

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Township of Warren*

*in the*

*County of Somerset*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2013*



TOWNSHIP OF WARREN

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TOWNSHIP OF WARREN

PART I

INDEPENDENT AUDITOR'S REPORT ON  
AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS – REGULATORY BASIS – ALL FUNDS

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2013 AND 2012



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Township Committee  
Township of Warren  
County of Somerset  
Warren, New Jersey 07059

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

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Warren, as of December 31, 2013 and 2012, the related statement 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 individual funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

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

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

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

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

## **SUPLEE, CLOONEY & COMPANY**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 of Warren's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Warren'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 regulatory financial statements.

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

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

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township of Warren on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township of Warren as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2013.

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

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2013 and 2012, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

# SUPLEE, CLOONEY & COMPANY

## **Other Matters**

### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2014 on our consideration of the Township of Warren's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Warren's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 6, 2014

CURRENT FUND

TOWNSHIP OF WARREN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>ASSETS</u>			
Current Fund:			
Cash-Treasurer	A-4	\$ 5,480,368.55	\$ 4,980,488.79
Cash-Change Fund	A-6	570.00	520.00
State of New Jersey-Chapter 20 P.L. 1971	A-18	52,637.99	51,935.94
		<u>\$ 5,533,576.54</u>	<u>\$ 5,032,944.73</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 809,924.96	\$ 990,026.50
Tax Title Liens Receivable	A-9	52,206.49	44,604.41
Property Acquired for Taxes-Assessed Value	A-10	900,149.00	900,149.00
Revenue Accounts Receivable	A-11	9,350.17	11,508.03
Police Outside Overtime Receivable			3,519.79
Sewerage Authority Receivable	A-12	14,864.01	2,490.45
Interfunds Receivable	A-28	7,732.75	64.77
	A	<u>\$ 1,794,227.38</u>	<u>\$ 1,952,362.95</u>
Deferred Charges	A-33	<u>\$</u>	<u>\$ 125,000.00</u>
		<u>\$ 7,327,803.92</u>	<u>\$ 7,110,307.68</u>
Grant Fund:			
Grants Receivable	A-14	\$ 36,681.88	\$ 178,123.75
Due Current Fund	A-29	171,273.30	153,142.95
		<u>\$ 207,955.18</u>	<u>\$ 331,266.70</u>
		<u>\$ 7,535,759.10</u>	<u>\$ 7,441,574.38</u>

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

TOWNSHIP OF WARREN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-15	\$ 476,145.54	\$ 423,383.92
Accounts Payable	A-7	460,450.29	492,221.70
Prepaid Taxes	A-23	550,203.80	694,195.89
Tax Overpayments	A-22	234,074.83	324,152.61
Interfunds Payable	A-28	899,440.82	987,586.23
Reserve For:			
Sale of Municipal Assets	A-16	10,769.77	11,917.77
Premium on Tax Sale	A-24	395,700.00	157,700.00
Redemption of Outside Liens	A-25	981.30	5,942.10
Due Police Outside Overtime	A-13	18,001.25	25,533.75
Transitional Pay	A-30	140,000.00	55,000.00
FEMA - Fire Department	A-31	30,331.89	34,678.30
FEMA - Sewerage Authority	A-32	900.00	
State Tax Appeals	A-17	150,000.00	150,000.00
		<u>\$ 3,366,999.49</u>	<u>\$ 3,362,312.27</u>
Reserve for Receivables and Other Assets	A	1,794,227.38	1,952,362.95
Fund Balance	A-1	2,166,577.05	1,795,632.46
		<u>\$ 7,327,803.92</u>	<u>\$ 7,110,307.68</u>
Grant Fund:			
Grants-Unappropriated	A-27	\$ 7,310.79	\$ 9,579.78
Grants-Appropriated	A-26	196,987.93	308,741.92
Accounts Payable	A-7	3,656.46	12,945.00
		<u>\$ 207,955.18</u>	<u>\$ 331,266.70</u>
		<u>\$ 7,535,759.10</u>	<u>\$ 7,441,574.38</u>

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

## TOWNSHIP OF WARREN

## CURRENT FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2013	YEAR ENDED DECEMBER 31, 2012
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,000,000.00	\$ 975,000.00
Miscellaneous Revenue Anticipated	A-2	3,989,206.38	4,015,879.03
Receipts From Delinquent Taxes	A-2	988,624.05	948,181.47
Receipts From Current Taxes	A-2	82,630,619.81	79,606,090.03
Non-Budget Revenue	A-2	340,829.16	263,225.05
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-15	61,027.10	180,140.14
Tax Sale Premium Canceled	A-24	3,000.00	
Grant Reserves Canceled	A-26	29,416.96	22,892.67
Accounts Payable Canceled	A-7	2,224.59	
		<u>\$ 89,044,948.05</u>	<u>\$ 86,011,408.39</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	\$ 6,920,750.00	\$ 6,621,400.00
Other Expenses	A-3	5,374,613.00	4,826,453.00
Deferred Charges and Statutory Expenditures	A-3	1,634,956.00	1,615,729.00
Appropriations Excluded From "CAPS":			
Operations:			
Other Expenses	A-3	217,695.62	344,947.10
Capital Improvements	A-3	941,500.00	815,600.00
Municipal Debt Service	A-3	1,454,733.74	1,232,647.42
Deferred Charges and Statutory Expenditures	A-3	125,000.00	855,000.00
County Taxes	A-19	16,052,511.54	15,356,501.71
Local District School Tax	A-20	37,995,174.00	37,410,322.50
Regional High School Tax	A-21	16,082,765.00	15,586,659.06
Municipal Open Space Tax	A-8	828,365.85	808,282.26
Grants Receivable Canceled	A-14	29,416.96	227.79
Accounts Receivable Advanced		8,853.77	6,010.24
Interfunds Advanced		7,667.98	15.40
Refund of Prior Year Revenue			1,501.80
		<u>\$ 87,674,003.46</u>	<u>\$ 85,481,297.28</u>
Excess in Revenue		\$ 1,370,944.59	\$ 530,111.11
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			810,000.00
Statutory Excess to Fund Balance		\$ 1,370,944.59	\$ 1,340,111.11
Fund Balance, January 1	A	<u>1,795,632.46</u>	<u>1,430,521.35</u>
		\$ 3,166,577.05	\$ 2,770,632.46
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	<u>1,000,000.00</u>	<u>975,000.00</u>
Fund Balance, December 31	A	<u>\$ 2,166,577.05</u>	<u>\$ 1,795,632.46</u>

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

TOWNSHIP OF WARREN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	NJSA 40A:4-87		
Fund Balance Anticipated	A-1	\$ 1,000,000.00		\$ 1,000,000.00	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-11	\$ 24,000.00	\$	\$ 24,322.00	\$ 322.00
Fees and Permits:					
Construction Code Official	A-2	650,000.00		763,546.00	113,546.00
Other	A-2	177,276.00		189,012.03	11,736.03
Municipal Court - Fines and Costs	A-11	190,000.00		165,631.26	(24,368.74)
Interest and Costs on Taxes	A-11	210,000.00		233,774.75	23,774.75
Interest on Investments and Deposits	A-11	20,000.00		35,649.32	15,649.32
Energy Receipts Tax	A-11	1,321,130.00		1,321,130.00	
Watchung Hills-Municipal Alliance Contribution	A-11	8,339.50		8,339.50	
Recycling Tonnage Grant	A-14		15,539.17	15,539.17	
Drive Sober or Get Pulled Over	A-14		4,400.00	4,400.00	
Private Grant Police	A-14		1,199.00	1,199.00	
Clean Communities Program	A-14		36,907.62	36,907.62	
Alcohol Education Rehabilitation Fund	A-14		580.52	580.52	
Municipal Alliance on Alcoholism and Drug Abuse	A-14	33,358.00		33,358.00	
Somerset County Youth Services Grant	A-14	5,000.00		5,000.00	
Body Armor Replacement Program	A-14	2,951.84		2,951.84	
Safety Grant Garden State JIF	A-14	1,000.00		1,000.00	
Chelsea Donation - OEM	A-14	333.34		333.34	
Shared Services - School Officer	A-14	100,000.00		100,000.00	
Federal Bulletproof Vest Partnership	A-14	1,831.35		1,831.35	
Drunk Driving Enforcement Fund	A-14	4,463.25	1,792.13	6,255.38	
Cable T.V. Franchise Fee - Cablevision	A-11	126,013.00		126,013.00	
Cable T.V. Franchise Fee - Verizon	A-11	73,411.57		73,411.57	
Rental of Property - Wagner Farms	A-11	90,000.00		111,400.00	21,400.00
Rental of Property - Cell Towers - Wagner Farms	A-11	80,000.00		86,750.91	6,750.91
Uniform Fire Safety Act	A-11	16,320.00		22,751.31	6,431.31
Reserve for Open Space - Contribution of Open Space Debt Service	A-11	423,600.00		423,600.00	
Hotel and Motel Occupancy Fees	A-11	65,000.00		81,684.48	16,684.48
Sale of Municipal Assets	A-16	5,000.00		5,000.00	
Warren Township Sewerage Authority:					
Property and Casualty Insurance	A-11	50,000.00		66,546.00	16,546.00
Health Insurance	A-11	36,700.00		41,288.03	4,588.03
<u>Sub-Total Miscellaneous Revenues</u>	A-1	\$ 3,715,727.85	\$ 60,418.44	\$ 3,989,206.38	\$ 213,060.09
Receipts From Delinquent Taxes	A-1	\$ 900,000.00		\$ 988,624.05	\$ 88,624.05
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes	A-8:A-2	\$ 12,099,868.33		\$ 12,771,803.42	\$ 671,935.09
<u>Budget Totals</u>		\$ 17,715,596.18	\$ 60,418.44	\$ 18,749,633.85	\$ 973,619.23
Non-Budget Revenues	A-1:A-2			340,829.16	340,829.16
		\$ 17,715,596.18	\$ 60,418.44	\$ 19,090,463.01	\$ 1,314,448.39
	REF.	A-3	A-3		

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

TOWNSHIP OF WARREN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

REF.

