

**TOWNSHIP OF BLAIRSTOWN  
COUNTY OF WARREN  
STATE OF NEW JERSEY**

**REPORT OF AUDIT  
DECEMBER 31, 2014**



TOWNSHIP OF BLAIRSTOWN

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**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

## **AUDITORS' REPORTS**



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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the Township Committee  
Township of Blirstown  
County of Warren, 106 Route 94  
Blirstown, New Jersey 07825

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

We have audited the accompanying financial statements-regulatory basis, which comprise the comparative balance sheets-regulatory basis of the various funds of the Township of Blirstown, County of Warren, State of New Jersey (the "Township"), as of December 31, 2014 and 2013, and the related comparative statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis, and statement of expenditures-regulatory basis of the various funds, and the related notes to the financial statements for the year ended December 31, 2014, which collectively comprise the Township's basic financial statements listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of

-Continued-

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

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

As described in Note 1 to the financial statements, the Township prepares its financial statements in conformity with regulatory basis accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

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

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

In our opinion, the financial statements-regulatory basis referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds of the Township, as of December 31, 2014 and 2013, and the results of operations and changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the years then ended, in conformity with accounting principals and practices as described in Note 1 to the financial statements.

***Other Matters***

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements-regulatory basis. The supplementary information listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the basic financial statements-regulatory basis.

The supplementary information exhibits are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements-regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements-regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements-regulatory basis, or to the basic financial statements-regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

-Continued-

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2015, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

ARDITO & CO., LLP



Frenchtown, New Jersey  
April 30, 2015



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

## **FINANCIAL STATEMENTS**

CURRENT FUND  
COMPARATIVE BALANCE SHEET

A  
Sheet 1

<b>ASSETS</b>	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
<b>Cash And Cash Equivalents:</b>			
Cash - Treasurer	A-4	\$ 2,527,447	\$ 2,463,113
Subtotal		<u>2,527,447</u>	<u>2,463,113</u>
<b>Receivables And Other Assets With Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-6	197,514	211,712
Tax Title Liens Receivable	A-7	95,297	84,255
Amount Due From Dog License Fund	B	441	-
Subtotal		<u>293,252</u>	<u>295,967</u>
Subtotal		<u>2,820,699</u>	<u>2,759,080</u>
<b>Federal And State Grant Fund:</b>			
Cash	A-4	47,149	26,960
Amount Due Current Fund	A	6,272	-
Federal/State Grants Receivable	A-19	<u>23,244</u>	<u>250,889</u>
Subtotal		<u>76,665</u>	<u>277,849</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 2,897,364</u></b>	<b><u>\$ 3,036,929</u></b>

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

CURRENT FUND  
COMPARATIVE BALANCE SHEET

A  
Sheet 2

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Appropriation Reserves	A-3:10	\$ 138,537	\$ 174,279
Reserve For Encumbrances-Budget Appropriations	A-11	74,283	124,870
Accounts Payable	A	13,215	-
Amount Due To Grants Fund	A	6,272	-
Taxes Collected In Advance	A-12	162,825	110,984
Tax Overpayments	A-13	8,024	-
County Taxes Payable	A-14	14,925	8,776
Local District School Taxes Payable	A-15	577,306	504,205
Regional High School Taxes Payable	A-16	325,383	291,712
Amount Due to State of New Jersey for Senior Citizens and Veterans Deductions	A-18	51,919	53,841
Reserve for Sale of Municipal Assets	A-22	31,124	60,000
Reserve for Insurance Proceeds	A-23	1,046	1,046
Amount Due to State of New Jersey for Marriage License Fees	A-24	-	0
Reserve for FEMA Reimbursements	A-25	99,673	99,673
Subtotal		<u>1,504,532</u>	<u>1,429,386</u>
Reserve For Receivables And Other Assets	A	293,252	295,967
Fund Balance	A-1	<u>1,022,915</u>	<u>1,033,727</u>
Subtotal		<u>2,820,699</u>	<u>2,759,080</u>
<b>Federal And State Grant Fund:</b>			
Reserve for Encumbrances	A	1,799	7,687
Reserve For State Grants - Appropriated	A-20	73,607	269,727
Reserve For State Grants - Unappropriated	A-21	<u>1,259</u>	<u>435</u>
Subtotal		<u>76,665</u>	<u>277,849</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b><u>\$ 2,897,364</u></b>	<b><u>\$ 3,036,929</u></b>

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

CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE

A-1

<b>REVENUE AND OTHER INCOME REALIZED</b>	<u>REF.</u>	<u>YEAR</u> <u>2014</u>	<u>YEAR</u> <u>2013</u>
Fund Balance Utilized	A-2	\$ 645,445	\$ 645,445
Miscellaneous Revenue Anticipated	A-2	3,074,013	3,262,880
Receipts From Delinquent Taxes	A-2	209,538	237,360
Receipts From Current Taxes	A-2	15,806,755	15,347,940
Non-Budget Revenues	A-2	53,109	54,554
<u>Other Credits To Income:</u>			
Unexpended Balance of Appropriation Reserves	A-10	99,436	101,800
Reserves Canceled	A	24,250	13,880
Interfunds Returned	A/B/C/D	-	40,126
<b>TOTAL INCOME</b>		<u>19,912,546</u>	<u>19,703,985</u>
<b>EXPENDITURES</b>			
Budget and Emergency Appropriations:			
Operations Within "Caps":			
Salaries and Wages	A-3	1,311,659	1,323,477
Other Expenses	A-3	1,332,011	1,326,183
Deferred Charges and Statutory Expenditures	A-3	284,539	289,750
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	-	-
Other Expenses	A-3	80,976	106,644
Capital Improvements	A-3	95,000	220,000
Municipal Debt Service	A-3	163,283	167,082
Deferred Charges and Statutory Expenditures	A-3	-	-
County Taxes	A-14	5,491,877	5,308,694
Amount Due County For Added and Omitted Taxes	A-14	14,925	8,776
Local District School Taxes	A-15	5,316,692	5,170,490
Regional School Tax	A-16	5,042,611	4,975,267
Municipal Open Space Tax	A-17	144,026	107,945
Refund of Prior Year Revenue	A-4	-	-
Interfund Advances		314	-
<b>TOTAL EXPENDITURES</b>		<u>19,277,913</u>	<u>19,004,308</u>
Excess (Deficit) Revenue Over Expenditures		634,633	699,677
Statutory Excess To Fund Balance		634,633	699,677
<b>Fund Balance January 1</b>	A	<u>1,033,727</u>	<u>979,495</u>
		1,668,360	1,679,172
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>645,445</u>	<u>645,445</u>
<b>Fund Balance December 31</b>	A	<u>\$ 1,022,915</u>	<u>\$ 1,033,727</u>

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

CURRENT FUND  
STATEMENT OF REVENUES

A-2  
Sheet 1

	REF.	<u>ANTICIPATED</u>		REALIZED	EXCESS OR <u>DEFICIT</u>
		<u>BUDGET</u>	<u>N.J.S. 40A:4-87</u>		
<b>Anticipated Surplus-Cash Surplus</b>	A-1	\$ 645,445		\$ 645,445	
<b>Miscellaneous Revenues</b>					
<b>LOCAL REVENUES:</b>					
Interest and Costs On Taxes	A-5	46,130		48,966	\$ 2,836
Interest on Investments and Deposits	A-9	11,450		11,077	(373)
<b>TOTAL LOCAL REVENUES</b>		<u>57,580</u>		<u>60,043</u>	<u>2,463</u>
<b>STATE AID REVENUES:</b>					
Energy Receipts Tax	A-9	2,930,536		2,930,536	
Garden State Trust Fund	A-9	14,854		14,854	
<b>TOTAL STATE AID REVENUES</b>		<u>2,945,390</u>		<u>2,945,390</u>	

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

CURRENT FUND  
STATEMENT OF REVENUES

A-2  
Sheet 2

	REF.	ANTICIPATED		REALIZED	EXCESS OR DEFICIT
		BUDGET	N.J.S. 40A:4-87		
<b>FEDERAL AND STATE GRANT REVENUES:</b>					
Recycling Tonnage Grant	A-19	3,615		3,615	
Clean Communities Grant	A-19	19,500		19,500	
Municipal Alliance on Alcoholism and Drug Abuse	A-19		\$ 3,403	3,403	
Body Armor Grant	A-19	1,185	2,001	3,186	
<b>Total Public and Private Revenues</b>		<u>24,300</u>	<u>5,404</u>	<u>29,704</u>	
Sale of Municipal Assets	A-9	28,876		28,876	
General Capital Reserve Anticipated	A-9	10,000		10,000	
<b>Total Special Items Of Revenues</b>		<u>38,876</u>	<u>-</u>	<u>38,876</u>	<u>-</u>
<b>TOTAL MISCELLANEOUS REVENUES</b>	A-2	<b>3,066,146</b>	<b>5,404</b>	<b>3,074,013</b>	<b>2,463</b>
<b>RECEIPTS FROM DELINQUENT TAXES</b>	A-6:7	225,000		209,538	(15,462)
<b>Amount To be Raised by Taxes For Support Of Municipal Budget:</b>					
Local Tax For Municipal Purposes	A-2			471,151	471,151
<b>Total General Revenues</b>		<u>3,936,591</u>	<u>5,404</u>	<u>4,400,147</u>	<u>458,152</u>
<b>Non-Budget Revenues:</b>					
Other Non-Budget Revenues	A-2			53,109	53,109
		<u><b>\$ 3,936,591</b></u>	<u><b>\$ 5,404</b></u>	<u><b>\$ 4,453,256</b></u>	<u><b>\$ 511,261</b></u>

A-3

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

CURRENT FUND  
STATEMENT OF REVENUES

A-2  
Sheet 3

REF.

**ANALYSIS OF REALIZED REVENUES**

**Allocation Of Current Tax Collections:**

Revenue from Collections		\$ 15,754,312
State of New Jersey, Senior Citizens and Veterans Deductions		<u>52,443</u>
	A-1	15,806,755

**Allocated To:**

School and County Taxes		<u>16,010,131</u>
Deficiency Supported by Municipal Revenues		(203,376)
Add (Decreased) by: Appropriation "Reserve For Uncollected Taxes"	A-3	<u>674,527</u>

**Amount For Support Of Municipal Budget Appropriations**

A-2     \$ 471,151

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

CURRENT FUND  
STATEMENT OF REVENUES

A-2  
Sheet 4

**ANALYSIS OF NON-BUDGET REVENUES**

REF.

