 12,207</u>

SCHEDULE OF GENERAL FIXED ASSETS

GENERAL FIXED ASSETS
DECEMBER 31, 2013
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS

F-1

	<u>BALANCE</u> <u>12/31/12</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/13</u>
General Fixed Assets:				
Land	\$ 2,052,406	\$ 170,000		\$ 2,222,406
Buildings	1,696,957			1,696,957
Machinery and Equipment	<u>2,305,469</u>	<u>53,124</u>	<u>-</u>	<u>2,358,593</u>
 Total General Fixed Assets	 <u>\$ 6,054,832</u>	 <u>223,124</u>	 <u>-</u>	 <u>\$ 6,277,956</u>
 Investment In General Fixed Assets	 <u>\$ 6,054,832</u>	 <u>223,124</u>	 <u>-</u>	 <u>\$ 6,277,956</u>

PART III
SUPPLEMENTARY INFORMATION

General Comments

**Report on Internal Control over Financial Reporting
and Compliance and Other Matters based on an
Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Schedule of Federal/State Awards

Status of Prior Audit Findings

Schedule of Findings and Responses

GENERAL COMMENTS

Scope of Audit

The audit of the financial statements of the Township of West Amwell, County of Hunterdon, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, the activities of the Township and various outside departments.

Contracts and Agreements Requiring Advertisement for Bids

Effective April 17, 2000, N.J.S.A.40A:11-1 et.seq (Local Public Contracts Law) was revised by P.L.1999,c.440 (originally known as Assembly Bill No. 3519). Rules and regulations pertaining to the amended law are to be promulgated by the Division of Local Government Services.

N.J.S.A. 40A:11-3 is amended to read as follows:

- a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in the contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the governing body without public advertising for bids and bidding therefore, except that the governing body may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L.1971,c.198(C.40A:11-9) the governing body may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (i) of paragraph (a) of subsection (1) of Section 5 of P.L.1971, C.198(C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. Commencing in the fifth year after the year in which P.L.1999,c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.40A:11-3(c), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all municipal units of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A.40A:11-4 (as amended) states, "Every contract or agreement for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

Effective July 1, 2011, the bid threshold in accordance with N.J.S.A.40A:11-3(c) (as amended) is increased to \$36,000 for Qualified Purchasing Agents (QPA), and \$17,500 for units without QPA's.

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

The Minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.40A:11-5.

The system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not determine whether any clear-cut violations existed.

My examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory thresholds "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 1, 2013, adopted the following resolution authorizing interest to be charged on delinquent taxes:

Resolved, that commencing with the installment payments due on February 1, 2013, for real and/or personal property taxes and thereafter during each and every succeeding quarterly period, interest shall be charged at the rate of eight (8) per cent per annum on the first \$1,500 and eighteen (18) per cent per annum any amount in excess of \$1,500 upon all unpaid installments when the same became delinquent, provided, however, that no interest shall be charged if payment of any installment is made within ten (10) days after the date upon which the same became payable.

Under provisions of C.75, P.L. 1991 (amending N.J.S. 54:4-67), enacted March 28, 1991, the definition of tax delinquency was defined as the sum of all taxes and municipal charges due on a given parcel or property covering any number of quarters or years. In addition, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six (6%) per cent of the amount of the delinquency.

The governing body, on January 1, 2013, adopted a resolution enabling the \$10,000 delinquency penalty provisions.

The audit of the Collector's records on a test basis indicated no differences between the amount of interest payable on delinquent tax payments, based on our calculations, and the amount of interest charged.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2013, include only real property items on the 2011, 2012, and 2013 tax levies.

The last tax sale was held October 1, 2013 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates from tax sales were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2013	16
2012	14
2011	14

Verification of Delinquent Taxes and Other Charges

Verification notices were mailed to confirm balances as of December 31, 2013. The items that were returned were compared to and are in agreement with the Township's records. For items not returned, alternative procedures were performed.

