

TOWNSHIP OF ALLAMUCHY

COUNTY OF WARREN

REPORT OF AUDIT

2013

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
REPORT OF AUDIT
2013

TOWNSHIP OF ALLAMUCHY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2013

<u>PART I – Financial Statements and Supplementary Data</u>	<u>Page</u>
Independent Auditors' Report	1-3
<u>Financial Statements</u>	<u>Exhibit</u>
<u>Current Fund</u>	
Comparative Balance Sheet	A
Comparative Statement of Operations and Change in Fund Balance	A-1
Statement of Revenue	A-2
Statement of Expenditures	A-3
Schedule of Cash	A-4
<u>Trust Funds</u>	
Comparative Balance Sheet	B
Statement of Fund Balance - Assessment Trust Fund (Not Applicable)	B-1
Statement of Revenue - Assessment Trust Fund (Not Applicable)	B-2
Statement of Expenditures - Assessment Trust Fund (Not Applicable)	B-3
<u>General Capital Fund</u>	
Comparative Balance Sheet	C
Statement of Fund Balance	C-1
<u>Water and Sewer Utility Fund</u>	
Comparative Balance Sheet	D
Comparative Statement of Operations and Change in Fund Balance - Water and Sewer Utility Operating Fund	D-1
Statement of Fund Balance - Water and Sewer Utility Capital Fund	D-1A
Statement of Revenue - Water and Sewer Utility Operating Fund	D-2
Statement of Expenditures - Water and Sewer Utility Operating Fund	D-3
<u>Sewer Utility Fund (Not Applicable)</u>	E
<u>Public Assistance Fund</u>	
Comparative Balance Sheet	F
<u>Bond and Interest Fund (Not Applicable)</u>	G
<u>Water District</u>	
Comparative Balance Sheet	H
<u>General Fixed Assets Account Group (Unaudited)</u>	
Comparative Balance Sheet (Unaudited)	I
Notes to Financial Statements	<u>Page</u> 1-18
<u>Supplementary Data</u>	<u>Schedule</u>
Schedule of Officials in Office and Surety Bonds	1
<u>Current Fund</u>	
Schedule of Cash - Treasurer	A-4
Schedule of Cash - Collector	A-5
Schedule of Cash - Federal and State Grant Fund	A-6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7
Schedule of Tax Title Liens (Not Applicable)	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of Grants Receivable- Federal and State Grant Fund	A-10
Statement of 2012 Appropriation Reserves	A-11

TOWNSHIP OF ALLAMUCHY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

PART I – Financial Statements and Supplementary Data (Cont'd)

<u>Supplementary Data (Cont'd)</u>	<u>Schedule</u>
Schedule of Local School District Taxes Payable	A-12
Schedule of Special District Taxes Payable	A-13
Schedule of Garbage District Taxes Payable	A-14
Schedule of Emergency Notes Payable	A-15
Schedule of Unappropriated Reserves - Federal and State Grant Fund	A-16
Schedule of Appropriated Reserves - Federal and State Grant Fund	A-17
<u>Trust Funds</u>	
Schedule of Cash - Treasurer	B-4
Analysis of Cash - Assessment Trust Fund (Not Applicable)	B-5
Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Fund	B-6
<u>General Capital Fund</u>	
Schedule of Cash	C-2
Analysis of Cash	C-3
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Bond Anticipation Notes Payable	C-7
Schedule of Serial Bonds Payable	C-8
Schedule of New Jersey Green Trust Loans Payable	C-9
Schedule of New Jersey Environmental Infrastructure Loans Payable	C-9A
Schedule of Bonds and Notes Authorized but not Issued	C-10
<u>Water and Sewer Utility Fund</u>	
Schedule of Cash - Treasurer	D-4
Schedule of Cash - Collector - Water and Sewer Utility Operating Fund	D-4A
Analysis of Cash - Water and Sewer Utility Capital Fund	D-5
Schedule of Consumer Accounts Receivable - Water and Sewer Utility Operating Fund	D-6
Schedule of Fixed Capital - Water and Sewer Utility Capital Fund	D-7
Schedule of Fixed Capital Authorized and Uncompleted - Water and Sewer Utility Capital Fund	D-8
Schedule of 2012 Appropriation Reserves - Water and Sewer Utility Operating Fund	D-9
Schedule of Improvement Authorizations - Water and Sewer Utility Capital Fund	D-10
Schedule of Capital Improvement Fund - Water and Sewer Utility Capital Fund	D-11
Schedule of Reserve for Amortization - Water and Sewer Utility Capital Fund	D-12
Schedule of Deferred Reserve for Amortization - Water and Sewer Utility Capital Fund	D-13
Schedule of New Jersey Wastewater Treatment Loans Payable - Water and Sewer Utility Capital Fund	D-14
Schedule of New Jersey Water Supply Interconnection Loan Payable - Water and Sewer Utility Capital Fund	D-14A
Schedule of New Jersey Environmental Infrastructure Trust Loan Payable - Water and Sewer Utility Capital Fund	D-14B
Schedule of Bond Anticipation Notes Payable - Water and Sewer Utility Capital Fund	D-15
Schedule of Serial Bonds Payable - Water and Sewer Utility Capital Fund	D-16
Schedule of Bonds and Notes Authorized But Not Issued - Water and Sewer Utility Capital Fund	D-17

TOWNSHIP OF ALLAMUCHY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Page</u>
<u>PART I – Financial Statements and Supplementary Data (Cont'd)</u>	
<u>Sewer Utility Fund (Not Applicable)</u>	E
<u>Public Assistance Fund</u>	
Schedule of Cash	F-1
<u>Bond and Interest Fund (Not Applicable)</u>	G
<u>Water District</u>	
Schedule of Cash	H-1
Schedule of Consumer Accounts Receivable	H-2
 <u>PART II – Single Audit</u>	
Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of State Awards	2
Notes to Schedules of Expenditures of Federal and State Awards	3
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 <i>Government Auditing Standards</i>	4-5
Schedule of Findings and Responses	6
Summary Schedule of Prior Audit Findings	7
 <u>PART III – Comments and Recommendations</u>	
Comments and Recommendations	1-4
Summary of Recommendations	5

TOWNSHIP OF ALLAMUCHY

PART I

REPORT ON AUDIT AND FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2013



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

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

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* of the various funds of the Township of Allamuchy, in the County of Warren (the "Township") as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

As described in Note 1, the financial statements are prepared by the Township on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund of the Township as of December 31, 2013 and 2012, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Basis for Qualified Opinion

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

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects on the December 31, 2013 and 2012 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Township of Allamuchy as of December 31, 2013 and 2012, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

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

The Honorable Mayor and Members
of the Township Committee
Township of Allamuchy
Page 3

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2014 on our consideration of the Township of Allamuchy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Allamuchy's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
May 30, 2014


NISIVOC CIA LLP


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

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
CURRENT FUND

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 977,485.20	\$ 782,482.09
Change Fund		200.00	200.00
		<u>977,685.20</u>	<u>782,682.09</u>
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions		<u>12,339.00</u>	<u>6,339.00</u>
		<u>990,024.20</u>	<u>789,021.09</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	185,456.50	212,614.36
Revenue Accounts Receivable	A-9	3,509.22	2,368.07
Due from:			
Animal Control Fund	B	1,576.77	592.43
Water/Sewer Utility Operating Fund	D	551.94	
Special Taxing District	A-13	540.40	
Other Accounts Receivable		<u>2,735.83</u>	<u>2,735.83</u>
Total Receivables and Other Assets with Full Reserves		<u>194,370.66</u>	<u>218,310.69</u>
Deferred Charges:			
Special Emergency Appropriation		120,000.00	160,000.00
Expenditure without an Appropriation		<u>3,759.85</u>	
		<u>123,759.85</u>	<u>160,000.00</u>
Total Regular Fund		<u>1,308,154.71</u>	<u>1,167,331.78</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	57,930.57	76,780.07
Grant Funds Receivable	A-10	<u>169,478.48</u>	<u>322,744.70</u>
Total Federal and State Grant Fund		<u>227,409.05</u>	<u>399,524.77</u>
TOTAL ASSETS		<u>\$ 1,535,563.76</u>	<u>\$ 1,566,856.55</u>

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 61,845.48	\$ 15,706.61
Unencumbered	A-3;A-11	154,865.10	171,424.11
		<u>216,710.58</u>	<u>187,130.72</u>
Due State of New Jersey:			
Marriage License Fees		65.00	115.00
Building Surcharge Fees			449.00
Due to:			
Other Trust Fund	B	2,747.67	2,735.32
Accounts Payable - Vendors		55.51	55.51
County Added and Omitted Taxes Payable		16,681.34	23,802.53
Prepaid Taxes		96,055.00	75,358.70
Tax Overpayments		2,263.26	2,454.36
Garbage District Taxes Payable	A-14		3,105.39
Special Emergency Notes Payable	A-15	120,000.00	160,000.00
Special District Taxes Payable - Municipal	A-13		119.32
Reserve for:			
Bid Bonds		9,050.00	9,050.00
Pending Tax Appeals		3,500.00	3,500.00
Lake Eagle Rock Study		20,000.00	20,000.00
Revaluation			26,175.15
Payments In Lieu of Taxes		47,902.85	47,902.85
		<u>535,031.21</u>	<u>561,953.85</u>
Reserve for Receivables and Other Assets	A	194,370.66	218,310.69
Fund Balance	A-1	578,752.84	387,067.24
		<u>1,308,154.71</u>	<u>1,167,331.78</u>
Total Regular Fund			
Federal and State Grant Fund:			
Unappropriated Reserves	A-16	11,463.23	4,715.77
Appropriated Reserves:			
Unencumbered	A-17	215,945.82	394,809.00
		<u>227,409.05</u>	<u>399,524.77</u>
Total Federal and State Grant Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 1,535,563.76</u>	<u>\$ 1,566,856.55</u>

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 - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2013	2012
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 267,289.00	\$ 245,000.00
Miscellaneous Revenue Anticipated		996,240.65	1,437,406.18
Receipts from:			
Delinquent Taxes		201,548.50	187,399.18
Current Taxes		16,341,077.70	16,114,825.64
Nonbudget Revenue		57,041.06	74,798.43
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		80,961.12	5,748.62
Interfunds and Other Receivables Returned		592.43	2,253.40
Total Income		<u>17,944,750.46</u>	<u>18,067,431.45</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		2,862,389.81	3,324,695.71
County Taxes		4,023,047.07	4,149,699.41
Local School District Taxes		7,948,020.00	7,655,548.34
Local Open Space Taxes		107,467.58	114,962.25
Special District Taxes		2,542,182.29	2,619,894.65
Reserve for Snow Removal			12,500.00
Expenditure without an Appropriation		3,759.85	
Interfunds and Other Receivables Advanced		2,669.11	592.43
Total Expenditures		<u>17,489,535.71</u>	<u>17,877,892.79</u>
Excess in Revenue		455,214.75	189,538.66
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year		3,759.85	
Statutory Excess to Fund Balance		458,974.60	189,538.66
<u>Fund Balance</u>			
Balance January 1		387,067.24	442,528.58
		846,041.84	632,067.24
Decreased by:			
Utilized as Anticipated Revenue		267,289.00	245,000.00
Balance December 31	A	<u>\$ 578,752.84</u>	<u>\$ 387,067.24</u>

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

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 267,289.00		\$ 267,289.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	1,884.00		1,884.00	
Fees and Permits	4,150.00		2,180.00	\$ 1,970.00 *
Fines and Costs:				
Municipal Court	55,000.00		48,339.58	6,660.42 *
Interest and Costs on Taxes	32,900.00		37,845.77	4,945.77
Interest on Investments and Deposits	10,000.00		9,463.33	536.67 *
Recreation Fees	15,320.00		24,969.74	9,649.74
Energy Receipts Tax	350,511.00		350,511.00	
Uniform Construction Code Fees	12,500.00		91,979.00	79,479.00
Reserve for Recycling Tonnage Grant	3,606.32		3,606.32	
Alcohol Education and Rehabilitation Fund	809.45		809.45	
NJ Highlands Grant		\$ 24,700.00	24,700.00	
Open Space Trust - Debt Service	115,000.00		107,467.58	7,532.42 *
General Capital Fund Balance	30,116.00		30,116.00	
Affordable Housing Rents	200,000.00		237,368.88	37,368.88
Water and Sewer Utility Fund Balance	25,000.00		25,000.00	
	<u>856,796.77</u>	<u>24,700.00</u>	<u>996,240.65</u>	<u>114,743.88</u>
Receipts from Delinquent Taxes	175,000.00		201,548.50	26,548.50
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	1,934,449.53		2,104,106.76	169,657.23
Budget Totals	<u>3,233,535.30</u>	<u>24,700.00</u>	<u>3,569,184.91</u>	<u>310,949.61</u>
Nonbudget Revenue			<u>57,041.06</u>	<u>57,041.06</u>
	<u>\$ 3,233,535.30</u>	<u>\$ 24,700.00</u>	<u>\$ 3,626,225.97</u>	<u>\$ 367,990.67</u>

