

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

**REPORT OF AUDIT  
DECEMBER 31, 2014**



TOWNSHIP OF WEST AMWELL

TABLE OF CONTENTS

**PART I - REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

<b><u>AUDITORS' REPORTS</u></b>		<b><u>PAGE</u></b>
Independent Auditor's Report		2-4
 <b><u>FINANCIAL STATEMENTS</u></b>		
	<b><u>EXHIBIT</u></b>	
<b><u>CURRENT FUND</u></b>		
Comparative Balance Sheet	A	5-6
Comparative Statement of Operations and Change in Fund Balance	A-1	7
Statement of Revenues	A-2	8-11
Statement of Expenditures	A-3	12-15
 <b><u>TRUST FUND</u></b>		
Comparative Balance Sheet	B	16
 <b><u>GENERAL CAPITAL FUND</u></b>		
Comparative Balance Sheet	C	17
Schedule of Fund Balance	C-1	18
 <b><u>PUBLIC ASSISTANCE FUND</u></b>		
Comparative Balance Sheet	E	19
 <b><u>GENERAL FIXED ASSETS</u></b>		
Statement of General Fixed Assets	F	20
 <b><u>PAYROLL AGENCY FUND</u></b>		
Comparative Balance Sheet	G	21
 <b><u>NOTES TO FINANCIAL STATEMENTS</u></b>		 22-39

**PART II SUPPLEMENTARY INFORMATION**

<b><u>CURRENT FUND</u></b>		
Schedule of Cash – Treasurer	A-4	40
Schedule of Cash - Collector	A-5	41
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6	42
Schedule of Tax Title Liens	A-7	43
Schedule of Prepaid Trash Permits	A-8	44

TOWNSHIP OF WEST AMWELL

TABLE OF CONTENTS

**PART II \_ SUPPLEMENTARY INFORMATION**

	<b><u>EXHIBIT</u></b>	<b><u>PAGE</u></b>
<b><u>CURRENT FUND (CONTINUED)</u></b>		
Schedule of Property Acquired for Taxes (At Assessed Valuation)	A-9	45
Schedule of Revenue Accounts Receivable	A-10	46
Schedule of Appropriation Reserves - 2013	A-11	47
Schedule of Reserve for Encumbrances	A-12	48
Schedule of Accounts Payable	A-13	49
Schedule of Taxes Collected in Advance	A-14	50
Schedule of Tax Overpayments	A-15	51
Schedule of Reserve for Sale of Municipal Assets	A-16	52
Schedule of Amount Due to State of New Jersey for Senior Citizens and Veterans Deductions	A-17	53
Schedule of County Taxes Payable	A-18	54
Schedule of Local District School Tax Payable	A-19	55
Schedule of Regional District School Tax Payable	A-20	56
Schedule of Municipal Open Space Taxes	A-21	57
Schedule of State Grants Receivable	A-22	58
Schedule of State Grants-Appropriated	A-23	59
Schedule of Watershed Monitoring Offset Reserve	A-24	60
Schedule of Deferred Charges	A-25	61
<b><u>TRUST FUND</u></b>		
Schedule of Cash - Treasurer	B-2	62
Schedule of Reserve for Dog Fund Expenditures	B-3	63
Schedule of Amount Due to State of New Jersey Department of Health	B-4	64
Schedule of Amount Due Current Fund - Dog Fund	B-5	65
Schedule of Amount Due from Current Fund - Trust Fund	B-6	66
Schedule of Reserve for Escrow Trust Fund Deposits	B-7	67
Schedule of Reserve for POAA Trust	B-8	68
Schedule of Reserve for Historical Preservation Deposits	B-9	69
Schedule of Reserve for Housing Trust Deposits	B-10	70
Schedule of Reserve for COAH Escrow	B-11	71
Schedule of Reserve for CDBG Rehabilitation	B-12	72
Schedule of Reserve for Off Duty Police	B-13	73
Schedule of Reserve for Celebration of Public Events	B-14	74
Schedule of Reserve for Fire Penalties	B-15	75
Schedule of Reserve for Public Defender	B-16	76

TOWNSHIP OF WEST AMWELL

TABLE OF CONTENTS

**PART I I \_ SUPPLEMENTARY INFORMATION - (CONTINUED)**

	<b><u>EXHIBIT</u></b>	<b><u>PAGE</u></b>
<b><u>TRUST FUND - (CONTINUED)</u></b>		
Schedule of Reserve for Tax Sale Premium Trust Deposits	B-17	77
Schedule of Reserve for SUI Deposits	B-18	78
Schedule of Reserve for Municipal Alliance	B-19	79
Schedule of Reserve for Municipal Open Space Trust	B-20	80
Schedule of Reserve for Amount Due General Capital Fund	B-21	81
<b><u>GENERAL CAPITAL FUND</u></b>		
Schedule of Cash - Treasurer	C-2	82
Schedule of Deferred Charges to Future Taxation-Funded	C-3	83
Schedule of Deferred Charges to Future Taxation-Unfunded	C-4	84
Schedule of Amount Due Current Fund	C-5	85
Schedule of Capital Improvement Fund	C-6	86
Schedule of Improvement Authorizations	C-7	87
Schedule of Bond Anticipation Notes	C-8	88
Schedule of Green Trust Loan	C-9	89
Schedule of Bonds Payable	C-10	90
Schedule of Mortgage Accounts Receivable	C-11	91
Schedule of Reserve for Mortgage Accounts Receivable	C-12	92
Schedule of Amount Due Municipal Open Space Trust Fund	C-13	93
Schedule of Reserve for Preliminary Expenditures - Open Space Preserve	C-14	94
<b><u>PUBLIC ASSISTANCE FUND</u></b>		
Schedule of Cash - Treasurer	E-1	95
<b><u>GENERAL FIXED ASSETS</u></b>		
Schedule of Additions and Deletions	F-1	96

**PART I I I –SUPPLEMENTARY INFORMATION**

General Comments	97-104
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	105-106
Schedule of Federal/State Awards	107
Notes to Federal/State Awards	108
Status of Prior Audit Findings	109-110
Schedule of Findings and Responses	111-112



**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**December 31, 2014**

## **AUDITORS' REPORTS**





## **ARDITO & Co., LLP**

1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192  
908-996-4711 Fax: 908-996-4688  
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA  
Douglas R. Williams, CPA, RMA, PSA

### **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 financial statements-regulatory basis, which comprise the comparative balance sheets-regulatory basis of the various funds of the Township of West Amwell, County of Hunterdon, State of New Jersey (the "Township"), as of December 31, 2014 and 2013, and the related comparative 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, and the related notes to the financial statements for the year ended December 31, 2014, 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 audit in accordance with auditing standards generally accepted in the United States of America; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; 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 Township's preparation and fair presentation of

-Continued-

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

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

As described in Note 1 to the financial statements, the Township prepares its financial statements in conformity with regulatory basis 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 accounting principles generally accepted in the United States of America. 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.

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

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2014 and 2013, or the results of its operations and changes in its fund balances for the year then ended.

### ***Opinion on Regulatory Basis of Accounting***

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, 2014 and 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, in conformity with accounting principals and practices as described in Note 1 to the financial statements.

### ***Other Matters***

#### ***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-regulatory basis. The supplementary information listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the basic financial statements-regulatory basis.

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-regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements-regulatory basis 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-regulatory basis, or to the basic financial statements-regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

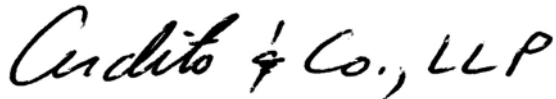
-Continued-

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2015, 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 and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

ARDITO & CO., LLP

A handwritten signature in black ink that reads "Ardito & Co., LLP". The script is cursive and fluid.

Frenchtown, New Jersey  
April 30, 2015

A handwritten signature in black ink that reads "Anthony Ardito". The script is cursive and fluid.

Certified Public Accountant  
Registered Municipal Accountant No.524  
ARDITO & CO., LLP  
Frenchtown, New Jersey  
April 30, 2015

## **FINANCIAL STATEMENTS**

CURRENT FUND  
COMPARATIVE BALANCE SHEET

A  
Sheet 1

<b>ASSETS</b>	<b>REF.</b>	<b>BALANCE 12/31/14</b>	<b>BALANCE 12/31/13</b>
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer		\$ 676,353	\$ 2,039,381
Cash - Change Funds		<u>225</u>	<u>225</u>
Subtotal	A-4	<u>676,578</u>	<u>2,039,606</u>
 Amount Due To State Of New Jersey For Senior Citizens And Veterans Deductions	 A-17	 -	 750
<b>Receivables And Other Assets With Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-6	86,240	312,100
Tax Title Liens Receivable	A-7	137,600	129,705
Property Acquired For Taxes-Assessed Valuation	A-9	3,150	3,150
Amount Due From Federal and State Grant Fund	A	2,002	-
Amount Due From Other Trust Fund	B	2	736
Amount Due From General Capital Fund	C	1,857	6,240
Amount Due From Payroll Fund	G	-	7,528
Revenue Accounts Receivable	A-10	<u>14,132</u>	<u>11,802</u>
Subtotal		<u>244,983</u>	<u>471,261</u>
<b>Deferred Charges:</b>			
Special Emergency Authorizations (40A:4-55) and Other Deferred Charge	A-25	<u>45,592</u>	<u>68,534</u>
Subtotal		<u>45,592</u>	<u>68,534</u>
		<b><u>967,153</u></b>	<b><u>2,580,151</u></b>
 <b>Federal And State Grant Fund:</b>			
Cash	A-4	20,661	8,233
Federal and State Grants Receivable	A-22	<u>494,709</u>	<u>534,141</u>
		<u>515,370</u>	<u>542,374</u>
 <b>TOTAL ASSETS</b>		<b><u>\$ 1,482,523</u></b>	<b><u>\$ 3,122,525</u></b>

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>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Appropriation Reserves	A-3:11	\$ 65,105	\$ 105,481
Due Other Trust	B	30,000	-
Prepaid Trash Permits	A-8	-	28,381
Encumbrances	A-12	1,598	36,418
Accounts Payable	A-13	5,361	7,656
Taxes Collected In Advance	A-14	100,738	72,586
Reserve for Sale of Municipal Assets	A-16	5,283	-
Due County for Added Taxes	A-18	7,479	18,023
Local District School Tax Payable	A-19	-	985,071
Reserve for Watershed Moritorium Offset	A-24	21,620	21,620
Subtotal		237,184	1,275,236
Reserve For Receivables And Other Assets	A	244,983	471,261
Fund Balance	A-1	484,986	833,654
Subtotal		<u>967,153</u>	<u>2,580,151</u>
<b>Federal And State Grant Fund:</b>			
Amount Due To Current Fund	A	2,002	-
Reserve For State Grants	A-23	513,368	542,374
Subtotal		<u>515,370</u>	<u>542,374</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><b>\$ 1,482,523</b></u>	<u><b>\$ 3,122,525</b></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

