

**TOWNSHIP OF PEQUANNOCK**

Financial Statements  
with Additional Financial Information

December 31, 2012

(With Independent Auditor's Report Thereon)

# TOWNSHIP OF PEQUANNOCK

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## ***LOUIS C. MAI CPA & ASSOCIATES***

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### **Independent Auditor's Report**

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

#### **Report on the Financial Statements**

We have audited the accompanying regulatory basis balance sheets of the various funds and account groups as of December 31, 2012 and 2011 of the Township of Pequannock, New Jersey, and the related regulatory basis statements of operations and changes in fund balances for the years then ended and the related and the related regulatory basis statements of revenues and statements of expenditures of the various funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's basic 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 conformity with the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey - regulatory basis. 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.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in note 1 of the financial statements, these financial statements were prepared in conformity with the accounting practices prescribed by the Division of Local Government Services, Department of



Community Affairs, State of New Jersey- regulatory basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the “Basis for 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 the Township of Pequannock, New Jersey, as of December 31, 2012 and 2011 and the changes in financial position for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Pequannock, New Jersey, as of December 31, 2012 and 2011 and the related statement of operations and changes in fund balances for the years then ended and the related statement of revenues and statements of expenditures of the various funds, as listed in the table of contents, for the year ended December 31, 2012 on the regulatory basis of accounting described in note 1.

### **Other Matters**

#### **Additional Financial Information**

Our audit was conducted for the purpose of forming an opinion on the regulatory financial statements that collectively comprise the Township’s basic financial statements. The additional financial information included in the accompanying table of contents, is presented for the purpose of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information and schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional financial information included in the accompanying table of contents are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Pequannock’s basic financial statements. The information included in the Supplementary data and the General Comments and Recommendations as listed in the table of contents are presented for additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2013 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Township of Pequannock's internal control over financial reporting and compliance.

*Louis C. Mai CPA & Associates*  
*Louis C. Mai*

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Louis C. Mai, Registered Municipal Accountant  
No. CR00217

December 26, 2013

## ***LOUIS C. MAI CPA & ASSOCIATES***

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

#### Independent Auditor's Report

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

We have audited , in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying regulatory basis balance sheets of the various funds and account groups as of December 31, 2012 and 2011 of the Township of Pequannock, New Jersey, and the related regulatory basis statements of operations and changes in fund balances for the years then ended and the related and the related regulatory basis statements of revenues and statements of expenditures of the various funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 26, 2013, which report expressed an adverse opinion in accordance with accounting principles generally accepted in the United States of America and an unmodified opinion on the regulatory basis of accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

#### **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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over that might be material weaknesses or significant deficiencies. Given these limitations, during our

audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we noted other matters involving internal control over financial reporting, which we have reported to management of the Township of Pequannock in the accompanying General Comments and Recommendations section of this report.

### **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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported in the accompanying General Comments and Recommendations section of this report.

### **Purpose of this Report**

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

*Louis C. Mai CPA & Associates*  
*Louis C. Mai*

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Louis C. Mai, Registered Municipal Accountant  
No. CR00217

December 26, 2013

FINANCIAL STATEMENTS

## TOWNSHIP OF PEQUANNOCK

Balance Sheet  
Regulatory Fund  
Current Fund

December 31, 2012 and 2011

Assets	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Regular Fund:			
Cash	A-4	\$ 5,869,919	3,829,356
Change fund	A-23	260	260
Due from State of New Jersey for veterans' and senior citizens' deductions	A-8	<u>35,234</u>	<u>27,784</u>
		<u>5,905,413</u>	<u>3,857,400</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-6	522,970	486,720
Tax title liens	A-29	12,672	12,457
Property acquired for taxes - assessed valuation	A-12	884,650	884,650
Due from:			
Lakeland Regional Solid Waste Authority	A-25	—	11,700
Water Utility Operating Fund	A-20	3,689	—
Solid Waste Fund	A-20	4,580	—
Other Trust Fund	A-20	12,073	26,487
General Capital Fund	A-20	23,339	319
Public Library	A-20	123,449	53,549
Dog License Fund	A-20	—	—
Recreation Utility Operating Fund	A-20	—	4,706
Revenue accounts receivable	A-9	<u>17,284</u>	<u>60,870</u>
		<u>1,604,706</u>	<u>1,541,458</u>
Deferred charges:			
Overexpenditure of appropriation reserves	A-7	119	119
Overexpenditure of Appropriation	A-7	760	760
Emergency Authorizations	A-24	<u>139,000</u>	<u>1,025,000</u>
		<u>7,649,998</u>	<u>6,424,737</u>
State and Federal Grant Fund:			
Grants receivable	A-18	436,238	769,215
Due from Builders' Escrow		8	8
Due from Open Space Trust Fund		11,027	—
Due from Current Fund	A-20	<u>96,475</u>	<u>116,118</u>
		<u>543,748</u>	<u>885,341</u>
		<u>\$ 8,193,746</u>	<u>7,310,078</u>

## TOWNSHIP OF PEQUANNOCK

Balance Sheet  
Regulatory Fund  
Current Fund

December 31, 2012 and 2011

<b>Liabilities, Reserves and Fund Balance</b>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Regular Fund - liabilities:			
Appropriation reserves	A-3,A-10	\$ 1,475,471	546,689
Reserve for encumbrances	A-3, A-10	80,690	137,440
Accounts payable	A-15	164,988	168,953
Due to County for added taxes	A-26	5,870	8,318
Prepaid taxes	A-27	134,293	206,895
Due to:			
Dog License Fund	A-20	78	9,160
Sewer Utility Operating Fund	A-20	37,916	35,276
Sewer Assessment Fund	A-20	390,614	215,650
Open Space Trust Fund	A-14	—	88,700
State and Federal Grant Fund	A-20	96,475	116,118
Recreation Utility Operating Fund	A-20	34,947	—
School Taxes Payable	A-11	474,405	
State of New Jersey Uniform Construction Code	A-13	—	3,241
Emergency Notes Payable		—	600,000
Due to State of new Jersey	A-28	250	—
Tax overpayments	A-16	28,787	33,340
Reserve for various purposes	A-17	1,526,954	994,387
		<u>4,451,738</u>	<u>3,164,167</u>
Reserve for receivables		1,604,706	1,541,458
Fund balance	A-1	1,593,554	1,719,111
		<u>7,649,998</u>	<u>6,424,737</u>
State and Federal Grant Fund:			
Accounts payable		2,244	2,244
Encumbrances	A-19	57,695	6,600
Due to Open Space Trust Fund	A-21	—	1,973
Appropriated reserves	A-21	381,185	734,388
Unappropriated reserves	A-22	102,624	140,136
		<u>543,748</u>	<u>885,341</u>
		<u>\$ 8,193,746</u>	<u>7,310,078</u>

See accompanying notes to financial statements.

## TOWNSHIP OF PEQUANNOCK

Statement of Operations and Changes in Fund Balance  
Regulatory Basis  
Current Fund

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenues and other income realized:		
Fund balance utilized	\$ 1,230,000	1,300,000
Miscellaneous revenue anticipated	3,879,532	3,589,752
Receipts from delinquent taxes	482,289	454,499
Receipts from current taxes	49,598,380	48,627,242
Non-budget revenues	67,660	78,638
Other credits to income:		
Lapse of TTL redemption reserve	—	—
Unexpended balances of appropriation reserves	405,019	408,531
Interfunds returned	—	360,509
Prior year receivable collected	42,330	—
Various reserves cancelled	89,187	759,538
Cancelled/ voided checks	29	—
Net grants cancelled	76,243	—
Unexpended budget appropriations cancelled	283	65,793
Total revenue and other income	<u>55,870,952</u>	<u>55,644,502</u>
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	6,519,930	6,316,508
Other expenses	5,194,640	6,857,770
Capital improvements	1,105,000	930,000
Debt service	1,165,749	880,709
Deferred charges and statutory expenditures	1,903,113	1,658,703
County taxes	6,728,563	6,495,044
Local district school taxes	31,885,995	31,778,145
Municipal open space tax	241,500	288,700
Interfund advances	—	—
Refund of prior year's revenue	20,559	176
Prior year payables	—	20,401
Sr. Citizen and Veterans' deductions disallowed for prior year	1,460	4,000
Total expenditures	<u>54,766,509</u>	<u>55,230,156</u>
Excess in revenue over expenditures	1,104,443	414,346
Adjustments to income before Fund Balance-Expenditures included above which are by statute deferred charges to budget of succeeding year	<u>—</u>	<u>1,025,000</u>
	1,104,443	1,439,346
Fund balance, January 1	<u>1,719,111</u>	<u>1,579,765</u>
	2,823,554	3,019,111
Decreased by utilized as anticipated revenue	<u>1,230,000</u>	<u>1,300,000</u>
Fund balance, December 31	<u>\$ 1,593,554</u>	<u>1,719,111</u>
See accompanying notes to financial statements.		



## TOWNSHIP OF PEQUANNOCK

Statement of Revenues

Regulatory Basis

Current Fund

Year ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Fund balance anticipated	\$ 1,230,000	1,230,000	—
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	20,200	22,800	2,600
Other	23,000	24,682	1,682
Fees and permits:			
Other	110,000	129,788	19,788
Cable Television Franchise Fee	50,000	59,599	9,599
Payments in lieu of taxes - Senior Citizen House	82,000	87,267	5,267
Fines and costs - Municipal Court	261,000	287,080	26,080
Interest and costs on taxes	95,000	102,399	7,399
Interest on investments and deposits	37,000	19,474	(17,526)
Consolidated municipal property tax relief	70,775	70,775	—
Energy Receipts Tax (P.L. 1999, Chapters 162 & 167)	1,143,598	1,143,598	—
Uniform Construction Code Fees	265,000	285,994	20,994
Contracts for Dial-A-Ride:			
Borough of Butler	59,208	59,208	—
Borough of Kinnelon	80,483	80,483	—
Borough of Lincoln Park	82,628	82,628	—
Borough of Riverdale	27,951	27,951	—
Health Services Contract:			
Borough of Bloomingdale	84,975	84,975	—
Borough of Kinnelon	113,745	113,745	—
Borough of Riverdale	39,502	39,502	—
Borough of Florham Park	129,816	129,816	—
Field Maintenance Contract	56,000	56,000	—
Municipal Alliance on Alcoholism and Drug Abuse	12,182	12,182	—
Municipal Alliance on Alcoholism and Drug Abuse - supplemental	2,500	2,500	—
N.J. Senior Citizens Disabled Residents Transportation Assistance Act	97,658	97,658	—
Clean Communities Program	26,028	26,028	—
Alcohol Education and Rehabilitation Fund	53	53	—
Recycling Tonnage Grant	25,685	25,685	—
Utility Operating Surplus of prior year	250,000	250,000	—
Uniform Fire Safety Act	18,000	15,130	(2,870)
Uniform Fire Code fees	18,500	19,379	879
Hotel Occupancy Tax	30,000	35,093	5,093
Reserve for Public Defender Fees	8,060	8,060	—
FEMA Flood Disaster Assistance	480,000	480,000	—
Total miscellaneous revenues	<u>\$ 3,800,547</u>	<u>3,879,532</u>	<u>78,985</u>

(Continued)

**TOWNSHIP OF PEQUANNOCK**  
 Statement of Revenues  
 Regulatory Basis  
 Current Fund  
 Year ended December 31, 2012

	<b>Budget</b>	<b>Realized</b>	<b>Excess (deficit)</b>
Receipts from delinquent taxes	\$ 445,000	482,289	37,289
Amount to be raised by taxes for support of municipal budget - local tax for municipal purposes	11,004,040	11,333,476	329,436
Minimum Library Tax	914,244	914,244	—
Total Amount to be raised by taxes for support of municipal budget -	11,918,284	12,247,720	329,436
Budget totals	\$ 17,393,831	17,839,541	445,710
Non-budget revenues		67,660	
		\$ 17,907,201	

**Analysis of Realized Revenues**

Allocation of current tax collections:			
Revenue from collections	\$	49,598,380	
Allocated to school, county and open space taxes		38,856,059	
Balance for support of municipal budget appropriations		10,742,321	
Add reserve for uncollected taxes		1,505,399	
Amount for support of municipal budget appropriations	\$	12,247,720	
Receipts from delinquent taxes:			
Tax title liens	\$	—	
Delinquent tax collections		482,289	
	\$	482,289	

**Analysis of Non-budget Revenue**

Refunds and prior year reimbursements	\$	2,970
Township Clerk		31
Police Department		2,875
Tax Collector		10,378
Insurance dividends		697
Sale of surplus equipment		36,537
Finance		140
Recyclable materials		3,107
Miscellaneous		4,550
Tax Assessor		320
Senior Citizen and Veterans administrative fee		3,397
DMV inspection fees		2,658
	\$	67,660

See accompanying notes to financial statements.

TOWNSHIP OF PEQUANNOCK

Statement of Expenditures  
Regulatory Basis  
Current Fund

Year ended December 31, 2012

General Appropriations	Expended				
	Budget	Budget after modifications	Paid or charged	Reserved	Canceled
Operations-within "CAPS":					
General Government:					
Township Clerk:					
Salaries and wages	\$ 72,830	72,830	69,313	3,517	—
Other expenses	67,500	67,500	66,430	1,070	—
Township Council:					
Salaries and wages	10,003	10,003	10,003	—	—
Other expenses	9,425	9,425	4,308	5,117	—
Managers Office:					
Salaries and wages	161,631	161,631	159,591	2,040	—
Other expenses	3,000	3,000	2,289	711	—
Legal services and costs:					
Other expenses	129,000	129,000	92,014	36,986	—
Municipal Prosecutor Salaries and wages	23,090	23,090	23,081	9	—
Municipal Court:					
Salaries and wages	160,980	160,980	160,341	639	—
Other expenses	11,600	11,600	6,811	4,789	—
Public Defender (P.L. 1997, C.256):					
Salaries and wages	6,660	6,660	6,652	8	—
Audit Services	17,250	17,250	—	17,250	—
Workmen's Compensation Insurance	188,500	188,500	188,500	—	—
Insurance - General Liability	163,500	149,500	116,376	33,124	—
Group Insurance for employees	1,510,571	1,360,571	488,279	872,292	—
Department of Finance:					
Financial Administration:					
Salaries and wages	114,260	114,260	114,182	78	—
Other expenses	8,400	8,400	4,416	3,984	—
Data Processing:					
Other expenses	99,000	99,000	58,402	40,598	—

(continued)

## TOWNSHIP OF PEQUANNOCK

Statement of Expenditures  
Regulatory Basis  
Current Fund

Year ended December 31, 2012

General Appropriations	Expended				
	Budget	Budget after modifi- cations	Paid or charged	Reserved	Canceled
Revenue Administration- salaries and wages	\$ 83,970	83,970	81,924	2,046	0
Revenue Administration- other expenses	7,100	7,100	4,124	2,976	—
Tax Assessment:					
Salaries and wages	60,940	60,940	60,800	140	—
Other expenses	10,200	10,200	3,908	6,292	—
Department of Planning and Building:					
Planning and Building Department:					
Salaries and wages	91,765	91,765	90,674	1,091	—
Other expenses	79,600	79,600	62,745	16,855	0
Municipal Land and Use Law (N.J.S.A. 40:55d-1):					
Board of Adjustment:					
Salaries and wages	1,400	1,400	1,000	400	—
Other expenses	10,300	10,300	7,110	3,190	—
Department of Parks and Recreation:					
Public buildings and grounds:					
Salaries and wages	68,905	68,905	49,431	19,474	—
Other expenses	120,100	120,100	105,294	14,806	—
Parks and playgrounds:					
Salaries and wages	268,015	268,015	265,189	2,826	—
Other expenses	62,400	62,400	61,842	558	—
Celebration of public events, holidays or anniversary:					
Other expenses	19,000	19,000	16,210	2,790	—
Dial-a-ride program:					
Salaries and wages	122,045	122,045	113,366	8,679	—
Other expenses	—	—	—	—	—
Recreation:					
Salaries and wages	165,145	165,145	165,145	—	—
Other expenses	26,400	26,400	17,882	8,518	—
Department of Fire:					
Other expenses:					
Clothing allowance	50,000	50,000	46,171	3,829	—
Miscellaneous other expenses	46,500	60,500	56,662	3,838	—
Office of Fire Safety:					
Salaries and wages	38,065	38,065	31,000	7,065	—
Other expenses	6,900	6,900	5,231	1,669	—
Department of Police:					
Salaries and wages	3,654,824	3,675,824	3,653,170	22,654	—
Other expenses	205,400	205,400	203,000	2,400	—
First Aid Squad - other expenses	26,000	26,000	26,000	—	(continued)

## TOWNSHIP OF PEQUANNOCK

Statement of Expenditures  
Regulatory Basis  
Current Fund

Year ended December 31, 2012

General Appropriations	Budget	Budget after modifi- cations	Expended		
			Paid or charged	Reserved	Canceled
Emergency Management Services:	\$				
Salaries and wages	15,000	15,000	13,430	1,570	—
Other expenses	6,000	56,000	48,732	7,268	—
Flood Response and Clean Up	—	—	—	—	—
Aid to Volunteer Fire Companies	87,000	87,000	87,000	—	—
Department of Public Works:					
Road repairs and maintenance:					
Salaries and wages	192,160	192,160	157,810	34,350	—
Other expenses	115,000	115,000	71,243	43,757	—
Director of Public Works/Township Engineer:					
Salaries and wages	44,270	44,270	44,196	74	—
Other expenses	25,250	25,250	21,197	4,053	—
Street lighting and traffic control:					
Other expenses	172,000	170,500	114,426	56,074	—
Community Services Act	22,000	22,000	—	22,000	—
Vehicle Maintenance:					
Salaries and wages	72,530	73,930	73,929	1	—
Other expenses	70,000	68,600	61,065	7,535	—
Flood Advisory Committee	2,500	2,500	—	2,500	—
Department of Health:					
Salaries and wages	106,132	110,332	110,303	29	—
Other expenses	43,600	43,600	42,318	1,282	—
Dog regulation - other expenses	20,000	20,000	20,000	—	—
Boards and Commissions:					
Environmental Protection Commission (N.J.S.A. 40:56A-1 et seq.)	1,000	1,000	862	138	—
Senior Citizens Advisory Committee:					
Other expenses	1,800	1,800	828	972	—
Historic District Commission:					
Other expenses	850	850	325	525	—
PV Mental Health Center Contribution	100	100	—	100	—
Shade Tree Commission	39,200	39,200	38,700	500	—
Emergency Medical Services					
Salaries and wages	500	500	—	500	—
Other expenses	500	500	—	500	—
Economic Development Committee					
Other expenses	3,000	3,000	619	2,381	(continued)

TOWNSHIP OF PEQUANNOCK

Statement of Expenditures  
Regulatory Basis  
Current Fund

Year ended December 31, 2012

General Appropriations	Budget	Budget after modifi- cations	Expended		
			Paid or charged	Reserved	Canceled
Uniform Construction Code-Appropriations Offset by Dedicated revenues					
Uniform Construction Code Official (N.J.S.A. 52:27D-120 et seq.):					
Salaries and wages	\$ 174,950	174,950	174,936	14	—
Other expenses	13,000	13,000	8,443	4,557	—
Unclassified:					
Gasoline	179,000	179,000	176,865	2,135	—
Electricity	122,500	122,500	66,377	56,123	—
Telephone	80,000	80,000	73,826	6,174	—
Water	2,000	3,500	3,386	114	—
Natural Gas	43,000	43,000	10,353	32,647	—
Accumulated Leave	53,500	153,500	153,500	—	—
Total Operations within "CAPS"	9,690,516	9,715,716	8,273,535	1,442,181	—
Detail:					
Salaries and wages	5,710,070	5,736,670	5,629,466	107,204	—
Other expenses	3,980,446	3,979,046	2,644,069	1,334,977	—
	9,690,516	9,715,716	8,273,535	1,442,181	—
Deferred Charges and Statutory Expenditures - Municipal within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	320,000	284,800	272,451	12,349	—
Public Employees Retirement System	342,014	342,014	341,708	306	—
Police and Firemen's Retirement System of NJ	736,299	736,299	736,299	—	—
Unemployment Insurance	50,000	60,000	60,000	—	—
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	1,448,313	1,423,113	1,410,458	12,655	—
Total General Appropriations for Municipal Purposes within "CAPS":	11,138,829	11,138,829	9,683,993	1,454,836	—
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	914,244	914,244	914,244	—	—
Fair Share Housing Act (Ch. 22 P.L. 1985):					
Fair Housing Committee:					
Salaries and wages	12,600	12,600	12,585	15	—
Other expenses	2,100	2,100	48	2,052	—
Police Dispatch/911 -salaries and wages	227,200	227,200	226,927	273	(continued)