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 16,341,077.70
Allocated to County, School and Special District Taxes	14,620,716.94
Balance for Support of Municipal Budget	1,720,360.76

Add: Appropriation "Reserve for Uncollected Taxes"	383,746.00
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Realized for Support of Municipal Budget	\$ 2,104,106.76
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 201,548.50
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Analysis of Fees and Permits:

Other Departments	\$ 2,180.00
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Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 6,194.03
Due from:	
General Capital Fund	2,267.42
Animal Control Fund	18.64
Other Trust Fund	983.24
	\$ 9,463.33

Analysis of Uniform Construction Code Fees:

Building Inspector	\$ 91,979.00
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TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Cable TV Franchise Fees	\$	19,015.00	
Licenses - Other Than ABC		1,896.00	
Clean-up Fees		924.00	
FEMA Reimbursement		7,668.35	
Copies		385.00	
Marriage License		90.00	
Premium on Special Emergency Notes		303.60	
Senior Citizens' and Veterans' Deductions			
Administrative Fee		945.00	
Other Miscellaneous Revenue		17,166.52	
	\$		48,393.47

Tax Collector:

Duplicate Bills and Other Miscellaneous	\$	7,663.25	
Due from Animal Control Fund - Statutory Excess		984.34	
	\$		57,041.06

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

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 94,962.51	\$ 94,962.51	\$ 93,443.69	\$ 1,518.82	
Other Expenses:					
Codification and Revision of Ordinances	2,500.00	6,250.00	6,121.25	128.75	
Miscellaneous Other Expenses	32,500.00	32,500.00	29,591.43	2,908.57	
Financial Administration:					
Salaries and Wages	33,958.66	33,958.66	33,304.08	654.58	
Other Expenses	9,500.00	11,750.00	11,533.98	216.02	
Annual Audit	40,000.00	40,000.00	39,575.00	425.00	
Tax Assessment Administration:					
Salaries and Wages	21,754.76	21,754.76	21,328.01	426.75	
Other Expenses	8,400.00	8,400.00	5,906.66	2,493.34	
Revenue Administration (Tax Collection):					
Salaries and Wages	70,039.73	71,789.73	71,722.74	66.99	
Other Expenses	11,500.00	11,500.00	10,926.35	573.65	
Legal Services and Costs:					
Other Expenses	100,000.00	87,450.00	78,131.78	9,318.22	
Municipal Prosecutor:					
Salaries and Wages	11,497.44	12,197.44	12,176.98	20.46	
Engineering Services and Costs:					
Other Expenses	25,000.00	25,000.00	22,425.90	2,574.10	

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT (Cont'd):					
Public Buildings and Grounds:					
Salaries and Wages	\$ 40,962.63	\$ 44,462.63	\$ 44,056.04	\$ 406.59	
Other Expenses	40,000.00	45,000.00	44,938.43	61.57	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and Wages	14,432.43	14,432.43	14,140.97	291.46	
Other Expenses	23,100.00	18,100.00	17,093.37	1,006.63	
Environmental Commission (NJSA 40:56A-1 et seq.):					
Salaries and Wages	2,069.36	2,069.36	2,023.97	45.39	
Other Expenses	14,600.00	14,600.00	12,018.53	2,581.47	
Contribution to Warren County Soil Conservation Program for Pequest River					
	2,500.00	2,500.00	2,500.00		
INSURANCE:					
Group Insurance Plans For Employees	77,258.04	79,758.04	78,242.83	1,515.21	
Other Insurance Premiums	129,200.00	132,100.00	132,058.35	41.65	
Surety Bond Premiums	4,500.00	4,500.00	2,308.75	2,191.25	
Worker's Compensation Insurance	27,080.00	27,080.00	27,080.00		
PUBLIC SAFETY:					
First Aid Organization Contribution					
	20,000.00	20,000.00	20,000.00		
Fire Department:					
Other Expenses	71,000.00	71,000.00	66,120.17	4,879.83	
Emergency Management Services:					
Salaries and Wages	6,367.25	6,367.25	6,272.97	94.28	
Other Expenses	1,500.00	3,050.00	3,047.50	2.50	
Municipal Court:					
Salaries and Wages	65,000.00	62,650.00	52,981.19	9,668.81	
Other Expenses	6,500.00	7,700.00	7,680.66	19.34	
Public Defender:					
Other Expenses	1,650.00	3,200.00	3,200.00		

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
STREETS AND ROADS:					
Road Repairs and Maintenance:					
Salaries and Wages	\$ 109,242.00	\$ 109,242.00	\$ 100,988.71	\$ 8,253.29	
Other Expenses	120,000.00	120,000.00	100,489.38	19,510.62	
Garbage and Trash Removal:					
Other Expenses	2,500.00	2,500.00	2,319.24	180.76	
Recycling:					
Salaries and Wages	6,897.85	6,897.85	6,345.00	552.85	
Other Expenses	50,000.00	46,000.00	42,322.00	3,678.00	
HEALTH AND WELFARE:					
Animal Control Officer:					
Salaries and Wages	14,326.31	14,326.31	10,764.01	3,562.30	
Other Expenses	15,000.00	15,000.00	11,302.44	3,697.56	
Administration of Public Assistance:					
Other Expenses	125.00	125.00		125.00	
Board of Health:					
Other Expenses	500.00	500.00		500.00	
RECREATION AND EDUCATION:					
Board of Recreation Commissioners:					
Salaries and Wages	14,061.01	14,061.01	6,272.50	7,788.51	
Other Expenses	45,500.00	45,500.00	44,566.24	933.76	

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
UNIFORM CONSTRUCTION CODE:					
State Uniform Construction Code (NJSA 52:27D-120 et seq):					
Construction Official:					
Salaries and Wages	\$ 55,000.00	\$ 50,000.00	\$ 49,771.93	\$ 228.07	
Other Expenses	2,500.00	2,500.00	260.98	2,239.02	
Fire Subcode Official:					
Salaries and Wages	7,500.00	7,500.00	6,715.94	784.06	
Zoning Official:					
Salaries and Wages	13,052.86	13,102.86	13,088.67	14.19	
UNCLASSIFIED:					
Electricity	32,000.00	32,000.00	24,396.13	7,603.87	
Telephone	17,250.00	17,250.00	16,742.83	507.17	
Water	650.00	650.00	603.30	46.70	
Fuel Oil	17,500.00	17,500.00	15,163.74	2,336.26	
Gasoline	19,500.00	19,500.00	16,783.95	2,716.05	
Total Operations Within "CAPS"	1,552,437.84	1,550,237.84	1,440,848.57	109,389.27	
Contingent	2,500.00	2,500.00		2,500.00	
Total Operations Including Contingent Within "CAPS"	1,554,937.84	1,552,737.84	1,440,848.57	111,889.27	
Detail:					
Salaries and Wages	581,124.80	579,774.80	545,397.40	34,377.40	
Other Expenses	973,813.04	972,963.04	895,451.17	77,511.87	
Deferred Charges and Statutory Expenditures - Municipal -					
Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	61,207.00	61,207.00	61,207.00		
Social Security System (OASI)	47,787.09	47,787.09	42,256.16	5,530.93	

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	\$ 108,994.09	\$ 108,994.09	\$ 103,463.16	\$ 5,530.93	
Total General Appropriations for Municipal Purposes Within "CAPS"	1,663,931.93	1,661,731.93	1,544,311.73	117,420.20	
Operations Excluded from "CAPS":					
LOSAP	32,000.00	32,000.00		32,000.00	
Contribution to:					
Affordable Housing-Other Expenses	115,000.00	115,000.00	109,555.10	5,444.90	
Public and Private Programs Offset by Revenue:					
Reserve for Recycling Tonnage Grant	3,606.32	3,606.32	3,606.32		
Alcohol Education and Rehabilitation Grant	809.45	809.45	809.45		
Trail Project - (NJSA 40A:4-87 + \$24,700)		24,700.00	24,700.00		
Total Operations Excluded from "CAPS"	151,415.77	176,115.77	138,670.87	37,444.90	
Detail:					
Other Expenses	151,415.77	176,115.77	138,670.87	37,444.90	
Capital Improvements - Excluded from "CAPS":					
Reserve for Improvements	25,000.00	25,000.00	25,000.00		
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		
Total Capital Improvements - Excluded from "CAPS"	125,000.00	125,000.00	125,000.00		

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	\$ 215,000.00	\$ 215,000.00	\$ 215,000.00		
Payment of Bond Anticipation Notes	259,900.00	259,900.00	259,900.00		
Interest on Bonds	73,482.50	73,482.50	73,410.00		\$ 72.50
Interest on Notes	138,084.08	138,084.08	126,150.25		11,933.83
Loan Repayments for Principal and Interest	31,089.86	31,089.86	31,089.86		
New Jersey Environmental Infrastructure Trust	151,885.16	154,085.16	153,992.00		93.16
Total Municipal Debt Service - Excluded from "CAPS"	869,441.60	871,641.60	859,542.11		12,099.49
Deferred Charges - Municipal - Excluded from "CAPS":					
Deferred Charges:					
Special Emergency Authorization	40,000.00	40,000.00	40,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS":	40,000.00	40,000.00	40,000.00		
Total General Appropriations - Excluded from "CAPS"	1,185,857.37	1,212,757.37	1,163,212.98	\$ 37,444.90	12,099.49
Subtotal General Appropriations	2,849,789.30	2,874,489.30	2,707,524.71	154,865.10	12,099.49
Reserve for Uncollected Taxes	383,746.00	383,746.00	383,746.00		
Total General Appropriations	\$ 3,233,535.30	\$ 3,258,235.30	\$ 3,091,270.71	\$ 154,865.10	\$ 12,099.49
<u>Ref.</u>				A	

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 3,233,535.30	
Added by 40A:4-87		24,700.00	
		\$ 3,258,235.30	
Reserve for Uncollected Taxes			\$ 383,746.00
Reserve for Encumbrances	A		61,845.48
Due Federal and State Grant Fund			29,115.77
Cash Disbursed			2,628,880.96
			3,103,588.21
Less: Appropriation Refunds			12,317.50
			\$ 3,091,270.71

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

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 782,482.09
Increased by Receipts:		
Tax Collector		\$ 16,652,676.58
Revenue Accounts Receivable		812,348.20
Miscellaneous Revenue Not Anticipated		48,393.47
Interest on Investments and Deposits		6,194.03
Due Animal Control Fund:		
Interest Earned		18.64
Due Other Trust Fund:		
Open Space Tax Levy		107,467.58
Interfund Returned - Current Year		354,427.53
Due General Capital Fund:		
Interest Earned		2,267.42
Due Water and Sewer Utility Operating Fund:		
Interfund Returned		1,516,708.59
Special Emergency Notes Issued		120,000.00
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions		47,250.00
Marriage License Fees		750.00
Building Surcharge Fees		5,993.00
Appropriation Refunds		12,317.50
		19,686,812.54
		20,469,294.63

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF CASH
(Continued)

Decreased by Disbursements:		
2013 Appropriation Expenditures	\$ 2,628,880.96	
2012 Appropriation Reserve Expenditures	106,169.60	
Local School District Taxes	7,948,020.00	
County Taxes	4,030,168.26	
Special District Taxes	2,474,406.51	
Garbage District Taxes	71,540.89	
Due Other Trust Fund:		
Interfund Advanced	353,431.94	
Payments on behalf of Open Space	107,467.58	
Due Water and Sewer Utility Operating Fund:		
Interfund Advanced	1,517,260.53	
Special Emergency Note Matured	120,000.00	
Due State of New Jersey:		
Marriage License Fees	800.00	
Building Surcharge Fees	6,442.00	
Reserve for:		
Revaluation	29,935.00	
Third Party Tax Title Liens	72,638.17	
Refund of Tax Overpayments	24,647.99	
	\$ 19,491,809.43	
Balance December 31, 2013	A	\$ 977,485.20

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
TRUST FUNDS

TOWNSHIP OF ALLAMUCHY
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	\$ 9,293.07	\$ 8,530.57
		<u>9,293.07</u>	<u>8,530.57</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	745,229.56	893,072.64
Due From Current Fund	A	2,747.67	3,511.88
		<u>747,977.23</u>	<u>896,584.52</u>
TOTAL ASSETS		<u>\$ 757,270.30</u>	<u>\$ 905,115.09</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due Current Fund	A	\$ 1,576.77	\$ 592.43
Due State Board of Health		22.80	21.60
Reserve for Animal Control Expenditures	B-6	7,693.50	7,916.54
		<u>9,293.07</u>	<u>8,530.57</u>
Other Trust Funds:			
Developers' Deposits		469,308.54	653,730.06
Construction Escrow Deposits		13,067.30	13,831.51
Reserve for:			
Condominium Security Deposits		36,300.77	33,896.89
Recreation		3,500.00	
State Unemployment Insurance		18,804.89	17,698.25
Housing Rehabilitation		65,839.96	40,830.23
Open Space Trust Fund		28,618.94	28,618.94
Parking Offense Adjudication Act		114.00	114.00
Public Defender Fees		3,400.00	3,400.00
Senior Luncheon		1,554.00	1,554.00
GIS Updates		12,142.62	12,142.62
Tax Sale Premiums		64,200.00	61,900.00
Tax Map Assessments		723.63	723.63
Harvest Festival		993.39	993.39
Fire Safety		250.00	250.00
Rutherford Hall		60.00	60.00
Playground		7,184.19	9,926.00
Open Space Donations		4,415.00	4,415.00
Snow Removal		17,500.00	12,500.00
		<u>747,977.23</u>	<u>896,584.52</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 757,270.30</u>	<u>\$ 905,115.09</u>

