TOWNSHIP OF ALLAMUCHY

COUNTY OF WARREN

REPORT OF AUDIT

2012

NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
REPORT OF AUDIT
2012

TOWNSHIP OF ALLAMUCHY
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TOWNSHIP OF ALLAMUCHY

PART I

REPORT ON AUDIT AND FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2012

NISIVOCCIA LLP
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Independent Auditors' Report

The Honorable Mayor and Members
of the Township Council
Township of Allamuchy
Allamuchy, New Jersey

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* of the various funds of the Township of Allamuchy, in the County of Warren (the "Township") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, as listed in the foregoing 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 prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as described in Note 1 to the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. Except as discussed in the eighth paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, these financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* 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, 2012 and 2011, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Basis for Qualified Opinion

The Township's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. The basis of accounting is not in conformity with U. S. generally accepted accounting principles but is in accordance with the accounting principles prescribed by the Division. As described in Note 1, based upon the underlying accounting records, we have not audited the general fixed assets account group.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects on the December 31, 2012 and 2011 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements – *regulatory basis* referred to above present fairly, in all material respects, the financial position of the various funds of the Township of Allamuchy as of December 31, 2012 and 2011, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended in accordance with accounting principles on the basis of the financial reporting provisions prescribed by the Division, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*; and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2013 on our consideration of the Township of Allamuchy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Allamuchy's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
May 14, 2013

NISIVOCCIA LLP

David H. Evans
Certified Public Accountant
Registered Municipal Accountant No. 98

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
CURRENT FUND

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31, 2012	December 31, 2011
ASSETS			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	$ 782,482.09	$ 984,899.19
Change Fund		200.00	200.00
		782,682.09	985,099.19
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions		6,339.00	339.00
		789,021.09	985,438.19
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	212,614.36	187,406.07
Revenue Accounts Receivable	A-9	2,368.07	3,855.32
Due from:			
Animal Control Fund	B	592.43	
Other Trust Fund	B		2,253.40
Other Accounts Receivable		2,735.83	2,735.83
Total Receivables and Other Assets with Full Reserves		218,310.69	196,250.62
Deferred Charges:			
Special Emergency Appropriation		160,000.00	200,000.00
Total Regular Fund		1,167,331.78	1,381,688.81
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	76,780.07	63,012.17
Grant Funds Receivable	A-10	322,744.70	9,702.44
Total Federal and State Grant Fund		399,524.77	72,714.61
TOTAL ASSETS		$ 1,566,856.55	$ 1,454,403.42

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31, 2012	December 31, 2011
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	$ 15,706.61	$ 23,013.60
Unencumbered	A-3;A-11	171,424.11	93,094.85
		187,130.72	116,108.45
Due State of New Jersey:			
Marriage License Fees		115.00	15.00
Building Surcharge Fees		449.00	272.00
Due to:			
Other Trust Fund	B	2,735.32	
Accounts Payable - Vendors		55.51	
County Added and Omitted Taxes Payable		23,802.53	74,228.43
Prepaid Taxes		75,358.70	69,874.71
Tax Overpayments		2,454.36	9,497.85
Garbage District Taxes Payable	A-14	3,105.39	9,465.17
Special Emergency Notes Payable	A-15	160,000.00	200,000.00
Special District Taxes Payable - Municipal	A-13	119.32	
Reserve for:			
Bid Bonds		9,050.00	9,050.00
Pending Tax Appeals		3,500.00	3,500.00
Lake Eagle Rock Study		20,000.00	20,000.00
Revaluation		26,175.15	182,995.15
Payments In Lieu of Taxes		47,902.85	47,902.85
		561,953.85	742,909.61
Reserve for Receivables and Other Assets	A	218,310.69	196,250.62
Fund Balance	A-1	387,067.24	442,528.58
Total Regular Fund		1,167,331.78	1,381,688.81
Federal and State Grant Fund:			
Unappropriated Reserves	A-16	4,715.77	9,408.04
Appropriated Reserves:			
Unencumbered	A-17	394,809.00	63,306.57
Total Federal and State Grant Fund		399,524.77	72,714.61
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 1,566,856.55	$ 1,454,403.42

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31, 2012	2011
Revenue and Other Income Realized			
Fund Balance Utilized		$ 245,000.00	$ 245,000.00
Miscellaneous Revenue Anticipated		1,436,629.62	1,100,619.02
Receipts from:			
Delinquent Taxes		187,399.18	215,515.85
Current Taxes		16,114,825.64	15,725,381.02
Nonbudget Revenue		74,798.43	67,253.77
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		5,748.62	65,305.28
Interfunds and Other Receivables Returned		2,253.40	1,365.81
Total Income		18,066,654.89	17,420,440.75
Expenditures			
Budget and Emergency Appropriations:			
Municipal Purposes		3,324,695.71	3,028,971.62
County Taxes		4,149,699.41	4,323,591.72
Local School District Taxes		7,655,548.34	7,251,444.87
Local Open Space Taxes		114,962.25	115,257.09
Special District Taxes		2,619,894.65	2,525,251.39
Reserve for Snow Removal		12,500.00	
Interfunds and Other Receivables Advanced		592.43	4,623.24
Total Expenditures		17,877,892.79	17,249,139.93
Excess in Revenue		188,762.10	171,300.82
Adjustments to Income Before Fund Balance:			
Deferred Charges to Budget of Succeeding Year			200,000.00
Statutory Excess to Fund Balance		188,762.10	371,300.82
Fund Balance			
Balance January 1		442,528.58	316,227.76
		631,290.68	687,528.58
Decreased by:			
Utilized as Anticipated Revenue		245,000.00	245,000.00
Balance December 31	A	$ 386,290.68	$ 442,528.58

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2012

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	$ 245,000.00		$ 245,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	2,355.00		1,884.00	$ 471.00 *
Fees and Permits	4,645.00		4,150.00	495.00 *
Fines and Costs:				
Municipal Court	50,000.00		56,736.89	6,736.89
Interest and Costs on Taxes	50,000.00		32,952.76	17,047.24 *
Interest on Investments and Deposits	10,000.00		10,847.41	847.41
Recreation Fees	25,000.00		15,320.00	9,680.00 *
Energy Receipts Tax	350,511.00		350,511.00	
Garden State Trust	39,735.00		39,735.00	
Uniform Construction Code Fees	75,000.00		36,777.00	38,223.00 *
Clean Communities Program	7,123.70		7,123.70	
Reserve for Clean Communities Program	7,102.69		7,102.69	
Reserve for Recycling Tonnage Grant	1,843.55		1,843.55	
Alcohol Education and Rehabilitation Fund	161.80		161.80	
Warren County Historical Grant		299,696.00	299,696.00	
NJ Highlands Grant		88,500.00	88,500.00	
Open Space Trust - Debt Service	115,000.00		114,962.25	37.75 *
General Capital Fund Balance	63,027.00		63,027.00	
Reserve for Debt Service	66,458.00		66,458.00	
Affordable Housing Rents	167,500.00		214,617.13	47,117.13
Water and Sewer Utility Fund Balance	25,000.00		25,000.00	
	1,060,462.74	388,196.00	1,437,406.18	11,252.56 *
Receipts from Delinquent Taxes	175,000.00		187,399.18	12,399.18
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	1,840,140.92		1,958,467.71	118,326.79
Budget Totals	3,320,603.66	388,196.00	3,828,273.07	119,473.41
Nonbudget Revenue			74,798.43	74,798.43
	$ 3,320,603.66	$ 388,196.00	$ 3,903,071.50	$ 194,271.84

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2012
(Continued)

Allocation of Current Tax Collections:	
Revenue from Collection of Current Taxes	$ 16,114,825.64
Allocated to County, School and Special District Taxes	14,540,104.65
Balance for Support of Municipal Budget	1,574,720.99
Add: Appropriation "Reserve for Uncollected Taxes"	383,746.72
Realized for Support of Municipal Budget	$ 1,958,467.71
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	$ 187,399.18
Analysis of Fees and Permits:	
Other Departments	$ 4,150.00
Analysis of Interest on Investments and Deposits:	
Collected/Received by Treasurer	$ 6,700.22
Due from:	
General Capital Fund	2,401.90
Animal Control Fund	21.07
Other Trust Fund	947.66
	$ 10,070.85
Analysis of Uniform Construction Code Fees:	
Building Inspector	$ 36,777.00

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2012
(Continued)

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:			
Treasurer:			
Cable TV Franchise Fees	$ 18,492.00		
Licenses - Other Than ABC	2,512.96		
Clean-up Fees	2,343.00		
FEMA Reimbursement	8,125.06		
Copies	195.00		
Premium on Special Emergency Notes	718.44		
Senior Citizens' and Veterans' Deductions Administrative Fee	1,135.00		
Other Miscellaneous Revenue	35,281.93		
		$	68,803.39
Tax Collector:			
Duplicate Bills and Other Miscellaneous		$	5,402.67
Due from Animal Control Fund - Statutory Excess			592.37
		$	74,798.43

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	$ 93,100.50	$ 93,100.50	$ 92,663.59	$ 436.91	
Other Expenses:					
Codification and Revision of Ordinances	2,500.00	2,500.00		2,500.00	
Miscellaneous Other Expenses	32,500.00	31,000.00	29,895.30	1,104.70	
Financial Administration:					
Salaries and Wages	33,292.80	33,292.80	32,620.06	672.74	
Other Expenses	8,500.00	11,500.00	11,406.43	93.57	
Annual Audit	40,000.00	40,000.00	40,000.00		
Tax Assessment Administration:					
Salaries and Wages	21,328.20	21,328.20	20,910.03	418.17	
Other Expenses	8,400.00	8,400.00	5,862.83	2,537.17	
Revenue Administration (Tax Collection):					
Salaries and Wages	68,666.40	70,166.40	69,977.00	189.40	
Other Expenses	11,500.00	9,500.00	7,196.86	2,303.14	
Legal Services and Costs:					
Other Expenses	100,000.00	100,000.00	88,407.03	11,592.97	
Municipal Prosecutor:					
Salaries and Wages	11,497.44	12,097.44	12,097.01	0.43	
Engineering Services and Costs:					
Other Expenses	25,000.00	25,000.00	20,240.37	4,759.63	

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TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT (Cont'd):					
Public Buildings and Grounds:					
Salaries and Wages	$ 40,159.44	$ 43,234.44	$ 43,219.01	$ 15.43	
Other Expenses	38,100.00	61,400.00	42,730.09	18,669.91	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	14,149.44	14,149.44	13,863.99	285.45	
Other Expenses	23,100.00	15,600.00	14,977.69	622.31	
Environmental Commission (NJSA 40:56A-1 et seq.):					
Salaries and Wages	2,028.78	2,028.78	1,985.28	43.50	
Other Expenses	14,600.00	14,600.00	11,024.10	3,575.90	
Contribution to Warren County Soil Conservation Program for Pequest River	2,500.00	4,900.00	4,900.00		
INSURANCE:					
Group Insurance Plans For Employees	73,944.00	73,944.00	71,827.27	2,116.73	
Other Insurance Premiums	124,768.00	125,493.00	125,479.35	13.65	
Surety Bond Premiums	4,500.00	4,500.00	4,352.50	147.50	
Worker's Compensation Insurance	26,256.00	27,681.00	27,667.00	14.00	
PUBLIC SAFETY:					
First Aid Organization Contribution	20,000.00	20,000.00	20,000.00		
Fire Department:					
Other Expenses	70,000.00	70,000.00	56,412.05	13,587.95	
Emergency Management Services:					
Salaries and Wages	6,242.40	6,242.40	6,114.96	127.44	
Other Expenses	1,500.00	1,500.00	838.28	661.72	
Municipal Court:					
Salaries and Wages	66,646.80	53,771.80	53,649.85	121.95	
Other Expenses	6,500.00	7,500.00	7,351.29	148.71	
Public Defender:					
Other Expenses	1,650.00	2,850.00	2,850.00		

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TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
STREETS AND ROADS:					
Road Repairs and Maintenance:					
Salaries and Wages	$ 107,100.00	$ 102,650.00	$ 88,089.17	$ 14,560.83	
Other Expenses	120,000.00	110,700.00	104,286.03	6,413.97	
Garbage and Trash Removal:					
Other Expenses	2,500.00	3,300.00	3,267.83	32.17	
Recycling:					
Salaries and Wages	6,762.60	7,362.60	7,331.40	31.20	
Other Expenses	84,000.00	65,500.00	65,494.36	5.64	
HEALTH AND WELFARE:					
Animal Control Officer:					
Salaries and Wages	14,045.40	14,045.40	10,580.01	3,465.39	
Other Expenses	15,000.00	15,000.00	10,153.71	4,846.29	
Administration of Public Assistance:					
Other Expenses	125.00	125.00		125.00	
Board of Health:					
Other Expenses	500.00	500.00		500.00	
RECREATION AND EDUCATION:					
Board of Recreation Commissioners:					
Salaries and Wages	13,785.30	13,785.30	10,660.00	3,125.30	
Other Expenses	45,500.00	45,500.00	39,938.55	5,561.45	

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TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
UNIFORM CONSTRUCTION CODE:					
State Uniform Construction Code (NJSA 52:27D-120 et seq):					
Construction Official:					
Salaries and Wages	$ 98,109.72	$ 98,109.72	$ 91,867.86	$ 6,241.86	
Other Expenses	2,500.00	1,500.00	786.52	713.48	
Fire Subcode Official:					
Salaries and Wages	14,955.75	14,955.75	14,652.94	302.81	
Zoning Official:					
Salaries and Wages	12,796.92	12,796.92	12,546.00	250.92	
UNCLASSIFIED:					
Electricity	32,000.00	32,000.00	25,355.18	6,644.82	
Telephone	17,000.00	17,000.00	15,816.39	1,183.61	
Water	650.00	650.00	579.10	70.90	
Fuel Oil	21,700.00	19,200.00	11,449.17	7,750.83	
Gasoline	19,500.00	19,500.00	18,841.86	658.14	
Total Operations Within "CAPS"	1,621,460.89	1,601,460.89	1,472,215.30	129,245.59	
Contingent	2,500.00	2,500.00		2,500.00	
Total Operations Including Contingent Within "CAPS"	1,623,960.89	1,603,960.89	1,472,215.30	131,745.59	
Detail:					
Salaries and Wages	624,667.89	613,117.89	582,828.16	30,289.73	
Other Expenses	999,293.00	990,843.00	889,387.14	101,455.86	
Deferred Charges and Statutory Expenditures - Municipal -					
Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	58,558.00	58,558.00	58,558.00		
Social Security System (OASI)	49,441.70	49,441.70	46,710.52	2,731.18	