<b>REVENUE AND OTHER INCOME REALIZED</b>	<u>REF.</u>	<u>YEAR</u> <u>2014</u>	<u>YEAR</u> <u>2013</u>
Fund Balance Utilized	A-2	\$ 386,880	\$ 361,000
Miscellaneous Revenue Anticipated	A-2	1,769,157	2,237,205
Receipts From Delinquent Taxes	A-2	276,239	273,311
Receipts from Current Taxes	A-2	9,041,765	10,807,149
Non-Budget Revenues	A-2	35,221	66,046
Other Credits To Income:			
Unexpended Balance Of Appropriation Reserves	A-11	58,286	142,521
Payments In Lieu of Taxes on Real Property		622	624
Prior Year Special Emergency Cancelled			
Tax Overpayment Cancelled			
Interfunds Returned		10,644	15,193
<b>TOTAL INCOME</b>		<b>11,578,814</b>	<b>13,903,049</b>

**EXPENDITURES**

Budget and Emergency Appropriations:			
Appropriations Within "CAP":			
Operations:			
Salaries and Wages	A-3	1,272,300	1,248,475
Other Expenses	A-3	969,475	979,261
Deferred Charges and Statutory Expenditures	A-3	207,934	207,378
Appropriations Excluded from "CAP":			
Operations:			
Salaries and Wages	A-3	5,500	25,000
Other Expenses	A-3	54,795	585,239
Capital Improvements	A-3	150,000	-
Municipal Debt Service	A-3	628,271	663,438
Deferred Charges and Statutory Expenditures	A-3	22,800	22,800
County Taxes	A-18	1,821,316	1,838,506
Amount Due County For Added and Omitted Taxes	A-18	7,479	18,023
Local District School Taxes	A-19	298,294	3,866,729
Regional District School Taxes	A-20	5,808,518	3,830,071
Municipal Open Space Levy	A-21	289,933	282,917
Refund of Prior Year Revenues	A-4	3,987	3,881
Interfund Advances	A-4	-	12,588
<b>TOTAL EXPENDITURES</b>		<b>11,540,602</b>	<b>13,584,306</b>

Excess in Revenues		38,212	318,743
Fund Balance January 1	A	833,654	875,911
		871,866	1,194,654
Decreased by:			
Utilization as Anticipated Revenue	A-2	386,880	361,000
Fund Balance December 31	A	<b>\$484,986</b>	<b>\$833,654</b>

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>
<b>Anticipated Surplus - Cash Surplus</b>	A-1	\$ 386,880		\$ 386,880	
<b>Miscellaneous Revenues:</b>					
<b>LOCAL REVENUES:</b>					
Liquor Licenses-Clerk	A-10	2,700		2,500	(200)
Other Fees and Permits	A-10	73,709		105,859	32,150
Fines and Costs-Municipal Court	A-10	135,000		129,038	(5,962)
Interest and Costs On Taxes	A-5	55,000		66,354	11,354
Interest on Investments	A-10	4,500		6,101	1,601
<b>Total Local Revenues</b>		<u>270,909</u>		<u>309,852</u>	<u>38,943</u>
<b>STATE AID REVENUES:</b>					
Consolidated Municipal Property Tax Relief Aid	A-10	305,989		305,989	
Energy Receipts Tax	A-10	601,140		601,140	
Watershed Moritorium Offset	A-24	21,620		21,620	
Garden State Trust Fund	A-10	36,752		36,752	
<b>Total State Aid</b>		<u>965,501</u>		<u>965,501</u>	
<b>Uniform Construction Code Fees</b>	A-10	<u>85,000</u>	-	<u>117,510</u>	<u>32,510</u>
<b>INTERLOCAL AGREEMENTS:</b>					
Animal Control	A-10	25,000		25,000	0
<b>Total Interlocal Agreements</b>		<u>25,000</u>	-	<u>25,000</u>	-

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



CURRENT FUND  
STATEMENT OF REVENUES

A-2  
Sheet 2

	<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>
<b>FEDERAL AND STATE GRANT REVENUES:</b>					
Clean Communities	A-22		10,579	10,579	
Recycling Tonnage Grant	A-22		3,626	3,626	
Body Armor Grant	A-22		1,090	1,090	
<b>Total Federal and State Grant Revenues</b>		-	15,295	15,295	
<b>OTHER SPECIAL ITEMS:</b>					
Uniform Fire Safety Act	A-10	9,929		10,999	1,070
Open Space Trust Fund	B	300,000		300,000	-
General Capital Fund Balance	C	25,000		25,000	-
<b>Total Special Items Of Revenues</b>		334,929	-	335,999	1,070
<b>Total Miscellaneous Revenue</b>	A-1	1,681,339	15,295	1,769,157	72,523
Receipts From Delinquent Taxes	A-1	290,000		276,239	(13,761)
<b>Amount To be Raised by Taxes For Support Of Municipal Budget:</b>					
Local Tax For Municipal Purposes	A-2	1,202,562	-	1,379,519	176,957
<b>Total General Revenues</b>		3,560,781	15,295	3,811,795	235,719
Non-Budget Revenues:					
Other Non-Budget Revenues	A-1			35,221	35,221
		<u>\$ 3,560,781</u>	<u>\$ 15,295</u>	<u>\$ 3,847,016</u>	<u>\$ 270,940</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		\$ 9,010,015
State of New Jersey, Senior Citizens and Veterans Deductions	A-6	<u>31,750</u>
	A-1	9,041,765

**Allocated To:**

School and County Taxes	A-6	<u>7,927,246</u>
-------------------------	-----	------------------

Deficiency Supported by Municipal Revenues		1,114,519
--	--	-----------

Add (Decreased) by Appropriation: "Reserve For Uncollected Taxes"	A-3	<u>265,000</u>
---	-----	----------------

Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 1,379,519</u>
---	-----	---------------------

**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	\$ 8,846
Poll Rent	160
MV Fines	650
Stream Recycling	1,275
Void Checks	1,073
Raritan Building Fees	3,399
Refunds	1,315
Reimbursements	15,303
Miscellaneous	2,545
Tax Collector	5
Vets/Sr. Cit. Fee	650

**Miscellaneous Revenue Not Anticipated - Total**

A-4

\$ 35,221

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>
<b>GENERAL GOVERNMENT FUNCTIONS:</b>					
General Administration:					
Salaries and Wages	\$ 29,270	\$ 29,270	\$ 29,209	\$ 61	
Other Expenses	41,000	32,500	30,735	1,765	
Mayor and Council:					
Salaries and Wages	9,470	9,470	9,261	209	
Other Expenses	200	200	-	200	
Municipal Clerk:					
Salaries and Wages	69,362	68,062	68,025	37	
Other Expenses	9,300	7,300	5,012	2,288	
Financial Administration (Treasury):					
Salaries and Wages	48,202	47,502	47,413	89	
Other Expenses	3,000	3,000	152	2,848	
Audit Services:					
Other Expenses	17,500	17,500	17,500		
Revenue Administration (Tax Collection):					
Salaries and Wages	16,396	16,396	16,396		
Other Expenses	7,000	7,000	6,308	692	
Tax Assessment Administration:					
Salaries and Wages	33,300	33,300	33,284	16	
Other Expenses	5,500	5,500	2,545	2,955	
Legal Services (Legal Dept.):					
Other Expenses	25,000	18,000	16,487	1,513	
Agricultural Adv Committee:					
Other Expenses	500	-	-	-	
Engineering Services:					
Other Expenses:	15,000	5,000	3,512	1,488	
Historical Sites Office:					
Other Expenses	158	158	-	158	
<b>LAND USE ADMINISTRATION:</b>					
Planning Board:					
Salaries and Wages	14,453	14,453	14,453	-	
Other Expenses	9,000	9,000	8,369	631	
Zoning Board of Adjustment:					
Salaries and Wages	6,409	6,409	6,409	-	
Other Expenses	4,000	4,000	2,262	1,738	
Zoning Officer:					
Salaries and Wages	3,500	3,500	3,484	16	
Other Expenses	1,000	6,300	6,250	50	
<b>INSURANCE:</b>					
Liability Insurance	83,000	79,500	79,252	248	
Worker Compensation Insurance	45,046	45,046	45,046		
Employee Group Insurance	275,000	281,800	281,741	59	
<b>PUBLIC SAFETY FUNCTIONS:</b>					
Bureau of Fire Prevention:					
Salaries and Wages	5,935	5,935	5,935	-	
Other Expenses	2,700	2,700	608	2,092	
Aid to Volunteer Fire Companies	26,700	34,700	34,625	75	
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	629,500	663,500	662,744	756	
Other Expenses	48,000	38,000	34,916	3,084	
Emergency Management:					
Other Expenses	700	700	-	700	

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>APPROPRIATION</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u> <u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>	<u>CANCELLED</u>
<b>MUNICIPAL COURT:</b>					
Salaries and Wages	72,018	69,518	69,417	101	
Other Expenses	5,050	5,050	2,543	2,507	
Prosecutor Other Expenses	20,000	20,000	20,000		
<b>PUBLIC DEFENDER:</b>					
Other Expenses	3,600	3,600	3,600		
<b>PUBLIC WORKS FUNCTIONS:</b>					
Streets and Road Maintenance:					
Salaries and Wages	224,640	227,340	227,233	107	
Other Expenses	80,000	80,000	74,068	5,932	
Buildings and Grounds:					
Salaries and Wages	4,500	3,200	3,192	8	
Other Expenses	25,000	21,000	18,325	2,675	
Vehicle Maintenance	60,000	55,000	51,549	3,451	
<b>HEALTH AND HUMAN SERVICES FUNCTIONS:</b>					
Public Health Services (Board of Health):					
Salaries and Wages	3,460	3,460	3,365	95	
Other Expenses	16,096	16,096	15,066	1,030	
Environmental Health Services (Commission):					
Other Expenses	650	650	96	554	
Social Services Agencies:					
Other Expenses	2,500	2,500	2,500		
<b>PARK AND RECREATION FUNCTIONS:</b>					
Maintenance of Parks:					
Other Expenses	1,000	1,000	88	912	
<b>CONSTRUCTION OFFICIAL:</b>					
Salaries and Wages	64,260	64,260	64,117	143	
Other Expenses	4,000	4,000	3,196	804	
<b>UNCLASSIFIED:</b>					
Accumulated Leave Compensation			-		
Celebration of Public Events	100	100	-	100	
<b>UTILITY EXPENSES AND BULK PURCHASES:</b>					
Electricity	20,000	16,200	14,545	1,655	
Street Lighting	5,000	5,000	3,592	1,408	
Telephone (excluding equipment acquisition)	16,500	16,500	16,029	471	
Fuel Oil	20,000	20,000	16,355	3,645	
Recycling Surcharge	1,100	1,100	787	313	
Gasoline	52,000	62,075	58,257	3,818	
<b>SOLID WASTE COLLECTION:</b>					
Salaries and Wages	6,500	6,725	6,710	15	
Other Expenses	35,000	28,000	24,119	3,881	
<b>Total Operations within "CAPS"</b>	<b>2,241,775</b>	<b>2,241,775</b>	<b>2,184,295</b>	<b>57,480</b>	