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A-8	\$ 82,630,619.81
Allocated to:		
Local District School Taxes		\$ 37,995,174.00
Regional High School Taxes		16,082,765.00
County Taxes		16,052,511.54
Municipal Open Space	A-4:A-8	<u>828,365.85</u>
		<u>70,958,816.39</u>
Balance for Support of Municipal Budget Appropriations		\$ 11,671,803.42
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,100,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 12,771,803.42</u>
Construction Code Official	A-11	\$ 767,308.00
Less: Refunds	A-4	<u>3,762.00</u>
Construction Code Official	A-2:A-11	<u>\$ 763,546.00</u>
Fees and Permits-Other:		
Board of Health	A-11	\$ 35,063.84
Registrar	A-11	3,986.00
Township Clerk	A-11	970.27
Engineering Department	A-11	3,966.00
Escrow/Inspection Fees	A-11	50,750.76
Planning Board	A-11	5,000.00
Board of Adjustment	A-11	8,058.00
Police Department	A-11	4,523.16
Fire Prevention	A-11	29,759.00
Smoke Detector	A-11	12,535.00
Street Openings/ Other	A-11	8,000.00
Mini-Dump	A-11	9,635.00
Zoning	A-11	<u>17,075.00</u>
		\$ 189,322.03
Less: Refunds	A-4	<u>310.00</u>
	A-2	<u>\$ 189,012.03</u>

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

TOWNSHIP OF WARREN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

REF.

ANALYSIS OF NON-BUDGET REVENUE

Senior Citizens' and Veterans' Administrative Fee		\$	2,304.15
Police Outside Services-Township's Share			2,880.41
Somerset County Library Commission			35,247.12
Recreation - Field Use, Stand and Lights			18,266.50
PERS Employer - Sewerage Authority			13,640.00
Miscellaneous			35,937.41
Reimbursement of Prior Year Costs			20,993.57
Miscellaneous - Tax Collector			18,394.50
State DMV Inspections			3,169.50
FEMA Reimbursement			177,584.54
Insurance Refunds and Reimbursements			5,741.80
	A-4	\$	<u>334,159.50</u>
Excess Reserve for Animal Control Expenditures	A-28		<u>6,669.66</u>
	A-2	\$	<u><u>340,829.16</u></u>

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

TOWNSHIP OF WARREN  
CURRENT FUND

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

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT</b>						
Administrative and Executive:						
Salaries and Wages	\$ 309,300.00	\$	309,300.00	\$ 304,131.88	\$ 5,168.12	\$
Other Expenses	134,300.00		145,300.00	138,671.37	6,628.63	
Township Clerk:						
Salaries and Wages	168,000.00		166,000.00	163,063.94	2,936.06	
Other Expenses	17,700.00		17,700.00	15,987.62	1,712.38	
Audit Services:						
Other Expenses	6,000.00		6,000.00	5,975.00	25.00	
Financial Administration:						
Salaries and Wages	138,000.00		142,000.00	140,922.81	1,077.19	
Other Expenses	18,200.00		25,200.00	20,662.59	4,537.41	
Township Committee:						
Salaries and Wages	37,000.00		37,000.00	36,876.00	124.00	
Other Expenses	9,700.00		11,700.00	9,752.58	1,947.42	
Assessment of Taxes:						
Salaries and Wages	112,500.00		113,500.00	112,387.40	1,112.60	
Other Expenses	44,480.00		44,480.00	41,683.50	2,796.50	
Collection of Taxes:						
Salaries and Wages	107,000.00		109,500.00	108,120.22	1,379.78	
Other Expenses	24,975.00		24,975.00	19,649.33	5,325.67	
Municipal Land Use Law:						
Salaries and Wages	16,000.00		16,000.00	14,462.57	1,537.43	
Other Expenses	29,200.00		26,200.00	23,606.73	2,593.27	
Zoning Costs-Board of Adjustment:						
Salaries and Wages	38,000.00		38,000.00	36,298.45	1,701.55	
Other Expenses	25,200.00		7,200.00	2,292.45	4,907.55	
Zoning Enforcement:						
Salaries and Wages	42,000.00		42,000.00	40,679.89	1,320.11	
Other Expenses	38,200.00		46,200.00	41,805.50	4,394.50	
Environmental Commission (R.S.40:56A-1 et.seq.):						
Other Expenses	5,050.00		2,050.00	1,210.00	840.00	
Cable T.V. Advisory Committee:						
Other Expenses	9,400.00		9,400.00	8,619.64	780.36	
Vehicle and Pedestrian Traffic Advisory Committee:						
Other Expenses	2,200.00		2,200.00	2,197.14	2.86	
Open Space Advisory Committee:						
Other Expenses	3,100.00		2,100.00		2,100.00	
Green Team:						
Other Expenses	3,000.00		3,000.00	190.48	2,809.52	
Insurance:						
Other Insurance Premiums	378,000.00		378,000.00	378,000.00		
Consultant	5,000.00		1,000.00		1,000.00	
New Jersey Disability	5,000.00		5,000.00	2,106.97	2,893.03	
Group Insurance Plan for Employees	1,207,000.00		1,207,000.00	1,204,167.37	2,832.63	
Surety Bond Premiums	1,000.00		1,000.00		1,000.00	
Worker's Compensation	160,000.00		160,000.00	160,000.00		
Employee Health Benefit Waiver	29,000.00		29,000.00	22,416.00	6,584.00	

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

TOWNSHIP OF WARREN  
CURRENT FUND

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

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>						
<u>PUBLIC SAFETY</u>						
File:						
Salaries and Wages	\$ 9,500.00	\$	9,500.00	\$ 9,352.00	\$ 148.00	\$
Fire Hydrant Service	435,000.00		437,000.00	434,520.50	2,479.50	
Miscellaneous	217,100.00		217,100.00	206,833.32	10,266.68	
Uniform Fire Safety Act (P.L. 1983 Ch. 383)						
Bureau of Fire Prevention:						
Salaries and Wages	48,500.00		49,500.00	49,500.00		
Other Expenses	1,850.00		2,350.00	1,837.17	512.83	
Police:						
Salaries and Wages	3,340,000.00		3,365,000.00	3,296,381.78	68,618.22	
Other Expenses	366,850.00		366,850.00	360,716.59	6,133.41	
First Aid Organization Contributions	42,600.00		42,600.00	41,345.00	1,255.00	
Police Dispatch:						
Salaries and Wages	315,000.00		315,000.00	312,888.65	2,111.35	
Other Expenses	5,050.00		5,050.00	5,042.65	7.35	
Municipal Court:						
Salaries and Wages	180,000.00		181,000.00	180,610.25	389.75	
Other Expenses	17,750.00		17,750.00	16,555.61	1,194.39	
Municipal Prosecutor:						
Other Expenses	33,000.00		33,000.00	30,780.00	2,220.00	
Emergency Management Service:						
Salaries and Wages	6,000.00		6,000.00	5,205.12	794.88	
Other Expenses	6,450.00		6,450.00	3,684.96	2,765.04	
Legal Services and Costs:						
Salaries and Wages	25,000.00		25,000.00	24,705.12	294.88	
Other Expenses	216,000.00		197,000.00	167,153.50	29,846.50	
Engineering Services and Costs:						
Salaries and Wages	141,950.00		141,950.00	141,096.57	853.43	
Other Expenses	70,600.00		69,600.00	69,380.77	219.23	
Public Defender:						
Other Expenses	19,000.00		19,000.00	18,097.50	902.50	
Public Buildings and Grounds:						
Salaries and Wages	172,000.00		167,000.00	161,959.16	5,040.84	
Other Expenses:						
Miscellaneous	103,500.00		120,500.00	118,018.18	2,481.82	
Maintenance of Property	30,000.00		35,000.00	24,193.92	10,806.08	
Maintenance of Wagner Farm Property	50,000.00		50,000.00	34,564.53	15,435.47	

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

TOWNSHIP OF WARREN  
CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>					
<u>STREETS AND ROADS</u>					
Road Repairs and Maintenance:					
Salaries and Wages	\$ 851,000.00	\$ 851,000.00	\$ 851,000.00	\$	\$
Other Expenses	527,526.00	524,526.00	508,975.62	15,550.38	
Solid Waste Recycling:					
Other Expenses	130,000.00	130,000.00	128,735.60	1,264.40	
Utility Expenses:					
Street Lighting	32,000.00	32,000.00	22,822.26	9,177.74	
Electricity	89,000.00	86,000.00	85,885.71	114.29	
Telephone	98,100.00	98,100.00	81,907.20	16,192.80	
Water	15,000.00	15,000.00	7,934.71	7,065.29	
Fuel Oil	65,000.00	65,000.00	63,588.58	1,411.42	
Gasoline	130,000.00	130,000.00	130,000.00		
Natural Gas	25,000.00	22,000.00	16,621.84	5,378.16	
Maintenance of Township's Vehicles and Equipment:					
Salaries and Wages	183,000.00	173,000.00	165,678.27	7,321.73	
Other Expenses:					
Miscellaneous	158,000.00	155,000.00	149,725.63	5,274.37	
Maintenance of Fire Equipment	60,000.00	55,000.00	44,646.80	10,353.20	
Community Services Act	18,000.00	18,000.00	1,809.69	16,190.31	
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Salaries and Wages	126,000.00	126,000.00	124,657.73	1,342.27	
Other Expenses	117,682.00	115,682.00	109,520.21	6,161.79	
Alliance to Prevent Alcoholism and Drug Abuse:					
Other Expenses	1,500.00	1,500.00	1,500.00		
Animal Control:					
Salaries and Wages	19,500.00	19,500.00	19,260.00	240.00	
Other Expenses	12,500.00	12,500.00	11,254.35	1,245.65	
<u>RECREATION AND EDUCATION (R.S. 40:12-1)</u>					
Board of Recreation Commissioners:					
Salaries and Wages	88,000.00	86,000.00	83,634.08	2,365.92	
Other Expenses	23,600.00	24,100.00	23,460.07	639.93	
Celebration of Public Events, Anniversary or Holiday	25,000.00	20,000.00	15,874.80	4,125.20	
Historic Sites Committee	5,000.00	5,000.00	4,415.60	584.40	
Senior Citizens Committee	9,000.00	9,000.00	6,951.04	2,048.96	
Therapeutic Recreation	3,000.00	3,000.00	2,445.00	555.00	
Public Monuments	3,000.00	3,000.00	1,090.00	1,910.00	
Senior Citizen Bus	35,000.00	35,000.00	32,887.09	2,112.91	