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TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	$ 107,999.70	$ 107,999.70	$ 105,268.52	$ 2,731.18	
Total General Appropriations for Municipal Purposes Within "CAPS"	1,731,960.59	1,711,960.59	1,577,483.82	134,476.77	
Operations Excluded from "CAPS":					
LOSAP	32,000.00	32,000.00		32,000.00	
Contribution to:					
Affordable Housing-Other Expenses	92,500.00	112,500.00	107,552.66	4,947.34	
Insurance:					
Group Insurance for Employees	2,556.00	2,556.00	2,556.00		
Public and Private Programs Offset by Revenue:					
Warren County Historic Preservation - (40A:4-87)		299,696.00	299,696.00		
Highlands Water Protection and Planning Grant - (40A:4-87)		88,500.00	88,500.00		
Clean Communities Program	7,123.70	7,123.70	7,123.70		
Reserve for Clean Communities Program	7,102.69	7,102.69	7,102.69		
Reserve for Recycling Tonnage Grant	1,843.55	1,843.55	1,843.55		
Alcohol Education and Rehabilitation Grant	161.80	161.80	161.80		
Total Operations Excluded from "CAPS"	143,287.74	551,483.74	514,536.40	36,947.34	
Detail:					
Other Expenses	143,287.74	551,483.74	514,536.40	36,947.34	
Capital Improvements - Excluded from "CAPS":					
Reserve for Improvements	25,000.00	25,000.00	25,000.00		
Capital Improvement Fund	5,000.00	5,000.00	5,000.00		
Total Capital Improvements - Excluded from "CAPS"	30,000.00	30,000.00	30,000.00		

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TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	$ 190,000.00	$ 190,000.00	$ 190,000.00		
Payment of Bond Anticipation Notes	326,578.00	326,578.00	326,255.00		$ 323.00
Interest on Bonds	120,387.50	120,387.50	120,387.50		
Interest on Notes	171,423.80	171,423.80	171,389.57		34.23
Loan Repayments for Principal and Interest	31,089.86	31,089.86	31,089.86		
New Jersey Environmental Infrastructure Trust	148,629.45	148,629.45	148,629.45		
Total Municipal Debt Service - Excluded from "CAPS"	988,108.61	988,108.61	987,751.38		357.23
Deferred Charges - Municipal - Excluded from "CAPS":					
Deferred Charges:					
Special Emergency Authorization	43,500.00	43,500.00	43,500.00		
Total Deferred Charges - Municipal - Excluded from "CAPS":	43,500.00	43,500.00	43,500.00		
Total General Appropriations - Excluded from "CAPS"	1,204,896.35	1,613,092.35	1,575,787.78	$ 36,947.34	357.23
Subtotal General Appropriations	2,936,856.94	3,325,052.94	3,153,271.60	171,424.11	357.23
Reserve for Uncollected Taxes	383,746.72	383,746.72	383,746.72		
Total General Appropriations	$ 3,320,603.66	$ 3,708,799.66	$ 3,537,018.32	$ 171,424.11	$ 357.23
Ref.				A	

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TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Ref.	Analysis of Budget After Modification	Analysis of Paid or Charged
Adopted Budget		$ 3,320,603.66	
Added by 40A:4-87		388,196.00	
		$ 3,708,799.66	
Reserve for Uncollected Taxes			$ 383,746.72
Reserve for Encumbrances	A		15,706.61
Due Federal and State Grant Fund			404,427.74
Cash Disbursed			2,733,137.25
			$ 3,537,018.32

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
TRUST FUNDS

TOWNSHIP OF ALLAMUCHY
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	Ref.	December 31, 2012	December 31, 2011
ASSETS			
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	$ 8,530.57	$ 4,112.61
		8,530.57	4,112.61
Other Trust Funds:			
Cash and Cash Equivalents	B-4	893,072.64	696,514.21
Due From Current Fund	A	3,511.88	
		896,584.52	696,514.21
TOTAL ASSETS		$ 905,115.09	$ 700,626.82
LIABILITIES AND RESERVES			
Animal Control Fund:			
Due Current Fund	A	$ 592.43	
Due State Board of Health		21.60	$ 20.40
Reserve for Animal Control Expenditures	B-6	7,916.54	4,092.21
		8,530.57	4,112.61
Other Trust Funds:			
Due Current Fund	A		2,253.40
Developers' Deposits		653,730.06	456,349.32
Construction Escrow Deposits		13,831.51	11,298.31
Reserve for:			
Condominium Security Deposits		33,896.89	21,973.67
State Unemployment Insurance		17,698.25	16,531.81
Housing Rehabilitation		40,830.23	23,806.12
Open Space		28,618.94	28,618.94
Parking Offense Adjudication Act		114.00	114.00
Public Defender Fees		3,400.00	3,400.00
Senior Luncheon		1,554.00	1,554.00
GIS Updates		12,142.62	12,142.62
Tax Sale Premiums		61,900.00	86,400.00
Tax Map Assessments		723.63	723.63
Harvest Festival		993.39	993.39
Fire Safety		250.00	250.00
Rutherford Hall		60.00	60.00
Playground		9,926.00	21,045.00
Open Space Donations		4,415.00	9,000.00
Snow Removal		12,500.00	
		896,584.52	696,514.21
TOTAL LIABILITIES AND RESERVES		$ 905,115.09	$ 700,626.82

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
GENERAL CAPITAL FUND

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31, 2012	December 31, 2011
ASSETS			
Cash and Cash Equivalents	C-2	$ 773,060.94	$ 814,229.07
Deferred Charges to Future Taxation:			
Funded		4,386,971.95	4,896,045.82
Unfunded	C-4	9,061,355.00	9,270,110.00
Warren County Grant Receivable		213.00	213.00
Due From Escrow Agent		3,400.94	
Due From Rating Agency		7,900.00	
TOTAL ASSETS		$ 14,232,901.83	$ 14,980,597.89
LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes Payable	C-7	$ 9,045,605.00	$ 9,134,360.00
New Jersey Green Trust Loans Payable	C-9	254,910.04	280,516.96
New Jersey Environmental Infrastructure Loans Payable	C-9A	1,172,061.91	1,285,528.86
Serial Bonds Payable	C-8	2,960,000.00	3,330,000.00
Improvement Authorizations:			
Funded	C-5	120,793.70	42,957.15
Unfunded	C-5	410,142.83	404,977.16
Capital Improvement Fund	C-6	19,704.22	137,229.22
Reserve for:			
Developers' Contributions		1,500.00	1,500.00
Improvements		39,000.00	35,000.00
Renovations to Maintenance Garage		50,000.00	50,000.00
Road Improvements and Paving			4,975.00
Public Safety Equipment		35,861.00	35,861.00
Downpayment on Improvements		2,500.00	2,500.00
Fire Station Building Improvements		20,000.00	20,000.00
Recreation			15,000.00
Sewer Line		14,709.37	14,709.37
Payment of Debt Service			66,458.68
Fund Balance	C-1	86,113.76	119,024.49
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 14,232,901.83	$ 14,980,597.89

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

	Ref.	
Balance December 31, 2011	C	$ 119,024.49
Increased by:		
Premium on Sale of Bond Anticipation Notes		30,115.59
Cancelled Reserve to Pay Debt Service		0.68
		149,140.76
Decreased by:		
Fund Balance Anticipated as Current Fund Revenue		63,027.00
Balance December 31, 2012	C	$ 86,113.76

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
WATER AND SEWER UTILITY FUND

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31, 2012	December 31, 2011
ASSETS			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	$ 639,701.95	$ 534,603.75
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	D-6	377,645.06	374,187.10
Total Operating Fund		1,017,347.01	908,790.85
Capital Fund:			
Cash and Cash Equivalents	D-4	643,576.14	1,959,872.36
Fixed Capital	D-7	8,782,046.54	7,537,046.54
Fixed Capital Authorized and Uncompleted	D-8	1,585,000.00	2,830,000.00
Total Capital Fund		11,010,622.68	12,326,918.90
TOTAL ASSETS		$ 12,027,969.69	$ 13,235,709.75

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
(Continued)

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	December 31, 2012	December 31, 2011
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	$ 43,518.42	$ 52,011.21
Encumbered	D-3;D-9	19,020.01	6,899.21
		62,538.43	58,910.42
Third Party Liens		881.20	881.20
Water and Sewer Overpayments		1,146.87	619.86
Security Deposits		39,086.63	34,209.70
Accrued Interest on Wastewater Treatment Loans		9,456.25	13,813.00
Accrued Interest on New Jersey Water Supply Interconnection Loan		13.27	14.92
Accrued Interest on New Jersey Environmental Infrastructure Trust Loan		4,802.09	5,135.42
Accrued Interest on Bond Anticipation Notes		7,448.16	12,977.14
Accrued Interest on Bonds		401.04	773.43
		125,773.94	127,335.09
Reserve for Receivables	D	377,645.06	374,187.10
Fund Balance	D-1	513,928.01	407,268.66
Total Operating Fund		1,017,347.01	908,790.85
Capital Fund:			
Serial Bonds Payable	D-16	25,000.00	50,000.00
New Jersey Wastewater Treatment Loans Payable	D-14	616,496.84	908,323.67
New Jersey Water Supply Interconnection Loan Payable	D-14A	136,534.25	153,470.72
New Jersey Environmental Infrastructure Trust Loan Payable	D-14B	577,034.61	619,960.62
Bond Anticipation Notes Payable	D-15	3,201,595.00	4,044,824.00
Improvement Authorizations:			
Funded	D-10	5,208.22	24,339.50
Unfunded	D-10	563,254.14	1,044,276.05
Capital Improvement Fund	D-11	51,937.60	26,937.60
Reserve for Payment of Debt Service			840,835.58
Reserve for Facility Improvements		850.00	850.00
Reserve for Amortization	D-12	5,686,159.63	3,534,041.53
Deferred Reserve for Amortization	D-13	123,500.00	1,055,699.79
Fund Balance	D-1A	23,052.39	23,359.84
Total Capital Fund		11,010,622.68	12,326,918.90
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 12,027,969.69	$ 13,235,709.75

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31, 2012	2011
Revenue and Other Income Realized			
Fund Balance Utilized		$ 182,763.00	$ 224,316.00
Water and Sewer Rents		1,472,054.99	1,442,719.13
Reserve for Debt Service		840,835.00	
Water District Rents		18,900.00	21,450.30
Water and Sewer Capital Fund Balance		14,684.00	
Miscellaneous		146,745.38	180,686.96
Other Credits to Income:			
Cancellation of Prior Year Reserve for Insurance Claim			10,723.80
Unexpended Balance of Appropriation Reserves		17,343.44	791.58
Total Income		2,693,325.81	1,880,687.77
Expenditures			
Budget Appropriations:			
Operating		1,018,164.00	1,030,388.68
Capital Improvements		25,000.00	25,000.00
Debt Service		1,335,739.46	484,565.80
Surplus to Current Fund		25,000.00	25,000.00
Total Expenditures		2,403,903.46	1,564,954.48
Excess in Revenue/Statutory Excess to Fund Balance		289,422.35	315,733.29
Fund Balance			
Balance January 1		407,268.66	315,851.37
		696,691.01	631,584.66
Decreased by:			
Utilization as Anticipated Revenue		182,763.00	224,316.00
Balance December 31	D	$ 513,928.01	$ 407,268.66

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE

	Ref.	
Balance December 31, 2011	D	$ 23,359.84
Increased by:		
Cancelled Reserve Balance		0.58
Bond Anticipation Note Premium		14,375.97
		37,736.39
Decreased by:		
Anticipated as Revenue in Operating Fund		14,684.00
Balance December 31, 2012	D	$ 23,052.39

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2012

	Anticipated	Realized	Excess/ Deficit*
Operating Surplus Anticipated	$ 182,763.00	$ 182,763.00	
Rents	1,327,370.00	1,472,054.99	$ 144,684.99
Water District Rents	20,000.00	18,900.00	1,100.00
Reserve for Debt Service	840,835.00	840,835.00	
Capital Fund Balance	14,684.00	14,684.00	
Budget Totals	2,385,652.00	2,529,236.99	145,784.99
Nonbudget Revenue		146,745.32	146,745.32
	$ 2,385,652.00	$ 2,675,982.31	$ 290,330.31

Analysis of Rents

Water and Sewer Rents Collections	$ 1,471,683.12	
Overpayments Applied	371.87	
		$ 1,472,054.99

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:		
Collector:		
Interest on Consumer Accounts	$ 2,696.43	
		$ 2,696.43
Treasurer:		
Interest on Investments and Deposits:		
Collected/Received by Treasurer	3,424.01	
Due from Water and Sewer Utility Capital Fund	6,652.02	
Interest on Investments and Deposits		10,076.03
Connection Fees		128,000.00
Other Miscellaneous		5,972.86
		$ 146,745.32

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended by		
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	$ 51,189.00	$ 51,189.00	$ 49,463.01	$ 1,725.99	
Other Expenses	966,975.00	966,975.00	925,182.57	41,792.43	
Capital Improvements:					
Capital Improvement Fund	25,000.00	25,000.00	25,000.00		
Debt Service:					
Payment of Bond Principal	25,000.00	25,000.00	25,000.00		
Payment of Bond Anticipation Notes	843,229.00	843,229.00	843,229.00		
Interest on Bonds	909.00	909.00	908.87		$ 0.13
Interest on Notes	70,784.00	70,784.00	64,830.08		5,953.92
Loans Principal and Interest	402,566.00	402,566.00	401,771.51		794.49
	$ 2,385,652.00	$ 2,385,652.00	$ 2,335,385.04	$ 43,518.42	$ 6,748.54