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>
<b>Total Operations Including Contingent</b>	2,241,775	2,241,775	2,184,295	57,480	
Detail:					
Salaries and Wages	1,241,175	1,272,300	1,270,647	1,653	
Other Expenses	1,000,600	969,475	913,648	55,827	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES within "CAPS"</b>					
<b>Statutory Expenditures:</b>					
Overexpenditure of Appropriation Reserves	142	142	142		
Contribution To:					
Social Security System ( O.A.S.I. )	99,500	99,500	99,006	494	
Statutory Expenditures:					
Contribution to PERS	43,136	43,136	43,136		
Contribution to PFRS	65,106	65,106	65,106		
Defined Contribution Retirement Program	50	50	-	50	
<b>Total Deferred Charges and Statutory Expenditures within "CAPS"</b>	207,934	207,934	207,390	544	
<b>Total Appropriations within "CAPS"</b>	<b>2,449,709</b>	<b>2,449,709</b>	<b>2,391,685</b>	<b>58,024</b>	
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Affordable Housing (COAH-Fair Share Housing):					
Salaries and Wages	5,500	5,500	5,419	81	
Other Expenses	7,000	7,000	0	7,000	
	12,500	12,500	5,419	7,081	
Length of Service Awards Program (LOSAP):					
Other Expenses	7,000	7,000	7,000		
NJPDES STORMWATER PERMIT (NJS 40A:45.3)					
Street Division					
Other Expenses	500	500	500		
SHARED SERVICES - INTERLOCAL AGREEMENTS:					
Animal Control:					
Other Expenses-Contractual	25,000	25,000	25,000		
	25,000	25,000	25,000	-	-
<b>Public and Private Programs Offset by Revenues:</b>					
Clean Communities Program:					
Other Expenses		10,579	10,579		
Recycling Tonnage Grant:					
Other Expenses		3,626	3,626		
Body Armor Grant		1,090	1,090		
<b>Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"</b>	-	15,295	15,295	-	
<b>Deferred Charges Excluded from "CAPS":</b>					
Special Emergency Authorizations (NJS 40A:4-55)	22,800	22,800	22,800		
<b>Total Deferred Charges Excluded from "CAPS"</b>	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>
<b>Capital Improvements-Excluded from "CAPS":</b>					
Capital Improvement Fund	150,000	150,000	150,000		
<b>Total Capital Improvements-Excluded from "CAPS"</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>		
<b>Municipal Debt Service Excluded from "CAPS":</b>					
Payment of Bonds	355,000	355,000	355,000		
Payment of Notes	130,287	130,287	130,287		
Interest on Bonds	105,638	105,638	105,638		
Payment of Interest on Notes	6,255	6,255	6,254	\$	1
Green Trust Loan Program	31,092	31,092	31,092		
<b>Total Municipal Debt Service</b>	<b>628,272</b>	<b>628,272</b>	<b>628,271</b>	<b>-</b>	<b>1</b>
<b>Total Appropriations Excluded from "CAPS"</b>	<b>846,072</b>	<b>861,367</b>	<b>854,285</b>	<b>7,081</b>	<b>1</b>
Detail:					
Salaries and Wages	5,500	5,500	5,419	81	-
Other Expenses	840,572	855,867	848,866	7,000	1
<b>Subtotal General Appropriations</b>	<b>3,295,781</b>	<b>3,311,076</b>	<b>3,245,970</b>	<b>65,105</b>	<b>1</b>
<b>Reserve For Uncollected Taxes</b>	<b>265,000</b>	<b>265,000</b>	<b>265,000</b>		
<b>TOTALS</b>	<b>\$ 3,560,781</b>	<b>\$ 3,576,076</b>	<b>\$ 3,510,970</b>	<b>\$ 65,105</b>	<b>\$ 1</b>

A

Budget	A-2	\$ 3,560,781
Appropriation 40A:4-87	A-2	<u>15,295</u>
		<u>\$ 3,576,076</u>

Reserve for State Grants	A-23	\$ 15,295
Deferred Charges	A-25	22,942
Reserve for Encumbrances	A-12	3,207,733
Reserve for Uncollected Taxes	A-2	<u>265,000</u>
		<u>\$ 3,510,970</u>

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

TRUST FUND  
COMPARATIVE BALANCE SHEET

B

ASSETS	REF.	BALANCE 12/31/14	BALANCE 12/31/13
<b>Dog License Fund:</b>			
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer	B-2	\$ 9,386	\$ 8,889
<b>Total Dog License Fund</b>		<u>9,386</u>	<u>\$ 8,889</u>
<b>Other Trust Funds:</b>			
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer	B-2	\$ 472,846	\$ 462,346
Amount Due Current Fund	B-6	30,000	-
<b>Total Other Trust Funds</b>		<u>\$ 502,846</u>	<u>\$ 462,346</u>
<b>Municipal Open Space Funds:</b>			
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer	B-2	\$ 998,299	\$ 1,026,347
<b>Total Municipal Open Space Funds</b>		<u>\$ 998,299</u>	<u>\$ 1,026,347</u>
<b>TOTAL ASSETS</b>		<u><b>\$ 1,510,531</b></u>	<u><b>\$ 1,497,582</b></u>

**LIABILITIES, RESERVES AND FUND BALANCE**

<b>Dog License Fund:</b>			
Reserve for Dog Fund Expenditures	B-3	\$ 9,386	\$ 8,889
<b>Total Dog License Fund</b>		<u>\$ 9,386</u>	<u>\$ 8,889</u>
<b>Other Trust Fund:</b>			
Amount Due Current Fund	B-6	\$ 2	\$ 736
Reserve for Developer's Escrow	B-7	43,142	38,209
Reserve for POAA Trust	B-8	26	26
Reserve for Historical Preservation Trust	B-9	2,473	2,413
Reserve for Housing Trust	B-10	37,814	40,280
Reserve for COAH Escrow Trust	B-11	84,303	71,626
Reserve for CDBG Rehabilitation Trust	B-12	103,099	107,275
Reserve for Off Duty Police Trust	B-13	-	-
Reserve for Celebration of Public Events Trust	B-14	3,735	3,735
Reserve for Fire Penalties Trust	B-15	2,000	2,000
Reserve for Public Defender Trust	B-16	930	972
Reserve for Tax Sale Premiums	B-17	184,700	154,700
Reserve for SUI Trust	B-18	22,666	22,587
Reserve for Municipal Alliance Trust	B-19	17,956	17,787
<b>Total Other Trust Fund</b>		<u>\$ 502,846</u>	<u>\$ 462,346</u>
<b>Municipal Open Space Trust Fund:</b>			
Reserve for Municipal Open Space Trust Deposits	B-20	\$ 989,299	\$ 996,647
Amount Due from General Capital Fund	B-21	9,000	29,700
<b>Total Municipal Open Space Trust Fund</b>		<u>\$ 998,299</u>	<u>\$ 1,026,347</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><b>\$ 1,510,531</b></u>	<u><b>\$ 1,497,582</b></u>

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



GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET

C

<b>ASSETS</b>	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer	C-2	\$ 204,785	\$ 535,557
Due Open Space Trust Fund	C-13	9,000	29,700
Mortgage Receivable	C-11	65,607	69,250
<b>Deferred Charges to Future Taxation:</b>			
Funded	C-3	3,668,628	3,323,543
Unfunded	C-4	<u>1,639,521</u>	<u>1,507,451</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 5,587,541</u></b>	<b><u>\$ 5,465,501</u></b>

**LIABILITIES, RESERVES AND FUND BALANCE**

Due Current Fund	C-5	\$ 1,857	\$ 6,240
Capital Improvement Fund	C-6	29,890	60,390
Improvement Authorizations:			
Unfunded	C-7	1,019,674	870,021
Funded	C-7	491,153	321,285
Bond Anticipation Note Payable	C-8	600,000	735,800
New Jersey Green Trust Loan	C-9	188,628	215,543
Serial Bonds Payable	C-10	3,140,000	3,108,000
Reserve for Mortgage Receivable	C-12	65,607	69,250
Reserve for Preliminary Expenses - Open Space Acquisition	C-15	24,887	28,127
Fund Balance	C-1	<u>25,845</u>	<u>50,845</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b><u>\$ 5,587,541</u></b>	<b><u>\$ 5,465,501</u></b>

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, 2013	C	\$ 50,845
---------------------------	---	-----------

**Decreased by:**

Capital Fund Balance Anticipated as Current Fund Revenue	C-2	<u>25,000</u>
--	-----	---------------

Balance December 31, 2014	C	<u><u>\$ 25,845</u></u>
---------------------------	---	-------------------------

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

PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET

E

		BALANCE	BALANCE
	REF.	12/31/14	12/31/13
<b><u>ASSETS</u></b>			
<b>Cash and Cash Equivalents:</b>			
Cash - Treasurer	E-1	<u>\$1,059</u>	<u>\$12,207</u>
<b>TOTAL ASSETS</b>		<u><u>\$1,059</u></u>	<u><u>\$12,207</u></u>

<b><u>LIABILITIES AND RESERVES</u></b>			
Reserve for Public Assistance		<u>\$1,059</u>	<u>\$12,207</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><u>\$1,059</u></u>	<u><u>\$12,207</u></u>

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

STATEMENT OF GENERAL FIXED ASSETS  
DECEMBER 31, 2014

F

	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
General Fixed Assets:		
Land	\$ 2,222,406	\$ 2,222,406
Buildings	1,696,957	1,696,957
Machinery and Equipment	<u>2,499,170</u>	<u>2,358,593</u>
Total General Fixed Assets	<b><u>\$ 6,418,533</u></b>	<b><u>\$ 6,277,956</u></b>
Investment In General Fixed Assets		
	<b><u>\$ 6,418,533</u></b>	<b><u>\$ 6,277,956</u></b>

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

PAYROLL AGENCY FUND  
COMPARATIVE BALANCE SHEET

G

	BALANCE <u>12/31/14</u>	BALANCE <u>12/31/13</u>
<b>ASSETS</b>		
<b>Assets:</b>		
Cash	\$ 6,231	\$ 13,808
<b>TOTAL ASSETS</b>	<b><u>\$ 6,231</u></b>	<b><u>\$ 13,808</u></b>
<b>LIABILITIES AND RESERVES</b>		
Payroll Deductions	\$ 6,231	\$ 6,280
Due Current Fund	<u>-</u>	<u>7,528</u>
<b>TOTAL LIABILITIES AND RESERVES</b>	<b><u>\$ 6,231</u></b>	<b><u>\$ 13,808</u></b>

