

*TOWNSHIP OF ALLAMUCHY*

*COUNTY OF WARREN*

*REPORT OF AUDIT*

*2011*

*NISIVOCIA LLP*  
*CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
REPORT OF AUDIT  
2011

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, 2011



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## Independent Auditors' Report

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

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, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audits.

Except as discussed in the fourth paragraph, we conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division that 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. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. We are, therefore, unable to express an opinion as to the general fixed assets account group as of December 31, 2011 and 2010, stated at \$10,852,327.00 and \$11,065,754.91, respectively.

In our opinion, because the Township prepares its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to in the first paragraph, 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, 2011 and 2010, and the results of its operations for the years then ended.

The Honorable Mayor and Members  
of the Township Council  
Township of Allamuchy  
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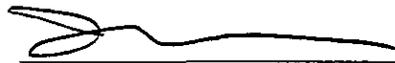
However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the general fixed assets account group been audited, the financial statements-regulatory basis referred to above present fairly, in all material respects, the financial position of the various funds of the Township of Allamuchy at December 31, 2011 and 2010, 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 prescribed by the Division, as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2012, on our consideration of the Township of Allamuchy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements as a whole. The information included in the Supplementary Data schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis and are required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*; and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and are not a required part of the financial statements. The supplementary data schedules listed in the table of contents 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. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole, on the basis of accounting described in Note 1 to the financial statements and Note B to the schedules of expenditures of federal and state awards.

Mount Arlington, New Jersey  
May 9, 2012

  
NISIVOCIA LLP



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

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
CURRENT FUND

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 984,899.19	\$ 895,380.86
Change Fund		200.00	200.00
		<u>985,099.19</u>	<u>895,580.86</u>
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions		339.00	339.00
Special District Taxes Receivable - Municipal	A-13		2,000.00
		<u>985,438.19</u>	<u>897,919.86</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	187,406.07	215,557.54
Revenue Accounts Receivable	A-9	3,855.32	3,800.29
Due from:			
Other Trust Fund	B	2,253.40	1,365.81
Other Accounts Receivable		2,735.83	7,622.82
		<u>196,250.62</u>	<u>228,346.46</u>
Deferred Charges:			
Special Emergency Appropriation		200,000.00	
		<u>200,000.00</u>	
Total Regular Fund		<u>1,381,688.81</u>	<u>1,126,266.32</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	63,012.17	38,876.95
Grant Funds Receivable	A-10	9,702.44	27,427.02
		<u>72,714.61</u>	<u>66,303.97</u>
Total Federal and State Grant Fund		<u>72,714.61</u>	<u>66,303.97</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 1,454,403.42</u></u>	<u><u>\$ 1,192,570.29</u></u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
COMPARATIVE BALANCE SHEET  
(Continued)

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	Ref.	December 31,	
		2011	2010
<b>Regular Fund:</b>			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 23,013.60	\$ 28,192.43
Unencumbered	A-3;A-11	93,094.85	173,129.59
		116,108.45	201,322.02
Due State of New Jersey:			
Marriage License Fees		15.00	425.00
Building Surcharge Fees		272.00	408.00
County Added and Omitted Taxes Payable		74,228.43	67,211.12
Prepaid Taxes		69,874.71	59,583.00
Tax Overpayments		9,497.85	12,147.94
Local School District Taxes Payable	A-12		150,677.00
Garbage District Taxes Payable	A-14	9,465.17	9,465.17
Special Emergency Notes Payable	A-15	200,000.00	
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		182,995.15	
Payments In Lieu of Taxes		47,902.85	47,902.85
		742,909.61	581,692.10
Reserve for Receivables and Other Assets	A	196,250.62	228,346.46
Fund Balance	A-1	442,528.58	316,227.76
Total Regular Fund		1,381,688.81	1,126,266.32
<b>Federal and State Grant Fund:</b>			
Unappropriated Reserves	A-16	9,408.04	651.91
Appropriated Reserves:			
Unencumbered	A-17	63,306.57	65,652.06
Total Federal and State Grant Fund		72,714.61	66,303.97
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 1,454,403.42</b>	<b>\$ 1,192,570.29</b>

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,	
		2011	2010
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 245,000.00	\$ 273,000.00
Miscellaneous Revenue Anticipated		1,100,619.02	1,106,653.24
Receipts from:			
Delinquent Taxes		215,515.85	266,599.45
Current Taxes		15,725,381.02	15,659,358.98
Nonbudget Revenue		67,253.77	33,457.13
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		65,305.28	3,180.57
Interfunds and Other Receivables Returned		1,365.81	18,783.80
Total Income		<u>17,420,440.75</u>	<u>17,361,033.17</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		3,028,971.62	2,653,401.66
County Taxes		4,323,591.72	4,414,149.85
Local School District Taxes		7,251,444.87	7,277,013.00
Local Open Space Taxes		115,257.09	116,280.00
Special District Taxes		2,525,251.39	2,648,041.55
Interfunds and Other Receivables Advanced		4,623.24	8,988.63
Total Expenditures		<u>17,249,139.93</u>	<u>17,117,874.69</u>
Excess in Revenue		171,300.82	243,158.48
Adjustments to Income Before Fund Balance:			
Deferred Charges to Budget of Succeeding Year		<u>200,000.00</u>	
Statutory Excess to Fund Balance		371,300.82	243,158.48
<u>Fund Balance</u>			
Balance January 1		<u>316,227.76</u>	<u>346,069.28</u>
		687,528.58	589,227.76
Decreased by:			
Utilized as Anticipated Revenue		<u>245,000.00</u>	<u>273,000.00</u>
Balance December 31	A	<u>\$ 442,528.58</u>	<u>\$ 316,227.76</u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2011

	Budget	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 245,000.00	\$ 245,000.00	
Miscellaneous Revenue:			
Licenses:			
Alcoholic Beverages	1,884.00	2,355.00	\$ 471.00
Fees and Permits	4,750.00	4,645.00	105.00 *
Fines and Costs:			
Municipal Court	44,000.00	51,714.18	7,714.18
Interest and Costs on Taxes	50,000.00	50,815.92	815.92
Interest on Investments and Deposits	23,000.00	10,491.65	12,508.35 *
Recreation Fees	20,000.00	38,216.24	18,216.24
Energy Receipts Tax	345,713.00	345,713.00	
Consolidated Municipal Property Tax Relief			
Aid	4,798.00	4,798.00	
Garden State Trust	39,735.00	39,735.00	
Uniform Construction Code Fees	110,000.00	75,331.00	34,669.00 *
Recycling Grant	1,860.15	1,860.15	
Alcohol Education and Rehabilitation Fund	351.91	351.91	
Interest on Escrow Funds - Open Space	113,000.00	113,000.00	
General Capital Surplus	13,965.00	13,965.00	
Reserve for Debt Service	154,750.00	154,750.00	
Affordable Housing Rents	175,000.00	167,876.97	7,123.03 *
Water and Sewer Utility Fund Balance	25,000.00	25,000.00	
	1,127,807.06	1,100,619.02	27,188.04 *
Receipts from Delinquent Taxes	215,000.00	215,515.85	515.85
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	1,643,097.26	1,909,835.95	266,738.69
Budget Totals	3,230,904.32	3,470,970.82	240,066.50
Nonbudget Revenue		67,253.77	67,253.77
	\$ 3,230,904.32	\$ 3,538,224.59	\$ 307,320.27

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 15,725,381.02
Allocated to County, School and Special District Taxes	14,215,545.07
Balance for Support of Municipal Budget	<u>1,509,835.95</u>

Add: Appropriation "Reserve for Uncollected Taxes"	<u>400,000.00</u>
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Realized for Support of Municipal Budget	<u>\$ 1,909,835.95</u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u>\$ 215,515.85</u>
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Analysis of Fees and Permits:

Other Departments	<u>\$ 4,645.00</u>
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Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 5,977.97
Due from:	
General Capital Fund	3,584.58
Animal Control Fund	13.55
Other Trust Fund	<u>915.55</u>
	<u>\$ 10,491.65</u>

Analysis of Uniform Construction Code Fees:

Building Inspector	<u>\$ 75,331.00</u>
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TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Cable TV Franchise Fees	\$ 17,288.00
Licenses - Other Than ABC	2,601.00
Clean-up Fees	565.00
Copies	377.80
Premium on Emergency Notes	726.00
Senior Citizens' and Veterans' Deductions	
Administrative Fee	1,100.00

Other Miscellaneous Revenue 41,660.56

\$ 64,318.36

Tax Collector:

Duplicate Bills and Other Miscellaneous \$ 2,935.41

\$ 67,253.77

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, 2011

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>GENERAL GOVERNMENT:</b>					
General Administration:					
Salaries and Wages	\$ 91,275.00	\$ 91,275.00	\$ 90,557.80	\$ 717.20	
Other Expenses:					
Codification and Revision of Ordinances	2,500.00	2,500.00	2,238.75	261.25	
Miscellaneous Other Expenses	32,500.00	31,000.00	30,962.49	37.51	
Financial Administration:					
Salaries and Wages	32,640.00	32,640.00	31,980.00	660.00	
Other Expenses	8,500.00	10,500.00	10,294.74	205.26	
Annual Audit	40,000.00	44,000.00	44,000.00		
Tax Assessment Administration:					
Salaries and Wages	20,910.00	20,910.00	20,500.08	410	
Other Expenses (Emergency \$200,000)	8,400.00	205,900.00	205,453.96	446.04	
Revenue Administration (Tax Collection):					
Salaries and Wages	67,320.00	68,320.00	67,648.76	671.24	
Other Expenses	11,500.00	10,000.00	9,507.86	492.14	
Legal Services and Costs:					
Other Expenses	100,000.00	86,500.00	77,072.93	9,427.07	
Municipal Prosecutor:					
Salaries and Wages	11,497.44	11,572.44	11,572.08	0.36	
Engineering Services and Costs:					
Other Expenses	25,000.00	20,500.00	16,565.62	3,934.38	

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>GENERAL GOVERNMENT (Cont'd):</b>					
Public Buildings and Grounds:					
Salaries and Wages	\$ 39,372.00	\$ 42,572.00	\$ 42,546.96	\$ 25.04	
Other Expenses	38,100.00	36,100.00	33,316.85	2,783.15	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	13,872.00	14,622.00	14,092.04	529.96	
Other Expenses	23,100.00	18,600.00	16,056.39	2,543.61	
Environmental Commission (NJSA 40:56A-1 et seq.):					
Salaries and Wages	1,989.00	1,989.00	1,944.96	44.04	
Other Expenses	14,600.00	14,600.00	13,974.40	625.60	
Contribution to Warren County Soil Conservation Program for Pequest River					
	2,500.00	2,500.00	2,500.00		
<b>INSURANCE:</b>					
Group Insurance Plans For Employees	71,500.00	75,600.00	75,571.12	28.88	
Other Insurance Premiums	121,663.36	124,038.36	124,035.00	3.36	
Surety Bond Premiums	4,500.00	4,500.00	2,708.75	1,791.25	
Worker's Compensation Insurance	26,557.44	26,557.44	25,742.00	815.44	
<b>PUBLIC SAFETY:</b>					
First Aid Organization Contribution	20,000.00	20,000.00	20,000.00		
Fire Department:					
Other Expenses	61,000.00	61,000.00	54,581.65	6,418.35	
Emergency Management Services:					
Salaries and Wages	6,120.00	6,120.00	5,994.96	125.04	
Other Expenses	1,500.00	1,500.00	529.60	970.40	
Municipal Court:					
Salaries and Wages	65,340.00	65,340.00	65,266.11	73.89	
Other Expenses	6,000.00	6,750.00	6,741.50	8.50	
Public Defender:					
Other Expenses	1,650.00	1,650.00	1,650.00		