	Ref.		
Cash Disbursed		$ 2,199,783.86	
Accrued Interest on New Jersey Wastewater Treatment Loans		30,546.38	
Accrued Interest on New Jersey Water Supply Interconnection Loan		5,222.92	
Accrued Interest on New Jersey Environmental Infrastructure Trust Loan		15,072.93	
Accrued Interest on Bonds		908.86	
Accrued Interest on Bond Anticipation Notes		64,830.08	
Encumbrances	D	19,020.01	D
		$ 2,335,385.04	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
PUBLIC ASSISTANCE FUND

TOWNSHIP OF ALLAMUCHY
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31, 2012	December 31, 2011
ASSETS			
Cash and Cash Equivalents:			
Treasurer	F-1	$ 7,574.39	$ 7,560.09
TOTAL ASSETS		$ 7,574.39	$ 7,560.09
RESERVES			
Reserve for Public Assistance Expenditures		$ 7,574.39	$ 7,560.09
TOTAL RESERVES		$ 7,574.39	$ 7,560.09

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
WATER DISTRICT

TOWNSHIP OF ALLAMUCHY
WATER DISTRICT
COMPARATIVE BALANCE SHEET

	Ref.	December 31, 2012	December 31, 2011
ASSETS			
Cash and Cash Equivalents	H-1	$ 42.60	$ 22.96
Receivables with Full Reserves:			
Consumer Accounts Receivable	H-2	3,193.48	184.64
TOTAL ASSETS		$ 3,236.08	$ 207.60
RESERVES AND FUND BALANCE			
Reserve for Receivables	H	$ 3,193.48	$ 184.64
Fund Balance		42.60	22.96
TOTAL LIABILITIES AND RESERVES		$ 3,236.08	$ 207.60

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

TOWNSHIP OF ALLAMUCHY
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
(Unaudited)

	December 31,	
	2012	2011
ASSETS		
Land	$ 6,540,955.00	$ 6,540,955.00
Buildings and Improvements	1,414,700.00	1,414,700.00
Equipment	2,896,672.00	2,896,672.00
TOTAL ASSETS	$ 10,852,327.00	$ 10,852,327.00
RESERVES		
Reserve for Fixed Assets	$ 10,852,327.00	$ 10,852,327.00
TOTAL RESERVES	$ 10,852,327.00	$ 10,852,327.00

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Allamuchy include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Allamuchy, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Allamuchy do not include the operations of the Volunteer Fire and First Aid Squads.

Governmental Accounting Standards Board publication, Codification of Governmental and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of Governmental Accounting Standards Board's Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of Allamuchy 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 (the "Division"). 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 Allamuchy accounts for its financial transactions through the following separate funds:

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

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

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

Water and Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned water and sewer utility.

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the municipality pursuant to Title 44 of New Jersey Statutes.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 1 - Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Water District Fund - Collection of water use fees for the cost of providing water to a small number of properties within the Township.

General Fixed Asset Account Group (Unaudited)- These accounts were established with estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting policies of the Township of Allamuchy 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, which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The following is a summary of the significant policies.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is received and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual, are recorded as receivables with offsetting reserves.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.

2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.

3. Principal and interest on long-term debt are recognized when due.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; federal and state grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase; and fixed assets purchased by the Water and Sewer Capital Funds would be depreciated.

The cash basis of accounting is followed in the Trust and Capital Funds.

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds or by issuing loan or entering into capital lease agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements required management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Investments - Investments are stated at cost or amortized cost, which approximates market.

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

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 1 - Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include (Cont'd):

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.

Grants Receivable - Grants receivable represent the total grant awards less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

General Fixed Assets (Unaudited) - General fixed assets are recorded at cost except for land and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets; maintenance and minor parts and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund and Water and Sewer Utility Capital Fund. The values recorded in the General Fixed Assets Account Group and the Current and Capital Funds may not always agree due to differences in valuation methods, timing or recognition of assets and the recognition of infrastructures. Capital assets are reviewed for impairment.

Property and equipment purchased by the Water and Sewer Utility Fund are recorded in the capital account at cost and are not adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations of the cost of acquisitions of property, equipment and improvements. The Water and Sewer Utility does not record depreciation on fixed assets.

F. Budget/Budgetary Control

Annual appropriated budgets are usually prepared in the first quarter for current operating, utility, and open space trust funds. The budgets are submitted to the governing body and the State Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in NJSA 40A. All budget amendments/transfers must be approved by the Township during the year.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 2 - Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power have been pledged to the payment of general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2012	2011	2010
Issued			
General:			
Bonds, Notes and Loans	$13,592,576.95	$ 14,030,405.82	$ 14,664,094.09
Water and Sewer Utility:			
Bonds, Notes and Loans	4,556,660.70	5,776,579.01	6,142,208.25
Net Debt Issued	$18,149,237.65	19,369,155.96	20,806,302.34
Authorized but not Issued:			
General:			
Bonds and Notes	15,750.00	135,750.00	750.00
Water and Sewer Utility:			
Bonds and Notes	726.21	726.21	726.21
Total Authorized but not Issued	136,476.21	136,476.21	1,476.21
Less:			
General:			
Reserve to Pay Debt Service		66,458.68	221,208.68
Water and Sewer Utility:			
Reserve to Pay Debt Service		840,835.58	5.48
Net Bonds, Notes and Loans Issued and Authorized but not Issued	$ 18,598,337.91	$ 18,598,337.91	$ 20,586,564.39

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 2.21%.

	Gross Debt	Deductions	Net Debt
School Debt	$ 10,440,004.45	$ 10,440,004.45	
Water and Sewer Utility Debt	4,557,386.91	4,557,386.91	
General Debt	13,608,326.95		$ 13,608,326.95
	$ 28,605,718.31	$ 14,997,391.36	$ 13,608,326.95

Net Debt: $13,608,326.95 divided by Average Equalized Valuations of $614,789,893.33 of Real Property = 2.21%.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 2 - Long-Term Debt (Cont'd)

Borrowing Power Under N.J.S. 40A:2-6 As Amended		
3-1/2% Average Equalized Valuation of Real Property		$ 21,517,646.27
Net Debt		13,608,326.95
Remaining Borrowing Power		$ 7,909,319.32

Calculation of "Self-Liquidating Purpose", Water and Sewer Utility Per N.J.S. 40A:2-45		
Cash Receipts from Fees, Rents or Other Charges for Year		$ 2,675,982.31
Deductions:		
Operating and Maintenance Costs	$ 1,018,164.00	
Debt Service per Water and Sewer Account	1,335,739.45	
		2,353,903.45
Excess in Revenue		$ 322,078.86

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less.

The foregoing information is in agreement with the Annual Debt Statement as filed by the Chief Financial Officer.

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 1/0/1900	Additions	Retirements	Balance 1/0/1900
Serial Bonds:				
General Capital Fund	$ 3,515,000.00		$ 185,000.00	$ 3,330,000.00
Water and Sewer Utility Capital Fund	75,000.00		25,000.00	50,000.00
Bond Anticipation Notes:				
Current Fund		$ 200,000.00		200,000.00
General Capital Fund	9,450,938.00	9,134,360.00	9,450,938.00	9,134,360.00
Water and Sewer Utility Capital Fund	4,049,566.00	4,044,824.00	4,049,566.00	4,044,824.00
Loans Payable:				
General Capital Fund:				
Green Trust Loans	305,619.33		25,102.37	280,516.96
NJ Environmental Infrastructure Loan	1,392,536.76		107,007.90	1,285,528.86
Water and Sewer Utility Capital Fund:				
NJ Wastewater Treatment Loan	1,184,278.49		275,954.82	908,323.67
NJ Water Supply Interconnection Loan	169,829.62		16,358.90	153,470.72
NJ Environmental Infrastructure Loan	663,534.14		43,573.52	619,960.62
	$ 20,806,302.34	$ 13,179,184.00	$ 14,178,501.51	$ 20,006,984.83

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 2 - Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2011	Additions	Retirements	Balance 12/31/2012
Serial Bonds:				
General Capital Fund	$ 3,330,000.00	$ 2,760,000.00	$ 3,130,000.00	$ 2,960,000.00
Water and Sewer Utility Capital Fund	50,000.00		25,000.00	25,000.00
Bond Anticipation Notes:				
Current Fund (Special Emergency)	200,000.00	160,000.00	200,000.00	160,000.00
General Capital Fund	9,134,360.00	9,045,605.00	9,134,360.00	9,045,605.00
Water and Sewer Utility Capital Fund	4,044,824.00	3,201,595.00	4,044,824.00	3,201,595.00
Loans Payable:				
General Capital Fund:				
Green Trust Loans	280,516.96		25,606.92	254,910.04
NJ Environmental Infrastructure Loan	1,285,528.86		113,466.95	1,172,061.91
Water and Sewer Utility Capital Fund:				
NJ Wastewater Treatment Loan	908,323.67		291,826.83	616,496.84
NJ Water Supply Interconnection Loan	153,470.72		16,936.47	136,534.25
NJ Environmental Infrastructure Loan	619,960.62		42,926.01	577,034.61
	$ 20,006,984.83	$ 15,167,200.00	$ 17,024,947.18	$ 18,149,237.65

Schedule of Annual Debt Service For Principal and Interest for the Next Five Years and Thereafter for Bonded Debt and Loans Issued and Outstanding

Calendar	General		Water and Sewer Utility		Totals	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 360,869.28	$ 162,665.74	$ 385,413.75	$ 40,985.99	$ 746,283.03	$ 203,651.73
2014	344,254.41	125,780.69	375,680.53	24,745.03	719,934.94	203,651.73
2015	361,086.92	117,095.10	59,907.43	15,972.86	420,994.35	150,525.72
2016	372,768.09	106,923.73	68,290.54	14,509.30	441,058.63	133,067.96
2017	381,055.82	96,266.39	68,330.01	12,822.30	449,385.83	121,433.03
2018-2022	1,976,937.43	293,964.67	287,546.31	36,904.56	2,264,483.74	330,869.23
2023-2024	590,000.00	23,600.00	109,897.13	4,337.52	699,897.13	27,937.52
	$4,386,971.95	$ 926,296.32	$1,355,065.70	$ 150,277.56	$5,742,037.65	$1,171,136.92

At December 31, 2012, the Township had debt issued and outstanding described as follows:

Current Fund Special Emergency Notes Payable

Final Maturity	Rate	
10/22/2013	1.25%	$ 160,000.00

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 2 - Long-Term Debt (Cont'd)

At December '31, 2012, the Township had debt issued and outstanding described as follows: (Cont'd)

General Capital Bond Anticipation Notes

Final Maturity	Rate	
10/22/2013	1.25%	$ 338,000.00
10/23/2013	1.25%	3,782,905.00
7/11/2013	1.50%	4,507,200.00
10/22/2013	1.25%	180,000.00
10/22/2013	1.25%	237,500.00
		$ 9,045,605.00

General Capital New Jersey Green Trust Loan

Final Maturity	Rate	
9/5/2021	2.00%	$ 254,910.04

General Capital Serial Bonds

Final Maturity	Rate	
01/15/2013	3.250%	$ 200,000.00

General Capital Refunding Bonds

Final Maturity	Rate	
01/15/2013	2.00%	$ 15,000.00
01/15/2014	2.00%	200,000.00
01/15/2015	3.00%	210,000.00
01/15/2016	3.00%	215,000.00
01/15/2017	3.00%	225,000.00
01/15/2018	3.00%	235,000.00
01/15/2019	3.00%	245,000.00
01/15/2020	4.00%	260,000.00
01/15/2021	4.00%	275,000.00
01/15/2022	4.00%	290,000.00
01/15/2023	4.00%	295,000.00
01/15/2024	4.00%	295,000.00
		$ 2,760,000.00

General Capital New Jersey Environmental Infrastructure Loans

Final Maturity	Rate	
8/1/2021	4.00 - 5.50%	$ 1,172,061.91

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 2 - Long-Term Debt (Cont'd)

Water and Sewer Utility Capital Wastewater Treatment Loans

Final Maturity	Rate	
3/1/2014	5.75 - 6.375%	$ 616,496.84

Water and Sewer Utility Capital Water Supply Interconnection Loan

Final Maturity	Rate	
12/30/2019	3.50%	$ 136,534.25

Water and Sewer Utility Capital New Jersey Environmental Infrastructure Loans

Final Maturity	Rate	
9/1/2024	3.00 - 4.375%	$ 577,034.61

Water and Sewer Utility Capital Bond Anticipation Notes

Final Maturity	Rate	
10/23/2013	1.25%	$ 187,595.00
10/23/2013	1.25%	78,694.00
10/23/2013	1.25%	94,975.00
10/23/2013	1.25%	121,795.00
10/23/2013	1.25%	974,350.00
10/23/2013	1.25%	282,686.00
10/23/2013	1.25%	1,461,500.00
		$ 3,201,595.00

Water and Sewer Capital Serial Bonds

Final Maturity	Rate	
01/15/13	3.50%	$ 25,000.00

Total Debt Issued and Outstanding	$ 18,149,237.65

General Capital New Jersey Green Trust Loan

On April 11, 2001, the Township of Allamuchy entered into a loan agreement with the State of New Jersey, acting by and through the NJ Department of Environmental Protection in the aggregate amount of $500,000 which represents direct obligations of the Township.

A principal payment of $27.78 was made in 2001. The remaining loan repayments commenced on September 5, 2002 and will continue on a semiannual basis over 19 years at 2.00% interest.

Note 2 - Long-Term Debt (Cont'd)

General Capital New Jersey Environmental Infrastructure Loans

On November 1, 2001, the Township of Allamuchy entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection (the "DEP") and the NJ Environmental Infrastructure Trust (the "Trust") in the aggregate amount of $2,226,500 which represents direct obligations of the Township. The loan agreements were obtained to finance acquisition of property for open space.

Principal payments to the fund commenced on August 1, 2003, and will continue on a semiannual basis over 19 years at zero interest. Principal payments to the Trust loan agreement commenced on August 1, 2003, and will continue on a semiannual basis over 19 years at interest rates from 4.00% to 5.50%.