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

## **NOTES TO FINANCIAL STATEMENTS**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**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, 2014

**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, 2014

**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, 2014

**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, 2014

**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, 2014

**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, 2014

**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, 2014

**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, 2014, 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, 2014, cash and cash equivalents of the municipality consisted of the following:

	Cash and Cash <u>Equivalents</u>	<u>Total</u>
Checking	\$2,387,471	\$ 2,387,471
	<u>\$2,387,471</u>	<u>\$ 2,387,471</u>

The carrying amount of the municipality's cash and cash equivalents at December 31, 2014, was \$2,387,471 and the bank balance was \$2,509,905. 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, \$287,814 was covered by federal depository insurances and \$2,222,091 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, 2014

**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, 2014, 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**

	<b>Beginning Balance</b>	<b>Issued</b>	<b>Paid</b>	<b>Ending Balance</b>
Long Term Debt:				
Bond Anticipation Notes	\$ 735,800	\$ 39,881	\$ 175,681	\$ 600,000
Bonds Payable	3,108,000	2,205,000	2,173,000	3,140,000
Loans Payable	215,543		26,915	188,628
Compensated absences payable	60,581	15,127		75,708
Total Long-Term Debt	<u>\$4,119,924</u>	<u>2,260,008</u>	<u>\$ 2,375,596</u>	<u>\$ 4,004,336</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, 2014

**Note 3: LONG-TERM DEBT (Continued)**

The Township debt is summarized as follows:

**Summary of Municipal Debt**

	YEAR <u>2014</u>	YEAR <u>2013</u>	YEAR <u>2012</u>
Issued:			
Bonds and Notes	\$ 3,740,000	\$ 3,843,800	\$ 5,632,800
Green Trust Loan Payable	<u>188,628</u>	<u>215,543</u>	<u>241,928</u>
Total Issued	3,928,628	4,059,343	5,874,728
<b><u>Authorized But Not Issued</u></b>			
Bonds and Notes	<u>1,379,521</u>	<u>771,651</u>	<u>981,055</u>
<b>Net Bonds and Notes Issued and Authorized But Not Issued</b>	<b><u>\$ 5,308,149</u></b>	<b><u>\$ 4,830,994</u></b>	<b><u>\$ 6,855,783</u></b>

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.062%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Debt	6,059,304	6,059,304	
General Debt	<u>5,308,149</u>	<u>-</u>	<u>\$ 5,308,149</u>
	<u>\$ 11,367,453</u>	<u>\$ 6,059,304</u>	<u>\$ 5,308,149</u>

Net Debt \$5,308,149 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2  
as amended, \$ 499,659,169 equals 1.062%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 17,488,071
Net Debt	<u>5,308,149</u>
Remaining Borrowing Power	<u>\$ 12,179,922</u>



NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: LONG-TERM DEBT (Continued)**

**Bond Anticipation Notes**

The Township has outstanding at December 31, 2014, a bond anticipation note in the amount of \$600,000 payable to Hopewell Valley Community Bank. This note matures on June 26, 2015. The interest rate on the note was 0.75%. 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, 2014, was \$635,000. 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. These bonds were called for redemption on November 6, 2014 for all bonds maturing on or after May 1, 2017. The remaining bonds are payable in annual principal installments of \$150,000 through May 1, 2016. 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, 2014, was \$300,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

Refunding Bonds-dated November 6, 2014, issued in the original amount of \$1,555,000 with an interest rate of 2.6% to partially advance refund series 2006 bonds in the amount of \$1,818,000. The net proceeds, along with a \$400,000 township contribution from open space reserves, will be used to partially call the outstanding series 2006 bonds on May 1, 2016. This refunding bond is payable in annual installments ranging from \$150,000 to \$170,000 through May 1, 2026. Interest is calculated at 2.6% 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, 2014, was \$1,555,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

Refunding Bonds-dated November 6, 2014, issued in the original amount of \$650,000 with an interest rate of 3.65%. The net proceeds were used to refund the West Amwell Township local school district deferred tax levy and pay costs related to the issuance of the bonds. This refunding bond was sold as a private placement bond to TD Bank, N.A., and is payable in annual installments ranging from \$65,000 to \$85,000 through November 1, 2024. Interest is calculated at 3.65% and is paid in semi-annual installments. This method of calculating interest is in conformity with New Jersey Statutes. The remaining balance as of December 31, 2014, was \$650,000. Outstanding bond principal and interest is paid from the Current Fund of the Township.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: LONG-TERM DEBT (Continued)**

**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, 2014, was \$188,628. 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>\$ 3,928,628</u>

**Note 4: GENERAL FIXED ASSETS**

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

	Balance <u>1/1/14</u>	<u>Additions</u>	Adjustments/ <u>Deletions</u>	Balance <u>12/31/14</u>
Land	\$ 2,222,406	-	-	\$ 2,222,406
Buildings	1,696,957	-	-	1,696,957
Equipment	<u>2,358,593</u>	<u>\$ 140,577</u>	<u>-</u>	<u>2,499,170</u>
	<u>\$ 6,277,956</u>	<u>\$ 140,577</u>	<u>-</u>	<u>\$ 6,418,533</u>

**Note 5: FUND BALANCES APPROPRIATED**

Fund Balances at December 31, 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014, were as follows:

Current Fund (Introduced) - \$282,881

**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, 2014, the Township had \$45,592 in special emergency deferred charges, which are required to be included in subsequent budgets over a five year period.

The appropriations in the 2015 Budget are not less than that required by statute.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**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 <u>12/31/14</u>	LOCAL DISTRICT <u>SCHOOL TAX</u> BALANCE <u>12/31/14</u>	BALANCE <u>12/31/13</u>
Balance of Tax	-	\$ 985,071
Deferred Portion	-	<u>948,294</u>
Tax Payable	-	<u>\$ 1,933,365</u>
Tax Deferred	<u>-</u>	

The Local School District was merged with the Regional School District effective for the 2014-2015 school year. All previously deferred school taxes were paid to the Local School District during 2014 and was partially funded by refunding bonds and 2014 operations.

**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.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 8: PENSIONS - (Continued)**

**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.

**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.

**Three-Year Trend Information for PERS**

<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>
2014	\$43,136	100%	-0-
2013	\$60,020	100%	-0-
2012	\$70,946	100%	-0-

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 8: PENSIONS - (Continued)**

<b><u>Three-Year Trend Information for PFRS</u></b>			
<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>
2014	\$65,106	100%	-0-
2013	\$52,308	100%	-0-
2012	\$71,780	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, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. 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 benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid 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 \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

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.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**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.

**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.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 13: OTHER REQUIRED DISCLOSURES - (Continued)**

- 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, 2014:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund	\$ 3,861	\$ 30,000
Federal/State Grants Fund	-	2,002
Other Trust Funds	30,000	9,002
General Capital Fund	9,000	1,857
	<u>\$ 42,861</u>	<u>\$ 42,861</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.

**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.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 15: OTHER POST-RETIREMENT BENEFITS - (Continued)**

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/gasb-43-sept2013.pdf](http://www.state.nj.us/treasury/pensions/gasb-43-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. Contributions for retired health benefits were \$11,506 for 2013 and \$12,502 for 2014.



**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</u> <u>Grant Fund</u>
Balance December 31, 2013	A	\$ 2,039,606	\$ 8,233
<b>Increased by Receipts:</b>			
Collector	A-5	\$ 9,386,155	
Miscellaneous Revenue Not Anticipated	A-2	35,221	
Revenue Accounts Receivable	A-10	1,637,507	
Accounts Payable	A-13	5,361	
Amount Due State of New Jersey for Senior Citizens/Veterans Deductions	A-17	32,500	
Sale of Municipal Assets	A-16	5,283	
Bond Proceeds - Deferred School Tax	A-19	650,000	
Interfunds Returned	B	30,000	
Interfunds Returned	B	734	
Interfunds Returned	C	4,383	
Interfunds Returned	G	7,528	
Watershed Offset Aid	A-24	21,620	
State Grant Funds	A-22	-	
		<u>11,816,292</u>	<u>\$ 51,412</u>
		13,855,898	59,645
<b>Decreased by Disbursements:</b>			
2013 Appropriation Reserves	A-11	83,613	
Reserve for Encumbrances	A-12	3,211,501	
Accounts Payable	A-13	7,656	
Tax Overpayments	A-15	5,395	
County Taxes	A-18	1,839,339	
Local District School Tax	A-19	1,933,365	
Regional District School Tax	A-20	5,808,518	
Open Space Trust	A-21	289,933	
State Grant Funds	A-23	-	
		<u>13,179,320</u>	<u>38,984</u>
			38,984
Balance December 31, 2014	A	<u>\$ 676,578</u>	<u>\$ 20,661</u>

CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

**Received:**

Interest and Costs on Taxes	A-2	\$	66,354	
Taxes Receivable	A-6		9,213,668	
2014 Prepaid Taxes	A-14		100,738	
Tax Overpayments	A-15		<u>5,395</u>	\$ <u>9,386,155</u>

**Decreased by Disbursements:**

Payments to Treasurer	A-4			\$ <u>9,386,155</u>
-----------------------	-----	--	--	---------------------

CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF TAX LEVY

A-6

YEAR	BALANCE 12/31/13	2014 LEVY	CASH COLLECTIONS 2013	2014	TRANSFERRED TO TAX TITLE LIENS	CANCELLED	BALANCE 12/31/14
2011	\$ 2,665			\$ 2,665			-
2012	10,465			10,465			-
2013	298,970			263,109	\$ 117	\$ 35,744	-
	312,100			276,239	117	35,744	-
2014		\$ 9,161,874	\$ 72,586	8,969,179	7,895	25,974	\$ 86,240
TOTALS	<b>\$ 312,100</b>	<b>\$ 9,161,874</b>	<b>\$ 72,586</b>	<b>\$ 9,245,418</b>	<b>\$ 8,012</b>	<b>\$ 61,718</b>	<b>\$ 86,240</b>

REF.	A	REF.	A-14	A-7	A
State of New Jersey --Senior Citizens and Veterans Deductions					
Received by Collector		A-2	\$ 31,750		
		A-5	9,213,668		
			<b>\$ 9,245,418</b>		

**ANALYSIS OF PROPERTY TAX LEVY:**

**Tax Yield:**

General Purpose Tax		\$ 8,835,807	
Levy Special District Taxes		288,752	
Added/Omitted Taxes (54:4-63.1 et.seq.)		37,315	<b>\$ 9,161,874</b>

**Tax Levy:**

Regional School Tax	A-20	5,808,518	
Municipal Open Space	A-21	289,933	
County Taxes:			
County Tax (Abstract)		\$ 1,520,962	
County Library Tax (Abstract)		152,266	
County Open Space Tax		148,088	
Due County for Added and Omitted Taxes (54.4-63.1,et.seq.)	A-18	7,479	1,828,795
Local Tax for Municipal	A-2		1,202,562
Add: Additional Tax Levied		32,066	<b>\$ 9,161,874</b>

CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

A-7

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 129,705
<b>Increased by:</b>		
Interest and Costs		\$ 41
Transfers from Taxes Receivable	A-6	<u>8,012</u> <u>8,053</u>
		137,758
<b>Decreased by:</b>		
Canceled		<u>158</u>
Balance December 31, 2014	A	<u>\$ 137,600</u>

CURRENT FUND  
SCHEDULE OF PREPAID TRASH PERMITS

A-8

REF.