Miscellaneous Revenue Not Anticipated:

**Treasurer:**

Zoning		\$ 6,710	
Land Use Fees		750	
Police Fees		234	
Clerk		11,015	
Par Electric		4,000	
Miscellaneous		14,186	
Veterens/Sr. Citizen Administrative Fee		1,010	
Restitution		1,900	
Cable TV Fees	A-4	13,304	\$ 53,109

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

CURRENT FUND  
STATEMENT OF EXPENDITURES

A-3  
Sheet 1

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>
<b>GENERAL GOVERNMENT FUNCTIONS:</b>				
General Administration:				
Other Expenses	\$ 11,750	\$ 14,350	\$ 12,602	\$ 1,748
Mayor and Council:				
Salaries and Wages	22,358	22,358	22,358	
Other Expenses	1,750	1,750	1,019	731
Municipal Clerk:				
Salaries and Wages	123,807	115,807	115,807	
Other Expenses	18,750	18,750	12,170	6,580
Financial Administration (Treasury):				
Salaries and Wages	82,549	82,549	82,549	
Other Expenses	14,585	14,985	14,900	85
Audit Services:				
Other Expenses	17,500	17,500	-	17,500
Revenue Administration (Tax Collection):				
Salaries and Wages	55,081	55,081	55,079	2
Other Expenses	7,330	7,330	6,405	925
Tax Assessment Administration:				
Salaries and Wages	17,579	17,579	17,579	
Other Expenses	9,375	9,375	8,746	629
Legal Services (Legal Dept.):				
Other Expenses	65,000	65,000	62,829	2,171
Engineering Services:				
Other Expenses	60,000	39,000	33,560	5,440
Economic Development Agencies:				
Other Expenses	450	450	-	450
Historical Sites Office:				
Other Expenses	2,500	2,500	2,500	

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

CURRENT FUND  
STATEMENT OF EXPENDITURES

A-3  
Sheet 2

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u> <u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>
<b>LAND USE ADMINISTRATION:</b>				
Planning Board:				
Salaries and Wages	11,257	10,557	8,802	1,755
Other Expenses	13,150	13,150	1,767	11,383
Zoning Board of Adjustment(Zoning Officer):				
Salaries and Wages	32,008	32,008	32,008	
Other Expenses	800	800	365	435
<b>CODE ENFORCEMENT AND ADMINISTRATION:</b>				
Uniform Construction Code Enforcement Functions:				
Code Enforcement Officer(Flood Plain Admin.):				
Salaries and Wages	3,412	3,412	3,412	
Other Expenses	250	250	120	130
<b>INSURANCE:</b>				
Unemployment Insurance	7,000	4,500	299	4,201
General Liability Insurance	102,035	97,535	96,681	854
Workmens' Compensation Insurance	72,976	72,976	72,976	
Employee Group Insurance	333,000	343,750	343,180	570
Insurance - Other	5,000	5,000	2,699	2,301
<b>PUBLIC SAFETY FUNCTIONS:</b>				
<b>Police:</b>				
Salaries and Wages	535,812	548,312	545,417	2,895
Other Expenses	47,000	64,000	63,004	996
Office of Emergency Management:				
Salaries and Wages	16,827	16,827	16,827	
Other Expenses	2,500	2,500	445	2,055
Contribution to First Aid Organizations	31,335	31,335	31,335	
Aid to Volunteer Fire Companies:				
Salaries and Wages	7,140	7,140	7,000	140
Other Expenses	38,700	38,700	38,040	660

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

CURRENT FUND  
STATEMENT OF EXPENDITURES

A-3  
Sheet 3

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u>	<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>	
<b>PUBLIC WORKS FUNCTIONS:</b>				
Streets and Road Maintenance:				
Salaries and Wages	306,597	306,597	290,027	16,570
Other Expenses	172,250	139,330	135,920	3,410
Solid Waste Collection(Recycling Program):				
Salaries and Wages	4,917	4,917	4,917	
Other Expenses	18,000	18,000	9,724	8,276
Buildings and Grounds:				
Salaries and Wages	50,582	50,582	50,582	
Other Expenses	33,250	33,250	31,933	1,317
Vehicle Maintenance (Including Police Vehicles):				
Other Expenses	36,500	52,800	52,800	
Community Services Act:				
Other Expenses (Snow Removal-Private Roads)	27,000	29,745	29,741	4
<b>HEALTH AND HUMAN SERVICES FUNCTIONS:</b>				
Public Health Services (Board of Health): Animal control				
Salaries and Wages	8,847	8,847	8,847	
Other Expenses	500	500	-	500
Environmental Health Services:				
Other Expenses	825	825	208	617
Contribution to Social Services Agencies:				
Senior Citizens Centers	10,000	10,000	9,985	15
<b>PARKS AND RECREATION FUNCTIONS:</b>				
Parks and Playgrounds:				
Salaries and Wages	29,086	29,086	29,086	
<b>OTHER COMMON OPERATING FUNCTIONS:</b>				
<b>(Unclassified):</b>				
<b>Celebration of Public Events</b>	12,500	12,500	12,344	156

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

CURRENT FUND  
STATEMENT OF EXPENDITURES

A-3  
Sheet 4

<u>OPERATIONS-Within "CAPS"</u>	<u>APPROPRIATION</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u> <u>PAID OR</u> <u>CHARGED</u>	<u>RESERVED</u>
<b>UTILITY EXPENSES AND BULK PURCHASES:</b>				
Electricity	35,600	35,600	24,960	10,640
Street Lighting	20,000	20,000	16,214	3,786
Telephone (excluding equipment acquisition)	30,900	30,900	26,557	4,343
Water	1,000	1,000	651	349
Water - bottled	500	925	780	145
Gas (Natural or Propane)	20,000	20,000	19,775	225
Fuel Oil	8,500	8,500	6,465	2,035
Gasoline	38,000	46,900	46,300	600
<b>MUNICIPAL COURT:</b>				
Municipal Court:				
Other Expenses	250	750	750	
<b>Salary Adjustments</b>				
<b>Total Operations - Within "CAPS "</b>	<b>2,636,170</b>	<b>2,638,670</b>	<b>2,521,046</b>	<b>117,624</b>
<b>Contingent</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>
<b>Total Operations - Within "CAPS " including Contingent</b>	<b>2,641,170</b>	<b>2,643,670</b>	<b>2,521,046</b>	<b>122,624</b>
<b>Detail:</b>				
Salaries and Wages	1,307,859	1,311,659	1,290,297	21,362
Other Expenses	1,333,311	1,332,011	1,230,749	101,262
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES Within "CAPS":</b>				
<b>Statutory Expenditures :</b>				
Social Security System ( O.A.S.I. )	105,000	102,500	101,652	848
Contribution to:				
PERS	81,991	81,991	73,749	8,242
PERS - Early Retirement Incentive	19,421	19,421	19,421	
PFRS	80,627	80,627	75,414	5,213
<b>Total Deferred Charges and Statutory Expenditures-within "CAPS"</b>	<b>287,039</b>	<b>284,539</b>	<b>270,236</b>	<b>14,303</b>
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>2,928,209</b>	<b>2,928,209</b>	<b>2,791,282</b>	<b>136,927</b>

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

CURRENT FUND  
STATEMENT OF EXPENDITURES

A-3  
Sheet 5

	<u>APPROPRIATION</u>	<u>EXPENDED</u>	<u>RESERVED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	
<b>Interlocal Municipal Service Agreements Excluded from "CAPS":</b>				
<b>Municipal Court(Hope Twp./NW Court)-Other Expenses</b>	45,000	45,000	43,390	1,610
<b>Total Interlocal Municipal Service Agreements</b>	45,000	45,000	43,390	1,610
 <b>Public and Private Programs Offset by Revenues- Excluded from "CAPS"</b>				
Municipal Alliance on Alcoholism & Drug Abuse:				
Federal Share		3,403	3,403	
Local Share	1,772	1,772	1,772	
Clean Communities Program:				
Other Expenses	19,500	19,500	19,500	
Recycling Tonage Grant:				
Other Expenses	3,615	3,615	3,615	
Body Armor Grant:				
Other Expenses	1,185	3,186	3,186	
Warren County Generator Grant - Match				
Other Expenses	4,500	4,500	4,500	
<b>Total Public and Private Programs Offset by Revenues-Excluded from "CAPS"</b>	30,572	35,976	35,976	-
<b>Total Operations-Excluded from "CAPS"</b>	<b>75,572</b>	<b>80,976</b>	<b>79,366</b>	<b>1,610</b>
<b>Detail:</b>				
Salaries and Wages				
Other Expenses	75,572	80,976	79,366	1,610

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

CURRENT FUND  
STATEMENT OF EXPENDITURES

A-3  
Sheet 6

	<u>APPROPRIATION</u>	<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>
			<u>RESERVED</u>
<b>Capital Improvements-Excluded from "CAPS":</b>			
Capital Improvement Fund	75,000	75,000	75,000
First Aid Equipment Fund	15,000	15,000	15,000
Fire Department Equipment Fund	5,000	5,000	5,000
<b>Total Capital Improvements-Excluded from "CAPS"</b>	<b>95,000</b>	<b>95,000</b>	<b>95,000</b>
<b>Municipal Debt Service-Excluded from "CAPS":</b>			
Payment of Bond Principal	95,000	95,000	95,000
Interest on Bonds	68,283	68,283	68,283
<b>Total Municipal Debt Service</b>	<b>163,283</b>	<b>163,283</b>	<b>163,283</b>
<b>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</b>	<b>333,855</b>	<b>339,259</b>	<b>337,649</b>
Subtotal General Appropriations	3,262,064	3,267,468	3,128,931
Reserve For Uncollected Taxes	674,527	674,527	138,537
<b>TOTALS</b>	<b>\$ 3,936,591</b>	<b>\$ 3,941,995</b>	<b>\$ 3,803,458</b>

Budget	A-2	\$ 3,936,591		A
Appropriation 40A:4-87	A-2	5,404		
		\$ 3,941,995		

	<u>REF.</u>			
Reserve for State Grants	A-20	\$ 35,976		
Reserve for Encumbrances	A-11	3,092,955		
Reserve for Uncollected Taxes	A-2	674,527		
		\$ 3,803,458		

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

TRUST FUND  
COMPARATIVE BALANCE SHEET

B

<b>ASSETS</b>	<u>REF.</u>	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
<b>Dog License Fund:</b>			
Cash and Cash Equivalents	B-2	\$ 17,794	\$ 16,044
<b>Total Dog License Fund</b>		<u>17,794</u>	<u>16,044</u>
<b>Other Trust Funds:</b>			
Cash and Cash Equivalents	B-2	1,527,194	1,536,075
<b>Total Other Trust Funds</b>		<u>1,527,194</u>	<u>1,536,075</u>
<b>TOTAL ASSETS</b>		<b><u>\$1,544,988</u></b>	<b><u>\$1,552,119</u></b>

**LIABILITIES, RESERVES AND FUND BALANCE**

<b>Dog License Fund:</b>			
Reserve for Dog Fund Expenditures	B-3	\$ 16,704	\$ 14,819
Encumbrances	B-3	439	993
Amount Due Current Fund	B-5	441	-
Prepaid Dog License Fees	B-6	210	232
<b>Total Dog License Fund</b>		<u>17,794</u>	<u>16,044</u>
<b>Other Trust Fund:</b>			
Encumbrances	B	9,515	47,900
Reserve for Tax Sale Premiums and Outside Liens	B-8	128,000	77,600
Reserve for Developer's Escrow Deposits	B-9	188,493	219,919
Reserve for Environmental Commission	B-10	1,815	1,815
Reserve for Recreation Programs	B-11	33,996	29,290
Reserve for Public Defender Deposits	B-12	2,216	2,216
Reserve for Historic Preservation	B-13	1,676	440
Reserve for COAH Deposits	B-14	121,570	118,079
Reserve for State Unemployment Insurance	B-15	14,524	15,009
Reserve for Municipal Open Space	B-16	970,609	944,797
Reserve for Shade Tree Donations	B-17	5,012	5,012
Reserve for Snow Removal	B-18	49,746	70,289
Reserve for POAA Parking	B-19	22	22
Reserve for COAH Deposits	B-20	-	3,687
<b>Total Other Trust Fund</b>		<u>1,527,194</u>	<u>1,536,075</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b><u>\$1,544,988</u></b>	<b><u>\$1,552,119</u></b>

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

GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET

C

<b>ASSETS</b>	<b>REF.</b>	<b>BALANCE <u>12/31/14</u></b>	<b>BALANCE <u>12/31/13</u></b>
Cash and Cash Equivalents	C-2	\$ 329,224	\$ 400,679
Grants Receivable	C-11	63,350	-
Deferred Charges to Future Taxation:			
Funded	C-3	2,082,985	2,240,483
Unfunded	C-4	<u>627,773</u>	<u>4,323</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 3,103,332</u></b>	<b><u>\$ 2,645,485</u></b>

**LIABILITIES, RESERVES AND FUND BALANCE**

Amount Due to Water Capital Fund	D	\$ 733	\$ 733
Capital Improvement Fund	C-6	28,724	89,474
Serial Bonds Payable	C-8	1,918,000	2,048,000
State of New Jersey Trust Loan Program	C-9	164,985	192,483
Encumbrances	C-5	96,482	7,489
Improvement Authorizations:			
Funded	C-7	142,542	18,890
Unfunded	C-7	653,622	30,172
Various Reserves	C-10	27,766	127,766
Fund Balance	C-1	<u>70,478</u>	<u>130,478</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b><u>\$ 3,103,332</u></b>	<b><u>\$ 2,645,485</u></b>