Also, annual administrative fees of three-tenths of one percent (.30%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time and of one percent (1.00%) of the initial principal amount of the loan or such lesser amount, if any, as the state may approve from time to time are payable on these loans.

Water and Sewer Utility Capital Water Supply Interconnection Loan

On March 10, 2000, the Township of Allamuchy entered into a loan agreement with the State of New Jersey, acting by and through the NJ Department of Environmental Protection, in the aggregate amount of $300,000, plus accrued interest, which represents direct obligations of the Township.

The Township had drawn down 100% of the loan proceeds as of December 31, 2006. Loan repayments commenced during the year ended December 31, 2001 and will continue on a semiannual basis over 19 years at 3.5% interest.

Water and Sewer Utility Capital Wastewater Treatment Loans

On November 10, 1994, the Township of Allamuchy entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection (the "DEP"), and the NJ Wastewater Treatment Trust (the "Trust"), in the aggregate amount of $4,410,300, which represents direct obligations of the Township. The loan agreements were obtained to finance the acquisition of the Pequest Water and Sewer Company.

Principal payments to the "DEP" commenced on September 1, 1996, and continue on a semiannual basis over 18 years at zero interest. Principal payments to the Trust commenced on March 1, 1996, and continue on a semiannual basis over 18 years at interest rates from 5.75% to 6.375%.

Also, annual administrative fees of three-tenths of one percent (.30%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time and of one percent (1.00%) of the initial principal amount of the loan or such lesser amount, if any, as the state may approve from time to time are payable on these loans.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 2 - Long-Term Debt (Cont'd)

Water and Sewer Utility Capital New Jersey Environmental Infrastructure Loans

On November 4, 2004, the Township of Allamuchy entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection (the "DEP") and the NJ Environmental Infrastructure Trust (the "Trust") in the aggregate amount of $857,637 which represents direct obligations of the Township. The loan agreements were obtained to finance acquisition of property for open space.

Principal payments to the fund commenced on August 1, 2005, and will continue on a semiannual basis over 20 years at zero interest. Principal payments to the Trust loan agreement commenced on August 1, 2005, and will continue on a semiannual basis over 20 years at interest rates from 3.00% to 4.375%.

Also, annual administrative fees of three-tenths of one percent (.30%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time and of one percent (1.00%) of the initial principal amount of the loan or such lesser amount, if any, as the state may approve from time to time are payable on these loans.

Note 3 - Fund Balances Appropriated

The Current Fund- Fund Balance at December 31, 2012, which is appropriated and included in the adopted budget as anticipated revenue for the year ending December 31, 2013 is $225,000.

Note 4 - Pension Plans

Township employees are enrolled in a cost sharing multiple-employer public employee retirement system: the Public Employees' Retirement System (PERS). The State of New Jersey sponsors and administers this plan which covers substantially all Township employees. As a general rule, all full- time employees are eligible to join PERS.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above system. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. For PERS, the contribution rate was 6.5% of base salary from October 1, 2011 thru June 30, 2012 and increased to 6.64% effective July 1, 2012. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in the fund. The actuarially determined employer contribution includes funding for cost-of- living adjustments and noncontributory death benefits.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 4 - Pension Plans (Cont'd)

Township contributions to PERS amounted to $58,558.00, $65,850.00, and $54,224.54 for 2012, 2011 and 2010, respectively.

Note 5 - Accrued Sick, Vacation, and Compensatory Time Off

The Township of Allamuchy permits employees to accrue a limited amount of unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed-upon rate. The Township maintains records for their employees who are allowed to accrue unused sick, and vacation time. Two of these employees have served for a period of time which predates the existing agreement between the Township and its employees. The Township negotiated a settlement with these employees as to the ending value of their accrued time. At current value, the maximum liability for these two employees would be $46,475.93. The maximum liability for the other two eligible employees would be $45,472.46, for a combined maximum total liability of $91,948.39. This amount, as directed by accounting requirements of the Division of Local Government Services, is not reported as an expenditure or liability. Such compensation would be included in the Township's budget operating expenditures in the year it is paid.

Note 6 - Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of $10,000 at December 31 of the current year. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

	2012	2011	2010
Tax Rate	$ 2.40	$ 2.34	$ 2.38
Apportionment of Tax Rate			
Municipal	0.32	0.29	0.26
County	0.72	0.75	0.79
Local School	1.34	1.28	1.32
Local Open Space	0.02	0.02	0.02
Assessed Valuations			
2012	$ 571,528,603.00		
2011		$ 566,364,307.00	
2010			$ 552,188,010.00

Note 6 - Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collections 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.

		Currently	
Year	Tax Levy	Cash Collections	Percentage of Collection
	$ 16,436,267.60	$ 16,114,825.64	98.04%
	16,013,842.63	15,725,381.02	98.19%
	16,036,596.59	15,659,358.98	97.64%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 7 - Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures,* requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed on the following page.

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 (FDIC), or by any other agency of the United States that insures deposits made in public depositories. Municipalities also are 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 insurance limits as follows:

Note 7 - Cash and Cash Equivalents (Cont'd)

Deposits (Cont'd)

The market value of the collateral must equal 5% of the average daily balance of public funds; and

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

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

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund; or

(8) Agreements for the repurchase of fully collateralized securities if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in statute; and

(e) a master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 7 - Cash and Cash Equivalents (Cont'd)

As of December 31, 2012, cash and cash equivalents of the Township of Allamuchy consisted of the following:

Fund	Cash on Hand	Checking Accounts	Savings Accounts	NJ Cash Manage-ment Fund	Totals
Current	$ 200.00	$ 766,521.45		$ 15,960.64	$ 782,682.09
Federal and State Grant		76,780.07			76,780.07
Animal Control		8,530.57			8,530.57
Other Trust		893,072.64			893,072.64
General Capital		700,771.13		72,289.81	773,060.94
Water and Sewer Utility Operating		639,701.95			639,701.95
Water and Sewer Utility Capital		643,576.14			643,576.14
Public Assistance		7,574.39			7,574.39
Water District			$ 42.60		42.60
	$ 200.00	$ 3,736,528.34	$ 42.60	$ 88,250.45	$ 3,825,021.39

The carrying amount of the Township's cash and cash equivalents at December 31, 2012, was $3,825,021.39 and the bank balance was $4,004,225.16. The $88,250.45 in the NJ Cash Management Fund is uninsured and unregistered.

The Township held no investments during the year.

Note 8 - Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health Benefits are provided to employees through the State of New Jersey health benefits plan.

Property and Liability Insurance

The Township of Allamuchy is currently a member of the Public Alliance Insurance Coverage Fund (the "Fund"). The Fund provides their members with Liability, Property and Workers' Compensation Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of governmental entities established for the purpose of providing low-cost insurance coverage for respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 8 - Risk Management (Cont'd)

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as the individual assessment relates to the total assessment of the membership body.

The December 31, 2012 audit report of the Public Alliance Insurance Coverage fund has not been filed as of the date of this audit. Selected, summarized financial information as of December 31, 2011 for the Fund is as follows:

	Public Alliance Insurance Coverage Dec. 31, 2011
Total Assets	$ 13,435,346
Net Position	$ 4,688,074
Total Revenue	$ 9,397,920
Total Expenses	$ 8,210,038
Change in Net Position	$ 1,187,882
Members Dividends	$ -0-

Financial statements for the Fund are available at the offices of the Fund's Executive Directors:

Public Alliance Insurance Coverage Fund
Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550
(609) 275-1155

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

Year	Township Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
	$ -0-	$ 1,341.72	$ 175.28	$ 17,698.25
	-0-	1,407.95		16,531.81
	-0-	1,350.10	$ 1,204.09	15,123.86

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 9 - Open Space Trust Fund

On June 27, 2000, the Township created an Open Space Trust Fund with a tax levy of $.02 per $100 of assessed valuation. The funds collected are used to acquire and maintain open space property in the Township. As of December 31, 2012, the balance in the Open Space Trust Fund was $28,618.94.

Note 10 - Fixed Assets (Unaudited)

The following is a schedule of the Township of Allamuchy's fixed assets:

	Balance 12/31/2011	Balance 12/31/2012
Land	$ 6,540,955.00	$ 6,540,955.00
Buildings and Improvements	1,414,700.00	1,414,700.00
Equipment	2,896,672.00	2,896,672.00
	$10,852,327.00	$ 10,852,327.00

Note 11 - Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2012:

Fund	Interfund Receivable	Interfund Payable
Current Fund	$ 592.43	
Animal Control		592.43
	$ 592.43	$ 592.43

The Township utilizes the Current Fund as a clearing account for receipts and disbursements of the other funds. The Chief Financial Officer monitors all interfunds for these accounts and liquidates them on a monthly basis. The balance between Current Fund and the Other Trust Funds is the remaining activity not liquidated by year end. The payable in the Animal Control Fund due to the Current Fund reflects the statutory excess due to the Current Fund.

Note 12 - Deferred Compensation

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, which is administered by Valic, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

Note 13 - Contingent Liabilities

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury and various contract disputes.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 13 - Contingent Liabilities (Cont'd)

The Township vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Note 14 - Economic Dependency

The Township of Allamuchy receives a substantial amount of support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

SUPPLEMENTARY DATA

TOWNSHIP OF ALLAMUCHY
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2012

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
Betty Schultheis	Mayor		
Douglas Ochwat	Councilperson		
Diana Cook	Councilperson		
Michael Sloane	Councilperson		
John Young	Councilperson		
James Kozimor	Chief Financial Officer	$ 600,000.00	Western Surety Insurance Company
Kathleen Reinalda	Treasurer	250,000.00	Selective Insurance Company
Anne Marie Tracy	Township Administrator, Township Clerk, Deputy Court Clerk	(A)	
Betty C. Drake	Tax Collector	350,000.00	Western Surety Insurance Company
Rich Motyka	Tax Assessor	(A)	
Louis Mellinger	Magistrate	(A)	
Lynda Stadtler	Court Administrator	(A)	
Nancy McCabe	Utility Collector, Water District Collector/Secretary, Deputy Clerk	100,000.00	Western Surety Insurance Company
Charles Cutler	Building Inspector	(A)	
Paul Sterbenz	Engineer	(A)	
Nellie Laver	Animal Control Officer	(A)	
Sandy Durkin	Animal Licensing Official	(A)	
David Diehl	Zoning Official	(A)	

(A) - Covered under $1,000,000 Blanket Bond from Public Alliance Insurance Coverage Fund.

Schedule 1

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
CURRENT FUND

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF CASH

	Ref.			
Balance December 31, 2011	A		$	984,899.19
Increased by Receipts:				
Tax Collector		$ 16,387,208.67		
Revenue Accounts Receivable		874,216.02		
Miscellaneous Revenue Not Anticipated		68,803.39		
Interest on Investments and Deposits		6,700.22		
Due Animal Control Fund:				
Interest Earned		21.01		
Due Other Trust Fund:				
Open Space Tax Levy		114,962.25		
Interest Earned		1,724.22		
Interfund Returned - Current Year		299,678.72		
Due General Capital Fund:				
Interest Earned		2,401.90		
Interfund Advanced		318,717.87		
Due Water Capital				
Interfund Returned		160,971.43		
Special Emergency Notes Issued		160,000.00		
Due State of New Jersey:				
Senior Citizens' and Veterans' Deductions		50,000.00		
Marriage License Fees		650.00		
Building Surcharge Fees		2,165.00		
				18,448,220.70
				19,433,119.89

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF CASH
(Continued)

Decreased by Disbursements:			
2012 Appropriation Expenditures		$ 2,733,137.25	
2011 Appropriation Reserve Expenditures		110,304.32	
Local School District Taxes		7,655,548.34	
County Taxes		4,200,125.31	
Special District Taxes		2,539,773.00	
Garbage District Taxes		86,362.11	
Due Other Trust Fund:			
Interfund Advanced		294,690.00	
Payments on behalf of Open Space		114,962.25	
Snow Removal		12,500.00	
Due Water Capital Fund		160,971.43	
Due General Capital Fund		318,717.87	
Special Emergency Note Matured		160,000.00	
Due State of New Jersey:			
Marriage License Fees		550.00	
Building Surcharge Fees		1,988.00	
Reserve for:			
Revaluation		156,820.00	
Third Party Tax Title Liens		86,476.80	
Refund of Tax Overpayments		17,711.12	
			$ 18,650,637.80
Balance December 31, 2012	A		$ 782,482.09

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2012

Increased by Receipts:		
Taxes Receivable	$ 16,166,852.26	
Interest and Costs on Taxes	32,952.76	
2013 Prepaid Taxes	75,358.70	
Tax Overpayments	20,165.48	
Third Party Tax Title Liens	86,476.80	
Miscellaneous Revenue Not Anticipated	5,402.67	
		$ 16,387,208.67
Decreased by:		
Payments to Municipal Treasurer		$ 16,387,208.67

FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH - GRANT FUNDS

	Ref.		
Balance December 31, 2011	A		$ 63,012.17
Increased by Receipts:			
Unappropriated Reserves		$ 4,415.77	
Grants Receivable		82,277.44	
			86,693.21
			149,705.38
Decreased by Disbursements:			
Appropriated Reserves Expenditures			72,925.31
Balance December 31, 2012	A		$ 76,780.07

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2011	2012 Levy	Collections 2011	Collections 2012	Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Canceled	Balance Dec. 31, 2012
2010	$ 34.00			$ 34.00				
2011	187,372.07			187,365.18			$ 6.89	
	187,406.07			187,399.18			6.89	
2012		$ 16,436,267.60	$ 69,874.71	15,979,453.08	$ 9,497.85	$ 56,000.00	108,827.60	$ 212,614.36
	$ 187,406.07	$ 16,436,267.60	$ 69,874.71	$ 16,166,852.26	$ 9,497.85	$ 56,000.00	$ 108,834.49	$ 212,614.36
Ref.	A							A