Balance December 31, 2013

A     \$   28,381

**Decreased by:**

Recognize as Revenue

A-10   \$   28,381

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

A-9

	<u>REF.</u>	
Balance December 31, 2013	A	<u>\$ 3,150</u>
Balance December 31, 2014	A	<u>\$ 3,150</u>

,



CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-10

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>ACCRUED</u> <u>IN 2014</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>	<u>BALANCE</u> <u>12/31/14</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$ 2,500	\$ 2,500		
Fees and Permits	A-2		105,859	105,859	
Fines and Costs-Municipal Court	A-2	\$ 11,802	131,368	129,038	\$ 14,132
Interest on Investments and Deposits	A-2		6,101	6,101	
Consolidated Municipal Property Tax Relief Aid	A-2		305,989	305,989	
Energy Receipts Tax	A-2		601,140	601,140	
Garden State Trust	A-2		36,752	36,752	
Uniform Construction Code Fees	A-2		117,510	117,510	
Interlocal - Animal Control	A-2		25,000	25,000	
Fire Safety Fees	A-2		10,999	10,999	
Open Space Trust Fund	A-2		300,000	300,000	
General Capital Fund Balance	A-2		25,000	25,000	
Totals		<u>\$ 11,802</u>	<u>\$ 1,668,218</u>	<u>\$ 1,665,888</u>	<u>\$ 14,132</u>

A

A

A-8	\$ 28,381
A-4	1,637,507
	<u>\$ 1,665,888</u>

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2013

A-11

	BALANCE 12/31/13	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
General Administration:				
Other Expenses	\$ 2,287	\$ 3,978	\$ 3,978	-
Municipal Clerk:				
Other Expenses	5,047	5,089	2,807	\$ 2,282
Tax Collector (Revenue Admin.):				
Other Expenses		703	287	416
Finance:				
Other Expenses	2,283	2,283	1,632	651
Audit:				
Other Expenses		980		980
Tax Assessment:				
Other Expenses		722	358	364
Legal Services (Legal Dept.):				
Other Expenses	2,590	3,725	2,590	1,135
Engineering Services:				
Other Expenses	4,100	4,100	1,100	3,000
Historical Sites:				
Other Expenses				-
Planning Board:				
Other Expenses	1,238	3,638	418	3,220
Board of Adjustment:				
Other Expenses	1,581	1,731	72	1,659
Zoning Officer:				
Other Expenses		1,563	1,544	19
General Liability Insurance	3,620	3,620	3,620	-
Group Health Insurance	930	3,112	930	2,182
Police Department:				
Other Expenses	961	4,448	2,299	2,149
Emergency Management:				
Other Expenses	8	699	691	8
Fire Bureau:				
Other Expenses	130	130	124	6
Fire Hydrant Services:				
Other Expenses	87	1,115		1,115
Prosecutor:				
Other Expenses		1,886	85	1,801
Municipal Court:				
Other Expenses	3,109	3,467	313	3,154
Public Defender:				
Other Expenses		750	50	700
Streets and Road Maintenance:				
Other Expenses	17,130	18,359	18,344	15
Solid Waste:				
Other Expenses	6,945	10,609	10,600	9
Buildings and Grounds:				
Other Expenses	3,056	4,113	4,110	3
Vehicle Maintenance:				
Other Expenses	2,340	4,940	3,799	1,141
Public Health:				
Other Expenses	6,526	7,271	7,271	-
Environ. Health:				
Other Expenses	78	465	10	455
Recreation:				
Other Expenses	3,907	3,907	851	3,056
Electricity	3,095	3,095	2,756	339
Street Lighting	811	1,209	789	420
Telephone	218	1,440	218	1,222
Fuel Oil	1,165	3,818	3,818	-
Gasoline	6,925	6,925	6,925	-
Recycling Surcharge	159	256	159	97
Construction Department:				
Other Expenses		2,273	777	1,496
Animal Control:				
Other Expenses	549	549	288	261
Affordable Housing:				
Other Expenses	4,185	4,510		4,510
Other Accounts - No Change	20,421	20,421		20,421
<b>TOTALS</b>	<b>\$ 105,481</b>	<b>\$ 141,899</b>	<b>\$ 83,613</b>	<b>\$ 58,286</b>

REF.	A	A-4	A-1
Appropriation Reserve	A	\$ 105,481	
Encumbrances	A-12	36,418	
		<u>\$ 141,899</u>	

CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-12

	<u>REF.</u>		
Balance December 31, 2013	A	\$	36,418
<b>Increased by:</b>			
Transfer from Current Year Appropriations	A-3	\$ 3,207,733	
Additional/Canceled Encumbrance Appropriations		<u>5,366</u>	<u>\$ 3,213,099</u>
			3,249,517
<b>Decreased by:</b>			
Transfer to Appropriation Reserve	A-11	36,418	
Encumbrances Paid	A-4	<u>3,211,501</u>	<u>\$ 3,247,919</u>
Balance December 31, 2014	A	\$	<u>1,598</u>

CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE

A-13

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 7,656
<b>Increased by:</b>		
Receipts	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 50px; text-align: right;">5,361</div> <div style="width: 50px; text-align: right;">13,017</div> </div>
<b>Decreased by:</b>		
Payment	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 50px; text-align: right;">7,656</div> <div style="width: 50px;"></div> </div>
Balance December 31, 2014	A	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 3px double black; width: 50px; text-align: right;">\$ 5,361</div> <div style="width: 50px;"></div> </div>
State of New Jersey Marriage Licenses		\$ 75
State of New Jersey UCC Fees		5,211
County Health Inspections		<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 50px; text-align: right;">75</div> <div style="width: 50px;"></div> </div>
		<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 3px double black; width: 50px; text-align: right;">\$ 5,361</div> <div style="width: 50px;"></div> </div>

CURRENT FUND  
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-14

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 72,586
<b>Increased by:</b>		
2015 Taxes Collected in Advance	A-5	<u>100,738</u> 173,324
<b>Decreased by:</b>		
Applied to 2014 Taxes Receivable	A-6	<u>72,586</u>
Balance December 31, 2014	A	<u>\$ 100,738</u>

CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

A-15

REF.

**Increased by:**

2014 Tax Overpayments

A-5

\$ 5,395  
5,395

**Decreased by:**

Refunds

A-4

\$ 5,395

CURRENT FUND  
SCHEDULE OF SALE OF MUNICIPAL ASSETS

A-16

REF.

**Increased by:**

Receipts

A-4

\$ 5,283

5,283

Balance December 31, 2014

A

\$ 5,283

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, 2013	A	\$	750
<b>Increased by:</b>			
Senior Citizens Deductions per Tax Billings		\$	4,500
Veterans Deductions per Tax Billings		<u>27,750</u>	<u>32,250</u>
			33,000
<b>Decreased by:</b>			
Disallowed by Collector			500
Received In Cash From State	A-4	<u>32,500</u>	<u>\$ 33,000</u>



CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE

A-18

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 18,023
<b>Increased by:</b>		
2014 Levy:		
County Taxes	A-1:6	\$ 1,520,962
County Library Taxes	A-1:6	152,266
County Open Space Tax	A-1:6	148,088
Prior Year Added and Omitted Taxes	A-1:6	<u>7,479</u> <u>\$1,828,795</u>
		1,846,818
<b>Decreased by:</b>		
Payments	A-4	<u>1,839,339</u>
Balance December 31, 2014	A	<u>\$ 7,479</u>

CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-19

	<u>REF.</u>		
<b>Balance December 31, 2013:</b>			
School Tax Payable	A	\$ 985,071	
School Tax Deferred		<u>948,294</u>	\$ 1,933,365
<b>Decreased by:</b>			
Payments	A-4		<u>\$ 1,933,365</u>
<b>Balance December 31, 2014:</b>			
School Tax Payable	A	-	
School Tax Deferred		<u>-</u>	<u>-</u>
 <b>2014 Liability for Local District School Tax:</b>			
Tax Paid			\$ 1,933,365
Tax Payable 12/31/14			<u>-</u>
			1,933,365
Less -- Refunding Bond Proceeds Utilized to Finance Deferred School			
Tax Reversal	A-4	650,000	
Less -- Tax Payable 12/31/13			<u>985,071</u>
<b>Amount Charged to 2014 Operations</b>	A-1		<u>\$ 298,294</u>

CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

A-20

	<u>REF.</u>	
Balance December 31, 2013:		
School Tax Payable		
School Tax Deferred	A	<u>None</u>
<b>Increased by:</b>		
Levy - Calendar Year 2014	A-6	\$5,808,518
<b>Decreased by:</b>		
Payments	A-4	<u>\$5,808,518</u>
Balance December 31, 2014:		
School Tax Payable		
School Tax Deferred	A	<u>None</u>
<b>2014 Liability for Local District School Tax:</b>		
Tax Paid		\$5,808,518
Tax Payable 12/31/14		<u>None</u>
		5,808,518
Less -- Tax Payable 12/31/14		<u>None</u>
<b>Amount Charged to 2014 Operations</b>	A-1	<u>\$5,808,518</u>

CURRENT FUND  
SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

A-21

REF.