A test verification of delinquent charges and current payments was made in accordance with verification procedures approved by the Division of Local Government Services. A summary of such verification is as follows:

Type of Receivable - Real Property Tax Date of Circulars - December 31, 2013				
<u>Verification Type</u>	<u>Request Form</u>	<u>Total No. of Items</u>	<u>Total No. of Circular</u>	<u>Total No. Returned</u>
2013 Property Tax	Positive	3,150	60	15
2014 Property Tax	Positive	3,150	60	15
2013 Delinquent Tax	Negative	348	25	4

Technical Accounting Directives

During the calendar year 1984, the Division of Local Government Services initiated as part of the Single Audit Law, a planned revision of the Requirements of Audit to provide new accounting requirements mandated for most local government units. The revision to the Requirements of Audit and Accounting would be in order to improve fiscal accountability for all local governments, satisfy federal-state audit requirements and enhance the credibility for New Jersey municipal accounting practices with federal-state funding sources and bond rating agencies. The new requirements for most local units started January 1, 1986, unless exemption, based upon amount of federal aid received and population size, was formally secured. The Division in 1988 notified those exempted municipal units of a transition requirement for fully implementation of all accounting directives beginning in the 1989 fiscal periods. The identity and compliance status of the Township of West Amwell to these new directives are as follows:

<u>Requirement</u>	FY 2013 Required	
	<u>Implementation</u>	
	<u>Yes</u>	<u>No</u>
A. General Ledger Accounting System	X	
B. Encumbrance Accounting	X	
C. Purchase Order System	X	
D. Fixed Asset Accounting and Reporting System	X	

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

REVENUE AND OTHER INCOME REALIZED

	<u>YEAR 2013</u>	<u>%</u>	<u>YEAR 2012</u>	<u>%</u>
Fund Balance Utilized	\$ 361,000	2.60%	\$ 96,000	0.72%
Miscellaneous - From Other Than				
Local Property Tax Levies	2,461,589	17.71%	2,233,735	16.84%
Collection of Delinquent Taxes and				
Tax Title Liens	273,311	1.97%	184,714	1.39%
Collection of Current Tax Levy	<u>10,807,149</u>	<u>77.73%</u>	<u>10,749,401</u>	<u>81.04%</u>
Total Income	<u>13,903,049</u>	<u>100.00%</u>	<u>13,263,850</u>	<u>100.00%</u>

EXPENDITURES

Budget Expenditures:				
Municipal Purposes	3,731,591	27.47%	3,080,137	23.89%
County Taxes	1,856,529	13.67%	1,940,118	15.05%
Local and Regional Taxes	7,696,800	56.66%	7,572,406	58.72%
Municipal Open Space Tax	282,917	2.08%	280,282	2.17%
Other Expenditures	<u>16,469</u>	<u>0.12%</u>	<u>22,244</u>	<u>0.17%</u>
Total Expenditures	<u>\$ 13,584,306</u>	<u>100.00%</u>	<u>\$ 12,895,187</u>	<u>100.00%</u>
Excess in Revenue	318,743		368,663	
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years	<u>-</u>		<u>142</u>	
Statutory Excess To Fund Balance	318,743		368,805	
Fund Balance January 1	875,911		603,106	
Less:				
Utilization as Anticipated Revenue	<u>361,000</u>		<u>96,000</u>	
Fund Balance December 31	<u>\$ 833,654</u>		<u>\$ 875,911</u>	

Comparative Schedule of Tax Rate Information

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Tax Rate</u>	<u>\$2.360</u>	<u>\$2.367</u>	<u>\$1.996</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.257	\$0.259	\$0.223
County	\$0.395	\$0.417	\$0.357
Local School	\$0.828	\$0.818	\$0.691
Regional School	\$0.821	\$0.814	\$0.666
Municipal Open Space Tax	\$0.059	\$0.059	\$0.059

Assessed Valuation:

<u>Year</u>	<u>Amount</u>
2013	\$467,007,527
2012	\$464,005,680
2011	\$538,191,781