Analysis of 2012 Property Tax Levy

Tax Yield:		
General Purpose Taxes	$ 16,357,442.40	
Added and Omitted Taxes	78,825.20	
		$ 16,436,267.60
Tax Levy:		
Local School District Taxes		$ 7,655,548.34
Special District Taxes - Municipal		2,539,892.32
Special District Taxes - Garbage		80,002.33
Local Open Space Taxes		114,962.25
County Taxes:		
General Tax	$ 4,125,896.88	
Due County for Added and Omitted Taxes	23,802.53	
		4,149,699.41
		14,540,104.65
Local Tax for Municipal Purposes Levied	1,840,140.92	
Add: Additional Tax Levied	56,022.03	
		1,896,162.95
		$ 16,436,267.60

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2011	Accrued In 2012	Collected by Treasurer	Balance Dec. 31, 2012
Licenses:				
Alcoholic Beverages		$ 1,884.00	$ 1,884.00	
Fees and Permits		4,150.00	4,150.00	
Fines and Costs:				
Municipal Court	$ 3,855.32	55,249.64	56,736.89	$ 2,368.07
Recreation Fees		15,320.00	15,320.00	
Energy Receipts Tax		350,511.00	350,511.00	
Uniform Construction Code Fees		36,777.00	36,777.00	
Garden State Trust		39,735.00	39,735.00	
Affordable Housing		214,617.13	214,617.13	
General Capital Fund Balance		63,027.00	63,027.00	
Water and Sewer Utility Fund Balance		25,000.00	25,000.00	
Reserve for Debt Service		66,458.00	66,458.00	
	$ 3,855.32	$ 872,728.77	$ 874,216.02	$ 2,368.07
Ref.	A			A

TOWNSHIP OF ALLAMUCHY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2011	2012 Budget Revenue Realized	Transferred from Unappropriated Grant Reserves	Cash Receipts	Balance Dec. 31, 2012
Reserve for Clean Communities Program		$ 7,102.69	$ 7,102.69		
Clean Communities		7,123.70		$ 6,988.51	$ 135.19
Recycling Tonnage Grant		1,843.55	1,843.55		
Alcohol Education and Rehabilitation Program		161.80	161.80		
Warren County Historic Preservation		299,696.00		68,905.00	230,791.00
NJ Highlands - Water Protection Grant		88,500.00			88,500.00
NJ Highlands - Plains Grant	$ 2,105.42				2,105.42
NJ Highlands - Plan Conformance	7,597.02			6,383.93	1,213.09
	$ 9,702.44	$ 404,427.74	$ 9,108.04	$ 82,277.44	$ 322,744.70
	A				A

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF 2011 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

	Balance Dec. 31, 2011	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	$ 717.20	$ 1,267.20	$ 1,266.00	$ 1.20
Other Expenses:				
Codification & Revision of Ordinances	261.25	1.25		1.25
Miscellaneous Other Expenses	37.51	162.51	160.00	2.51
Financial Administration:				
Salaries and Wages	660.00	640.00	640.00	
Other Expenses	845.16	965.16	963.60	1.56
Tax Assessment Administration:				
Salaries and Wages	410.00	410.00	410.00	
Other Expenses	746.04	431.04	426.67	4.37
Revenue Administration (Tax Collection):				
Salaries and Wages	671.24	1,331.24	1,329.00	2.24
Other Expenses	845.44	845.44	840.69	4.75
Legal Services and Costs:				
Other Expenses	12,052.07	2,937.07	2,933.85	3.22
Municipal Prosecutor:				
Salaries and Wages	0.36	225.36	225.00	0.36
Engineering Services and Costs:				
Other Expenses	3,934.38	9,479.38	9,476.74	2.64
Public Buildings and Grounds:				
Salaries and Wages	25.04	775.04	772.00	3.04
Other Expenses	3,070.15	4,470.15	4,437.23	32.92
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Salaries and Wages	529.96	274.96	272.00	2.96
Other Expenses	4,205.04	3,030.04	3,026.43	3.61
Environmental Commission:				
(NJSA 40:56A-1 et seq):				
Salaries and Wages	44.04	44.04	39.00	5.04
Other Expenses	625.60	60.60	59.00	1.60
PUBLIC SAFETY:				
Uniform Fire Safety Act (PL 1983 Ch. 383):				
Fire Department:				
Other Expenses	12,503.10	23,478.10	23,477.07	1.03
Emergency Management Services:				
Salaries and Wages	125.04	125.04	120.00	5.04
Other Expenses	970.40	0.40		0.40

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF 2011 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

	Balance Dec. 31, 2011	Balance After Modification	Paid or Charged	Balance Lapsed
STREETS AND ROADS:				
Road Repairs and Maintenance:				
Salaries and Wages	$ 1,067.11	$ 1,312.11	$ 1,309.00	$ 3.11
Other Expenses	11,279.03	6,909.03	6,906.63	2.40
Garbage and Trash Removal:				
Other Expenses	89.85	4.85		4.85
Recycling:				
Salaries and Wages	521.20	1.20		1.20
Other Expenses	702.82	702.82	701.70	1.12
HEALTH AND WELFARE:				
Animal Control Officer:				
Salaries and Wages	1,469.96	209.96	205.00	4.96
Other Expenses	317.21	62.21	59.50	2.71
Administration of Public Assistance:				
Other Expenses	125.00			
Board of Health:				
Other Expenses	500.00			
RECREATION AND EDUCATION:				
Board of Recreation Commissioners:				
Salaries and Wages	102.50	2.50		2.50
Other Expenses	4,057.26	7,137.26	7,132.42	4.84
MUNICIPAL COURT:				
Salaries and Wages	73.89	253.89	250.00	3.89
Other Expenses	489.00	489.00	489.00	
UNIFORM CONSTRUCTION CODE:				
State Uniform Construction Code (NJSA 52:27D-120 et seq):				
Construction Official:				
Salaries and Wages	1,311.30	1,776.30	1,774.37	1.93
Other Expenses	896.02	656.02	606.00	50.02
Fire Subcode Official:				
Salaries and Wages	13.82	288.82	287.00	1.82
Zoning Official				
Salaries and Wages	246.00	246.00	246.00	
UNCLASSIFIED:				
Electricity	240.28	240.28	227.41	12.87
Telephone	360.81	425.81	425.31	0.50
Water	41.71	1.71		1.71
Fuel Oil	6,658.65	3,483.65	3,481.52	2.13
Gasoline	681.16	721.16	719.02	2.14

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF 2011 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

	Balance Dec. 31, 2011	Balance After Modification	Paid or Charged	Balance Lapsed
Contingent	$ 2,500.00	$ 2,500.00	$ 2,500.00	
Statutory Expenditures:				
Contributions to:				
Social Security System (OASI)	27.75	2.75		$ 2.75
LOSAP	32,000.00	32,000.00	26,450.00	5,550.00
Contribution to:				
Affordable Housing-Other Expenses	4,418.25	5,718.25	5,715.67	2.58
Insurance:				
Group Insurance for Employees	28.88	3.88		3.88
Other Insurance Premiums	3.36	3.36		3.36
Surety Bond Premiums	1,791.25	1.25		1.25
Workers Compensation Insurance	815.36	0.36		0.36
	$ 116,108.45	$ 116,108.45	$ 110,359.83	$ 5,748.62

Analysis of Balance December 31, 2011:

	Ref.	
Unencumbered	A	$ 93,094.85
Encumbered	A	23,013.60
		$ 116,108.45

Cash Disbursed	$110,304.32
Accounts Payable	55.51
	$ 110,359.83

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2012

Increased by:		
Levy - Calendar Year 2012	$	7,655,548.34
Decreased by:		
Payments to Local School District	$	7,655,548.34

CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2012

	Ref.		
Increased by:			
Levy - Calendar Year 2012		$	2,539,892.32
Decreased by:			
Payments to Panther Valley Homeowners Association			2,539,773.00
Balance December 31, 2012	A	$	119.32

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF GARBAGE DISTRICT TAXES PAYABLE

	Ref.		
Balance December 31, 2011	A	$	9,465.17
Increased by:			
Levy - Calendar Year 2012			80,002.33
			89,467.50
Decreased by:			
Payments to Panther Valley Homeowners Association			86,362.11
Balance December 31, 2012	A	$	3,105.39

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SPECIAL EMERGENCY NOTES PAYABLE

Date Authorized	Purpose	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2011	Issued	Matured	Balance Dec. 31, 2012
10/24/2011	Revaluation	10/24/2011	10/23/2012	1.75%	$ 200,000.00		$ 200,000.00	
		10/23/2012	10/22/2013	1.25%		$ 160,000.00		$ 160,000.00
					$ 200,000.00	$ 160,000.00	$ 200,000.00	$ 160,000.00
				Ref.	A			A
					Renewals	$ 160,000.00	$ 160,000.00	
				Paid By Budget Appropriation			40,000.00	
						$ 160,000.00	$ 200,000.00	

TOWNSHIP OF ALLAMUCHY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance Dec. 31, 2011	Cash Received	Transferred to 2012 Budget Revenue	Balance Dec. 31, 2012
Alcohol Education, Rehabilitation and Enforcement Fund	$ 161.80	$ 809.45	$ 161.80	$ 809.45
Recycling Tonnage Grant	1,843.55	3,606.32	1,843.55	3,606.32
Clean Communities Program	7,102.69		7,102.69	
Freight Depot Donation	300.00			300.00
	$ 9,408.04	$ 4,415.77	$ 9,108.04	$ 4,715.77
Ref.	A			A

TOWNSHIP OF ALLAMUCHY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2011	Transferred from 2012 Budget Appropriations	Expended	Balance Dec. 31, 2012
Clean Communities Program	$ 18,600.58	$ 14,226.39	$ 4,020.31	$ 28,806.66
Alcohol Education, Rehabilitation and Enforcement Fund	1,593.13	161.80		1,754.93
Donations Environmental Commission	9,453.03			9,453.03
Recycling Tonnage Grant	9,543.87	1,843.55		11,387.42
Municipal Stormwater	7,343.75			7,343.75
Warren County Historical Preservation		299,696.00	68,905.00	230,791.00
NJ Highlands Grant- Water Proctection Grant		88,500.00		88,500.00
NJ Highlands Grant -Plains Grant	14,133.41			14,133.41
Trail Project Donation	2,638.80			2,638.80
	$ 63,306.57	$ 404,427.74	$ 72,925.31	$ 394,809.00
Ref.	A			A

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
TRUST FUNDS

TOWNSHIP OF ALLAMUCHY
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	Ref.	Animal Control Fund		Other Trust Funds	
Balance December 31, 2011	B		$ 4,112.61		$ 696,514.21
Increased by Receipts:					
Animal Control Fees Collected		$ 3,947.70			
Late Fees		766.00			
State Registration Fees		1,057.80			
Dog Pick-Up Fees		175.00			
Developers' Deposits:					
Deposits				$ 432,627.85	
Interest				212.12	
Condominium Security Deposits				15,516.15	
Snow Removal				12,500.00	
Housing Rehabilitation:					
Deposits				17,000.00	
Interest				24.11	
Due to/from Current Fund:					
Interest on Deposits		21.07		947.66	
State Unemployment Insurance				1,341.72	
Health Care Contribution				5,287.54	
Playground Donations				12,504.00	
			5,967.57		497,961.15
			10,080.18		1,194,475.36
Decreased by Disbursements:					
Due Current Fund:					
Interest on Deposits		21.01		1,724.22	
Expenditures Under R.S. 4:19-15.11		472.00			
State Registration Fees		1,056.60			
State Unemployment Insurance				175.28	
Developers' Deposits Refunded/Fees				235,459.23	
Condominium Security Deposits				3,592.93	
Open Space Donation				4,585.00	
Grading Plans				2,455.52	
Playground				23,623.00	
Health Insurance				5,287.54	
Tax Sale Premiums				24,500.00	
			1,549.61		301,402.72
Balance December 31, 2012	B		$ 8,530.57		$ 893,072.64

TOWNSHIP OF ALLAMUCHY
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	Ref.		
Balance December 31, 2011	B		$ 4,092.21
Increased by:			
Animal Control License Fees Collected		$ 3,947.70	
Dog Pick-Up Fees		175.00	
Late Fees		766.00	
			4,888.70
			8,980.91
Decreased by:			
Statutory Excess Due to Current Fund		592.37	
Expenditures Under R.S. 4:19-15.11		472.00	
			1,064.37
Balance December 31, 2012	B		$ 7,916.54

License Fees Collected

Year	Amount
2010	$ 4,170.74
2011	3,745.80
Maximum Allowable Reserve	$ 7,916.54

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
GENERAL CAPITAL FUND

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	Ref.		
Balance December 31, 2011	C		$ 814,229.07
Increased by Receipts:			
Bond Anticipation Notes Issued		$ 9,045,605.00	
Due Current Fund:			
Interest Earned		2,401.90	
Interfund Returned		318,717.87	
NJ Department of Transportation Grant - Ord. #12-02		120,000.00	
2012 Budget Appropriations:			
Reserve for Improvements		25,000.00	
Capital Improvement Fund		5,000.00	
Premium on Sale of Bond Anticipation Notes		30,115.59	
			9,546,840.36
			10,361,069.43
Decreased by:			
Bond Anticipation Note Matured		8,808,105.00	
Improvement Authorizations		329,298.72	
Due Current Fund:			
Interfund Advanced		318,717.87	
Interest Earned		2,401.90	
General Capital Fund Balance Anticipated in Current Fund		63,027.00	
Reserve for Debt Service		66,458.00	
			9,588,008.49
Balance December 31, 2012	C		$ 773,060.94