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>STREETS AND ROADS:</b>					
Road Repairs and Maintenance:					
Salaries and Wages	\$ 105,000.00	\$ 107,500.00	\$ 106,432.89	\$ 1,067.11	
Other Expenses	120,000.00	115,000.00	107,899.86	7,100.14	
Garbage and Trash Removal:					
Other Expenses	2,500.00	2,500.00	2,410.15	89.85	
Recycling:					
Salaries and Wages	6,630.00	6,630.00	6,108.80	521.20	
Other Expenses	84,000.00	81,000.00	80,998.88	1.12	
<b>HEALTH AND WELFARE:</b>					
Animal Control Officer:					
Salaries and Wages	13,770.00	11,720.00	10,250.04	1,469.96	
Other Expenses	15,000.00	15,000.00	14,682.79	317.21	
Administration of Public Assistance:					
Other Expenses	125.00	125.00		125.00	
Board of Health:					
Other Expenses	500.00	500.00		500.00	
<b>RECREATION AND EDUCATION:</b>					
Board of Recreation Commissioners:					
Salaries and Wages	13,515.00	13,515.00	13,412.50	102.50	
Other Expenses	45,500.00	45,500.00	42,740.69	2,759.31	

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>UNIFORM CONSTRUCTION CODE:</b>					
State Uniform Construction Code (NJSA 52:27D-120 et seq):					
Construction Official:					
Salaries and Wages	\$ 96,186.00	\$ 96,186.00	\$ 94,874.70	\$ 1,311.30	
Other Expenses	2,500.00	1,500.00	1,209.98	290.02	
Fire Subcode Official:					
Salaries and Wages	14,662.50	15,462.50	15,448.68	13.82	
Zoning Official:					
Salaries and Wages	12,546.00	12,546.00	12,300.00	246	
<b>UNCLASSIFIED:</b>					
Electricity	31,000.00	31,000.00	30,759.72	240.28	
Telephone	17,000.00	17,000.00	16,639.19	360.81	
Water	650.00	650.00	608.29	41.71	
Fuel Oil	21,700.00	21,700.00	15,041.35	6,658.65	
Gasoline	16,500.00	19,500.00	18,818.84	681.16	

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
UNCLASSIFIED (Cont'd):					
Total Operations Within "CAPS"	\$ 1,590,690.74	\$ 1,774,190.74	\$ 1,716,244.71	\$ 57,946.03	
Contingent	2,500.00	2,500.00		2,500.00	
Total Operations Including Contingent Within "CAPS"	1,593,190.74	1,776,690.74	1,716,244.71	60,446.03	
Detail:					
Salaries and Wages	612,644.94	618,919.94	610,931.36	7,988.58	
Other Expenses	980,545.80	1,157,770.80	1,105,313.35	52,457.45	
Deferred Charges and Statutory Expenditures - Municipal -					
Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	65,850.00	65,850.00	65,850.00		
Social Security System (OASI)	47,000.00	48,500.00	48,472.25	27.75	

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	\$ 112,850.00	\$ 114,350.00	\$ 114,322.25	\$ 27.75	
Total General Appropriations for Municipal Purposes Within "CAPS"	1,706,040.74	1,891,040.74	1,830,566.96	60,473.78	
Operations Excluded from "CAPS":					
LOSAP	32,000.00	32,000.00		32,000.00	
Contribution to:					
Affordable Housing-Other Expenses	75,000.00	90,000.00	89,378.93	621.07	
Public and Private Programs Offset by Revenue:					
Donations Environmental Commission:					
Recycling Grant	1,860.15	1,860.15	1,860.15		
Alcohol Education and Rehabilitation Grant	351.91	351.91	351.91		

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Total Operations Excluded from "CAPS"	\$ 109,212.06	\$ 124,212.06	\$ 91,590.99	\$ 32,621.07	
Detail:					
Other Expenses	109,212.06	124,212.06	91,590.99	32,621.07	
Capital Improvements - Excluded from "CAPS":					
Reserve for Improvements	25,000.00	25,000.00	25,000.00		
Capital Improvement Fund	45,000.00	45,000.00	45,000.00		
Total Capital Improvements - Excluded from "CAPS"	70,000.00	70,000.00	70,000.00		
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	185,000.00	185,000.00	185,000.00		
Payment of Bond Anticipation Notes	316,578.00	316,578.00	316,578.00		
Interest on Bonds	126,481.25	126,481.25	126,481.25		
Interest on Notes	141,582.00	141,582.00	141,353.55		\$ 228.45
Loan Repayments for Principal and Interest	31,089.87	31,089.87	31,089.87		
New Jersey Environmental Infrastructure Trust	144,920.40	144,920.40	143,216.15		1,704.25
Total Municipal Debt Service - Excluded from "CAPS"	945,651.52	945,651.52	943,718.82		1,932.70

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Total General Appropriations - Excluded from "CAPS"	<u>\$ 1,124,863.58</u>	<u>\$ 1,139,863.58</u>	<u>\$ 1,105,309.81</u>	<u>\$ 32,621.07</u>	<u>\$ 1,932.70</u>
Subtotal General Appropriations	2,830,904.32	3,030,904.32	2,935,876.77	93,094.85	1,932.70
Reserve for Uncollected Taxes	<u>400,000.00</u>	<u>400,000.00</u>	<u>400,000.00</u>		
Total General Appropriations	<u>\$ 3,230,904.32</u>	<u>\$ 3,430,904.32</u>	<u>\$ 3,335,876.77</u>	<u>\$ 93,094.85</u>	<u>\$ 1,932.70</u>

Ref.

A

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 3,230,904.32	
Special Emergency Appropriation NJSA 40A:4-53		200,000.00	
		\$ 3,430,904.32	
Reserve for Uncollected Taxes			\$ 400,000.00
Reserve for Encumbrances	A		23,013.60
Due Federal and State Grant Fund			2,212.06
Reserve For Revaluation			200,000.00
Cash Disbursed			2,728,023.11
			3,353,248.77
Less: Appropriation Refunds			17,372.00
			\$ 3,335,876.77

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

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
TRUST FUNDS

TOWNSHIP OF ALLAMUCHY  
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	\$ 4,112.61	\$ 4,401.80
		<u>4,112.61</u>	<u>4,401.80</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	696,514.21	666,323.45
<b>TOTAL ASSETS</b>		<u>\$ 700,626.82</u>	<u>\$ 670,725.25</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due State Board of Health		\$ 20.40	19.20
Reserve for Animal Control Expenditures	B-6	4,092.21	4,382.60
		<u>4,112.61</u>	<u>4,401.80</u>
Other Trust Funds:			
Due Current Fund	A	2,253.40	1,365.81
Developers' Deposits		456,349.32	497,664.83
Construction Escrow Deposits		11,298.31	12,013.31
Reserve for:			
Condominium Security Deposits		21,973.67	20,506.49
State Unemployment Insurance		16,531.81	15,123.86
Housing Rehabilitation		23,806.12	22,868.70
Open Space		28,618.94	26,361.85
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		86,400.00	46,700.00
Tax Map Assessments		723.63	723.63
Harvest Festival		993.39	1,474.35
Fire Safety		250.00	250.00
Rutherford Hall		60.00	60.00
Playground		21,045.00	1,000.00
Open Space Donations		9,000.00	3,000.00
		<u>696,514.21</u>	<u>666,323.45</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u>\$ 700,626.82</u>	<u>\$ 670,725.25</u>

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, 2011

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, 2011

NOT APPLICABLE

ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

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

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
GENERAL CAPITAL FUND

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 814,229.07	\$ 1,091,985.77
Deferred Charges to Future Taxation:			
Funded		4,896,045.82	5,213,156.09
Unfunded	C-4	9,270,110.00	9,451,688.00
Warren County Grant Receivable		213.00	213.00
<b>TOTAL ASSETS</b>		<b>\$ 14,980,597.89</b>	<b>\$ 15,757,042.86</b>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 9,134,360.00	\$ 9,450,938.00
New Jersey Green Trust Loans Payable	C-9	280,516.96	305,619.33
New Jersey Environmental Infrastructure Loans Payable	C-9A	1,285,528.86	1,392,536.76
Serial Bonds Payable	C-8	3,330,000.00	3,515,000.00
Improvement Authorizations:			
Funded	C-5	42,957.15	21,832.07
Unfunded	C-5	404,977.16	492,657.34
Capital Improvement Fund	C-6	137,229.22	132,229.22
Reserve for:			
Developers' Contributions		1,500.00	1,500.00
Improvements		35,000.00	10,000.00
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
Downpayment on Improvements		2,500.00	2,500.00
Fire Station Building Improvements		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	221,208.68
Fund Balance	C-1	119,024.49	70,476.09
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 14,980,597.89</b>	<b>\$ 15,757,042.86</b>

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

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 70,476.09
Increased by:		
Premium on Sale of Bond Anticipation Notes		32,513.50
Grant Received on Fully Funded Ordinance 10-05		
Improvements to Cat Swamp Road		<u>30,000.00</u>
		132,989.59
Decreased by:		
Fund Balance Anticipated		
as Current Fund Revenue		<u>13,965.00</u>
Balance December 31, 2011	C	<u><u>\$ 119,024.59</u></u>

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

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
WATER AND SEWER UTILITY FUND