TOWNSHIP OF PEQUANNOCK

Statement of Expenditures  
Regulatory Basis  
Current Fund

Year ended December 31, 2012

General Appropriations	Expended				
	Budget	Budget after modifications	Paid or charged	Reserved	Canceled
Total Other Operations - Excluded from "CAPS"	\$ 1,156,144	1,156,144	1,153,804	2,340	—
Shared Services Agreements:					
Field Maintenance Board of Education					
Salaries and wages	29,000	29,000	29,000	—	—
Other expenses	27,000	27,000	27,000	—	—
Dial-a-ride program:					
Salaries and wages	146,369	146,369	146,369	—	—
Other expenses	103,901	103,901	85,606	18,295	—
Interlocal Health Services Agreement:					
Salaries and wages	368,038	368,038	368,038	—	—
Other expenses	—	—	—	—	—
Total Interlocal Municipal Service Agreements	674,308	674,308	656,013	18,295	—
Public and Private Programs Offset by Revenues:					
Clean Communities program	26,028	26,028	26,028	—	—
New Jersey Senior Citizen and Disabled					
Residents Transportation Assistance Act - Other expense	97,658	97,658	97,658	—	—
Drunk Driving Enforcement	—	—	—	—	—
Recycling Tonnage	25,685	25,685	25,685	—	—
US Dept. of Justice - Bulletproof Vest Partnership	—	—	—	—	—
Municipal Alliance Grant - other expenses	15,228	15,228	15,228	—	—
NJ Dept. of Health and Senior Services -					
H1N1 Corrective Action Grant	—	—	—	—	—
Municipal Alliance Supplement	3,750	3,750	3,750	—	—
NJ DEP River Desnagging	—	—	—	—	—
NJLM Education Foundation	—	—	—	—	—
Healthcare Quality Institute - Mayor's Wellness Campaign	—	—	—	—	—
Alcohol Education and rehabilitation					
Court Salaries and wages	53	53	53	—	—
Total Public and Private Programs Offset by Revenues	168,402	168,402	168,402	—	—
Total Operations-Excluded from "CAPS"	1,998,854	1,998,854	1,978,219	20,635	(continued)

TOWNSHIP OF PEQUANNOCK

Statement of Expenditures  
Regulatory Basis  
Current Fund

Year ended December 31, 2012

General Appropriations	Expended				
	Budget	Budget after modifications	Paid or charged	Reserved	Canceled
Detail:					
Salaries and wages	\$ 783,260	783,260	782,972	288	—
Other expenses	1,215,594	1,215,594	1,195,247	20,347	—
	<u>1,998,854</u>	<u>1,998,854</u>	<u>1,978,219</u>	<u>20,635</u>	<u>—</u>
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	525,000	525,000	525,000	—	—
Reserve for Purchase of Fire Apparatus	100,000	100,000	100,000	—	—
Reserve for Vehicle Replacement	125,000	125,000	125,000	—	—
Reserve for Purchase of Public Works Equipment	90,000	90,000	90,000	—	—
Reserve for Data Processing and Office Equipment	45,000	45,000	45,000	—	—
Reserve for Road Resurfacing	220,000	220,000	220,000	—	—
Total Capital Improvements Excluded from "CAPS"	<u>1,105,000</u>	<u>1,105,000</u>	<u>1,105,000</u>	<u>—</u>	<u>—</u>
Municipal Debt Service-Excluded from "CAPS":					
Payment of bond principal	—	—	—	—	—
Payment of bond anticipation notes and capital notes	1,120,000	1,120,000	1,120,000	—	—
Interest on bonds	—	—	—	—	—
Interest on notes	45,749	45,749	45,466	—	283
Total Municipal Debt Service-Excluded from "CAPS"	<u>1,165,749</u>	<u>1,165,749</u>	<u>1,165,466</u>	<u>—</u>	<u>283</u>
Deferred Charges - Municipal - Excluded from "CAPS":					
Emergency Authorization	250,000	250,000	250,000	—	—
Special Emergency Authorizations - 5 years	156,000	156,000	156,000	—	—
Deferred Charges to Future Taxes:					
Ord # 2002-06	74,000	74,000	74,000	—	—
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>480,000</u>	<u>480,000</u>	<u>480,000</u>	<u>—</u>	<u>—</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,749,603</u>	<u>4,749,603</u>	<u>4,728,685</u>	<u>20,635</u>	<u>283</u>
Total General Appropriations-Excluded from "CAPS"	<u>4,749,603</u>	<u>4,749,603</u>	<u>4,728,685</u>	<u>20,635</u>	<u>283</u>
Subtotal General Appropriations	15,888,432	15,888,432	14,412,678	1,475,471	283
Reserve for Uncollected Taxes	1,505,399	1,505,399	1,505,399	—	—
Total General Appropriations	<u>\$ 17,393,831</u>	<u>17,393,831</u>	<u>15,918,077</u>	<u>1,475,471</u>	<u>283</u>

(continued)



**TOWNSHIP OF PEQUANNOCK**

Statement of Expenditures  
 Regulatory Basis  
 Current Fund

Year ended December 31, 2012

			<u>Expended</u>		
	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Canceled</u>
<b>General Appropriations</b>					
Reserve for encumbrances			\$ 80,690		
Reserve for uncollected taxes			1,505,399		
Deferred Charges			406,000		
Due to State and Federal Grant Fund			164,106		
Cash			<u>13,761,882</u>		
			\$ <u><u>15,918,077</u></u>		

See accompanying notes to financial statements.

TOWNSHIP OF PEQUANNOCK

Balance Sheet

Trust Funds

December 31, 2012 and 2011

<b>Assets</b>	<b>Ref.</b>	<b>2012</b>	<b>2011</b>
Dog License Trust Fund:			
Cash	B-1	\$ 58,887	43,378
Due from Current Fund	B-3	<u>78</u>	<u>9,160</u>
		<u>58,965</u>	<u>52,538</u>
Open Space Trust Fund:			
Cash	B-1	272,681	158,271
Due from State and Federal Grant Fund	B-13	—	1,973
Due from Current Fund	B-11	<u>—</u>	<u>88,700</u>
		<u>272,681</u>	<u>248,944</u>
Other Trust Fund:			
Cash	B-1	<u>1,758,734</u>	<u>2,582,446</u>
		<u>1,758,734</u>	<u>2,582,446</u>
		<u>\$ 2,090,380</u>	<u>2,883,928</u>

TOWNSHIP OF PEQUANNOCK

Balance Sheet

Trust Funds

December 31, 2012 and 2011

<b>Liabilities and Reserves</b>	<b>Ref.</b>	<b>2012</b>	<b>2011</b>
<b>Dog License Trust Fund:</b>			
Reserve for expenditures	B-2	\$ 48,221	43,626
Reserve for Dodge Grant	B	10	10
Reserve for donations	B-4	700	700
Due to State of New Jersey	B-6	—	2
Prepaid licenses	B-5	<u>10,034</u>	<u>8,200</u>
		<u>58,965</u>	<u>52,538</u>
<b>Open Space Trust Fund:</b>			
Due to State and Federal Grant Fund	B-13	11,027	—
Due to General Capital	B-15	30,000	30,000
Encumbrances	B-10	3,000	3,000
Reserve for Expenditures	B-10	<u>228,654</u>	<u>215,944</u>
		<u>272,681</u>	<u>248,944</u>
<b>Other Trust Fund:</b>			
Benefits payable - payroll	B-12	649	2,094
Reserve for:			
Special deposits	B-9	461,288	422,887
Group insurance claims	B-7	336,742	1,320,124
Due to Current Fund	B-11	12,073	26,487
Accumulated leave	B-14	428,698	366,420
Various reserves	B-8	<u>519,284</u>	<u>444,434</u>
		<u>1,758,734</u>	<u>2,582,446</u>
		<u>\$ 2,090,380</u>	<u>2,883,928</u>

See accompanying notes to financial statements.

## TOWNSHIP OF PEQUANNOCK

Balance Sheet  
Regulatory Basis  
General Capital Fund

December 31, 2012 and 2011

<b>Assets</b>	<b>Ref.</b>	<b>2012</b>	<b>2011</b>
Cash	C-2,C-3	\$ 1,352,068	1,197,629
Due from Sewer Operating Fund	C-8	6,835	—
Due from Open Space	C-12	30,000	30,000
Grants receivable	C-4	8,797,444	—
Deferred charges to future taxation:			
Unfunded	C-4	<u>6,668,056</u>	<u>10,979,500</u>
		<u>\$ 16,854,403</u>	<u>12,207,129</u>
<b>Liabilities, Reserves and Fund Balance</b>			
Bond anticipation notes	C-9	\$ 2,877,000	3,517,000
Due to Current Fund	C-11	23,339	319
Reserve for encumbrances	C-5	743,750	532,097
Improvement authorizations:			
Funded	C-5	9,410,806	867,567
Unfunded	C-5	3,069,232	6,769,952
Reserve for improvements	C-7	647,400	358,400
Capital Improvement Fund	C-6	30,000	86,200
Fund balance	C-1	<u>52,876</u>	<u>75,594</u>
		<u>\$ 16,854,403</u>	<u>12,207,129</u>

There were bonds and notes authorized but not issued at December 31, 2011 and 2012 of \$7,462,500 and \$3,791,056 respectively. (Exhibit C-10).

See accompanying notes to financial statements.

**TOWNSHIP OF PEQUANNOCK**

Statement of Fund Balance  
 Regulatory Basis  
 General Capital Fund

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Balance, January 1	\$ <u>75,594</u>	<u>70,399</u>
Increased by:		
Funded improvement authorizations canceled	16,282	34,300
Premium on sale of notes	<u>—</u>	<u>1,895</u>
	<u>16,282</u>	<u>36,195</u>
	91,876	106,594
Decreased by appropriated to finance improvement authorizations -	<u>39,000</u>	<u>31,000</u>
Balance, December 31	\$ <u><u>52,876</u></u>	<u><u>75,594</u></u>

See accompanying notes to financial statements.

## TOWNSHIP OF PEQUANNOCK

Balance Sheet  
Regulatory Basis  
Water Utility Fund

December 31, 2012 and 2011

Assets	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Operating Fund:			
Cash	D-5	\$ 1,310,493	1,093,081
Change Fund - Water Utility Collector		<u>60</u>	<u>60</u>
		1,310,553	1,093,141
Receivables with full reserves:			
Consumers' accounts receivable	D-7	<u>562,931</u>	<u>392,423</u>
		562,931	392,423
Due from Water Capital Fund	D-18	—	1,105
Due from Sewer Utility Operating Fund	D-17	<u>63,514</u>	<u>85,379</u>
		63,514	86,484
Deferred Charges:			
Emergency Authorizations	D-3	<u>—</u>	<u>35,000</u>
Total Operating Fund		<u>1,936,998</u>	<u>1,607,048</u>
Assessment Fund:			
Water assessment liens	D-8	1,266	1,266
Water assessment lien interest and costs	D-8	159	159
Prospective assessments funded		<u>20,000</u>	<u>—</u>
Total Assessment Fund		<u>21,425</u>	<u>1,425</u>
Capital Fund:			
Cash	D-5	692,424	558,260
Due from Recreation Capital Fund	D	110,000	110,000
Due from Sewer Utility Operating Fund	D-23	—	300,000
Due from Sewer Capital	D-15	—	277,765
Fixed capital	D-9	7,779,721	7,736,617
Fixed capital authorized and uncompleted	D-11	<u>4,191,371</u>	<u>4,151,371</u>
Total Capital Fund		<u>12,773,516</u>	<u>13,134,013</u>
		<u>\$ 14,731,939</u>	<u>14,742,486</u>

## TOWNSHIP OF PEQUANNOCK

Balance Sheet  
Regulatory Basis  
Water Utility Fund

December 31, 2012 and 2011

<b>Liabilities, Reserves and Fund Balances</b>	<b>Ref.</b>	<b>2012</b>	<b>2011</b>
<b>Operating Fund:</b>			
Liabilities:			
Appropriation reserves	D-3,D-10	\$ 390,948	74,583
Reserve for accrued interest on notes	D-24	4,287	4,792
Due to Current Fund	D-21	3,689	—
Reserve for encumbrances	D-3,D-10	21,154	64,937
Accounts payable	D-19	<u>84,617</u>	<u>82,110</u>
		504,695	226,422
Reserve for receivables		562,931	392,423
Fund balance	D-1	<u>869,372</u>	<u>988,203</u>
Total Operating Fund		<u>1,936,998</u>	<u>1,607,048</u>
<b>Assessment Fund:</b>			
Reserve for:			
Assessments liens	D-8	1,266	1,266
Assessment lien interest and costs	D-8	159	159
Assessments - prospective assessments funded		<u>20,000</u>	<u>—</u>
Total Assessment Fund		<u>21,425</u>	<u>1,425</u>
<b>Capital Fund:</b>			
Reserve for amortization	D-13	6,520,684	6,347,580
Bond anticipation notes	D-22	1,040,000	1,170,000
Due to Water Operating Fund	D-18	—	1,105
Due to General Capital Fund			
Improvement authorizations:			
Funded	D-14	934,311	1,436,807
Unfunded	D-14	1,287,311	1,447,311
Deferred reserve for amortization	D-20	2,823,097	2,623,097
Capital Improvement Fund	D-12	160,049	100,049
Fund balance	D-4	<u>8,064</u>	<u>8,064</u>
Total Capital Fund		<u>12,773,516</u>	<u>13,134,013</u>
		<u>\$ 14,731,939</u>	<u>14,742,486</u>

There were bonds and notes authorized but not issued at December 31, 2012 and 2011 of **\$1,847,311** and \$1,747,311, respectively. (Exhibit D-16)

See accompanying notes to financial statements.

**TOWNSHIP OF PEQUANNOCK**

Statement of Operations and Changes  
in Fund Balance - Operating Fund  
Regulatory Basis  
Water Utility Fund

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenues and other income realized:		
Fund balance utilized	\$ 450,000	200,000
Rents	2,463,571	2,311,554
Miscellaneous	35,744	30,495
Other credits to income:		
Unexpended balance of appropriation reserves	46,319	81,200
Cancellation of accrued interest	535	3,387
	<u>2,996,169</u>	<u>2,626,636</u>
Total revenues and other income		
Expenditures:		
Operating:		
Salaries and wages	604,565	570,965
Other expenses	1,144,200	1,018,000
Capital improvements	206,500	202,000
Debt service	140,961	149,500
Deferred charges and statutory expenditures	568,774	203,535
	<u>2,665,000</u>	<u>2,144,000</u>
Total expenditures		
Excess in revenue	331,169	482,636
Adjustments to income before Fund Balance-Expenditures included above which are by statute deferred charges to budget of succeeding year-emergency appropriations(40A:4-47)	<u>—</u>	<u>35,000</u>
Statutory excess to fund balance	331,169	517,636
Fund balance, January 1	<u>988,203</u>	<u>670,567</u>
	1,319,372	1,188,203
Decreased by utilized as Water Utility Operating Fund budget revenue	<u>450,000</u>	<u>200,000</u>
Fund balance, December 31	<u>\$ 869,372</u>	<u>988,203</u>

See accompanying notes to financial statements.



**TOWNSHIP OF PEQUANNOCK**

Statement of Revenues - Operating Fund  
 Regulatory Basis  
 Water Utility Fund

Year ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund balance anticipated	\$ 450,000	450,000	—
Rents	2,190,000	2,463,571	273,571
Miscellaneous	<u>25,000</u>	<u>35,744</u>	<u>10,744</u>
	<u>\$ 2,665,000</u>	<u>2,949,315</u>	<u>284,315</u>
Miscellaneous:			
Interest on investments		\$ 2,913	
Customer Account Interest		10,910	
Connection fees		7,476	
Miscellaneous		<u>14,445</u>	
Cash collected		35,744	
Less Due from Water Capital Fund		<u>1,154</u>	
		<u>\$ 34,590</u>	

See accompanying notes to financial statements.

## TOWNSHIP OF PEQUANNOCK

Statement of Expenditures - Operating Fund  
Regulatory Basis  
Water Utility Fund

Year ended December 31, 2012

	Appropriations		Expended	
	Budget	Budget after modifications	Paid or charged	Reserved
Operating:				
Salaries and wages	\$ 604,565	604,565	574,649	29,916
Other expenses	1,144,200	1,144,200	845,851	298,349
Capital improvements:				
Capital improvement	100,000	100,000	100,000	—
Capital outlay	106,500	106,500	43,817	62,683
Debt Service:				
Payment of Bond Anticipation Notes	130,000	130,000	130,000	—
Interest on Notes	10,961	10,961	10,960	—
Deferred charges and statutory expenditures:				
Deferred charges:				
Emergency authorization	35,000	35,000	35,000	—
Deferred Charges to Future Rents				
Ord. 2007-14	80,000	80,000	80,000	—
Ord. 2007-13	80,000	80,000	80,000	—
Statutory expenditures:				
Public Employees Retirement System	60,474	60,474	60,474	—
Social Security System (O.A.S.I.)	46,250	46,250	46,250	—
Unemployment Compensation				
Insurance	11,061	11,061	11,061	—
Reserve for accumulated absences	5,989	5,989	5,989	—
Surplus (Current Fund)	250,000	250,000	250,000	—
	<u>\$ 2,665,000</u>	<u>2,665,000</u>	<u>2,274,051</u>	<u>390,948</u>
Cash disbursed			\$ 2,216,599	
Interest on notes			10,960	
Encumbrances payable			11,492	
			<u>\$ 2,274,051</u>	

See accompanying notes to financial statements.

**TOWNSHIP OF PEQUANNOCK**

Statement of Fund Balance - Capital Fund  
Regulatory Basis  
Water Utility Fund

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Balance, January 1,	\$ 8,064	8,064
Balance, December 31,	<u>\$ 8,064</u>	<u>8,064</u>

See accompanying notes to financial statements.

TOWNSHIP OF PEQUANNOCK

Balance Sheet  
Regulatory Basis  
Sewer Utility Fund

December 31, 2012 and 2011

<b>Assets</b>	<b>Ref.</b>	<b>2012</b>	<b>2011</b>
<b>Operating Fund:</b>			
Cash	E-5	\$ 442,374	276,561
Due from Sewer Assessment Fund	E-23	325,000	497,483
Due from Sewer Utility Capital Fund	E-16	—	271,101
Due from Current fund	E-21	<u>37,916</u>	<u>35,276</u>
		<u>805,290</u>	<u>1,080,421</u>
<b>Receivables with full reserves:</b>			
Sewer rents receivable	E-7	596,187	570,592
Sewer Liens	E-28	<u>302</u>	<u>302</u>
		<u>596,489</u>	<u>570,894</u>
<b>Total Operating Fund</b>		<u><u>1,401,779</u></u>	<u><u>1,651,315</u></u>
<b>Assessment Fund:</b>			
Due from Current Fund	E-30	390,614	215,650
Assessments receivable	E-29	3,252,702	261,186
Deficit		413,000	413,000
Prospective assessments funded		<u>6,400,000</u>	<u>10,530,000</u>
<b>Total Assessment Fund</b>		<u><u>10,456,316</u></u>	<u><u>11,419,836</u></u>
<b>Capital Fund:</b>			
Cash	E-5	279,580	866,057
Due from Sewer Operating Fund	E-16	19,951	—
Fixed capital	E-9	3,810,637	3,810,637
Fixed capital authorized and uncompleted	E-22	<u>22,862,694</u>	<u>22,862,694</u>
<b>Total Capital Fund</b>		<u><u>26,972,862</u></u>	<u><u>27,539,388</u></u>
		<u><u>\$ 38,830,957</u></u>	<u><u>40,610,539</u></u>

(continued)

## TOWNSHIP OF PEQUANNOCK

Balance Sheet  
Regulatory Basis  
Sewer Utility Fund

December 31, 2012 and 2011

<b>Liabilities, Reserves and Fund Balances</b>	<b>Ref.</b>	<b>2012</b>	<b>2011</b>
<b>Operating Fund:</b>			
Liabilities:			
Accounts payable	E-24	\$ 8,000	13,700
Encumbrances payable	E-8	18,174	21,058
Appropriation reserves	E-3,E-11	81,619	61,952
Accrued interest on sewer bonds	E-12	55,160	59,327
Accrued interest on notes	E-13	3,893	4,982
Due to Sewer Utility Capital Fund		19,951	—
Due to Solid Waste Utility Fund	E-25	230,644	250,220
Due to Water Utility Operating Fund	E-26	63,515	85,379
Due to Water Utility Capital Fund	E-34	—	300,000
Due to General Capital Fund	E-31	6,835	—
Overpayments	E-5	672	—
Reserve for maintenance bond	E-32	5,000	5,000
		<u>493,463</u>	<u>801,618</u>
Reserve for receivables		596,489	570,894
Fund balance	E-1	311,827	278,803
		<u>908,316</u>	<u>849,697</u>
<b>Total Operating Fund</b>		<u>1,401,779</u>	<u>1,651,315</u>
<b>Assessment Fund:</b>			
Reserve for assessment	-	3,252,702	261,186
Due to Sewer Operating Fund	E-23	325,000	497,483
Fund balance	E-27	478,614	131,167
Reserve for prospective assessments funded	-	6,400,000	10,530,000
<b>Total Assessment Fund</b>		<u>10,456,316</u>	<u>11,419,836</u>
<b>Capital Fund:</b>			
Bonds payable	E-17	6,733,000	7,233,000
Bond anticipation notes payable	E-33	1,248,000	1,253,000
Reserve for amortization	E-14	4,041,137	3,536,137
Due to Sewer Utility Operating Fund	E-16	—	271,101
Due to Water Utility Capital Fund	E-35	—	277,765
Improvement authorizations:			
Funded	E-18	170,273	338,034
Unfunded	E-18	11,726,373	11,726,373
Deferred reserve for amortization	E-20	2,796,194	2,776,194
Capital Improvement Fund	E-15	3,685	3,685
Fund balance	E-4	254,200	124,099
<b>Total Capital Fund</b>		<u>26,972,862</u>	<u>27,539,388</u>
		<u>\$ 38,830,957</u>	<u>40,610,539</u>

There were bonds and notes authorized but not issued of \$11,855,000 and \$11,875,000 at December 31, 2012 and 2011 respectively (Exhibit E-19).