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2011	Receipts: Bond Anticipation Notes	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Bond Anticipation Notes	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance/ (Deficit) Dec. 31, 2012
Capital Fund Balance	$ 119,024.49		$ 30,115.59			$ 63,027.00		$ 0.68	$ 86,113.76
Capital Improvement Fund	137,229.22		5,000.00				$ 122,525.00		19,704.22
New Jersey Department of Transportation Grants Receivable			120,000.00				120,000.00		
Warren County Grant Receivable	(213.00)								(213.00)
Due Current Fund			321,119.77			321,119.77			
Due Escrow Agent							3,418,792.75	3,415,391.81	(3,400.94)
Due Rating Agency							7,900.00		(7,900.00)
Reserve for:									
Downpayment on Improvements	2,500.00								2,500.00
Developers' Contributions	1,500.00								1,500.00
Improvements	35,000.00		25,000.00				21,000.00		39,000.00
Renovations to Maintenance Garage	50,000.00								50,000.00
Road Improvements and Paving	4,975.00						4,975.00		
Public Safety Equipment	35,861.00								35,861.00
Fire Station Building Improvement	20,000.00								20,000.00
Recreation	15,000.00						15,000.00		
Sewer Line	14,709.37								14,709.37
Payment of Debt Service	66,458.68					66,458.00	0.68		
Improvement Description									
Ord. No.									
09-05 Acquisition of Property		$ 338,000.00			$ 338,000.00				
10-05 Improvements to Cat Swamp Road	(750.00)								(750.00)
13-06 Acquisition of Condominium Units	119,774.10	3,782,905.00		$ 10,429.15	3,782,905.00				109,344.95
02-07 Addition to Firehouse		4,507,200.00			4,507,200.00				
09-07 Purchase and Installation of Telephone Equipment	2,660.50								2,660.50
11-07 Road Renovation to Ridge Road	16,117.51	180,000.00			180,000.00				16,117.51
08-13 Improvements to Roads	2,110.89			2,110.89					
08-14 Purchase of Vehicle	3,012.00								3,012.00
10-05 Purchase of Pick-up Truck and Snow Plow	2,046.04								2,046.04
10-08 Improvement to Firehouse	244,818.50			10,720.81					234,097.69
10-09 Purchase of Fire Department Equipment	8,816.44								8,816.44
11-02 Improvements to Shades of Death Road	(110,732.95)			24,267.05				120,000.00	(15,000.00)
11-09 Fire Department Equipment	4,784.72								4,784.72
11-10 DPW Equipment	9,759.88								9,759.88
11-11 Building and Grounds Improvements	9,766.68			9,766.68					
12-01 Bond Refunding				7,900.00			3,415,391.81	3,426,692.75	3,400.94
12-02 Improvements to Shades of Death Road II		237,500.00		199,417.32				12,500.00	50,582.68
12-07 Improvements to Streets and Roads				28,686.82				115,000.00	86,313.18
12-10 Recereation Improvements				36,000.00				36,000.00	
	$ 814,229.07	$ 9,045,605.00	$ 501,235.36	$ 329,298.72	$ 8,808,105.00	$ 450,604.77	$ 7,125,585.24	$ 7,125,585.24	$ 773,060.94

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

Ord. Date	Improvement Description	Balance Dec. 31, 2011	Improvement Authorizations	Funded by Budget Appropriation	Grant Funds Received	Serial Bonds Issued	Cancelled	Balance Dec. 31, 2012	Analysis of Balance December 31, 2012: Bond Anticipation Notes	Analysis of Balance December 31, 2012: Expenditures	Unexpended Improvement Authorizations
9/20/05	Acquisition of Property	$ 342,787.00		$ 4,787.00				$ 338,000.00	$ 338,000.00		
9/20/05	Improvements to Cat Swamp Road	750.00						750.00		$ 750.00	
6/20/06	Acquisition of Condominium Units	3,977,352.00		194,447.00				3,782,905.00	3,782,905.00		
4/02/07	Addition to Firehouse	4,629,000.00		121,800.00				4,507,200.00	4,507,200.00		
8/21/07	Road Renovation to Ridge Road	185,221.00		5,221.00				180,000.00	180,000.00		
3/15/11	Improvement to Shades of Death Road	135,000.00			$ 120,000.00			15,000.00		15,000.00	
1/17/12	Bond Refunding		$ 3,115,000.00			$ 2,760,000.00	$ 355,000.00				
2/21/12	Improvement to Shades of Death Road II		237,500.00					237,500.00	237,500.00		
		$ 9,270,110.00	$ 3,352,500.00	$ 326,255.00	$ 120,000.00	$ 2,760,000.00	$ 355,000.00	$ 9,061,355.00	$ 9,045,605.00	$ 15,750.00	$ -0-
	Ref.	C						C			

Improvement Authorizations - Unfunded		$ 410,142.83
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:		
Ordinance Dated 6/20/06 - Acquisition of Condominium	$ 109,344.95	
Ordinance Dated 8/21/07 - Road Renovation to Ridge Road	16,117.51	
Ordinance Dated 7/20/10 - Improvements to Firehouse	234,097.69	
	50,582.68	
		410,142.83
		$ -0-

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011 Funded	Balance Dec. 31, 2011 Unfunded	2012 Authorizations: Other Financing Sources	2012 Authorizations: Deferred Charges to Future Taxation- Unfunded	2012 Authorizations: Capital Improvement Fund	Paid or Charged	Improvement Authorizations Canceled	Balance Dec. 31, 2012 Funded	Balance Dec. 31, 2012 Unfunded
13-06	Acquisition of Condominium Units	6/20/06	$ 4,450,000.00		$ 119,774.10				$ 10,429.15			$ 109,344.95
09-07	Equipment	8/21/07	50,000.00	$ 2,660.50							$ 2,660.50	
11-07	Road Renovation to Ridge Road	8/21/07	340,000.00		16,117.51							16,117.51
08-13	Improvements to Roads	10/15/08	40,000.00	2,110.89					2,110.89			
08-14	Purchase of First Aid Vehicle	11/18/08	145,000.00	3,012.00							3,012.00	
10-05	Purchase of Pick-up Truck and Snow Plow	5/18/10	35,000.00	2,046.04							2,046.04	
10-08	Improvement to Firehouse	7/20/10	666,189.18		244,818.50				10,720.81			234,097.69
10-09	Purchase of Fire Department Equipment	7/20/10	10,000.00	8,816.44							8,816.44	
11-02	Improvement to Shades of Death Road	3/15/11	300,000.00		24,267.05				24,267.05			
11-09	Fire Department Equipment	7/19/11	5,000.00	4,784.72							4,784.72	
11-10	DPW Equipment	7/19/11	10,000.00	9,759.88							9,759.88	
11-11	Building and Grounds Improvements	7/19/11	10,000.00	9,766.68					9,766.68			
12-01	Bond Refunding	1/2/12	3,115,000.00				$ 3,115,000.00		2,756,599.06	$ 355,000.00	3,400.94	
12-02	Improvements to Shades of Death Road II	2/21/12	250,000.00				237,500.00	$ 12,500.00	199,417.32			50,582 68
12-07	Improvements to Streets and Roads	5/9/12	115,000.00			$ 4,975.00		110,025.00	28,686.82		86,313.18	
12-10	Recreation Improvements	8/21/12	36,000.00			36,000.00			36,000.00			
				$ 42,957.15	$ 404,977.16	$ 40,975.00	$ 3,352,500.00	$ 122,525.00	$ 3,077,997.78	$ 355,000.00	$ 120,793.70	$ 410,142.83
			Ref.	C	C						C	C

Reserve for Road Improvements and and Paving	$ 4,975.00	Cash Disbursed Paid by Escrow Agent	$ 329,298.72
Reserve for Recreation	15,000.00		2,748,699.06
Resrve for Improvements	21,000.00		$ 3,077,997.78
	$ 40,975.00		

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2011	C	$ 137,229.22
Increased by:		
2012 Budget Appropriation		5,000.00
		142,229.22
Decreased by:		
Appropriated to Finance:		
Improvement Authorizations		122,525.00
Balance December 31, 2012	C	$ 19,704.22

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. Date	Improvement Description	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2011	Issued	Matured	Balance Dec. 31, 2012
9/20/05	Acquisition of Property	12/29/2005	10/24/2011	10/23/2012	1.75%	$ 342,787.00		$ 342,787.00	
			10/23/2012	10/22/2013	1.25%		$ 338,000.00		$ 338,000.00
6/20/06	Acquisition of Condominium Units	10/31/2006	10/24/2011	10/23/2012	1.75%	3,977,352.00		3,977,352.00	
			10/23/2012	10/22/2013	1.25%		3,782,905.00		3,782,905.00
4/02/07	Additions to the Firehouse	07/24/2007	07/15/2011	07/13/2012	2.00%	4,629,000.00		4,629,000.00	
			07/12/2012	07/11/2013	1.50%		4,507,200.00		4,507,200.00
8/21/07	Road Renovation to Ridge Road	10/30/2007	10/24/2011	10/23/2012	1.75%	185,221.00		185,221.00	
			10/23/2012	10/22/2013	1.25%		180,000.00		180,000.00
2/12/12	Improvements to Shades of Death Road II	10/23/2012	10/23/2012	10/22/2013	1.25%		237,500.00		237,500.00
						$ 9,134,360.00	$ 9,045,605.00	$ 9,134,360.00	$ 9,045,605.00
					Ref.	C			C

Renewals	$ 8,808,105.00	$ 8,808,105.00
New Issues	237,500.00	
Notes Paid by Budget Appropriation		326,255.00
	$ 9,045,605.00	$ 9,134,360.00

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012 Date	Amount	Interest Rate	Balance Dec. 31, 2011	Issued	Matured	Defeased	Balance Dec. 31, 2012
General Improvement Bonds	03/15/04	$ 5,585,000.00	01/15/13	$ 200,000.00	3.250%	$ 3,330,000.00		$ 190,000.00	$ 2,940,000.00	$ 200,000.00
Refunding Bonds	10/4/12	2,760,000.00	01/15/13	15,000.00	2.000%					
			01/15/14	200,000.00	2.000%					
			01/15/15	210,000.00	3.000%					
			01/15/16	215,000.00	3.000%					
			01/15/17	225,000.00	3.000%					
			01/15/18	235,000.00	3.000%					
			01/15/19	245,000.00	3.000%					
			01/15/20	260,000.00	4.000%					
			01/15/21	275,000.00	4.000%					
			01/15/22	290,000.00	4.000%					
			01/15/23	295,000.00	4.000%					
			01/15/24	295,000.00	4.000%					
							$ 2,760,000.00			2,760,000.00
						$ 3,330,000.00	$ 2,760,000.00	$ 190,000.00	$ 2,940,000.00	$ 2,960,000.00
					Ref.	C				C

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY GREEN TRUST LOANS PAYABLE

	Ref.	
Balance December 31, 2011	C	$ 280,516.96
Decreased by:		
Principal Matured		25,606.92
Balance December 31, 2012	C	$ 254,910.04

Schedule of Principal and Interest Payments Outstanding December 31, 2012 - Green Trust Loan - 2001 Issue

Payment Number	Due	Principal	Interest	Loan Balance
				$ 254,910.04
21	03/05/2013	$ 12,995.83	$ 2,549.10	241,914.21
22	09/05/2013	13,125.79	2,419.14	228,788.42
23	03/05/2014	13,257.05	2,287.88	215,531.37
24	09/05/2014	13,389.62	2,155.31	202,141.75
25	03/05/2015	13,523.52	2,021.42	188,618.23
26	09/05/2015	13,658.75	1,886.18	174,959.48
27	03/05/2016	13,795.34	1,749.59	161,164.14
28	09/05/2016	13,933.29	1,611.64	147,230.85
29	03/05/2017	14,072.63	1,472.31	133,158.22
30	09/05/2017	14,213.35	1,331.58	118,944.87
31	03/05/2018	14,355.49	1,189.45	104,589.38
32	09/05/2018	14,499.04	1,045.89	90,090.34
33	03/05/2019	14,644.03	900.90	75,446.31
34	09/05/2019	14,790.47	754.46	60,655.84
35	03/05/2020	14,938.38	606.56	45,717.46
36	09/05/2020	15,087.76	457.17	30,629.70
37	03/05/2021	15,238.64	306.30	15,391.06
38	09/05/2021	15,391.06	153.94	-0-
		$ 254,910.04	$ 24,898.82	

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

	Ref.	
Balance December 31, 2011	C	$ 1,285,528.86
Decreased by:		
Principal Matured		113,466.95
Balance December 31, 2012	C	$ 1,172,061.91

Schedule of Principal and Interest Payments Outstanding December 31, 2012 - Trust Loan - 2001 Issue

Payment Number	Due	Principal	Interest	Loan Balance
				$ 645,000.00
21	02/01/2013		$ 16,068.75	645,000.00
22	08/01/2013	$ 60,000.00	16,068.75	585,000.00
23	02/01/2014		14,418.75	585,000.00
24	08/01/2014	60,000.00	14,418.75	525,000.00
25	02/01/2015		12,918.75	525,000.00
26	08/01/2015	65,000.00	12,918.75	460,000.00
27	02/01/2016		11,293.75	460,000.00
28	08/01/2016	70,000.00	11,293.75	390,000.00
29	02/01/2017		9,543.75	390,000.00
30	08/01/2017	70,000.00	9,543.75	320,000.00
31	02/01/2018		7,793.75	320,000.00
32	08/01/2018	75,000.00	7,793.75	245,000.00
33	02/01/2019		5,918.75	245,000.00
34	08/01/2019	80,000.00	5,918.75	165,000.00
35	02/01/2020		3,918.75	165,000.00
36	08/01/2020	80,000.00	3,918.75	85,000.00
37	02/01/2021		2,018.75	85,000.00
38	08/01/2021	85,000.00	2,018.75	-0-
		$ 645,000.00	$ 167,787.50	

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE
(Continued)

Schedule of Principal and Interest Payments Outstanding December 31, 2012 - Fund Loan - 2001 Issue

Payment Number	Due	Principal	Loan Balance
			$ 527,061.91
21	02/01/2013	$ 10,419.97	516,641.94
22	08/01/2013	49,327.69	467,314.25
23	02/01/2014	9,350.01	457,964.24
24	08/01/2014	48,257.73	409,706.51
25	02/01/2015	8,377.31	401,329.20
26	08/01/2015	50,527.34	350,801.86
27	02/01/2016	7,323.56	343,478.30
28	08/01/2016	52,715.90	290,762.40
29	02/01/2017	6,188.75	284,573.65
30	08/01/2017	51,581.09	232,992.56
31	02/01/2018	5,053.95	227,938.61
32	08/01/2018	53,688.60	174,250.01
33	02/01/2019	3,838.08	170,411.93
34	08/01/2019	55,715.04	114,696.89
35	02/01/2020	2,541.16	112,155.73
36	08/01/2020	54,418.12	57,737.61
37	02/01/2021	1,309.08	56,428.53
38	08/01/2021	56,428.53	-0-
		$ 527,061.91	