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	\$ 534,603.75	\$ 467,181.41
Due Water and Sewer Utility Capital Fund	D		0.02
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	D-6	374,187.10	354,916.92
Total Operating Fund		<u>908,790.85</u>	<u>822,098.35</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	1,959,872.36	2,979,652.75
Fixed Capital	D-7	7,537,046.54	6,049,376.64
Fixed Capital Authorized and Uncompleted	D-8	2,830,000.00	4,880,000.00
Total Capital Fund		<u>12,326,918.90</u>	<u>13,909,029.39</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 13,235,709.75</u></u>	<u><u>\$ 14,731,127.74</u></u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	Ref.	December 31,	
		2011	2010
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9 \$	52,011.21	\$ 69,104.33
Encumbered	D-3;D-9	6,899.21	3,488.42
		<u>58,910.42</u>	<u>72,592.75</u>
Third Party Liens		881.20	1,481.20
Water and Sewer Overpayments		619.86	1,165.47
Security Deposits		34,209.70	31,746.10
Accrued Interest on Wastewater Treatment Loans		13,813.00	17,850.00
Accrued Interest on New Jersey Water Supply Interconnection Loan		14.92	16.51
Accrued Interest on New Jersey Environmental Infrastructure Trust Loan		5,135.42	5,468.75
Accrued Interest on Bond Anticipation Notes		12,977.14	9,139.65
Accrued Interest on Bonds		773.43	1,145.83
Reserve for Insurance Claim			10,723.80
		<u>127,335.09</u>	<u>151,330.06</u>
Reserve for Receivables	D	374,187.10	354,916.92
Fund Balance	D-1	407,268.66	315,851.37
		<u>908,790.85</u>	<u>822,098.35</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds Payable	D-16	50,000.00	75,000.00
New Jersey Wastewater Treatment Loans Payable	D-14	908,323.67	1,184,278.49
New Jersey Water Supply Interconnection Loan Payable	D-14A	153,470.72	169,829.62
New Jersey Environmental Infrastructure Trust Loan Payable	D-14B	619,960.62	663,534.14
Bond Anticipation Notes Payable	D-15	4,044,824.00	4,049,566.00
Improvement Authorizations:			
Funded	D-10	24,339.50	31,464.50
Unfunded	D-10	1,044,276.05	2,937,445.08
Capital Improvement Fund	D-11	26,937.60	1,937.60
Due Water and Sewer Utility Operating Fund	D		0.02
Reserve for Payment of Debt Service		840,835.58	5.48
Reserve for Facility Improvements		850.00	850.00
Reserve for Amortization	D-12	3,534,041.53	3,731,734.39
Deferred Reserve for Amortization	D-13	1,055,699.79	1,054,707.79
Fund Balance	D-1A	23,359.84	8,676.28
		<u>12,326,918.90</u>	<u>13,909,029.39</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 13,235,709.75</u>	<u>\$ 14,731,127.74</u>

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,	
		2011	2010
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 224,316.00	\$ 251,500.00
Water and Sewer Rents		1,442,719.13	1,444,209.71
Water District Rents		21,450.30	24,542.42
Miscellaneous		180,686.96	115,175.89
Other Credits to Income:			
Cancellation of Prior Year Reserve for Insurance Claim		10,723.80	
Unexpended Balance of Appropriation Reserves		791.58	585.01
Total Income		<u>1,880,687.77</u>	<u>1,836,013.03</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating		1,030,388.68	1,013,940.00
Capital Improvements		25,000.00	25,000.00
Debt Service		484,565.80	455,420.81
Deferred Charges and Statutory Expenditures			26,474.23
Surplus to Current Fund		<u>25,000.00</u>	<u>50,000.00</u>
Total Expenditures		<u>1,564,954.48</u>	<u>1,570,835.04</u>
Excess in Revenue/Statutory Excess to Fund Balance		315,733.29	265,177.99
<u>Fund Balance</u>			
Balance January 1		<u>315,851.37</u>	<u>302,173.38</u>
		631,584.66	567,351.37
Decreased by:			
Utilization as Anticipated Revenue		<u>224,316.00</u>	<u>251,500.00</u>
Balance December 31	D	<u>\$ 407,268.66</u>	<u>\$ 315,851.37</u>

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

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 8,676.28
Increased by:		
Bond Anticipation Note Premium		<u>14,683.56</u>
Balance December 31, 2011	D	<u>\$ 23,359.84</u>

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, 2011

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit*</u>
Operating Surplus Anticipated	\$ 224,316.00	\$ 224,316.00	
Rents	1,327,370.00	1,442,719.13	\$ 115,349.13
Water District Rents	20,000.00	21,450.30	1,450.30
Budget Totals	<u>1,571,686.00</u>	<u>1,688,485.43</u>	116,799.43
Nonbudget Revenue		<u>180,686.96</u>	180,686.96
	<u>\$ 1,571,686.00</u>	<u>\$ 1,869,172.39</u>	<u>\$ 297,486.39</u>

Analysis of Rents

Water and Sewer Rents Collections	\$ 1,441,553.66	
Overpayments Applied	<u>1,165.47</u>	
		<u>\$ 1,442,719.13</u>

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Collector:

Interest on Consumer Accounts	\$ 2,143.52	
Old Farm Sprinklers	<u>5,167.98</u>	
		\$ 7,311.50

Treasurer:

Interest on Investments and Deposits:

Collected/Received by Treasurer	2,653.67	
Due from Water and Sewer Utility Capital Fund	<u>273.43</u>	
Interest on Investments and Deposits		2,927.10
Connection Fees		103,262.01
Other Miscellaneous		<u>67,186.35</u>

\$ 180,686.96

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, 2011

	Appropriations		Expended by		
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 50,185.00	\$ 50,185.00	\$ 48,492.96	\$ 1,692.04	
Other Expenses	992,240.00	980,203.68	929,884.51	50,319.17	
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	4,743.00	4,743.00	4,742.00		\$ 1.00
Interest on Bonds	1,721.00	1,721.00	877.60		843.40
Interest on Notes	42,115.00	54,151.32	54,151.32		
Loans Principal and Interest	405,682.00	405,682.00	399,794.88		5,887.12
Surplus (General Budget)	25,000.00	25,000.00	25,000.00		
	<u>\$ 1,571,686.00</u>	<u>\$ 1,571,686.00</u>	<u>\$ 1,512,943.27</u>	<u>\$ 52,011.21</u>	<u>\$ 6,731.52</u>
	<u>Ref.</u>			<u>D</u>	
Cash Disbursed			\$ 1,387,489.91		
Accrued Interest on New Jersey Wastewater Treatment Loans			43,456.75		
Accrued Interest on New Jersey Water Supply Interconnection Loan			5,800.55		
Accrued Interest on New Jersey Environmental Infrastructure Trust Loan			16,072.93		
Accrued Interest on Bonds			877.60		
Accrued Interest on Bond Anticipation Notes			54,151.32		
Encumbrances		<u>D</u>	6,899.21		
			<u>1,514,748.27</u>		
Less: Appropriation Refunds			<u>1,805.00</u>		
			<u>\$ 1,512,943.27</u>		

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

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
PUBLIC ASSISTANCE FUND

TOWNSHIP OF ALLAMUCHY  
PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET

	Ref.	<u>December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	F-1	<u>\$ 7,560.09</u>	<u>\$ 7,547.20</u>
TOTAL ASSETS		<u>\$ 7,560.09</u>	<u>\$ 7,547.20</u>
<u>RESERVES</u>			
Reserve for Public Assistance Expenditures		<u>\$ 7,560.09</u>	<u>\$ 7,547.20</u>
TOTAL RESERVES		<u>\$ 7,560.09</u>	<u>\$ 7,547.20</u>

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

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
WATER DISTRICT

TOWNSHIP OF ALLAMUCHY  
WATER DISTRICT  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	H-1	\$ 22.96	\$ 5.63
Receivables with Full Reserves:			
Consumer Accounts Receivable	H-2	<u>184.64</u>	<u>96.60</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 207.60</u></u>	<u><u>\$ 102.23</u></u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Receivables	H	\$ 184.64	\$ 96.60
Reserve for Fund Balance		<u>22.96</u>	<u>5.63</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><u>\$ 207.60</u></u>	<u><u>\$ 102.23</u></u>

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

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
GENERAL FIXED ASSETS ACCOUNT GROUP  
(UNAUDITED)

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

	December 31,	
	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
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	3,110,099.91
TOTAL ASSETS	<u>\$ 10,852,327.00</u>	<u>\$ 11,065,754.91</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 10,852,327.00</u>	<u>\$ 11,065,754.91</u>
TOTAL RESERVES	<u>\$ 10,852,327.00</u>	<u>\$ 11,065,754.91</u>

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

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011

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, 2011  
(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, 2011  
(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, 2011  
(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, 2011  
(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,		
	2011	2010	2009
Issued			
General:			
Bonds, Notes and Loans	\$14,030,405.82	\$ 14,664,094.09	\$ 15,099,071.02
Water and Sewer Utility:			
Bonds, Notes and Loans	<u>5,776,579.01</u>	<u>6,142,208.25</u>	<u>3,939,966.20</u>
Net Debt Issued	<u>19,806,984.83</u>	<u>20,806,302.34</u>	<u>19,039,037.22</u>
Authorized but not Issued:			
General:			
Bonds and Notes	135,750.00	750.00	750.00
Water and Sewer Utility:			
Bonds and Notes	<u>726.21</u>	<u>726.21</u>	<u>726.21</u>
Total Authorized but not Issued	<u>136,476.21</u>	<u>1,476.21</u>	<u>1,476.21</u>
Less:			
General:			
Reserve to Pay Debt Service	66,458.68	221,208.68	195,958.68
Water and Sewer Utility:			
Reserve to Pay Debt Service	<u>840,835.58</u>	<u>5.48</u>	<u>5.48</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 19,036,166.78</u>	<u>\$ 20,586,564.39</u>	<u>\$ 18,844,549.27</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.15%.

	Gross Debt	Deductions	Net Debt
School Debt	\$ 10,748,419.47	\$ 10,748,419.47	
Water and Sewer Utility Debt	5,777,305.22	5,777,305.22	
General Debt	<u>14,166,155.82</u>	<u>66,458.68</u>	<u>\$ 14,099,697.14</u>
	<u>\$ 30,691,880.51</u>	<u>\$ 16,592,183.37</u>	<u>\$ 14,099,697.14</u>

Net Debt: \$14,099,697.14 divided by Average Equalized Valuations of \$655,514,884 of Real Property = 2.15%.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

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

<u>Borrowing Power Under N.J.S. 40A:2-6 As Amended</u>		
3-1/2% Average Equalized Valuation of Real Property		\$ 22,943,020.94
Net Debt		<u>14,099,697.14</u>
Remaining Borrowing Power		<u>\$ 8,843,323.80</u>
<u>Calculation of "Self-Liquidating Purpose", Water and Sewer Utility Per N.J.S. 40A:2-45</u>		
Cash Receipts from Fees, Rents or Other Charges for Year		\$ 1,869,172.39
Deductions:		
Operating and Maintenance Costs	\$ 1,030,388.68	
Debt Service per Water and Sewer Account	<u>484,565.80</u>	
		<u>1,514,954.48</u>
Excess in Revenue		<u>\$ 354,217.91</u>

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 12/31/2009	Additions	Retirements	Balance 12/31/2010
<b>Serial Bonds:</b>				
General Capital Fund	\$ 3,690,000.00		\$ 175,000.00	\$ 3,515,000.00
Water and Sewer Utility Capital Fund	100,000.00		25,000.00	75,000.00
<b>Bond Anticipation Notes:</b>				
General Capital Fund	9,577,516.00	\$ 9,450,938.00	9,577,516.00	9,450,938.00
Water and Sewer Utility Capital Fund	1,504,138.00	4,049,566.00	1,504,138.00	4,049,566.00
<b>Loans Payable:</b>				
<b>General Capital Fund:</b>				
Green Trust Loans	330,227.08		24,607.75	305,619.33
NJ Environmental Infrastructure Loan	1,501,327.94		108,791.18	1,392,536.76
<b>Water and Sewer Utility Capital Fund:</b>				
NJ Wastewater Treatment Loan	1,450,841.80		266,563.31	1,184,278.49
NJ Water Supply Interconnection Loan	185,630.66		15,801.04	169,829.62
NJ Environmental Infrastructure Loan	699,355.74		35,821.60	663,534.14
	<u>\$ 19,039,037.22</u>	<u>\$ 13,500,504.00</u>	<u>\$ 11,733,238.88</u>	<u>\$ 20,806,302.34</u>