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

TOWNSHIP OF ALLAMUCHY
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

TOWNSHIP OF ALLAMUCHY
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
GENERAL CAPITAL FUND

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 597,757.88	\$ 773,060.94
Deferred Charges to Future Taxation:			
Funded		4,026,102.67	4,386,971.95
Unfunded	C-4	9,038,955.00	9,061,355.00
Warren County Grant Receivable		213.00	213.00
Due From Escrow Agent		3,400.94	3,400.94
Due From Rating Agency		7,900.00	7,900.00
TOTAL ASSETS		<u>\$ 13,674,329.49</u>	<u>\$ 14,232,901.83</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 9,023,205.00	\$ 9,045,605.00
New Jersey Green Trust Loans Payable	C-9	228,788.42	254,910.04
New Jersey Environmental Infrastructure Loans Payable	C-9A	1,052,314.25	1,172,061.91
Serial Bonds Payable	C-8	2,745,000.00	2,960,000.00
Improvement Authorizations:			
Funded	C-5	25,301.81	120,793.70
Unfunded	C-5	4,229.78	410,142.83
Capital Improvement Fund	C-6	89,704.22	19,704.22
Reserve for:			
Developers' Contributions		1,500.00	1,500.00
Improvements		59,000.00	39,000.00
Renovations to Maintenance Garage		50,000.00	50,000.00
Public Safety Equipment		35,861.00	35,861.00
Fire Station Building Improvements		20,000.00	20,000.00
Sewer Line			14,709.37
Payment of Debt Service		124,680.37	
Fund Balance	C-1	214,744.64	86,113.76
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 13,674,329.49</u>	<u>\$ 14,232,901.83</u>

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

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 86,113.76
Increased by:		
Premium on Sale of Bond Anticipation Notes		18,323.31
Improvement Authorizations Cancelled		125,714.20
Cancel Reserve for Sewer Line		14,709.37
		<u>244,860.64</u>
Decreased by:		
Utilized as Anticipated Revenue in the Current Fund		<u>30,116.00</u>
Balance December 31, 2013	C	<u><u>\$ 214,744.64</u></u>

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

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
WATER AND SEWER UTILITY FUND

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	\$ 727,809.72	\$ 639,701.95
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	D-6	380,477.55	377,645.06
Total Operating Fund		<u>1,108,287.27</u>	<u>1,017,347.01</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	405,580.43	643,576.14
Fixed Capital	D-7	8,934,599.41	8,782,046.54
Fixed Capital Authorized and Uncompleted	D-8	1,500,000.00	1,585,000.00
Total Capital Fund		<u>10,840,179.84</u>	<u>11,010,622.68</u>
TOTAL ASSETS		<u>\$ 11,948,467.11</u>	<u>\$ 12,027,969.69</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	Ref.	December 31,	
		2013	2012
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 20,193.57	\$ 43,518.42
Encumbered	D-3;D-9	62,603.72	19,020.01
		<u>82,797.29</u>	<u>62,538.43</u>
Third Party Liens		36.47	881.20
Water and Sewer Overpayments		1,569.10	1,146.87
Security Deposits		42,629.34	39,086.63
Due to Current Fund	A	551.94	
Accrued Interest on Wastewater Treatment Loans		4,887.48	9,456.25
Accrued Interest on New Jersey Water Supply Interconnection Loan		11.57	13.27
Accrued Interest on New Jersey Environmental Infrastructure Trust Loan		4,468.75	4,802.09
Accrued Interest on Bond Anticipation Notes		6,064.61	7,448.16
Accrued Interest on Bonds			401.04
		<u>143,016.55</u>	<u>125,773.94</u>
Reserve for Receivables	D	380,477.55	377,645.06
Fund Balance	D-1	584,793.17	513,928.01
		<u>1,108,287.27</u>	<u>1,017,347.01</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds Payable	D-16		25,000.00
New Jersey Wastewater Treatment Loans Payable	D-14	315,896.03	616,496.84
New Jersey Water Supply Interconnection Loan Payable	D-14A	118,999.81	136,534.25
New Jersey Environmental Infrastructure Trust Loan Payable	D-14B	534,756.11	577,034.61
Bond Anticipation Notes Payable	D-15	3,164,195.00	3,201,595.00
Improvement Authorizations:			
Funded	D-10		5,208.22
Unfunded	D-10	358,094.46	563,254.14
Capital Improvement Fund	D-11	16,937.60	51,937.60
Reserve for Facility Improvements		850.00	850.00
Reserve for Amortization	D-12	6,224,126.25	5,686,159.63
Reserve for Developer Contribution		13,826.00	
Deferred Reserve for Amortization	D-13	75,900.00	123,500.00
Fund Balance	D-1A	16,598.58	23,052.39
		<u>10,840,179.84</u>	<u>11,010,622.68</u>
Total Capital Fund			
		<u>10,840,179.84</u>	<u>11,010,622.68</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 11,948,467.11</u>	<u>\$ 12,027,969.69</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 - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2013	2012
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 182,763.00	\$ 182,763.00
Water and Sewer Rents		1,494,556.93	1,472,054.99
Reserve for Debt Service			840,835.00
Water District Rents		23,679.26	18,900.00
Water and Sewer Capital Fund Balance		14,375.00	14,684.00
Miscellaneous		117,167.48	146,745.38
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		18,603.18	17,343.44
Total Income		<u>1,851,144.85</u>	<u>2,693,325.81</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating		1,048,200.00	1,018,164.00
Capital Improvements		35,000.00	25,000.00
Debt Service		489,316.69	1,335,739.46
Prior Year Fund Balance Anticipated as Revenue in Current Fund		<u>25,000.00</u>	<u>25,000.00</u>
Total Expenditures		<u>1,597,516.69</u>	<u>2,403,903.46</u>
Excess in Revenue/Statutory Excess to Fund Balance		253,628.16	289,422.35
<u>Fund Balance</u>			
Balance January 1		<u>513,928.01</u>	<u>407,268.66</u>
		767,556.17	696,691.01
Decreased by:			
Utilization as Anticipated Revenue		<u>182,763.00</u>	<u>182,763.00</u>
Balance December 31	D	<u>\$ 584,793.17</u>	<u>\$ 513,928.01</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 - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 23,052.39
Increased by:		
Improvement Authorizations Cancelled		2,447.13
Bond Anticipation Note Premium		5,474.06
		<u>30,973.58</u>
Decreased by:		
Anticipated Revenue - Water and Sewer Utility Budget		<u>14,375.00</u>
Balance December 31, 2013	D	<u>\$ 16,598.58</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 - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ Deficit*</u>
Fund Balance Utilized	\$ 182,763.00	\$ 182,763.00	
Rents	1,373,683.00	1,494,556.93	\$ 120,873.93
Water District Rents	18,900.00	23,679.26	4,779.26
Capital Fund Balance	14,375.00	14,375.00	
Budget Totals	<u>1,589,721.00</u>	<u>1,715,374.19</u>	<u>125,653.19</u>
Nonbudget Revenue		<u>117,167.48</u>	<u>117,167.48</u>
	<u>\$ 1,589,721.00</u>	<u>\$ 1,832,541.67</u>	<u>\$ 242,820.67</u>

Analysis of Rents

Water and Sewer Rents Collections	\$ 1,494,077.87	
Overpayments Applied	<u>479.06</u>	
		<u>\$ 1,494,556.93</u>

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Collector:

Interest on Consumer Accounts		\$ 3,729.60
-------------------------------	--	-------------

Treasurer:

Interest on Investments and Deposits:

Collected/Received by Treasurer 2,908.92

Due from Water and Sewer Utility

Capital Fund 2,565.83

Interest on Investments and Deposits 5,474.75

Connection Fees 68,000.00

Other Miscellaneous 39,963.13

\$ 117,167.48

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 - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Appropriations		Expended by		
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 52,215.00	\$ 52,215.00	\$ 50,388.53	\$ 1,826.47	
Other Expenses	995,985.00	995,985.00	977,617.90	18,367.10	
Capital Improvements:					
Capital Improvement Fund	35,000.00	35,000.00	35,000.00		
Debt Service:					
Payment of Bond Principal	25,000.00	25,000.00	25,000.00		
Payment of Bond Anticipation Notes	37,400.00	37,400.00	37,400.00		
Interest on Bonds	37.00	37.00	36.46		\$ 0.54
Interest on Notes	48,025.00	48,025.00	38,362.07		9,662.93
Loans Principal and Interest	396,059.00	396,059.00	388,518.16		7,540.84
	<u>\$ 1,589,721.00</u>	<u>\$ 1,589,721.00</u>	<u>\$ 1,552,323.12</u>	<u>\$ 20,193.57</u>	<u>\$ 17,204.31</u>
		Ref.		D	
Cash Disbursed			\$ 1,426,909.74		
Accrued Interest on New Jersey Wastewater Treatment Loans			16,946.86		
Accrued Interest on New Jersey Water Supply Interconnection Loan			4,624.90		
Accrued Interest on New Jersey Environmental Infrastructure Trust Loan			14,072.92		
Accrued Interest on Bonds			36.46		
Accrued Interest on Bond Anticipation Notes			36,978.52		
Encumbrances		D	62,603.72		
			<u>1,562,173.12</u>		
Less: Appropriation Refunds			9,850.00		
			<u>\$ 1,552,323.12</u>		

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

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
PUBLIC ASSISTANCE FUND

TOWNSHIP OF ALLAMUCHY
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	F-1	\$ 7,586.69	\$ 7,574.39
TOTAL ASSETS		<u>\$ 7,586.69</u>	<u>\$ 7,574.39</u>
<u>RESERVES</u>			
Reserve for Public Assistance Expenditures		<u>\$ 7,586.69</u>	<u>\$ 7,574.39</u>
TOTAL RESERVES		<u>\$ 7,586.69</u>	<u>\$ 7,574.39</u>

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

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
WATER DISTRICT

TOWNSHIP OF ALLAMUCHY
WATER DISTRICT
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	H-1	\$ 62.24	\$ 42.60
Receivables with Full Reserves:			
Consumer Accounts Receivable	H-2	1,345.74	3,193.48
TOTAL ASSETS		<u>\$ 1,407.98</u>	<u>\$ 3,236.08</u>
 <u>RESERVES AND FUND BALANCE</u>			
Reserve for Receivables	H	\$ 1,345.74	\$ 3,193.48
Fund Balance		62.24	42.60
TOTAL RESERVES AND FUND BALANCE		<u>\$ 1,407.98</u>	<u>\$ 3,236.08</u>

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

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

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

	December 31,	
	2013	2012
<u>ASSETS</u>		
Land	\$ 6,540,955.00	\$ 6,540,955.00
Buildings and Improvements	1,414,700.00	1,414,700.00
Equipment	2,885,203.00	2,896,672.00
TOTAL ASSETS	\$ 10,840,858.00	\$ 10,852,327.00
 <u>RESERVES</u>		
Reserve for Fixed Assets	\$ 10,840,858.00	\$ 10,852,327.00
TOTAL RESERVES	\$ 10,840,858.00	\$ 10,852,327.00

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

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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 and a resulting financial benefit or burden relationship, 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 practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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, 2013
 (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 more significant accounting policies in New Jersey follow.

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.

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.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

C. Basis of Accounting (Cont'd)

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.

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.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

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

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 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 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.

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.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

Summary of Municipal Debt

	December 31,		
	2013	2012	2011
Issued			
General:			
Bonds, Notes and Loans	\$13,049,307.67	\$ 13,592,576.95	\$ 14,030,405.82
Water and Sewer Utility:			
Bonds, Notes and Loans	4,133,846.95	4,556,660.70	5,776,579.01
Net Debt Issued	<u>17,183,154.62</u>	<u>18,149,237.65</u>	<u>19,806,984.83</u>
Authorized but not Issued:			
General:			
Bonds and Notes	15,750.00	15,750.00	135,750.00
Water and Sewer Utility:			
Bonds and Notes	726.21	726.21	726.21
Total Authorized but not Issued	<u>16,476.21</u>	<u>16,476.21</u>	<u>136,476.21</u>
Less:			
General:			
Reserve to Pay Debt Service	124,680.37		66,458.68
Water and Sewer Utility:			
Reserve to Pay Debt Service			840,835.58
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 17,074,950.46</u>	<u>\$ 18,165,713.86</u>	<u>\$ 19,036,166.78</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 2.22%.