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

TOWNSHIP OF WARREN

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>					
<u>STATE UNIFORM CONSTRUCTION CODE</u>					
State Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	\$ 426,500.00	\$ 432,000.00	\$ 429,860.38	\$ 2,139.62	\$
Other Expenses	33,250.00	29,250.00	23,682.80	5,567.20	
Other Expenses - 3rd Party Inspection Fees	2,000.00	2,000.00	100.00	1,900.00	
<u>UNCLASSIFIED</u>					
Interest on Tax Appeal Refunds	5,000.00	5,000.00		5,000.00	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	\$ 12,293,363.00	\$ 12,290,363.00	\$ 11,920,285.34	\$ 370,077.66	\$
<u>CONTINGENT</u>	5,000.00	5,000.00		5,000.00	
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u>	\$ 12,298,363.00	\$ 12,295,363.00	\$ 11,920,285.34	\$ 375,077.66	\$
Detail:					
Salaries and Wages	\$ 6,899,750.00	\$ 6,920,750.00	\$ 6,812,732.27	\$ 108,017.73	\$
Other Expenses	5,398,613.00	5,374,613.00	5,107,553.07	267,059.93	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	\$ 510,000.00	\$ 515,000.00	\$ 507,475.23	\$ 7,524.77	\$
Public Employees Retirement System of NJ	402,427.00	402,427.00	402,427.00		
Police and Firemen's Retirement System of NJ	683,529.00	683,529.00	683,529.00		
Firemen's Widow Pension	3,000.00	1,000.00	1,000.00		
DCRP - Employers Share	7,000.00	7,000.00	6,165.18	834.82	
State Unemployment Insurance	26,000.00	26,000.00	26,000.00		
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	\$ 1,631,956.00	\$ 1,634,956.00	\$ 1,626,596.41	\$ 8,359.59	\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	\$ 13,930,319.00	\$ 13,930,319.00	\$ 13,546,881.75	\$ 383,437.25	\$

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

TOWNSHIP OF WARREN

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
<b>PUBLIC AND PRIVATE PROGRAMS</b>					
<b>OFF-SET BY REVENUES</b>					
Watching Hills Municipal Alliance for Prevention of Alcoholism and Drug Abuse:					
County Aid	\$ 33,358.00	\$ 33,358.00	\$ 33,358.00	\$	
Local Match	8,339.50	8,339.50	8,339.50		
Clean Communities Program (N.J.S.A. 40A:4-87 +\$36,907.62)		36,907.62	36,907.62		
Body Armor Grant	2,951.84	2,951.84	2,951.84		
Garden State JIF Grant	1,000.00	1,000.00	1,000.00		
Somerset County Youth Services Grant	5,000.00	5,000.00	5,000.00		
Recycling Tonnage Grant (N.J.S.A. 40A:4-87 +\$15,539.17)		15,539.17	15,539.17		
Shared Services - School Officer	100,000.00	100,000.00	100,000.00		
Federal Bulletproof Vest Partnership	1,831.25	1,831.25	1,831.25		
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 +\$1,792.13)		6,255.38	6,255.38		
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 +\$4,400.00)	4,463.25	4,400.00	4,400.00		
Alcohol Education Rehabilitation Fund (N.J.S.A. 40A:4-87 +\$580.52)		580.52	580.52		
Private Grant - Police (N.J.S.A. 40A:4-87 +\$1,199.00)		1,199.00	1,199.00		
Chelsea Donation - OEM	333.34	333.34	333.34		
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>	<b>\$ 157,277.18</b>	<b>\$ 217,695.62</b>	<b>\$ 217,695.62</b>	<b>\$</b>	<b>\$</b>

TOWNSHIP OF WARREN

CURRENT FUND

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

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 25,000.00	\$	25,000.00	\$ 25,000.00	\$	
Overlay and Drainage Improvements	714,000.00		714,000.00	691,957.54	22,042.46	
Purchase of Fire Equipment	70,000.00		70,000.00	44,267.30	25,732.70	
Improvements to Municipal Building	60,000.00		60,000.00	28,536.87	31,463.13	
Purchase of Public Works Equipment	30,000.00		30,000.00	30,000.00		
Purchase of Fire Equipment	24,000.00		24,000.00	23,030.00	970.00	
Improvements to Recreation Facility	12,500.00		12,500.00		12,500.00	
Purchase of Office Equipment	6,000.00		6,000.00			
<u>TOTAL CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"</u>	<u>\$ 941,500.00</u>	<u>\$</u>	<u>941,500.00</u>	<u>\$ 848,791.71</u>	<u>\$ 92,708.29</u>	<u>\$</u>
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 895,000.00	\$	895,000.00	\$ 895,000.00	\$	6,000.00
Payment of Bond Anticipation Notes	225,000.00		225,000.00	219,000.00		280.01
Interest on Notes	44,000.00		44,000.00	43,719.99		486.25
Interest on Bonds	297,500.00		297,500.00	297,013.75		
<u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>	<u>\$ 1,461,500.00</u>	<u>\$</u>	<u>1,461,500.00</u>	<u>\$ 1,454,733.74</u>	<u>\$</u>	<u>6,766.26</u>
<u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</u>						
Deferred Charges to Future Taxation:	\$ 125,000.00	\$	125,000.00	\$ 125,000.00	\$	\$
Emergency Authorizations						
<u>TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</u>	<u>\$ 125,000.00</u>	<u>\$</u>	<u>125,000.00</u>	<u>\$ 125,000.00</u>	<u>\$</u>	<u>\$</u>

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

TOWNSHIP OF WARREN  
CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 2,685,277.18	\$ 2,745,695.62	\$ 2,646,221.07	\$ 92,708.29	\$ 6,766.26
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	\$ 16,615,596.18	\$ 16,676,014.62	\$ 16,193,102.82	\$ 476,145.54	\$ 6,766.26
	1,100,000.00	1,100,000.00	1,100,000.00		
TOTAL GENERAL APPROPRIATIONS	\$ 17,715,596.18	\$ 17,776,014.62	\$ 17,293,102.82	\$ 476,145.54	\$ 6,766.26

REF.

A-2

A-1

A-A-1

Amendment by (NJSA 40A:4-87)  
Budget

\$	60,418.44
	17,715,596.18
\$	17,776,014.62

Reserve for Uncollected Taxes  
Reserve for Grants Appropriated  
Deferred Charges  
Disbursements  
Accounts Payable

\$	1,100,000.00
	217,695.62
	125,000.00
	15,438,920.61
	460,450.29
\$	17,342,066.52
	48,963.70
\$	17,293,102.82

Less: Refunds

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

TRUST FUND

## TOWNSHIP OF WARREN

## TRUST FUND

## BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
Assessment Fund:			
Assessment Receivable	B-3	\$ 166,235.97	\$ 207,267.99
Due Current Fund	B-15	41,032.02	104,471.01
		<u>\$ 207,267.99</u>	<u>\$ 311,739.00</u>
Animal Control Fund:			
Cash	B-2	<u>\$ 21,260.95</u>	<u>\$ 13,322.87</u>
Other Funds:			
Cash	B-2	\$ 7,450,653.33	\$ 7,184,220.56
Due Current Fund	B-13	378,658.51	546,382.35
Due General Capital Fund	B-14	230,000.00	230,000.00
		<u>\$ 8,059,311.84</u>	<u>\$ 7,960,602.91</u>
	B	<u>\$ 8,287,840.78</u>	<u>\$ 8,285,664.78</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Due General Capital Fund	B-16	<u>\$ 207,267.99</u>	<u>\$ 311,739.00</u>
Animal Control Fund:			
Due Current Fund	B-4	\$ 7,732.75	\$ 64.77
Due State of New Jersey	B-5	13.20	1.20
Reserve for Animal Control Fund Expenditures	B-6	12,580.00	11,243.90
Prepaid Licenses	B-7	935.00	2,013.00
		<u>\$ 21,260.95</u>	<u>\$ 13,322.87</u>
Other Funds:			
Reserve For:			
Miscellaneous Trust Deposits	B-10	\$ 1,902,268.06	\$ 1,811,951.27
Open Space Trust Deposits	B-8	2,186,122.85	2,098,920.44
State Unemployment Compensation Insurance	B-9	185,134.39	178,170.49
Affordable Housing Developer's Fees	B-11	3,785,336.54	3,871,360.71
Due State of New Jersey - Marriage Licenses and Civil Unions	B-12	450.00	200.00
		<u>\$ 8,059,311.84</u>	<u>\$ 7,960,602.91</u>
	B	<u>\$ 8,287,840.78</u>	<u>\$ 8,285,664.78</u>

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

GENERAL CAPITAL FUND

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 968,805.61	\$ 1,576,892.32
Deferred Charges to Future Taxation:			
Funded	C-4	7,732,000.00	8,627,000.00
Unfunded	C-5	3,156,876.28	3,793,496.11
Due Assessment Trust Fund	C-12	207,267.99	311,739.00
Due Current Fund	C-6	308,476.99	183,589.92
		<u>\$ 12,373,426.87</u>	<u>\$ 14,492,717.35</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Contracts Payable	C-7	\$ 216,188.08	\$ 400,700.38
Capital Improvement Fund	C-8	144,085.11	104,705.11
Due Trust Other Fund	C-9	230,000.00	230,000.00
Improvement Authorizations:			
Funded	C-10	722,001.98	841,614.11
Unfunded	C-10	179,020.20	369,150.00
Reserve for Debt Service	C-15	3,750.00	
General Serial Bonds Payable	C-11	7,732,000.00	8,627,000.00
Bond Anticipation Note	C-13	2,595,000.00	3,537,000.00
Various Capital Reserves	C-14	343,378.55	299,780.80
Fund Balance	C-1	208,002.95	82,766.95
		<u>\$ 12,373,426.87</u>	<u>\$ 14,492,717.35</u>

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

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 82,766.95
Increased by:		
Receipts	C-2	<u>207,236.00</u>
		\$ <u>290,002.95</u>
Decreased by:		
Improvement Authorizations	C-10	<u>82,000.00</u>
Balance, December 31, 2013	C	\$ <u><u>208,002.95</u></u>

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

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TOWNSHIP OF WARREN

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2013</u>	BALANCE DECEMBER <u>31, 2012</u>
<u>FIXED ASSETS</u>		
Land	\$ 19,600,177.50	\$ 20,909,977.50
Buildings	11,601,722.17	11,601,722.17
Machinery and Equipment	<u>8,299,067.22</u>	<u>8,086,515.46</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 39,500,966.89</u>	<u>\$ 40,598,215.13</u>
<u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 39,500,966.89</u>	<u>\$ 40,598,215.13</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF WARREN

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Warren is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Warren include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Warren, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Warren do not include the operations of the regional and local boards of education, inasmuch as their activities are administered by separate boards or the Warren Township Sewerage Authority.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Warren 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 financial transactions and accounts of the Township of Warren are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Township accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that has been acquired by other governmental funds

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 accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances 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 regulatory 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 canceled 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.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets – N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$1,000.00 or more per unit. 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 system are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by the Township. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Township's most recent property revaluation.