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

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

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2010	Additions	Retirements	Balance 12/31/2011
<b>Serial Bonds:</b>				
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
<b>Bond Anticipation Notes:</b>				
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
<b>Loans Payable:</b>				
<b>General Capital Fund:</b>				
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
<b>Water and Sewer Utility Capital Fund:</b>				
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
	<u>\$ 20,806,302.34</u>	<u>\$ 13,179,184.00</u>	<u>\$ 14,178,501.51</u>	<u>\$ 19,806,984.83</u>

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 Year	General		Water and Sewer Utility		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 329,073.87	\$ 161,032.94	\$ 376,689.31	\$ 56,815.21	\$ 705,763.18	\$ 217,848.15
2013	345,869.28	151,155.74	385,413.75	40,985.99	731,283.03	192,141.73
2014	354,254.41	140,668.19	375,680.53	24,745.03	729,934.94	165,413.22
2015	371,086.92	130,145.10	59,907.43	15,972.86	430,994.35	146,117.96
2016	387,768.09	118,892.48	68,290.54	14,509.30	456,058.63	133,401.78
2017-2020	1,689,625.94	344,802.07	250,477.55	39,614.34	1,940,103.49	384,416.41
2021-2024	1,418,367.31	105,797.74	215,295.90	14,450.04	1,633,663.21	120,247.78
	<u>\$4,896,045.82</u>	<u>\$1,152,494.26</u>	<u>\$1,731,755.01</u>	<u>\$ 207,092.77</u>	<u>\$6,627,800.83</u>	<u>\$1,359,587.03</u>

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

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

At December 31, 2011, the Township had debt issued and outstanding described as follows:

General Capital Bond Anticipation Notes

<u>Final Maturity</u>	<u>Rate</u>	
10/26/2012	1.75%	\$ 342,787.00
10/26/2012	1.75%	3,977,352.00
7/18/2012	2.00%	4,629,000.00
10/26/2012	1.75%	185,221.00
		<u>\$ 9,134,360.00</u>

General Capital New Jersey Green Trust Loan

<u>Final Maturity</u>	<u>Rate</u>	
9/5/2021	2.00%	<u>\$ 280,516.96</u>

General Capital Serial Bonds

<u>Final Maturity</u>	<u>Rate</u>	
01/15/2012	3.250%	\$ 190,000.00
01/15/2013	3.250%	200,000.00
01/15/2014	3.250%	210,000.00
01/15/2015	3.250%	220,000.00
01/15/2016	3.375%	230,000.00
01/15/2017	3.500%	240,000.00
01/15/2018	3.625%	250,000.00
01/15/2019	4.000%	265,000.00
01/15/2020	4.000%	280,000.00
01/15/2021	4.000%	295,000.00
01/15/2022	4.000%	310,000.00
01/15/23-24	4.000%	320,000.00
		<u>\$ 3,330,000.00</u>

General Capital New Jersey Environmental Infrastructure Loans

<u>Final Maturity</u>	<u>Rate</u>	
8/1/2021	4.00 - 5.50%	<u>\$ 1,285,528.86</u>

Water and Sewer Utility Capital Wastewater Treatment Loans

<u>Final Maturity</u>	<u>Rate</u>	
3/1/2014	5.75 - 6.375%	<u>\$ 908,323.67</u>

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

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

Water and Sewer Utility Capital Water Supply Interconnection Loan

<u>Final Maturity</u>	<u>Rate</u>	
12/30/2019	3.50%	<u>\$ 153,470.72</u>

Water and Sewer Utility Capital New Jersey Environmental Infrastructure Loans

<u>Final Maturity</u>	<u>Rate</u>	
9/1/2024	3.00 - 4.375%	<u>\$ 619,960.62</u>

Water and Sewer Utility Capital Bond Anticipation Notes

<u>Final Maturity</u>	<u>Rate</u>	
10/26/2012	1.75%	\$ 192,725.00
10/26/2012	1.75%	80,849.00
10/26/2012	1.75%	96,250.00
10/26/2012	1.75%	125,000.00
10/26/2012	1.75%	1,000,000.00
10/26/2012	1.75%	1,050,000.00
10/26/2012	1.75%	1,500,000.00
		<u>\$ 4,044,824.00</u>

Water and Sewer Capital Serial Bonds

<u>Final Maturity</u>	<u>Rate</u>	
01/15/12	3.25%	\$ 25,000.00
01/15/13	3.50%	25,000.00
		<u>\$ 50,000.00</u>

Total Debt Issued and Outstanding	<u>\$ 19,806,984.83</u>
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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.

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.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

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

General Capital New Jersey Environmental Infrastructure Loans (Cont'd)

Principal payments to the "DEP" commenced on August 1, 2003, and will continue on a semiannual basis over 19 years at zero interest. Principal payments to the Trust 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 has 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.

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

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

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

Water and Sewer Utility Capital New Jersey Environmental Infrastructure Loans

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

As of the date of this report, the budget for 2012 has not been introduced. Thus the amount of fund balance at December 31, 2011, which will be appropriated and included as anticipated revenue in the 2012 budget is not known.

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. Effective with the first payroll to be paid on or after October 1, 2011 the employee contributions for PERS went from 5.5% to 6.50%. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

Township contributions to PERS amounted to \$65,850.00, \$54,224.54, and \$42,973.00 for 2011, 2010 and 2009, respectively.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
 (Continued)

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 \$43,322.33. The maximum liability for the other two eligible employees would be \$41,770.19, for a combined maximum total liability of \$85,092.52. 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.

	2011	2010	2009
Tax Rate	\$ 2.34	\$ 2.38	\$ 2.34
<u>Apportionment of Tax Rate</u>			
Municipal	0.29	0.26	0.21
County	0.75	0.79	0.80
Local School	1.28	1.32	1.31
Local Open Space	0.02	0.02	0.02
<u>Assessed Valuations</u>			
2011	\$ 566,364,307.00		
2010		\$ 552,188,010.00	
2009			\$ 552,339,002.00

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.

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

Note 6 - Selected Tax Information (Cont'd)

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$ 16,013,842.63	\$ 15,725,381.02	98.19%
2010	16,036,596.59	15,659,358.98	97.64%
2009	15,190,066.87	14,795,482.02	97.40%

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 includes 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 below and 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:

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

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, 2011  
(Continued)

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

As of December 31, 2011, cash and cash equivalents of the Township of Allamuchy consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Savings Accounts</u>	<u>NJ Cash Management Fund</u>	<u>Totals</u>
Current	\$ 200.00	\$ 968,947.53		\$ 15,951.66	\$ 985,099.19
Federal and State Grant		63,012.17			63,012.17
Animal Control		4,112.61			4,112.61
Other Trust		696,514.21			696,514.21
General Capital		741,974.43		72,254.64	814,229.07
Water and Sewer					
Utility Operating		534,603.75			534,603.75
Water and Sewer					
Utility Capital		1,959,872.36			1,959,872.36
Public Assistance		7,560.09			7,560.09
Water District			\$ 22.96		22.96
	<u>\$ 200.00</u>	<u>\$ 4,976,597.15</u>	<u>\$ 22.96</u>	<u>\$ 88,206.30</u>	<u>\$ 5,065,026.41</u>

The carrying amount of the Township's cash and cash equivalents at December 31, 2011, was \$5,065,026.41 and the bank balance was \$5,279,480.24. The \$88,206.30 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, 2011  
(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, 2011 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, 2010 for the Fund is as follows:

	<u>Public Alliance Insurance Coverage Dec. 31, 2010</u>
Total Assets	<u>\$ 12,473,920</u>
Retained Earnings	<u>\$ 3,500,192</u>
Total Revenue	<u>\$ 9,633,163</u>
Total Expenses	<u>\$ 9,433,058</u>
Excess of Revenue Over Expenses	<u>\$ 200,105</u>
Retained Earnings Distribution to Participating Members	<u>\$ -0-</u>

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.

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ -0-	\$ 1,407.95		\$ 16,531.81
2010	-0-	1,350.10	\$ 1,204.09	15,123.86
2009	-0-	1,382.73	93.86	14,977.85

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(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, 2011, 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:

	<u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>for Appraisal</u>	<u>Dec. 31, 2011</u>
Land	\$ 6,540,955.00				\$ 6,540,955.00
Buildings and Improvements	1,414,700.00				1,414,700.00
Equipment	3,110,099.91	\$ 21,007.00	\$ 13,256.00	(221,178.91)	2,896,672.00
	<u>\$ 11,065,754.91</u>	<u>\$ 21,007.00</u>	<u>\$ 13,256.00</u>	<u>\$(221,178.91)</u>	<u>\$ 10,852,327.00</u>

Note 11 - Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 2,253.40	
Other Trust		\$ 2,253.40
	<u>\$ 2,253.40</u>	<u>\$ 2,253.40</u>

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 balances remaining at December 31, 2011 represent activity not liquidated by year end.

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

TOWNSHIP OF ALLAMUCHY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011  
(Continued)

Note 13 - Contingent Liabilities (Cont'd)

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, 2011

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
James H. Cote	Mayor through December 14, 2011		
Douglas Ochwat	Councilperson		
Betty Schultheis	Councilperson through December 14, 2011		
	Mayor from December 14, 2011		
Michael Sloane	Councilperson		
John Young	Councilperson		
James Kozimor	Chief Financial Officer	\$ 100,000.00	Western Surety Insurance Company
Kathleen Reinalda	Treasurer	25,000.00	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)	
Gail H. Carpenter	Acting Court Administrator	(A)	
Lynda Stadler	Violations Clerk	(A)	
Nancy McCabe	Utility Collector, Water District Collector/Secretary, Deputy Clerk	100,000.00	Western Surety Insurance Company
Charles Cutler	Building Inspector	(A)	

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

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
CURRENT FUND

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>		
Balance December 31, 2010	A	\$	895,380.86
Increased by Receipts:			
Tax Collector		\$	16,241,712.84
Revenue Accounts Receivable			924,099.39
Miscellaneous Revenue Not Anticipated			64,318.36
Interest on Investments and Deposits			5,977.97
Due Animal Control Fund:			
Interfund Returned			13.55
Due Other Trust Fund:			
Anticipated Revenue			113,000.00
Interfund Returned - Current Year			27.96
Due General Capital Fund:			
Interest Earned			3,584.58
Due Special Taxing District			7,438.41
Special Emergency Notes Issued			200,000.00
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions			55,000.00
Marriage License Fees			590.00
Building Surcharge Fees			4,797.00
Appropriation Refunds			17,372.00
			17,637,932.06
			18,533,312.92

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF CASH  
(Continued)

Decreased by Disbursements:

2011 Appropriation Expenditures	\$ 2,728,023.11
2010 Appropriation Reserve Expenditures	136,016.18
Local School District Taxes	7,402,121.87
County Taxes	4,316,574.41
Special District Taxes	2,435,891.00
Payments on Behalf of Special Taxing District	9,808.25
Garbage District Taxes	87,360.39
Due Other Trust Fund:	
Municipal Open Space Debt Levy	115,257.09
Due State of New Jersey:	
Marriage License Fees	1,000.00
Building Surcharge Fees	4,933.00
Reserve for:	
Revaluation	17,005.41
Third Party Tax Title Liens	268,394.29
Refund of Tax Overpayments	26,028.73

\$ 17,548,413.73

Balance December 31, 2011

A

\$ 984,899.19

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2011

Increased by Receipts:		
Taxes Receivable	\$ 15,814,165.93	
Interest and Costs on Taxes	50,815.92	
2012 Prepaid Taxes	69,874.71	
Tax Overpayments	35,526.58	
Third Party Tax Title Liens	268,394.29	
Fees and Permits	635.00	
Miscellaneous Revenue Not Anticipated	<u>2,300.41</u>	
		\$ 16,241,712.84
Decreased by:		
Payments to Municipal Treasurer		<u><u>\$ 16,241,712.84</u></u>

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF CASH - GRANT FUNDS

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 38,876.95
Increased by Receipts:		
Unappropriated Reserves		\$ 10,968.19
Grants Receivable		<u>17,724.58</u>
		<u>28,692.77</u>
		67,569.72
Decreased by Disbursements:		
Appropriated Reserves Expenditures		<u>4,557.55</u>
Balance December 31, 2011	A	<u><u>\$ 63,012.17</u></u>

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

Year	Balance	2011 Levy	Collections		Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Canceled	Balance
	Dec. 31, 2010		2010	2011				Dec. 31, 2011
2010	\$ 215,557.54			\$ 215,515.85			\$ 7.69	\$ 34.00
	215,557.54			215,515.85			7.69	34.00
2011		\$ 16,013,842.63	\$ 59,583.00	15,598,650.08	\$ 12,147.94	\$ 55,000.00	101,089.54	187,372.07
	\$ 215,557.54	\$ 16,013,842.63	\$ 59,583.00	\$ 15,814,165.93	\$ 12,147.94	\$ 55,000.00	\$ 101,097.23	\$ 187,406.07

Ref. A

A

Analysis of 2011 Property Tax Levy

Tax Yield:

General Purpose Taxes	\$ 15,782,812.75	
Added and Omitted Taxes	231,029.88	
		<u>\$ 16,013,842.63</u>

Tax Levy:

Local School District Taxes		\$ 7,251,444.87
Special District Taxes - Municipal		2,437,891.00
Special District Taxes - Garbage		87,360.39
Local Open Space Taxes		115,257.09
County Taxes:		
General Tax	\$ 4,249,363.29	
Due County for Added and Omitted Taxes	74,228.43	
		<u>4,323,591.72</u>
		14,215,545.07
Local Tax for Municipal Purposes Levied	1,643,097.26	
Add: Additional Tax Levied	155,200.30	
		<u>1,798,297.56</u>
		<u>\$ 16,013,842.63</u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued In</u> <u>2011</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Licenses:				
Alcoholic Beverages		\$ 2,355.00	\$ 2,355.00	
Fees and Permits		4,645.00	4,645.00	
Fines and Costs:				
Municipal Court	\$ 3,800.29	51,769.21	51,714.18	\$ 3,855.32
Recreation Fees		38,216.24	38,216.24	
Energy Receipts Tax		345,713.00	345,713.00	
Consolidated Municipal Property Tax Relief Aid		4,798.00	4,798.00	
Uniform Construction Code Fees		75,331.00	75,331.00	
Garden State Trust		39,735.00	39,735.00	
Affordable Housing		167,876.97	167,876.97	
General Capital Fund Balance		13,965.00	13,965.00	
Water and Sewer Utility Fund Balance		25,000.00	25,000.00	
Reserve for Debt Service		154,750.00	154,750.00	
	<u>\$ 3,800.29</u>	<u>\$ 924,154.42</u>	<u>\$ 924,099.39</u>	<u>\$ 3,855.32</u>

Ref.

A

A

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

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
NJ Highlands	\$ 19,830.00	17,724.58	\$ 2,105.42
NJ Highlands	<u>7,597.02</u>	<u>                    </u>	<u>7,597.02</u>
	<u>\$ 27,427.02</u>	<u>\$ 17,724.58</u>	<u>\$ 9,702.44</u>
	A		A

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>GENERAL GOVERNMENT:</b>				
General Administration:				
Salaries and Wages	\$ 3,024.47	\$ 3,024.47	\$ 590.20	\$ 2,434.27
Other Expenses:				
Codification & Revision of Ordinances	2,500.00	2,500.00	2,500.00	
Miscellaneous Other Expenses	6,323.67	2,323.67	2,323.67	
Financial Administration:				
Salaries and Wages	20.00	20.00		20.00
Other Expenses	66.68	341.68	318.74	22.94
Annual Audit		17,500.00	17,500.00	
Tax Assessment Administration:				
Other Expenses	3,273.76	3,273.76		3,273.76
Revenue Administration (Tax Collection):				
Salaries and Wages	567.86	567.86		567.86
Other Expenses	480.83	655.83	648.96	6.87
Legal Services and Costs:				
Other Expenses	18,620.90	1,120.90	1,050.00	70.90
Engineering Services and Costs:				
Other Expenses	444.30	2,194.30	2,170.00	24.30
Public Buildings and Grounds:				
Other Expenses	6,401.68	6,401.68	3,653.74	2,747.94
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Salaries and Wages	8.00	8.00		8.00
Other Expenses	8,079.94	9,904.94	9,885.26	19.68
Environmental Commission:				
(NJSA 40:56A-1 et seq):				
Salaries and Wages	5.00	5.00		5.00
Other Expenses	2,656.19	2,656.19	136.14	2,520.05
<b>PUBLIC SAFETY:</b>				
First Aid Organization Contribution		3,675.00	3,672.84	2.16
Uniform Fire Safety Act (PL 1983 Ch. 383):				
Fire Department:				
Other Expenses	10,674.50	10,674.50	10,071.24	603.26
Emergency Management Services:				
Salaries and Wages	5.00	5.00		5.00
Other Expenses	747.37	747.37		747.37

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>STREETS AND ROADS:</b>				
Road Repairs and Maintenance:				
Salaries and Wages	\$ 31,118.22	\$ 12,683.22	\$ 4,832.61	\$ 7,850.61
Other Expenses	13,606.71	22,856.71	22,819.17	37.54
Garbage and Trash Removal:				
Other Expenses	233.91	233.91	173.65	60.26
Recycling:				
Salaries and Wages	464.40	464.40		464.40
Other Expenses	8,300.29	8,300.29	6,464.38	1,835.91
<b>HEALTH AND WELFARE:</b>				
Animal Control Officer:				
Salaries and Wages	50.00	50.00		50.00
Other Expenses	4,550.07	4,550.07	105.86	4,444.21
Administration of Public Assistance:				
Other Expenses	125.00	125.00		125.00
Board of Health:				
Other Expenses	500.00	500.00		500.00
<b>RECREATION AND EDUCATION:</b>				
Board of Recreation Commissioners:				
Salaries and Wages	112.00	112.00		112.00
Other Expenses	25,830.85	25,830.85	6,553.60	19,277.25
<b>MUNICIPAL COURT:</b>				
Salaries and Wages	1,564.84	1,564.84		1,564.84
Other Expenses	402.52	402.52		402.52
<b>PUBLIC DEFENDER:</b>				
Other Expenses	600.00	600.00		600.00
<b>UNIFORM CONSTRUCTION CODE:</b>				
State Uniform Construction Code (NJSA 52:27D-120 et seq):				
Construction Official:				
Salaries and Wages	3,033.88	3,033.88		3,033.88
Other Expenses	1,490.55	1,490.55	342.50	1,148.05
Fire Subcode Official:				
Salaries and Wages	253.68	253.68		253.68
<b>UNCLASSIFIED:</b>				
Electricity	1,175.29	1,650.29	1,642.62	7.67
Telephone	1,613.88	1,613.88	1,161.50	452.38
Water	48.37	48.37	44.14	4.23
Fuel Oil	3,793.13	3,793.13	3,587.94	205.19
Gasoline	2,342.73	2,342.73	1,157.02	1,185.71

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Statutory Expenditures:				
Contributions to:				
Public Employees Retirement System	0.56	0.56		
Social Security System (OASI)	3,803.97	\$ 3,803.97		\$ 3,803.97
LOSAP	27,350.00	32,200.00	\$ 32,200.00	
Contribution to:				
Affordable Housing-Other Expenses	92.97	92.97	74.40	18.57
Insurance:				
Group Insurance for Employees	2,995.80	2,995.80		2,995.80
Other Insurance Premiums	177.00	337.00	336.00	1.00
Surety Bond Premiums	1,791.25	1,791.25		1,791.25
	<u>\$ 201,322.02</u>	<u>\$ 201,322.02</u>	<u>\$ 136,016.18</u>	<u>\$ 65,305.28</u>

Analysis of Balance December 31, 2010:

	<u>Ref.</u>	
Unencumbered	A	\$ 173,129.59
Encumbered	A	<u>28,192.43</u>
		<u>\$ 201,322.02</u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 150,677.00
Increased by:		
Levy - Calendar Year 2011		7,251,444.87
Decreased by:		
Payments to Local School District		<u>7,402,121.87</u>
Balance December 31, 2011	A	<u>\$ -0-</u>

CURRENT FUND  
SCHEDULE OF SPECIAL DISTRICT TAXES (RECEIVABLE)/PAYABLE

	<u>Ref.</u>	
Balance/(Receivable) December 31, 2010	A	\$ (2,000.00)
Increased by:		
Levy - Calendar Year 2011		\$ 2,437,891.00
Decreased by:		
Payments to Panther Valley Homeowners Association		<u>2,435,891.00</u>
Balance December 31, 2011	A	<u>\$ -0-</u>

CURRENT FUND  
SCHEDULE OF GARBAGE DISTRICT TAXES

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 9,465.17
Increased by:		
Levy - Calendar Year 2011		<u>87,360.39</u>
		96,825.56
Decreased by:		
Payments to Panther Valley Homeowners Association		<u>87,360.39</u>
Balance December 31, 2011	A	<u>\$ 9,465.17</u>

TOWNSHIP OF ALLAMUCHY  
CURRENT FUND  
SPECIAL EMERGENCY NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2011

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Date of</u>		<u>Interest</u>	<u>Issued</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
		<u>Issue</u>	<u>Maturity</u>	<u>Rate</u>		
10/24/2011	Revaluation	8/24/2011	8/23/2012	1.75%	<u>\$ 200,000.00</u>	<u>\$ 200,000.00</u>
				<u>Ref.</u>		A

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

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>to 2011</u> <u>Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Alcohol Education, Rehabilitation and Enforcement Fund	\$ 351.91	\$ 161.80	\$ 351.91	\$ 161.80
Recycling Tonnage Grant		3,703.70	1,860.15	1,843.55
Clean Communities Program		7,102.69		7,102.69
Freight Depot Donation	<u>300.00</u>			<u>300.00</u>
	<u>\$ 651.91</u>	<u>\$ 10,968.19</u>	<u>\$ 2,212.06</u>	<u>\$ 9,408.04</u>
<u>Ref.</u>	A			A