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

GENERAL CAPITAL FUND  
SCHEDULE OF FUND BALANCE

C-1

	<u>REF.</u>	
Balance December 31, 2013	C	\$ 130,478
<b>Decreased by:</b>		
Improvement Authorizations	C-7	<u>60,000</u>
Balance December 31, 2014	C	<u>\$ 70,478</u>

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

WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET

D

<b>ASSETS</b>	<b>REF.</b>	<b>BALANCE 12/31/14</b>	<b>BALANCE 12/31/13</b>
<b>Operating Fund:</b>			
Cash and Cash Equivalents	D-4	\$ 144,232	\$ 107,591
Receivables with Full Reserves:			
Consumer Accounts Receivable and Liens	D-6	12,291	10,266
Amount Due Water Capital Fund	D	-	284
<b>Total Operating Fund</b>		<u>156,523</u>	<u>118,141</u>
<b>Capital Fund:</b>			
Fixed Capital	D	2,494,731	2,494,731
Amount Due from Water Operating Fund	D	19,716	20,000
Amount Due from General Capital Fund	C	733	733
<b>Total Capital Fund</b>		<u>2,515,180</u>	<u>2,515,464</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 2,671,703</u></b>	<b><u>\$ 2,633,605</u></b>

**LIABILITIES, RESERVES AND FUND BALANCE**

<b>Operating Fund:</b>			
Liabilities:			
Amount Due Water Capital Fund	D-3	\$ 19,716	\$ 20,000
Appropriation Reserves	D-3:7	25,645	28,700
Encumbrances	D-3:7	7,619	6,321
Water Rent Overpayments	D-5	25	217
Reserve for Receivables	D	12,291	10,266
Fund Balance	D-1	91,227	52,637
<b>Total Operating Fund</b>		<u>156,523</u>	<u>118,141</u>
<b>Capital Fund:</b>			
Bonds Payable	D-9	103,000	128,000
Capital Improvement Fund	D-10	20,000	20,000
Reserve for Amortization	D	2,391,731	2,366,731
Amount Due Water Operating Fund	D	-	284
Fund Balance	D-1	449	449
<b>Total Capital Fund</b>		<u>2,515,180</u>	<u>2,515,464</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b><u>\$ 2,671,703</u></b>	<b><u>\$ 2,633,605</u></b>

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

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

D-1

<b>REVENUE AND OTHER INCOME REALIZED</b>	<b>REF.</b>	<b>YEAR 12/31/14</b>	<b>YEAR 12/31/13</b>
Operating Surplus	D-2	\$ 47,500	\$ 27,840
Rents	D-2	137,052	133,140
Miscellaneous	D-2	1,316	2,097
Operating Deficit - General Fund Budget	D-2	-	-
Other Credits to Income:			
Appropriations Lapsed	D-7	<u>27,762</u>	<u>25,544</u>
<b>Total Income</b>		<b><u>213,630</u></b>	<b><u>188,621</u></b>
<b>EXPENDITURES</b>			
Budgetary Expenditures	D-3	<u>127,540</u>	<u>150,820</u>
<b>Total Expenditures</b>		<b><u>127,540</u></b>	<b><u>150,820</u></b>
Excess in Revenues		86,090	37,801
<b>Balance January 1</b>	D	<u>52,637</u>	<u>42,676</u>
		138,727	80,477
Decreased by:			
Utilized as Anticipated Revenue		<u>47,500</u>	<u>27,840</u>
<b>Balance December 31</b>	D	<b><u>\$ 91,227</u></b>	<b><u>\$ 52,637</u></b>

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

WATER UTILITY FUND  
STATEMENT OF REVENUES

D-2

	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
Fund Balance Anticipated	\$ 47,500	\$ 47,500	
Rents	133,140	137,052	\$ 3,912
Miscellaneous	1,900	1,316	(584)
Total Sewer Utility Revenue	\$ 182,540	\$ 185,868	\$ 3,328
REF.	D-3	D-1	

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

WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES

D-3

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
Salary and Wages	\$ 2,510	\$ 2,510	\$ 2,510	-	
Other Expenses	82,190	82,190	65,765	\$ 16,425	
Capital Outlay	67,720	67,720	3,500	9,220	55,000
Debt Service:					
Bond Anticipation Note Principal	25,000	25,000	25,000		
Interest on Bond Anticipation Notes	5,120	5,120	5,120		
<b>Total Sewer Utility Appropriations</b>	<u>\$ 182,540</u>	<u>\$ 182,540</u>	<u>\$ 101,895</u>	<u>\$ 25,645</u>	<u>\$ 55,000</u>

REF.

D-2

D-1

D

D-1

Reserve for Encumbrances	D	\$ 7,544
Cash Disbursements	D-4	<u>94,351</u>
		<u>\$ 101,895</u>

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

PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET

E

<b>ASSETS</b>	REF.	BALANCE 12/31/14	BALANCE 12/31/13
Cash and Cash Equivalents	E-1	\$ 5,154	\$ 5,168
<b>TOTAL ASSETS</b>		<b><u>\$ 5,154</u></b>	<b><u>\$ 5,168</u></b>

**LIABILITIES AND RESERVES**

Reserve for Public Assistance		\$ 5,154	\$ 5,168
<b>TOTAL LIABILITIES AND RESERVES</b>		<b><u>\$ 5,154</u></b>	<b><u>\$ 5,168</u></b>

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

GENERAL FIXED ASSETS  
STATEMENT OF GENERAL FIXED ASSETS  
DECEMBER 31, 2014

F

	<u>BALANCE</u> <u>12/31/14</u>	<u>BALANCE</u> <u>12/31/13</u>
General Fixed Assets:		
Land and Buildings	\$ 5,944,170	\$ 5,944,170
Machinery and Equipment	3,094,266	3,747,728
Total General Fixed Assets	<u><u>\$ 9,038,436</u></u>	<u><u>\$ 9,691,898</u></u>
 Investment In General Fixed Assets	 <u><u>\$ 9,038,436</u></u>	 <u><u>\$ 9,691,898</u></u>

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

GENERAL LONG-TERM DEBT  
STATEMENT OF GENERAL LONG-TERM DEBT  
DECEMBER 31, 2014

	G	
	BALANCE	BALANCE
	<u>12/31/14</u>	<u>12/31/13</u>
<b>OTHER DEBTS:</b>		
Amount to be Provided for Retirement of General Long-Term Debt	\$ 53,613	\$ 87,554
Total Amount Available and to be Provided for General Long-Term Debt	<u>\$ 53,613</u>	<u>\$ 87,554</u>
 <b>LONG-TERM LIABILITIES:</b>		
Compensated Absences Payable	\$ 53,613	\$ 87,554
Total General Long-Term Liabilities	<u>\$ 53,613</u>	<u>\$ 87,554</u>

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

PAYROLL AGENCY FUND  
COMPARATIVE BALANCE SHEET

H

<b>ASSETS</b>	<b>BALANCE <u>12/31/14</u></b>	<b>BALANCE <u>12/31/13</u></b>
Cash and Cash Equivalents	\$ 9,945	\$ 23,008
<b>TOTAL ASSETS</b>	<b><u>\$ 9,945</u></b>	<b><u>\$ 23,008</u></b>
<b>LIABILITIES AND RESERVES</b>		
Payroll Deductions Payable	\$ 9,945	\$ 23,008
Due Current Fund	-	-
<b>TOTAL LIABILITIES AND RESERVES</b>	<b><u>\$ 9,945</u></b>	<b><u>\$ 23,008</u></b>

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

## **NOTES TO FINANCIAL STATEMENTS**



NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

GASB Statement No.14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Township to be reported separately.

The financial statements of the Township of Blairstown include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as The financial statements of the Township do not include the operations of the Board of Education.

**B. Description of Funds**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America(GAAP).

The accounting policies of the Township of Blairstown conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Blairstown accounts for its financial transactions through the following separate funds, which differ from the fund structure required by GAAP.

**Current Fund**

Resources and expenditures for governmental operations of a general nature, including State grants for operations.

**Trust Funds**

Records the receipts, disbursement and custodianship of monies in accordance with the purpose for which each account was established.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Description of Funds (Continued)**

**General Capital Fund**

The receipts and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

**Water Operating and Capital Fund**

Account for the operations and acquisition of capital facilities of the municipality-owned Water Utility.

**Public Assistance Fund**

Receipt and disbursements of funds that provide assistance to certain residents of the Township pursuant to the provisions of Title 44 of New Jersey statutes.

**General Fixed Assets Account Group**

To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

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

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

**Expenditures**--are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body.

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

**Property Tax Revenue**--Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, Open Space and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1.

The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally.

If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid to the County by the Township quarterly on February 15, May 15, August 15 and November 15. The Open Space Levy is paid quarterly to the Township's other trust funds on February 15, May 15, August 15 and November 15.

When unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears after the eleventh day of the eleventh month in the year in which they are due, the collector in the municipality shall, subject to provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

In accordance with the accounting Principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP required tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Deferred School Taxes**--A portion of the school taxes collected at December 31 relating to the period January 1 to June 30 of the subsequent year have been included in fund balance. GAAP requires such revenue to be deferred and recognized in the accounting period when it becomes susceptible to accrual.

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

**Interfunds**--Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**Inventories of Supplies**--The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets.

**General Fixed Assets**--In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the municipality develops a fixed asset accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value.

No depreciation is to be provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

**Budget and Budgetary Procedures**--The foundation of the New Jersey local finance system is the annual cash basis budget required under the Local Budget Law (N.J.S.A.40A:4-1, et seq.). Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The normal budget calendar begins early in the fiscal year with introduction, public advertisement and after state approval, budget adoption. The cash basis for revenues and budgetary basis for expenditures is the budget basis of accounting.

The Township is not required to adopt budgets for the following funds:

**General Capital Fund  
Public Assistance Fund  
Trust Fund**

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption, must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Government Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

**Expenditures**--Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31, are reported as expenditures through the establishment of appropriations reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**Tax Appeals and Other Contingent Losses**--Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

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

**Comparative Data** - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the municipality's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

**Use of Estimates**--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

**Departures from Generally Accepted Accounting Principles**--The accounting principles and practices followed by the Township differ generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

- Taxes and other receivables are fully reserved.
- Interfund receivables in the Current Fund are fully reserved.
- Unexpended and uncommitted appropriations are reflected as expenditures.
- Overexpended appropriations and emergency appropriations are deferred to the succeeding years' operations.
- Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.
- Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

It was not practicable to determine the effect of such difference.

**Regulatory-Basis Financial Statements**--The GASB Codification also defines the financial statements of a governmental unit to be presented to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**Note 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

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

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 2: CASH AND CASH EQUIVALENTS (Continued)**

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the municipality's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2014, all of the municipality's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The municipality does not have a policy for custodial credit risk.

As of December 31, 2014, cash and cash equivalents of the municipality consisted of the following:

	Cash and Cash <u>Equivalents</u>	<u>Total</u>
Checking	<u>\$4,584,643</u>	<u>\$4,584,643</u>

The carrying amount of the municipality's cash and cash equivalents at December 31, 2014, was \$4,584,643 and the bank balance was \$4,503,934. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$4,253,934 was covered by collateral pool.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 2: CASH AND CASH EQUIVALENTS (Continued)**

Investments

Pursuant to the Enabling Act, the funds of the municipality may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the municipality may approve.

In order to maximize liquidity, the municipality utilizes the New Jersey Cash Management Fund ("NJCMF") as its sole investments. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

At December 31, 2014, the municipality's balance was \$23,496

**Custodial Credit Risk:** Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The municipality does not have a policy for custodial credit risk.

**Credit Risk:** The municipality does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

**Interest Rate Risk:** The municipality does not have a policy to limit interest rate risk. The average maturity of the municipality's investments is less than one year.

**Note 3: LONG-TERM DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal expenditures. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued by temporarily finance capital projects, must be paid off within ten years or retired by issuance of bonds.