See accompanying notes to financial statements.

## TOWNSHIP OF PEQUANNOCK

Statement of Operations and Changes in Fund Balance  
Regulatory Basis  
Sewer Utility Fund

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue and other income realized:		
Fund balance utilized	\$ 75,000	—
Rents	2,632,039	2,581,327
Miscellaneous	29,291	33,439
Assessment Trust Fund surplus	130,000	123,000
Other credits to income:		
Appropriation cancelled	—	10,995
Unexpended balance of appropriation reserves	56,239	52,379
Miscellaneous	—	2,039
Unexpended balance of accrued interest	4,167	—
Total revenues and other income	<u>2,926,736</u>	<u>2,803,179</u>
Expenditures:		
Operations:		
Salaries and wages	261,955	259,180
Other expenses	233,480	221,480
Two Bridges Sewer Authority	1,646,389	1,599,322
Debt service	607,784	372,710
Deferred charges and statutory expenditures	68,392	180,440
Other debits	712	—
Total expenditures	<u>2,818,712</u>	<u>2,633,132</u>
Excess in revenue (deficit)	108,024	170,047
Fund balance, January 1	<u>278,803</u>	<u>108,756</u>
	386,827	278,803
Decreased by utilized as anticipated revenue	<u>75,000</u>	—
Fund balance, December 31	<u>\$ 311,827</u>	<u>278,803</u>

See accompanying notes to financial statements.

TOWNSHIP OF PEQUANNOCK

Statement of Revenues  
Regulatory Basis  
Sewer Utility Fund

Year ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Fund balance	\$ 75,000	75,000	—
Sewer rents	2,580,000	2,632,039	52,039
Miscellaneous	33,000	29,291	(3,709)
Assessment Fund Surplus	<u>130,000</u>	<u>130,000</u>	<u>—</u>
	<u>\$ 2,818,000</u>	<u>2,866,330</u>	<u>48,330</u>
Miscellaneous:			
Connections fees		\$ 8,949	
Customer interest		17,696	
Other		<u>2,646</u>	
		<u>\$ 29,291</u>	
Cash		<u>29,291</u>	
		<u>\$ 29,291</u>	

See accompanying notes to financial statements.

## TOWNSHIP OF PEQUANNOCK

Statement of Expenditures  
Regulatory Basis  
Sewer Utility Fund

Year ended December 31, 2012

	Appropriations		Expended	
	Budget	Budget after modifications	Paid or charged	Reserved
Operating:				
Salaries and wages	\$ 261,955	261,955	238,860	23,095
Other expenses	233,480	233,480	174,956	58,524
Payment to Two Bridges Sewer Authority	1,646,389	1,646,389	1,646,389	—
Debt service:				
Payment of bond principal	310,000	310,000	310,000	—
Interest on bonds	284,770	284,770	284,770	—
Interest on notes	13,014	13,014	13,014	—
Deferred Charges:				
1995-08	10,000	10,000	10,000	—
2002-07	10,000	10,000	10,000	—
Statutory expenditures - contribution to:				
Public Employees' Retirement System	26,790	26,790	26,790	—
Social Security System (O.A.S.I.)	20,040	20,040	20,040	—
Unemployment Compensation Insurance	1,562	1,562	1,562	—
	\$ <u>2,818,000</u>	<u>2,818,000</u>	<u>2,736,381</u>	<u>81,619</u>
Cash			\$ 2,436,922	
Accrued interest on bonds			284,770	
Accrued interest on notes			13,014	
Encumbrances payable			<u>1,675</u>	
			\$ <u>2,736,381</u>	

See accompanying notes to financial statements.



**TOWNSHIP OF PEQUANNOCK**

Statement of Fund Balance - Capital Fund  
 Regulatory Basis  
 Sewer Utility Fund

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Balance, January 1,	\$ 124,099	123,883
Increased by:		
Improvement authorizations cancelled	130,101	—
Increased by premium on sale of notes	<u>—</u>	<u>216</u>
	<u>130,101</u>	<u>2,362</u>
Balance, December 31,	<u><u>254,200</u></u>	<u><u>124,099</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF PEQUANNOCK

Balance Sheet  
Regulatory Basis  
Solid Waste Utility Fund

December 31, 2012 and 2011

<b>Assets</b>	<b>Ref.</b>	<b>2012</b>	<b>2011</b>
Cash	F-4	\$ 376,749	341,381
Receivables with full reserves:			
Consumers' accounts receivable	F-5	<u>138,815</u>	<u>131,089</u>
		515,564	472,470
Due from Sewer Utility Operating Fund	F-8	<u>230,644</u>	<u>250,220</u>
		<u>\$ 746,208</u>	<u>722,690</u>
<b>Liabilities, Reserves and Fund Balance</b>			
Appropriation reserves	F-3, F-7	\$ 53,354	54,576
Reserve for encumbrances	F-3, F-7	87,212	1,469
Accounts Payable	F-10	47,740	47,439
Reserve for recycling tonage grant	F-9	—	28,563
Due to Current Fund	F-6	<u>4,580</u>	<u>—</u>
		<u>192,886</u>	<u>132,047</u>
Reserve for receivables		138,815	131,089
Fund balance	F-1	<u>414,507</u>	<u>459,554</u>
		<u>553,322</u>	<u>590,643</u>
		<u>\$ 746,208</u>	<u>722,690</u>

See accompanying notes to financial statements.

TOWNSHIP OF PEQUANNOCK

Statement of Operations and Changes in Fund Balance  
 Regulatory Basis  
 Solid Waste Utility Fund

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue and other income realized:		
Fund balance utilized	\$ 117,000	110,000
Utility billings	1,437,476	1,411,500
Miscellaneous	9,764	19,820
Recycling Tonnage Grant	28,563	28,611
Other credits to income:		
Unexpended balance of appropriation reserves	<u>40,150</u>	<u>125,839</u>
Total income	<u>1,632,953</u>	<u>1,695,770</u>
Expenditures:		
Operations:		
Salaries and wages	177,010	177,155
Other expenses	1,315,370	1,293,320
Capital improvements	30,000	—
Statutory expenditures	34,454	32,409
Judgements	4,166	4,116
Insufficient fund checks	<u>—</u>	<u>682</u>
Total expenditures	<u>1,561,000</u>	<u>1,507,682</u>
Excess in revenue	71,953	188,088
Fund balance, January 1	<u>459,554</u>	<u>381,466</u>
	531,507	569,554
Decreased by utilized as anticipated revenue	<u>117,000</u>	<u>110,000</u>
Fund balance, December 31	<u>\$ 414,507</u>	<u>459,554</u>

See accompanying notes to financial statements.

**TOWNSHIP OF PEQUANNOCK**

Statement of Revenues  
 Regulatory Basis  
 Solid Waste Utility Fund

Year ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund balance	\$ 117,000	117,000	—
User fees	1,400,000	1,437,476	37,476
Miscellaneous	15,437	9,764	(5,673)
Recycling Tonnage Grant	<u>28,563</u>	<u>28,563</u>	<u>—</u>
	<u>\$ 1,561,000</u>	<u>1,592,803</u>	<u>31,803</u>
Cash		\$ 1,475,803	
Fund balance anticipated		<u>117,000</u>	
		<u>\$ 1,592,803</u>	

See accompanying notes to financial statements.

TOWNSHIP OF PEQUANNOCK

Statement of Expenditures  
 Regulatory Basis  
 Solid Waste Utility Fund

Year ended December 31, 2012

	Appropriations		Expended	
	Budget	Modified Budget	Paid or charged	Reserved
Operating:				
Salaries and wages	\$ 177,010	177,010	173,238	3,772
Other expenses	1,315,370	1,315,370	1,285,637	29,733
Capital Improvements:				
Capital Outlay	30,000	30,000	29,590	410
Statutory expenditures - contribution to:				
Public Employees' Retirement System	18,764	18,764	—	18,764
Social Security System (O.A.S.I.)	13,450	13,450	12,775	675
Unemployment Compensation Insurance	2,240	2,240	2,240	—
Reserve for accumulated absences	4,166	4,166	4,166	—
	<u>\$ 1,561,000</u>	<u>1,561,000</u>	<u>1,507,646</u>	<u>53,354</u>
			\$ 1,415,854	
Cash			4,580	
Paid by Current Fund			87,212	
Encumbrances payable			<u>\$ 1,507,646</u>	

See accompanying notes to financial statements.

## TOWNSHIP OF PEQUANNOCK

Balance Sheet  
Regulatory Basis  
Recreation Utility Fund

December 31, 2012 and 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<b>Assets</b>			
Operating Fund:			
Cash	G-4	\$ 81,670	96,309
Due from Current Fund	G-6	34,947	—
		<u>116,617</u>	<u>96,309</u>
Capital Fund:			
Cash	G-4	7,318	5,313
Fixed capital	G-7	134,682	134,682
Fixed capital authorized and uncompleted	G-12	2,318	2,318
Due from Recreation Operating Fund	G-6	2,000	2,005
		<u>146,318</u>	<u>144,318</u>
		<u>\$ 262,935</u>	<u>240,627</u>
<b>Liabilities, Reserves and Fund Balance</b>			
Operating Fund:			
Appropriation reserves	G-3. G-8	\$ 11,490	23,097
Encumbrances payable	G-9	5,436	4,030
Due to Current Fund	G-6	—	4,706
Accounts payable	G-8	2,900	—
Prepaid program registration		40	—
Due to Recreation Capital Fund	G-6	2,000	2,005
		<u>21,866</u>	<u>33,838</u>
Fund balance	G-1	94,751	62,471
		<u>116,617</u>	<u>96,309</u>
Capital Fund:			
Reserve for amortization	G-13	31,000	29,000
Improvement authorizations - unfunded	G-11	2,318	2,318
Due to Water Capital fund	G-15	110,000	110,000
Capital improvement fund	G-14	3,000	3,000
		<u>146,318</u>	<u>144,318</u>
		<u>\$ 262,935</u>	<u>240,627</u>

There were bonds and notes authorized but not issued at December 31, 2012 and 2011 of \$106,000 and \$108,000. (Exhibit G-10)

See accompanying notes to financial statements.

TOWNSHIP OF PEQUANNOCK

Statement of Operations and Changes in Fund Balance  
Regulatory Basis  
Recreation Utility Fund

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue and other income realized:		
Fund balance utilized	\$ 31,000	41,000
Program fees	430,061	373,884
Miscellaneous	403	6,365
Other credits to income		
Unexpended budget appropriations cancelled	—	50,000
Clearing	—	8
Unexpended balance of appropriation reserve	<u>18,816</u>	<u>5,811</u>
Total revenues and other income	<u>480,280</u>	<u>477,068</u>
Expenditures:		
Operations		
Salaries and wages	232,590	243,150
Other expenses	178,100	226,400
Deferred charges and statutory expenditures:		
Deferred charges:		
Emergency appropriation	2,000	2,000
Statutory expenditures - contributions to:		
Public Employee's Retirement System	2,000	2,000
Social Security System (O.A.S.I.)	2,000	2,000
Unemployment Compensation Insurance	<u>310</u>	<u>450</u>
Total expenditures	<u>417,000</u>	<u>476,000</u>
Excess (deficit) revenue over expenditures	63,280	1,068
Fund balance, January 1	<u>62,471</u>	<u>102,403</u>
	125,751	103,471
Decreased by utilized as anticipated revenue	<u>31,000</u>	<u>41,000</u>
Fund balance, December 31	<u>\$ 94,751</u>	<u>62,471</u>

See accompanying notes to financial statements.

**TOWNSHIP OF PEQUANNOCK**

Statement of Revenues  
Regulatory Basis  
Recreation Utility Fund

Year ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
Operating surplus anticipated	\$ 31,000	31,000	—
Facilities/membership fees	126,000	116,207	(9,793)
Activity fees	254,000	313,854	59,854
Miscellaneous	<u>6,000</u>	<u>403</u>	<u>(5,597)</u>
	<u>\$ 417,000</u>	<u>461,464</u>	<u>44,464</u>
Cash		\$ 430,464	
Fund balance anticipated		<u>31,000</u>	
		<u>\$ 461,464</u>	

See accompanying notes to financial statements.



TOWNSHIP OF PEQUANNOCK

Statement of Expenditures  
 Regulatory Basis  
 Recreation Utility Fund

Year ended December 31, 2012

	Appropriations		Expended	
	Budget	Budget after modification	Paid or charged	Reserved
Operating:				
Salaries and wages	\$ 232,590	232,590	230,124	2,466
Other expenses	178,100	178,100	173,076	5,024
Deferred charges and statutory expenditures:				
Deferred charges:				
Deferred Charges Unfunded Ord. 2003	2,000	2,000	2,000	—
Statutory expenditures:				
Public Employee's Retirement System	2,000	2,000	—	2,000
Social Security System (O.A.S.I.)	2,000	2,000	—	2,000
Unemployment Compensation Insurance	310	310	310	—
	\$ 417,000	417,000	405,510	11,490
			\$ 398,074	
Cash disbursed			2,000	
Deferred charge			5,436	
Encumbrances payable			405,510	

See accompanying notes to financial statements.

**Exhibit H**

**TOWNSHIP OF PEQUANNOCK**

Statement of General Fixed Assets

General Fixed Assets Account Group

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Land and buildings	\$ 22,666,293	21,095,743
Machinery and equipment	1,867,625	1,793,262
Furniture and fixtures	1,915,548	1,915,548
Vehicles	<u>4,936,212</u>	<u>4,970,335</u>
	<u>\$ 31,385,678</u>	<u>29,774,888</u>
Investment in General Fixed Assets	<u>\$ 31,385,678</u>	<u>29,774,888</u>

See accompanying notes to financial statements.

# TOWNSHIP OF PEQUANNOCK

## Notes to Financial Statements

December 31, 2012

### (1) **Summary of Significant Accounting Policies**

The accounting policies of the Township of Pequannock, County of Morris, New Jersey (the Township) conform to the accounting principles applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The accompanying financial statements are presented in the format prescribed by the State of New Jersey. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. The following is a summary of the significant policies.

#### ***Reporting Entity***

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

#### ***Fund Accounting***

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Township, the accounts of the Township are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures, as appropriate.

#### ***Fund Types***

**Current Fund:** is used to account for all revenues and expenditures applicable to the general operations of Township departments and agencies. Federal and state grants are included in the Current Fund.

**Trust Funds:** are used to account for assets held by the Township in a trustee capacity or as an agent for individuals or other governmental agencies. Funds held by the Township which have restrictions placed on the use of such funds are recorded in the Trust Funds.

**General Capital Fund:** is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

**Utility Operating Funds:** are used to account for all revenues and expenditures applicable to the operations of the water, sewer, solid waste and recreation utilities.

(Continued)

## TOWNSHIP OF PEQUANNOCK

### Notes to Financial Statements

December 31, 2012

Utility Capital Funds: are used to account for financial resources to be used for the acquisition of utility capital facilities. The major resources are derived from the sale of general serial bonds and bond anticipation notes.

Water Utility Fund is used to account for the activity of the Township's water system. The Township bills for water consumed from its wells and a purchase contract with the City of Newark.

Sewer Utility is used to account for the activity of the Township's sewer collection system. The sewage treatment is provided by a long term agreement with the TBSA.

Solid Waste Utility Fund: is used to account for garbage collection and recycling operations of the Township.

Recreation Utility Fund: is used to account for collection of fees and operation of recreational services of the Township. The Capital Fund is used to account for financial resources to be used for the acquisition of utility capital facilities. The major resources are derived from the sale of general serial bonds and bond anticipation notes.

General Fixed Assets Account Group: is used to account for all fixed assets purchased by the Current and General Capital Funds.

#### ***Budgets and Budgetary Accounting***

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township of Pequannock and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

#### ***Basis of Accounting***

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow. During 2011 the amendments for additional revenue were not major.

#### ***Revenues***

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

(Continued)

## TOWNSHIP OF PEQUANNOCK

### Notes to Financial Statements

December 31, 2012

#### ***Expenditures***

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 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. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. Disbursements for Current Fund, Utility Operating Funds and General Capital Fund inventory-type items are considered expenditures at the time of purchase. Prepaid expenses are not recorded. The Township's share of contributions for fringe benefits, such as retirement plans, accrued vacation leave, litigation settlements and certain professional fees, are accounted for on the cash basis.

Had the Township's financial statements been prepared under generally accepted accounting principles, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenues susceptible to accrual would have been reflected without offsetting reserves; fixed assets in Utility Funds would be depreciated; State grants and assistance would be recognized as soon as all eligibility requirements imposed by the provider have been met, not when awarded; and inventories would not be reflected as expenditures at the time of purchase; the fixed assets of the Water, Sewer and Solid Waste Funds would have been depreciated and there would be no exhibit references on the financial statements.

#### ***Foreclosed Property***

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved.

#### ***Inventories***

Current fund inventory type items and inventories held by the sewer utility fund are expensed as incurred. GAAP requires the amount of inventory on hand to be recorded as an asset at year-end.

#### ***Improvement authorizations***

Represents the unexpended balance of an ordinance appropriation and is similar to the unexpended portion of the budget in the Current Fund. GAAP does not recognize these amounts as liabilities.

(Continued)

# TOWNSHIP OF PEQUANNOCK

## Notes to Financial Statements

December 31, 2012

### ***Investments***

Investments are carried at cost. Purchases of investments are limited by N.J.S. 40A:5-15.1 to bonds or obligations of or guaranteed by the Federal government and bonds or other obligations of Federal or local units having a maturity date not more than twelve months from the date of purchase. GAAP requires that investments be recorded at fair value.

### ***Interfund Receivables***

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

### ***Deferred Charges to Future Taxation Funded and Unfunded***

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

### ***Fixed Assets***

#### **Current Fund and General Capital Fund**

Property and equipment purchased by the Current Fund and the General Capital Fund are recorded as expenditures at the time of purchase and are then capitalized in the general fixed assets account group.

#### **Utility Funds**

Property and equipment purchased by the Utility Funds are also recorded as expenditures at the time of purchase but are capitalized at cost in the Utility Capital Funds as fixed capital.

### ***Use of Estimates***

The preparation of financial statements requires management to make estimates that affect the recorded amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(Continued)

## TOWNSHIP OF PEQUANNOCK

### Notes to Financial Statements

December 31, 2012

#### (2) Retirement Plans

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems (retirement systems) which have been established by State statute: the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the State of New Jersey.

##### *Police and Firemen's Retirement System*

Police and Firemen's Retirement Systems (PFRS)--is a cost-sharing multiple-employer contributory defined benefit plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

##### *Public Employees' Retirement System*

Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provision N.J.S.A. 43:15A to provide retirement, death and disability benefits, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

##### *Other Pension Funds*

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT), which is available to active members of several State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Pension Adjustment Fund (PAF), which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. The cost of living increases for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

According to State statutes, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required

(Continued)

## TOWNSHIP OF PEQUANNOCK

### Notes to Financial Statements

December 31, 2012

supplementary information of each of the above systems, funds, and trusts. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

#### *Significant Legislation*

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rates increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates will increase in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

(Continued)



**TOWNSHIP OF PEQUANNOCK**

Notes to Financial Statements

December 31, 2012

**Funding Policy**

**Contribution Requirements**

The contribution policy for PFRS and PERS is set by New Jersey State statutes and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Members of PFRS contribute at a uniform rate of 10% of base salary, as defined. Members of PERS contribute at a uniform rate of 6.25% of base salary, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PFRS and PERS. In the PERS the employer contribution includes funding for post-retirement medical premiums.

**Township Contributions**

The Township's year ended December 31, 2012, 2011, 2010 and 2009 contribution to PERS was \$428,972, \$316,397, \$339,403 and \$328,524 and PFRS was \$736,299, \$770,039, \$636,533 and \$595,787 respectively.