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

	<u>Balance</u> <u>Dec. 31, 2010</u>	Transferred from 2011 Budget <u>Appropriations</u>	<u>Expended</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Clean Communities Program	\$ 23,113.13		\$ 4,512.55	\$ 18,600.58
Alcohol Education, Rehabilitation and Enforcement Fund	1,241.22	\$ 351.91		1,593.13
Donations Environmental Commission	9,453.03			9,453.03
Recycling Tonnage Grant	7,728.72	1,860.15	45.00	9,543.87
Municipal Stormwater	7,343.75			7,343.75
NJ Highlands Grant	14,133.41			14,133.41
Trail Project Donation	2,638.80			2,638.80
	<u>\$ 65,652.06</u>	<u>\$ 2,212.06</u>	<u>\$ 4,557.55</u>	<u>\$ 63,306.57</u>
<u>Ref.</u>	A			A

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
TRUST FUNDS

TOWNSHIP OF ALLAMUCHY  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2010	B	\$ 4,401.80	\$ 666,323.45
Increased by Receipts:			
Animal Control Fees Collected		\$ 3,745.80	
Late Fees		963.81	
State Registration Fees		1,023.00	
Developers' Deposits:			
Deposits			\$ 102,137.15
Interest			265.88
Premium on Tax Sale Certificates			57,700.00
Condominium Security Deposits			7,364.23
Housing Rehabilitation:			
Deposits			897.00
Interest			40.42
Due to/from Current Fund:			
Open Space Tax Levy			115,257.09
Interest on Deposits		13.55	915.55
State Unemployment Insurance			1,407.95
Playground Donations			20,045.00
Open Space Donations			6,000.00
		<u>5,746.16</u>	<u>312,030.27</u>
		10,147.96	978,353.72
Decreased by Disbursements:			
Due Current Fund:			
Payment to Current Fund			
Anticipated Revenue			113,000.00
Interest on Deposits		13.55	
Expenditures Under R.S. 4:19-15.11		5,000.00	
State Registration Fees		1,021.80	
Developers' Deposits Refunded/Fees			143,718.54
Construction Escrow Deposits			715.00
Condominium Security Deposits			5,897.05
Harvest Festival			480.96
Tax Premiums			18,000.00
Other Trusts - Due Current Fund			27.96
		<u>6,035.35</u>	<u>281,839.51</u>
Balance December 31, 2011	B	<u>\$ 4,112.61</u>	<u>\$ 696,514.21</u>

TOWNSHIP OF ALLAMUCHY  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

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

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 4,382.60
Increased by:		
Animal Control License Fees Collected		\$ 3,745.80
Late Fees		963.81
		4,709.61
		9,092.21
Decreased by:		
Expenditures Under R.S. 4:19-15.11		5,000.00
		5,000.00
Balance December 31, 2011	B	\$ 4,092.21

License Fees Collected

<u>Year</u>	<u>Amount</u>
2009	\$ 3,795.60
2010	4,010.60
	7,806.20
Maximum Allowable Reserve	\$ 7,806.20

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
GENERAL CAPITAL FUND

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 1,091,985.77
Increased by Receipts:		
Bond Anticipation Notes Issued	\$	9,134,360.00
Due Current Fund:		
Interest Earned		3,584.58
New Jersey Department of Transportation		
Improvement to Shades of Death Road		150,000.00
Grant Received on Fully Funded Ordinance		
10-05 Improvements to Cat Swamp Road		30,000.00
2011 Budget Appropriations:		
Reserve for Improvements		25,000.00
Capital Improvement Fund		45,000.00
Premium on Sale of Bond Anticipation Notes		32,513.40
		<u>9,420,457.98</u>
		10,512,443.75
Decreased by:		
Bond Anticipation Note Matured		9,134,360.00
Improvement Authorizations		391,555.10
Due Current Fund:		
Interest Earned		3,584.58
General Capital Fund Balance		
Anticipated in Current Fund		13,965.00
Reserve for Debt Service		154,750.00
		<u>9,698,214.68</u>
Balance December 31, 2011	C	<u>\$ 814,229.07</u>

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2010	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2011	
		Bond Anticipation Notes	Budget Appropriations	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To		
Capital Fund Balance	\$ 70,476.09			\$ 62,513.40			\$ 13,965.00			\$ 119,024.49	
Capital Improvement Fund	132,229.22		\$ 45,000.00					\$ 40,000.00		137,229.22	
Warren County Grant Receivable	(213.00)									(213.00)	
Reserve for:											
Downpayment on Improvements	2,500.00									2,500.00	
Developers' Contributions	1,500.00									1,500.00	
Improvements	10,000.00		25,000.00							35,000.00	
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	221,208.68						154,750.00			66,458.68	
<u>Improvement Description</u>											
Ord. No.											
09-05	Acquisition of Property	\$ 342,787.00				\$ 342,787.00					
10-05	Improvements to Cat Swamp Road	(750.00)								(750.00)	
13-06	Acquisition of Condominium Units	124,041.68	3,977,352.00		\$ 4,267.58	3,977,352.00				119,774.10	
02-07	Addition to Firehouse		4,629,000.00			4,629,000.00					
09-07	Purchase and Installation of Telephone Equipment	2,660.50								2,660.50	
11-07	Road Renovation to Ridge Road	16,117.51	185,221.00			185,221.00				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	352,498.15				107,679.65				244,818.50	
10-09	Purchase of Fire Department Equipment	9,952.52				1,136.08				8,816.44	
10-11	Improvements of Streets and Roads	2,050.12				2,050.12					
11-02	Improvements to Shades of Death Road			150,000.00		275,732.95		\$ 15,000.00		(110,732.95)	
11-09	Fire Department Equipment					215.28		5,000.00		4,784.72	
11-10	DPW Equipment					240.12		10,000.00		9,759.88	
11-11	Building and Grounds Improvements					233.32		10,000.00		9,766.68	
		<u>\$ 1,091,985.77</u>	<u>\$ 9,134,360.00</u>	<u>\$ 70,000.00</u>	<u>\$ 212,513.40</u>	<u>\$ 391,555.10</u>	<u>\$ 9,134,360.00</u>	<u>\$ 168,715.00</u>	<u>\$ 40,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 814,229.07</u>

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

Ord. Date	Improvement Description	Balance Dec. 31, 2010	Improvement Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2011	Analysis of Balance December 31, 2011		Unexpended Improvement Authorizations
						Bond Anticipation Notes	Expenditures	
9/20/05	Acquisition of Property	\$ 347,287.00		\$ 4,500.00	\$ 342,787.00	\$ 342,787.00		
9/20/05	Improvements to Cat Swamp Road	106,655.00		105,905.00	750.00		\$ 750.00	
6/20/06	Acquisition of Condominium Units	4,121,152.00		143,800.00	3,977,352.00	3,977,352.00		
4/02/07	Addition to Firehouse	4,689,000.00		60,000.00	4,629,000.00	4,629,000.00		
8/21/07	Road Renovation to Ridge Road	187,594.00		2,373.00	185,221.00	185,221.00		
11-02	Improvement to Shades of Death Road		135,000.00		135,000.00		110,732.95	\$ 24,267.05
		<u>\$ 9,451,688.00</u>	<u>\$ 135,000.00</u>	<u>\$ 316,578.00</u>	<u>\$ 9,270,110.00</u>	<u>\$ 9,134,360.00</u>	<u>\$ 111,482.95</u>	<u>\$ 24,267.05</u>
<u>Ref.</u>			C		C			
	Improvement Authorizations - Unfunded							\$ 404,977.16
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued:							
	Ordinance Dated 6/20/06 - Acquisition of Condominium					\$ 119,774.10		
	Ordinance Dated 8/21/07 - Road Renovation to Ridge Road					16,117.51		
	Ordinance Dated 7/20/10 - Improvements to Firehouse					244,818.50		
								<u>380,710.11</u>
								<u>\$ 24,267.05</u>

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2010		2010 Authorizations			Transfers To/(From)	Paid or Charged	Balance Dec. 31, 2011		
		Date	Amount	Funded	Unfunded	Other Financing Sources	Deferred Charges to Future Taxation- Unfunded	Capital Improvement Fund			Funded	Unfunded	
13-06	Acquisition of Condominium Units	6/20/06	\$ 4,450,000.00		\$ 124,041.68					\$ 4,267.58		\$ 119,774.10	
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		352,498.15					107,679.65		244,818.50	
10-09	Purchase of Fire Department Equipment	7/20/10	10,000.00	9,952.52						1,136.08		8,816.44	
10-11	Improvements of Streets and Roads	7/20/10	10,000.00	2,050.12						2,050.12			
11-02	Improvement to Shades of Death Road	3/15/11	300,000.00			\$ 150,000.00	\$ 135,000.00	\$ 15,000.00		275,732.95		24,267.05	
11-09	Fire Department Equipment	7/19/11	5,000.00					5,000.00		215.28		4,784.72	
11-10	DPW Equipment	7/19/11	10,000.00					10,000.00		240.12		9,759.88	
11-11	Building and Grounds Improvements	7/19/11	10,000.00					10,000.00		233.32		9,766.68	
			<u>\$ 21,832.07</u>	<u>\$ 492,657.34</u>		<u>\$ 150,000.00</u>	<u>\$ 135,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ -</u>	<u>\$ 391,555.10</u>		<u>\$ 42,957.15</u>	<u>\$ 404,977.16</u>
	<u>Ref.</u>		C	C								C	C
	Department of Transportation Grant					\$ 150,000.00							

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 132,229.22
Increased by:		
2011 Budget Appropriation		<u>45,000.00</u>
		177,229.22
Decreased by:		
Appropriated to Finance:		
Improvement Authorizations		<u>40,000.00</u>
Balance December 31, 2011	C	<u><u>\$ 137,229.22</u></u>

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

Ord. Date	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2010	Issued	Matured	Balance Dec. 31, 2011
		Original Note	Issue	Maturity					
9/20/05	Acquisition of Property	12/29/2005	10/27/2010 10/24/2011	10/26/2011 10/23/2012	1.25% 1.75%	\$ 347,287.00	\$ 342,787.00	\$ 347,287.00	\$ 342,787.00
9/20/05	Improvements to Cat Swamp Road	12/29/2005	10/27/2010	10/26/2011	1.25%	105,905.00		105,905.00	
6/20/06	Acquisition of Condominium Units	10/31/2006	10/27/2010 10/24/2011	10/26/2011 10/23/2012	1.25% 1.75%	4,121,152.00	3,977,352.00	4,121,152.00	3,977,352.00
4/02/07	Additions to the Firehouse	07/24/2007	07/17/2010 07/15/2011	07/16/2011 07/13/2012	1.32% 2.00%	4,689,000.00	4,629,000.00	4,689,000.00	4,629,000.00
8/21/07	Road Renovation to Ridge Road	10/30/2007	10/27/2010 10/24/2011	10/26/2011 10/23/2012	1.25% 1.75%	187,594.00	185,221.00	187,594.00	185,221.00
						<u>\$ 9,450,938.00</u>	<u>\$ 9,134,360.00</u>	<u>\$ 9,450,938.00</u>	<u>\$ 9,134,360.00</u>
						<u>Ref.</u>			<u>C</u>
							\$ 9,134,360.00	\$ 9,134,360.00	
								316,578.00	
							<u>\$ 9,134,360.00</u>	<u>\$ 9,450,938.00</u>	