	<b>Beginning Balance</b>	<b>Issued</b>	<b>Paid</b>	<b>Ending Balance</b>
Long Term Debt:				
Bonds Payable	\$ 2,176,000		\$ 155,000	\$ 2,021,000
Loans Payable-NJ EDA	192,483		27,498	164,985
Compensated absences payable	87,554		33,941	53,613
Total Long-Term Debt	\$ 2,456,037	-	\$ 216,439	\$ 2,239,598

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

The Township debt is summarized as follows:

**Summary of Municipal Debt**

	YEAR <u>2014</u>	YEAR <u>2013</u>	YEAR <u>2012</u>
<b>Issued</b>			
General:			
Bonds and Notes	\$ 2,082,985	\$ 2,240,483	\$ 2,392,981
Water Utility:			
Bonds and Notes	103,000	128,000	153,000
Total Deductions	103,000	128,000	153,000
Net Debt Issued	2,082,985	2,240,483	2,392,981
<b><u>Authorized But Not Issued</u></b>			
General:			
Bonds and Notes	627,773	4,323	4,323
Water Utility:			
Bonds and Notes	NONE	NONE	NONE
Total Authorized But Not Issued	627,773	4,323	4,323
<b>Net Bonds and Notes Issued and Authorized But Not Issued</b>	<b>\$ 2,710,758</b>	<b>\$ 2,244,806</b>	<b>\$ 2,397,304</b>

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.374%.

	<b><u>Gross Debt</u></b>	<b><u>Deductions</u></b>	<b><u>Net Debt</u></b>
School Debt	None	None	None
General Debt	\$ 2,813,758	\$ 103,000	\$ 2,710,758
	\$ 2,813,758	\$ 103,000	\$ 2,710,758

Net Debt \$ 2,710,758 Divided by Equalized Valuation Basis per  
N.J.S.A. 40A:2-2 as amended, \$ 724,384,820 equals 0.374%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 25,353,469
Net Debt	2,710,758
Remaining Borrowing Power	\$ 22,642,711

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

Calendar <u>Year</u>	<u>General</u>	
	<u>Principal</u>	<u>Interest</u>
2015	165,000	82,736
2016	165,000	76,136
2017	170,000	69,536
2018	173,000	62,736
2019	145,000	55,816
Thereafter	1,203,000	235,824
	<u>\$ 2,021,000</u>	<u>\$ 582,784</u>

**Bonded Debt Issued and Outstanding**

General Obligation Bonds-Multi-Purposes-dated July 17, 2008 issued in the original amount of \$2,776,000. This bond is payable in annual installments of \$100,000-\$164,000 through July 15, 2028. Interest is calculated at 3.75-4.25% and is included in the semi-annual installments. This method of calculating interest is in conformance with New Jersey Statutes. The remaining balance as of December 31, 2014, was \$2,021,000. Outstanding loan principal and interest is paid from the Current Fund, Water Utility Fund, and Open Space Trust Fund of the Township.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

**Bonded Debt Issued and Outstanding**

New Jersey Economic Development Authority - Underground Storage Tank Project Loan-dated May 10, 2010 issued in the original amount of \$274,977. This loan is payable over ten years in annual installments of \$27,497.70 through July 1, 2020. Interest is calculated at -0%. This method of calculating interest is in conformance with New Jersey Statutes. The remaining balance as of December 31, 2014, was \$164,985. Outstanding loan principal and interest is paid from the Open Space Trust Fund of the Township.

	<u>Debt Outstanding</u>
Total Bonded and Loan Debt Issued	<u>\$2,185,985</u>

**Note 4: GENERAL FIXED ASSETS**

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

	<u>Balance 1/1/14</u>	<u>Additions</u>	<u>Adjustments/ Deletions</u>	<u>Balance 12/31/14</u>
Land and Buildings	\$5,944,170	-		\$5,944,170
Machinery and Equipment	3,747,728	\$ 115,973	\$ 769,435	3,094,266
	<u>\$9,691,898</u>	<u>\$ 115,973</u>	<u>\$ 769,435</u>	<u>\$9,038,436</u>

**Note 5: FUND BALANCES APPROPRIATED**

Fund Balances at December 31, 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015, were as follows:

	<u>Introduced Budget</u>
Current Fund	\$645,445
Water Utility Fund	\$85,500

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, there were no deferred charges required to be raised in succeeding budgets.

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

**Note 7: SCHOOL TAXES**

Local District Tax has been raised and liabilities deferred by statute (under provisions of C.63, P.L.1991, as amended), resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	<b>TOTAL DEFERRED TAX <u>12/31/14</u></b>	<b>LOCAL DISTRICT <u>SCHOOL TAX</u> BALANCE      BALANCE <u>12/31/14</u>      <u>12/31/13</u></b>		<b>TOTAL DEFERRED TAX <u>12/31/13</u></b>	<b>REGIONAL <u>HIGH SCHOOL TAX</u> BALANCE      BALANCE <u>12/31/14</u>      <u>12/31/13</u></b>	
Balance of Tax		\$ 2,658,346	\$ 2,585,245		\$ 2,521,305	\$ 2,487,634
Deferred		<u>2,081,040</u>	<u>2,081,040</u>		<u>2,195,922</u>	<u>2,195,922</u>
Tax Payable		<u>\$ 577,306</u>	<u>\$ 504,205</u>		<u>\$ 325,383</u>	<u>\$ 291,712</u>
Tax Deferred	<u>\$ 4,276,962</u>			<u>\$ 4,276,962</u>		

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 8: PENSIONS**

**Description of Plans** - All required employees of the Township are covered by the Public Employees' Retirement System which has been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

***Public Employees' Retirement System (PERS)*** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation** - Legislation enacted during the year ended June 30, 1997, (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Township's normal contributions to the Fund may be reduced based on the revaluation of assets.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 8: PENSIONS (Continued)**

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

<b><u>Three-Year Trend Information for PERS and PERS</u></b>			
<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2014	\$168,584	100%	-0-
2013	\$183,244	100%	-0-
2012	\$205,350	100%	-0-

**Note 9: POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality does not provide post-employment benefits other than pension. Healthcare provided to eligible PERS retirees through the NJ State Health Benefits Program are paid by the the State of New Jersey and as such, no municipal OPEB liability exists.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 10: ACCRUED SICK AND VACATION BENEFITS**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the liability related to unused sick pay.

The Township has permitted 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 amount as determined by the Township Committee. At the time of audit the cost of such unpaid compensation totaled \$53,613. Such compensation would be included in the Township's budget operating expenditures in the year it is used.

**Note 11: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

The Township participated in a number of state assisted grant programs administered at the state level. These programs, exclusive of the single audit concept, can be subject to program compliance audits by the grantors or their representatives. Accordingly, the Township's compliance with certain applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

**LITIGATION**

We are advised by Township Counsel, that the Township is not involved in any suits that would have a material impact on the Financial Statements.

**Note 12: OTHER REQUIRED DISCLOSURES**

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

- A. Summary disclosures of debt service requirements for all types of outstanding debt. This requirement is met by Note 3.
- B. Summary disclosures of changes in general fixed assets by major asset class. This requirement is met by Note 4.
- C. Summary disclosures of changes in general long-term debt. This requirement is met by Note 3.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 12: OTHER REQUIRED DISCLOSURES (Continued)**

- D. Excesses of expenditures over appropriations in individual funds. There were no excess of expenditures over appropriations in any of the individual funds where budgets were required or employed as a management control device.
- E. Deficit fund balances or retained earnings balances of individual funds. There were no deficits in fund balances or retained earnings in any of the individual funds, except as noted in Note 6.
- F. Individual fund interfund receivable and payable balances. All interfund receivable and payable balances outstanding at the beginning of the fiscal period were fully liquidated during the fiscal period, with the following exceptions outstanding at December 31, 2014:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Current Fund	\$ 441	\$ 6,272
Federal & State Grant Fund	6,272	-
Animal Trust Fund	-	441
General Capital Fund	-	733
Water Capital Fund	20,449	-
Water Operating Fund	-	19,716
	<u>\$ 27,162</u>	<u>\$ 27,162</u>

**Note 13: RISK FINANCING**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage. There were no significant reductions in insurance coverage from coverage in the prior year.

**Note 14: OTHER POST-RETIREMENT BENEFITS**

Plan Description. The Blairstown Township contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**Note 14: OTHER POST-RETIREMENT BENEFITS - (Continued)**

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1991, Blirstown Township authorized participation in the SHBP's post-retirement benefit program through resolution.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-july2013.pdf>

Funding Policy: Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Blirstown Township on a monthly basis.

The Blirstown Township contributions to SHBP for the years ended December 31, 2014, 2013, and 2012, were \$117,138, \$98,988 and \$88,089 respectively, which equaled the required contributions for each year. There were approximately ten retired participants eligible at December 31, 2014, 2013, and 2012.

**PART II**  
**SUPPLEMENTARY INFORMATION**  
**CURRENT FUND SCHEDULES**

CURRENT FUND/FEDERAL AND STATE GRANT FUND  
SCHEDULE OF CASH -TREASURER

A-4

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANTS FUND</u>
Balance December 31, 2013	A	\$ 2,463,113	\$ 26,960
<b>Increased by Receipts:</b>			
Miscellaneous Revenue Not Anticipated	A-2	\$ 53,109	
Collector	A-5	16,074,048	
Revenue Accounts Receivable	A-9	2,995,343	
Senior Citizens/Veterans Deductions	A-18	50,521	
Federal/State Grant Funds	A-19:21		\$ 72,006
Marriage Fee Receipts	A-24	575	
Interfund Return	A	<u>2,073</u>	<u>-</u>
		<u>19,175,669</u>	<u>72,006</u>
		21,638,782	98,966
<b>Decreased by Disbursements:</b>			
2013 Appropriation Reserves	A-10	144,503	
Reserve for Encumbrances	A-11	3,067,679	8,002
Tax Overpayments Refunded	A-13	1,368	
County Taxes	A-14	5,500,653	
Local District School Tax	A-15	5,243,591	
Regional District School Tax	A-16	5,008,940	
Municipal Open Space Tax to Trust Fund	A-17	144,026	
Federal/State Grant Funds	A-20	-	43,815
Marriage Fee Payments	A-24	575	
		<u>19,111,335</u>	<u>-</u>
		<u>19,111,335</u>	<u>51,817</u>
Balance December 31, 2014	A	<u>\$ 2,527,447</u>	<u>\$ 47,149</u>

CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR

A-5

REF.

**Received:**

Interest and Costs on Taxes	A-2	\$ 48,966	
Taxes Receivable	A-6	15,852,865	
2013 Prepaid Taxes	A-12	162,825	
Tax Overpayments	A-13	<u>9,392</u>	
			<u>\$ 16,074,048</u>

**Decreased by Disbursements:**

Payments to Treasurer	A-4		<u>\$ 16,074,048</u>
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CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF TAX LEVY

A-6

YEAR	BALANCE	2014	CASH COLLECTIONS		TRANSFERRED		BALANCE
	12/31/13		LEVY	2013	2014	TO TAX	
					TITLE LIENS		12/31/14
2013	\$ 211,712			\$ 209,538		\$ 17	2,157
	211,712			209,538	-	17	2,157
2014		\$ 16,043,182	\$ 110,984	15,695,770	\$ 11,042	30,029	\$ 195,357
<b>TOTALS</b>	<b>\$ 211,712</b>	<b>\$ 16,043,182</b>	<b>\$ 110,984</b>	<b>\$ 15,905,308</b>	<b>\$ 11,042</b>	<b>\$ 30,046</b>	<b>\$ 197,514</b>

REF.	A		A-12		A-7		A
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REF.