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Township of Warren had the following cash and cash equivalents at December 31, 2013:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Current Fund	\$570.00	\$5,489,550.17	\$34,098.48	\$43,280.10	\$5,480,368.55
Animal Control Fund		21,128.75	\$146.00	13.80	21,260.95
Trust Other Fund		7,498,964.63	580.00	48,891.30	7,450,653.33
General Capital Fund		999,155.61		30,350.00	968,805.61
	<u>\$570.00</u>	<u>\$14,008,799.16</u>	<u>\$34,824.48</u>	<u>\$122,535.20</u>	<u>\$13,921,088.44</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2013, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$500,000.00 was covered by Federal Depository Insurance and \$13,508,799.16 was covered by NJ GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS

B. Investments

The purchase of investments by the Township are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4):  
or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 P.L. 1970, c.236 (C.17:19-41);  
and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Township of Warren's investment activities during the year were in accordance with the above New Jersey Statute.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. 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 to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2013</u>	<u>YEAR 2012</u>	<u>YEAR 2011</u>
Issued:			
General:			
Bonds and Notes	\$ <u>10,327,000.00</u>	\$ <u>12,164,000.00</u>	\$ <u>11,649,000.00</u>
Debt Issued	\$ 10,327,000.00	\$ 12,164,000.00	\$ 11,649,000.00
Less:			
Funds Temporarily Held to			
Pay Notes	<u>303,750.00</u>	<u>195,544.00</u>	<u>                    </u>
Net Debt Issued	\$ <u>10,023,250.00</u>	\$ <u>11,968,456.00</u>	\$ <u>11,649,000.00</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ <u>861,876.28</u>	\$ <u>452,040.11</u>	\$ <u>1,569,089.85</u>
<u>TOTAL BONDS AND NOTES</u> <u>ISSUED AND AUTHORIZED</u> <u>BUT NOT ISSUED</u>	\$ <u><u>10,885,126.28</u></u>	\$ <u><u>12,420,496.11</u></u>	\$ <u><u>13,218,089.85</u></u>

SUMMARY OF REGULATORY 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 regulatory net debt of .26%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional High School District Debt	\$ 23,323,454.94	\$ 23,323,454.94	\$
Local School District Debt	2,295,000.00	2,295,000.00	
General Debt	<u>11,188,876.28</u>	<u>303,750.00</u>	<u>10,885,126.28</u>
	\$ <u><u>36,807,331.22</u></u>	\$ <u><u>25,922,204.94</u></u>	\$ <u><u>10,885,126.28</u></u>

NET DEBT \$10,885,126.28 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, \$4,251,964,033.67 EQUALS .26 %.

NOTE 3: LONG-TERM DEBT (CONTINUED)

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2013	\$ <u>4,251,964,033.67</u>
3-1/2% of Equalized Valuation Basis	\$ 148,818,741.18
Net Debt	<u>10,885,126.28</u>
Remaining Borrowing Power	\$ <u>137,933,614.90</u>

Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements and the assessed valuation of Class II railroad property of the Township of Warren for the last three (3) preceding years.

LONG-TERM DEBT

General Serial Bonds:

\$3,358,000.00 General Improvement Bonds of 2006 due in annual installments of \$130,000.00 to \$260,000.00 through February 2021 at an interest rate of 3.50% to 3.875%	\$2,038,000.00
\$900,000.00 Open Space Bonds of 2006 due in annual installments of \$35,000.00 to \$70,000.00 through February 2021 at an interest rate of 3.50% to 3.875%	530,000.00
\$4,364,000.00 General Improvement Bonds of 2009 due in annual installments of \$180,000.00 to \$360,000.00 through May 15, 2024 at an interest rate of 2.75% to 4.00%	3,619,000.00
\$2,350,000.00 Refunding Bonds of 2010 due in annual installments of \$5,000.00 to \$400,000.00 through May 1, 2017 at an interest rate 3.00% to 4.00%	<u>1,545,000.00</u>
	<u>\$7,732,000.00</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

BOND ANTICIPATION NOTES

Outstanding Bond Anticipation Notes are summarized as follows:

	Interest <u>Rate</u>	<u>Issue Date</u>	Maturity <u>Date</u>	<u>Amount</u>
General Improvement Notes	1.25%	06/25/13	06/24/14	\$ <u><u>2,595,000.00</u></u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2013, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$ 861,876.28</u>
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SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2013

CALENDAR <u>YEAR</u>	GENERAL		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2014	\$ 925,000.00	\$ 267,132.50	\$ 1,192,132.50
2015	950,000.00	236,338.75	1,186,338.75
2016	990,000.00	202,601.25	1,192,601.25
2017	1,030,000.00	164,326.25	1,194,326.25
2018	690,000.00	131,713.75	821,713.75
2019	690,000.00	106,551.25	796,551.25
2020	690,000.00	81,163.75	771,163.75
2021	688,000.00	55,365.00	743,365.00
2022	360,000.00	35,510.00	395,510.00
2023	360,000.00	21,560.00	381,560.00
2024	359,000.00	7,180.00	366,180.00
	<u>\$ 7,732,000.00</u>	<u>\$ 1,309,442.50</u>	<u>\$ 9,041,442.50</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2013, which was appropriated and included as anticipated revenue in the introduced budget in its own respective fund for the year ending December 31, 2014, is \$640,000.00.

NOTE 5: PROPERTY TAXES

Property Taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and the Local and Regional High School Districts. The collections and remittance of county and school taxes are accounted for in the current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2013</u>	BALANCE DECEMBER <u>31, 2012</u>
Prepaid Taxes	<u>\$550,203.80</u>	<u>\$694,195.89</u>

NOTE 6: PENSION PLANS

Township employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System and the Police and Firemen's Retirement System and Defined Contribution Retirement Program (DCRP). The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Township's share of PERS and Police and Firemen's pension, which is based upon the annual billings received from the state, amounted to \$1,085,956.00 for 2013, \$1,104,729.00 for 2012 and \$1,146,722.00 for 2011. The Township's share for DCRP amounted to \$6,165.18 for 2013, \$4,459.24 for 2012 and \$2,603.90 for 2011.

Township employees are also covered by Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Township, employees, other than sworn police officers, are allowed to accumulate unused sick pay over the life of their working careers in accordance with contractual agreements and/or personnel policy as applicable.

Those individuals who are full time employees may accumulate up to 120 days of sick time. The accumulated sick time will remain "in the bank" and would be available to an employee for long term sickness but will not be compensated upon separation.

Employees would be paid at the conclusion of each calendar year, after accumulation of 120 sick days, one day's pay for every two days of unused sick time over 120 days for a maximum of 7.5 days. Each employee would receive his/her allotment of nine sick days per year for up to five years of employment, and fifteen sick days per year for employees employed over five years. The Township annually appropriates the amounts that are required to be paid in that year's budget.

Full-time police officers shall be entitled to unlimited sick/injury leave time up to a period of one (1) year, to be granted by the Township Committee, for cause, when needed, in three (3) month periods.

NOTE 8: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the Plan are held by an independent administrator, the Equitable Life Assurance Society of the United States (the "AXA Equitable").

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities. The Township's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 9: LITIGATION

The Township Attorney's letters did not indicate any litigation, claims or contingent liabilities which would materially affect the financial statements of the Township.

NOTE 10: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2013 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from current tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.40A:2-51. The Township has made provision in the amount of \$150,000.00 for these appeals in the event that the tax reductions are granted.

NOTE 11: CONTINGENT LIABILITIES

The Township participated in several financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to financial assistance programs will be discussed in detail in Part II, Report Section of the 2013 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2013, the Township does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage through a Joint Insurance Fund covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 12: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Below is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Township's expendable trust fund for the current and previous two years:

<u>Year</u>	Township Share/Interest <u>Earned</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2013	\$ 26,537.70	\$ 6,556.41	\$ 26,130.21	\$ 185,134.39
2012	903.40	12,187.95	9,661.92	178,170.49
2011	816.34	7,120.47	13,226.92	174,741.06

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	Interfund <u>Receivable</u>	Interfund <u>Payable</u>
Current Fund	\$ 7,732.75	\$ 899,440.82
Grant Fund	171,273.30	
Assessment Fund	41,032.02	207,267.99
Animal Control Fund		7,732.75
Trust Other Fund	608,658.51	
General Capital Fund	<u>515,744.98</u>	<u>230,000.00</u>
	<u>\$ 1,344,441.56</u>	<u>\$ 1,344,441.56</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 14: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

The Township is required to implement the note disclosure provision of GASB Statement 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement which was adopted during 2004 by the Government Accounting Standard Board (GASB) requires the Township to disclose in the notes of the financial statements the future cost of the other post employment benefits (OPEB) on a present value basis instead of the present pay as you go method. OPEB obligations are non-pension benefits that the Township has contractually agreed to provide employees once they have retired. The Township does not provide post retirement benefits other than pension to it's employees which is provided through the New Jersey pension system.