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

Ordinance Date	Improvement Description	Balance Dec. 31, 2011	2012 Improvement Authorizations	Funded by Serial Bonds	Funded by Grant	Bond Anticipation Notes Issued	Cancelled	Balance Dec. 31, 2012
9/20/05	Improvements to Cat Swamp Road	$ 750.00						$ 750.00
3/15/11	Improvements to Shades of Death Road	135,000.00			$ 120,000.00			15,000.00
1/2/12	Bond Refunding		$ 3,115,000.00	$2,760,000.00			$ 355,000.00	
2/21/12	Improvements to Shades of Death Road II		237,500.00			$ 237,500.00		
		$ 135,750.00	$ 3,352,500.00	$2,760,000.00	$ 120,000.00	$ 237,500.00	$ 355,000.00	$ 15,750.00

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
WATER AND SEWER UTILITY FUND

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2011	D		$ 534,603.73		$ 1,959,872.36
Increased by Receipts:					
Water and Sewer Utility Collector		$ 1,484,291.12			
Interest Earned		3,424.05		$ 6,652.02	
Connection Fees		128,000.00			
Miscellaneous		5,972.90			
Premium on Sale of Bond Anticipation Notes				14,375.97	
Reserve to Pay Debt Service		840,835.00			
Water District Rents		18,900.00			
Due Current Fund				160,971.43	
Due Water and Sewer Utility Capital Fund:					
Fund Balance		14,684.00			
Interest Earned		6,652.02			
2012 Budget Appropriations:					
Capital Improvement Fund				25,000.00	
			2,502,759.09		206,999.42
			3,037,362.82		2,166,871.78

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1 of 2

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Capital	
Decreased by Disbursements:					
2012 Appropriation Expenditures		$ 2,199,783.86			
2011 Appropriation Reserve Expenditures		41,566.98			
Security Deposits Refunded		4,135.76			
Due to Current Fund - Fund Balance Utilized as Anticipated Revenue		25,000.00			
Interest on:					
New Jersey Wastewater Treatment Loans		34,903.13			
New Jersey Water Supply Interconnection Loan		5,224.57			
New Jersey Environmental Infrastructure Trust Loan		15,406.26			
Water and Sewer Utility Bonds		1,281.25			
Bond Anticipation Notes		70,359.06			
Reserve for Payment of Debt Service - Anticipated as Revenue				$ 840,835.00	
Current Fund - Interfund Returned				160,971.43	
Improvement Authorization Expenditures				500,153.19	
Due Water and Sewer Utility Operating Fund:					
Interfund Returned				14,684.00	
Interest Earned				6,652.02	
			$ 2,397,660.87		$ 1,523,295.64
Balance December 31, 2012	D		$ 639,701.95		$ 643,576.14

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2012

Increased by Receipts:		
Consumer Accounts Receivable:		
Water and Sewer Rents	$ 1,471,683.12	
Interest on Consumer Accounts	2,696.43	
Rent Overpayments	898.88	
Security Deposits	9,012.69	
		$ 1,484,291.12
Decreased by Disbursements:		
Paid to Treasurer		$ 1,484,291.12

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
ANALYSIS OF WATER AND SEWER CAPITAL CASH

			Receipts		Disbursements				
		Balance Dec. 31, 2011	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers From	Transfers To	Balance/(Deficit) Dec. 31, 2012
Capital Fund Balance		$ 23,359.84		$ 14,375.97		$ 14,684.00		$ 0.58	$ 23,052.39
Capital Improvement Fund		26,937.60	$ 25,000.00						51,937.60
Due Current Fund				160,971.43		160,971.43			
Reserve for Payment of Debt Service		840,835.58				840,835.00	$ 0.58		
Reserve for Facility Improvements		850.00							850.00
Due Water and Sewer Operating Fund				6,652.02		6,652.02			
Ord No.	Improvement Description								
02-04/07-05	Water System Improvements	808.51			$ 1,534.72				(726.21)
08-08	Water System Improvements	2,225.79			2,225.79				
09-02	Water System Improvements	12,214.99			12,214.99				
09-05	Water System Improvements	8,113.76			4,690.50				3,423.26
10-06	Purchase Pick-Up Truck	1,784.96							1,784.96
10-07	Water System Improvements	1,042,741.33			479,487.19				563,254.14
		$ 1,959,872.36	$ 25,000.00	$ 181,999.42	$ 500,153.19	$ 1,023,142.45	$ 0.58	$ 0.58	$ 643,576.14

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 2011	D		$ 374,187.10
Increased by:			
Water and Sewer Rents Levied			1,475,512.95
			1,849,700.05
Decreased by:			
Collections		$ 1,471,683.12	
Overpayments Applied		371.87	
			1,472,054.99
Balance December 31, 2012	D		$ 377,645.06

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Description	Balance Dec. 31, 2011	Transferred From Fixed Capital Authorized and Uncompleted	Balance Dec. 31, 2012
Dual Cylinder Scales (2)	$ 2,210.00		$ 2,210.00
Storage Reservoirs, Tanks and Standpipes	118,136.35		118,136.35
Wastewater Treatment System and Facility	4,265,252.16		4,265,252.16
Water System Interconnection	20,000.00		20,000.00
Various General Improvements and Water Interconnection	634,981.85		634,981.85
Acquisition and Construction of Certain Capital Improvements	26,956.85		26,956.85
Acquisition and Construction of Certain Capital Improvements	17,177.34		17,177.34
Acquisition of a Ford F150 4X4 Truck	22,325.24		22,325.24
Restoration of Bald Eagle Road	11,593.78		11,593.78
Various Capital Improvements	274,307.51		274,307.51
Acquisition and Construction of Certain Capital Improvements	120,283.87		120,283.87
Acquisition of Property	183,306.69		183,306.69
Replacement of Emergency Generator at Pump Station No. 2	52,845.00		52,845.00
Water System Improvements	75,000.00		75,000.00
Water Main Replacement	225,000.00		225,000.00
Water System Improvements	1,000,000.00		1,000,000.00
Water System Improvements	487,669.90		487,669.90
Water System Improvements		$ 1,150,000.00	1,150,000.00
Water System Improvements		75,000.00	75,000.00
Water System Improvements		20,000.00	20,000.00
	$ 7,537,046.54	$ 1,245,000.00	$ 8,782,046.54
Ref.	D		D

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011	Costs to Fixed Capital	Balance Dec. 31, 2012
Water System Improvements	06/15/04	$ 1,150,000.00	$ 1,150,000.00	$ 1,150,000.00	
Water System Improvements	08/19/08	75,000.00	75,000.00	75,000.00	
Water System Improvements	03/17/09	25,000.00	20,000.00	20,000.00	
Water System Improvements	06/16/09	50,000.00	50,000.00		$ 50,000.00
Purchase of Pick-up Truck	05/18/10	35,000.00	35,000.00		35,000.00
Water System Improvements	05/18/10	1,500,000.00	1,500,000.00		1,500,000.00
			$ 2,830,000.00	$ 1,245,000.00	$ 1,585,000.00
		Ref.	D		D

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF 2011 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

	Balance Dec. 31, 2011	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 1,692.04	$ 1,692.04	$ 970.00	$ 722.04
Other Expenses	57,218.38	57,218.38	40,596.98	16,621.40
	$ 58,910.42	$ 58,910.42	$ 41,566.98	$ 17,343.44

Ref.

Analysis of Balance December 31, 2011:

Unencumbered	D	$ 52,011.21
Encumbered	D	6,899.21
		$ 58,910.42

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011 Funded	Balance Dec. 31, 2011 Unfunded	Paid or Charged	Balance Dec. 31, 2012 Funded	Balance Dec. 31, 2012 Unfunded
02-04/ 07-05	Water System Improvements	06/15/04; 06/01/05	$ 1,150,000.00		$ 1,534.72	$ 1,534.72		
08-08	Water System Improvements	08/19/08	75,000.00	$ 2,225.79		2,225.79		
09-02	Water System Improvements	03/17/09	25,000.00	12,214.99		12,214.99		
09-05	Water System Improvements	06/16/09	50,000.00	8,113.76		4,690.50	$ 3,423.26	
10-06	Purchase of Pick-up Truck	05/18/10	35,000.00	1,784.96			1,784.96	
10-07	Water System Improvements	05/18/10	1,500,000.00		1,042,741.33	479,487.19		$ 563,254.14
				$ 24,339.50	$ 1,044,276.05	$ 500,153.19	$ 5,208.22	$ 563,254.14
			Ref.	D	D		D	D

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2011	D	$ 26,937.60
Increased by:		
2012 Budget Appropriation		25,000.00
Balance December 31, 2012	D	$ 51,937.60

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.		
Balance December 31, 2011	D		$ 3,534,041.53
Increased by:			
Paid by Water and Sewer Utility Operating Budget:			
New Jersey Wastewater Treatment Loans		$ 291,826.83	
New Jersey Water Supply Interconnection Loan		16,936.47	
Serial Bonds Matured		25,000.00	
New Jersey Environmental Infrastructure Trust Loan		42,926.01	
Transferred from Deferred Reserve for Amortization		1,775,428.79	
			2,152,118.10
Balance December 31, 2012	D		$ 5,686,159.63

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Ordinance Date	Balance Dec. 31, 2011	Principal Paid	Transferred to Reserve for Amortization	Balance Dec. 31, 2012
02-04/ 07-05	Water System Improvements	06/15/04 06/01/05	$ 875,699.79	$ 7,285.00	$ 882,984.79	
12-06	Water Main Replacement	10/31/2006		1,275.00	1,275.00	
08-08	Water System Improvements	08/19/2008	75,000.00		75,000.00	
09-02	Water System Improvements	03/17/2009	20,000.00		20,000.00	
09-05	Water System Improvements	06/16/2009	50,000.00			$ 50,000.00
10-06	Purchase Pick-Up Truck	05/18/2010	35,000.00			35,000.00
09-06	Water System Improvements	06/16/2009		3,205.00	3,205.00	
09-12	Water System Improvements	08/18/2009		25,650.00	25,650.00	
10-01	Water Main Replacement	02/23/2010		767,314.00	767,314.00	
10-07	Water System Improvements	05/18/2010		38,500.00		38,500.00
			$ 1,055,699.79	$ 843,229.00	$ 1,775,428.79	$ 123,500.00
		Ref.	D			D

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY WASTEWATER TREATMENT LOANS PAYABLE

	Ref.	
Balance December 31, 2011	D	$ 908,323.67
Decreased by:		
Principal Matured		291,826.83
Balance December 31, 2012	D	$ 616,496.84

Schedule of Principal and Interest Payments Outstanding December 31, 2012

Payment Number	Due Date	Trust Interest	Trust Principal	Fund Principal	Balance of Loan
					$ 616,496.84
34	03/01/13	$ 14,184.38	$ 215,000.00	$ 82,947.45	318,549.39
35	09/01/13	7,331.25		2,653.36	315,896.03
36	03/01/14	7,331.24	230,000.00	85,896.03	-0-
		$ 28,846.87	$ 445,000.00	$ 171,496.84	

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY WATER SUPPLY INTERCONNECTION LOAN PAYABLE

	Ref.	
Balance December 31, 2011	D	$ 153,470.72
Decreased by:		
Principal Matured		16,936.47
Balance December 31, 2012	D	$ 136,534.25

Schedule of Principal and Interest Payments Outstanding December 31, 2012

Payment Number	Due Date	Interest	Principal	Balance of Loan
				$ 136,534.25
25	06/30/13	$ 2,389.35	$ 8,691.17	127,843.08
26	12/30/13	2,237.25	8,843.27	118,999.81
27	06/30/14	2,082.50	8,998.03	110,001.78
28	12/30/14	1,925.03	9,155.49	100,846.29
29	06/30/15	1,764.81	9,315.71	91,530.58
30	12/30/15	1,601.79	9,478.74	82,051.84
31	06/30/16	1,435.91	9,644.61	72,407.23
32	12/30/16	1,267.13	9,813.40	62,593.83
33	06/30/17	1,095.39	9,985.13	52,608.70
34	12/30/17	920.65	10,159.87	42,448.83
35	06/30/18	742.85	10,337.67	32,111.16
36	12/30/18	561.95	10,518.58	21,592.58
37	06/30/19	377.87	10,702.65	10,889.93
38	12/30/19	190.59	10,889.93	-0-
		$ 18,593.07	$ 136,534.25	

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	Ref.	
Balance December 31, 2011	D	$ 619,960.62
Decreased by:		
Principal Matured		42,926.01
Balance December 31, 2012	D	$ 577,034.61

Schedule of Principal and Interest Payments Outstanding December 31, 2012

Payment Number	Due Date	Loan Interest	Loan Principal	Trust Principal	Balance of Loan
					$ 577,034.61
29	2/1/13			$ 4,664.12	572,370.49
30	3/1/13	$ 7,203.13			572,370.49
31	8/1/13			17,614.38	554,756.11
32	9/1/13	7,203.13	$ 20,000.00		534,756.11
33	2/1/14			4,340.36	530,415.75
34	3/1/14	6,703.13			530,415.75
35	8/1/14			17,290.62	513,125.13
36	9/1/14	6,703.13	20,000.00		493,125.13
37	2/1/15			4,081.36	489,043.77
38	3/1/15	6,303.13			489,043.77
39	8/1/15			17,031.62	472,012.15
40	9/1/15	6,303.13	20,000.00		452,012.15
41	2/1/16			3,822.35	448,189.80
42	3/1/16	5,903.13			448,189.80
43	8/1/16			20,010.18	428,179.62
44	9/1/16	5,903.13	25,000.00		403,179.62
45	2/1/17			3,498.59	399,681.03
46	3/1/17	5,403.13			399,681.03
47	8/1/17			19,686.42	379,994.61
48	9/1/17	5,403.13	25,000.00		354,994.61

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
(Continued)

Schedule of Principal and Interest Payments Outstanding December 31, 2012
(Continued)