State of New Jersey -- Senior Citizens and Veterans Deductions Received by Collector	A-2	\$ 52,443
	A-5	<u>15,852,865</u>
		<u>\$ 15,905,308</u>

**ANALYSIS OF PROPERTY TAX LEVY:**

**Tax Yield:**

General Purpose Tax	\$ 15,855,995
Special District Tax	143,661
Added Taxes (54:4-63.1 et.seq. )	<u>43,526</u>
	<u>\$ 16,043,182</u>

**Tax Levy:**

	<u>REF.</u>	
Local District School Tax	A-15	\$ 5,316,692
Regional High School Tax	A-16	5,042,611
Municipal Open Space Tax, Including Add	A-17	144,026
County Taxes:		
County Tax (Abstract )	A-14	\$ 4,790,782
County Library Tax (Abstract )	A-14	380,420
County Open Space Tax	A-14	320,675
Due County for Added and Omitted Taxes(54.4-63.1,et.seq.)	A-14	<u>14,925</u>
Local Tax for Municipal Purposes	A-2	-
Add: Additional Tax Levied		<u>33,051</u>
		<u>\$ 16,043,182</u>

CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

A-7

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 84,255
<b>Increased by:</b>		
Transfers from Taxes Receivable	A-6	<u>11,042</u>
		95,297
Balance December 31, 2014	A	<u>\$ 95,297</u>

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

A-8

	<u>REF.</u>	
Balance December 31, 2013	A	<u>None</u>
Balance December 31, 2014	A	<u>None</u>

CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-9

	<u>REF.</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>ACCRUED</u> <u>IN 2014</u>	<u>COLLECTED</u> <u>BY</u> <u>TREASURER</u>	<u>BALANCE</u> <u>12/31/14</u>
Energy Receipts Tax	A-2		\$ 2,930,536	\$ 2,930,536	
Garden State Trust	A-2		14,854	14,854	
Interest on Investments and Deposits	A-2		11,077	11,077	
Sale of Municipal Assets	A-2		28,876	28,876	
General Capital Surplus Anticipated	A-2		10,000	10,000	
Totals		-	\$ 2,995,343	\$ 2,995,343	-
	REF.	A	A-2	A-4	A

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2013

A-10

	<u>BALANCE</u>	<u>BALANCE</u>	<u>PAID</u>	<u>BALANCE</u>
	<u>12/31/13</u>	<u>AFTER</u>	<u>OR</u>	<u>LAPSED</u>
		<u>TRANSFERS</u>	<u>CHARGED</u>	
General Administration:				
Other Expenses	\$ 6,227	\$ 6,227	\$ 6,227	
Mayor and Council:				
Other Expenses	465	465	54	\$ 411
Municipal Clerk:				
Salaries and Wages	10,209	930	-	930
Other Expenses	5,049	5,049	2,242	2,807
Financial Administration				
Other Expenses	1,041	1,041	1,041	
Annual Audit:				
Other Expenses	886	25,886	22,400	3,486
Tax Collection:				
Other Expenses	221	221	179	42
Tax Assessment:				
Other Expenses	820	820	114	706
Legal:				
Other Expenses	11,781	11,781	5,878	5,903
Engineering Services:				
Other Expenses	21,730	3,730	2,965	765
Historical Preservation:				
Other Expenses	1,893	1,893	1,575	318
Land Use Board:				
Other Expenses	5,306	5,306	2,805	2,501
Emergency Management:				
Salaries and Wages	238	238	20	218
Employee Group Insurance	13,255	255	-	255
Insurance Other	9,709	1,709	-	1,709
Police:				
Other Expenses	10,255	10,255	3,202	7,053
Contribution to First Aid Organizations			-	
Fire Department:				
Other Expenses	85	404	404	
Streets and Road Maintenance:				
Salaries and Wages	3,551	455	-	455
Other Expenses	37,109	49,273	46,282	2,991
Snow Removal Private Roads	18,000	28,000	18,728	9,272
Solid Waste:				
Other Expenses	9,578	9,578	324	9,254
Buildings and Grounds:				
Other Expenses	8,038	5,038	2,419	2,619
Vehicle Maintenance:				
Other Expenses	4,606	4,928	4,928	
Celebration of Public Events	3,413	3,413	3,413	
Electricity	10,417	10,417	2,596	7,821
Street Lighting	7,859	7,859	1,510	6,349
Telephone (excluding equipment acquisition)	5,557	5,557	2,144	3,413
Water	332	352	148	204
Gas (Natural or Propane):	6,040	6,040	4,904	1,136
Gasoline	969	5,819	5,796	23
Fuel Oil	2,084	2,784	2,773	11
NW Joint Municipal Court	751	1,751	1,676	75
Senior Citizens	247	247	225	22
Other Accounts - No Change	28,687	28,687		28,687
<b>TOTALS</b>	<b>\$ 246,408</b>	<b>\$ 246,408</b>	<b>\$ 146,972</b>	<b>\$ 99,436</b>

REF.

A

A

A-1

A-4     \$ 144,503  
A-11     2,469  
          \$ 146,972

Appropriation Reserve	\$ 174,279
Encumbrances	<u>72,129</u>
	<u>\$ 246,408</u>

CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

A-11

	<u>REF.</u>		
Balance December 31, 2013	A		\$ 124,870
<b>Increased by:</b>			
Transfer from Appropriation Reserve	A-10	\$ 2,469	
Transfer from Current Year Appropriations-Grants Fund	A-20	1,799	
Transfer from Current Year Appropriations-Current Fund	A-3	<u>3,092,955</u>	<u>3,097,223</u>
			3,222,093
<b>Decreased by:</b>			
Transfer to Appropriation Reserve	A-10	72,129	
Cash Disbursements	A-4	<u>3,075,681</u>	<u>3,147,810</u>
Balance December 31, 2014	A		<u>\$ 74,283</u>

CURRENT FUND  
SCHEDULE OF TAXES COLLECTED IN ADVANCE

A-12

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 110,984
<b>Increased by:</b>		
2015 Taxes Collected in Advance	A-5	<u>162,825</u>
		273,809
<b>Decreased by:</b>		
Applied to 2014 Taxes Receivable	A-6	<u>110,984</u>
Balance December 31, 2014	A	<u>\$ 162,825</u>

CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

A-13

	<u>REF.</u>	
<b>Increased by:</b>		
2014 Tax Overpayments	A-5	<u>\$ 9,392</u> 9,392
<b>Decreased by:</b>		
Refunds	A-4	<u>1,368</u>
Balance December 31, 2014	A	<u>\$ 8,024</u>

CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE

A-14

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 8,776
<b>Increased by:</b>		
2014 Levy:		
County Taxes	A-1:6	\$ 4,790,782
County Library Taxes	A-1:6	380,420
County Open Space Tax	A-1:6	320,675
County Added and Omitted Taxes	A-1:6	<u>14,925</u>
		<u>5,506,802</u>
		5,515,578
<b>Decreased by:</b>		
Payments	A-4	<u>5,500,653</u>
Balance December 31, 2014	A	<u>\$ 14,925</u>

CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-15

	<u>REF.</u>		
<b>Balance December 31, 2013:</b>			
School Tax Payable	A	\$ 504,205	
School Tax Deferred		<u>2,081,040</u>	\$ 2,585,245
<b>Increased by:</b>			
Levy - School Year July 1, 2014 to June 30, 2015	A-6		<u>5,316,692</u>
			7,901,937
<b>Decreased by:</b>			
Payments	A-4		<u>5,243,591</u>
<b>Balance December 31, 2014:</b>			
School Tax Payable	A	\$ 577,306	
School Tax Deferred		<u>2,081,040</u>	<u>\$ 2,658,346</u>
<b>2014 Liability for Local District School Tax:</b>			
Tax Paid			\$ 5,243,591
Tax Payable 12/31/14			<u>2,658,346</u>
			7,901,937
Less -- Tax Payable 12/31/13			<u>2,585,245</u>
<b>Amount Charged to 2014 Operations</b>	A-1		<u>\$ 5,316,692</u>

CURRENT FUND  
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

A-16

	<u>REF.</u>		
<b>Balance December 31, 2013:</b>			
School Tax Payable	A	\$ 291,712	
School Tax Deferred		<u>2,195,922</u>	\$ 2,487,634
<b>Increased by:</b>			
Levy - School Year July 1, 2014 to June 30, 2015	A-6		<u>5,042,611</u>
			7,530,245
<b>Decreased by:</b>			
Payments	A-4		<u>5,008,940</u>
<b>Balance December 31, 2014:</b>			
School Tax Payable	A	\$ 325,383	
School Tax Deferred		<u>2,195,922</u>	<u>\$ 2,521,305</u>
<b>2014 Liability for Local District School Tax:</b>			
Tax Paid			\$ 5,008,940
Tax Payable 12/31/14			<u>2,521,305</u>
			7,530,245
Less -- Tax Payable 12/31/13			<u>2,487,634</u>
<b>Amount Charged to 2014 Operations</b>	A-1		<u>\$ 5,042,611</u>

CURRENT FUND  
SCHEDULE OF MUNICIPAL OPEN SPACE TAX

A-17

REF.

**Increased by:**

Levy - 2014  
Added Levy

A-1:A-6	\$ 143,661	
A-1:A-6	<u>365</u>	<u>144,026</u>
		144,026

**Decreased by:**

Payments to Other Trust Fund

A-4	<u>\$ 144,026</u>
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CURRENT FUND  
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY FOR  
SENIOR CITIZENS AND VETERANS DEDUCTIONS

A-18

	<u>REF.</u>	
Balance December 31, 2013	A	\$ 53,841
<b>Increased by:</b>		
Received in Cash From State	A-4	<u>50,521</u>
		104,362
<b>Decreased by:</b>		
Senior Citizens Deductions per Tax Billings		\$ 46,500
Veterans Deductions per Tax Billings		6,750
Vets/Senior Citizens Deductions Disallowed by Tax Collector		<u>(807)</u> <u>52,443</u>
Balance December 31, 2014	A	<u>\$ 51,919</u>

CURRENT FUND  
SCHEDULE OF FEDERAL/STATE GRANTS RECEIVABLE

A-19

<u>PURPOSE</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>RECEIVABLE</u>	<u>RECEIVED</u>	<u>CANCELED</u>	<u>BALANCE</u> <u>12/31/14</u>
Tonnage Grant	\$ 512	\$ 3,615	\$ 2,581		\$ 1,546
Municipal Alliance	2,954	3,403	5,909		448
Clean Communities	-	19,500	18,339	\$ 1,161	-
Body Armor Grant	-	3,186	3,186		-
NJDOT Transportation Trust-School Sidewalk	21,250				21,250
Wastewater Management Plan	25,000		24,994	6	-
Historic Preservation Grant	16,173		16,173		-
NJDOT - Sand Hill Road	185,000			185,000	-
<b>Totals</b>	<b><u>\$ 250,889</u></b>	<b><u>\$ 29,704</u></b>	<b><u>\$ 71,182</u></b>	<b><u>\$ 186,167</u></b>	<b><u>\$ 23,244</u></b>
REF.	A	A-2		A-20	A
		A-4	\$ 70,747		
		A-21	<u>435</u>		
			<u>\$ 71,182</u>		

CURRENT FUND  
SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

A-20

	<u>BALANCE</u> <u>12/31/13</u>	<u>TRANSFER</u> <u>FROM</u> <u>2014 BUDGET</u> <u>APPROPRIATIONS</u>	<u>APPROPRIATION BY</u> <u>40A:4-87</u>	<u>EXPENDED</u>	<u>CANCELED</u>	<u>BALANCE</u> <u>12/31/14</u>
Drunk Driving Enforcement Fund	\$ 505			\$ 460		\$ 45
Body Armor Replacement Fund	1,563	\$ 1,185	\$ 2,001	4,020	\$ 315	414
Fire Department Grant-Blair Academy	6,420			5,512		908
Municipal Alliance - State	3,265		3,403	2,954		3,714
- Local	350	1,772		350		1,772
Clean Communities	4,098	19,500		14,000	1,161	8,437
Generator Grant - Local Match		4,500				4,500
OEM Grant	71					71
NJ Hydrologic Study	2,500					2,500
NJDOT Transportation Trust-School Sidewalk	20,890					20,890
Wastewater Management Grant	6				6	-
WC Pollution Control Financing Authority	5,000			500		4,500
Tonnage Grant	15,700	3,615				19,315
Historic Preservation Grant	14,417			14,417		-
NJDOT - Sand Hill Road	185,000				185,000	-
School Security and Community Preparedness Grant	9,942			3,401		6,541
<b>Totals</b>	<b>\$ 269,727</b>	<b>\$ 30,572</b>	<b>\$ 5,404</b>	<b>\$ 45,614</b>	<b>\$ 186,482</b>	<b>\$ 73,607</b>

A

A-3

A-3

A

A-4  
A-11

\$ 43,815  
1,799  
\$ 45,614

A-1 \$ 315  
A-19 186,167  
\$ 186,482

CURRENT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

A-21

	<u>BALANCE</u> <u>12/31/13</u>	<u>TRANSFER</u>	<u>RECEIVED</u>	<u>BALANCE</u> <u>12/31/14</u>
Body Armor Grant	\$ 435	\$ 435	\$ 1,259	\$ 1,259
Totals	<b><u>\$ 435</u></b>	<b><u>\$ 435</u></b>	<b><u>\$ 1,259</u></b>	<b><u>\$ 1,259</u></b>
	A	A-19	A-4	A

CURRENT FUND  
SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

A-22

	<u>REF.</u>	
Balance December 31, 2013	A	<u>\$ 60,000</u>
<b>Decreased by:</b>		
Anticipated as Revenue in Current Budget	A-2	<u>28,876</u>
Balance December 31, 2014	A	<u>\$ 31,124</u>

CURRENT FUND  
SCHEDULE OF RESERVE FOR INSURANCE PROCEEDS

A-23

	<u>REF.</u>	
Balance December 31, 2013	A	<u>\$ 1,046</u>
Balance December 31, 2014	A	<u>\$ 1,046</u>

CURRENT FUND  
SCHEDULE OF AMOUNT DUE STATE OF NEW JERSEY - MARRIAGE LICENSE FEES

A-24

REF.