NOTE 15: COMMITMENTS

The Township has entered into an agreement with Chasbob Inc. to extend the affordability controls on sixty low and moderate income residential units located in Whispering Hills. This agreement began in 2012 and runs for a period of 30 years. As part of the agreement, the Township will pay quarterly rental assistance payments of \$50,000.00 to Chasbob Inc. These payments began in 2013 and will continue for the 30 years of the agreement.

TOWNSHIP OF WARREN  
SUPPLEMENTARY SCHEDULES  
YEAR ENDED DECEMBER 31, 2013

TOWNSHIP OF WARREN  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2012	\$ 4,980,488.79	\$
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 334,159.52	
Petty Cash Funds	750.00	
Appropriation Refunds	48,963.70	
Taxes Receivable	82,793,508.10	
Revenue Accounts Receivable	3,778,922.16	
Township of Warren Sewerage Authority	143,104.48	
Reserve for Outside Police Services	270,586.69	
Reserve for Sale of Municipal Assets	3,852.00	
Grants Receivable		311,801.35
A-14		
State of New Jersey-Senior Citizens and Veterans	109,457.54	
A-18		
Tax Overpayments	194,166.05	
A-22		
Prepaid Taxes	546,721.35	
A-23		
Reserve for Premium on Tax Sale	363,000.00	
A-24		
Reserve for Redemption of Outside Liens	838,896.45	
A-25		
Grants - Unappropriated		7,310.79
A-27		
Interfunds Returned	1,125,054.25	
A-28		
Reserve for FEMA - Fire Department	12,544.42	
A-31		
Reserve for Retirement	85,000.00	
A-30		
Reserve for FEMA - Sewer Authority	900.00	
A-32		
	\$ 90,649,586.71	\$ 319,112.14
	\$ 95,630,075.50	\$ 319,112.14
Decreased by Disbursements:		
2013 Appropriations	\$ 15,438,920.61	
A-3		
2012 Appropriation Reserves	852,353.93	
A-15		
Refund of Uniform Construction Code Official	3,762.00	
Refund of Other Fees and Permits	310.00	
A-2		
Municipal Open Space Taxes	828,365.85	
A-2		
Petty Cash Funds	750.00	
A-5		
Change Fund	50.00	
A-6		
Township of Warren Sewerage Authority	155,478.04	
A-12		
Reserve for Outside Police Services	274,599.40	
A-13		
County Taxes	16,052,511.54	
A-19		
Local District School Tax	37,995,174.00	
A-20		
Regional High School Tax	16,082,765.00	
A-21		
Refund of Tax Overpayments	259,381.10	
A-22		
Reserve for Premium on Tax Sale	122,000.00	
A-24		
Reserve for Redemption of Outside Liens	843,857.25	
A-25		
Reserve for FEMA - Fire Department	16,890.83	
A-31		
Grants - Appropriated		309,321.19
A-26		
Interfunds Advanced	1,222,537.38	
A-28		
Interfund - Due Current Fund		9,790.95
A-29		
	\$ 90,149,706.93	\$ 319,112.14
Balance, December 31, 2013	\$ 5,480,368.57	\$ -0-

"A-5"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF PETTY CASH FUNDS

	<u>ADVANCED</u>	<u>REIMBURSED</u>
Administration	\$ 250.00	\$ 250.00
Police Chief	500.00	500.00
	<u>750.00</u>	<u>750.00</u>
	A-4	A-4

REF.

"A-6"

SCHEDULE OF CHANGE FUNDS

Balance, December 31, 2012	A	\$ 520.00
Increased by:		
Disbursements	A-4	<u>50.00</u>
Balance, December 31, 2013	A	<u><u>570.00</u></u>

DETAIL

Township Clerk		\$ 50.00
Municipal Court		200.00
Collector		125.00
Public Works		50.00
Board of Health		50.00
Recreation		50.00
Engineer		20.00
Fire Safety		25.00
		<u>570.00</u>

TOWNSHIP OF WARREN  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012			\$ 505,166.70
Increased by:			
2013 Appropriations	A-3	\$ 460,450.29	
Grants Appropriated	A-26	<u>3,656.46</u>	
			464,106.75
			<u>\$ 969,273.45</u>
Decreased by:			
Transfer to 2012 Appropriation Reserves	A-15	\$ 489,997.11	
Reserve for Grants Appropriated	A-26	12,945.00	
Canceled	A-1	<u>2,224.59</u>	
			<u>505,166.70</u>
Balance, December 31, 2013			<u>\$ 464,106.75</u>

ANALYSIS OF BALANCE

Current Fund	A	\$ 460,450.29	
Grant Fund	A	<u>3,656.46</u>	
			<u>\$ 464,106.75</u>

TOWNSHIP OF WARREN  
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>2013 LEVY</u>	<u>ADDED</u>	<u>2012</u>	<u>COLLECTIONS</u> <u>2013</u>	<u>TRANSFERRED</u> <u>TO TAX</u> <u>TITLE LIENS</u>	<u>CANCELLED</u>	<u>OVERPAYMENTS</u> <u>APPLIED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
Prior	\$ 990,026.50	\$	\$	\$	\$ 984,219.75	\$ 98.40	\$ 509.58	\$ 4,404.30	\$ 794.47
	<u>990,026.50</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>984,219.75</u>	<u>98.40</u>	<u>509.58</u>	<u>4,404.30</u>	<u>794.47</u>
2013	<u>83,557,362.82</u>	<u>\$</u>	<u>\$</u>	<u>694,195.89</u>	<u>81,919,447.94</u>	<u>7,503.68</u>	<u>110,108.84</u>	<u>16,975.98</u>	<u>809,130.49</u>
	<u>990,026.50</u>	<u>\$</u>	<u>\$</u>	<u>694,195.89</u>	<u>82,903,667.69</u>	<u>7,602.08</u>	<u>110,618.42</u>	<u>21,380.28</u>	<u>809,924.96</u>
<u>REF.</u>	A			A-2-A-23	A-2	A-9		A-2-A-22	A

REF.

Collector  
Due From State of N.J. per Chapter 20, P.L. 1971

A-4      \$ 82,793,508.10  
A-18      110,159.59  
            \$ 82,903,667.69

ANALYSIS OF 2013 PROPERTY TAX LEVY

<u>TAX YIELD</u>	
General Purpose Tax	\$ 82,949,299.03
Added Taxes (54:4-63.1 et. seq.)	<u>608,063.79</u>
	<u>\$ 83,557,362.82</u>
<u>TAX LEVY</u>	
Local District School Tax (Abstract)	A-20      \$ 37,995,174.00
Regional High School Tax (Abstract)	A-21      16,082,765.00
County Taxes:	
County Tax	A-19      \$ 12,852,454.85
County Library Tax	A-19      1,823,066.04
County Open Space Preservation Tax	A-19      1,263,138.99
County Added	A-19 <u>113,851.66</u>
	16,052,511.54
Local Tax for Municipal Purposes (Abstract)	A-2      \$ 12,099,868.33
Municipal Open Space Tax (including added)	A-1-A-2      828,365.85
Add: Additional Tax Levied	<u>498,678.10</u>
Local Tax for Municipal Purposes Levied	<u>13,426,912.28</u>
	<u>\$ 83,557,362.82</u>

"A-9"

TOWNSHIP OF WARREN  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2012	A	\$ 44,604.41
Increased by:		
Transferred from Taxes Receivable	A-8	<u>7,602.08</u>
Balance, December 31, 2013	A	<u>\$ 52,206.49</u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES

Balance, December 31, 2012 and December 31, 2013	A	<u>\$ 900,149.00</u>
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TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	BALANCE DECEMBER 31, 2012	ACCRUED IN 2013	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2013
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	24,322.00	\$ 24,322.00	\$
Fees and Permits	A-2		970.27	970.27	
Uniform Construction Code Official	A-2		767,308.00	767,308.00	
Zoning - Fees and Permits	A-2		17,075.00	17,075.00	
Planning Board - Fees and Permits	A-2		5,000.00	5,000.00	
Registrar of Vital Statistics - Fees and Permits	A-2		3,986.00	3,986.00	
Board of Health - Fees and Permits	A-2		35,063.84	35,063.84	
Board of Adjustment - Fees and Permits	A-2		8,058.00	8,058.00	
Municipal Court: Fines and Costs	A-2	9,448.03	165,533.40	165,631.26	9,350.17
Engineering - Fees and Permits	A-2		3,966.00	3,966.00	
Escrow/Inspection Fees	A-2		50,750.76	50,750.76	
Police - Fees and Permits	A-2		4,523.16	4,523.16	
Mini-Dump Fees	A-2		9,635.00	9,635.00	
Street Opening/ Other Permits	A-2		8,000.00	8,000.00	
Interest on Investments and Deposits	A-2		35,649.32	35,649.32	
Bureau of Fire Prevention - Fees and Permits	A-2		29,759.00	29,759.00	
Bureau of Fire Prevention - Smoke Detectors	A-2		12,535.00	12,535.00	
Energy Receipts Tax	A-2		1,321,130.00	1,321,130.00	
Reserve for Open Space - Contribution of Open Space Debt Service	A-2		423,600.00	423,600.00	
Interest and Costs on Taxes	A-2		233,774.75	233,774.75	
Uniform Fire Safety Act	A-2		22,751.31	22,751.31	
Due From Warren Township Sewerage Authority:					
Property and Casualty Insurance	A-2		66,546.00	66,546.00	
Health Insurance	A-2		41,288.03	41,288.03	
Cable TV Franchise Fee - Cablevision	A-2		126,013.00	126,013.00	
Cable TV Franchise Fee - Verizon	A-2		73,411.57	73,411.57	
Rental of Property - Wagner Farm	A-2	2,060.00	109,340.00	111,400.00	
Watchung Hills Municipal Alliance Contribution	A-2		8,339.50	8,339.50	
Hotel and Motel Occupancy Fees	A-2		81,684.48	81,684.48	
Rental of Property - Cell Towers - Wagner Farm	A-2		86,750.91	86,750.91	
		\$ 11,508.03	\$ 3,776,764.30	\$ 3,778,922.16	\$ 9,350.17
<u>REF.</u>		A		A-4	A