	Gross Debt	Deductions	Net Debt
School Debt	\$ 10,120,000.00	\$ 10,120,000.00	
Water and Sewer Utility Debt	4,134,573.16	4,134,573.16	
General Debt	<u>13,065,057.67</u>		<u>\$ 13,065,057.67</u>
	<u>\$ 27,319,630.83</u>	<u>\$ 14,254,573.16</u>	<u>\$ 13,065,057.67</u>

Net Debt: \$13,065,057.67 divided by Average Equalized Valuations of \$588,514,501.33 of Real Property = 2.22%.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(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		\$ 20,598,007.55
Net Debt		<u>13,065,057.67</u>
Remaining Borrowing Power		<u>\$ 7,532,949.88</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		\$ 1,832,541.67
Deductions:		
Operating and Maintenance Costs	\$ 1,048,200.00	
Debt Service per Water and Sewer Account	<u>489,316.69</u>	
		<u>1,537,516.69</u>
Excess in Revenue		<u>\$ 295,024.98</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 12/31/2011	Additions	Retirements	Balance 12/31/2012
Serial Bonds:				
General Capital Fund	\$ 3,330,000.00	\$ 2,760,000.00	\$ 3,130,000.00	\$ 2,960,000.00
Water and Sewer Utility Capital Fund	50,000.00		25,000.00	25,000.00
Bond Anticipation Notes:				
Current Fund	200,000.00	160,000.00	200,000.00	160,000.00
General Capital Fund	9,134,360.00	9,045,605.00	9,134,360.00	9,045,605.00
Water and Sewer Utility Capital Fund	4,044,824.00	3,201,595.00	4,044,824.00	3,201,595.00
Loans Payable:				
General Capital Fund:				
Green Trust Loans	280,516.96		25,606.92	254,910.04
NJ Environmental Infrastructure Loan	1,285,528.86		113,466.95	1,172,061.91
Water and Sewer Utility Capital Fund:				
NJ Wastewater Treatment Loan	908,323.67		291,826.83	616,496.84
NJ Water Supply Interconnection Loan	153,470.72		16,936.47	136,534.25
NJ Environmental Infrastructure Loan	619,960.62		42,926.01	577,034.61
	<u>\$ 20,006,984.83</u>	<u>\$ 12,247,200.00</u>	<u>\$ 17,024,947.18</u>	<u>\$ 18,149,237.65</u>

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2012	Additions	Retirements	Balance 12/31/2013
Serial Bonds:				
General Capital Fund	\$ 2,960,000.00		\$ 215,000.00	\$ 2,745,000.00
Water and Sewer Utility Capital Fund	25,000.00		25,000.00	
Bond Anticipation Notes:				
Current Fund (Special Emergency)	160,000.00	\$ 120,000.00	160,000.00	120,000.00
General Capital Fund	9,045,605.00	9,023,205.00	9,045,605.00	9,023,205.00
Water and Sewer Utility Capital Fund	3,201,595.00	3,164,195.00	3,201,595.00	3,164,195.00
Loans Payable:				
General Capital Fund:				
Green Trust Loans	254,910.04		26,121.62	228,788.42
NJ Environmental Infrastructure Loan	1,172,061.91		119,747.66	1,052,314.25
Water and Sewer Utility Capital Fund:				
NJ Wastewater Treatment Loan	616,496.84		300,600.81	315,896.03
NJ Water Supply Interconnection Loan	136,534.25		17,534.44	118,999.81
NJ Environmental Infrastructure Loan	577,034.61		42,278.50	534,756.11
	<u>\$ 18,149,237.65</u>	<u>\$ 12,307,400.00</u>	<u>\$ 13,153,483.03</u>	<u>\$ 17,303,154.62</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
2014	\$ 344,254.41	\$ 125,780.69	\$ 375,680.53	\$ 24,745.03	\$ 719,934.94	\$ 203,651.73
2015	361,086.92	117,095.10	59,907.43	15,972.86	420,994.35	150,525.72
2016	372,768.09	106,923.73	68,290.54	14,509.30	441,058.63	133,067.96
2017	381,055.82	96,266.39	68,330.01	12,822.30	449,385.83	121,433.03
2018	397,597.08	85,297.84	68,231.88	10,861.06	465,828.96	109,088.69
2019-2023	1,874,340.35	226,366.83	270,556.91	28,849.76	2,144,897.26	255,216.59
2024	295,000.00	5,900.00	58,654.65	1,531.26	353,654.65	7,431.26
	<u>\$4,026,102.67</u>	<u>\$ 763,630.58</u>	<u>\$ 969,651.95</u>	<u>\$ 109,291.57</u>	<u>\$4,995,754.62</u>	<u>\$ 980,414.98</u>

At December 31, 2013, the Township had debt issued and outstanding described as follows:

<u>Final Maturity</u>	<u>Current Fund Special Emergency Notes Payable</u>	
	<u>Rate</u>	<u></u>
10/21/2014	1.25%	<u>\$ 120,000.00</u>

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

At December 31, 2013, the Township had debt issued and outstanding described as follows: (Cont'd)

General Capital Bond Anticipation Notes

<u>Final Maturity</u>	<u>Rate</u>	
7/9/2014	1.00%	\$ 330,000.00
10/21/2014	1.00%	3,663,205.00
7/9/2014	1.00%	4,380,000.00
7/9/2014	1.00%	175,000.00
7/9/2014	1.00%	237,500.00
7/9/2014	1.00%	171,000.00
7/9/2014	1.00%	66,500.00
		<u>\$ 9,023,205.00</u>

General Capital New Jersey Green Trust Loan

<u>Final Maturity</u>	<u>Rate</u>	
9/5/2021	2.00%	<u>\$ 228,788.42</u>

General Capital Refunding Bonds

<u>Final Maturity</u>	<u>Rate</u>	
01/15/2014	2.00%	200,000.00
01/15/2015	3.00%	210,000.00
01/15/2016	3.00%	215,000.00
01/15/2017	3.00%	225,000.00
01/15/2018	3.00%	235,000.00
01/15/2019	3.00%	245,000.00
01/15/2020	4.00%	260,000.00
01/15/2021	4.00%	275,000.00
01/15/2022	4.00%	290,000.00
01/15/2023	4.00%	295,000.00
01/15/2024	4.00%	295,000.00
		<u>\$ 2,745,000.00</u>

General Capital New Jersey Environmental Infrastructure Loans

<u>Final Maturity</u>	<u>Rate</u>	
8/1/2021	4.00 - 5.50%	<u>\$ 1,052,314.25</u>

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

<u>Water and Sewer Utility Capital Wastewater Treatment Loans</u>		
<u>Final Maturity</u>	<u>Rate</u>	
3/1/2014	5.75 - 6.375%	<u>\$ 315,896.03</u>
<u>Water and Sewer Utility Capital Water Supply Interconnection Loan</u>		
<u>Final Maturity</u>	<u>Rate</u>	
12/30/2019	3.50%	<u>\$ 118,999.81</u>
<u>Water and Sewer Utility Capital New Jersey Environmental Infrastructure Loans</u>		
<u>Final Maturity</u>	<u>Rate</u>	
9/1/2024	3.00 - 4.375%	<u>\$ 534,756.11</u>
<u>Water and Sewer Utility Capital Bond Anticipation Notes</u>		
<u>Final Maturity</u>	<u>Rate</u>	
7/9/2014	1.00%	\$ 182,465.00
7/9/2014	1.00%	76,539.00
7/9/2014	1.00%	93,710.00
7/9/2014	1.00%	118,590.00
7/9/2014	1.00%	948,705.00
7/9/2014	1.00%	282,686.00
7/9/2014	1.00%	1,461,500.00
		<u>\$ 3,164,195.00</u>
Total Debt Issued and Outstanding		<u>\$ 17,263,154.62</u>

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.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

General Capital New Jersey Environmental Infrastructure Loans

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

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

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

Water and Sewer Utility Capital Water Supply Interconnection Loan

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

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

Water and Sewer Utility Capital Wastewater Treatment Loans

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

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

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

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
 (Continued)

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

Water and Sewer Utility Capital New Jersey Environmental Infrastructure Loans

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

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

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

Note 3 - Fund Balances Appropriated

The Current Fund- Fund Balance at December 31, 2013, which is appropriated and included in the adopted budget as anticipated revenue for the year ending December 31, 2014 is \$267,289.

Note 4 - Pension Plans

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

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

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

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. For PERS, the contribution rate was 6.64% effective July 1, 2012 and increased to 6.78% effective July 1, 2013. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 4 - Pension Plans (Cont'd)

Township contributions to PERS amounted to \$61,207, \$58,558, and \$65,850 for 2013, 2012 and 2011, respectively.

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

The Township of Allamuchy permits employees to accrue a limited amount of unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed-upon rate. The Township maintains records for their employees who are allowed to accrue unused sick, and vacation time. Two of these employees have served for a period of time which predates the current agreement between the Township and its employees. The Township negotiated a settlement with these employees as to the ending value of their accrued time. At current value, the maximum liability for these two employees would be \$46,879.77. The maximum liability for the other two eligible employees would be \$45,471.88, for a combined maximum total liability of \$92,351.65. 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.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	\$ 2.62	\$ 2.40	\$ 2.34
<u>Apportionment of Tax Rate</u>			
Municipal	0.36	0.32	0.29
County	0.75	0.72	0.75
Local School	1.49	1.34	1.28
Local Open Space	0.02	0.02	0.02
<u>Assessed Valuations</u>			
2013	<u>\$ 535,111,651.00</u>		
2012		<u>\$ 571,528,603.00</u>	
2011			<u>\$ 566,364,307.00</u>

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

(Continued)

Note 6 - Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2013	\$ 16,598,815.06	\$ 16,341,077.70	98.44%
2012	16,436,267.60	16,114,825.64	98.04%
2011	16,013,842.63	15,725,381.02	98.19%

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

Note 7 - Cash and Cash Equivalents

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

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

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

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

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

Deposits

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

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

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(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, 2013
(Continued)

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

As of December 31, 2013, 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	\$ 961,515.60		\$ 15,969.60	\$ 977,685.20
Federal and State Grant		57,930.57			57,930.57
Animal Control		9,293.07			9,293.07
Other Trust		745,229.56			745,229.56
General Capital		525,421.91		72,335.97	597,757.88
Water and Sewer					
Utility Operating		727,809.72			727,809.72
Water and Sewer					
Utility Capital		405,580.43			405,580.43
Public Assistance		7,586.69			7,586.69
Water District			\$ 62.24		62.24
	<u>\$ 200.00</u>	<u>\$ 3,440,367.55</u>	<u>\$ 62.24</u>	<u>\$ 88,305.57</u>	<u>\$ 3,528,935.36</u>

The carrying amount of the Township's cash and cash equivalents at December 31, 2013, was \$3,528,935.36 and the bank balance was \$3,661,310.82. The \$88,305.57 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, 2013
(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, 2013 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, 2012 for the Fund is as follows:

	<u>Public Alliance Insurance Coverage Dec. 31, 2012</u>
Total Assets	\$ 14,080,983
Net Position	\$ 7,142,181
Total Revenue	\$ 6,863,491
Total Expenses	\$ 4,409,384
Change in Net Position	\$ 2,454,107
Members Dividends	\$ -0-

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

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.

The following is a summary of Township contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years:

TOWNSHIP OF ALLAMUCHY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 8 - Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$ -0-	\$ 1,230.84	\$ 124.20	\$ 18,804.89
2012	-0-	1,341.72	175.28	17,698.25
2011	-0-	1,407.95	-0-	16,531.81

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, 2013, 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>Balance Dec. 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2013</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	\$ 65,271.00	\$ 76,740.00	2,885,203.00
	<u>\$10,852,327.00</u>	<u>\$ 65,271.00</u>	<u>\$ 76,740.00</u>	<u>\$ 10,840,858.00</u>

Note 11 - Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2013:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 2,669.11	\$ 2,747.67
Animal Control		1,576.77
Other Trust	2,747.67	
Water/Sewer Utility Operating		551.94
Special Taxing District		540.40
	<u>\$ 5,416.78</u>	<u>\$ 5,416.78</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 balance between Current Fund and the Other Trust Funds is the remaining activity not liquidated by year end. The payable in the Animal Control Fund due to the Current Fund reflects the statutory excess due to the Current Fund.

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

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.

A reserve for pending tax appeals in the amount of \$3,500.00 has been recorded as a liability as of December 31, .

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 - School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Township of Allamuchy has not elected to defer school taxes.

Note 15 - 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.

Note 16 - Deferred Charges to be Raised in Succeeding Budgetes

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charge is shown on the Current Fund balance sheet:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>To be</u> <u>Raised in</u> <u>2014 Budget</u>	<u>To be</u> <u>Raised in</u> <u>2015 Budget</u>	<u>Balance to</u> <u>Succeeding</u> <u>Year's Budgets</u>
Current Fund:				
Expenditure without an Appropriation	\$ 3,759.85		\$ 3,759.85	
Special Emergency	120,000.00	\$ 40,000.00		\$ 80,000.00

The appropriation in the 2014 budget is not less than that required by statute.