**(3) Long-term Debt**

**Summary of Municipal Debt  
(Excluding Type II School Debt)**

	2012	2011	2010
Issued:			
General bonds, notes and loans	\$ 2,877,000	3,517,000	3,742,000
Water Utility bonds and notes	1,040,000	1,170,000	1,300,000
Sewer Utility bonds and notes	7,981,000	8,486,000	8,461,000
Total Issued	<u>11,898,000</u>	<u>13,173,000</u>	<u>9,761,000</u>
Authorized but not issued:			
General bonds and notes	3,791,056	7,462,500	2,687,500
Water Utility bonds and notes	1,587,311	1,747,311	1,847,311
Recreation Utility bonds and notes	106,000	108,000	110,000
Sewer Utility bonds and notes	11,855,000	11,875,000	12,375,000
Total authorized but not issued	<u>17,339,367</u>	<u>21,192,811</u>	<u>17,019,811</u>
Bonds and notes issued and authorized but not issued	<u>\$ 29,237,367</u>	<u>34,365,811</u>	<u>26,780,811</u>

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

The summarized statement of debt condition at December 31, 2012 which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.298%

(Continued)

**TOWNSHIP OF PEQUANNOCK**

Notes to Financial Statements

December 31, 2012

	<b>Gross Debt</b>	<b>Deductions</b>	<b>Net Debt</b>
School district debt	\$ 13,235,000	13,235,000	—
Sewer Utility debt	19,836,000	18,602,243	1,233,757
Recreation Utility debt	106,000	106,000	—
General debt	6,668,056	—	6,668,056
Water Utility debt	2,627,311	2,627,311	—
	\$ 42,472,367	34,570,554	7,901,813

Net debt of \$7,901,813 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,653,508,794 equals 0.298%

**Borrowing Power under N.J.S.A. 40A:2-6 as Amended**

3-1/2% of equalized valuation basis (municipal)	\$	92,872,808
Net debt		7,901,813
Remaining borrowing power	\$	84,970,995

The Township's long-term debt consisted of the following at December 31, 2012:

Sewer Utility Serial Bonds—		
Sewer utility bond issued Oct. 15, 2007; through Oct 15, 2023	\$	6,733,000

The Township's long-term debt consisted of the following at December 31, 2011:

Sewer Utility Serial Bonds—		
Sewer utility bond issued Oct. 15, 2007; through Oct 15, 2023	\$	7,233,000

Bond debt service requirements at December 31, 2012 were as follows:

Year	<b>Sewer Utility Capital Fund</b>		
	Total	Principal	Interest
2013	785,395	525,000	260,395
2014	789,187	550,000	239,187
2015	791,978	575,000	216,978
2016	793,770	600,000	193,770
2017	794,562	625,000	169,562
2018-2022	3,725,715	3,250,000	475,715
2023	627,253	608,000	19,253
	\$ 8,307,860	6,733,000	1,574,860

General capital serial bonds are direct obligations of the Township for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Township.

(Continued)

**TOWNSHIP OF PEQUANNOCK**

Notes to Financial Statements

December 31, 2012

At December 31, 2012 and 2011, the Township had authorized but not issued General Capital Fund debt of \$12,477,500 and \$7,462,500 Sewer Capital Fund debt of \$11,855,000 and \$11,875,000, Water Capital Fund debt of \$1,587,311 and \$1,747,311 and Recreation Capital Fund debt of \$106,000 and \$108,000.

**(4) Bond Anticipation Notes**

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Additional legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

At December 31, 2012 and 2011, the Township had \$2,877,000 and \$3,517,000 outstanding bond anticipation notes in the General Capital Fund, \$1,040,000 and \$1,170,000 in the Water Utility Fund and \$1,248,000 and \$1,253,000 in the Sewer Utility Fund.

**(5) Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the various funds:

	<b>Balance, December 31, 2012</b>	<b>2013 Budget Appropriation</b>
Current Fund:		
Special emergencies	\$ 139,000	36,000
Over expenditure of appropriation	760	—
Over expenditure of appropriation reserve	119	—

**(6) Fund Balance Appropriated**

Fund balance appropriated and included as anticipated revenue in the 2013 budgets are:

Current Fund	\$ 1,250,000
Water Utility Fund	580,000
Sewer Utility Fund	125,000
Recreation Utility Fund	40,000
Solid Waste Utility Fund	144,000

(Continued)

## TOWNSHIP OF PEQUANNOCK

### Notes to Financial Statements

December 31, 2012

#### **(7) Accrued Sick and Vacation Benefits**

The Township permits employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. The estimated current cost of such unpaid compensation at December 31, 2012 and 2011 is approximately \$2,055,639 and \$1,882,114, respectively. In compliance with State Regulations such amounts are not reflected in the financial statements.

As of December 31, 2012 and 2011, the Township has a reserve of \$427,844 and \$365,566 for future accumulated absence claims.

#### **(8) Contingencies**

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2012. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. Funding of any liability would be provided for in succeeding years' budgets or through a refunding bond ordinance which would allow the Township to fund these liabilities over a number of years. The Township had reserves of \$1,175,512 and \$678,334 at December 31, 2012 and 2011 for pending tax appeals.

The Township is also involved in suits in the normal course of business. These cases, if decided against the Township, would be paid by its insurance carrier. The Township expects such amounts, if any, to be immaterial.

The Township participates in numerous Federal and State of New Jersey grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Township has not complied with the rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivables at December 31, 2012 may be impaired. In the opinion of the Township, there are no significant contingent liabilities relating to compliance with rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

#### **(9) Risk Management**

The Township purchases liability coverage and worker's compensation through an insurance pool that has purchased coverage from commercial insurance companies.

Auto damage is self insured by the insurance pool. The Township self insures medical claims to a maximum of \$50,000 per individual with an aggregate annual maximum of \$1,949,232.

The total contribution by employees towards the cost of health benefits was \$77,929 in 2012.

(Continued)

**TOWNSHIP OF PEQUANNOCK**

Notes to Financial Statements

December 31, 2012

**(10) Cash**

Cash and cash equivalents includes amounts on deposit, and short term investments with original maturities of three months or less from the date of acquisition.

*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, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

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

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

GASB Statement No. 40, Deposit and Investment Risk Disclosures, requires disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of December 31, 2012 and 2011 the Township's bank deposits, of \$11,944,702 and \$11,031,725, are insured or covered by the State's Government Unit Deposit Protection Act.

**(11) Fixed Assets**

The Township records assets with a useful life in excess of one year and with a value over \$2,000 as a fixed asset. The accounts are adjusted for dispositions and abandonment's. Depreciation is not recorded.

Fixed assets used in governmental operation (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("Infrastructure") general fixed assets

(Continued)

**TOWNSHIP OF PEQUANNOCK**

Notes to Financial Statements

December 31, 2012

consisting of certain improvement other than building, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized.

The Township's fixed assets are summarized as follows:

	Balance <u>Dec. 31, 2011</u>	Additions	Dispositions	Balance <u>Dec. 31, 2012</u>
<b>General Fixed Assets</b>				
Land and buildings	\$ 21,095,743	1,570,550	—	22,666,293
Machinery and equipment	1,793,263	94,593	20,230	1,867,625
Furniture and fixtures	1,915,548	—	—	1,915,548
Vehicles	4,970,335	122,572	155,695	4,936,212
	<u>\$ 29,774,888</u>	<u>1,786,715</u>	<u>175,925</u>	<u>31,385,678</u>
<b>Water Utility:</b>				
Res for amortization	\$ 57,442	—	—	57,442
Fist Mains and accessories	2,089,520	—	—	2,089,520
House services	283,102	—	—	283,102
Meters	832,635	27,870	—	860,505
Hydrants	80,889	14,513	—	95,402
General equip and trucks	786,601	721	—	787,322
Office furniture and equip	80,889	—	—	80,889
Structures and improvement	167,315	—	—	167,315
Wells and pumping stations	3,364,431	—	—	3,364,431
Well #2 chlorinator	9,936	—	—	9,936
New water tank construction	1,500	—	—	1,500
	<u>\$ 7,736,617</u>	<u>43,104</u>	<u>—</u>	<u>7,779,721</u>
<b>Sewer Utility:</b>				
Capacity	\$ 3,163,500	—	—	3,163,500
Treatment plant	298,300	—	—	298,300
Trunk lines	241,971	—	—	241,971
Transportation equipment	3,300	—	—	3,300
Equipment	103,566	—	—	103,566
	<u>\$ 3,810,637</u>	<u>—</u>	<u>—</u>	<u>3,810,637</u>
<b>Recreation Utility:</b>				
Building improvements	\$ 134,682	—	—	134,682

(Continued)

**TOWNSHIP OF PEQUANNOCK**

Notes to Financial Statements

December 31, 2012

**(11) Fixed Assets (continued)**

	Balance Dec. 31, 2010	Additions	Dispositions	Balance Dec. 31, 2011
<b>General Fixed Assets</b>				
Land and buildings	\$ 19,144,682	1,951,061	—	21,095,743
Machinery and equipment	1,750,806	73,861	31,405	1,793,263
Furniture and fixtures	1,817,893	97,655	—	1,915,548
Vehicles	4,830,929	234,204	94,798	4,970,335
	<u>\$ 27,544,310</u>	<u>2,356,781</u>	<u>126,203</u>	<u>29,774,888</u>
<b>Water Utility:</b>				
Res for amortization	\$ 57,442	—	—	57,442
Fist Mains and accessories	781,731	1,307,789	—	2,089,520
House services	283,102	—	—	283,102
Meters	806,421	26,214	—	832,635
Hydrants	80,889	—	—	80,889
General equip and trucks	721,687	64,914	—	786,601
Office furniture and equip	80,889	—	—	80,889
Structures and improvement	167,315	—	—	167,315
Wells and pumping stations	3,364,431	—	—	3,364,431
Well #2 chlorinator	9,936	—	—	9,936
New water tank construction	1,500	—	—	1,500
	<u>\$ 6,337,700</u>	<u>1,398,917</u>	<u>—</u>	<u>7,736,617</u>
<b>Sewer Utility:</b>				
Capacity	\$ 3,163,500	—	—	3,163,500
Treatment plant	298,300	—	—	298,300
Trunk lines	241,971	—	—	241,971
Transportation equipment	3,300	—	—	3,300
Equipment	103,566	—	—	103,566
	<u>\$ 3,810,637</u>	<u>—</u>	<u>—</u>	<u>3,810,637</u>
<b>Recreation Utility:</b>				
Building improvements	\$ 134,682	—	—	134,682

**TOWNSHIP OF PEQUANNOCK**

Notes to Financial Statements

December 31, 2012

**(12) Interfunds**

The following is a schedule of interfunds at December 31, 2012:

	From	To
Current Fund		
State and Federal Grant Fund	\$	96,475
Recreation Fund		34,947
Other Trust Fund	12,073	
Animal Control		78
Sewer Utility Fund		
Operating Fund		37,916
Assessment Fund		390,614
Water Operating Fund	3,689	
Solid Waste Operating Fund	4,580	
General Capital Fund	23,339	
State and Federal Grant Fund		
Open Space	11,027	
Current	96,475	
Trust Fund:		
Open Space Trust Fund:		
General Capital Fund		30,000
Animal Control Fund		
Current Fund	78	
Cash Other Trust		
Current Fund		12,073
General Capital Fund:		
Current Fund		23,339
Open Space Fund	30,000	
Sewer Operating Fund	6,835	



**TOWNSHIP OF PEQUANNOCK**

Notes to Financial Statements

December 31, 2012

**(12) Interfunds** (continued)

The following is a schedule of interfunds at December 31, 2012:

	From	To
Water Operating Fund		
Current Fund		3,689
Sewer Utility Operating Fund	63,514	
Water Capital Fund		
Recreation Capital Fund	110,000	
Sewer Operating Fund		
Sewer Assessment Fund	325,000	
Sewer Capital Fund		19,951
Solid Waste Fund		230,644
Water Operating Fund		63,514
General Capital Fund		6,835
Current Fund	37,916	
Sewer Assessment Fund		
Current Fund	390,614	
Sewer Operating Fund		325,000
Sewer Capital Fund		
Sewer Operating Fund	19,951	
Solid Waste Fund		
Sewer Utility Operating Fund	230,644	
Current Fund		4,580
Recreation Operating Fund		
Current Fund	34,947	
Recreation Capital Fund		2,000
Recreation Capital Fund		
Recreation Operating Fund	2,000	
Water Capital Fund		110,000

**TOWNSHIP OF PEQUANNOCK**

Notes to Financial Statements

December 31, 2012

**(12) Interfunds** (continued)

The following is a schedule of interfunds at December 31, 2011:

	From	To
Current Fund		
State and Federal Grant Fund	\$	116,118
Other Trust Fund	26,487	
Animal Control		9,160
Open Space		88,700
Sewer Utility Fund		
Operating Fund		35,276
Sewer Assessment Fund		215,650
Recreation Utility		
Operating Fund	4,706	
General Capital Fund	319	
State and Federal Grant Fund		
Open Space		1,973
Current	116,118	
Trust Fund:		
Open Space Trust Fund:		
Current Fund	88,700	
State and Federal Grant Fund	1,973	
General Capital Fund		30,000
Animal Control Fund		
Current Fund	9,160	
Cash Other Trust		
Current Fund		26,487
General Capital Fund:		
Open Space Trust Fund	30,000	
Current Fund		319
Water Operating Fund		
Water Capital Fund	1,105	
Sewer Utility Operating Fund	85,379	
Water Capital Fund		
Recreation Capital Fund	110,000	
Sewer Utility Operating Fund	300,000	
Sewer Capital Fund	277,765	
Water Operating Fund		1,105

**TOWNSHIP OF PEQUANNOCK**

Notes to Financial Statements

December 31, 2012

**(12) Interfunds** (continued)

The following is a schedule of interfunds at December 31, 2011:

	From	To
Sewer Operating Fund		
Sewer Assessment Fund	497,483	
Sewer Capital Fund	271,101	
Solid Waste Fund		250,220
Water Operating Fund		85,379
Water Capital Fund		300,000
Current Fund	35,276	
Sewer Assessment Fund		
Current Fund	215,650	
Sewer Operating Fund		497,483
Sewer Capital Fund		
Sewer Operating Fund		271,101
Water Capital Fund		277,765
Solid Waste Fund		
Sewer Utility Operating Fund	250,220	
Recreation Operating Fund		
Current Fund		4,706
Recreation Capital Fund		2,005
Recreation Capital Fund		
Recreation Operating Fund	2,005	
Water Capital Fund		110,000

The interfunds generally resulted from monies received and not yet transmitted to the other fund and the payment of expenditures on behalf of another fund. The utility operating funds also retain the cash for their respective capital funds resulting in those interfunds.

**(13) Post Employment Healthcare Plan**

***Plan description***

Township of Pequannock Health Benefits Plan (PHBP) is a single employer defined benefit healthcare plan administered by the Township of Pequannock. PHBP provides medical and dental insurance benefits to eligible retirees and their spouses and dependents. The authority to establish and amend benefit provisions rests with the governing body. GASB requires that the actuary update the plan every two years.

## TOWNSHIP OF PEQUANNOCK

### Notes to Financial Statements

December 31, 2012

#### ***Funding Policy***

The contributions requirements of the Township and plan members are established and may be amended by the governing body. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2012 the Township expended approximately \$193,396 for retired employees

#### ***Annual Required Contribution***

The Annual Required Contribution (ARC) is the measure of annual cost on an accrual basis. It is comprised of the "Normal Cost" which is the portion of future liabilities attributable to the measurement year, plus 30 year amortization of the "Unfunded Accrued Liability". As of December 31, 2012 the plan had no assets to offset any portion of the Actuarial Accrued Liability. Audit requirements prescribed by the Division of local Government Services, Department of Community Affairs, State of New Jersey prohibit the Township from accumulating assets for that purpose. The ARC as of December 31, 2012 is \$1,009,803.

The present Value of Future Benefits at December 31, 2012 is \$17,134,457 and the Actuarial Accrued Liability is \$11,485,395 both are based upon a 4.50 % discount rate.

Health care assumptions are based upon those used by the NJ SHBP and demographic assumptions are based on those used by the NJ Division of Pensions. At age 65 retirees are no longer eligible for benefits. Their spouses may purchase benefits by paying a premium. The current census includes 30 retired participants and 140 active participants.

ADDITIONAL FINANCIAL INFORMATION

TOWNSHIP OF PEQUANNOCK

Schedule of Cash - Treasurer

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>3,829,356</u>
Receipts:	
Tax Collector	50,518,103
Revenue accounts receivable	3,738,209
Miscellaneous revenue not anticipated	67,660
Senior Citizens' and Veterans' deductions	169,840
Tax overpayments	28,786
Various reserves	586,639
Cancelled/ Voided checks	29
Due from Recreation Trust Fund	39,653
Due to Sewer Utility Operating Fund	2,640
Due from Builders Escrow Trust Fund	14,414
Due from Library	442,274
Due from State and Federal Grant Fund	518,775
Due to Sewer Assessment Fund	672,448
Lakeland receivable	9,240
Due to State	475
	<u>56,809,185</u>
	<u>60,638,541</u>
Disbursements:	
Budget appropriations	13,761,882
Appropriation reserves	259,124
Local district school tax	31,411,589
Tax overpayments	33,340
County taxes	6,731,011
Open Space Trust Fund	330,200
Due from General Capital Fund	23,020
Due from Library	512,174
Due to Dog License Fund	9,082
Due from State and Federal Grant Fund	462,175
Due to Sewer Assessment Fund	497,484
Due from Water Operating Fund	3,689
Due from Solid Waste Operating Fund	4,580
Due to New Jersey Uniform Construction Code	3,241
Accounts payable	23,954
Various reserves	650,960
Due to State	225
Sale of gasoline	22,783
Prior Year Refunds	28,109
	<u>54,768,622</u>
Balance, December 31, 2012	\$ <u><u>5,869,919</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Cash - Collector

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>          —</u>
Increased by receipts:	
Taxes receivable	50,383,810
Prepaid taxes	<u>134,293</u>
	<u>50,518,103</u>
	50,518,103
Decreased by disbursements:	
Paid treasurer by direct deposit	<u>50,518,103</u>
Balance, December 31, 2012	\$ <u><u>          —</u></u>

## TOWNSHIP OF PEQUANNOCK

Schedule of Taxes Receivable and Analysis of  
Property Tax Levy

Current Fund

Year ended December 31, 2012

Year	Balance, Dec. 31, 2011	2012 Levy	Added Taxes	Collections		Remitted, abated, cancelled	Transferred to tax title liens	Balance, Dec. 31, 2012
				2011	2012			
2010	\$ 5,261	—	—	—	—	—	—	5,261
2011	481,459	—	14,276	—	482,289	142	215	13,089
	486,720	—	14,276	—	482,289	142	215	18,350
2012	—	50,779,890	44,220	206,895	50,077,560	35,035	—	504,620
	\$ 486,720	50,779,890	58,496	206,895	50,559,849	35,177	215	522,970
Cash				\$	50,383,810			
Senior Citizens' and Veterans' deductions					176,039			
				\$	50,559,849			
Prepaid taxes applied to taxes				\$	206,895			
2012 collections					50,077,560			
Collections reserved for tax appeals					(686,075)			
Revenue from current tax collections				\$	49,598,380			

## Analysis of Property Tax Levy

Tax yield:		
General purpose tax	\$	50,779,890
Added taxes (54:4-63.1 et seq.)		44,220
	\$	50,824,110
Tax levy:		
Local district school tax	\$	31,885,995
Municipal open space tax		241,500
County taxes		6,309,287
County open space		413,407
Due county for added and omitted taxes		5,870
		38,856,059
Local tax for municipal purposes		11,918,284
Add additional tax levied		49,767
	\$	50,824,110



**TOWNSHIP OF PEQUANNOCK**

Schedule of Deferred Charges

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>879</u>
Balance, December 31, 2012	\$ <u>879</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Amount Due from State of New Jersey  
for Veterans' and Senior Citizens' Deductions

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>27,784</u>
Increased by:	
Senior Citizens' deductions per tax billings	32,750
Veterans' deductions per tax billings	140,500
Veterans' deductions allowed current year	1,250
Senior Citizens' deductions allowed by Tax Collector	<u>4,000</u>
	<u>178,500</u>
	<u>206,284</u>
Decreased by:	
Senior Citizens' deductions disallowed by tax collector	
Current year	1,210
Received in cash from state	<u>169,840</u>
	<u>171,050</u>
Balance, December 31, 2012	\$ <u><u>35,234</u></u>

## TOWNSHIP OF PEQUANNOCK

## Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2012

<u>Description</u>	<u>Balance, Dec. 31, 2011</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance, Dec. 31, 2012</u>
Municipal Clerk - licenses:				
Alcoholic beverages	\$ —	22,800	22,800	—
Other	—	24,682	24,682	—
Fees and permits:				
Other	—	129,788	129,788	—
Cable Television Franchise Fee	—	59,599	59,599	—
Payments in lieu of taxes - Senior Citizen House	—	87,267	87,267	—
Fines and costs - Municipal Court	18,540	285,824	287,080	17,284
Interest and costs on taxes	—	102,399	102,399	—
Interest on investments and deposits	—	19,474	19,474	—
Consolidated municipal property tax relief	—	70,775	70,775	—
Energy Receipts Tax (P.L. 1999, Chapters 162 & 167)	—	1,143,598	1,143,598	—
Uniform Construction Code Fees	—	285,994	285,994	—
Contracts for Dial-A-Ride:				
Borough of Butler	—	59,208	59,208	—
Borough of Kinnelon	19,547	60,936	80,483	—
Borough of Lincoln Park	—	82,628	82,628	—
Borough of Riverdale	—	27,951	27,951	—
Health Services Contract:				
Borough of Bloomingdale	—	84,975	84,975	—
Borough of Little Falls	—	—	—	—
Borough of Kinnelon	—	113,745	113,745	—
Borough of Riverdale	—	39,502	39,502	—
Borough of Florham Park	—	129,816	129,816	—
Field Maintenance Contract	—	56,000	56,000	—
Uniform Fire Safety Act	—	15,130	15,130	—
Uniform Fire Code fees	—	19,379	19,379	—
Hotel Occupancy Tax	—	35,093	35,093	—
Reserve for Public Defender Fees	—	8,060	8,060	—
Sale of gasoline to BOE	22,783	—	22,783	—
Prior Year FEMA Assistance	—	480,000	480,000	—
Utility Operating Surplus of prior year	—	250,000	250,000	—
	<u>\$ 60,870</u>	<u>3,694,623</u>	<u>3,738,209</u>	<u>17,284</u>