"A-12"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF DUE FROM SEWERAGE AUTHORITY

	<u>REF.</u>	
Balance, December 31, 2012	A	\$ 2,490.45
Increased by:		
Disbursements	A-4	<u>155,478.04</u>
		\$ <u>157,968.49</u>
Decreased by:		
Receipts	A-4	<u>143,104.48</u>
Balance, December 31, 2013	A	\$ <u><u>14,864.01</u></u>

"A-13"

SCHEDULE OF RESERVE FOR OUTSIDE POLICE SERVICES

Balance, December 31, 2012		\$ 22,013.96
Increased by:		
Receipts	A-4	<u>270,586.69</u>
		\$ <u>292,600.65</u>
Decreased by:		
Disbursements	A-4	<u>274,599.40</u>
Balance, December 31, 2013	A	\$ <u><u>18,001.25</u></u>

TOWNSHIP OF WARREN

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2012	ACCRUED 2013	RECEIPTS	UNAPPROPRIATED RESERVE APPLIED	CANCELED	BALANCE DECEMBER 31, 2013
Watchung Hills Municipal Alliance for Prevention of Drug and Alcohol Abuse	\$ 49,418.75	\$ 33,358.00	\$ 25,639.56	\$	\$ 29,416.96	\$ 27,720.23
Police - Private Grant		1,199.00	1,199.00			
Recycling Tonnage Grant		15,539.17	15,539.17			
COPS Technology	75,000.00		75,000.00			
Shared Services - School Officer		100,000.00	100,000.00			
Somerset County Historic Grant - Kirch-Ford Terrell House	46,955.00		44,143.35			2,811.65
Clean Communities Program		36,907.62	36,907.62			
Sustainable NJ Planning Grant	1,750.00					1,750.00
Somerset County Youth Services Program	5,000.00	5,000.00	10,000.00			
Body Armor Replacement Program		2,951.84		2,951.84		
Federal Bulletproof Vest		1,831.35		1,831.35		
Drunk Driving Enforcement Fund		6,255.38	1,792.13	4,463.25		
Drive Sober or Get Pulled Over		4,400.00				
Alcohol Education Rehabilitation Fund		580.52	580.52			4,400.00
Chelsea Donation - OEM		333.34		333.34		
Safety Grant - Garden State JIF		1,000.00	1,000.00			
	\$ 178,123.75	\$ 209,356.22	\$ 311,801.35	\$ 9,579.78	\$ 29,416.96	\$ 36,681.88

REF.

A

A-2

A-4

A-27

A-1

A

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2012	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>OPERATIONS WITHIN "CAPS"</u>				
Salaries and Wages:				
Administrative and Executive	\$ 2,741.67	\$ 241.67	\$	\$ 241.67
Township Clerk	1,627.28	127.28		127.28
Financial Administration	2,160.64	160.64		160.64
Township Committee	850.00	850.00		850.00
Assessment of Taxes	644.51	44.51		44.51
Collection of Taxes	1.25	1.25		1.25
Municipal Land Use Law	1,223.70	223.70		223.70
Zoning Costs - Board of Adjustment	3,182.75	182.75		182.75
Zoning Enforcement	1,122.39	122.39		122.39
Fire	1,048.00	48.00		48.00
Bureau of Fire Prevention	1.46	1.46		1.46
Police	18,119.27	3,119.27	3,000.00	119.27
Police Dispatch	11.13	11.13		11.13
Municipal Court	992.63	992.63		992.63
Municipal Prosecutor	325.04	325.04		325.04
Emergency Management Service	100.00	100.00		100.00
Legal Services and Costs	779.92	779.92		779.92
Engineering Services and Costs	1,998.89	498.89		498.89
Public Buildings and Grounds	4,060.64	60.64		60.64
Road Repairs and Maintenance	22,733.94	22,733.94	22,733.94	
Maintenance of Township Vehicles and Equipment	3,413.71	413.71		413.71
Board of Health	2,932.72	932.72		932.72
Animal Control	119.92	119.92		119.92
Board of Recreation Commissioners	4,175.49	175.49		175.49
Construction Official	2,296.20	296.20		296.20
Other Expenses:				
Administrative and Executive	6,720.66	12,113.73	12,113.73	
Township Clerk	2,540.01	3,325.93	1,634.77	1,691.16
Audit Services	1,100.00	61,100.00	61,100.00	
Financial Administration	4,413.38	2,631.47	2,631.47	
Township Committee	1,500.87	5,735.87	5,620.87	115.00
Assessment of Taxes	3,511.23	17,812.73	17,369.04	443.69
Collection of Taxes	772.03	1,460.60	693.50	767.10
Municipal Land Use Law	1,041.28	5,625.61	2,451.86	3,173.75
Zoning Costs - Board of Adjustment	5,572.00	5,677.39	295.39	5,382.00
Zoning Enforcement	2,448.75	7,846.25	7,793.75	52.50
Environmental Commission (R.S.40:56A-1 et. seq.)	76.15	76.15		76.15
Cable TV Advisory Committee	404.25	1,753.20	1,753.20	
Vehicle and Pedestrian Traffic Advisory Committee	690.50	690.50		690.50
Open Space Advisory Committee	1,000.00	1,000.00		1,000.00
Other Insurance Premiums	5,000.00	1,400.00	1,400.00	
Consultant	3,000.00	500.00		500.00
New Jersey Disability	982.45	982.45	982.45	
Group Insurance Plan for Employees	13,034.17	34.17		34.17
Surety Bond Premiums	750.00	750.00		750.00
Employee Health Benefit Waiver	5,172.29	172.29		172.29
Fire Hydrant Services	2,287.10	36,228.77	36,228.77	
Fire - Miscellaneous	8,005.52	9,084.02	8,274.35	809.67
Bureau of Fire Prevention	150.07	280.95	130.88	150.07
Police	15,577.70	125,628.89	123,279.25	2,349.64
First Aid Organization Contributions	674.50	674.50		674.50
Police Dispatch	1,092.57	1,892.01	1,798.14	93.87
Municipal Court	1,698.56	4,561.72	2,548.06	2,013.66
Municipal Prosecutor	2,000.00			
Emergency Management Services	4,768.88	4,871.10	4,861.11	9.99
Legal Services and Costs	11,690.12	24,088.78	21,519.19	2,569.59
Engineering Services and Costs	2,651.67	8,039.35	7,430.09	609.26
Public Defender	1,000.00	1,000.00		1,000.00
Public Buildings and Grounds	6,511.28	20,354.20	20,275.54	78.66

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2012	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
Other Expenses (Continued):				
Maintenance of Property	\$ 3,702.11	\$ 7,542.11	\$ 7,540.00	\$ 2.11
Maintenance of Wagner Farm Property	4,779.01	12,198.15	11,814.49	383.66
Road Repairs and Maintenance	24,922.06	66,639.32	63,400.16	3,239.16
Emergency - Storm Sandy		69,569.90	69,569.90	
Solid Waste Recycling	2,000.00	32,962.02	32,012.66	949.36
Street Lighting	5,216.46	3,348.10	3,230.04	118.06
Electricity	10,117.75	9,418.82	9,418.82	
Telephone	4,391.15	10,289.41	8,416.59	1,872.82
Water	2,163.11	1,843.24	1,447.80	395.44
Fuel Oil	11,771.24	2,746.24	2,122.46	623.78
Gasoline	9,911.68	911.68		911.68
Natural Gas	8,659.10	6,659.10	4,219.91	2,439.19
Maintenance of Township's Vehicles and Equipment	8,986.46	29,448.43	28,805.24	643.19
Maintenance of Fire Equipment	7,845.10	12,314.94	12,020.39	294.55
Community Services Act	15,025.85	15,025.85	15,025.85	
Board of Health	2,433.61	3,839.70	1,027.14	2,812.56
Animal Control	340.64	340.64		340.64
Board of Recreation Commissioners	5,303.60	6,735.63	6,330.03	405.60
Celebration of Public Events	3,154.00	1,154.00		1,154.00
Historical Sites Committee	3,172.78	3,172.78	3,000.00	172.78
Senior Citizens Committee	280.54	1,280.99	1,080.99	200.00
Therapeutic Recreation	555.00	555.00		555.00
Public Monuments	1,040.00	2,000.00		2,000.00
Senior Citizen Bus	1,535.07	3,235.07	2,625.13	609.94
Construction Code Official	1,689.59	4,060.66	4,060.66	
3rd Party Inspection Fees	1,825.00	825.00	125.00	700.00
Interest on Tax Appeal Refunds	5,000.00	2,000.00	1,294.72	705.28
Contingent	2,236.27	2,236.27		2,236.27
Social Security System (O.A.S.I.)	9,843.14	843.14		843.14
State Unemployment Insurance	1,000.00	1,000.00		1,000.00
DCRP - Employer's Share	2,540.76	2,540.76		2,540.76
Capital Improvement Fund		98,400.00	98,400.00	
Overlay and Drainage Improvements	37,861.95	37,861.95	37,800.00	61.95
Improvements to Municipal Building	6,745.00	10,500.00	9,755.00	745.00
Purchase of Fire Equipment	2,908.40	30,000.00	29,991.60	8.40
Purchase of EMT Equipment	8,000.00	8,000.00	8,000.00	
Purchase of Office Equipment	11,926.35	11,926.35	11,900.00	26.35
	<u>\$ 423,383.92</u>	<u>\$ 913,381.03</u>	<u>\$ 852,353.93</u>	<u>\$ 61,027.10</u>
<u>TOTAL</u>				
	<u>REF.</u>	<u>A</u>	<u>A-4</u>	<u>A-1</u>
Balance, December 31, 2012	A:A-15	\$ 423,383.92		
Accounts Payable	A-7	<u>489,997.11</u>		
		<u>\$ 913,381.03</u>		

"A-16"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2012	A	\$ 11,917.77
Increased by:		
Receipts	A-4	<u>3,852.00</u>
		\$ <u>15,769.77</u>
Decreased by:		
Anticipated Revenue	A-2	<u>5,000.00</u>
Balance, December 31, 2013	A	\$ <u><u>10,769.77</u></u>

"A-17"