SUPPLEMENTARY DATA

TOWNSHIP OF ALLAMUCHY
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2013

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
Betty Schultheis	Mayor		
Douglas Ochwat	Councilperson		
Diana Cook	Councilperson		
Michael Sloane	Councilperson (through November 19, 2013)		
Keith DeTombeur	Councilperson (from December 17, 2013)		
John Young	Councilperson (through December 17, 2013)		
James Kozimor	Chief Financial Officer	\$ 600,000.00	Western Surety Insurance Company
Kathleen Reinalda	Treasurer	250,000.00	Selective Insurance Company
Anne Marie Tracy	Township Administrator, Township Clerk, Deputy Court Clerk	(A)	
Betty C. Drake	Tax Collector	350,000.00	Western Surety Insurance Company
Rich Motyka	Tax Assessor	(A)	
Louis Mellinger	Magistrate	(A)	
Lynda Stadtler	Court Administrator	(A)	
Nancy McCabe	Utility Collector, Water District Collector/Secretary, Deputy Clerk	100,000.00	Western Surety Insurance Company
Paul Sterbenz	Engineer	(A)	
Nellie Laver	Animal Control Officer	(A)	
Sandy Durkin	Animal Licensing Official	(A)	
David Diehl	Zoning Official	(A)	

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

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
CURRENT FUND

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 782,482.09
Increased by Receipts:		
Tax Collector		\$ 16,652,676.58
Revenue Accounts Receivable		812,348.20
Miscellaneous Revenue Not Anticipated		48,393.47
Interest on Investments and Deposits		6,194.03
Due Animal Control Fund:		
Interest Earned		18.64
Due Other Trust Fund:		
Open Space Tax Levy		107,467.58
Interfund Returned - Current Year		354,427.53
Due General Capital Fund:		
Interest Earned		2,267.42
Due Water and Sewer Utility Operating Fund:		
Interfund Returned		1,516,708.59
Special Emergency Notes Issued		120,000.00
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions		47,250.00
Marriage License Fees		750.00
Building Surcharge Fees		5,993.00
Appropriation Refunds		12,317.50
		19,686,812.54
		20,469,294.63

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF CASH
(Continued)

Decreased by Disbursements:		
2013 Appropriation Expenditures	\$ 2,628,880.96	
2012 Appropriation Reserve Expenditures	106,169.60	
Local School District Taxes	7,948,020.00	
County Taxes	4,030,168.26	
Special District Taxes	2,474,406.51	
Garbage District Taxes	71,540.89	
Due Other Trust Fund:		
Interfund Advanced	353,431.94	
Payments on behalf of Open Space	107,467.58	
Due Water and Sewer Utility Operating Fund:		
Interfund Advanced	1,517,260.53	
Special Emergency Note Matured	120,000.00	
Due State of New Jersey:		
Marriage License Fees	800.00	
Building Surcharge Fees	6,442.00	
Reserve for:		
Revaluation	29,935.00	
Third Party Tax Title Liens	72,638.17	
Refund of Tax Overpayments	24,647.99	
	\$ 19,491,809.43	
Balance December 31, 2013	A	\$ 977,485.20

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

Increased by Receipts:		
Taxes Receivable	\$ 16,414,017.50	
Interest and Costs on Taxes	37,845.77	
2014 Prepaid Taxes	96,055.00	
Tax Overpayments	24,456.89	
Third Party Tax Title Liens	72,638.17	
Miscellaneous Revenue Not Anticipated	<u>7,663.25</u>	
		\$ 16,652,676.58
Decreased by:		
Payments to Municipal Treasurer		<u>\$ 16,652,676.58</u>

FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH - GRANT FUNDS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 76,780.07
Increased by Receipts:		
Unappropriated Reserves	\$ 11,163.23	
Grants Receivable	<u>177,966.22</u>	
		<u>189,129.45</u>
		265,909.52
Decreased by Disbursements:		
Appropriated Reserves Expenditures		<u>207,978.95</u>
Balance December 31, 2013	A	<u>\$ 57,930.57</u>

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

Year	Balance	2013 Levy	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Canceled	Balance
	Dec. 31, 2012		2012	2013			Dec. 31, 2013
2012	\$ 212,614.36			\$ 201,548.50		\$ 5.65	\$ 11,060.21
2013		\$ 16,598,815.06	\$ 75,358.70	16,212,469.00	\$ 53,250.00	83,341.07	174,396.29
	<u>\$ 212,614.36</u>	<u>\$ 16,598,815.06</u>	<u>\$ 75,358.70</u>	<u>\$ 16,414,017.50</u>	<u>\$ 53,250.00</u>	<u>\$ 83,346.72</u>	<u>\$ 185,456.50</u>

Ref.

A

A

Analysis of 2013 Property Tax Levy

Tax Yield:

General Purpose Taxes	\$ 16,540,703.14
Added and Omitted Taxes	58,111.92
	<u>\$ 16,598,815.06</u>

Tax Levy:

Local School District Taxes	\$ 7,948,020.00
Special District Taxes - Municipal	2,473,746.79
Special District Taxes - Garbage	68,435.50
Local Open Space Taxes	107,467.58
County Taxes:	
General Tax	\$ 4,006,365.73
Due County for Added and Omitted Taxes	16,681.34
	<u>4,023,047.07</u>
	<u>14,620,716.94</u>
Local Tax for Municipal Purposes Levied	1,934,449.53
Add: Additional Tax Levied	43,648.59
	<u>1,978,098.12</u>
	<u>\$ 16,598,815.06</u>

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued In</u> <u>2013</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Licenses:				
Alcoholic Beverages		\$ 1,884.00	\$ 1,884.00	
Fees and Permits		2,180.00	2,180.00	
Fines and Costs:				
Municipal Court	\$ 2,368.07	49,480.73	48,339.58	\$ 3,509.22
Recreation Fees		24,969.74	24,969.74	
Energy Receipts Tax		350,511.00	350,511.00	
Uniform Construction Code Fees		91,979.00	91,979.00	
Affordable Housing Rents		237,368.88	237,368.88	
General Capital Fund Balance		30,116.00	30,116.00	
Water and Sewer Utility Operating Fund Balance		25,000.00	25,000.00	
	<u>\$ 2,368.07</u>	<u>\$ 813,489.35</u>	<u>\$ 812,348.20</u>	<u>\$ 3,509.22</u>
<u>Ref.</u>	A			A

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

	Balance Dec. 31, 2012	2013 Budget Revenue Realized	Transferred from Unappropriated Grant Reserves	Cash Receipts	Balance Dec. 31, 2013
Clean Communities	\$ 135.19				\$ 135.19
Recycling Tonnage Grant		\$ 3,606.32	\$ 3,606.32		
Alcohol Education and Rehabilitation Program		809.45	809.45		
Trail Project		24,700.00			24,700.00
Warren County Historic Preservation	230,791.00			\$ 176,639.56	54,151.44
NJ Highlands - Water Protection Grant	88,500.00				88,500.00
NJ Highlands - Plains Grant	2,105.42			1,326.66	778.76
NJ Highlands - Plan Conformance	1,213.09				1,213.09
	<u>\$ 322,744.70</u>	<u>\$ 29,115.77</u>	<u>\$ 4,415.77</u>	<u>\$ 177,966.22</u>	<u>\$ 169,478.48</u>
	A				A

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	\$ 436.91	\$ 436.91		\$ 436.91
Other Expenses:				
Codification & Revision of Ordinances	2,500.00	2,500.00	\$ 2,500.00	
Miscellaneous Other Expenses	1,611.20	1,611.20	1,041.39	569.81
Financial Administration:				
Salaries and Wages	672.74	672.74		672.74
Other Expenses	93.57	318.57	317.90	0.67
Tax Assessment Administration:				
Salaries and Wages	418.17	418.17		418.17
Other Expenses	3,937.81	3,937.81	1,400.64	2,537.17
Revenue Administration (Tax Collection):				
Salaries and Wages	189.40	189.40		189.40
Other Expenses	2,933.14	2,933.14	630.00	2,303.14
Legal Services and Costs:				
Other Expenses	11,592.97	5,442.97	3,363.75	2,079.22
Municipal Prosecutor:				
Salaries and Wages	0.43	0.43		0.43
Engineering Services and Costs:				
Other Expenses	4,759.63	4,759.63	3,970.00	789.63
Public Buildings and Grounds:				
Salaries and Wages	15.43	15.43		15.43
Other Expenses	18,789.91	1,164.91	1,150.58	14.33
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Salaries and Wages	285.45	285.45		285.45
Other Expenses	654.31	5,654.31	102.00	5,552.31
Environmental Commission:				
(NJSA 40:56A-1 et seq):				
Salaries and Wages	43.50	43.50		43.50
Other Expenses	3,575.90	3,575.90	50.00	3,525.90
PUBLIC SAFETY:				
Uniform Fire Safety Act (PL 1983 Ch. 383):				
Fire Department:				
Other Expenses	19,657.69	19,657.69	19,036.61	621.08
Emergency Management Services:				
Salaries and Wages	127.44	127.44		127.44
Other Expenses	661.72	661.72	108.48	553.24

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
STREETS AND ROADS:				
Road Repairs and Maintenance:				
Salaries and Wages	\$ 14,560.83	\$ 17,060.83		\$ 17,060.83
Other Expenses	12,059.97	24,859.97	\$ 24,827.10	32.87
Garbage and Trash Removal:				
Other Expenses	32.17	207.17	182.33	24.84
Recycling:				
Salaries and Wages	31.20	31.20		31.20
Other Expenses	5.64	5.64		5.64
HEALTH AND WELFARE:				
Animal Control Officer:				
Salaries and Wages	3,465.39	3,465.39		3,465.39
Other Expenses	5,446.29	5,446.29	835.00	4,611.29
Administration of Public Assistance:				
Other Expenses	125.00	125.00		125.00
Board of Health:				
Other Expenses	500.00	500.00		500.00
RECREATION AND EDUCATION:				
Board of Recreation Commissioners:				
Salaries and Wages	3,125.30	3,125.30		3,125.30
Other Expenses	5,561.45	5,561.45	4,660.30	901.15
MUNICIPAL COURT:				
Salaries and Wages	121.95	4,121.95		4,121.95
Other Expenses	311.21	311.21	162.50	148.71
UNIFORM CONSTRUCTION CODE:				
State Uniform Construction Code (N.J.S.A. 52:27D-120 et seq):				
Construction Official:				
Salaries and Wages	6,241.86	6,241.86		6,241.86
Other Expenses	713.48	713.48		713.48
Fire Subcode Official:				
Salaries and Wages	302.81	302.81		302.81
Zoning Official				
Salaries and Wages	250.92	250.92		250.92
UNCLASSIFIED:				
Electricity	6,644.82	6,644.82	2,643.91	4,000.91
Telephone	1,183.61	1,333.61	1,329.73	3.88
Water	70.90	70.90		70.90
Fuel Oil	7,750.83	7,750.83	2,958.84	4,791.99
Gasoline	658.14	658.14	408.84	249.30

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance Dec. 31, 2012</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Contingent	\$ 2,500.00	\$ 2,500.00		2,500.00
Statutory Expenditures:				
Contributions to:				
Social Security System (OASI)	2,731.18	2,731.18		\$ 2,731.18
LOSAP	32,000.00	32,000.00	\$ 27,600.00	4,400.00
Contribution to:				
Affordable Housing-Other Expenses	5,486.57	6,911.57	6,889.70	21.87
Insurance:				
Group Insurance for Employees	2,116.73	2,116.73		2,116.73
Other Insurance Premiums	13.65	13.65		13.65
Surety Bond Premiums	147.50	147.50		147.50
Workers Compensation Insurance	14.00	14.00		14.00
	<u>\$ 187,130.72</u>	<u>\$ 187,130.72</u>	<u>\$ 106,169.60</u>	<u>\$ 80,961.12</u>

Analysis of Balance December 31, 2012:

	<u>Ref.</u>	
Unencumbered	A	\$ 171,424.11
Encumbered	A	<u>15,706.61</u>
		<u>\$ 187,130.72</u>

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2013

Increased by:		
Levy - Calendar Year 2013		\$ 7,948,020.00
Decreased by:		
Payments to Local School District		<u>\$ 7,948,020.00</u>

CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance/(Receivable) December 31, 2012	A	\$ 119.32
Increased by:		
Levy - Calendar Year 2013		<u>\$ 2,473,746.79</u>
Decreased by:		
Payments to Panther Valley Homeowners Association		<u>2,474,406.51</u>
Balance/(Receivable) December 31, 2013	A	<u>\$ (540.40)</u>

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SCHEDULE OF GARBAGE DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>		
Balance December 31, 2012	A	\$	3,105.39
Increased by:			
Levy - Calendar Year 2013			68,435.50
			<hr/> 71,540.89
Decreased by:			
Payments to Panther Valley Homeowners Association		\$	71,540.89
			<hr/> <hr/>