**Increased by:**

Levy 2014

A-6 \$ 288,752

Added Levy 2014

A-6 1,181 \$ 289,933  
289,933

**Decreased by:**

Transfer to Trust Fund

A-4 \$ 289,933

CURRENT FUND  
SCHEDULE OF STATE GRANTS RECEIVABLE

A-22

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>CANCELLED</u>	<u>BALANCE</u> <u>12/31/14</u>
Clean Communities Grant CY 2014		\$ 10,579	\$ 10,579		
Recycling Tonnage Grant		3,626	3,626		
NJ Body Armor Grant		1,090	1,090		
NJDEP - Alexauken Creek Watershed Plan	\$ 518,478		31,117		\$ 487,361
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>\$ 534,141</u>	<u>\$ 15,295</u>	<u>\$ 51,412</u>	<u>\$ 3,315</u>	<u>\$ 494,709</u>
	A	A-2	A-4	A-23	A

CURRENT FUND  
SCHEDULE OF RESERVE FOR STATE GRANTS

A-23

	BALANCE <u>12/31/13</u>	TRANSFER FROM 2014 BUDGET <u>APPROPRIATIONS</u>	<u>EXPENDED</u>	<u>CANCELED</u>	BALANCE <u>12/31/14</u>
Clean Communities Grant CY 2014		\$ 10,579	\$ 5,429		\$ 5,150
Alcohol Rehabilitation	\$ 528				528
Recycling Tonnage Grant	-	3,626	3,626		-
NJ Body Armor Grant	1,504	1,090	817		1,777
NJDEP - Alexauken Creek Watershed Plan	518,478		27,168		491,310
Police Drive Sober					
Community Forestry Grant	5,100			\$ 5,100	-
US Bulletproof Vests	880		880		-
Sustainable New Jersey	-				-
NJDEP - Alexauken Creek Plan I	9,421		899		8,522
Drunk Driving Enforcement Grant	3,840		165		3,675
Hazards Emergency Program	2,406				2,406
Muni Stormwater Reg. Grant	217			217	-
Totals	<u>\$ 542,374</u>	<u>\$ 15,295</u>	<u>\$ 38,984</u>	<u>\$ 5,317</u>	<u>\$ 513,368</u>
REF.	A	A-3	A-4	A-22	A

CURRENT FUND  
SCHEDULE OF RESERVE FOR WATERSHED MORITURIUM OFFSET

A-24

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 21,620
<b>Increased by:</b>		
State Aid Receipt	A-4	<div style="text-align: right;">21,620</div> <hr style="width: 100px; margin: 0 auto;"/>
		43,240
<b>Decreased by:</b>		
Realized as Revenue in 2014 Budget	A-2	<div style="text-align: right;">21,620</div> <hr style="width: 100px; margin: 0 auto;"/>
Balance December 31, 2014	A	<div style="text-align: right;">\$ 21,620</div> <hr style="width: 100px; margin: 0 auto;"/>

CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES  
SPECIAL EMERGENCY AUTHORIZATIONS

A-25

<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>12/31/13</u>	<u>APPROPRIATED</u> <u>2014</u> <u>BUDGET</u>	<u>BALANCE</u> <u>12/31/14</u>
Special Emergency (40A:4-55)	Reassessment	6/22/11	24,000	\$ 14,400	\$ 4,800	\$ 9,600
Special Emergency (40A:4-55)	Severence Liabilites-Contractual	10/26/11	29,992	17,992	6,000	11,992
Special Emergency (40A:4-55)	Hurricane Irene - 2011	10/26/11	60,000	36,000	12,000	24,000
Overexpended Appropriation Reserves				142	142	
Totals				<u>\$ 68,534</u>	<u>\$ 22,942</u>	<u>\$ 45,592</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, 2013	B	\$ 8,889	\$ 462,346	\$ 1,026,347
<b>Increased by Receipts:</b>				
Dog License Fees	B-3	23,874		
State Dog License Fees	B-4	943		
Amount Due Current Fund	B-5:6	44	2	
Escrow Trust Deposits	B-7		68,124	
Historical Preservation Deposits	B-9		60	
COAH Escrow Deposits	B-11		12,948	
CDBG Rehabilitation Deposits	B-12		369	
Off Duty Police Deposits	B-13		4,412	
Public Defender Deposits	B-16		858	
SUI Deposits	B-18		79	
Municipal Alliance Deposits	B-19		17,238	
Municipal Open Space Trust Deposits	B-20:21	-	-	742,345
<b>Total Receipts</b>		<u>24,861</u>	<u>104,090</u>	<u>742,345</u>
		<u><b>33,750</b></u>	<u><b>566,436</b></u>	<u><b>1,768,692</b></u>
<b>Decreased by Disbursements:</b>				
Expenditures Under R. S. 4:19-15.11	B-3	23,377		
State Dog License Fees	B-4	943		
Due Current Fund	B-5:6	44	736	
Escrow Trust Deposits Refunded	B-7		63,191	
Housing Trust	B-10		2,466	
COAH Escrow	B-11		271	
CDBG Rehabilitation	B-12		4,545	
Off Duty Police	B-13		4,412	
Public Defender	B-16		900	
Municipal Alliance	B-19		17,069	
Municipal Open Space Trust Disbursements	B-20			717,693
Municipal Open Space Trust Disbursements	B-21	-	-	52,700
<b>Total Disbursements</b>		<u>24,364</u>	<u>93,590</u>	<u>770,393</u>
Balance December 31, 2014	B	<u><u><b>9,386</b></u></u>	<u><u><b>\$ 472,846</b></u></u>	<u><u><b>\$ 998,299</b></u></u>

TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 8,889
<b>Increased by:</b>		
Outside Township Share	B-2	15,225
Miscellaneous	B-2	49
Dog License Fees Collected	B-2	<u>8,600</u>
		<u>23,874</u>
		32,763
<b>Decreased by:</b>		
Expenditures Under R.S. 4:29-15.11	B-2	<u>23,377</u>
Balance December 31, 2013	B	<u>\$ 9,386</u>

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

B-4

REF.

**Increased by:**

Collected in 2014:

State Board of Health Fees

B-2                      \$ 943  
                                     943

**Decreased By:**

Payments

B-2                      \$ 943

DOG LICENSE FUND  
SCHEDULE OF DUE TO CURRENT FUND

B-5

REF.

**Increased by:**

Interest Earned

B-2    \$ 44  
          44

**Decreased by:**

Interfund Returned

B-2    \$ 44

TRUST FUND  
SCHEDULE OF AMOUNT DUE CURRENT FUND

B-6

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 736
<b>Increased by:</b>		
Interest Earned - Escrow Account	B-12	<div style="display: flex; justify-content: flex-end;"> <div style="border-top: 1px solid black; width: 50px; text-align: right;">2</div> </div>
		738
<b>Decreased by:</b>		
Due from Current - Tax Sale Premiums	B-20	\$ 30,000
Payment to Current Fund	B-2	<div style="display: flex; justify-content: flex-end;"> <div style="border-top: 1px solid black; width: 50px; text-align: right;">736</div> </div>
		30,736
Balance December 31, 2014	B	\$ <u>(29,998)</u>

Tax Sale Premiums Due from Current Fund	\$ (30,000)
Interest due to Current Fund	<div style="display: flex; justify-content: flex-end;"> <div style="border-top: 1px solid black; width: 50px; text-align: right;">2</div> </div>
	\$ <u>(29,998)</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR ESCROW TRUST FUND DEPOSITS

B-7

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 38,209
<b>Increased by:</b>		
Escrow Deposits	B-2	<u>68,124</u>
		106,333
<b>Decreased by:</b>		
Escrow Deposits Refunded	B-2	<u>63,191</u>
Balance December 31, 2014	B	<u>\$ 43,142</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR POAA DEPOSITS  
TRUST DEPOSITS

B-8

REF.

Balance December 31, 2013	B	<u>\$ 26</u>
Balance December 31, 2014	B	<u>\$ 26</u>



TRUST FUND  
SCHEDULE OF RESERVE FOR HISTORICAL PRESERVATION  
TRUST DEPOSITS

B-9

REF.

Balance December 31, 2013	B	\$	2,413
<b>Increased by:</b>			
Deposits	B-2		<u>60</u>
			2,473
Balance December 31, 2014	B	\$	<u>2,473</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR HOUSING TRUST  
TRUST DEPOSITS

B-10

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 40,280
<b>Decreased by:</b>		
Disbursements	B-6	<u>2,466</u>
Balance December 31, 2014	B	<u>\$ 37,814</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR COAH ESCROW  
TRUST DEPOSITS

B-11

	<u>REF.</u>	
Balance December 31, 2013	B	<u>\$ 71,626</u>
<b>Increased by:</b>		
Deposits	B-2	<u>12,948</u>
		84,574
<b>Decreased by:</b>		
Disbursements	B-2	<u>271</u>
Balance December 31, 2014	B	<u>\$ 84,303</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR CDBG REHABILITATION

B-12

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 107,275
<b>Increased by:</b>		
Deposits	B-2	<u>369</u>
		107,644
<b>Decreased by:</b>		
Disbursements	B-2	<u>4,545</u>
Balance December 31, 2014	B	<u>\$ 103,099</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR OFF DUTY POLICE

B-13

REF.

**Increased by:**

Deposits

B-2

\$ 4,412  
4,412

**Decreased by:**

Disbursements

B-2

\$ 4,412

TRUST FUND  
SCHEDULE OF RESERVE FOR CELEBRATION OF PUBLIC EVENTS

B-14

	<u>REF.</u>	
Balance December 31, 2013	B	<u>\$ 3,735</u>
Balance December 31, 2014	B	<u>\$ 3,735</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR FIRE PENALTIES  
TRUST DEPOSITS

B-15

	<u>REF.</u>	
Balance December 31, 2013	B	<u>\$ 2,000</u>
Balance December 31, 2014	B	<u><u>\$ 2,000</u></u>

TRUST FUND  
SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

B-16

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 972
<b>Increased by:</b>		
Deposits	B-2	<u>858</u>
		1,830
<b>Decreased by:</b>		
Payments	B-2	<u>900</u>
Balance December 31, 2014	B	<u>\$ 930</u>



TRUST FUND  
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

B-17

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 154,700
<b>Increased by:</b>		
Deposits	B-6	<u>30,000</u>
		184,700
Balance December 31, 2014	B	<u>\$ 184,700</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR SUI

B-18

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 22,587
<b>Increased by:</b>		
Deposits	B-2	<u>79</u>
		22,666
Balance December 31, 2014	B	<u>\$ 22,666</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE

B-19

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 17,787
<b>Increased by:</b>		
Deposits	B-2	<u>17,238</u> 35,025
<b>Decreased by:</b>		
Disbursements	B-2	<u>17,069</u>
Balance December 31, 2014	B	<u>\$ 17,956</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE TRUST

B-20

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 996,647
<b>Increased by:</b>		
Municipal Open Space Tax Levy	B-2	\$ 289,933
State/County Reimbursements	B-2	269,217
Miscellaneous Refunds	B-2	2,400
Canceled Improvement Authorizations	B-21	177,174
Interest Earned	B-2	<u>3,621</u>
		<u>742,345</u>
		1,738,992
<b>Decreased by:</b>		
Funding for Improvement Authorizations - Bond Refunding	B-21	32,000
Open Space Trust Reserve Anticipated as Current Fund Budgeted Revenue	B-2	300,000
Open Space Contribution to Reduce Refunding Bonds	B-2:C-10	400,000
Municipal Open Space Disbursements	B-2	<u>17,693</u>
		<u>749,693</u>
Balance December 31, 2014	B	<u>\$ 989,299</u>