**Increased by:**

Marriage Fees

A-4

\$ 575

575

**Decreased by:**

Payments-State of New Jersey

A-4

\$ 575

CURRENT FUND  
SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS

A-25

	<u>REF.</u>	
Balance December 31, 2013	A	<u>\$ 99,673</u>
Balance December 31, 2014	A	<u>\$ 99,673</u>

## **TRUST FUND SCHEDULES**

TRUST FUND  
SCHEDULE OF CASH - TREASURER

B-2

		<u>DOG</u>	
	<u>REF.</u>	<u>LICENSES</u>	<u>OTHER</u>
Balance December 31, 2013	B	\$ 16,044	\$ 1,536,075
<b>Increased by Receipts:</b>			
Dog License Fees	B-3	7,955	
State Dog License Fees	B-4	1,771	
Prepaid Dog License Fees	B-6	210	
Tax Lien and Premium Deposits	B-8		50,400
Developer's Escrow Deposits	B-9		12,941
Recreation Trust	B-11		26,088
Historic Preservation Trust Deposits	B-13		5,304
Coah Trust	B-14		5,832
Unemployment Trust	B-15		10
Open Space Trust Receipts	B-16	-	149,186
<b>Total Receipts</b>		9,936	249,761
		25,980	1,785,836
<b>Decreased by Disbursements:</b>			
Administrative Expenses	B-3	5,422	
State Dog License Fees	B-4	1,771	
Prior Year Encumbrances	B	993	47,900
Developer's Escrow Deposit Returns	B-9		37,702
Recreation Trust	B-11		21,382
Historic Preservation	B-13		4,068
Coah Trust	B-14		2,341
Unemployment Trust	B-15		495
Open Space Payments	B-16		120,524
Snow Reserve	B-18		20,543
Coah Admin. Expenses	B-20		3,687
<b>Total Disbursements</b>		8,186	258,642
Balance December 31, 2014	B	\$ 17,794	\$ 1,527,194

TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

B-3

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 14,819
<b>Increased by:</b>		
Prepaid Dog Fees	B-6	\$ 232
Dog License Fees Collected	B-2	<u>7,955</u>
		8,187
		23,006
<b>Decreased by:</b>		
Administrative Expenses-Encumbured	B	439
Statutory Excess Due Current Fund	B-5	441
Administrative Expenses-Disbursed	B-2	<u>5,422</u>
		6,302
Balance December 31, 2014	B	<u>\$ 16,704</u>

**LICENSE FEES COLLECTED**

CY 2012		\$ 10,757
CY 2013		<u>5,947</u>
		<u>\$ 16,704</u>

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

B-4

REF.

**Increased by:**

Collected in 2014:  
State Board of Health Fees

B-2    \$ 1,771  
          1,771

**Decreased By:**

Payments

B-2    \$ 1,771

TRUST FUND  
SCHEDULE OF AMOUNT DUE CURRENT FUND  
DOG LICENSE FUND

B-5

REF.

**Increased by:**

Statutory Excess	B-3	<u>\$ 441</u>
Balance December 31, 2014	B	<u><u>\$ 441</u></u>

TRUST FUND  
SCHEDULE OF PREPAID LICENSES  
DOG LICENSE FUND

B-6

	<u>REF.</u>	
Balance December 31, 2013	B	\$ <u>232</u>
<b>Increased by:</b>		
Prepaid Fees for 2015	B-2	<u>210</u>
		442
<b>Decreased by:</b>		
Prepaid Fees for 2014	B-3	<u>232</u>
Balance December 31, 2014	B	\$ <u>210</u>

TRUST FUND  
SCHEDULE OF AMOUNT DUE OTHER FUNDS  
OTHER TRUST FUND

B-7

	<u>REF.</u>	DUE (TO)/FROM CURRENT <u>FUND</u>
Balance December 31, 2013	B	_____ -
Balance December 31, 2013	B	_____ -

TRUST FUND  
SCHEDULE OF RESERVE FOR TAX LIEN REDEMPTIONS AND PREMIUMS

B-8

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 77,600
<b>Increased by:</b>		
Outside Liens Received	B-2	<u>50,400</u>
		128,000
Balance December 31, 2014	B	<u>\$ 128,000</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW  
TRUST DEPOSITS

B-9

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 219,919
<b>Increased by:</b>		
Deposits	B-2	<u>12,941</u> 232,860
<b>Decreased by:</b>		
Encumbrances	B	\$ 6,665
Refunds	B-2	<u>37,702</u> <u>44,367</u>
Balance December 31, 2014	B	<u>\$ 188,493</u>

<b><u>Analysis of Balance:</u></b>	
Planning Board Review	\$ 161,269
Insurance Proceeds	<u>27,224</u>
	<u>\$ 188,493</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR ENVIRONMENTAL COMMISSION

B-10

Balance December 31, 2013	<u>REF.</u> B	<u>\$ 1,815</u>
Balance December 31, 2014	B	<u>\$ 1,815</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR RECREATION PROGRAMS

B-11

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 29,290
<b>Increased by:</b>		
Deposits	B-2	<u>26,088</u> 55,378
<b>Decreased by:</b>		
Disbursements	B-2	<u>21,382</u>
Balance December 31, 2014	B	<u>\$ 33,996</u>

**Analysis of Balance:**

OEM	\$ 696
Recreation	19,763
July 4th Celebration	<u>13,537</u>
	<u>\$ 33,996</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR PUBLIC DEFENDER FEES

B-12

	<u>REF.</u>	
Balance December 31, 2013	B	<u>\$ 2,216</u>
Balance December 31, 2014	B	<u>\$ 2,216</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR HISTORIC PRESERVATION

B-13

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 440
<b>Increased by:</b>		
Deposits	B-2	<u>5,304</u> 5,744
<b>Decreased by:</b>		
Expenditures	B-2	<u>4,068</u>
Balance December 31, 2014	B	<u>\$ 1,676</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR COAH TRUST

B-14

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 118,079
<b>Increased by:</b>		
Receipts	B-2	<u>5,832</u>
		123,911
<b>Decreased by:</b>		
Program Expenses	B-2	<u>2,341</u>
Balance December 31, 2014	B	<u>\$ 121,570</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST

B-15

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 15,009
<b>Increased by:</b>		
Receipts	B-2	<u>    10</u> 15,019
<b>Decreased by:</b>		
Payments	B-2	<u>    495</u>
Balance December 31, 2014	B	<u>\$ 14,524</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE DEPOSITS

B-16

Balance December 31, 2013	B		\$ 944,797
<b>Increased by:</b>			
2014 Tax Levy, Including Added/Omitted Taxes	B-2	\$ 144,026	
Farming Fees	B-2	2,500	
Interest Credits	B-2	<u>2,660</u>	<u>149,186</u>
			1,093,983
<b>Decreased by:</b>			
Open Space Expenditures-Encumbrances	B	2,850	
Debt Service on Open Space	B-2	78,031	
Open Space Expenditures	B-2	<u>42,493</u>	<u>123,374</u>
Balance December 31, 2014	B		<u>\$ 970,609</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR SHADE TREE DONATIONS

B-17

	<u>REF.</u>
Balance December 31, 2013	B <u>\$ 5,012</u>
Balance December 31, 2014	B <u><u>\$ 5,012</u></u>

TRUST FUND  
SCHEDULE OF RESERVE FOR SNOW REMOVAL TRUST

B-18

	<u>REF.</u>	
Balance December 31, 2013	B	\$ 70,289
<b>Decreased by:</b>		
Storm Expenditures	B-2	<u>20,543</u>
Balance December 31, 2014	B	<u>\$ 49,746</u>

TRUST FUND  
SCHEDULE OF RESERVE FOR POAA PARKING

B-19

	<u>REF.</u>	
Balance December 31, 2013	B	\$ <u>22</u>
Balance December 31, 2014	B	\$ <u>22</u>

TRUST FUND  
SCHEDULE OF COAH ADMINISTRATIVE TRUST FUND

B-20

Balance December 31, 2013	<u>REF.</u> B	\$ <u>3,687</u>
<b>Decreased by:</b>		
Expenditures	B-2	\$ <u>3,687</u>

# **GENERAL CAPITAL FUND SCHEDULES**

GENERAL CAPITAL FUND  
SCHEDULE OF CASH -TREASURER

C-2

	<u>REF.</u>		
Balance December 31, 2013	C		\$ 400,679
<b>Increased by Receipts:</b>			
Grants Receipts	C-11	\$ 121,650	
Current Fund Appropriated-Various Reserves	C-10	20,000	
Current Fund Appropriated-Capital Improvement Fund	C-6	<u>75,000</u>	<u>216,650</u>
			617,329
<b>Decreased by:</b>			
Preliminary Expenses	C-6	28,200	
Various Reserves	C-10	100,000	
Various Reserves-Amount Anticipated as Revenue	C-10	10,000	
Encumbrances	C-5	<u>149,905</u>	<u>288,105</u>
Balance December 31, 2014	C		<u>\$ 329,224</u>

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

	<u>REF.</u>	
Balance December 31, 2013	C	\$ 2,240,483
<b>Decreased by:</b>		
2014 Budget Appropriations Open Space Trust- NJEDA Principal	C-9	\$ 27,498
2014 Budget Appropriations Open Space Trust- Bond Principal	C-8	35,000
2014 Budget Appropriations Current Fund - Bond Principal	C-8	<u>95,000</u> <u>157,498</u>
Balance December 31, 2014	C	<u>\$ 2,082,985</u>

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE <u>12/31/13</u>	2015 <u>AUTHORIZATIONS</u>	BALANCE <u>12/31/14</u>	C-4
					<u>ANALYSIS OF BALANCE DEBT AUTHORIZED, NOT ISSUED</u>
09-13	Underground Storage Tanks	\$ 4,323		\$ 4,323	\$ 4,323
14-05	Various Improvements		623,450	623,450	623,450
		<b>\$ 4,323</b>	<b>\$ 623,450</b>	<b>\$ 627,773</b>	<b>\$ 627,773</b>
	REF.	C	C-7	C	C

GENERAL CAPITAL FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE

C-5

	REF.	
Balance December 31, 2013	C	\$ 7,489
<b>Increased by:</b>		
Improvement Authorization Purchase Orders	C-7	<u>238,898</u>
		246,387
<b>Decreased by:</b>		
Paid Purchase Orders	C-2	<u>149,905</u>
Balance December 31, 2014	C	<u>\$ 96,482</u>

GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>REF.</u>	
Balance December 31, 2013	C	\$ 89,474
<b>Increased by:</b>		
Current Fund Budgeted Appropriation	C-2	<u>75,000</u>
		164,474
<b>Decreased by:</b>		
Improvement Authorizations	C-7	\$ 107,550
Preliminary Expenses - ADA Study Authorizations	C-2	<u>28,200</u> <u>135,750</u>
Balance December 31, 2014	C	<u>\$ 28,724</u>

GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>IMPROVEMENT DESCRIPTION</u>	<u>NO.</u>	<u>ORDINANCE</u>		<u>BALANCE 12/31/13</u>		DEFERRED	STATE AID	CAPITAL	OTHER	PAID OR	<u>BALANCE 12/31/14</u>	
		<u>DATE</u>	<u>AMOUNT</u>	<u>FUNDED</u>	<u>UNFUNDED</u>	CHARGES TO FUTURE TAXATION	<u>ALLOTMENT</u>	<u>IMPROVEMENT FUND</u>	<u>RESERVES</u>	<u>CHARGED</u>	<u>FUNDED</u>	<u>UNFUNDED</u>
First Aid Squad Ambulance	03-15	10/8/03	91,000	\$ 18,890							\$ 18,890	
Underground Storage Tanks	09-13	8/12/09	294,000		\$ 30,172							\$ 30,172
Purchase of Ladder Truck	14-01	2/12/14	10,000						\$ 10,000	\$ 10,000		
Various Improvements	14-05	7/9/14	851,000			\$ 623,450	\$ 185,000	\$ 42,550		132,696	94,854	623,450
Replacement of Guardrails	14-06	7/7/14	40,000					40,000		38,009	1,991	
Purchase of Airpacks	14-07	9/10/14	25,000					25,000			25,000	
Purchase of DPW Equipment	14-08	9/10/14	60,000						60,000	58,193	1,807	
				<b>\$ 18,890</b>	<b>\$ 30,172</b>	<b>\$ 623,450</b>	<b>\$ 185,000</b>	<b>\$ 107,550</b>	<b>\$ 70,000</b>	<b>\$ 238,898</b>	<b>\$ 142,542</b>	<b>\$ 653,622</b>
REF.				C	C	C-4	C-11	C-6		C-5	C	C

C-7

GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

C-8

<u>PURPOSE</u>	<u>DATE ORIGINAL ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY OF OUTSTANDING BONDS DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/13</u>	<u>DECREASED</u>	<u>BALANCE 12/31/14</u>
General Obligation Bonds-Series 2011 General and Open Space Bonds	7/17/08	\$ 2,553,000	7/15/15	\$ 140,000	4.000%	\$ 2,048,000	\$ 130,000	\$ 1,918,000
	7/15/16			140,000	4.000%			
	7/15/17			145,000	4.000%			
	7/15/18			145,000	4.000%			
	7/15/19			145,000	4.000%			
	7/15/20			145,000	4.000%			
	7/15/21			160,000	4.125%			
	7/15/22			160,000	4.125%			
	7/15/23			164,000	4.125%			
	7/15/24			115,000	4.125%			
	7/15/25			115,000	4.250%			
	7/15/26			115,000	4.250%			
	7/15/27			115,000	4.250%			
	7/15/28			114,000	4.250%			
						<b>\$ 2,048,000</b>	<b>\$ 130,000</b>	<b>\$ 1,918,000</b>
						C	C-3	C

GENERAL CAPITAL FUND  
SCHEDULE OF NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY LOAN PROGRAM

C-9

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORD#</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/13</u>	<u>DECREASED</u>	<u>BALANCE 12/31/14</u>
New Jersey Economic Development Authority Loan Program- Underground Storage Tanks	5/26/10	09-13	\$274,977	7/1/13-7/1/20	\$ 27,498	None	\$ 192,483	\$ 27,498	\$ 164,985
							<b>\$ 192,483</b>	<b>\$ 27,498</b>	<b>\$ 164,985</b>
REF.							C	C-3	C

GENERAL CAPITAL FUND  
SCHEDULE OF VARIOUS RESERVES

C-10

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>12/31/13</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE</u> <u>12/31/14</u>
First Aid Equipment	\$ 109,683	\$ 15,000	\$ 100,000	\$ 24,683
Fire Department Equipment	5,000	5,000	10,000	-
OEM Equipment	10,000		10,000	-
Reserve for DPW Equipment	3,083			3,083
	<b><u>\$ 127,766</u></b>	<b><u>20,000</u></b>	<b><u>120,000</u></b>	<b><u>\$ 27,766</u></b>

REF.

C

C-2

C

C-2	\$ 100,000
C-2	10,000
C-7	<u>10,000</u>
	<b><u>\$ 120,000</u></b>

GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE

C-12

REF.

**Increased by:**

NJDOT Grant - Sand Hill Road

C-7    \$ 185,000  
                  185,000

**Decreased by:**

Receipts

C-2    121,650

Balance December 31, 2014

C    \$ 63,350

# **WATER UTILITY FUND**

WATER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

D-4

	<u>REF.</u>		<u>OPERATING</u>
Balance December 31, 2013	D		\$ 107,591
<b>Increased by Receipts:</b>			
Collector	D-5	\$ 136,860	
Interest on Investment income	D-2	<u>1,316</u>	<u>138,176</u>
			245,767
<b>Decreased by Disbursements:</b>			
2014 Appropriations	D-3	94,351	
Prior Year Encumbrances Payable	D	6,246	
2013 Appropriation Reserve	D-7	<u>938</u>	<u>101,535</u>
Balance December 31, 2014	D		<u>\$ 144,232</u>

WATER UTILITY FUND  
SCHEDULE OF CASH - COLLECTOR

D-5

	<u>REF.</u>		
<b>Increased by Receipts:</b>			
Rent Overpayments	D	\$ 25	
Consumer Accounts Receivable	D-6	<u>136,835</u>	<u>\$ 136,860</u>
<b>Decreased by Disbursements:</b>			
Payment to Treasurer	D-4		<u>\$ 136,860</u>

WATER UTILITY FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-6

	<u>REF.</u>	
Balance December 31, 2013	D	\$ 10,266
<b>Increased by:</b>		
Water Rents Levied		<u>139,077</u>
		149,343
<b>Decreased by:</b>		
Prior Year Overpayments Applied	D	\$ 217
Collection	D-5	<u>136,835</u>
		<u>137,052</u>
Balance December 31, 2014	D	<u>\$ 12,291</u>

WATER UTILITY FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2013

D-7

	<u>BALANCE</u> <u>12/31/13</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID</u> <u>OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Other Expenses	\$ 8,700	\$ 8,700	\$ 938	\$ 7,762
Capital Outlay	20,000	20,000		20,000
<b>TOTALS</b>	<b><u>\$ 28,700</u></b>	<b><u>\$ 28,700</u></b>	<b><u>\$ 938</u></b>	<b><u>\$ 27,762</u></b>
REF.	D		D-4	D-1

WATER UTILITY FUND  
SCHEDULE OF FIXED CAPITAL  
DECEMBER 31, 2014

D-8

	<u>BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u>
	<u>12/31/13</u>			<u>12/31/14</u>
Original Water System - Acquisition	\$ 150,000			\$ 150,000
Land Acquisition	125,000			125,000
Renovation of Treatment Plan	621,267			621,267
Addition of Water Mains	1,163,935			1,163,935
Miscellaneous General Equipment	199,529			199,529
Improvements to Water System	235,000			235,000
	<b><u>\$ 2,494,731</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>\$ 2,494,731</u></b>

REF.            D

D

WATER UTILITTY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

D-9

<u>PURPOSE</u>	<u>DATE ORIGINAL ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>DATE</u>	<u>MATURITY OF OUTSTANDING BONDS AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE 12/31/13</u>	<u>DECREASED</u>	<u>BALANCE 12/31/14</u>
General Obligation Bonds-Series 2008	7/17/08	\$ 223,000	7/15/15	\$ 25,000	4.000%	\$ 128,000	\$ 25,000	\$ 103,000
Water Utility Bonds			7/15/16	25,000	4.000%			
			7/15/17	25,000	4.000%			
			7/15/18	28,000	4.000%			
						<b>\$ 128,000</b>	<b>\$ 25,000</b>	<b>\$ 103,000</b>
						D	D-3	C

WATER CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

D-10

	<u>REF.</u>	
Balance December 31, 2013	C	<u>\$ 20,000</u>
Balance December 31, 2014	C	<u>\$ 20,000</u>

# **PUBLIC ASSISTANCE FUND SCHEDULES**

PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER

E-1

	<u>REF.</u>	<u>P.A.T.F.</u> <u>#1</u>	<u>P.A.T.F.</u> <u>#2</u>	<u>FUND</u> <u>TOTAL</u>
Balance December 31, 2013	E	\$ 4,658	\$ 510	\$ 5,168
<b>Increased by Receipts:</b>				
Account Closed		510	(510)	
Interest Credits		3		3
Total Receipts		<u>513</u>	<u>(510)</u>	<u>3</u>
		<u>5,171</u>	<u>-</u>	<u>5,171</u>
<b>Decreased by Disbursements</b>				
Bank Charge		17		17
		<u>17</u>	<u>-</u>	<u>17</u>
Balance December 31, 2014	E	<u>\$ 5,154</u>	<u>-</u>	<u>\$ 5,154</u>

## **SCHEDULE OF GENERAL FIXED ASSETS**

GENERAL FIXED ASSETS  
SCHEDULE OF ADDITIONS AND DELETIONS  
DECEMBER 31, 2014

F-1

	<u>BALANCE</u>		<u>DELETIONS</u>	<u>BALANCE</u>
	<u>12/31/13</u>	<u>ADDITIONS</u>		<u>12/31/14</u>
General Fixed Assets:				
Land and Buildings	\$ 5,944,170			\$ 5,944,170
Machinery and Equipment	3,747,728	\$ 115,973	\$ 769,435	3,094,266
Total General Fixed Assets	<u>\$ 9,691,898</u>	<u>\$ 115,973</u>	<u>\$ 769,435</u>	<u>\$ 9,038,436</u>
Investment In General Fixed Assets	<u>\$ 9,691,898</u>	<u>\$ 115,973</u>	<u>\$ 769,435</u>	<u>\$ 9,038,436</u>

**PART III  
SUPPLEMENTARY INFORMATION**

**General Comments**

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

**Schedule of Federal/State Awards**

**Status of Prior Audit Findings**

**Schedule of Findings and Responses**



## **GENERAL COMMENTS**

### **Scope of Audit**

The audit of the financial statements of the Township of Blairstown, County of Warren, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, the activities of the Township and various outside departments.

### **Contracts and Agreements Requiring Advertisement for Bids**

Effective April 17, 2000, N.J.S.A.40A:11-1 et.seq (Local Public Contracts Law) was revised by P.L.1999,c.440 (originally known as Assembly Bill No. 3519). Rules and regulations pertaining to the amended law are to be promulgated by the Division of Local Government Services.

N.J.S.A. 40A:11-3 is amended to read as follows:

- a.** When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in the contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the governing body without public advertising for bids and bidding therefore, except that the governing body may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L.1971,c.198(C.40A:11-9) the governing body may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b.** Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (i) of paragraph (a) of subsection (1) of Section 5 of P.L.1971, C.198(C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c.** Commencing in the fifth year after the year in which P.L.1999,c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish as set forth in subsection **a.** of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.18A:18A-2(pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all municipal units of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A.40A:11-4 (as amended) states, "Every contract or agreement for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

Effective July 1, 2011, the bid threshold in accordance with N.J.S.A.40A:11-3(c) (as amended) is increased to \$36,000 for Qualified Purchasing Agents (QPA), and \$17,500 for units without QPA's.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

The Minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.40A:11-5.

The system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not determine whether any clear-cut violations existed.

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

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

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

The governing body, on January 4, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"On all delinquents to and including December 31, 2014, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2013, at the rate of 8% per annum for and upon the first \$1,500 of the delinquency, the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500, and the rate of 6% per annum for and upon any amount in excess of \$10,000; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.

The governing body, on January 4, 2014 adopted a resolution enabling the \$10,000 delinquency penalty provisions.