## TOWNSHIP OF PEQUANNOCK

## Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2012

	Balance		Transfers	Balance after transfers	Paid or charged	Balance lapsed
	Reserved	Encum- brances				
Salaries and wages:						
Township Clerk	\$ 764	—	—	764	—	764
Township Council	2	—	—	2	—	2
Managers Office	1,282	—	—	1,282	—	1,282
Municipal Prosecutor	4	—	—	4	—	4
Financial administration	2,086	—	—	2,086	—	2,086
Data processing	—	—	—	—	—	—
Revenue Administration	9,959	—	—	9,959	—	9,959
Tax Assessment	3,632	—	—	3,632	—	3,632
Planning and Building Department	1,094	—	—	1,094	—	1,094
Board of Adjustment	300	—	—	300	—	300
Public buildings and grounds	10,735	—	—	10,735	—	10,735
Parks and playgrounds	165	—	—	165	—	165
Dial-a-ride program	4,255	—	—	4,255	4,255	—
Recreation	222	—	—	222	—	222
Municipal Court	—	—	—	—	—	—
Office of Fire Safety	4,748	—	—	4,748	—	4,748
Police	1,332	—	—	1,332	—	1,332
Emergency Management Services	378	—	—	378	—	378
Road repairs and maintenance	34,395	—	—	34,395	—	34,395
Director of Public Works/Township Engineer	53	—	—	53	—	53
Vehicle Maintenance	53	—	—	53	—	53
Municipal Court	2,229	—	—	2,229	—	2,229
Public defender	2	—	—	2	—	2
Emergency Medical Services	—	—	—	—	—	—
Department of Health	843	—	—	843	—	843
Uniform Construction Official	—	—	—	—	—	—
Fair Housing Committee	189	—	—	189	—	189
Interlocal Agreements:						
Health services agreement	—	—	—	—	—	—
Dial a Ride	—	—	—	—	—	—
Field Maintenance Board of Education	22	—	—	22	—	22
Interlocal Helath Services Agreement	—	—	—	—	—	—
Police Dispatch/911	677	—	—	677	—	677
Other expenses:						
Township Clerk	3,669	2,148	—	5,817	2,266	3,551
Township Council	2,705	115	—	2,820	115	2,705
Manager's office	458	381	—	839	381	458
Legal services and costs	14,449	—	—	14,449	1,215	13,234
Audit Services	7,750	—	—	7,750	7,750	—
Workmen's Compensation Insurance	3,182	—	—	3,182	—	3,182
Insurance - General Liability	12,887	—	—	12,887	—	12,887
Group Insurance for employees	111,234	—	—	111,234	—	111,234
Financial administration	3,616	679	—	4,295	768	3,527
Data processing	19,182	3,835	—	23,017	11,329	11,688
Tax Assessment	5,303	2,687	—	7,990	2,837	5,153
Planning and Building Department	7,484	138	—	7,622	7,226	396
Board of Adjustment	2,742	661	—	3,403	1,981	1,422
Revenue Administration	1,171	104	—	1,275	(2,972)	4,247
Public buildings and grounds	10,457	31,172	—	41,629	31,396	10,233
Parks and playgrounds	2,046	1,264	—	3,310	2,404	906
Celebration of public events, holidays or anniversaries	7,918	56	—	7,974	4,352	3,622
Recreation	5,393	5,885	—	11,278	9,960	1,318
Fire - clothing allowance	1,523	—	—	1,523	600	923
Fire - miscellaneous other expenses	4,192	11,522	—	15,714	13,459	2,255
Office of Fire Safety	384	656	—	1,040	390	650

(Continued)

## TOWNSHIP OF PEQUANNOCK

## Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2012

	<b>Balance</b>		<b>Transfers</b>	<b>Balance after transfers</b>	<b>Paid or charged</b>	<b>Balance lapsed</b>
	<b>Reserved</b>	<b>Encum- brances</b>				
Department of Police	3,054	11,115	—	14,169	13,900	269
Municipal Court	4,596	1,599	—	6,195	1,551	4,644
Emergency Management Services	100	12,533	—	12,633	10,490	2,143
Flood Response and Clean Up	3,783	(3,783)	—	—	—	—
Road repairs and maintenance	14,734	4,155	—	18,889	11,853	7,036
Director of Public Works/Township Engineer	\$ 80	13,040	—	13,120	13,040	80
Street lighting	34,225	9,075	—	43,300	12,168	31,132
Community Services Act	21,000	—	—	21,000	16,492	4,508
Vehicle Maintenance	256	1,550	—	1,806	1,689	117
Department of Health	701	1,135	—	1,836	1,268	568
Environmental Protection Commission	—	373	—	373	373	—
Senior Citizens' Advisory Committee	822	150	—	972	424	548
Historic District Commission	734	—	—	734	20	714
PV Mental Health Center Contribution	100	—	—	100	—	100
Shade Tree Commission	13,578	1,050	—	14,628	10,900	3,728
Economic Development Committee	434	302	—	736	302	434
Uniform Construction Code	9,365	55	—	9,420	64	9,356
Gasoline	5,650	6,348	—	11,998	11,998	—
Electricity	3,320	14,136	—	17,456	12,779	4,677
Telephone	1,327	1,702	—	3,029	2,132	897
Water	718	—	—	718	—	718
Natural Gas	18,467	565	—	19,032	3,857	15,175
Field Maintenance Board of Education	971	—	—	971	—	971
Social Security System (O.A.S.I.)	—	46,347	—	46,347	—	46,347
Unemployment Insurance	—	—	—	—	—	—
Police and Firemen's Retirement System of NJ	—	—	—	—	—	—
Public Employees Retirement System	46,347	(46,347)	—	—	—	—
Fair Housing Committee	2,100	—	—	2,100	—	2,100
Reassessment	44,430	—	—	44,430	44,430	—
Dail-a-Ride	8,631	1,040	—	9,671	9,671	—
	<u>\$ 546,689</u>	<u>137,443</u>	<u>—</u>	<u>684,132</u>	<u>279,113</u>	<u>405,019</u>
Accounts payable					\$ 14,827	
Reserve for Dial-A-Ride					5,162	
Cash					259,124	
					<u>\$ 279,113</u>	

**TOWNSHIP OF PEQUANNOCK**

Schedule of Local District School  
Taxes Payable

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	—
Increased by 2012 levy		<u>31,885,994</u>
		31,885,994
Decreased by payments		<u>31,411,589</u>
Balance, December 31, 2012	\$	<u><u>474,405</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Property Acquired for Taxes  
(at Assessed Valuation)

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>884,650</u>
Balance, December 31, 2012	\$ <u>884,650</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due to State of New Jersey Uniform Construction Code

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	3,241
Decreased by:		
Cash disbursements		<u>3,241</u>
Balance, December 31, 2012	\$	<u><u>—</u></u>



**TOWNSHIP OF PEQUANNOCK**

Schedule of Open Space Tax

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	88,700
Increased by levy		<u>241,500</u>
		<u>330,200</u>
Decreased by:		
Disbursements		<u>330,200</u>
Balance, December 31, 2012 (Due From)	\$	<u><u>—</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Accounts Payable

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>168,953</u>
Increased by:	
Transfer from appropriation reserves	14,827
Dial a Ride refund	<u>5,162</u>
	<u>19,989</u>
	188,942
Decreased:	
Disbursed	<u>23,954</u>
Balance, December 31, 2012	\$ <u><u>164,988</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Tax Overpayments

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ 33,340
Increased by over payments	<u>28,786</u>
	62,126
Decreased by:	
Refunds	<u>33,340</u>
Balance, December 31, 2012	<u><u>\$ 28,786</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Various Reserves

Current Fund

Year ended December 31, 2012

	<b>Balance, Dec. 31, 2011</b>	<b>Transfer from collections and budget</b>	<b>Cancelled</b>	<b>Cash disbursed</b>	<b>Balance, Dec. 31, 2012</b>
Dial a Ride refunds	\$ 34,072	—	—	—	34,072
REAP Aid	551	—	—	—	551
Health contract refunds	179,220	1,957	—	28,550	152,627
Revaluation	67,215	—	—	42,700	24,515
Tax map	34,995	—	—	—	34,995
Flood expenses	—	584,392	—	480,000	104,392
Police programs	—	290	—	—	290
Pending tax appeals	678,334	686,075	89,187	99,710	1,175,512
	<u>\$ 994,387</u>	<u>1,272,714</u>	<u>89,187</u>	<u>650,960</u>	<u>1,526,954</u>

## TOWNSHIP OF PEQUANNOCK

## Schedule of State and Federal Grants Receivable

## State and Federal Grant Fund

Year ended December 31, 2012

Purpose	Balance, Dec. 31, 2011	2012 Budget Revenue	Cancelled	Received	Balance, Dec. 31, 2012
Municipal Drug Alliance - 2010	\$ 6,428	—	6,428	—	—
Municipal Drug Alliance - 2009	576	—	576	—	—
Municipal Drug Alliance - 2011	14,683	—	—	10,602	4,081
Municipal Drug Alliance - 2012	—	14,682	—	840	13,842
New Jersey Senior Citizen and Disabled Residents Transportation Assistance Act - 2012	—	97,658	—	78,670	18,988
New Jersey Senior Citizen and Disabled Residents Transportation Assistance Act - 2010	54,253	—	—	—	54,253
Public Health Priority Funding - 2007	776	—	776	—	—
Public Health Priority Funding - 2010	7,498	—	7,498	—	—
NJDOH Comprehensive Cancer Control Grant	3,943	—	—	3,943	—
NJDOH Comprehensive Cancer Control Grant 2010	65,933	—	—	65,933	—
NJDOH Comprehensive Cancer Control Grant 2009	22,328	—	—	22,328	—
Alcohol Education and Rehabilitation	—	53	—	—	53
Morris County Historic Preservation Trust	45,355	—	—	—	45,355
NJDEP Forestry Management	3,000	—	—	3,000	—
Green Communities Grant	2,000	—	—	—	2,000
CDC Health Communications Grant	36	—	36	—	—
NJDEP Recreational Trails Program	633	—	—	—	633
NJ Div. of Highway Safety - Child Safety Seat Initiative	610	—	610	—	—
NJ Div. of Highway Safety - Over the Limit Under Arrest	342	—	342	—	—
NJ Department of Justice Body Armor Replacement Grant Bulletproof Vest Partnership Grant - 1999	501	—	501	—	—
Federal Body Armor Fund	6,780	—	—	—	6,780
Clean Communities Grant	—	26,028	—	—	26,028
NJ DEP River Desnagging	353,244	—	—	175,000	178,244
NJ Highlands Grant Initial Assessment	15,000	—	—	—	15,000
NJ Highlands Grant Plan Conformance	5,296	—	—	—	5,296
Recycling Tonnage grant	—	25,685	—	—	25,685
NJ DOT - Transportation Trust Fund (Sunset Road 2010)	160,000	—	—	120,000	40,000
NJ DOT - Transportation Trust Fund (Sunset Road 2008)	—	—	—	—	—
	<u>\$ 769,215</u>	<u>164,106</u>	<u>16,767</u>	<u>480,316</u>	<u>436,238</u>
Unappropriated reserves				\$ 51,766	
Due from Current Fund				<u>428,550</u>	
				<u>\$ 480,316</u>	

**TOWNSHIP OF PEQUANNOCK**

Schedule of Encumbrances

State and Federal Grant Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ 6,600
Increased by Appropriated Reserves for Grants	<u>57,695</u>
	<u>64,295</u>
Decreased by: Encumbrances cancelled	<u>6,600</u>
Balance, December 31, 2012	<u><u>\$ 57,695</u></u>

## TOWNSHIP OF PEQUANNOCK

## Schedule of Interfunds

## Current Fund

Year ended December 31, 2012

	<u>Water Operating</u>	<u>Water Capital</u>	<u>Sewer Operating</u>	<u>Sewer Assessment</u>	<u>General Capital</u>	<u>Open Space</u>	<u>Library</u>
Balance due (to)/from, December 31, 2011	\$ —	—	(35,276)	(215,650)	319	—	53,549
Increased/decreased by:							
Cash receipts	—	—	(2,640)	(672,448)	—	—	(442,274)
Cash disbursements	3,689	—	—	497,484	23,020	—	512,174
Interest and other revenue earned	—	—	—	—	—	—	—
Appropriation transfers	—	—	—	—	—	—	—
Budgeted revenue	—	—	—	—	—	—	—
Grant receipts deposited in Current Fund	—	—	—	—	—	—	—
Unappropriated grant receipts deposited in Current Fund	—	—	—	—	—	—	—
Grant receivables cancelled	—	—	—	—	—	—	—
Grant appropriated reserves cancelled	—	—	—	—	—	—	—
Expenditures made for other funds by Current Fund	—	—	—	—	—	—	—
	<u>3,689</u>	<u>—</u>	<u>(2,640)</u>	<u>(174,964)</u>	<u>23,020</u>	<u>—</u>	<u>69,900</u>
Balance due (to)/from, December 31, 2012	\$ <u><u>3,689</u></u>	<u><u>—</u></u>	<u><u>(37,916)</u></u>	<u><u>(390,614)</u></u>	<u><u>23,339</u></u>	<u><u>—</u></u>	<u><u>123,449</u></u>

(Continued)

## TOWNSHIP OF PEQUANNOCK

## Schedule of Interfunds

## Current Fund

Year ended December 31, 2012

	<u>Trust</u>	<u>Other Trust</u>	<u>Recreation Operating</u>	<u>Dog Trust</u>	<u>State &amp; Federal Grant Fund</u>	<u>Solid Waste</u>	<u>Total</u>
Balance due (to)/from, December 31, 2011	\$ —	26,487	4,706	(9,160)	(116,118)	—	(291,143)
Increased/decreased by:							
Cash receipts	—	(14,414)	(39,653)	—	—	—	(1,171,429)
Cash disbursements	—	—	—	9,082	453,534	4,580	1,503,563
Interest earned	—	—	—	—	—	—	—
Appropriation transfers	—	—	—	—	(168,465)	—	(168,465)
Budgeted revenue	—	—	—	—	164,106	—	164,106
Grant receipts deposited in Current Fund	—	—	—	—	(428,550)	—	(428,550)
Unappropriated grant receipts deposited in Current Fund	—	—	—	—	(90,225)	—	(90,225)
Grant receivables cancelled	—	—	—	—	(16,767)	—	(16,767)
Grant Appropriated reserves cancelled	—	—	—	—	17,039	—	17,039
Unappropriated cancelled	—	—	—	—	75,971	—	75,971
Expenditures made for other funds by Current Fund	—	—	—	—	13,000	—	13,000
	—	(14,414)	(39,653)	9,082	19,643	4,580	(101,757)
Balance due (to)/from, December 31, 2012	\$ <u>—</u>	<u>12,073</u>	<u>(34,947)</u>	<u>(78)</u>	<u>(96,475)</u>	<u>4,580</u>	<u>(392,900)</u>



## TOWNSHIP OF PEQUANNOCK

## Schedule of Appropriated Reserves for State and Federal Grants

State and Federal Grant Fund

Year ended December 31, 2012

	Balance, Dec. 31, 2011	Transferred from 2012 budget appropriation	Cancelled	Expended	Encumbered	Balance, Dec. 31, 2012
Clean Communities Grant - 2011	\$ 19,739	—	—	8,550	(3,400)	14,589
Clean Communities Grant - 2012	—	26,028	—	—	—	26,028
Clean Communities Grant - 2009	12,365	—	—	175	—	12,190
Clean Communities Grant - 2010	17,749	—	—	—	(200)	17,949
Smart Growth Program - 2008 Local	750	—	—	—	—	750
Municipal Drug Alliance - 2012	—	12,182	—	4,762	1,314	6,106
Municipal Drug Alliance - 2011	10,812	—	—	6,291	600	3,921
Municipal Drug Alliance - 2006	2,285	—	2,285	—	—	—
Municipal Drug Alliance - 2006 supplemental	1,384	—	1,384	—	—	—
Municipal Drug Alliance - 2012 supplemental	—	3,750	—	3,120	—	630
Municipal Drug Alliance - 2010	2,051	—	—	—	—	2,051
Municipal Drug Alliance - 2008 supplement	295	—	295	—	—	—
Municipal Drug Alliance - 2010 supplement	274	—	—	—	—	274
Municipal Drug Alliance - 2009 supplement	2,090	—	2,190	—	—	(100)
Municipal Alliance - local - 2012	—	3,109	—	—	—	3,109
Municipal Alliance - local - 2010	279	—	45	(2,000)	—	2,234
Municipal Alliance - local - 2011	2,011	—	—	1,740	—	271
Municipal Alliance - local - 2006	3,747	—	3,747	—	—	—
Municipal Alliance - local - 2008	2,799	—	2,799	—	—	—
Municipal Alliance - local - 2009	101	—	—	—	—	101
NJDOH County Bioterrorism Grant	2,000	—	—	—	—	2,000
NJ DOH - Public Health Planning Grant	1	—	—	—	—	1
NJDOT Trans Trust (Sunset Rd. 2010)	160,000	—	—	108,944	51,056	—
NJDOT Trans Trust (Sunset Road))	11,269	—	—	—	—	11,269
NJDOT Trans Trust (Sunset Rd. 2008)	5,658	—	—	—	—	5,658
Public Health Priority Funding - 2007	593	—	—	—	—	593
Public Health Priority Funding - 2004	3,362	—	3,362	—	—	—
Public Health Priority Funding - 2005	932	—	932	—	—	—
Public Health Priority Funding - 2006	1,021	—	—	—	—	1,021
Mayor's Wellness Campaign	1,000	—	—	—	—	1,000
NJ Dept of Health Cancer Control Grant 2009	41,469	—	—	18,806	—	22,663
NJ Dept of Health Cancer Control Grant 2008	823	—	—	—	—	823
NJ Dept of Health Cancer Control Grant 2010	8,960	—	—	—	—	8,960
NJDOH Disease Control Swine Flu Grant	1,521	—	—	—	—	1,521
CDC Health Communications Grant	36	—	—	—	—	36
Recycling Tonnage Grant - 1994	909	—	—	—	—	909
Recycling Tonnage Grant - 2005	57	—	—	—	—	57
Recycling Tonnage 2008	4,610	—	—	—	—	4,610
Recycling Tonnage Grant - 2011	—	25,685	—	—	—	25,685
Recreational Trails Grant	7,765	—	—	1,194	—	6,571
NJ State Police Emergency Management Aid	411	—	—	—	—	411
NJ Body Armor Funds 2009	364	—	—	—	—	364
DOJ Body Armor Funds 2010	4,830	—	—	—	3,380	1,450
Morris County Historic Preservation Grant 2008	(1,733)	—	—	—	—	(1,733)
NJ Sr. Cit Trans Asst Act - 2012	—	97,658	—	97,658	—	—
Stormwater Management Grant 2009	5,694	—	—	—	—	5,694
TASE - Tobacco Enforcement	735	—	—	—	—	735
TASE - Tobacco Enforcement	1,983	—	—	—	1,345	638
TASE - Tobacco Enforcement 2009	3,060	—	—	—	—	3,060
TASE - Tobacco Enforcement	2,820	—	—	—	—	2,820
Drunk Driving Enforcement - 2008	5,697	—	—	—	—	5,697
Drunk Driving Enforcement - 2010	1,049	—	—	—	—	1,049

(Continued)

**TOWNSHIP OF PEQUANNOCK**

Schedule of Appropriated Reserves for State and Federal Grants

State and Federal Grant Fund

Year ended December 31, 2012

	<b>Balance, Dec. 31, 2011</b>	<b>Transferred from 2012 budget appropriation</b>	<b>Cancelled</b>	<b>Expended</b>	<b>Encumbered</b>	<b>Balance, Dec. 31, 2012</b>
Drunk Driving Enforcement - 2009	5,364	—	—	—	—	5,364
DHTS - Over the Limit Under Arrest	342	—	—	—	—	342
NJLM Education Foundation	1,000	—	—	—	—	1,000
DHTS - Click it or Ticket	226	—	—	—	—	226
Alcohol Education & Rehabilitation Funds - 2009	588	—	—	—	—	588
Alcohol Education & Rehabilitation Funds - 2005	22	—	—	—	—	22
Alcohol Education & Rehabilitation Funds - 2011	—	53	—	—	—	53
Alcohol Education & Rehabilitation Funds - 2008	338	—	—	—	—	338
Alcohol Education & Rehabilitation Funds - 2010	201	—	—	—	—	201
NJ Highlands Council Initial Assessment Grant 2009	17,436	—	—	—	—	17,436
NJDEP River Desnagging Grant	353,244	—	—	204,294	—	148,950
NJDEP Forestry Management Grant	—	—	—	—	(3,000)	3,000
	<u>\$ 734,388</u>	<u>168,465</u>	<u>17,039</u>	<u>453,534</u>	<u>51,095</u>	<u>381,185</u>
		\$ 164,106	Transferred from budget			
		4,359	Local share			
		<u>\$ 168,465</u>				
				Encumbered	\$ 57,695	
				Cancelled	<u>(6,600)</u>	
					<u>\$ 51,095</u>	