TOWNSHIP OF ALLAMUCHY
CURRENT FUND
SPECIAL EMERGENCY NOTES PAYABLE

<u>Date Authorized</u>	<u>Purpose</u>	<u>Date of</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance Dec. 31, 2013</u>
		<u>Issue</u>	<u>Maturity</u>					
10/24/2011	Revaluation	10/23/2012	10/22/2013	1.75%	\$ 160,000.00		\$ 160,000.00	
		10/22/2013	10/21/2014	1.25%		\$ 120,000.00		\$ 120,000.00
					<u>\$ 160,000.00</u>	<u>\$ 120,000.00</u>	<u>\$ 160,000.00</u>	<u>\$ 120,000.00</u>
				<u>Ref.</u>	A			A
					Renewals	\$ 120,000.00	\$ 120,000.00	
					Paid By Budget Appropriation		40,000.00	
						<u>\$ 120,000.00</u>	<u>\$ 160,000.00</u>	

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

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>to 2013</u> <u>Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Alcohol Education, Rehabilitation and Enforcement Fund	\$ 809.45	\$ 527.75	\$ 809.45	\$ 527.75
Recycling Tonnage Grant	3,606.32	2,430.41	3,606.32	2,430.41
Clean Communities Program		8,205.07		8,205.07
Freight Depot Donation	300.00			300.00
	<u>\$ 4,715.77</u>	<u>\$ 11,163.23</u>	<u>\$ 4,415.77</u>	<u>\$ 11,463.23</u>
<u>Ref.</u>	A			A

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

	Balance Dec. 31, 2012	Transferred from 2013 Budget Appropriations	Expended	Balance Dec. 31, 2013
Clean Communities Program	\$ 28,806.66		\$ 6,124.22	\$ 22,682.44
Alcohol Education, Rehabilitation and Enforcement Fund	1,754.93	\$ 809.45		2,564.38
Donations Environmental Commission	9,453.03			9,453.03
Recycling Tonnage Grant	11,387.42	3,606.32		14,993.74
Municipal Stormwater	7,343.75			7,343.75
Warren County Historical Preservation	230,791.00		191,974.56	38,816.44
NJ Highlands Grant- Water Protection Grant	88,500.00			88,500.00
NJ Highlands Grant -Plains Grant	14,133.41			14,133.41
Trail Project Donation	2,638.80	24,700.00	9,880.17	17,458.63
	<u>\$ 394,809.00</u>	<u>\$ 29,115.77</u>	<u>\$ 207,978.95</u>	<u>\$ 215,945.82</u>
<u>Ref.</u>	A			A

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
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, 2012	B	\$ 8,530.57	\$ 893,072.64
Increased by Receipts:			
Animal Control Fees Collected		\$ 3,706.20	
Miscellaneous Fees		854.00	
State Registration Fees		970.80	
Developers' Deposits:			
Deposits			\$ 168,712.48
Interest			310.29
Premium on Tax Sale Certificates			30,000.00
Recreation			3,500.00
Condominium Security Deposits			10,064.62
Snow Removal			5,000.00
Housing Rehabilitation:			
Deposits			25,000.00
Interest			9.73
Due to/from Current Fund:			
Interest on Deposits		18.64	983.24
State Unemployment Insurance			1,230.84
Playground Donations			8,300.00
		<u>5,549.64</u>	<u>253,111.20</u>
		14,080.21	1,146,183.84
Decreased by Disbursements:			
Interest on Deposits		18.64	983.24
Animal Control Expenditures		3,796.50	
State Registration Fees		972.00	
State Unemployment Insurance			124.20
Developers' Deposits Refunded/Fees			353,444.29
Condominium Security Deposits			7,660.74
Playground			11,041.81
Tax Sale Premiums			27,700.00
		<u>4,787.14</u>	<u>400,954.28</u>
Balance December 31, 2013	B	<u>\$ 9,293.07</u>	<u>\$ 745,229.56</u>

TOWNSHIP OF ALLAMUCHY
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 7,916.54
Increased by:		
Animal Control License Fees Collected		\$ 3,706.20
Late Fees		854.00
		4,560.20
		12,476.74
Decreased by:		
Adjustment to Prior Year Amount Due to State Board of Health		2.40
Statutory Excess Due to Current Fund Expenditures		984.34
		3,796.50
		4,783.24
Balance December 31, 2013	B	\$ 7,693.50

License Fees Collected

<u>Year</u>	<u>Amount</u>
2011	\$ 3,745.80
2012	3,947.70
	7,693.50
Maximum Allowable Reserve	\$ 7,693.50

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
GENERAL CAPITAL FUND

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 773,060.94
Increased by Receipts:		
Bond Anticipation Notes Issued	\$ 9,023,205.00	
Due Current Fund:		
Interest Earned	2,267.42	
2013 Budget Appropriations:		
Reserve for Improvements	25,000.00	
Capital Improvement Fund	100,000.00	
Premium on Sale of Bond Anticipation Notes	18,323.31	
		<u>9,168,795.73</u>
		<u>9,941,856.67</u>
Decreased by:		
Bond Anticipation Note Matured	8,785,705.00	
Improvement Authorizations	526,010.37	
Due Current Fund:		
Interest Earned	2,267.42	
General Capital Fund Balance		
Anticipated in Current Fund	30,116.00	
		<u>9,344,098.79</u>
Balance December 31, 2013	C	<u>\$ 597,757.88</u>

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2012	Receipts		Disbursements		Transfers		Balance/ (Deficit) Dec. 31, 2013	
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From		To
Capital Fund Balance	\$ 86,113.76		\$ 18,323.31			\$ 30,116.00		\$ 140,423.57	\$ 214,744.64
Capital Improvement Fund	19,704.22		100,000.00				\$ 30,000.00		89,704.22
Warren County Grant Receivable	(213.00)								(213.00)
Due Current Fund			2,267.42			2,267.42			
Due Escrow Agent	(3,400.94)								(3,400.94)
Due Rating Agency	(7,900.00)								(7,900.00)
Reserve for:									
Downpayment on Improvements	2,500.00						2,500.00		
Developers' Contributions	1,500.00								1,500.00
Improvements	39,000.00		25,000.00				5,000.00		59,000.00
Renovations to Maintenance Garage	50,000.00								50,000.00
Public Safety Equipment	35,861.00								35,861.00
Fire Station Building Improvement	20,000.00								20,000.00
Sewer Line	14,709.37						14,709.37		
Payment of Debt Service								124,680.37	124,680.37
<u>Improvement Description</u>									
Ord. No.									
05-09	Acquisition of Property	\$ 330,000.00			\$ 330,000.00				
05-10	Improvements to Cat Swamp Road	(750.00)							(750.00)
06-13	Acquisition of Condominium Units	109,344.95	3,663,205.00	\$ 5,809.70	3,663,205.00		103,535.25		
07-02	Addition to Firehouse		4,380,000.00		4,380,000.00				
07-09	Purchase and Installation of Telephone Equipment	2,660.50					2,660.50		
07-11	Road Renovation to Ridge Road	16,117.51	175,000.00		175,000.00		16,117.51		
08-14	Purchase of Vehicle	3,012.00		1,311.40					1,700.60
10-05	Purchase of Pick-up Truck and Snow Plow	2,046.04		2,046.04					
10-08	Improvement to Firehouse	234,097.69		160,000.00			74,097.69		
10-09	Purchase of Fire Department Equipment	8,816.44		8,816.44					
11-02	Improvements to Shades of Death Road	(15,000.00)							(15,000.00)
11-09	Fire Department Equipment	4,784.72		4,784.72					
11-10	DPW Equipment	9,759.88		3,670.96					6,088.92
12-01	Bond Refunding	3,400.94					3,400.94		
12-02	Improvements to Shades of Death Road II	50,582.68	237,500.00		237,500.00		50,582.68		
12-07	Improvements to Streets and Roads	86,313.18		86,313.18					
13-03	Improvement Catswamp Road		171,000.00	180,000.00				9,000.00	
13-06	Improvement to Buildings and Grounds			7,487.71				20,000.00	12,512.29
13-09	Purchase Property		66,500.00	65,770.22				3,500.00	4,229.78
13-12	Purchase Recreation Equipment							5,000.00	5,000.00
		\$ 773,060.94	\$ 9,023,205.00	\$ 145,590.73	\$ 526,010.37	\$ 8,785,705.00	\$ 32,383.42	\$ 302,603.94	\$ 302,603.94
									\$ 597,757.88

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

Ord. Date	Improvement Description	Balance Dec. 31, 2012	Improvement Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2013	Analysis of Balance December 31, 2013		Unexpended Improvement Authorizations
						Bond Anticipation Notes	Expenditures	
9/20/05	Acquisition of Property	\$ 338,000.00		\$ 8,000.00	\$ 330,000.00	\$ 330,000.00		
9/20/05	Improvements to Cat Swamp Road	750.00			750.00		\$ 750.00	
6/20/06	Acquisition of Condominium Units	3,782,905.00		119,700.00	3,663,205.00	3,663,205.00		
4/02/07	Addition to Firehouse	4,507,200.00		127,200.00	4,380,000.00	4,380,000.00		
8/21/07	Road Renovation to Ridge Road	180,000.00		5,000.00	175,000.00	175,000.00		
3/15/11	Improvement to Shades of Death Road	15,000.00			15,000.00		15,000.00	
2/21/12	Improvement to Shades of Death Road II	237,500.00			237,500.00	237,500.00		
3/19/13	Improvement Catswamp Road		\$ 171,000.00		171,000.00	171,000.00		
7/16/13	Purchase Property		66,500.00		66,500.00	66,500.00		
		<u>\$ 9,061,355.00</u>	<u>\$ 237,500.00</u>	<u>\$ 259,900.00</u>	<u>\$ 9,038,955.00</u>	<u>\$ 9,023,205.00</u>	<u>\$ 15,750.00</u>	<u>\$ -0-</u>
<u>Ref.</u>		<u>C</u>			<u>C</u>			
								\$ 4,229.78
								Less: Unexpended Proceeds of Bond Anticipation Notes Issued: Ordinance Dated 7/16/13 - Purchase Property
								<u>4,229.78</u>
								<u>\$ -0-</u>

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012		Other Financing Sources	2013 Authorizations		Paid or Charged	Improvement Authorizations Canceled	Balance Dec. 31, 2013	
		Date	Amount	Funded	Unfunded		Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund			Funded	Unfunded
06-13	Acquisition of Condominium Units	6/20/06	\$ 4,450,000.00		\$ 109,344.95				\$ 5,809.70	\$ 103,535.25		
07-09	Equipment	8/21/07	50,000.00	\$ 2,660.50						2,660.50		
07-11	Road Renovation to Ridge Road	8/21/07	340,000.00		16,117.51					16,117.51		
08-14	Purchase of First Aid Vehicle	11/18/08	145,000.00	3,012.00					1,311.40		\$ 1,700.60	
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		234,097.69				160,000.00	74,097.69		
10-09	Purchase of Fire Department Equipment	7/20/10	10,000.00	8,816.44					8,816.44			
11-09	Fire Department Equipment	7/19/11	5,000.00	4,784.72					4,784.72			
11-10	DPW Equipment	7/19/11	10,000.00	9,759.88					3,670.96		6,088.92	
12-01	Bond Refunding	1/2/12	3,115,000.00	3,400.94						3,400.94		
12-02	Improvements to Shades of Death Road II	2/21/12	250,000.00		50,582.68					50,582.68		
12-07	Improvements to Streets and Roads	5/9/12	115,000.00	86,313.18					86,313.18			
13-03	Improvement Catswamp Road	3/19/13	180,000.00			\$ 2,500.00	\$ 171,000.00	\$ 6,500.00	180,000.00			
13-06	Improvement to Buildings and Grounds	5/21/13	20,000.00					20,000.00	7,487.71		12,512.29	
13-09	Purchase Property	7/16/13	70,000.00				66,500.00	3,500.00	65,770.22		\$ 4,229.78	
13-12	Purchase Recreation Equipment	11/19/13	5,000.00			5,000.00					5,000.00	
				<u>\$ 120,793.70</u>	<u>\$ 410,142.83</u>	<u>\$ 7,500.00</u>	<u>\$ 237,500.00</u>	<u>\$ 30,000.00</u>	<u>\$ 526,010.37</u>	<u>\$ 250,394.57</u>	<u>\$ 25,301.81</u>	<u>\$ 4,229.78</u>
	<u>Ref.</u>			C	C						C	C
	Reserve for Down Payments on Improvements					\$ 2,500.00				\$ 124,680.37		Reserve for Payment of Debt Service
	Reserve for Improvements					5,000.00				125,714.20		Capital Fund Balance
						<u>\$ 7,500.00</u>				<u>\$ 250,394.57</u>		