The audit of the Collector's records on a test basis indicated no differences between the amount of interest payable on delinquent tax payments, based on our calculations, and the amount of interest charged.

**Delinquent Taxes and Tax Title Liens**

The delinquent taxes at December 31, 2014, include real property taxes from the 2014 tax levy.

The last tax sale was held on May 20, 2014 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates from tax sales were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2014	9
2013	9
2012	9

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

**Verification of Delinquent Taxes and Other Charges**

Verification notices were mailed to confirm balances as of November 10, 2014. The items that were returned were compared to and are in agreement with the Township's records. For items not returned, alternative procedures were performed.

A test verification of delinquent charges and current payments was made in accordance with verification procedures approved by the Division of Local Government Services. A summary of such verification is as follows:

Verification <u>Type</u>	Request <u>Form</u>	Total No. <u>of Items</u>	Total	
			<u>No. of Circular</u>	<u>Total No. Returned</u>
2014 Property Tax	Positive	2,940	60	23
2015 Property Tax	Positive	2,940	60	23
2014 Delinquent Tax	Negative	348	25	6
2014 Water Charges	Positive	235	25	7

## Technical Accounting Directives

During the calendar year 1984, the Division of Local Government Services initiated as part of the Single Audit Law, a planned revision of the Requirements of Audit to provide new accounting requirements mandated for most local government units. The revision to the Requirements of Audit and Accounting would be in order to improve fiscal accountability for all local governments, satisfy federal-state audit requirements and enhance the credibility for New Jersey municipal accounting practices with federal-state funding sources and bond rating agencies. The new requirements for most local units started January 1, 1986, unless exemption, based upon amount of federal aid received and population size, was formally secured. The Division in 1988 notified those exempted municipal units of a transition requirement for fully implementation of all accounting directives beginning in the 1989 fiscal periods. The identity and compliance status of the Township of Blairstown to these new directives are as follows:

<u>Requirement</u>	FY 2014 Required	
	<u>Yes</u>	<u>No</u>
A. General Ledger Accounting System	X	
B. Encumbrance Accounting	X	
C. Purchase Order System	X	
D. Fixed Asset Accounting and Reporting System	X	

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-**  
**CURRENT FUND**

**REVENUE AND OTHER INCOME REALIZED**

	<u>YEAR 2014</u>	<u>%</u>	<u>YEAR 2013</u>	<u>%</u>
Fund Balance Utilized	\$ 645,445	3.24%	\$ 645,445	3.28%
Miscellaneous - From Other Than				
Local Property Tax Levies	3,250,808	16.33%	3,473,240	17.63%
Collection of Delinquent Taxes and				
Tax Title Liens	209,538	1.05%	237,360	1.20%
Collection of Current Tax Levy	<u>15,806,755</u>	<u>79.38%</u>	<u>15,347,940</u>	<u>77.89%</u>
<b>Total Income</b>	<u>19,912,546</u>	<u>100.00%</u>	<u>19,703,985</u>	<u>100.00%</u>

**EXPENDITURES**

Budget Expenditures:				
Municipal Purposes	3,267,468	16.95%	3,433,136	18.07%
County Taxes	5,506,802	28.57%	5,317,470	27.98%
Local and Regional Taxes	10,359,303	53.74%	10,145,757	53.39%
Municipal Open Space Tax	144,026	0.75%	107,945	0.57%
Other Expenditures	<u>314</u>	<u>0.00%</u>	<u>-</u>	<u>0.00%</u>
<b>Total Expenditures</b>	<u>\$19,277,913</u>	<u>100.00%</u>	<u>\$19,004,308</u>	<u>100.00%</u>
Excess (Deficit) Revenue Over Expenditures	634,633		699,677	
Statutory Excess to Fund Balance	634,633		699,677	
Fund Balance January 1	1,033,727		979,495	
Less:				
Utilization as Anticipated Revenue	<u>645,445</u>		<u>645,445</u>	
Fund Balance December 31	<u>\$ 1,022,915</u>		<u>\$ 1,033,727</u>	



**Comparative Schedule of Tax Rate Information**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	<u>\$2.232</u>	<u>\$2.168</u>	<u>\$2.160</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$0.000	\$0.000	\$0.000
Municipal Open Space Tax	\$0.020	\$0.015	\$0.035
County	\$0.768	\$0.740	\$0.739
Local School	\$0.741	\$0.721	\$0.714
Regional High School	\$0.703	\$0.692	\$0.672

Assessed Valuation:

<u>Year</u>	<u>Amount</u>
2014	\$716,830,485
2013	\$718,073,133
2012	\$719,624,972

**Comparison of Tax Levies and Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2014	\$16,043,182	\$15,806,754	98.52%
2013	\$15,593,582	\$15,347,941	98.42%
2012	\$15,567,951	\$15,294,263	98.24%

**Delinquent Taxes and Tax Title Liens**

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

<u>Dec.31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2014	\$95,297	\$197,514	\$292,811	1.83%
2013	\$84,255	\$211,712	\$295,967	1.90%
2012	\$73,530	\$237,360	\$310,890	2.00%

**Property Acquired by Tax Title Lien Liquidation**

No properties have been acquired in 2014 by foreclosure or deed as a result of liquidation of tax title liens.

**Comparative Schedule of Fund Balances**

<b><u>Current Fund</u></b>		<b><u>Utilized</u></b>
	<b>Balance</b>	<b>In Budget of Succeeding Year</b>
<b><u>Year</u></b>	<b><u>December 31</u></b>	<b><u>Regular</u></b>
2014	\$ 1,022,915	\$ 645,445
2013	\$ 1,033,727	\$ 645,445
2012	\$ 979,495	\$ 645,445
2011	\$ 999,729	\$ 712,034
2010	\$ 1,108,612	\$ 904,331

**Water Utility Fund**

2014	\$ 91,227	\$ 85,500
2013	\$ 52,637	\$ 47,500
2012	\$ 42,676	\$ 27,840
2011	\$ 38,321	\$ 27,840
2010	\$ 4,100	\$ 4,100

**Officials in Office and Surety Bonds**

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

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Amount of Bond</u></b>	<b><u>Name Of Corporate Surety</u></b>
Herman P. Shoemaker	Mayor		
Steven J. Lance	Committeeperson		
Frank W. Anderson	Committeeperson		
Paul Avery	Committeeperson		
Susan Price	Committeeperson		
Phyllis E. Pizzaia	Clerk		
Dawn Gallant	Collector; Tax Search Officer	\$1,000,000	Excess Liability Joint Insurance Fund - Commerce Bank Insurance Services

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Corporate Surety</u>
Christine M. Rolef	Certified Municipal Finance Officer	\$1,000,000	Excess Liability Joint Insurance Fund - Commerce Bank Insurance Services
Richard Motyka	Assessor		
Kevin P. Benbrook	Attorney		
Marion Spriggs	Planning/Zoning Bds. Secretary		
David Diel	Code Enforcement Officer		

The minimum bond coverage required for the Tax Collector is based on their respective prior years' tax levy and would be as follows:

<u>Collector</u>	
<u>Year</u>	<u>Amount</u>
2014	\$118,341

There are public employees' blanket bonds providing coverage to municipal officials and employees not specifically bonded. The municipal officials and employees are covered by a "faithful performance blanket position bond" in the amount of \$1,000,000. provided by the Commerce Bank Insurance Services Company.

All the bonds were examined and were properly executed.





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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

The Honorable Mayor and  
Members of the Township Committee  
Township of Blairstown  
County of Warren, New Jersey  
106 Route 94  
Blairstown, New Jersey 07825

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey, the regulatory-basis financial statements of the Township of Blairstown in the County of Warren, State of New Jersey, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Township of Blairstown's basic financial statements, and have issued our report thereon dated April 30, 2015, which indicated that the financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

-Continued-

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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

ARDITO & CO., LLP



Frenchtown, New Jersey  
April 30, 2015



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

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

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

Schedule A

FEDERAL GRANTOR/ PROGRAM TITLE	CFDA	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	FUND REF.	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/14	RECEIPTS PROGRAM	OTHER	DISBURSEMENTS	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/14
<b>DEPT. of COMMUNITY AFFAIRS</b> Federal Emergency Management Agency Grant	97.036	N/A	2012-13	A	<b>\$ 99,673</b>	-		-	<b>\$ 99,673</b>

**Note: This Schedule was not subject to an audit in accordance with OMB Circular A-133**

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

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

Schedule B

STATE GRANTOR/ PROGRAM TITLE	ACCOUNT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	FUND REF.	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 1/1/14	RECEIPTS PROGRAM	OTHER	DISBURSEMENTS	CASH ACCRUED OR DEFERRED REVENUE BALANCE AT 12/31/14	
<b><u>DEPT. OF COMMUNITY AFFAIRS</u></b>										
Municipal Alliance Program N.J.S.40A:11-5(a)	N/A	\$ 3,403	2014	A		\$ 2,955			\$ 2,955	
Municipal Alliance Program N.J.S.40A:11-5(a)	N/A		Prior Years	A	\$ 311	2,954		2,954	311	
<b><u>DEPT. OF ENVIR. PROTECTION</u></b>										
Solid Waste Admin.-Clean Communities Program	4900-765-178900	18,339	2014	A		18,339		9,902	8,437	
			Pr. Yr.	A	4,098			4,098	-	
<b><u>DEPT. OF HUMAN SERVICES</u></b>										
Payments to Municipalities for Cost of General Assistance (State Share)	75050-150-158010-60	N/A	N/A	E	5,168		\$ 3	17	5,154	
<b><u>DEPT. OF TRANSPORTATION</u></b>										
NJ Transportation Fund Authority Act	School Sidewalk	65,500	2012	A	(360)				(360)	
<b><u>DEPT. OF PUBLIC SAFETY</u></b>										
Drunk Driving Enforcement Fund	4250-760-050000-63	2,466	2009	A	505			460	45	
			Pr. Yr.	A						
<b><u>OTHER STATE AIDS</u></b>										
OEM Grant	N/A	5,000	2009	A	71				71	
New Jersey Hydrologic Study Grant	N/A	N/A	N/A	A	2,500				2,500	
Body Armor Grant	N/A	1,259	2014	A	1,998	4,010		4,020	1,988	
Tonnage Grant	N/A	2,581	2014	A	15,188	2,581	(315)		17,454	
WC Pollution Control Financing Authority	N/A	5,000	2006	A	5,000			500	4,500	
Historic Preservation Grant	N/A	8,437	2013	A	(1,757)	16,173		14,417	(1)	
Wastewater Management Grant	N/A	25,000	2012	A	(24,994)	24,994			0	
School Security and Community Preparedness Grant	N/A	30,000	2013	A	9,942			3,401	6,541	
TOTAL STATE ASSISTANCE						<b>\$ 17,670</b>	<b>\$ 72,006</b>	<b>\$ (312)</b>	<b>\$ 39,769</b>	<b>\$ 49,595</b>

**Note: This Schedule was not subject to an audit in accordance with NJOMB Circular 04-04.**

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

TOWNSHIP OF BLAIRSTOWN

NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS  
DECEMBER 31, 2014

**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Township of Blairstown. The Township of Blairstown is defined in Note 1 to the Township's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies, are included on the schedules of expenditures of federal and state awards.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of State Awards are presented using the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations. However, the Township was not subject to the single audit provisions of Federal OMB Circular A-133 or New Jersey OMB Circular NJOMB 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid for 2014 as grant expenditures were less than the single audit thresholds of \$500,000, identified in the Circulars.

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

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

## **STATUS OF PRIOR AUDIT FINDINGS**



**STATUS OF PRIOR AUDIT FINDINGS**

CY  
Occurrence

There were no prior year findings



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



**SCHEDULE OF FINDINGS AND RESPONSES**

**GENERAL FINDINGS**

YEAR ENDED DECEMBER 31, 2014

**Summary of Auditor's Results**

The Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The audit did not disclose any material weaknesses in the internal controls of the Township.

The audit did not disclose any noncompliance that is material to the financial statements of the Township.

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

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

**Finding**

None