SCHEDULE OF RESERVE FOR STATE TAX APPEALS

Balance, December 31, 2012 and December 31, 2013	A	\$ <u><u>150,000.00</u></u>
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TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY  
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 51,935.94
Increased by:			
Deductions Per Tax Billings		\$ 116,750.00	
Senior Citizens' Deduction Allowed by Tax Collector		<u>250.00</u>	
			<u>117,000.00</u>
			\$ <u>168,935.94</u>
Decreased by:			
Receipts	A-4	109,457.54	
Senior Citizens' Deduction Disallowed by Tax Collector		<u>6,840.41</u>	
			<u>116,297.95</u>
Balance, December 31, 2013	A		\$ <u><u>52,637.99</u></u>

CALCULATION OF STATE'S SHARE OF  
2013 SENIOR CITIZENS DEDUCTIONS  
ALLOWED BY COLLECTOR (CHAPTER 20, P.L. 1971)

Senior Citizens Deductions Per Tax Billings		\$ 11,500.00
Veterans Deductions Per Tax Billings		105,250.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector		<u>500.00</u>
		\$ <u>117,250.00</u>
Less:		
Senior Citizens' Deduction Disallowed by Collector		<u>7,090.41</u>
	A-8	\$ <u><u>110,159.59</u></u>

"A-19"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
2013 Tax Levy:			
County Tax	A-8	\$ 12,852,454.85	
County Library Tax	A-8	1,823,066.04	
County Open Space Preservation Tax	A-8	1,263,138.99	
County Added	A-8	<u>113,851.66</u>	
	A-1		\$ <u>16,052,511.54</u>
Decreased by:			
Payments	A-4		\$ <u><u>16,052,511.54</u></u>

"A-20"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Increased by:			
2013 Tax Levy - Calendar Year	A-1:A-8		\$ <u>37,995,174.00</u>
Decreased by:			
Payments	A-4		\$ <u><u>37,995,174.00</u></u>

"A-21"

SCHEDULE OF REGIONAL HIGH SCHOOL TAX

Increased by:			
2013 Tax Levy - Calendar Year	A-1:A-8		\$ <u>16,082,765.00</u>
Decreased by:			
Payments	A-4		\$ <u><u>16,082,765.00</u></u>

"A-22"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 324,152.61
Increased by:			
Overpayments in 2013 - Receipts	A-4		<u>194,166.05</u>
			\$ 518,318.66
Decreased by:			
Refunds	A-4	\$ 259,381.10	
Applied to Taxes Receivable	A-8	21,380.28	
Applied to Prepaid Taxes	A-23	<u>3,482.45</u>	
			<u>284,243.83</u>
Balance, December 31, 2013	A		\$ <u><u>234,074.83</u></u>

"A-23"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2012 (2013 Taxes)	A		\$ 694,195.89
Increased by:			
Collections of 2014 Taxes	A-4	\$ 546,721.35	
Overpayments Applied	A-22	<u>3,482.45</u>	
			<u>550,203.80</u>
			\$ 1,244,399.69
Decreased by:			
Applied to Taxes Receivable	A-8		<u>694,195.89</u>
Balance, December 31, 2013 (2014 Taxes)	A		\$ <u><u>550,203.80</u></u>

"A-24"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 157,700.00
Increased by:			
Receipts	A-4		<u>363,000.00</u>
			\$ <u>520,700.00</u>
Decreased by:			
Disbursements	A-4	\$ 122,000.00	
Canceled	A-1	<u>3,000.00</u>	
			<u>125,000.00</u>
Balance, December 31, 2013	A		\$ <u><u>395,700.00</u></u>

"A-25"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

Balance, December 31, 2012	A		\$ 5,942.10
Increased by:			
Receipts	A-4		<u>838,896.45</u>
			\$ <u>844,838.55</u>
Decreased by:			
Disbursements	A-4		<u>843,857.25</u>
Balance, December 31, 2013	A		\$ <u><u>981.30</u></u>

TOWNSHIP OF WARREN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2012	TRANSFERRED FROM 2013 BUDGET	PAID OR CHARGED	TRANSFERRED FROM ACCOUNTS PAYABLE	CANCELLED	BALANCE DECEMBER 31, 2013
Alcohol Education Rehabilitation Fund	\$ 1,986.77	\$ 580.52	\$	\$	\$	2,567.29
Drunk Driving Enforcement Fund	1,131.88	6,255.38	550.00			6,837.26
Drive Sober or Get Pulled Over		4,400.00	3,900.00			500.00
Shared Services - School Officer	30,932.12	100,000.00	100,000.00			30,932.12
Watchung Hills Municipal Alliance for Prevention of Drug and Alcohol Abuse	29,416.96	33,358.00	20,385.13		29,416.96	12,972.87
Watchung Hills Municipal Alliance - Match	8,598.00	8,339.50	5,112.07			11,825.43
County - Historic Grant - Kirch-Ford Terrel House	82,460.00		90,155.00	7,695.00		
Police Grant - Private Grant	200.00	1,199.00	896.50			502.50
Chelsea Donation - OEM	400.00	333.34				733.34
Somerset County - Friends of Youth Services	146.72					146.72
Somerset County Youth Services Program	6,191.32	5,000.00	5,504.35			5,686.97
Somerset County Athletic & Recreation Facilities	10.00		2,145.60			10.00
Body Armor Replacement Program	4,225.73	2,951.84				5,031.97
Federal Bulletproof Vest Partnership		1,831.25				1,831.25
COPS Technology	56,160.81		56,160.81			
Clean Communities Program	2,000.00	36,907.62	19,346.22	5,250.00		22,811.40
Police Grant - Wal-Mart	207.79		1,700.00			300.00
Wal-Mart Grant						207.79
Recycling Tonnage Program	72,341.81	15,539.17	6,109.97			81,771.01
Safety Grant - Garden State JF	1,177.88	1,000.00	1,012.00			1,165.88
Somerset County Planning Partnership Program	8,904.13					8,904.13
Sustainable NJ Planning Grant	1,750.00					1,750.00
Domestic Violence Program	500.00					500.00
	<u>\$ 308,741.92</u>	<u>\$ 217,695.62</u>	<u>\$ 312,977.65</u>	<u>\$ 12,945.00</u>	<u>\$ 29,416.96</u>	<u>\$ 196,987.93</u>

REF.

A-3

A-1

A

Disbursements  
Accounts Payable

\$ 309,321.19

3,656.46

\$ 312,977.65

TOWNSHIP OF WARREN

CURRENT AND GRANT FUNDS

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	BALANCE DECEMBER 31, 2012	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2013
Body Armor Replacement Fund	\$ 2,951.84	\$ 3,810.79	\$ 2,951.84	\$ 3,810.79
Federal Bulletproof Vest Partnership	1,831.35		1,831.35	
Emergency Management Donation	333.34	500.00	333.34	500.00
Safety Grant - Garden State JIF		1,000.00		1,000.00
Drunk Driving Enforcement Fund	4,463.25		4,463.25	
Police Grant - Watchung Hills Regional HS		2,000.00		2,000.00
	<u>\$ 9,579.78</u>	<u>\$ 7,310.79</u>	<u>\$ 9,579.78</u>	<u>\$ 7,310.79</u>

REF.

A

A-4

A-14

A

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF INTERFUNDS

<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>ASSESSMENT TRUST FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>OTHER TRUST FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2012:						
Interfunds Receivable	\$ 64.77	\$	\$	64.77	\$	\$
Interfunds Payable	987,586.23	153,142.95	104,471.01		546,382.35	183,589.92
Receipts	1,125,054.25	9,790.95	41,032.02	6.68	765,747.61	308,476.99
Transfer	8,339.40	8,339.40				
Excess Reserve Animal Control	6,669.66			6,669.66		
Disbursements	1,222,537.38		104,471.01	1,005.00	933,471.45	183,589.92
Balance, December 31, 2013:						
Interfunds Receivable	\$ 7,732.75	\$	\$	7,732.75	\$	\$
Interfunds Payable	899,440.82	171,273.30	41,032.02		378,658.51	308,476.99

TOWNSHIP OF WARREN

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2012 (Due From)	A		\$ 153,142.95
Increased by:			
Disbursements	A-4	\$ 9,790.95	
Transfer	A-28	<u>8,339.40</u>	
			<u>18,130.35</u>
Balance, December 31, 2013 (Due From)	A		\$ <u><u>171,273.30</u></u>

"A-30"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF RESERVE FOR TRANSITIONAL PAY

	<u>REF.</u>	
Balance, December 31, 2012	A	\$ 55,000.00
Increased by:		
Receipts	A-4	<u>85,000.00</u>
Balance, December 31, 2013	A	<u>\$ 140,000.00</u>

"A-31"

SCHEDULE OF RESERVE FOR FEMA - FIRE DEPARTMENT

Balance, December 31, 2012	A	\$ 34,678.30
Increased by:		
Receipts	A-4	<u>12,544.42</u>
		\$ <u>47,222.72</u>
Decreased by:		
Disbursements	A-4	<u>16,890.83</u>
Balance, December 31, 2013	A	<u>\$ 30,331.89</u>

"A-32"

TOWNSHIP OF WARREN

CURRENT FUND

SCHEDULE OF RESERVE FOR FEMA - SEWERAGE AUTHORITY

	<u>REF.</u>	
Increased by:		
Receipts	A-4	\$ <u>900.00</u>
Balance, December 31, 2013	A	\$ <u><u>900.00</u></u>

"A-33"

SCHEDULE OF DEFERRED CHARGES

Balance, December 31, 2012	A	\$ <u>125,000.00</u>
Decreased by:		
Budget Appropriations	A-3	\$ <u><u>125,000.00</u></u>