## TOWNSHIP OF PEQUANNOCK

## Schedule of Unappropriated Reserves for State and Federal Grants

State and Federal Grant Fund

Year ended December 31, 2012

	<b>Balance, Dec. 31, 2011</b>	<b>Transfer to 2012 Budget</b>	<b>Adjustment</b>	<b>Received</b>	<b>Balance, Dec. 31, 2012</b>
Alcohol Education and Rehabilitation Fund	\$ 54	53	—	486	487
Drunk Driving Enforcement Program	—	—	—	17,511	17,511
New Jersey Senior Citizen and Disabled Residents Transportation Assistance Act	1,267	—	—	—	1,267
Recycling Tonnage Grant	25,686	25,685	—	25,451	25,452
NJ Body Armor Replacement Fund	—	—	—	3,215	3,215
Public Health Priority Funds	426	—	—	—	426
NJDOH Comprehensive Cancer Control Grant 2008	81,450	—	(75,971)	—	5,479
Clean communities	26,029	26,028	—	25,622	25,623
NJDEP Desnagging Admin	—	—	—	13,000	13,000
NJ Highway Safety - Police	3,224	—	—	4,940	8,164
NJ Division of Forestry - Forestry Management Plan	2,000	—	—	—	2,000
	<u>\$ 140,136</u>	<u>51,766</u>	<u>(75,971)</u>	<u>90,225</u>	<u>102,624</u>
Miscellaneous revenue		—			
Budget appropriation		—			
		<u>\$ 51,766</u>			

**TOWNSHIP OF PEQUANNOCK**

Schedule of Change Fund

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>260</u>
Balance, December 31, 2012	<u>260</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Emergency Authorizations

Current Fund

Year ended December 31, 2012

<u>Date</u>	<u>Description</u>	<u>Balance, Dec. 31, 2011</u>	<u>2012 Authorization</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
<u>Special emergency:</u>					
	Flood Emergency	\$ 600,000	—	600,000	—
	Reassessment	175,000	—	36,000	139,000
<u>Regular emergency</u>					
	Flood Emergency	250,000	—	250,000	—
	Total	\$ 1,025,000	—	886,000	139,000

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from Lakeland Regional Solid Waste Authority

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>11,700</u>
Decreased by:	
Cash received	9,240
Cancellation	<u>2,460</u>
	<u>11,700</u>
Balance, December 31, 2012	<u><u>—</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of County Taxes Payable

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>8,318</u>
Increased by:	
Levy	6,309,286
County open space preservation	413,407
Added county tax levy	<u>5,870</u>
	<u>6,728,563</u>
	6,736,881
Decreased by:	
Payments	<u>6,731,011</u>
Balance, December 31, 2012	\$ <u><u>5,870</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	206,895
Increased by prepayments		<u>134,293</u>
		341,188
Decreased by transfer to taxes		<u>206,895</u>
Balance, December 31, 2012	\$	<u><u>134,293</u></u>



**TOWNSHIP OF PEQUANNOCK**

Schedule of Due to State of New Jersey

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	—
Increased by license fees		<u>475</u>
		475
Decreased by transfer to State		<u>225</u>
Balance, December 31, 2012	\$	<u><u>250</u></u>

**TOWNSHIP OF PEQUANNOCK**

## Schedule of Tax Title Liens

## Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	12,457
Increased by:		
Transfer from taxes receivable		<u>215</u>
Balance, December 31, 2012	\$	<u><u>12,672</u></u>

## TOWNSHIP OF PEQUANNOCK

## Schedule of Trust Cash - Treasurer

## Trust Funds

Year ended December 31, 2012

	<u>Dog License</u>	<u>Other</u>	<u>Open Space</u>
Balance, December 31, 2011	\$ 43,378	2,582,446	158,271
Increased by receipts:			
Dog license fees	20,274	—	—
Late fees and other charges	17,102	—	—
Benefits payable	—	9,700	—
Prepaid license fees	10,034	—	—
Receipts for State fees	1,676	—	—
Budget appropriation	20,000	—	—
Due from Current Fund	9,179	—	1,173,200
Accumulated leave	—	163,655	—
Due to State and Federal Grant fund	—	—	13,000
Interest earned	134	—	384
Various reserves	—	362,204	—
Deposits received	—	102,187	—
Reserve for employee group insurance claims	—	2,825,389	—
	<u>78,399</u>	<u>3,463,135</u>	<u>1,186,584</u>
	<u>121,777</u>	<u>6,045,581</u>	<u>1,344,855</u>
Decreased by disbursements:			
Dog administration expenses	60,519	—	—
Due from State	2,140	—	—
Due from Current Fund	231	14,414	—
Benefits payable	—	11,145	—
Open Space	—	—	1,072,174
Deposits returned	—	63,786	—
Various reserves	—	287,354	—
Reserve for employee group insurance claims	—	3,808,771	—
	<u>62,890</u>	<u>4,286,847</u>	<u>1,072,174</u>
Balance, December 31, 2012	\$ <u><u>58,887</u></u>	<u><u>1,758,734</u></u>	<u><u>272,681</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Reserve for Expenditures -  
Dog License Trust Fund

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>43,626</u>
Increased by:	
Dog license fees	20,274
Transfer of prior year pre-paid licenses	7,738
Adoption reimbursement	10,608
Cat Licenses	5,215
Late fees and other charges	1,279
Budget appropriation	<u>20,000</u>
	<u>65,114</u>
	<u>108,740</u>
Decreased by cash disbursed	
Cash disbursed	<u>60,519</u>
	<u>60,519</u>
Balance, December 31, 2012	\$ <u><u>48,221</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from (to) Current Fund -  
Dog License Trust Fund

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011 (Due to)	\$ <u>9,160</u>
Increased by:	
Cash disbursement	<u>231</u>
	<u>231</u>
	<u>9,391</u>
Decreased by:	
Cash receipts	9,179
Interest earned	<u>134</u>
	<u>9,313</u>
Balance, December 31, 2012 (Due to)	\$ <u><u>78</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Reserve for Donations  
Dog License Trust Fund

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>700</u>
Balance, December 31, 2012	\$ <u>700</u>

TOWNSHIP OF PEQUANNOCK

Schedule of Prepaid Licenses -  
Dog License Trust Fund

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011	\$ 8,200
Increased by	<u>10,034</u>
	<u>18,234</u>
Decreased by:	
Transfer to reserve	7,738
Transfer to due to State	<u>462</u>
	<u>8,200</u>
Balance, December 31, 2012	<u><u>\$ 10,034</u></u>

Analysis of Balance

Reserve for Dog expenditures	\$ 9,556
Due to State	<u>478</u>
	<u><u>\$ 10,034</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from (to) State -  
Dog License Trust Fund

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011 (Due To)	\$ (2)
Increased by cash disbursements	<u>2,140</u>
	<u>2,138</u>
Decreased by cash receipts	
Cash receipts	1,676
Prepaid licenses	<u>462</u>
	<u>2,138</u>
Balance, December 31, 2012 (Due To)	<u><u>\$ —</u></u>



**TOWNSHIP OF PEQUANNOCK**

Schedule of Reserve for Employee  
Group Insurance Claims - Other Trust Fund

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011	\$ 1,320,124
Increased by cash receipts	<u>2,825,389</u>
	4,145,513
Decreased by cash disbursements	<u>3,808,771</u>
Balance, December 31, 2012	<u><u>\$ 336,742</u></u>

## TOWNSHIP OF PEQUANNOCK

## Schedule of Various Reserves - Other Trust Fund

## Trust Funds

Year ended December 31, 2012

	<b>Balance, Dec. 31, 2011</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance, Dec. 31, 2012</b>
Affordable housing	\$ 100	—	—	100
Tax sale premium	117,610	101,000	85,100	133,510
Unemployment trust	1,097	84,253	67,706	17,644
Youth development	21,609	—	—	21,609
Greenview Park	227	—	—	227
Permits	22,734	7,976	7,489	23,221
Celebrations	215	—	—	215
POAA	816	34	—	850
Sewer line	17,978	—	—	17,978
Crestwood Pk Maint	6,056	—	—	6,056
West Parkway Paving	6,166	—	—	6,166
Development Fees (COAH)	63,497	1,718	100	65,115
Public Defender	34,430	9,735	8,660	35,505
Fire Safety	19,396	8,609	4,600	23,405
Bressette Sewer Assessment	21,161	—	2,357	18,804
Payroll Agency Account	111,342	101,684	111,342	101,684
Peq Area Sewer Assessment Trust	—	47,195	—	47,195
	<u>\$ 444,434</u>	<u>362,204</u>	<u>287,354</u>	<u>519,284</u>

TOWNSHIP OF PEQUANNOCK

Schedule of Special Deposits - Other Trust Fund

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011	\$	422,887
Increased by deposits received		<u>102,187</u>
		525,074
Decreased by deposits refunded		<u>63,786</u>
Balance, December 31, 2012	\$	<u><u>461,288</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Reserve for Open Space

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>215,944</u>
Increased by:	
Open Space tax levied	241,500
Green Acres Grant	843,000
Prior year encumbrance	3,000
Interest	<u>384</u>
	<u>1,087,884</u>
	<u>1,303,828</u>
Decreased by:	
Encumbrances	3,000
Disbursements	<u>1,072,174</u>
	<u>1,075,174</u>
Balance, December 31, 2012	\$ <u><u>228,654</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from (to) Current Fund

Trust Funds

Year ended December 31, 2012

	<u>Other Trust</u>	<u>Open Space</u>	<u>Total Trust</u>
Balance due from (to), December 31, 2011	\$ (26,487)	88,700	62,213
Decreased by:			
Taxes levied	—	241,500	241,500
Green Acres Grant	—	843,000	843,000
Disbursements	<u>14,414</u>	<u>—</u>	<u>14,414</u>
	(12,073)	1,173,200	1,161,127
Increased by:			
Receipts	<u>—</u>	<u>1,173,200</u>	<u>1,173,200</u>
	<u>—</u>	<u>1,173,200</u>	<u>1,173,200</u>
Balance due from (to), December 31, 2012	<u>\$ (12,073)</u>	<u>—</u>	<u>(12,073)</u>

TOWNSHIP OF PEQUANNOCK

Schedule of Benefits Payable - Payroll

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011	\$	2,094
Increased by receipts		<u>9,700</u>
		11,794
Decreased by cash disbursements		<u>11,145</u>
Balance, December 31, 2012	\$	<u><u>649</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from State and Federal Grant Fund  
Open Space Trust Fund

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011	\$	1,973
Decreased by:		
Cash received from State of New Jersey		<u>13,000</u>
Balance, December 31, 2012 (Due to)	\$	<u><u>(11,027)</u></u>

TOWNSHIP OF PEQUANNOCK

Schedule of Reserve for Accumulated leave

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>366,420</u>
Increased by:	
Budget appropriation	<u>163,655</u>
	<u>163,655</u>
	530,075
Decreased by disbursements	<u>101,377</u>
Balance, December 31, 2012	\$ <u><u>428,698</u></u>



**TOWNSHIP OF PEQUANNOCK**

Schedule of Due to General Capital  
Open Space Trust Fund

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2012 and 2011

\$ 30,000

**TOWNSHIP OF PEQUANNOCK**

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>1,197,629</u>
Increased by receipts:	
Capital Improvement Fund	525,000
Reserve for improvements	580,000
Deferred charges raised in budget	<u>74,000</u>
	<u>1,179,000</u>
	<u>2,376,629</u>
Decreased by disbursements:	
Improvement authorizations	1,017,726
Due to Sewer Operating Fund	<u>6,835</u>
	<u>1,024,561</u>
Balance, December 31, 2012	\$ <u><u>1,352,068</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of General Capital Cash

General Capital Fund

December 31, 2012

Reserve for improvements	\$	647,400
Capital Improvement Fund		30,000
Due from Open Space Trust Fund		(30,000)
Due from Current Fund		23,339
Grants receivable		(8,797,444)
Due from Sewer Operating Fund		(6,835)
Reserve for encumbrances		743,750
Fund balance		52,876
Improvement authorizations:		

<u>Ordinance number</u>	<u>Improvement description</u>	
01-09	Various capital projects	(108,783)
02-08	Drainage and road improvements	(379,809)
03-12	Refunding bond ordinance	(26,707)
03-16	2004 Capital equipment and vehicles	77,817
04-28	2004 Various capital projects/Fire engine & streetscape	51,828
05-04	2005 Various improvements/streetscape	51,045
05-05	Capital equipment and vehicles	450
06-11	2006 Var. projects streetscapes and sidewalks	(549,519)
07-08	2007 Var. projects streetscapes and walkways	253,278
08-25	2008 Greenview Park plan	(9,565)
08-26	2008 Sidewalk improvements	(58,009)
08-35	Sanitary sewer extension	(500,886)
09-13	2009 Various capital projects	41,683
09-28	2009 Park Improvements ( Reappropriated 00-12)	58,969
10-18	2010 Various capital projects	162,729
10-19	2010 Equipment & vehicles	45,264
10-20	2010 West Franklin/Washington Park	418,517
11-18	2011 Various Capital Projects/CIF	89,989
11-19	2011 Equipment & Vehicles	20,802
11-26	2011 FEMA SRL Grant Flood Acquisition	4,622,475
12-12	2012 Various Capital Projects/CIF	448,653
12-13	2012 Equipment & Vehicles	131,317
12-18	2012 FEMA HMPG Flood Acquisition Grant	3,847,444
		\$ 1,352,068



**TOWNSHIP OF PEQUANNOCK**  
 Schedule of Improvement Authorizations  
 General Capital Fund  
 Year ended December 31, 2012

Ordinance number	Improvement description	Date	Amount	Balance, December 31, 2011		2012 authorizations	Expended	Canceled	Balance, December 31, 2012	
				Funded	Unfunded				Funded	Unfunded
99-10	Various capital projects/ roadway improvements	May 25, 1999	1,854,000	—	17,248	—	966	16,282	—	—
01-09	Various capital projects	Jun 17, 2001	858,000	—	47,836	—	1,619	—	—	46,217
02-08	Drainage and road improvements	May 28, 2002	841,500	—	53,191	—	—	—	—	53,191
03-12	Refunding bond ordinance	Apr 22, 2003	3,900,000	—	293	—	—	—	—	293
03-15	2003 minor capital projects	Apr 22, 2003	78,000	164	—	—	—	164	—	—
03-16	2003 various capital projects	Apr 22, 2003	862,000	—	81,986	—	4,169	—	—	77,817
04-28	2004 Various capital projects/Fire engine & streetscape	May 25, 2004	885,000	—	18,172	—	(36,656)	—	—	54,828
05-04	2005 Various capital projects and streetscapes	Jun 28, 2005	647,500	—	60,743	—	9,698	—	—	51,045
05-05	Capital equipment and vehicles	Jun 28, 2005	216,000	450	—	—	—	—	450	—
06-11	2006 Var. projects streetscapes and sidewalks	May 23, 2006	643,000	—	60,481	—	—	—	—	60,481
07-08	2007 Var. projects streetscapes and walkways	Apr 24, 2007	670,000	—	310,032	—	56,754	—	—	253,278
07-09	2007 Minor capital projects	Apr 24, 2007	186,000	7,577	—	—	(59)	7,636	—	—
08-22	2008 Road resurfacing	Aug 12, 2008	200,000	7,605	—	—	7,605	—	—	—
08-25	2008 Greenview Park plan	Sep 23, 2008	540,000	—	3,435	—	—	—	—	3,435
08-26	2008 Sidewalk improvements	Sep 23, 2008	80,000	—	17,991	—	—	—	—	17,991
08-35	Sanitary sewer extension	Dec 9, 2008	710,000	—	614	—	—	—	—	614
09-12	2009 Various capital projects	May 26, 2009	631,000	—	34,431	—	34,431	—	—	—
09-13	2009 Various capital projects	May 26, 2009	526,000	95,801	—	—	54,118	—	41,683	—
09-28	2009 Park Improvements ( Reappropriated 00-12)	Dec 22, 2009	72,419	—	58,969	—	—	—	—	58,969
10-18	2010 Various capital projects	Aug. 24, 2010	620,000	252,126	—	—	89,397	—	162,729	—
10-19	2010 Equipment & vehicles	Aug. 24, 2010	197,000	42,657	—	—	(2,607)	—	45,264	—
10-20	2010 West Franklin/Washington Park	Aug. 24, 2010	72,419	—	434,530	—	16,013	—	—	418,517
11-18	2011 Various Capital Projects/CIF	Jul 26, 2011	423,000	187,979	—	—	97,990	—	89,989	—
11-19	2011 Equipment & Vehicles	Jul. 26, 2011	407,000	243,208	—	—	222,406	—	20,802	—
11-26	2011 FEMA SRL Grant Flood Acquisition	Dec. 13, 2011	5,600,000	30,000	5,570,000	—	357,525	—	4,622,475	620,000
12-12	2012 Various Capital Projects/CIF	Jun. 12, 2012	589,000	—	—	589,000	140,347	—	448,653	—
12-13	2012 Equipment & Vehicles	Jun. 12, 2012	330,000	—	—	330,000	198,683	—	131,317	—
12-18	2012 FEMA HMPG Flood Acquisition Grant	Jun 26, 2012	520,000	—	—	5,200,000	—	—	3,847,444	1,352,556
				<u>\$ 867,567</u>	<u>6,769,952</u>	<u>6,119,000</u>	<u>1,252,399</u>	<u>24,082</u>	<u>9,410,806</u>	<u>3,069,232</u>
Deferred charges to future taxation - unfunded						\$ 5,200,000				
Reserve for Improvements						291,000				
Capital Improvement Fund						589,000	\$ 7,800			
Fund balance						<u>39,000</u>	<u>16,282</u>			
						<u>\$ 6,119,000</u>	<u>\$ 24,082</u>			

**TOWNSHIP OF PEQUANNOCK**

Schedule of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>86,200</u>
Increased by:	
2012 budget appropriation	525,000
Improvement authorization canceled	<u>7,800</u>
	<u>532,800</u>
	619,000
Decreased by:	
Appropriated to finance improvement authorizations	<u>589,000</u>
Balance, December 31, 2012	\$ <u><u>30,000</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Reserve for Improvements

General Capital Fund

Year ended December 31, 2012

	<b>Balance, Dec. 31, 2011</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance, Dec. 31, 2012</b>
Vehicles	\$ 114,900	125,000	8,000	231,900
Public works equipment	72,500	90,000	36,000	126,500
Road resurfacing	5,000	220,000	204,000	21,000
Fire apparatus	109,000	100,000	—	209,000
Data/Office Equip	57,000	45,000	43,000	59,000
	<u>\$ 358,400</u>	<u>580,000</u>	<u>291,000</u>	<u>647,400</u>
Reserve for improvements		\$ 580,000	—	
Appropriated to finance improvement authorizations		—	<u>291,000</u>	
		<u>\$ 580,000</u>	<u>291,000</u>	

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due to(from) Sewer Operating Fund

General Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	—
Increased by cash disbursed		<u>6,835</u>
Balance, December 31, 2012	\$	<u><u>(6,835)</u></u>



## TOWNSHIP OF PEQUANNOCK

## Schedule of Bond Anticipation Notes

## General Capital Fund

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of original note</u>	<u>Date of issue</u>	<u>Maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
00-12	Various improvements/Foothills Park	Aug. 8, 2002				\$ 10,000	—	10,000	—
99-10	Various Improvements/Roadway Projects	Oct. 29, 2003				29,000	—	29,000	—
03-16	Various Improvements/ streetscapes	Aug. 5, 2003	July 27, 2012	July 26, 2013	0.75%	180,000	90,000	180,000	90,000
04-28	Various Fire Engine/Streetscapes	Aug. 5, 2004	Oct. 19, 2012	July 26, 2013	1.15%	381,000	250,000	381,000	250,000
00-12	Various improvements/Foothills Park	Aug. 4, 2005				50,000	—	50,000	—
05-16	Various Improvements/ streetscapes	Oct. 28, 2005	Oct. 19, 2012	July 26, 2013	1.15%	419,000	314,000	419,000	314,000
07-08	Various Improvements/ streetscapes	Aug. 3, 2007	July 27, 2012	July 26, 2013	0.75%	510,000	435,000	510,000	435,000
08-28	Replacement Fire truck 1-2	Oct. 22, 2009	Oct. 19, 2012	July 26, 2013	1.15%	253,000	223,000	253,000	223,000
08-35	Sanitary sewer extension	Jul. 31, 2009	July 27, 2012	July 26, 2013	0.75%	475,000	415,000	475,000	415,000
09-12	Various Improvements/ Street Sweeper	Jul. 31, 2009	July 27, 2012	July 26, 2013	0.75%	600,000	540,000	600,000	540,000
10-20	Various Improvements/West Franklin	Jul. 28, 2011	July 27, 2012	July 26, 2013	0.75%	610,000	610,000	610,000	610,000
						<u>\$ 3,517,000</u>	<u>2,877,000</u>	<u>3,517,000</u>	<u>2,877,000</u>
					Paid	\$ —		640,000	
					Renewed		<u>2,877,000</u>	<u>2,877,000</u>	
						<u>\$ 2,877,000</u>	<u>3,517,000</u>		