TOWNSHIP OF ALLAMUCHY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2010	Matured	Balance Dec. 31, 2011
			Outstanding Dec. 31, 2011 Date	Amount				
General Improvement Bonds	03/15/04	\$ 5,585,000.00	01/15/12	\$ 190,000.00	3.250%			
			01/15/13	200,000.00	3.250%			
			01/15/14	210,000.00	3.250%			
			01/15/15	220,000.00	3.250%			
			01/15/16	230,000.00	3.375%			
			01/15/17	240,000.00	3.500%			
			01/15/18	250,000.00	3.625%			
			01/15/19	265,000.00	4.000%			
			01/15/20	280,000.00	4.000%			
			01/15/21	295,000.00	4.000%			
			01/15/22	310,000.00	4.000%			
			01/15/23-24	320,000.00	4.000%			
					<u>\$ 3,515,000.00</u>	<u>\$ 185,000.00</u>	<u>\$ 3,330,000.00</u>	
				Ref.	C		C	

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

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 305,619.33
Decreased by:		
Principal Matured		<u>25,102.37</u>
Balance December 31, 2011	C	<u>\$ 280,516.96</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2011 - Green Trust Loan - 2001 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 280,516.96
19	03/05/2012	\$ 12,739.76	\$ 2,805.17	267,777.20
20	09/05/2012	12,867.16	2,677.77	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	
		<u>\$ 280,516.96</u>	<u>\$ 30,381.76</u>	

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

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 1,392,536.76
Decreased by:		
Principal Matured		107,007.90
Balance December 31, 2011	C	\$ 1,285,528.86

Schedule of Principal and Interest Payments Outstanding December 31, 2011 - Trust Loan - 2001 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 700,000.00
19	02/01/2012		\$ 17,581.25	700,000.00
20	08/01/2012	\$ 55,000.00	17,581.25	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-
		\$ 700,000.00	\$ 202,950.00	

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

Schedule of Principal Payments Outstanding December 31, 2011 - Fund Loan - 2001 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 585,528.36
19	02/01/2012	\$ 11,400.77	574,127.59
20	08/01/2012	47,066.18	527,061.41
21	02/01/2013	10,419.97	516,641.44
22	08/01/2013	49,327.69	467,313.75
23	02/01/2014	9,350.01	457,963.74
24	08/01/2014	48,257.73	409,706.01
25	02/01/2015	8,377.31	401,328.70
26	08/01/2015	50,527.34	350,801.36
27	02/01/2016	7,323.56	343,477.80
28	08/01/2016	52,715.90	290,761.90
29	02/01/2017	6,188.75	284,573.15
30	08/01/2017	51,581.09	232,992.06
31	02/01/2018	5,053.95	227,938.11
32	08/01/2018	53,688.60	174,249.51
33	02/01/2019	3,838.08	170,411.43
34	08/01/2019	55,715.04	114,696.39
35	02/01/2020	2,541.16	112,155.23
36	08/01/2020	54,418.12	57,737.11
37	02/01/2021	1,309.08	56,428.03
38	08/01/2021	56,428.53	-0-
		<u>\$ 585,528.86</u>	

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

<u>Ordinance Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Improvement Authorizations</u>	<u>Balance Dec. 31, 2011</u>
9/20/05	Improvements to Cat Swamp Road	\$ 750.00		\$ 750.00
3/15/11	Improvements to Shades of Death Road		\$ 135,000.00	135,000.00
		<u>\$ 750.00</u>	<u>\$ 135,000.00</u>	<u>\$ 135,750.00</u>

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
WATER AND SEWER UTILITY FUND

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

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	D	\$ 467,181.41	\$ 2,979,652.75
Increased by Receipts:			
Water and Sewer Utility Collector		\$ 1,458,905.77	
Interest Earned		2,653.67	\$ 273.43
Third Party Liens		1,293.58	
Connection Fees		103,262.01	
Miscellaneous		67,186.35	
Premium on Sale of Bond Anticipation Notes			14,683.56
Reserve to Pay Debt Service - Clean Energy Grant			278,500.00
Water District Rents		21,450.30	
Due Water and Sewer Utility Capital Fund:			
Interest Earned		273.45	
2011 Budget Appropriations:			
Capital Improvement Fund			25,000.00
Appropriation Refunds		1,805.00	
		<u>1,656,830.13</u>	<u>318,456.99</u>
		2,124,011.54	3,298,109.74

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

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Decreased by Disbursements:			
2011 Appropriation Expenditures		\$ 1,387,489.91	
2010 Appropriation Reserve Expenditures		71,801.17	
Third Party Liens		1,893.58	
Security Deposits Refunded		6,957.15	
Interest on:			
New Jersey Wastewater Treatment Loans		47,493.75	
New Jersey Water Supply Interconnection Loan		5,802.14	
New Jersey Environmental Infrastructure Trust Loan		16,406.26	
Water and Sewer Utility Bonds		1,250.00	
Bond Anticipation Notes		50,313.83	
Improvement Authorizations			\$ 1,337,963.93
Due Water and Sewer Utility Operating Fund:			
Interest Earned			273.45
		<u>\$ 1,589,407.79</u>	<u>\$ 1,338,237.38</u>
Balance December 31, 2011	D	<u>\$ 534,603.75</u>	<u>\$ 1,959,872.36</u>

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2011

## Increased by Receipts:

## Consumer Accounts Receivable:

Water and Sewer Rents	\$ 1,441,553.66
Interest on Consumer Accounts	2,143.52
Rent Overpayments	619.86
Old Farm Sprinklers	5,167.98
Security Deposits	9,420.75
	<hr/>

\$ 1,458,905.77

## Decreased by Disbursements:

Paid to Treasurer

\$ 1,458,905.77

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

	Receipts		Disbursements		Transfers		Balance Dec. 31, 2011		
	Balance Dec. 31, 2010	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From		To	
	Capital Fund Balance	\$ 8,676.28		\$ 14,683.56					\$ 23,359.84
Capital Improvement Fund	1,937.60	\$ 25,000.00					26,937.60		
Due Water and Sewer Utility Operating Fund	0.02		273.43		\$ 273.45				
Reserve for Payment of Debt Service	5.48		278,500.00				\$ 562,330.10		
Reserve for Facility Improvements	850.00						850.00		
<u>Ord No.</u>	<u>Improvement Description</u>								
02-04/07-05	Water System Improvements	808.51					808.51		
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	15,238.76		\$ 7,125.00			8,113.76		
09-12	Water System Improvements	836,315.10		836,315.10					
10-01	Water System Improvements	600,200.36		37,870.26		\$ 562,330.10			
10-06	Purchase Pick-Up Truck	1,784.96					1,784.96		
10-07	Water System Improvements	1,499,394.90		456,653.57			1,042,741.33		
		<u>\$ 2,979,652.75</u>	<u>\$ 25,000.00</u>	<u>\$ 293,456.99</u>	<u>\$ 1,337,963.93</u>	<u>\$ 273.45</u>	<u>\$ 562,330.10</u>	<u>\$ 562,330.10</u>	<u>\$ 1,959,872.36</u>

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

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 354,916.92
Increased by:		
Water and Sewer Rents Levied		<u>1,461,989.31</u>
		1,816,906.23
Decreased by:		
Collections	\$ 1,441,553.66	
Overpayments Applied	<u>1,165.47</u>	
		<u>1,442,719.13</u>
Balance December 31, 2011	D	<u>\$ 374,187.10</u>

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

Description	Balance Dec. 31, 2010	Transferred From Fixed Capital Authorized and Uncompleted	Balance Dec. 31, 2011
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
	<u>\$ 6,049,376.64</u>	<u>\$ 1,487,669.90</u>	<u>\$ 7,537,046.54</u>

Ref.

D

D

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

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u>	<u>Authorizations</u>	<u>Costs to Fixed</u>	<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2010</u>	<u>Cancelled</u>	<u>Capital</u>	<u>Dec. 31, 2011</u>
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
Water System Improvements	08/18/09	1,000,000.00	1,000,000.00		\$ 1,000,000.00	
Water System Improvements	02/23/10	1,050,000.00	1,050,000.00	\$ 562,330.10	487,669.90	
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	<u>1,500,000.00</u>			<u>1,500,000.00</u>
			<u>\$ 4,880,000.00</u>	<u>\$ 562,330.10</u>	<u>\$ 1,487,669.90</u>	<u>\$ 2,830,000.00</u>

Ref.

D

D

TOWNSHIP OF ALLAMUCHY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2010 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				.
Salaries and Wages	\$ 707.00	\$ 707.00		\$ 707.00
Other Expenses	<u>71,885.75</u>	<u>71,885.75</u>	\$ 71,801.17	<u>84.58</u>
	<u>\$ 72,592.75</u>	<u>\$ 72,592.75</u>	<u>\$ 71,801.17</u>	<u>\$ 791.58</u>

Ref.

Analysis of Balance December 31, 2010:

Unencumbered	D	\$ 69,104.33
Encumbered	D	<u>3,488.42</u>
		<u>\$ 72,592.75</u>

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

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2010		Paid or Charged	Improvement Authorizations Canceled	Balance Dec. 31, 2011	
		Date	Amount	Funded	Unfunded			Funded	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	15,238.76		\$ 7,125.00		8,113.76	
09-12	Water System Improvements	08/18/09	1,000,000.00		836,315.10	836,315.10			
10-01	Water System Improvements	02/23/10	1,050,000.00		600,200.36	37,870.26	\$ 562,330.10		
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		1,499,394.90	456,653.57			1,042,741.33
				<u>\$ 31,464.50</u>	<u>\$ 2,937,445.08</u>	<u>\$ 1,337,963.93</u>	<u>\$ 562,330.10</u>	<u>\$ 24,339.50</u>	<u>\$ 1,044,276.05</u>
		<u>Ref.</u>		D	D			D	D

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

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 1,937.60
Increased by:		
2011 Budget Appropriation		<u>25,000.00</u>
Balance December 31, 2011	D	<u>\$ 26,937.60</u>

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

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 3,731,734.39
Increased by:		
Paid by Water and Sewer Utility Operating Budget:		
New Jersey Wastewater Treatment Loans	\$ 275,954.82	
New Jersey Water Supply Interconnection Loan	16,358.90	
Serial Bonds Matured	25,000.00	
New Jersey Environmental Infrastructure Trust Loan	43,573.52	
Transferred from Deferred Reserve for Amortization	3,750.00	
		364,637.24
		4,096,371.63
Decreased by:		
Transferred to Reserve to Pay Debt Service		562,330.10
Balance December 31, 2011	D	\$ 3,534,041.53