OPEN SPACE TRUST FUND  
SCHEDULE OF AMOUNT DUE GENERAL CAPITAL FUND

B-21

Balance December 31, 2013	<u>REF.</u> B		\$ 29,700
<b>Increased by:</b>			
Receipt for Canceled Improvement Authorizations	B-2	\$ 177,174	
Funding for Improvement Authorizations	B-20	<u>32,000</u>	<u>209,174</u>
			238,874
<b>Decreased by:</b>			
Amount Due from General Capital Fund for Canceled Improvement Authorizations	B-20	177,174	
Paid to General Capital	B-2	<u>52,700</u>	<u>229,874</u>
Balance December 31, 2014	B		<u><u>\$ 9,000</u></u>

## **GENERAL CAPITAL FUND SCHEDULES**

GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

C-2

	<u>REF.</u>		
Balance December 31, 2013	C	\$	535,557
<b>Increased by:</b>			
Mortgage Payments Received - Principal	C-11	\$	3,643
Mortgage Payments Received - Interest	C-5		1,857
New BAN Proceeds	C-8		39,881
Capital Improvement Fund Budget Appropriation	C-6		150,000
Bond Proceeds	C-10		650,000
Open Space Trust Fund	C-13		52,700
Interest Due Current Fund	C-5		1,845
			<u>899,926</u>
			1,435,483
<b>Decreased by:</b>			
Capital Fund Balance Anticipated as Current Fund Revenue	C-1		25,000
Use of Prior Year Excess Proceeds for Note Payment	C-4		45,394
Interfund Returned	C-5		8,085
Open Space Trust Fund	C-13		177,174
Improvement Authorizations Paid	C-7		975,045
			<u>1,230,698</u>
Balance December 31, 2014	C	\$	<u>204,785</u>

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

C-3

	<u>REF.</u>	
Balance December 31, 2013	C	\$ 3,323,543
<b>Increased by:</b>		
Bond Refunding	C-10	\$ 1,555,000
2014 Authorizations	C-7	<u>990,000</u>
		<u>2,545,000</u>
		5,868,543
<b>Decreased by:</b>		
Bond Refunding	C-10	1,818,000
General Serial Bonds Paid by Current Fund Budget Appropriation	C-10	355,000
NJ Economic Dev. Loan Paid by Current Fund Budget Appropriator	C-9	<u>26,915</u>
		<u>2,199,915</u>
Balance December 31, 2014	C	<u>\$ 3,668,628</u>

Bonds Payable	\$ 3,140,000
New Jersey Green Trust Loan	188,628
Bonds Authorized, Not Issued (Ordinance # 16-14)	<u>340,000</u>
	<u>\$ 3,668,628</u>



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

C-4

ORD NO	IMPROVEMENT DESCRIPTION	BALANCE 12/31/13	2014 AUTHORIZATIONS	DECREASED PAID BY MORTGAGE	DECREASED PAID BY BUDGET	BALANCE 12/31/14	ANALYSIS OF BALANCE		
							BONDS/NOTES AUTHORIZED NOT ISSUED	BOND ANTICIPATION NOTES	EXCESS PROCEEDS
06-06	Acquisition of Fire Vehicles	\$ 261,177			\$ 92,254	\$ 168,923	-	\$ 168,923	-
14-09	Acquisition of Property	133,854		\$ 3,643	32,733	97,478	-	101,121	\$ 3,643
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	36,650			5,300	31,350	-	31,350	
10-11	Various Capital Improvements	775,770		-	-	775,770	477,164	298,606	-
9-14	Acquisition of Equipment	-	\$ 266,000	-	-	266,000	266,000	-	-
		<u>\$ 1,507,451</u>	<u>\$ 266,000</u>	<u>\$ 3,643</u>	<u>\$ 130,287</u>	<u>\$ 1,639,521</u>	<u>\$ 1,043,164</u>	<u>\$ 600,000</u>	<u>\$ 3,643</u>
REF.	C	C-7	C-12			C	C	C-8	
				C-8	\$ 175,681				
	Prior Year Excess Proceeds			C-2	(45,394)				
					<u>\$ 130,287</u>				

GENERAL CAPITAL FUND  
SCHEDULE OF AMOUNT DUE CURRENT FUND

C-5

	<u>REF.</u>		
Balance December 31, 2013	C	\$	6,240
<b>Increased by:</b>			
Mortgage Payments Received - Interest	C-2	\$ 1,857	
Interest Credits	C-2	<u>1,845</u>	<u>3,702</u>
			9,942
<b>Increased by:</b>			
Prior Year Interfund Returned	C-2	6,240	
Payment to Current Fund for Interest Credits	C-2	<u>1,845</u>	<u>8,085</u>
Balance December 31, 2014	C	<u>\$</u>	<u><u>1,857</u></u>

GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>REF.</u>	
Balance December 31, 2013	C	\$ 60,390
<b>Increased by:</b>		
Budgeted Appropriation	C-2	<u>150,000</u>
		210,390
<b>Decreased by:</b>		
Appropriated to Finance Improvement Authorizations	C-7	<u>180,500</u>
Balance December 31, 2014	C	<u>\$ 29,890</u>

GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-7

IMPROVEMENT DESCRIPTION	NUMBER	ORDINANCE		BALANCE 12/31/13		2014 DEFERRED CHARGE AUTHORIZATIONS	CAPITAL IMP FUND	OPEN SPACE TRUST	CANCELLED	PAID OR CHARGED	BALANCE 12/31/14	
		DATE	AMOUNT	FUNDED	UNFUNDED						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		26,890					\$ 732		26,158
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	-							-	
Various Capital Improvements	10-11	6/22/11	\$ 816,600		529,206					23,808		505,398
Various Improvements	10-12	5/23/12	\$ 100,000	9,637						1,814	7,823	
Various Police, OEM, Fire, Buildings and Grounds Equipment and George Washington Road Mill and Grade	7-13	7/24/13	\$ 123,200	94,870						48,463	46,407	
Acquisition of Real Property (Wooden) B/L 29/16	13-13	9/9/13	\$ 170,000									
Bond Refunding and NJSA 40A:2-51(b) Costs (Soft Costs)	22-12	12/27/12	Up to \$2,500,000	19,604							19,604	
Various Capital Improvements	4-14	5/28/14	\$ 131,500				\$ 131,500			74,519	56,981	
Purchase of DPW Truck	7-14	6/25/14	\$ 35,000				35,000			34,770	230	
Acquisition of Equipment	9-14	6/25/14	\$ 280,000			\$ 266,000	14,000			105,807		174,193
Acquisition of Easement	14-14	8/27/14	\$ 32,000					\$ 32,000		31,892	108	
Bond Refunding - Deferred School Tax	16-14	9/24/14	\$ 990,000			990,000				650,000	340,000	
<div> <div>\$ 321,285</div> <div>\$ 870,021</div> <div>\$ 1,256,000</div> <div>\$ 180,500</div> <div>\$ 32,000</div> <div>\$ 177,174</div> <div>\$ 971,805</div> <div>\$ 491,153</div> <div>\$ 1,019,674</div> </div>												

REF.

C

C

C-3

C-6

C-12

C-13

C-2

C

C

C-3

C-4

\$ 990,000

266,000

\$ 1,256,000

C-2

C-15

\$ 975,045

(3,240)

\$ 971,805

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 12/31/13</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE 12/31/14</u>
Acquisition of Fire Vehicles - 06-06	7/19/07	6/26/14	6/26/15	0.750%	\$ 276,760		\$ 107,837	\$ 168,923
Acquisition of Property - 14-09	7/2/09	6/26/14	6/26/15	0.750%	163,665		62,544	101,121
Reconstruction of Rocktown Road - 04-10	6/30/11	6/26/14	6/26/15	0.750%	36,650		5,300	31,350
Various Improvements - 10-12	6/28/12	6/26/14	6/26/15	0.750%	258,725	\$ 39,881	-	298,606
					<b>\$ 735,800</b>	<b>\$ 39,881</b>	<b>\$ 175,681</b>	<b>\$ 600,000</b>
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 12/31/13</u>	<u>DECREASED</u>	<u>BALANCE 12/31/14</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Sourland/Open Space Acquisition Project	6/25/01	\$500,000	3/25/15	\$13,659.51	2%	\$ 215,543	\$ 26,915	\$ 188,628
			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>\$ 215,543</u>	<u>\$ 26,915</u>	<u>\$ 188,628</u>

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>BONDS AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/13</u>	<u>INCREASED</u>	<u>REFUNDED INCREASED</u>	<u>REFUNDED DECREASED</u>	<u>BUDGET DECREASED</u>	<u>BALANCE 12/31/14</u>
General Improvement Bonds Series 2006	5/1/06	\$ 3,118,000	5/1/15 5/1/16	150,000 150,000	4.375% 4.375%	\$ 2,258,000			\$ 1,818,000	\$ 140,000	\$ 300,000
Refunding Bonds Series 2014	11/6/14	\$ 1,555,000	5/1/17 5/1/18 5/1/19 5/1/20 5/1/21 5/1/22 5/1/23 5/1/24 5/1/25 5/1/26	150,000 145,000 155,000 150,000 155,000 150,000 160,000 155,000 170,000 165,000	2.600% 2.600% 2.600% 2.600% 2.600% 2.600% 2.600% 2.600% 2.600% 2.600%			\$ 1,555,000			1,555,000
Refunding Bonds Series 2014 - Deferred School Tax	11/6/14	\$ 650,000	11/1/16 11/1/17 11/1/18 11/1/19 11/1/20 11/1/21 11/1/22 11/1/23 11/1/24	65,000 65,000 65,000 70,000 70,000 75,000 75,000 80,000 85,000	3.650% 3.650% 3.650% 3.650% 3.650% 3.650% 3.650% 3.650% 3.650%		\$ 650,000				650,000
General Obligation Bonds Series 2014	2/28/13	\$ 850,000	2/15/15 2/15/16 2/15/17	210,000 215,000 210,000	1.335% 1.335% 1.335%	850,000				215,000	635,000

\$	3,108,000	\$	650,000	\$	1,555,000	\$	1,818,000	\$	355,000	\$	3,140,000
----	-----------	----	---------	----	-----------	----	-----------	----	---------	----	-----------

C

C-2

C-3

C-3

C-3

C

**Funding Sources:**

Refunding Bonds Issued	\$ 1,555,000
Open Space Contribution	400,000
Total Cash Funding	<u>\$ 1,955,000</u>

Principal Escrow of Bonds Refunded	\$ 1,818,000
Interest through May 1, 2016	119,306
Other Soft Costs	17,694
Total Required Cash	<u>\$ 1,955,000</u>