**TOWNSHIP OF PEQUANNOCK**

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2012

<b>Ordinance number</b>	<b>Improvement description</b>	<b>Balance, Dec. 31, 2011</b>	<b>2012 authorizations</b>	<b>Decreases</b>	<b>Balance, Dec. 31, 2012</b>
01-09	Various Projects/Road Improvements	\$ 155,000	—	—	155,000
02-08	Drainage and road improvements	507,000	—	74,000	433,000
03-12	Refunding Ordinance	27,000	—	—	27,000
04-28	2004 Various capital projects/Fire engine & streetscape	3,000	—	—	3,000
06-11	2006 Var. projects streetscapes and sidewalks	610,000	—	—	610,000
08-25	2008 Greenview Park plan	76,000	—	—	76,000
08-26	2008 Sidewalk improvements	13,000	—	—	13,000
08-35	Sanitary sewer extension	501,500	—	—	501,500
11-26	2011 FEMA SRL Grant Flood Acquisition	5,570,000	—	4,950,000	620,000
12-18	2012 FEMA HMPG Flood Acquisition Grant	—	5,200,000	3,847,444	1,352,556
		<u>\$ 7,462,500</u>	<u>5,200,000</u>	<u>8,871,444</u>	<u>3,791,056</u>
				\$ 74,000	
				<u>8,797,444</u>	
				<u>\$ 8,871,444</u>	

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due to (from) Current Fund

General Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	319
Increased by:		
Expenses paid by Current Fund		<u>23,020</u>
Balance, December 31, 2012	\$	<u><u>23,339</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from Open Space

General Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>30,000</u>
Balance, December 31, 2012	\$ <u>30,000</u>

## TOWNSHIP OF PEQUANNOCK

Schedule of Cash - Treasurer

Water Utility Fund

Year ended December 31, 2012

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	\$ <u>1,093,081</u>	<u>558,260</u>
Increased by receipts:		
Water rents receivable	2,464,720	—
Due from Sewer Operating Fund	2,518,877	300,000
Due from Water Capital Fund	1,109	—
Interest earned	—	4
Due from Current Fund	3,689	—
Due from Sewer Capital Fund	—	277,765
Deferred charge transferred	—	160,000
Miscellaneous revenue	34,590	—
Capital Improvement Fund	—	100,000
	<u>5,022,985</u>	<u>837,769</u>
	<u>6,116,066</u>	<u>1,396,029</u>
Decreased by disbursements:		
Budget appropriations	2,216,599	—
Accounts payable	7,965	—
Due to Water Operating Fund	—	1,109
Due from Sewer Operating Fund	2,497,012	—
Interest on notes	10,930	—
Improvement authorizations	—	702,496
Appropriation reserves	73,067	—
	<u>4,805,573</u>	<u>703,605</u>
Balance, December 31, 2012	\$ <u><u>1,310,493</u></u>	<u><u>692,424</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Analysis of Cash - Capital Fund

Water Utility Fund

December 31, 2012

Capital Improvement Fund		\$	160,049
Fund balance			8,064
Due to (from) Recreation Utility Capital			(110,000)
Improvement authorizations:			
<b>Ordinance</b>	<b>Improvement description</b>		
<b>number</b>			
2000-13	Various Water Facility Improvements		—
2000-14	Development of 2 New Wells		155
2001-10	Well #2 Rehabilitation		92,735
2003-18	AMR Phase 3		(300,000)
2007-13	New Water Tank Construction		174,670
2007-14	Water Blending Facility		626,751
2011-24	Extension of Water Supply Main		40,000
		\$	<u>692,424</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Consumer Accounts Receivable -  
Operating Fund

Water Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ 392,423
Increased by:	
Water billings and miscellaneous charges	<u>2,666,279</u>
	<u>3,058,702</u>
Decreased by:	
Water rents - collections	2,464,720
Adjustments and other	<u>31,051</u>
	<u>2,495,771</u>
Balance, December 31, 2012	<u><u>\$ 562,931</u></u>

TOWNSHIP OF PEQUANNOCK

Schedule of Assessment Liens and Assessment Lien  
Interest and Costs - Assessment Fund

Water Utility Fund

December 31, 2012

<u>Certificate number</u>	<u>Block</u>	<u>Lot</u>	<u>Principal</u>	<u>Interest and costs</u>
298	259	1	\$ 870	98
299	260	1	202	31
301	260	2	194	30
			<u>\$ 1,266</u>	<u>159</u>



**TOWNSHIP OF PEQUANNOCK**

Schedule of Fixed Capital - Capital Fund

Water Utility Fund

Year ended December 31, 2012

<b>Account number</b>	<b>Account</b>	<b>Balance, Dec. 31, 2011</b>	<b>Increased</b>	<b>Balance, Dec. 31, 2012</b>
284	Reserve for Amortization	\$ 57,442	—	57,442
343	Distribution mains and accessories	2,089,520	—	2,089,520
345	House service	283,102	—	283,102
346	Meters	832,635	27,870	860,505
348	Hydrants	80,889	14,513	95,402
394	General equipment - trucks	786,601	721	787,322
391	Office furniture and equipment	63,246	—	63,246
390	Structures and improvements	167,315	—	167,315
395	Wells and pumping station	3,364,431	—	3,364,431
395	Well #2 chlorinator	9,936	—	9,936
	New water tank construction	1,500	—	1,500
		<u>\$ 7,736,617</u>	<u>43,104</u>	<u>7,779,721</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Appropriation Reserves - Operating Fund

Water Utility Fund

Year ended December 31, 2012

	<b>Balance, Dec. 31, 2011</b>	<b>Encum- brances</b>	<b>Balance after transfers</b>	<b>Paid or charged</b>	<b>Unexpended balance lapsed</b>
Salaries and wages	\$ 2,721	—	2,721	—	2,721
Other expenses	66,211	48,240	114,451	78,970	35,481
Capital outlay	4,329	7,035	11,364	4,569	6,795
Statutory expenditures: Social Security System	<u>1,322</u>	<u>—</u>	<u>1,322</u>	<u>—</u>	<u>1,322</u>
	<u>\$ 74,583</u>	<u>55,275</u>	<u>129,858</u>	<u>83,539</u>	<u>46,319</u>
		Accounts Payable		\$ 10,472	
		Cash		<u>73,067</u>	
				<u>\$ 83,539</u>	

**TOWNSHIP OF PEQUANNOCK**

Schedule of Fixed Capital Authorized  
and Uncompleted - Capital Fund

Water Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	4,151,371
Increased by ordinances		<u>40,000</u>
Balance, December 31, 2012	\$	<u><u>4,191,371</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Capital Improvement  
Fund - Capital Fund

Water Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	100,049
Increased by:		
Budget appropriation		<u>100,000</u>
		200,049
Decreased by appropriated to finance		
Ordinance 2011 - 24		<u>40,000</u>
Balance, December 31, 2012	\$	<u><u>160,049</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Reserve for Amortization -  
Capital Fund

Water Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>6,347,580</u>
Increased by improvements funded	
Budgeted capital improvements	43,104
Bond anticipation note paydown from budget	<u>130,000</u>
	<u>173,104</u>
Balance, December 31, 2012	\$ <u><u>6,520,684</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Improvement Authorizations - Capital Fund

Water Utility Fund

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Amount</u>	<u>Balance, December 31, 2011</u>		<u>Authorizations</u>	<u>Expended</u>	<u>Balance, December 31, 2012</u>	
			<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
00-14	Development of 2 New Wells	\$ 1,800,000	155	—	—	—	155	—
01-10	Well #2 Rehabilitation	180,000	92,735	—	—	—	92,735	—
07-13	New water tank construction	1,105,000	94,670	1,000,000	—	—	174,670	920,000
07-14	Water blending facility	2,030,000	1,249,247	447,311	—	702,496	626,751	367,311
11-24	Extension of Water Supply Main	40,000	—	—	40,000	—	40,000	—
			<u>\$ 1,436,807</u>	<u>1,447,311</u>	<u>40,000</u>	<u>702,496</u>	<u>934,311</u>	<u>1,287,311</u>
						\$ 702,496		
						—		
						—		
						—		
						<u>702,496</u>		
					\$ 40,000			
					—			
					<u>40,000</u>			

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from Sewer Capital Fund  
Capital Fund

Water Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	277,765
Decreased by cash collections		<u>277,765</u>
Balance, December 31, 2012	\$	<u><u>—</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Bonds and Notes Authorized  
but not Issued - Capital Fund

Water Utility Fund

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance Dec. 31, 2011</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2012</u>
03-18	AMR Phase 3	\$ 300,000	—	300,000
07-13	New water tank construction	1,000,000	80,000	920,000
07-14	Water blending facility	447,311	80,000	367,311
		<u>\$ 1,747,311</u>	<u>160,000</u>	<u>1,587,311</u>
	Funded by budget appropriation		<u>\$ 160,000</u>	



**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from Sewer Operating Fund  
Operating Fund

Water Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	85,379
Increased by cash disbursements		<u>2,497,012</u>
		2,582,391
Decreased by cash receipts		<u>2,518,877</u>
Balance, December 31, 2012	\$	<u><u>63,514</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from Water Capital Fund -  
Operating Fund

Water Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	1,105
Increased by:		
Interest earned		<u>4</u>
		1,109
Decreased by collections		<u>1,109</u>
Balance, December 31, 2012	\$	<u><u>—</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Accounts Payable -  
Operating Fund

Water Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	82,110
Increased by transfer from appropriation reserves		<u>10,472</u>
		92,582
Decreased by payments		<u>7,965</u>
Balance, December 31, 2012	\$	<u><u>84,617</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Deferred Reserve for Amortization  
Capital Fund

Water Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ 2,623,097
Increased by:	
Down payment on ordinances	40,000
Funded by budget appropriation	<u>160,000</u>
	<u>200,000</u>
Balance, December 31, 2012	<u>\$ 2,823,097</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due to (from) Current Fund

Water Utility Fund

Year ended December 31, 2012

	<u>Water Operating</u>	<u>Water Capital</u>
Balance, December 31, 2011	\$ —	—
Increased by cash receipt	<u>3,689</u>	<u>—</u>
Balance, December 31, 2012	<u>\$ 3,689</u>	<u>—</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Bond Anticipation Notes  
 Capital Fund  
 Water Utility Fund

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of original note</u>	<u>Date of issue</u>	<u>Maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
09-15	Village Area Water Mains	Jul. 29, 2010	Jul. 27, 2012	Jul. 26, 2013	0.75%	\$ 1,170,000	1,040,000	1,170,000	1,040,000
						<u>\$ 1,170,000</u>	<u>1,040,000</u>	<u>1,170,000</u>	<u>1,040,000</u>
					Paid		\$ —	30,000	
					Renewed		<u>1,040,000</u>	<u>1,040,000</u>	
						\$ <u>1,040,000</u>	<u>1,070,000</u>		

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from Sewer Operating Fund  
Capital Fund

Water Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	300,000
Decreased by cash received		<u>300,000</u>
Balance, December 31, 2012	\$	<u><u>—</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Accrued Interest on Water Bonds -  
Operating Fund

Water Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$ 4,792
Increased by:	
Budget appropriation	10,960
	<u>15,752</u>
Decreased by:	
Cancelled	535
Cash disbursed	10,930
	<u>11,465</u>
Balance, December 31, 2012	\$ <u><u>4,287</u></u>

**Analysis of Balance**

	<u>Balance</u>	<u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$	1,170,000	Various	Jul. 28, 2012	Dec. 31, 2012	5 months	\$ <u><u>4,792</u></u>



## TOWNSHIP OF PEQUANNOCK

Schedule of Cash - Treasurer

Sewer Utility Fund

Year ended December 31, 2012

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	\$ 276,561	866,057
Increased by receipts:		
Sewer rents receivable	2,632,039	—
Miscellaneous revenue	29,291	—
Due to Solid Waste Utility Fund	230,644	—
Due from Water Utility Operating Fund	63,515	—
Assessment Fund Balance	325,000	—
Due to Sewer Operating Fund	—	826
Overpayment	21,436	—
Sewer Capital Fund	271,878	—
Overpayments	672	—
	<u>3,574,475</u>	<u>826</u>
	<u>3,851,036</u>	<u>866,883</u>
Decreased by disbursements:		
Budget appropriations	2,436,922	—
Appropriation reserves	10,273	—
Accrued interest on bonds	284,770	—
Accrued interest on notes	14,054	—
Due from Sewer Capital Fund	826	—
Due to Solid Waste Utility Fund	250,220	—
Due to Water Utility Capital Fund	300,000	277,765
Due from Water Utility Operating Fund	85,379	—
Accounts payable	5,700	—
Overpayments refunded	20,517	—
Due to Sewer Operating Fund	—	271,878
Improvement authorizations	—	37,660
	<u>3,408,661</u>	<u>587,303</u>
Balance, December 31, 2012	\$ <u><u>442,374</u></u>	<u><u>279,580</u></u>

TOWNSHIP OF PEQUANNOCK

Schedule of Analysis of Cash - Capital Fund

Sewer Utility Fund

Year ended December 31, 2012

Due to Sewer Operating Fund	\$ (19,951)
Capital improvement fund	3,685
Fund balance	254,200

Improvement authorizations:

<u>Ordinance number</u>	<u>Improvement description</u>	
97-17	Industrial Road sewers	1
02-07	Purchase of sewer jet	(69,444)
06-14	Purchase of TBSA capacity	(845,509)
07-12	Purchase of TBSA capacity	43,273
08-27	Sewer Design	311
08-38	Sanitary Sewer extension project	286,015
10-22	Village area sewers	<u>626,999</u>
		<u>\$ (6,120,420)</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Consumer Accounts Receivable -  
Operating Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$ 570,592
Increased by sewer charges	<u>2,678,610</u>
	<u>3,249,202</u>
Decreased by:	
Collections	2,632,039
Cancellations	<u>20,976</u>
	<u>2,653,015</u>
Balance, December 31, 2012	<u><u>\$ 596,187</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Encumbrances Payable - Operating Fund

Sewer Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	21,058
Increased by transfer from current budget and others		<u>7,175</u>
		28,233
Decreased by transfer to appropriation reserve		<u>10,059</u>
Balance, December 31, 2012	\$	<u><u>18,174</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Fixed Capital - Capital Fund

Sewer Utility Fund

Year ended December 31, 2012

	<b>Balance, Dec. 31, 2012</b>	<b>Balance, Dec. 31, 2011</b>
Capacity	\$ 3,163,500	3,163,500
Treatment plant	298,300	298,300
Trunk lines	241,971	241,971
Transportation equipment	3,300	3,300
Equipment	<u>103,566</u>	<u>103,566</u>
	<u>\$ 3,810,637</u>	<u>3,810,637</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Prospective Assessments  
Assessment Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>10,530,000</u>
Decreased by:	
Assessments confirmed	3,663,964
Utility share	<u>466,036</u>
	<u>4,130,000</u>
Balance, December 31, 2012	\$ <u><u>6,400,000</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Appropriation Reserves -  
Operating Fund

Sewer Utility Fund  
Year ended December 31, 2012

	<b>Balance, Dec. 31, 2011</b>	<b>Balance after transfers</b>	<b>Paid or charged</b>	<b>Unexpended balance lapsed</b>
Salaries and wages	\$ 17,612	17,612	—	17,612
Other expenses	43,942	54,002	15,773	38,229
Statutory expenditures: Social Security System	<u>398</u>	<u>398</u>	<u>—</u>	<u>398</u>
	<u>\$ 61,952</u>	<u>72,012</u>	<u>15,773</u>	<u>56,239</u>
Appropriation Reserve		61,952		
Encumbrances		<u>10,059</u>		
		<u>72,011</u>		
Cash			\$ 10,273	
Accounts payable			<u>5,500</u>	
			<u>\$ 15,773</u>	

**TOWNSHIP OF PEQUANNOCK**

Schedule of Accrued Interest on Sewer Bonds -  
Operating Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$ 59,327
Increased by:	
Budget appropriation	<u>284,770</u>
	344,097
Decreased by:	
Cancelled	4,167
Cash disbursed	<u>284,770</u>
	<u>288,937</u>
Balance, December 31, 2012	<u><u>\$ 55,160</u></u>

**Analysis of Balance**

	<u>Balance</u>	<u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$	6,733,000	Various	Oct. 15, 2012	Dec. 31, 2012	2.5 months	<u><u>\$ 55,160</u></u>



**TOWNSHIP OF PEQUANNOCK**

Schedule of Accrued Interest on Sewer Notes -  
Operating Fund

Sewer Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ 4,982
Increased by:	
Budget appropriation	<u>13,014</u>
	<u>17,996</u>
Decreased by:	
Cash disbursements	14,054
Cancellation	<u>49</u>
	<u>14,103</u>
Balance, December 31, 2012	<u><u>\$ 3,893</u></u>

**Analysis of Balance**

	<u>Balance</u>	<u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$	250,000	0.75%	July 26, 2012	Dec. 31, 2012	152 days	\$ 781
	380,000	0.75%	July 26, 2012	Dec. 31, 2012	152 days	1,187
	118,000	1.15%	Oct. 21, 2012	Dec. 31, 2012	71 days	268
	500,000	0.75%	July 26, 2012	Dec. 31, 2012	152 days	<u>1,562</u>
						<u><u>\$ 3,797</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Reserve for Amortization - Capital Fund

Sewer Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>3,536,137</u>
Increased by:	
Notes paid by Assessment Fund	5,000
Bonds paid	<u>500,000</u>
	<u>505,000</u>
Balance, December 31, 2012	\$ <u><u>4,041,137</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Capital Improvement Fund - Capital Fund

Sewer Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>3,685</u>
Balance, December 31, 2012	\$ <u>3,685</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due to (from) Sewer Utility Operating Fund -  
Capital Fund

Sewer Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ 271,101
Increased by:	
Interest collected	
Advances	<u>826</u>
	<u>271,927</u>
Decreased by:	
Refunded	271,878
Transfer of deferred charges	<u>20,000</u>
	<u>291,878</u>
Balance, December 31, 2012	\$ <u><u>(19,951)</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Serial Bonds Payable - Capital Fund

Sewer Utility Fund

Year ended December 31, 2012

Purpose	Date of original issue	Original amount of issue	Maturities of bonds outstanding December 31, 2011		Interest rate	Balance, Dec. 31, 2011	Paid	Balance, Dec. 31, 2012
			Date	Amount				
Sewer Utility Bonds (Bonds maturing on or after Oct. 15, 2018 are subject to redemption)	Oct. 15, 2007	\$ 8,983,000	Oct. 15, 2013	\$ 525,000	4.00%			
			Oct. 15, 2014	550,000	4.00%			
			Oct. 15, 2015	575,000	4.00%			
			Oct. 15, 2016	600,000	4.00%			
			Oct. 15, 2017	625,000	4.00%			
			Oct. 15, 2018	650,000	3.75%			
			Oct. 15, 2019	650,000	3.80%			
			Oct. 15, 2020	650,000	3.85%			
			Oct. 15, 2021	650,000	3.90%			
			Oct. 15, 2022	650,000	4.00%			
			Oct. 15, 2023	608,000	4.00%			
					\$ 7,233,000	500,000	6,733,000	
					\$ 7,233,000	500,000	6,733,000	
						Paid by Operating Budget	\$ 310,000	
						Paid by Assessment Budget	190,000	
							\$ 500,000	

TOWNSHIP OF PEQUANNOCK

Schedule of Improvement Authorizations - Capital Fund

Sewer Utility Fund

Year ended December 31, 2012

Ordinance number	Improvement description	Amount	Balance, December 31, 2011		Expended	Canceled	Balance, December 31, 2012	
			Funded	Unfunded			Funded	Unfunded
97-17	Industrial Road sewers	\$ 170,000	\$ 1	—	—	—	1	—
02-07	Purchase Sewer Jet	130,000	—	556	—	—	—	556
04-35	Munson Drive/ Farm Rd. sewers	1,500,000	115,697	—	36,120	79,577	—	—
05-13	Pequanock Area Sewers Phase 14-1	4,600,000	50,524	—	—	50,524	—	—
06-14	Purchase of TBSA capacity	915,000	—	14,491	—	—	—	14,491
07-12	Purchase of TBSA capacity	1,055,000	43,273	—	—	—	43,273	—
08-27	Sewer Design	400,000	—	311	—	—	—	311
08-38	Sanitary Sewer extension project	710,000	—	286,015	—	—	—	286,015
10-22	Village area sewers	12,000,000	128,539	11,425,000	1,540	—	126,999	11,425,000
			\$ 338,034	11,726,373	37,660	130,101	170,273	11,726,373
				Cash	37,660			
				Encumbrances paid	0			
					<u>37,660</u>			

**TOWNSHIP OF PEQUANNOCK**

Schedule of Bonds and Notes Authorized but not Issued

Sewer Utility Fund

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance, Dec. 31, 2011</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
02-07	Purchase Sewer Jet	\$ 80,000	10,000	70,000
06-14	Purchase of TBSA capacity	870,000	10,000	860,000
10-22	Village area sewers	<u>10,925,000</u>	<u>—</u>	<u>10,925,000</u>
		<u>\$ 11,875,000</u>	<u>20,000</u>	<u>11,855,000</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Deferred Reserve for  
Amortization - Capital Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$	2,776,194
Increased by:		
Bond anticipation notes paid		<u>20,000</u>
Balance, December 31, 2012	\$	<u><u>2,796,194</u></u>