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$11,124,471	\$10,807,150	97.14%
2012	\$11,071,476	\$10,749,401	97.09%
2011	\$10,774,871	\$10,525,807	97.68%

Delinquent Taxes and Tax Title Liens

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

<u>Dec.31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$129,705	\$312,100	\$441,805	3.97%
2012	\$119,994	\$286,715	\$406,709	3.67%
2011	\$110,560	\$204,164	\$314,724	2.92%

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2013	\$3,150
2012	\$3,150
2011	\$3,150

Comparative Schedule of Fund Balances

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	
		<u>Regular</u>	<u>Defer School Tax</u>
2013	\$ 833,654	\$ 350,000	NONE
2012	\$ 875,911	\$ 361,000	NONE
2011	\$ 603,106	\$ 96,000	NONE
2010	\$ 306,013	\$ 85,000	NONE
2009	\$ 298,646	\$ 150,000	NONE

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Zachary T. Rich	Mayor		
George A. Fisher	Deputy Mayor		
John Dale	Committeeperson		
Lora L. Olsen	Clerk; Registrar of Vital Statistics; Assessment Search Officer; Board of Health Secretary; Clean Comm. Coordinator; Affirmative Action Officer; Certifying Officer for Health Benefits		
Sandy Haberle	Deputy Clerk; Deputy Registrar of Vital Statistics; Assessment Purchasing Agent; Deputy Board of Health Secretary; Assistant Treasurer; Payroll Clerk; Dog Registrar		
Mary Hyland	Tax Collector; Tax Search Officer	\$1,000,000	PAIC Joint Insurance Fund

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Tomas J. Carro	Certified Municipal Finance Officer; Treasurer	\$1,000,000	PAIC Joint Insurance Fund
David Gill	Assessor		
Phillip Faherty III	Attorney		
Raymond Barson	Magistrate	\$1,000,000	PAIC Joint Insurance Fund
Lolly Hoagland	Court Administrator	\$1,000,000	PAIC Joint Insurance Fund
Christopher Rose	Construction Code Official; Plumbing Sub-Code Official		
Phillip Langon	Fire Sub-Code Official and Inspector		
Michael Janoski	Electric Sub-Code Official and Inspector		
Jason Fretz	Fire Official		
Lonnie Baldino	Zoning Officer		
Nate Barson	Animal Control Officer		

The minimum bond coverage for the Tax Collector based on prior year tax levies is as follows:

<u>Year</u>	<u>Amount</u>
2013	\$107,179

Blanket bond coverage was provided for other officials handling monies in the amount of \$50,000 by the Public Alliance Insurance Fund.

All the bonds were examined and were properly executed.



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Anthony F. Ardito, PA, RMA, PSA

**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 Honorable Mayor and
Members of the Township Committee
Township of West Amwell
150 Rocktown Lambertville Road
County of Hunterdon, New Jersey
Lambertville, NJ 08530

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of West Amwell in the County of Hunterdon, State of New Jersey, as of and for the fiscal year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township of West Amwell's basic financial statements, and have issued our report thereon dated May 12, 2014, which indicated that the financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

-Continued-

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

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

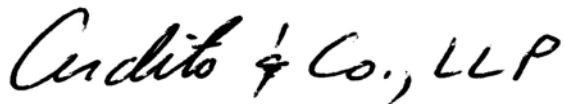
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ARDITO & CO., LLP



Frenchtown, New Jersey
May 12, 2014



Certified Public Accountant
Registered Municipal Accountant No.524
ARDITO & CO., LLP
Frenchtown, New Jersey
May 12, 2014

SCHEDULE OF FEDERAL/STATE AWARDS

SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

K-3

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>CFDA</u>	<u>STATE ACCOUNT NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>GRANT PERIOD</u>	<u>FUND REF.</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/13</u>	<u>RECEIPTS PROGRAM</u>	<u>OTHER RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/13</u>	<u>TOTAL DISBURSEMENTS</u>
US Department of Homeland Security Disaster Grants - Public Assist (Presidentially Declared)-Hurricane	97.036	N/A	\$ 15,131	2012-2013	A		\$ 15,131		\$ 15,131	- \$	15,131
						- \$	15,131	- \$	15,131	- \$	15,131

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

Note: This Schedule was not subject to an audit in accordance with OMB Circular A-133.

SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

K-4

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>GRANT PERIOD</u>	<u>FUND REF.</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/13</u>	<u>RECEIPTS PROGRAM</u>	<u>OTHER</u>	<u>DISBURSEMENTS</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/13</u>	<u>TOTAL DISBURSEMENTS</u>
<u>DEPT. OF ENVIR. PROTECTION</u>										
Solid Waste Admin.-Clean Communities Program	042490076500410	\$ 11,277	2013	A		\$ 11,277		\$ 11,277	-	\$ 11,277
<u>DEPT. OF PUBLIC SAFETY</u>										
Drunk Driving Enforcement Fund	4250-760-050000-63	Various	Various	A	4,080			240	\$ 3,840	
<u>DEPT. OF TRANSPORTATION</u>										
NJ Transportation Fund Authority Act										
Alexauken Creek Watershed Plan I		239,300	2005	A	5,409				5,409	229,879
Alexauken Creek Watershed Plan II		541,300	2013	A		22,822		22,822	-	22,822
<u>OTHER STATE AIDS</u>										
Body Armor Grant	N/A	1,299	2013	A	1,635	1,299		1,430	1,504	1,917
Drive Sober or Get Pulled Over	N/A	4,400	2012	A	4,400		(4,400)		-	-
Community Forestry Grant	N/A	5,100	2009/10	A	1,785				1,785	-
US Bulletproof Vests	N/A	2,200	2012	A	(904)			1,552	(2,456)	1,552
Sustainable New Jersey	N/A	10,000	2012	A	5,000			10,000	(5,000)	10,000
Hazards Emergency Program	N/A		2004	A	2,406				2,406	
Stormwater Manangement Grant	N/A	5,000	2005	A	217				217	
Recycling Tonnage Grant	N/A	3,335	2013	A	4,562	3,335		7,897	-	9,597
Municipal Alliance	Local Grant	528	2013	A		528			528	-
									-	-
TOTAL STATE ASSISTANCE					\$ 28,590	\$ 39,261	\$ (4,400)	\$ 55,218	\$ 8,233	\$ 287,044

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

Note: This Schedule was not subject to an audit in accordance with NJOMB Circular 04-04.

TOWNSHIP OF WEST AMWELL

NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2013

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Township of West Amwell. The Township of West Amwell is defined in Note 1 to the Township's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies, are included on the schedules of expenditures of federal and state awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations. However, these schedules were not subject to an audit in accordance with OMB Circular A-133 or NJOMB Circular 04-04.

NOTE 3. RELATIONSHIP TO THE FINANCIAL STATEMENTS

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the modified accrual basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

STATUS OF PRIOR AUDIT FINDINGS

STATUS OF PRIOR AUDIT FINDINGS

Finding

2012-1 The budgeted expenditures for a specific line item were in excess of the amount of the budget resulting in appropriation reserves being over-expended by \$141.93

Status - The deferred charge over-expenditure of \$141.93 was raised and budgeted in the 2014 municipal budget. Finding is cleared.

SCHEDULE OF FINDINGS AND RESPONSES
GENERAL FINDINGS

SCHEDULE OF FINDINGS AND RESPONSES

GENERAL FINDINGS

YEAR ENDED DECEMBER 31, 2013

Summary of Auditor's Results

The Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The audit did not disclose any material weaknesses in the internal controls of the Township.

The audit did not disclose any noncompliance that is material to the financial statements of the Township.

The Township was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey OMB Circular NJOMB 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2013 as grant expenditures were less than the single audit thresholds of \$500,000, identified in the Circulars.

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

Finding

2013-1 The Public Assistance fund contains dormant funds

Recommendation - The Public Assistance Fund should be closed and transferred to the Current Fund.