GENERAL CAPITAL FUND  
SCHEDULE OF MORTGAGE ACCOUNTS RECEIVABLE

C-11

Balance December 31, 2013	<u>REF.</u> C	\$ 69,250
<b>Decreased by:</b>		
Mortgage Receipt	C-2	<u>3,643</u>
Balance December 31, 2014	C	<u>\$ 65,607</u>



GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR MORTGAGE ACCOUNTS RECEIVABLE

C-12

Balance December 31, 2013	<u>REF.</u> C	\$ 69,250
<b>Decreased by:</b>		
Mortgage Receipt	C-4	<u>3,643</u>
Balance December 31, 2014	C	<u>\$ 65,607</u>

GENERAL CAPITAL FUND  
SCHEDULE OF AMOUNT DUE OPEN SPACE TRUST

C-13

Balance December 31, 2013	<u>REF.</u> C		\$ 29,700
<b>Increased by:</b>			
Payments to Opens Space Trust Fund	C-2	\$177,174	
Funding for Improvement Authorizations	C-7	<u>32,000</u>	<u>209,174</u>
			238,874
<b>Decreased by:</b>			
Canceled Improvement Authorizations - Return to Open Space Trust	C-7	177,174	
Receipts from Open Space Trust Fund	C-2	<u>52,700</u>	<u>229,874</u>
Balance December 31, 2014	C		<u>\$ 9,000</u>

GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR PRELIMINARY EXPENSES - OPEN SPACE PRESERVATION

C-14

Balance December 31, 2013	<u>REF.</u> C	\$ 28,127
<b>Decreased by:</b>		
Refunded to Improvement Authorization Ordinance	C-7	<u>3,240</u>
Balance December 31, 2014	C	<u><u>\$ 24,887</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, 2013	E	<u>\$ 1,053</u>	<u>\$11,154</u>	<u>\$ 12,207</u>
<b>Increased by Receipts:</b>				
Interest		6	19	25
Total Receipts		<u>6</u>	<u>19</u>	<u>25</u>
		<u>1,059</u>	<u>11,173</u>	<u>12,232</u>
<b>Decreased by Disbursements:</b>				
Return Funds to State of New Jersey			11,170	11,170
Interfund - Close Account		<u>-</u>	<u>3</u>	<u>3</u>
		<u>-</u>	<u>\$11,173</u>	<u>11,173</u>
Balance December 31, 2014	E	<u>\$ 1,059</u>	<u>-</u>	<u>\$ 1,059</u>

## **SCHEDULE OF GENERAL FIXED ASSETS**

GENERAL FIXED ASSETS  
DECEMBER 31, 2014  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS

F-1

	<u>BALANCE</u> <u>12/31/13</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/14</u>
General Fixed Assets:				
Land	\$ 2,222,406			\$ 2,222,406
Buildings	1,696,957			1,696,957
Machinery and Equipment	<u>2,358,593</u>	<u>\$ 140,577</u>	<u>-</u>	<u>2,499,170</u>
 Total General Fixed Assets	 <u>\$ 6,277,956</u>	 <u>\$ 140,577</u>	 <u>-</u>	 <u>\$ 6,418,533</u>
 Investment In General Fixed Assets	 <u>\$ 6,277,956</u>	 <u>\$ 140,577</u>	 <u>-</u>	 <u>\$ 6,418,533</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 6, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes:

Resolved, that commencing with the installment payments due on February 1, 2014, 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 6, 2014, 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, 2014, include only real property items on the 2014 tax levy.

The last tax sale was held October 14, 2014 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>
2014	19
2013	16
2012	14

## **Verification of Delinquent Taxes and Other Charges**

Verification notices were mailed to confirm balances as of December 31, 2014. 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, 2014				
<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>
2014 Property Tax	Positive	3,150	25	7
2015 Property Tax	Positive	3,150	25	7
2014 Delinquent Tax	Negative	348	25	7

## **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 directives are as follows:

<u>Requirement</u>	FY 2014 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**

	<b><u>YEAR 2014</u></b>	<b><u>%</u></b>	<b><u>YEAR 2013</u></b>	<b><u>%</u></b>
Fund Balance Utilized	\$ 386,880	3.34%	\$ 361,000	2.60%
Miscellaneous - From Other Than				
Local Property Tax Levies	1,873,930	16.18%	2,461,589	17.71%
Collection of Delinquent Taxes and				
Tax Title Liens	276,239	2.39%	273,311	1.97%
Collection of Current Tax Levy	<u>9,041,765</u>	<u>78.09%</u>	<u>10,807,149</u>	<u>77.73%</u>
<b>Total Income</b>	<u>11,578,814</u>	<u>100.00%</u>	<u>13,903,049</u>	<u>100.00%</u>

**EXPENDITURES**

Budget Expenditures:				
Municipal Purposes	3,311,075	28.69%	3,731,591	27.47%
County Taxes	1,828,795	15.85%	1,856,529	13.67%
Local and Regional Taxes	6,106,812	52.92%	7,696,800	56.66%
Municipal Open Space Tax	289,933	2.51%	282,917	2.08%
Other Expenditures	<u>3,987</u>	<u>0.03%</u>	<u>16,469</u>	<u>0.12%</u>
<b>Total Expenditures</b>	<u>\$ 11,540,602</u>	<u>100.00%</u>	<u>\$ 13,584,306</u>	<u>100.00%</u>
Excess in Revenue	38,212		318,743	
Fund Balance January 1	833,654		875,911	
Less:				
Utilization as Anticipated Revenue	<u>386,880</u>		<u>361,000</u>	
Fund Balance December 31	<u>\$ 484,986</u>		<u>\$ 833,654</u>	

**Comparative Schedule of Tax Rate Information**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	<u>\$1.896</u>	<u>\$2.360</u>	<u>\$2.367</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.249	\$0.257	\$0.259
County	\$0.380	\$0.395	\$0.417
Local School	N/A	\$0.828	\$0.818
Regional School	\$1.207	\$0.821	\$0.814
Municipal Open Space Tax	\$0.060	\$0.059	\$0.059

**Assessed Valuation:**

<u>Year</u>	<u>Amount</u>
2014	\$481,253,118
2013	\$467,007,527
2012	\$464,005,680

**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>
2014	\$9,161,874	\$9,041,765	98.68%
2013	\$11,124,471	\$10,807,150	97.14%
2012	\$11,071,476	\$10,749,401	97.09%

**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>
2014	\$137,600	\$86,240	\$223,840	2.44%
2013	\$129,705	\$312,100	\$441,805	3.97%
2012	\$119,994	\$286,715	\$406,709	3.67%

**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>
2014	\$3,150
2013	\$3,150
2012	\$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>
2014	\$ 484,986	\$ 282,881	NONE
2013	\$ 833,654	\$ 386,880	NONE
2012	\$ 875,911	\$ 361,000	NONE
2011	\$ 603,106	\$ 96,000	NONE
2010	\$ 306,013	\$ 85,000	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 (1/1/14 - 7/28/14) Committeeperson		
George A. Fisher	Mayor (7/28/14 - 12/31/14) Committeeperson		
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		

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Mary Hyland	Tax Collector; Tax Search Officer	\$1,000,000	PAIC Joint Insurance Fund
Thomas 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; Zoning 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		
Mary Loretta Hoagland	Court Administrator		
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>
2014	\$107,231

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.





## **ARDITO & Co., LLP**

1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192  
908-996-4711 Fax: 908-996-4688  
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA  
Douglas R. Williams, CPA, 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 regulatory-basis financial statements of the Township of West Amwell in the County of Hunterdon, State of New Jersey, as of and for the years ended December 31, 2014 and 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 April 30, 2015, 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 accounting principles generally accepted in the United States of America.

**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.

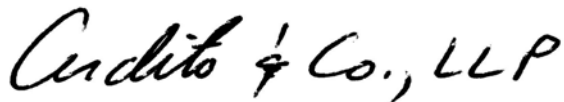
### **Compliance and Other Matters**

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  
April 30, 2015



Certified Public Accountant  
Registered Municipal Accountant No.524  
ARDITO & CO., LLP  
Frenchtown, New Jersey  
April 30, 2015

## **SCHEDULE OF FEDERAL/STATE AWARDS**

**SCHEDULE OF STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**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 1/1/14</u>	<u>RECEIPTS PROGRAM</u>	<u>OTHER</u>	<u>DISBURSEMENTS</u>	<u>CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/14</u>
<b><u>DEPT. OF ENVIR. PROTECTION</u></b>									
Solid Waste Admin.-Clean Communities Program	042490076500410	\$ 10,579	2014	A		\$ 10,579		\$ 5,429	\$ 5,150 -
<b><u>DEPT. OF PUBLIC SAFETY</u></b>									
Drunk Driving Enforcement Fund	4250-760-050000-63	Various	Various	A	\$ 3,840			165	3,675
<b><u>DEPT. OF TRANSPORTATION</u></b>									
NJ Transportation Fund Authority Act									
Alexauken Creek Watershed Plan I		239,300	2005	A	5,409			899	4,510
Alexauken Creek Watershed Plan II		541,300	2013	A		31,117		27,168	3,949
<b><u>OTHER STATE AIDS</u></b>									
Body Armor Grant	N/A	1,299	2013	A	1,504			817	687
Body Armor Grant	N/A	1,090	2014	A		1,090			1,090
Drive Sober or Get Pulled Over	N/A	4,400	2012	A					-
Community Forestry Grant	N/A	5,100	2009/10	A	1,785		\$ (1,785)		-
US Bulletproof Vests	N/A	2,200	2012	A	(2,456)			880	(3,336)
Sustainable New Jersey	N/A	5,000	2014	A		5,000			5,000
Sustainable New Jersey	N/A	10,000	2012	A	(5,000)				(5,000)
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	3,626	2014	A		3,626		3,626	-
Municipal Alliance	Local Grant	528	2013	A	528				528
<b>TOTAL STATE ASSISTANCE</b>					<b>\$ 8,233</b>	<b>\$ 51,412</b>	<b>\$ (2,002)</b>	<b>\$ 38,984</b>	<b>\$ 18,659</b>

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, 2014

**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of State Awards present the activity of all 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 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 and New Jersey OMB 04-04. However, the Township was not subject to the single audit provisions of Federal OMB Circular A-133 or New Jersey OMB Circular NJOMB 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2014 as grant expenditures were less than the single audit thresholds of \$500,000, identified in the Circulars.

**NOTE 3. RELATIONSHIP TO THE FINANCIAL STATEMENTS**

The accompanying Schedules of Expenditures of 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**

2013-1    The Public Assistance Fund should be closed and transferred to the Current Fund.

**Status - The account was closed and all excess moneies were returned to the State of New Jersey.**



**SCHEDULE OF FINDINGS AND RESPONSES**  
**GENERAL FINDINGS**



## **SCHEDULE OF FINDINGS AND RESPONSES**

### **GENERAL FINDINGS**

YEAR ENDED DECEMBER 31, 2014

#### **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 2014 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**

None