**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from Current Fund  
Operating Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$	35,276
Increased by:		
Interest collected in Current Fund		<u>2,640</u>
Balance, December 31, 2012	\$	<u><u>37,916</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Fixed Capital - Authorized  
and Uncompleted - Capital Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>22,862,694</u>
Balance, December 31, 2012	\$ <u>22,862,694</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from (to) Sewer Assessment Fund -  
Operating Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011 (Due to)	\$ <u>497,483</u>
Increased by:	
Anticipated fund balance	130,000
Payment of Assessment Bonds	<u>195,000</u>
	<u>325,000</u>
	822,483
Decreased by:	
Assessments collected from Current Fund	<u>497,483</u>
Balance, December 31, 2012	\$ <u><u>325,000</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Accounts Payable -  
Operating Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$	13,700
Decreased by payments		<u>5,700</u>
Balance, December 31, 2012	\$	<u><u>8,000</u></u>

TOWNSHIP OF PEQUANNOCK

Schedule of Due to Solid Waste Utility Fund -  
Operating Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$	250,220
Increased by cash receipts		<u>230,644</u>
		480,864
Decreased by cash disbursements		<u>250,220</u>
Balance, December 31, 2012	\$	<u><u>230,644</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due to Water Utility Operating Fund -  
Operating Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance due to, December 31, 2011	\$ <u>85,379</u>
Increased by:	
Collections	<u>63,515</u>
	148,894
Decreased by cash disbursements	<u>85,379</u>
Balance due to, December 31, 2012	\$ <u><u>63,515</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Assessment Fund Balance  
Assessment Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$ 131,167
Increased by:	
Assessments collected	<u>672,447</u>
	<u>803,614</u>
Decreased by:	
Payment of notes	195,000
Anticipated revenue	<u>130,000</u>
	<u>325,000</u>
Balance, December 31, 2012	<u><u>\$ 478,614</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Sewer Liens  
Operating Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$	<u>302</u>
Balance, December 31, 2012	\$	<u>302</u>



## TOWNSHIP OF PEQUANNOCK

Schedule of Assessments Receivable -  
Assessment FundSewer Utility Fund  
Year ended December 31, 2012

<b>Description</b>	<b>Confirmation Date</b>	<b>Balance, Dec. 31, 2011</b>	<b>Assessments Confirmed</b>	<b>Decreased</b>	<b>Balance, Dec. 31, 2012</b>
Mountain Avenue/ Mead Place	June 24, 2003	\$ 22,552	—	15,889	6,663
Lincoln Park Road	June 24, 2003	4,050	—	2,707	1,343
Phase II Sewers	March 23, 2004	234,584	—	111,130	123,454
Munson / Farm roads	August 27, 2012	—	803,250	246,713	556,537
Pequannock Avenue	September 24, 2012	—	2,860,714	296,009	2,564,705
		\$ <u>261,186</u>	<u>3,663,964</u>	<u>672,448</u>	<u>3,252,702</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due from Current Fund  
Assessment Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$	215,650
Increased by:		
Assessments collected		<u>672,448</u>
		888,098
Decreased by:		
Cash received		<u>497,484</u>
Balance, December 31, 2012	\$	<u><u>390,614</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due to General Capital Fund  
Operating Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$	—
Increased by:		
Interest paid by General Capital Fund		<u>6,835</u>
Balance, December 31, 2012	\$	<u><u>6,835</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Reserve for Maintenance Bond  
Operating Fund

Sewer Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>5,000</u>
Balance, December 31, 2012	\$ <u>5,000</u>

TOWNSHIP OF PEQUANNOCK

Schedule of Bond Anticipation Notes

Sewer Capital Fund

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Purpose</u>	<u>Original date of issue</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
2005-13	Sanitary Sewer	7/31/2009	7/27/2012	7/26/2013	0.75%	\$ 250,000	250,000	250,000	250,000
2008-27	Sanitary Sewer Design - Village Area	7/31/2009	7/27/2012	7/26/2013	0.75%	380,000	380,000	380,000	380,000
2008-38	Sanitary Sewer Extension	10/23/2009	10/20/2012	10/19/2013	1.15%	123,000	118,000	123,000	118,000
2010-22	Village Area Sewers	7/28/2011	7/27/2012	7/26/2013	0.75%	\$ 500,000	500,000	500,000	500,000
						<u>\$ 1,253,000</u>	<u>1,248,000</u>	<u>1,253,000</u>	<u>1,248,000</u>
					Renewed		\$ 1,248,000	1,248,000	
					Paid by Sewer Assessment Fund		—	5,000	
							<u>\$ 1,248,000</u>	<u>1,253,000</u>	

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due to Water Capital Fund  
Operating Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$	300,000
Decreased by disbursement		<u>300,000</u>
Balance, December 31, 2012	\$	<u><u>—</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Due to Water Utility Capital Fund  
Capital Fund

Sewer Utility Fund  
Year ended December 31, 2012

Balance, December 31, 2011	\$	277,765
Disbursements		<u>277,765</u>
Balance, December 31, 2012	\$	<u><u>—</u></u>

TOWNSHIP OF PEQUANNOCK

Schedule of Cash - Treasurer

Solid Waste Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>341,381</u>
Increased by:	
Consumer accounts receivable collections	1,437,476
Miscellaneous revenue	9,764
Due from Sewer Operating Fund	<u>1,466,422</u>
	<u>2,913,662</u>
	<u>3,255,043</u>
Decreased by:	
Budget appropriations	1,415,854
Appropriation reserves	11,994
Due to Sewer Operating Fund	1,446,846
Accounts payable disbursement	<u>3,600</u>
	<u>2,878,294</u>
Balance, December 31, 2012	\$ <u><u>376,749</u></u>



TOWNSHIP OF PEQUANNOCK

Schedule of Consumer Accounts Receivable

Solid Waste Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ 131,089
Increased by garbage collection billings	<u>1,455,655</u>
	<u>1,586,744</u>
Decreased by	
Collections	1,437,476
Interest and miscellaneous	9,370
Cancellations	<u>1,083</u>
	<u>1,447,929</u>
Balance, December 31, 2012	<u><u>\$ 138,815</u></u>

TOWNSHIP OF PEQUANNOCK

Schedule of Due to Current Fund  
Operating Fund

Solid Waste Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	—
Increased by expenditures paid by Current Fund		<u>4,580</u>
Balance, December 31, 2012	\$	<u><u>4,580</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Appropriation Reserves

Solid Waste Utility Fund

Year ended December 31, 2012

	<b>Balance Dec. 31, 2011</b>	<b>Encum- brances</b>	<b>Balance after transfers</b>	<b>Paid or charged</b>	<b>Unexpended balance lapsed</b>
Operating:					
Salaries and wages	\$ 13,956	—	13,956	—	13,956
Other expenses	40,355	1,468	41,823	15,894	25,929
Statutory expenditures - contributions to Social Security System (O.A.S.I.)	265	—	265	—	265
	<u>\$ 54,576</u>	<u>1,468</u>	<u>56,044</u>	<u>15,894</u>	<u>40,150</u>

**Exhibit F-8**

**TOWNSHIP OF PEQUANNOCK**

Schedule of Solid Waste Interfunds -  
Operating Fund

Solid Waste Utility Fund

Year ended December 31, 2012

	<b>Sewer Operating Fund</b>
Balance due from, December 31, 2011	\$ 250,220
Increased by cash disbursed	<u>1,446,846</u>
	1,697,066
Decreased by cash receipts	<u>1,466,422</u>
Balance due from, December 31, 2012	\$ <u><u>230,644</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Reserve for Recycling Tonnage Grant

Solid Waste Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	28,563
Decreased by grant anticipated		<u>28,563</u>
Balance, December 31, 2012	\$	<u><u>—</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Accounts Payable -

Solid Waste Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	47,439
Increased by charges to appropriation reserve		<u>3,901</u>
		51,340
Decreased by cash disbursed		<u>3,600</u>
Balance, December 31, 2012	\$	<u><u>47,740</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Cash - Treasurer

Recreation Utility Fund

Year ended December 31, 2012

	<b>Operating Fund</b>	<b>Capital Fund</b>
	<u>          </u>	<u>          </u>
Balance, December 31, 2011	\$ 96,309	5,313
Increased by:		
Program fees	430,061	—
Miscellaneous	403	—
Due from Recreation Capital Fund	—	2,005
Prepaid program registration	40	—
	<u>430,504</u>	<u>2,005</u>
	<u>526,813</u>	<u>7,318</u>
Decreased by:		
Budget appropriation	398,074	—
Appropriation reserve	5,411	—
Due from Recreation Capital Fund	2,005	—
Due to Current Fund	39,653	—
	<u>445,143</u>	<u>—</u>
Balance, December 31, 2012	\$ <u>81,670</u>	<u>7,318</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Analysis of Cash - Capital Fund

Recreation Utility Fund

December 31, 2012

Capital Improvement Fund	\$ 3,000
Due to (from) Water Utility Capital	110,000
Due from Recreation Operating Fund	(2,000)

Improvement authorizations:

<u>Ordinance number</u>	<u>Improvement description</u>	
2003-19	PV Park Pavilion	<u>(103,682)</u>
		\$ <u><u>7,318</u></u>



**TOWNSHIP OF PEQUANNOCK**

Schedule of Recreation Interfunds - Operating Fund

Recreation Utility Fund

Year ended December 31, 2012

	<u>Current Fund</u>	<u>Recreation Capital</u>
Balance due from (to), December 31, 2011	\$ (4,706)	2,005
Increased by:		
Cash disbursed	<u>39,653</u>	<u>—</u>
	<u>39,653</u>	<u>—</u>
	<u>34,947</u>	<u>2,005</u>
Decreased by paid by Current Fund		
Budgeted deferred charge	—	2,000
Cash receipts	<u>—</u>	<u>2,005</u>
	<u>—</u>	<u>4,005</u>
Balance due (to) from, December 31, 2012	<u>\$ 34,947</u>	<u>(2,000)</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Fixed Capital  
Capital Fund

Recreation Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011 and 2012

\$ 134,682

**TOWNSHIP OF PEQUANNOCK**

Schedule of Appropriation Reserves

Recreation Utility Fund

Year ended December 31, 2012

	<b>Balance, Dec. 31, 2011</b>	<b>Encum- brances</b>	<b>Balance, After Transfers</b>	<b>Paid or Charged</b>	<b>Unexpended Balance Lapsed</b>
Operating:					
Salaries and wages	\$ 17,375	—	17,375	—	17,375
Other expenses	5,682	4,030	9,712	8,311	1,401
Deferred charges and statutory expenditures:					
Social Security System (O.A.S.I.)	40	—	40	—	40
	<u>\$ 23,097</u>	<u>4,030</u>	<u>27,127</u>	<u>8,311</u>	<u>18,816</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Encumbrances Payable

Recreation Utility Fund

Year ended December 31, 2012

	<u>Operating Fund</u>
Balance, December 31, 2011	\$ 4,030
Increased by:	
Transfer from budget	<u>5,436</u>
	9,466
Decreased by:	
Transfer to appropriation reserve	<u>4,030</u>
Balance, December 31, 2012	\$ <u><u>5,436</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Bonds and Notes Authorized  
but not Issued - Capital Fund

Recreation Utility Fund

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance Dec. 31, 2011</u>	<u>Paid by Budget</u>	<u>Balance Dec. 31, 2012</u>
03-19	PV Park Pavilion	\$ <u>108,000</u>	<u>2,000</u>	<u>106,000</u>
		\$ <u><u>108,000</u></u>	<u><u>2,000</u></u>	<u><u>106,000</u></u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Improvement Authorizations - Capital Fund

Recreation Utility Fund

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Amount</u>	<u>Balance, December 31, 2011</u>		<u>Balance, December 31, 2012</u>	
			<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
03-19	PV Park Pavilion	\$ 137,000	—	2,318	—	2,318
			\$ —	2,318	—	2,318

**TOWNSHIP OF PEQUANNOCK**

Schedule of Fixed Capital Authorized  
and Uncompleted - Capital Fund

Recreation Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011 and 2012	\$ <u>2,318</u>
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**TOWNSHIP OF PEQUANNOCK**

Schedule of Reserve for  
Amortization - Capital Fund

Recreation Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	29,000
Increased by:		
Deferred charge paid by budget		<u>2,000</u>
Balance, December 31, 2012	\$	<u><u>31,000</u></u>



**TOWNSHIP OF PEQUANNOCK**

Schedule of Capital Improvement  
Fund - Capital Fund

Recreation Utility Fund

Year ended December 31, 2012

Balance, December 31, 2012 and 2011

\$ 3,000

**TOWNSHIP OF PEQUANNOCK**

Schedule of Recreation Interfunds - Capital Fund

Recreation Utility Fund

Year ended December 31, 2012

Balance due to December 31, 2011	\$ <u>110,000</u>
Balance due to (from), December 31, 2012	\$ <u>110,000</u>

**TOWNSHIP OF PEQUANNOCK**

Schedule of Changes in General Fixed Assets

General Fixed Assets Account Group

Year Ended December 31, 2012

<b>Category</b>	<b>Balance Dec. 31, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance Dec. 31, 2012</b>
Land and buildings	\$ 21,095,743	1,570,550	—	22,666,293
Machinery and equipment	1,793,262	94,593	20,230	1,867,625
Furniture and fixtures	1,915,548	—	—	1,915,548
Vehicles	4,970,335	121,572	155,695	4,936,212
	<u>\$ 29,774,888</u>	<u>1,786,715</u>	<u>175,925</u>	<u>31,385,678</u>

SUPPLEMENTARY DATA

**TOWNSHIP OF PEQUANNOCK**

Supplementary Data

**Comparative Schedule of Tax Rate Information**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate (per hundred) \$	<u>2.100</u>	<u>1.727</u>	<u>1.713</u>
Apportionment of tax rate:			
Municipal	0.502	0.401	0.401
County	0.278	0.225	0.225
Local school	1.320	1.101	1.087
Assessed valuations:			
2012 \$	2,415,789,200		
2011	2,887,001,250		
2010	2,893,667,291		

**Comparison of Tax Levies and Collection Currently**

			<b>Currently</b>	
<b>Year</b>	<b>Tax levy</b>	<b>Cash collections</b>	<b>Percentage of collection</b>	
2012 \$	50,824,110	50,766,744	99.88	%
2011	49,922,147	49,064,948	98.28	
2010	49,753,279	49,100,525	98.69	
2009	48,477,948	47,909,235	98.83	
2008	46,908,158	46,442,043	99.01	

**Delinquent Taxes and Tax Title Liens**

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

		<b>Amount of tax title liens</b>	<b>Amount of delinquent taxes</b>	<b>Total delinquent</b>	<b>Percentage of tax levy</b>
<b>Dec.31,</b>					
2012 \$		12,672	522,970	535,642	1.05 %
2011		12,457	486,720	499,177	1.00
2010		3,575	449,658	453,233	0.91
2009		—	358,770	358,770	0.74
2008		—	418,629	418,629	0.89

## TOWNSHIP OF PEQUANNOCK

### Supplementary Data

#### Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2012	\$ 884,650
2011	884,650
2010	884,650
2009	884,650
2008	676,550

#### Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2012	\$ 2,666,279	2,464,720
2011	2,278,698	2,337,980
2010	2,083,367	1,997,530
2009	1,662,992	1,665,620
2008	1,837,546	1,761,024

#### Comparison of Sewer Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2012	\$ 2,678,610	2,632,039
2011	2,618,488	2,600,688
2010	2,557,634	2,432,116
2009	2,624,411	2,604,364
2008	2,239,555	2,170,572

#### Comparison of Solid Waste Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2012	\$ 1,455,655	1,437,476
2011	1,383,368	1,411,500
2010	1,941,416	1,930,064
2009	2,133,247	2,119,149
2008	2,040,417	2,014,556

**TOWNSHIP OF PEQUANNOCK**

Supplementary Data

**Comparative Schedule of Fund Balances**

	Year	Balance, Dec. 31	Utilized in budget of succeeding year
Current:			
	2012	\$ 1,593,554	1,250,000
	2011	1,678,121	1,230,000
	2010	1,579,765	1,300,000
	2009	1,432,684	1,350,000
	2008	1,884,230	1,450,000
Water Utility Operating:			
	2012	869,372	580,000
	2011	988,203	450,000
	2010	670,567	200,000
	2009	516,607	75,000
	2008	536,482	64,000
Sewer Utility Operating:			
	2012	311,827	125,000
	2011	278,803	75,000
	2010	123,883	—
	2009	189,756	81,000
	2008	189,038	100,000
Solid Waste Utility Operating:			
	2012	414,507	144,000
	2011	459,554	117,000
	2010	381,466	110,000
	2009	434,356	85,000
	2008	245,944	85,000
Recreation Utility Operating:			
	2012	94,751	40,000
	2011	62,471	31,000
	2010	102,403	41,000
	2009	72,044	18,000
	2008	2,878	—

**TOWNSHIP OF PEQUANNOCK**

Supplementary Data

**Officials in Office and Surety Bonds**

The following officials were in office on December 31, 2012.

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>
Richard Phelan	Mayor	
Melisa Florance-Lynch	Councilwoman	
Catherine Winterfield	Councilwoman	
Edward G. Engelbart	Councilman	
Joel D. Vanderhoff	Councilman	
David Hollberg	Township Manager	\$ 35,000
David Hollberg	Chief Financial Officer/Treasurer	100,000
Joseph J. Delaney Jr.	Township Clerk	1,000
Lorraine Tarnogursky	Tax Collector	203,000
Hollis J. Gilbert	QPA/ Principal Accountant	35,000
Christine Bahney	Utility Collector	208,000
Evelyn Roosma	Tax and Utility Clerk	35,000
Linda Zacharenko	Planning Board Secretary	35,000
Michael E. Hubner	Township Attorney	
John A. Paparazzo	Municipal Magistrate	14,000
Shelly Gallagher	Court Administrator	14,000
Brian C. Spring	Police Chief	
Peter Correale	Health Officer/Registrar	

There is a Faithful Performance Blanket Position Bond with Great American Insurance Company for \$100,000.



**TOWNSHIP OF PEQUANNOCK**

General Comments and Recommendations

Year ended December 31, 2012

## TOWNSHIP OF PEQUANNOCK

### General Comments and Recommendations

December 31, 2012

#### **Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4**

N.J.S.A. 40A:-11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only 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 the Township has the responsibility of determining whether the expenditures in any category will exceed the statutory bid limit, within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements that exceeded the bid threshold, that may have been negotiated and awarded without public advertising for bids and bidding per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments by categories for the performance of any work or the furnishing or hiring of any material 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.

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

#### **Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on January 3, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED AS FOLLOWS: (1) the charge for nonpayment of taxes, assessments and Municipal Charges, charged after the tenth calendar day following the date upon which the same shall be payable shall be 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00, to be calculated from the date the tax was payable until the date of actual payment; and (2) there shall also be an additional penalty of 6% to be charged to any taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. (Source N.J.S.A. 54:4-67)"

It appears from the audit that interest was collected in accordance with the foregoing resolution.

# TOWNSHIP OF PEQUANNOCK

## General Comments and Recommendations

December 31, 2012

### Delinquent Taxes and Tax Title Liens

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 tax title liens</u>
2012	6
2011	4
2010	3

The tax sale was held on September 12, 2012.

### Status of Prior Year Recommendations

Prior year recommendations not resolved are repeated this year and marked with an asterisk (\*).  
All others have been cleared.

### Comments and Recommendation

#### Other Comments

- (1) Several trust related transactions are not recorded completely in the general ledger. \*
- (2) Interfunds exist at year end.
- (3) Cash account reconciliations have reconciling items and outstanding checks in excess of one year.\*
- (4) Recreation seasonal employees' salaries are not in the approved salary ordinance.\*
- (5) Not all payroll time sheets are manually signed by the employee and/or Department Supervisor.\*
- (6) Required Pay-to-Play documentation required to be filed for calendar year 2012 could not be located at the time of the audit.
- (7) No resolution approved awarding a professional contract for land use planner.
- (8) Maintenance of HVAC system exceeded the bid threshold.
- (9) Adjustments resulting from the prior year audit were not recorded.
- (10) Cash receipts from the Recreation Department were not deposited within 48 hours of receipt.
- (11) No formal approval of the waiving of fees for recreation programs.
- (12) Bank reconciliation for one account not performed in a timely manner.
- (13) Four vouchers tested did not have attached invoices/receipts.
- (14) Two purchase orders tested did not have vendor certifications.

#### Recommendations

- (1) That all trust related transactions be completely recorded in the general ledger.
- (2) Continuing efforts should be made to limit the number of interfund transactions.
- (3) Cash account reconciliations should be reviewed on a monthly basis and all reconciling items and old outstanding checks cleared.
- (4) All employees' salaries should be included in the salary ordinance.
- (5) All payroll time sheets should be manually signed by both employee and Department Supervisor.

## **TOWNSHIP OF PEQUANNOCK**

### **General Comments and Recommendations**

December 31, 2012

- (6) All Pay-to-Play documentation should be retained in accordance to the State Retention schedule.
- (7) Resolutions should be approved by the governing body for all professional contracts awarded that exceed the pay to play threshold.
- (8) Township counsel should be consulted prior to awarding a contract for maintenance of the HVAC when expected to exceed the bid threshold.
- (9) All adjustments resulting from the prior year audit should be recorded.
- (10) Recreation department cash receipts should be deposited within 48 hours of receipt.
- (11) There should be a formal process established for the waiving of recreation program fees.
- (12) Bank reconciliations should be performed in a timely manner upon receipt of the bank statement.
- (13) All vouchers should have adequate supporting documentation attached.
- (14) All purchase orders should have vendor certification.