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2010</u>	<u>Principal Paid</u>	<u>Transferred to Reserve for Amortization</u>	<u>Balance Dec. 31, 2011</u>
02-04/ 07-05	Water System Improvements	06/15/04 06/01/05	\$ 872,191.79	\$ 3,508.00		\$ 875,699.79
12-06	Water Main Replacement	10/31/2006	2,516.00	1,234.00	\$ 3,750.00	
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
			<u>\$ 1,054,707.79</u>	<u>\$ 4,742.00</u>	<u>\$ 3,750.00</u>	<u>\$ 1,055,699.79</u>
		<u>Ref.</u>	D			D

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

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 1,184,278.49
Decreased by:		
Principal Matured		<u>275,954.82</u>
Balance December 31, 2011	D	<u>\$ 908,323.67</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2011

<u>Payment Number</u>	<u>Due Date</u>	<u>Trust Interest</u>	<u>Trust Principal</u>	<u>Fund Principal</u>	<u>Balance of Loan</u>
					\$ 908,323.67
32	03/01/12	\$ 20,718.75	\$ 205,000.00	\$ 81,693.16	621,630.51
33	09/01/12	14,184.38		5,133.67	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-
		<u>\$ 63,750.00</u>	<u>\$ 650,000.00</u>	<u>\$ 258,323.67</u>	

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

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 169,829.62
Decreased by:		
Principal Matured		<u>16,358.90</u>
Balance December 31, 2011	D	<u>\$ 153,470.72</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2011

<u>Payment Number</u>	<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 153,470.72
23	06/30/12	\$ 2,685.74	\$ 8,394.78	145,075.94
24	12/30/12	2,538.83	8,541.69	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-
		<u>\$ 23,817.64</u>	<u>\$ 153,470.72</u>	

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

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 663,534.14
Decreased by:		
Principal Matured		<u>43,573.52</u>
Balance December 31, 2011	D	<u>\$ 619,960.62</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2011

<u>Payment Number</u>	<u>Due Date</u>	<u>Loan Interest</u>	<u>Loan Principal</u>	<u>Trust Principal</u>	<u>Balance of Loan</u>
					\$ 619,960.62
25	2/1/12			\$ 4,987.87	614,972.75
26	3/1/12	\$ 7,703.13			614,972.75
27	8/1/12			17,938.14	597,034.61
28	9/1/12	7,703.13	\$ 20,000.00		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, 2011  
(Continued)

<u>Payment Number</u>	<u>Due Date</u>	<u>Loan Interest</u>	<u>Loan Principal</u>	<u>Trust Principal</u>	<u>Balance of Loan</u>
					\$ 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		
		<u>\$ 117,806.38</u>	<u>\$ 330,000.00</u>	<u>\$ 289,960.62</u>	



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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2010	Matured	Balance Dec. 31, 2011
			Outstanding Dec. 31, 2011 Date	Amount				
Water Utility Bonds	03/15/04	\$ 200,000.00	01/15/12	\$ 25,000.00	3.25%			
			01/15/13	25,000.00	3.50%	\$ 75,000.00	\$ 25,000.00	\$ 50,000.00
						<u>\$ 75,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 50,000.00</u>
					<u>Ref.</u>			D

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

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
02-04/ 07-05	Water System Improvements	<u>\$ 726.21</u>	<u>\$ 726.21</u>

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY

COUNTY OF WARREN

2011

PUBLIC ASSISTANCE FUND

TOWNSHIP OF ALLAMUCHY  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Fund Total</u>	<u>P.A.T.F. II</u>
Balance December 31, 2010	F	\$ 7,547.20	\$ 7,547.20
Increased by Receipts:			
Interest Earned		<u>12.89</u>	<u>12.89</u>
Balance December 31, 2011	F	<u>\$ 7,560.09</u>	<u>\$ 7,560.09</u>

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY  
COUNTY OF WARREN  
2011  
WATER DISTRICT

TOWNSHIP OF ALLAMUCHY  
WATER DISTRICT  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2010	H	\$ 5.63
Increased by:		
Water User Fees		\$ 21,450.30
Interest on Investments and Deposits		<u>17.33</u>
		<u>21,467.63</u>
		21,473.26
Decreased by:		
Due Water/Sewer Utility Operating Fund		<u>21,450.30</u>
Balance December 31, 2011	H	<u><u>\$ 22.96</u></u>

TOWNSHIP OF ALLAMUCHY  
WATER DISTRICT  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2010	H	\$ 96.60
Increased by:		
Water User Fees Levied		<u>21,831.60</u>
		21,928.20
Decreased by:		
Billing Adjustments		\$ 293.26
Collections		<u>21,450.30</u>
		<u>21,743.56</u>
Balance December 31, 2011	H	<u><u>\$ 184.64</u></u>

TOWNSHIP OF ALLAMUCHY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2011

TOWNSHIP OF ALLAMUCHY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2011

Name of Federal Agency or Department	Name of Program	C.F.D.A. Number	Grant Award	Amount Received	Grant Period		Amount of Expenditures	Cumulative Expenditures
					From	To		
U.S. Department of Energy: (Passed through the New Jersey Board of Public Utilities)	ARRA- Energy Efficiency Block Program	81.128	\$ 278,500.00	\$ 278,500.00	7/1/2011	8/1/2012		
Total U.S. Department of Energy				<u>278,500.00</u>				
U.S. Department of Transportation (Passed through the New Jersey Department of Transportation)	Shades of Death Road	N/A	150,000.00	150,000.00	1/1/2011	12/31/2011	150,000.00	150,000.00
	Cat Swamp Road	N/A	<u>100,000.00</u>	<u>30,000.00</u>	1/1/2005	12/31/2007		<u>100,000.00</u>
Total Department of Transportation			250,000.00	<u>180,000.00</u>			<u>150,000.00</u>	<u>250,000.00</u>
TOTAL FEDERAL AWARDS				<u>\$ 458,500.00</u>			<u>\$ 150,000.00</u>	<u>\$ 250,000.00</u>

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, 2011

Name of State Agency or Department	State Program	Program Account No.	Grant Award	Amount Received	Grant Period		Amount of Expenditures	Cumulative Expenditures
					From	To		
Department of Environmental Protection	Clean Communities Program	765-042-4900- 004-178910	\$ 7,102.69	\$ 7,102.69	1/1/2011	12/31/2012		
		765-042-4900- 004-178910	6,728.82	<u>6,728.82</u>	1/1/2010	12/31/2011	4,512.55	6,728.82
	Total Clean Communities			<u>13,831.51</u>			<u>4,512.55</u>	<u>6,728.82</u>
	Recycling Tonnage	752-042-4900-001	5,563.85	<u>3,703.70</u>	1/1/2011	12/31/2012	45.00	45.00
Highlands Council	NJ Highlands Grant	N/A	50,000.00	<u>17,724.58</u>	1/1/2009	12/31/2011		<u>50,000.00</u>
Department of Health and Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund (Trust)	760-046-4240- 040000	161.80	161.80	1/1/2011	12/31/2012		
		760-046-4240- 040000	417.69	<u>351.91</u>	1/1/2010	12/31/2012		
	Total Alcohol Education, Rehabilitation and Enforcement Fund			<u>513.71</u>				
TOTAL STATE AWARDS				<u>\$ 35,773.50</u>			<u>\$ 4,557.55</u>	<u>\$ 56,773.82</u>

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, 2011

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, 2011:

Wastewater Treatment Trust Loan Payable	\$ 908,323.67
Water Supply Interconnection Loan Payable	153,470.72
Environmental Infrastructure Loans Payable	1,905,489.48
Green Trust Loan Payable	<u>280,516.96</u>
	<u>\$ 3,247,800.83</u>

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.



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report on Internal Control Over  
 Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements  
 Performed in Accordance with *Government Auditing Standards*

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

We have audited the financial statements of the Township of Allamuchy, in the County of Warren (the "Township") as of, and for the years ended, December 31, 2011 and 2010 and have issued our report thereon dated May 9, 2012, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting and is qualified as the scope of our audit did not include the general fixed assets account group. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of providing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses as Finding 2011-01 that we consider to be a significant deficiency in internal control over financial reporting. 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.

The Honorable Mayor and Members  
of the Township Council  
Township of Allamuchy  
Page 2

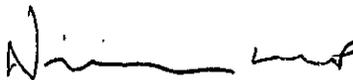
Compliance and Other Matters

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 have reported to management in the comments and recommendations section of this report.

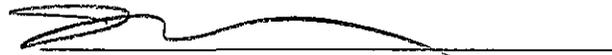
The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the Township's response and we express no opinion on it.

This report is intended solely for the information and use of management, the Mayor and Members of the Township Council, and to meet the requirements for filing with the Division of Local Government Services, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Mount Arlington, New Jersey  
May 9, 2012



NISIVOCIA LLP



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

TOWNSHIP OF ALLAMUCHY  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2011

Summary of Auditors' Results:

- A qualified report was issued on the Township's financial statements prepared on an other comprehensive basis of accounting, due to the scope limitation regarding the general fixed assets account group.
- 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 Letter NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* for 2011 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 2011-1

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, 2010

The Township's prior year audit finding regarding segregation of duties has not been resolved and is included as finding 2011-1.

TOWNSHIP OF ALLAMUCHY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

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 2011:

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, 2011, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2011 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, 2011, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2011 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:

<u>Year</u>	<u>Number of Liens</u>
2011	0
2010	0
2009	0

Municipal Court

The transactions for the year 2011 were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Receipts</u>	<u>Dis-</u> <u>bursements</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Municipal Treasurer:				
State of New Jersey	\$ 18,626.71	\$ 209,411.79	\$ 214,766.82	\$ 13,271.68
Municipality:				
Fines and Fees	3,800.29	51,765.21	51,710.18	3,855.32
POAA		4.00	4.00	
Public Defender		400.00		400.00
Conditional Discharge	75.00	540.00	550.00	65.00
Fish and Game		1,240.00	1,240.00	
Forest and Parks		200.00	200.00	
Weights and Measures		100.00	100.00	
Restitution		9,750.00	9,750.00	
Marine Police		25.00	25.00	
Cash Bail	8,032.00	11,667.00	14,173.00	5,526.00
Interest		12.32	12.32	
	<u>\$ 30,534.00</u>	<u>\$ 285,115.32</u>	<u>\$ 292,531.32</u>	<u>\$ 23,118.00</u>

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)

Payroll

Our review of the payroll records revealed that not all employees were paid in accordance with the adopted salary ordinance of the Township. It is recommended that all salaries and salary adjustments be adopted by ordinance.

Management Response

Administration will review salary ordinances to ensure all salaries are in accordance with the ordinance currently in effect.

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

Recommendation #2 from the 2010 audit report is included in the current year recommendations and is in the process of being implemented, where possible. Recommendation #1 from the 2010 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) All salary adjustments be adopted by ordinance.
- 3) That an analysis of Water Utility Security Deposits be prepared and reconciled with the general ledger.
- 4) It is recommended that all Animal Control receipts be deposited within 48 hours as per state statute.

\*\*\*\*\*