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 19,704.22
Increased by:		
2013 Budget Appropriation		<u>100,000.00</u>
		119,704.22
Decreased by:		
Appropriated to Finance:		
Improvement Authorizations		<u>30,000.00</u>
Balance December 31, 2013	C	<u><u>\$ 89,704.22</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, 2012	Issued	Matured	Balance Dec. 31, 2013
		Original Note	Issue	Maturity					
9/20/05	Acquisition of Property	12/29/2005	10/23/2012 10/22/2013	10/22/2013 07/09/2014	1.25% 1.00%	\$ 338,000.00	\$ 330,000.00	\$ 338,000.00	\$ 330,000.00
6/20/06	Acquisition of Condominium Units	10/31/2006	10/23/2012 10/22/2013	10/22/2013 10/21/2014	1.25% 1.00%	3,782,905.00	3,663,205.00	3,782,905.00	3,663,205.00
4/02/07	Additions to the Firehouse	07/24/2007	07/12/2012 07/10/2013	07/11/2013 07/09/2014	1.50% 1.00%	4,507,200.00	4,380,000.00	4,507,200.00	4,380,000.00
8/21/07	Road Renovation to Ridge Road	10/30/2007	10/23/2012 10/22/2013	10/22/2013 07/09/2014	1.25% 1.00%	180,000.00	175,000.00	180,000.00	175,000.00
2/21/12	Improvements to Shades of Death Road II	10/23/2012	10/23/2012 10/22/2013	10/22/2013 07/09/2014	1.25% 1.00%	237,500.00	237,500.00	237,500.00	237,500.00
3/19/13	Improvement Catswamp Road	10/22/2013	10/22/2013	07/09/2014	1.00%		171,000.00		171,000.00
7/16/13	Purchase Property	10/22/2013	10/22/2013	07/09/2014	1.00%		66,500.00		66,500.00
						<u>\$ 9,045,605.00</u>	<u>\$ 9,023,205.00</u>	<u>\$ 9,045,605.00</u>	<u>\$ 9,023,205.00</u>
					<u>Ref.</u>	<u>C</u>			<u>C</u>
			Renewals				\$ 8,785,705.00	\$ 8,785,705.00	
			New Issues				237,500.00		
			Notes Paid by Budget Appropriation					259,900.00	
							<u>\$ 9,023,205.00</u>	<u>\$ 9,045,605.00</u>	

TOWNSHIP OF ALLAMUCHY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2013		Interest Rate	Balance		Balance Dec. 31, 2013			
			Date	Amount		Dec. 31, 2012	Matured				
General Improvement Bonds	03/15/04	\$ 5,585,000.00				\$ 200,000.00	\$ 200,000.00				
Refunding Bonds	10/4/12	\$ 2,760,000.00	01/15/14	\$ 200,000.00	2.000%						
			01/15/15	210,000.00	3.000%						
			01/15/16	215,000.00	3.000%						
			01/15/17	225,000.00	3.000%						
			01/15/18	235,000.00	3.000%						
			01/15/19	245,000.00	3.000%						
			01/15/20	260,000.00	4.000%						
			01/15/21	275,000.00	4.000%						
			01/15/22	290,000.00	4.000%						
			01/15/23	295,000.00	4.000%						
			01/15/24	295,000.00	4.000%						
									<u>2,760,000.00</u>	<u>15,000.00</u>	<u>\$ 2,745,000.00</u>
									<u>\$ 2,960,000.00</u>	<u>\$ 215,000.00</u>	<u>\$ 2,745,000.00</u>
					<u>Ref.</u>	C		C			

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

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 254,910.04
Decreased by:		
Principal Matured		<u>26,121.62</u>
Balance December 31, 2013	C	<u>\$ 228,788.42</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2013 - Green Trust Loan - 2001 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 228,788.42
23	03/05/2014	\$ 13,257.05	\$ 2,287.88	215,531.37
24	09/05/2014	13,389.62	2,155.31	202,141.75
25	03/05/2015	13,523.52	2,021.42	188,618.23
26	09/05/2015	13,658.75	1,886.18	174,959.48
27	03/05/2016	13,795.34	1,749.59	161,164.14
28	09/05/2016	13,933.29	1,611.64	147,230.85
29	03/05/2017	14,072.63	1,472.31	133,158.22
30	09/05/2017	14,213.35	1,331.58	118,944.87
31	03/05/2018	14,355.49	1,189.45	104,589.38
32	09/05/2018	14,499.04	1,045.89	90,090.34
33	03/05/2019	14,644.03	900.90	75,446.31
34	09/05/2019	14,790.47	754.46	60,655.84
35	03/05/2020	14,938.38	606.56	45,717.46
36	09/05/2020	15,087.76	457.17	30,629.70
37	03/05/2021	15,238.64	306.30	15,391.06
38	09/05/2021	15,391.06	153.94	-0-
		<u>\$ 228,788.42</u>	<u>\$ 19,930.58</u>	

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

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 1,172,061.91
Decreased by:		
Principal Matured		<u>119,747.66</u>
Balance December 31, 2013	C	<u>\$ 1,052,314.25</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2013 - Trust Loan - 2001 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 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-
		<u>\$ 585,000.00</u>	<u>\$ 135,650.00</u>	

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

Schedule of Principal and Interest Payments Outstanding December 31, 2013 - Fund Loan - 2001 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 467,314.25
23	02/01/2014	\$ 9,350.01	457,964.24
24	08/01/2014	48,257.73	409,706.51
25	02/01/2015	8,377.31	401,329.20
26	08/01/2015	50,527.34	350,801.86
27	02/01/2016	7,323.56	343,478.30
28	08/01/2016	52,715.90	290,762.40
29	02/01/2017	6,188.75	284,573.65
30	08/01/2017	51,581.09	232,992.56
31	02/01/2018	5,053.95	227,938.61
32	08/01/2018	53,688.60	174,250.01
33	02/01/2019	3,838.08	170,411.93
34	08/01/2019	55,715.04	114,696.89
35	02/01/2020	2,541.16	112,155.73
36	08/01/2020	54,418.12	57,737.61
37	02/01/2021	1,309.08	56,428.53
38	08/01/2021	56,428.53	-0-
		<u>\$ 467,314.25</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, 2012</u>	<u>2013 Improvement Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2013</u>
9/20/05	Improvements to Cat Swamp Road	\$ 750.00			\$ 750.00
3/15/11	Improvements to Shades of Death Road	15,000.00			15,000.00
3/19/13	Improvement Catswamp Road		\$ 171,000.00	\$ 171,000.00	
7/16/13	Purchase Property		66,500.00	66,500.00	
		<u>\$ 15,750.00</u>	<u>\$ 237,500.00</u>	<u>\$ 237,500.00</u>	<u>\$ 15,750.00</u>

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
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, 2012	D	\$ 639,701.95		\$ 643,576.14
Increased by Receipts:				
Water and Sewer Utility Collector		\$ 1,509,799.85		
Interest Earned		2,908.92		\$ 2,565.83
Third Party Liens		1,271.80		
Connection Fees		68,000.00		
Miscellaneous		39,963.13		13,826.00
Premium on Sale of Bond Anticipation Notes				5,474.06
Water District Rents		23,679.26		
Due Current Fund		551.94		
Due Water and Sewer Utility Capital Fund:				
Fund Balance Anticipated as Revenue		14,375.00		
Interest Earned		2,565.83		
2013 Budget Appropriations:				
Capital Improvement Fund				35,000.00
Appropriation Refunds		9,850.00		
		1,672,965.73		56,865.89
		2,312,667.68		700,442.03

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:			
2013 Appropriation Expenditures		\$ 1,426,909.74	
2012 Appropriation Reserve Expenditures		43,935.25	
Water and Sewer Overpayments Refunded		443.08	
Third Party Liens		2,116.53	
Security Deposits Refunded		7,105.30	
Due to Current Fund - Fund Balance			
Utilized as Anticipated Revenue		25,000.00	
Interest on:			
New Jersey Wastewater Treatment Loans		21,515.63	
New Jersey Water Supply Interconnection Loan		4,626.60	
New Jersey Environmental Infrastructure Trust Loan		14,406.26	
Water and Sewer Utility Bonds		437.50	
Bond Anticipation Notes		38,362.07	
Improvement Authorization Expenditures			277,920.77
Due Water and Sewer Utility Operating Fund:			
Interfund Returned			14,375.00
Interest Earned			2,565.83
		\$ 1,584,857.96	\$ 294,861.60
Balance December 31, 2013	D	\$ 727,809.72	\$ 405,580.43

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

Increased by Receipts:

Consumer Accounts Receivable:

Water and Sewer Rents	\$ 1,494,077.87
Interest on Consumer Accounts	3,729.60
Rent Overpayments	1,344.37
Security Deposits	<u>10,648.01</u>

\$ 1,509,799.85

Decreased by Disbursements:

 Paid to Treasurer

\$ 1,509,799.85

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

	Receipts		Disbursements		Transfers		Balance/(Deficit) Dec. 31, 2013		
	Balance Dec. 31, 2012	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From		To	
	Capital Fund Balance	\$ 23,052.39		\$ 5,474.06		\$ 14,375.00			\$ 2,447.13
Capital Improvement Fund	51,937.60	\$ 35,000.00				\$ 70,000.00		16,937.60	
Due Current Fund			13,826.00					13,826.00	
Reserve for Facility Improvements	850.00							850.00	
Due Water and Sewer Utility Operating Fund			2,565.83		2,565.83				
<u>Ord No.</u>	<u>Improvement Description</u>								
02-04/07-05	Water System Improvements	(726.21)						(726.21)	
09-05	Water System Improvements	3,423.26		\$ 2,761.09		662.17			
10-06	Purchase Pick-Up Truck	1,784.96				1,784.96			
10-07	Water System Improvements	563,254.14		205,159.68				358,094.46	
13-08	Water Facility Improvements			70,000.00			\$ 70,000.00		
		<u>\$ 643,576.14</u>	<u>\$ 35,000.00</u>	<u>\$ 21,865.89</u>	<u>\$ 277,920.77</u>	<u>\$ 16,940.83</u>	<u>\$ 72,447.13</u>	<u>\$ 72,447.13</u>	<u>\$ 405,580.43</u>

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

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 377,645.06
Increased by:		
Water and Sewer Rents Levied		<u>1,497,389.42</u>
		1,875,034.48
Decreased by:		
Collections	\$ 1,494,077.87	
Overpayments Applied	<u>479.06</u>	
		<u>1,494,556.93</u>
Balance December 31, 2013	D	<u>\$ 380,477.55</u>

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

Description	Balance Dec. 31, 2012	Additions by Ordinance	Balance Dec. 31, 2013
Dual Cylinder Scales (2)	\$ 2,210.00		\$ 2,210.00
Storage Reservoirs, Tanks and Standpipes	118,136.35		118,136.35
Wastewater Treatment System and Facility	4,265,252.16		4,265,252.16
Water System Interconnection	20,000.00		20,000.00
Various General Improvements and Water Interconnection	634,981.85		634,981.85
Acquisition and Construction of Certain Capital Improvements	26,956.85		26,956.85
Acquisition and Construction of Certain Capital Improvements	17,177.34		17,177.34
Acquisition of a Ford F150 4X4 Truck	22,325.24		22,325.24
Restoration of Bald Eagle Road	11,593.78		11,593.78
Various Capital Improvements	274,307.51		274,307.51
Acquisition and Construction of Certain Capital Improvements	120,283.87		120,283.87
Acquisition of Property	183,306.69		183,306.69
Replacement of Emergency Generator at Pump Station No. 2	52,845.00		52,845.00
Water System Improvements	75,000.00		75,000.00
Water Main Replacement	225,000.00		225,000.00
Water System Improvements	1,000,000.00		1,000,000.00
Water System Improvements	487,669.90		487,669.90
Water System Improvements	1,150,000.00		1,150,000.00
Water System Improvements	75,000.00		75,000.00
Water System Improvements	20,000.00		20,000.00
Purchase Pick-Up Truck		\$ 33,215.04	33,215.04
Water System Improvements		49,337.83	49,337.83
Water Facility Improvements		70,000.00	70,000.00
	<u>\$ 8,782,046.54</u>	<u>\$ 152,552.87</u>	<u>\$ 8,934,599.41</u>

Ref.

D

D

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

Improvement Description	Ordinance		Balance Dec. 31, 2012	2013 Authorizations	Authorizations Cancelled	Costs to Fixed Capital	Balance Dec. 31, 2013
	Date	Amount					
Water System Improvements	06/16/09	\$ 50,000.00	\$ 50,000.00		\$ 662.17	\$ 49,337.83	
Purchase of Pick-up Truck	05/18/10	35,000.00	35,000.00		1,784.96	33,215.04	
Water System Improvements	05/18/10	1,500,000.00	1,500,000.00				\$ 1,500,000.00
Water Facility Improvements	06/18/13	70,000.00		\$ 70,000.00		70,000.00	
			<u>\$ 1,585,000.00</u>	<u>\$ 70,000.00</u>	<u>\$ 2,447.13</u>	<u>\$ 152,552.87</u>	<u>\$ 1,500,000.00</u>
	<u>Ref.</u>		D				D

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</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	\$ 1,725.99	\$ 1,725.99		\$ 1,725.99
Other Expenses	60,812.44	60,812.44	\$ 43,935.25	16,877.19
	<u>\$ 62,538.43</u>	<u>\$ 62,538.43</u>	<u>\$ 43,935.25</u>	<u>\$ 18,603.18</u>

Ref.