Payment Number	Due Date	Loan Interest	Loan Principal	Trust Principal	Balance of Loan
					$ 354,994.61
49	2/1/18			$ 3,093.90	351,900.71
50	3/1/18	$ 4,778.13			351,900.71
51	8/1/18			19,281.73	332,618.98
52	9/1/18	4,778.13	$ 25,000.00		307,618.98
53	2/1/19			2,689.20	304,929.78
54	3/1/19	4,153.13			304,929.78
55	8/1/19			18,877.03	286,052.75
56	9/1/19	4,153.13	25,000.00		261,052.75
57	2/1/20			2,284.51	258,768.24
58	3/1/20	3,528.13			258,768.24
59	8/1/20			18,472.34	240,295.90
60	9/1/20	3,528.13	25,000.00		215,295.90
61	2/1/21			1,879.81	213,416.09
62	3/1/21	2,903.13			213,416.09
63	8/1/21			21,305.21	192,110.88
64	9/1/21	2,903.13	30,000.00		162,110.88
65	2/1/22			1,394.18	160,716.70
66	3/1/22	2,153.13			160,716.70
67	8/1/22			20,819.57	139,897.13
68	9/1/22	2,153.13	30,000.00		109,897.13
69	2/1/23			908.54	108,988.59
70	3/1/23	1,403.13			108,988.59
71	8/1/23			20,333.94	88,654.65
72	9/1/23	1,403.13	30,000.00		58,654.65
73	2/1/24			495.75	58,158.90
74	3/1/24	765.63			58,158.90
75	8/1/24			23,158.90	35,000.00
76	9/1/24	765.63	35,000.00		
		$ 102,400.12	$ 310,000.00	$ 267,034.61	

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. Date	Improvement Description	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2011	Issued	Matured	Balance Dec. 31, 2012
02-04/		12/29/2005	10/27/2011	10/26/2012	1.75%	$ 192,725.00		$ 192,725.00	
07-05	Water System Improvements	12/29/2005	10/24/2012	10/23/2013	1.25%		$ 187,595.00		$ 187,595.00
02-04/		12/28/2006	10/27/2011	10/26/2012	1.75%	80,849.00		80,849.00	
07-05	Water System Improvements	12/28/2006	10/24/2012	10/23/2013	1.25%		78,694.00		78,694.00
12-06	Water Main Replacement	10/31/2006	10/27/2011	10/26/2012	1.75%	96,250.00		96,250.00	
		10/31/2006	10/24/2012	10/23/2013	1.25%		94,975.00		94,975.00
09-06	Water System Improvements	06/16/2009	10/27/2011	10/26/2012	1.75%	125,000.00		125,000.00	
		06/16/2009	10/24/2012	10/23/2013	1.25%		121,795.00		121,795.00
09-12	Water System Improvements	08/18/2009	10/27/2011	10/26/2012	1.75%	1,000,000.00		1,000,000.00	
		08/18/2009	10/24/2012	10/23/2013	1.25%		974,350.00		974,350.00
10-01	Water Main Replacement	07/20/2010	10/27/2011	10/26/2012	1.75%	1,050,000.00		1,050,000.00	
		07/20/2010	10/24/2012	10/23/2013	1.25%		282,686.00		282,686.00
10-07	Water System Improvements	07/20/2010	10/27/2011	10/26/2012	1.75%	1,500,000.00		1,500,000.00	
		07/20/2010	10/24/2012	10/23/2013	1.25%		1,461,500.00		1,461,500.00
						$ 4,044,824.00	$ 3,201,595.00	$ 4,044,824.00	$3,201,595.00
					Ref.	D			D

Renewals	$ 3,201,595.00	$ 3,201,595.00
Paid by Budget Appropriation		843,229.00
	$ 3,201,595.00	$ 4,044,824.00

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012 Date	Amount	Interest Rate	Balance Dec. 31, 2011	Matured	Balance Dec. 31, 2012
Water Utility Bonds	03/15/04	$ 200,000.00	01/15/13	25,000.00	3.50%	$ 50,000.00	$ 25,000.00	$ 25,000.00
						$ 50,000.00	$ 25,000.00	$ 25,000.00
					Ref.	D		D

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2011	Balance Dec. 31, 2012
02-04/ 07-05	Water System Improvements	$ 726.21	$ 726.21

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
PUBLIC ASSISTANCE FUND

TOWNSHIP OF ALLAMUCHY
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH

	Ref.	Fund Total	P.A.T.F. II
Balance December 31, 2011	F	$ 7,560.09	$ 7,560.09
Increased by Receipts:			
Interest Earned		14.30	14.30
Balance December 31, 2012	F	$ 7,574.39	$ 7,574.39

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2012
WATER DISTRICT

TOWNSHIP OF ALLAMUCHY
WATER DISTRICT
SCHEDULE OF CASH

	Ref.		
Balance December 31, 2011	H		$ 22.96
Increased by:			
Water User Fees		$ 18,897.30	
Interest on Investments and Deposits		22.34	
			18,919.64
			18,942.60
Decreased by:			
Due Water/Sewer Utility Operating Fund			18,900.00
Balance December 31, 2012	H		$ 42.60

TOWNSHIP OF ALLAMUCHY
WATER DISTRICT
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.	
Balance December 31, 2011	H	$ 184.64
Increased by:		
Water User Fees Levied		21,906.14
		22,090.78
Decreased by:		
Collections		18,897.30
Balance December 31, 2012	H	$ 3,193.48

TOWNSHIP OF ALLAMUCHY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2012

TOWNSHIP OF ALLAMUCHY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2012

Name of Federal Agency or Department	Name of Program	C.F.D.A. Number	Grant Award	Amount Received	Grant Period From	Grant Period To	Amount of Expenditures	Cumulative Expenditures
U.S. Department of Homeland Security: (Passed through the New Jersey Department of Law and Public Safety)	Disaster Grants - Public Assistance - F.E.M.A.	97.036	$ 8,125.06	$ 8,125.06	1/1/2011	12/31/2011	$ 8,125.06 *	$ 8,125.06
U.S. Department of Energy: (Passed through the New Jersey Board of Public Utilities)	ARRA- Energy Efficiency Block Program	81.128	278,500.00		7/1/2011	8/1/2012	278,500.00	278,500.00
U.S. Department of Transportation (Passed through the New Jersey Department of Transportation)	Shades of Death Road	20.205	120,000.00	120,000.00	1/1/2012	12/31/2012	120,000.00	120,000.00
TOTAL FEDERAL AWARDS				$ 128,125.06			$ 406,625.06	$ 128,125.06

* Expended in 2011

SEE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF ALLAMUCHY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2012

Name of State Agency or Department	State Program	Program Account No.	Grant Award	Amount Received	Grant Period From	Grant Period To	Amount of Expenditures	Cumulative Expenditures
Department of Environmental Protection	Clean Communities Program	765-042-4900-004-178910	7,123.70	$ 6,988.51	1/1/2012	12/31/2013		
		765-042-4900-004-178910	11,501.32		1/1/2009	12/31/2013	$ 4,020.31	$ 4,020.31
	Total Clean Communities			6,988.51			4,020.31	4,020.31
	Recycling Tonnage	752-042-4900-001	3,606.32	3,606.32	1/1/2011	12/31/2013		
Total Department of Enrironmental Protection				10,594.83			4,020.31	4,020.31
N.J. Highlands Council	NJ Highlands Grant- Plan Conformance	N/A	15,000.00	6,383.93	1/1/2010	12/31/2013		
Department of Health and Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund (Trust)	760-046-4240-040000	809.45	809.45	1/1/201	12/31/2012		
TOTAL STATE AWARDS				$ 14,181.89			$ 4,020.31	$ 4,020.31

N/A - Not Available

SEE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF ALLAMUCHY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2012

A. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Township of Allamuchy. The Township of Allamuchy 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.

B. BASIS OF ACCOUNTING

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

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. STATE LOANS OUTSTANDING

The Township of Allamuchy has the following loans outstanding as of December 31, 2012:

Wastewater Treatment Trust Loan Payable	$ 616,496.84
Water Supply Interconnection Loan Payable	136,534.25
Environmental Infrastructure Loans Payable	1,749,096.52
Green Trust Loan Payable	254,910.04
	$ 2,757,037.65

Currently, the Township is in the process of repaying the loan balances. There were no loan receipts or expenditures in the current year. The projects which relate to the loans are complete.

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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 Auditors' Report

The Honorable Mayor and Members
of the Township Council
Township of Allamuchy
Allamuchy, New Jersey

We have audited, 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 (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Township of Allamuchy, in the County of Warren (the "Township") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated May 14, 2013. These financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2012-01, that we consider to be a significant deficiency.

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*. However, we noted certain matters that we reported to management in the comments and recommendations section of this report.

The Township's Response to the Finding

The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result 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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
May 14, 2013

NISIVOCCIA LLP

David H. Evans
Certified Public Accountant
Registered Municipal Accountant No. 98

TOWNSHIP OF ALLAMUCHY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2012

Summary of Auditors' Results:

- A qualified report was issued on the Township's financial statements, prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as the general fixed assets account group was not audited.

- 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's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* for 2012 as grant expenditures were less than the single audit threshold 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:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

  Finding 2012-1

  The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. The various departments/offices of the Township are responsible for the issuance of permits and licenses, utility charges and permit and license fees, and recording of collections. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. While this is not unusual in operations the size of the Township, management and the Township Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

  Management's Response

  The finding was evaluated, however due to budgetary constraints no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- Not applicable – Federal award expenditures are less than the single audit threshold

Findings and Questioned Costs for State Awards:

- Not applicable – State award expenditures are less than the single audit threshold

TOWNSHIP OF ALLAMUCHY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

The Township's prior year audit finding regarding segregation of duties has not been resolved and is included as finding 2012-1.

TOWNSHIP OF ALLAMUCHY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

TOWNSHIP OF ALLAMUCHY
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required Advertisement for Bids

N.J.S.A. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or 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. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit 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 subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 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. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, 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 section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 is $17,500 and with a qualified purchasing agent the threshold may be up to $36,000.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where questions arise 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.

TOWNSHIP OF ALLAMUCHY
COMMENTS AND RECOMMENDATIONS
(Continued)

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

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes and Assessments

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

The following resolutions were adopted in 2012:

> BE IT RESOLVED by the Mayor and Council of the Township of Allamuchy, Warren County, New Jersey, that the rate of interest charges on delinquent taxes in this Township shall be as follows:
>
> > On all delinquents to and including December 31, 2012, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2012 at the rate of 8% per annum for and upon the first $1,500 of the delinquency and at the rate of 18% per annum for and upon any amount of the delinquency in excess of $1,500; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.
>
> BE IT RESOLVED, that the collector of the Township be and is hereby directed to collect interest on all taxes accordingly.
>
> BE IT RESOLVED by the Mayor and Council of the Township of Allamuchy, Warren County, New Jersey, that the rate of interest charges on delinquent utility charges in this Township shall be as follows:
>
> > On all delinquents to and including December 31, 2012, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2012 at the rate of 8% per annum for and upon the first $1,500 of the delinquency and at the rate of 18% per annum for and upon any amount of the delinquency in excess of $1,500; and that a grace period of 30 days will be allowed on charges due April 1, July 1, October 1, and December 31. If charges are not paid 30 days after the end of each quarter, interest shall be charged from the due date.
>
> BE IT RESOLVED, that the collector of the Township be and is hereby directed to collect interest on all utility charges accordingly.

It appears from our testing that interest was charged in accordance with the above resolutions.

TOWNSHIP OF ALLAMUCHY
COMMENTS AND RECOMMENDATIONS
(Continued)

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 20, 2011.

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

Year	Number of Liens
2012	0
2011	0
2010	0

Municipal Court

The transactions for the year 2012 were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance Dec. 31, 2011	Receipts	Dis-bursements	Balance Dec. 31, 2012
State of New Jersey	$ 13,271.68	$ 279,185.86	$ 274,256.61	$ 18,200.93
Municipality:				
Fines and Fees	3,855.32	54,791.64	56,278.89	2,368.07
POAA		5.00	2.00	3.00
Public Defender	400.00	67.00	467.00	
Conditional Discharge	65.00	435.00	425.00	75.00
Fish and Game		275.00	200.00	75.00
Forest and Parks		250.00	250.00	
Weights and Measures		600.00	600.00	
Interest		54.34	54.34	
Cash Bail	5,526.00	6,562.00	9,858.00	2,230.00
Interest - Bail		10.27	10.27	
	$ 23,118.00	$ 342,236.11	$ 342,402.11	$ 22,952.00

Technical Accounting Directives

The Division of Local Government Services has established three (3) technical accounting directives which are prescribed by the revision of 1987 draft "Requirements of Audit and Accounting". They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Township maintains an encumbrance accounting system, a fixed asset accounting and reporting system and a general ledger accounting system.

TOWNSHIP OF ALLAMUCHY
COMMENTS AND RECOMMENDATIONS
(Continued)

Water Utility

Our review of the Water Utility Fund revealed that an analysis of Security Deposits is not being prepared and reconciled with the general ledger. It is recommended that an analysis of Security Deposits be prepared and reconciled with the general ledger.

Management Response

Administration will ensure an analysis of Security Deposits is prepared and reconciled with the general ledger.

Animal Control

Our review of the records of the Animal Control Fund revealed that deposits are not being made within 48 hours of receipt. Receipts from the Animal Control Fund are currently being deposited once a week. It is recommended that all receipts be deposited within 48 hours as per state statute.

Management's Response:

The Township CFO, Clerk, and Animal Control Collector will work to ensure all deposits are made within 48 hours of receipt.

Status of Prior Year Recommendations

Recommendations #1,3, and 4 from the 2011 audit report are included in the current year recommendations and are in the process of being implemented, where possible. Recommendation #2 from the 2011 audit report was resolved in the current year and has not been included in the current year report.

TOWNSHIP OF ALLAMUCHY
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1) Segregation of duties for the various departments/offices of the Township be reviewed in order to improve internal control.
2) An analysis of Water Utility Security Deposits be prepared and reconciled with the general ledger.
3) All Animal Control receipts be deposited within 48 hours as per state statute.

* * * * * *