Analysis of Balance December 31, 2012:

Unencumbered	D	\$ 43,518.43
Encumbered	D	<u>19,020.01</u>
		<u>\$ 62,538.44</u>

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

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012		2013 Authorizations	Paid or Charged	Improvement Authorizations Canceled	Balance
		Date	Amount	Funded	Unfunded	Capital Improvement Fund			Dec. 31, 2013 Unfunded
09-05	Water System Improvements	06/16/09	\$ 50,000.00	\$ 3,423.26			\$ 2,761.09	\$ 662.17	
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		\$ 563,254.14		205,159.68		\$ 358,094.46
13-08	Water Facility Improvements	06/18/13	70,000.00			\$ 70,000.00	70,000.00		
				\$ 5,208.22	\$ 563,254.14	\$ 70,000.00	\$ 277,920.77	\$ 2,447.13	\$ 358,094.46
		<u>Ref.</u>		D	D				D

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

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 51,937.60
Increased by:		
2013 Budget Appropriation		<u>35,000.00</u>
		86,937.60
Decreased by:		
Improvement Authorizations		<u>70,000.00</u>
Balance December 31, 2013	D	<u>\$ 16,937.60</u>

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

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 5,686,159.63
Increased by:		
Paid by Water and Sewer Utility Operating Budget:		
New Jersey Wastewater Treatment Loans	\$ 300,600.81	
New Jersey Water Supply Interconnection Loan	17,534.44	
Serial Bonds Matured	25,000.00	
New Jersey Environmental Infrastructure Trust Loan	42,278.50	
Transferred from Deferred Reserve for Amortization	<u>152,552.87</u>	
		<u>537,966.62</u>
Balance December 31, 2013	D	<u>\$ 6,224,126.25</u>

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, 2012</u>	<u>2013 Authorizations</u>	<u>Principal Paid</u>	<u>Authorizations Cancelled</u>	<u>Transferred to Reserve for Amortization</u>	<u>Balance Dec. 31, 2013</u>
09-05	Water System Improvements	06/16/2009	\$ 50,000.00			\$ 662.17	\$ 49,337.83	
10-06	Purchase Pick-Up Truck	05/18/2010	35,000.00			1,784.96	33,215.04	
10-07	Water System Improvements	05/18/2010	38,500.00		\$ 37,400.00			\$ 75,900.00
13-08	Water Facility Improvements	06/18/2013		\$ 70,000.00			70,000.00	
			<u>\$ 123,500.00</u>	<u>\$ 70,000.00</u>	<u>\$ 37,400.00</u>	<u>\$ 2,447.13</u>	<u>\$ 152,552.87</u>	<u>\$ 75,900.00</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, 2012	D	\$ 616,496.84
Decreased by:		
Principal Matured		<u>300,600.81</u>
Balance December 31, 2013	D	<u>\$ 315,896.03</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2013

<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>
					\$ 315,896.03
36	03/01/14	<u>\$ 7,331.24</u>	<u>\$ 230,000.00</u>	<u>\$ 85,896.03</u>	-0-
		<u>\$ 7,331.24</u>	<u>\$ 230,000.00</u>	<u>\$ 85,896.03</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, 2012	D	\$ 136,534.25
Decreased by:		
Principal Matured		<u>17,534.44</u>
Balance December 31, 2013	D	<u>\$ 118,999.81</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2013

<u>Payment Number</u>	<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 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>\$ 13,966.47</u>	<u>\$ 118,999.81</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, 2012	D	\$ 577,034.61
Decreased by:		
Principal Matured		42,278.50
Balance December 31, 2013	D	\$ 534,756.11

Schedule of Principal and Interest Payments Outstanding December 31, 2013

<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>
					\$ 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
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

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, 2013
(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>
					\$ 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>\$ 87,993.86</u>	<u>\$ 290,000.00</u>	<u>\$ 244,756.11</u>	

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

Ord. Date	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2012	Issued	Matured	Balance Dec. 31, 2013
		Original Note	Issue	Maturity					
02-04/ 07-05	Water System Improvements	12/29/2005	10/23/2012 10/22/2013	10/22/2013 07/09/2014	1.25% 1.00%	\$ 187,595.00	\$ 182,465.00	\$ 187,595.00	\$ 182,465.00
02-04/ 07-05	Water System Improvements	12/28/2006	10/23/2012 10/22/2013	10/22/2013 07/09/2014	1.25% 1.00%	78,694.00	76,539.00	78,694.00	76,539.00
12-06	Water Main Replacement	10/31/2006	10/23/2012 10/22/2013	10/22/2013 07/09/2014	1.25% 1.00%	94,975.00	93,710.00	94,975.00	93,710.00
09-06	Water System Improvements	06/16/2009	10/23/2012 10/22/2013	10/22/2013 07/09/2014	1.25% 1.00%	121,795.00	118,590.00	121,795.00	118,590.00
09-12	Water System Improvements	08/18/2009	10/23/2012 10/22/2013	10/22/2013 07/09/2014	1.25% 1.00%	974,350.00	948,705.00	974,350.00	948,705.00
10-01	Water Main Replacement	07/20/2010	10/23/2012 10/22/2013	10/22/2013 07/09/2014	1.25% 1.00%	282,686.00	282,686.00	282,686.00	282,686.00
10-07	Water System Improvements	07/20/2010	10/23/2012 10/22/2013	10/22/2013 07/09/2014	1.25% 1.00%	1,461,500.00	1,461,500.00	1,461,500.00	1,461,500.00
						<u>\$ 3,201,595.00</u>	<u>\$ 3,164,195.00</u>	<u>\$ 3,201,595.00</u>	<u>\$ 3,164,195.00</u>
						Ref. D			D
							Renewals Paid by Budget Appropriation	\$ 3,164,195.00 37,400.00	
							<u>\$ 3,164,195.00</u>	<u>\$ 3,201,595.00</u>	

TOWNSHIP OF ALLAMUCHY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Matured</u>
Water Utility Bonds	03/15/04	\$ 200,000.00	3.50%	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>
				<u>\$ 25,000.00</u>	<u>\$ 25,000.00</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. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2013</u>
02-04/ 07-05	Water System Improvements	<u>\$ 726.21</u>	<u>\$ 726.21</u>

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
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, 2012	F	\$ 7,574.39	\$ 7,574.39
Increased by Receipts:			
Interest Earned		<u>12.30</u>	<u>12.30</u>
Balance December 31, 2013	F	<u>\$ 7,586.69</u>	<u>\$ 7,586.69</u>

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF ALLAMUCHY
COUNTY OF WARREN
2013
WATER DISTRICT

TOWNSHIP OF ALLAMUCHY
WATER DISTRICT
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2012	H	\$ 42.60
Increased by:		
Water User Fees		\$ 23,679.26
Interest on Investments and Deposits		<u>19.64</u>
		<u>23,698.90</u>
		<u>23,741.50</u>
Decreased by:		
Due Water/Sewer Utility Operating Fund		<u>23,679.26</u>
Balance December 31, 2013	H	<u><u>\$ 62.24</u></u>

TOWNSHIP OF ALLAMUCHY
WATER DISTRICT
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2012	H	\$ 3,193.48
Increased by:		
Water User Fees Levied		<u>21,831.52</u>
		25,025.00
Decreased by:		
Collections		<u>23,679.26</u>
Balance December 31, 2013	H	<u><u>\$ 1,345.74</u></u>

TOWNSHIP OF ALLAMUCHY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2013

TOWNSHIP OF ALLAMUCHY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013

Name of Federal Agency or Department	Name of Program	C.F.D.A. Number	State Grant Award Number	Grant Award	Amount Received	Grant Period		Amount of Expenditures	Cumulative Expenditures
						From	To		
U.S. Department of Homeland Security: (Passed through the New Jersey Department of Law and Public Safety)	Disaster Grants - Public Assistance - F.E.M.A.	97.036	N/A	\$ 7,668.35	\$ 7,668.35	1/1/2012	12/31/2012	\$ 7,688.35 *	\$ 7,668.35
TOTAL FEDERAL AWARDS					<u>\$ 7,668.35</u>			<u>\$ 7,688.35</u>	<u>\$ 7,668.35</u>

* Expended in 2012

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, 2013

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	8,205.07	\$ 8,205.07	1/1/2013	12/31/2014		
			11,501.32		1/1/2009	12/31/2014	\$ 6,124.22	\$ 10,144.53
	Total Clean Communities			<u>8,205.07</u>			<u>6,124.22</u>	<u>10,144.53</u>
	Recycling Tonnage	752-042-4900-001	2,430.41	<u>2,430.41</u>	1/1/2013	12/31/2014		
Total Department of Environmental Protection				<u>10,635.48</u>			<u>6,124.22</u>	<u>10,144.53</u>
N.J. Highlands Council	NJ Highlands Grant- Plan Conformance	N/A	15,000.00	<u>1,326.66</u>	1/1/2010	12/31/2014		
Department of Health and Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund	760-046-4240- 040000	527.75	<u>527.75</u>	1/1/2013	12/31/2014		
TOTAL STATE AWARDS				<u>\$ 12,489.89</u>			<u>\$ 6,124.22</u>	<u>\$ 10,144.53</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, 2013

A. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Township of Allamuchy under programs of the federal and state governments for the year ended December 31, 2013. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

B. BASIS OF ACCOUNTING

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

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, 2013:

Wastewater Treatment Trust Loan Payable	\$ 315,896.03
Water Supply Interconnection Loan Payable	118,999.81
Environmental Infrastructure Loans Payable	1,587,070.36
Green Trust Loan Payable	<u>228,788.42</u>
	<u>\$ 2,250,754.62</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

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

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Township of Allamuchy, in the County of Warren (the "Township") as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated May 30, 2014. These financial statements have been prepared in conformity with accounting principles prescribed or permitted by the Division, to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

Internal Control Over Financial Reporting

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

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2013-01, that we consider to be a significant deficiency.

Compliance and Other Matters

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

The Township's Response to the Finding

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

Purpose of this Report

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

Mount Arlington, New Jersey
May 30, 2014



NISIVOCCIA LLP



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

TOWNSHIP OF ALLAMUCHY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2013

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- A significant deficiency disclosed during the audit of the financial statements is reported in the *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*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Township was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey's OMB Circular 04-04 for the year ended December 31, 2013 as both state and federal grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

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

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2013-1

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, 2013

The Township's prior year audit finding regarding segregation of duties has not been resolved and is included as finding 2013-1.

TOWNSHIP OF ALLAMUCHY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

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 2013:

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, 2013, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2013 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, 2013, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2013 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 24, 2013.

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

<u>Year</u>	<u>Number of Liens</u>
2013	0
2012	0
2011	0

Municipal Court

The transactions for the year 2013 were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Receipts</u>	<u>Dis-</u> <u>bursements</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
State of New Jersey	\$ 18,200.93	\$ 206,448.27	\$ 208,744.42	\$ 15,904.78
Municipality:				
Fines and Fees	2,368.07	49,478.73	48,337.58	3,509.22
POAA	3.00	5.00	8.00	
Conditional Discharge	75.00	1,200.00	1,100.00	175.00
Fish and Game	75.00	570.00	645.00	
Weights and Measures		100.00	100.00	
Interest		38.00	38.00	
County Fines		27.50	27.50	
Cash Bail	2,230.00	6,508.00	4,238.00	4,500.00
Interest - Bail		7.28	7.28	
	<u>\$ 22,952.00</u>	<u>\$ 264,382.78</u>	<u>\$ 263,245.78</u>	<u>\$ 24,089.00</u>

New Jersey Administrative Code Accounting Requirements

The New Jersey Administrative Code has established three (3) accounting requirements which are as follows:

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

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

TOWNSHIP OF ALLAMUCHY
COMMENTS AND RECOMMENDATIONS
(Continued)

Water and Sewer Utility Operating Fund

Our review of the Water and Sewer Utility Operating 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.

Expenditures

Our review of expenditures revealed that an expenditure was made without an appropriation. It is recommended that expenditures be monitored more closely to ensure that there are no expenditures without an appropriation.

Managements Response:

The Chief Financial Officer will ensure that all expenditures are closely monitored and ensure that there are no expenditures without an appropriation.

Status of Prior Year Recommendations

Recommendations #1, 2, and 3 from the 2012 audit report are included in the current year recommendations and are in the process of being implemented, where possible.

TOWNSHIP OF ALLAMUCHY
SUMMARY OF RECOMMENDATIONS

It is recommended that:

- 1) Segregation of duties for the various departments/offices of the Township be reviewed in order to improve internal control.
- 2) An analysis of Water and Sewer Utility Operating Fund Security Deposits be prepared and reconciled with the general ledger.
- 3) All Animal Control receipts be deposited within 48 hours as per state statute.
- 4) Expenditures be monitored more closely to ensure that there are no expenditures without an appropriation.