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF CASH-TREASURER

REF.	ASSESSMENT	ANIMAL CONTROL	OTHER
B	\$	\$ 13,322.87	\$ 7,184,220.56
Balance, December 31, 2012			
Increased by Receipts:			
B-15:B-4:B-13	104,471.01	1,005.00	933,471.45
B-6		7,034.00	
B-7		935.00	
B-8			831,841.90
B-3	41,032.02		1,550.00
B-12			281,689.49
B-11			33,094.11
B-9			9,243,790.53
B-10			
B-5	145,503.03	1,243.20	
	\$ 145,503.03	\$ 10,217.20	\$ 11,325,437.48
		\$ 23,540.07	\$ 18,509,658.04
Decreased by Disbursements:			
B-15:B-4:B-13	41,032.02	6.68	765,747.61
B-12			1,300.00
B-10			9,153,473.74
B-9			26,130.21
B-8			744,639.49
B-11			367,713.66
B-16	104,471.01		
B-6		1,041.24	
B-5	145,503.03	1,231.20	
	\$ -0-	\$ 2,279.12	\$ 11,059,004.71
		\$ 21,260.95	\$ 7,450,653.33
Balance, December 31, 2013			

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF ASSESSMENT RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF CONFIRMATION</u>	<u>INSTALLMENTS</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE PLEDGED TO CAPITAL</u>
02-38	Hill Hollow Road Sewer Project	6/25/09	20	7/1/10 - 7/1/28	\$ 207,267.99	\$ 41,032.02	\$ 166,235.97	\$ 166,235.97
				<u>REF.</u>	B	B-2	B	

"B-4"

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF DUE CURRENT FUND -  
ANIMAL CONTROL TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2012 (Due To)	B		\$ 64.77
Increased by:			
Receipts	B-2	\$ 1,005.00	
Excess Reserve for Animal Control Expenditures	B-6	<u>6,669.66</u>	
			\$ <u>7,674.66</u>
			\$ <u>7,739.43</u>
Decreased by:			
Disbursements	B-2		<u>6.68</u>
Balance, December 31, 2013 (Due To)	B		\$ <u><u>7,732.75</u></u>

"B-5"

SCHEDULE OF AMOUNT DUE STATE OF NEW JERSEY-  
DEPARTMENT OF HEALTH - DOG LICENSES

Balance, December 31, 2012	B		\$ 1.20
Increased by:			
State License Fees	B-2		<u>1,243.20</u>
			\$ <u>1,244.40</u>
Decreased by:			
Disbursements	B-2		<u>1,231.20</u>
Balance, December 31, 2013	B		\$ <u><u>13.20</u></u>

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2012	B		\$ 11,243.90
Increased by:			
Dog Licenses		\$ 5,339.00	
Late Fees		700.00	
Kennel Fees		150.00	
Cat Licenses		<u>845.00</u>	
Sub-total	B-2	\$ 7,034.00	
Prepaid Dog and Cat Licenses	B-7	<u>2,013.00</u>	
			<u>9,047.00</u>
			\$ 20,290.90
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-2	\$ 1,041.24	
Excess Reserve for Expenditures Due Current Fund	B-4	<u>6,669.66</u>	
			<u>7,710.90</u>
Balance, December 31, 2013	B		<u>\$ 12,580.00</u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2012	\$ 6,271.00
2011	<u>6,309.00</u>
	<u>\$ 12,580.00</u>

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF PREPAID LICENSES  
ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 2,013.00
Increased by:		
Dog License Receipts	B-2	<u>935.00</u>
		\$ <u>2,948.00</u>
Decreased by:		
Applied to Reserve for Expenditures	B-6	<u>2,013.00</u>
Balance, December 31, 2013	B	\$ <u><u>935.00</u></u>

"B-8"

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE TRUST DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2012	B		\$ 2,098,920.44
Increased by:			
Open Space Taxes		\$ 828,365.85	
Interest Earned		<u>3,476.05</u>	
	B-2		<u>831,841.90</u>
			\$ <u>2,930,762.34</u>
Decreased by:			
Disbursements	B-2		<u>744,639.49</u>
Balance, December 31, 2013	B		\$ <u><u>2,186,122.85</u></u>

"B-9"

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT  
COMPENSATION INSURANCE (N.J.S.43:31-3 ET.SEQ.)

Balance, December 31, 2012	B		\$ 178,170.49
Increased by:			
Interest Earned		\$ 537.70	
Budget		26,000.00	
Employee Withholdings		<u>6,556.41</u>	
	B-2		<u>33,094.11</u>
			\$ <u>211,264.60</u>
Decreased by:			
Disbursements	B-2		<u>26,130.21</u>
Balance, December 31, 2013	B		\$ <u><u>185,134.39</u></u>

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	BALANCE DECEMBER 31, 2012	INCREASED	DECREASED	BALANCE DECEMBER 31, 2013
Payroll Deductions Payable	\$ 101,466.06	\$ 7,860,770.12	\$ 7,830,377.71	\$ 131,858.47
Flexible Spending	554.50	6,096.26	5,452.02	1,198.74
Building Surcharge (D.C.A.)	7,286.00	48,604.00	46,903.00	8,987.00
Plumbing Inspections	215,692.06	98,967.00	101,716.00	212,943.06
Elevator Inspections	8,307.00	39,231.00	32,323.00	15,215.00
Insurance		100,000.00		100,000.00
Fire Subcode Inspections	96,937.92	83,078.00	85,733.00	94,282.92
Snow Removal	8,963.48	122,733.94	9,219.49	122,477.93
Uniform Fire Code Fines and Penalties	20,579.90	2,690.00		23,269.90
Police Forfeitures	67,975.13	4,242.65	9,466.96	62,750.82
Municipal Alliance	34,939.23	6,417.00	12,423.24	28,932.99
Recreation Commission	65,429.10	111,270.90	116,774.61	59,925.39
Engineering and Inspection Fees	66,089.46	10,660.84	41,352.49	35,397.81
Performance Bonds	764,686.66	34,711.10	168,643.53	630,754.23
Escrow Deposits	260,344.25	417,800.63	440,597.57	237,547.31
Fuel Trust	80,913.79	288,368.20	251,411.12	117,870.87
OEM Donation	650.01			650.01
Wetland Remediation	10,000.00			10,000.00
POAA	58.03	40.00		98.03
Public Defender	1,078.69	8,108.89	1,080.00	8,107.58
	<u>\$ 1,811,951.27</u>	<u>\$ 9,243,790.53</u>	<u>\$ 9,153,473.74</u>	<u>\$ 1,902,268.06</u>

REF.

B

B-2

B-2

B

"B-11"

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING TRUST DEPOSITS  
OTHER TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 3,871,360.71
Increased by:		
Receipts	B-2	<u>281,689.49</u>
		\$ 4,153,050.20
Decreased by:		
Disbursements	B-2	<u>367,713.66</u>
Balance, December 31, 2013	B	\$ <u><u>3,785,336.54</u></u>

"B-12"

SCHEDULE OF DUE STATE OF NEW JERSEY  
MARRIAGE LICENSES AND CIVIL UNIONS  
OTHER TRUST FUND

Balance, December 31, 2012	B	\$ 200.00
Increased by:		
Receipts	B-2	<u>1,550.00</u>
		\$ 1,750.00
Decreased by:		
Disbursements	B-2	<u>1,300.00</u>
Balance, December 31, 2013	B	\$ <u><u>450.00</u></u>

"B-13"

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF DUE CURRENT FUND  
OTHER TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2012 (Due From)	B	\$ 546,382.35
Increased by:		
Disbursements	B-2	765,747.61
		<u>\$ 1,312,129.96</u>
Decreased by:		
Receipts	B-2	<u>933,471.45</u>
Balance, December 31, 2013 (Due From)	B	<u>\$ 378,658.51</u>

"B-14"

SCHEDULE OF DUE GENERAL CAPITAL FUND  
OTHER TRUST FUND

Balance, December 31, 2012 and December 31, 2013 (Due From)	B	<u>\$ 230,000.00</u>
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"B-15"

TOWNSHIP OF WARREN

TRUST FUND

SCHEDULE OF DUE CURRENT FUND  
ASSESSMENT TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2012 (Due From)	B	\$ 104,471.01
Increased by:		
Disbursements	B-2	41,032.02
		<u>\$ 145,503.03</u>
Decreased by:		
Receipts	B-2	<u>104,471.01</u>
Balance, December 31, 2013 (Due From)	B	<u><u>\$ 41,032.02</u></u>

"B-16"

SCHEDULE OF DUE GENERAL CAPITAL FUND  
ASSESSMENT TRUST FUND

Balance, December 31, 2012 (Due To)	B	\$ 311,739.00
Decreased by:		
Disbursements	B-2	<u>104,471.01</u>
Balance, December 31, 2013 (Due To)	B	<u><u>\$ 207,267.99</u></u>

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2012	C		\$ 1,576,892.32
Increased by Receipts:			
Deferred Charges to Future Taxation - Unfunded	C-5	\$ 441,443.00	
Due Current Fund	C-6	183,589.92	
Due Assessment Trust Fund	C-12	104,471.01	
Capital Improvement Fund	C-8	123,400.00	
Various Capital Reserves	C-14	85,600.00	
Bond Anticipation Note Payable	C-13	2,595,000.00	
Reserve for Debt Service	C-15	3,750.00	
Premium on Sale of Notes	C-1	207,236.00	
		<u>3,744,489.93</u>	\$ <u>5,321,382.25</u>
Decreased by Disbursements:			
Due Current Fund	C-6	\$ 308,476.99	
Contracts Payable	C-7	726,106.65	
Bond Anticipation Note Payable	C-13	<u>3,317,993.00</u>	
			<u>4,352,576.64</u>
Balance, December 31, 2013	C		\$ <u><u>968,805.61</u></u>

"C-3"

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
Fund Balance	\$ 208,002.95
Capital Improvement Fund	144,085.11
Improvement Authorizations-Funded	722,001.98
Due Current Fund	(308,476.99)
Due Open Space Trust Fund	230,000.00
Due Assessment Trust Fund	(207,267.99)
Reserve for Debt Service	3,750.00
Various Capital Reserves	343,378.55
Improvement Expenditures (Exhibit "C-5")	(744,326.80)
Unexpended Proceeds of Bond Anticipation Notes (Exhibit "C-5")	61,470.72
Cash on Hand to Pay Notes (Exhibit "C-5")	300,000.00
Contracts Payable	<u>216,188.08</u>
	<u>\$ 968,805.61</u>

REF.

C

"C-4"

SCHEDULE OF DEFERRED CHARGES TO  
FUTURE TAXATION FUNDED

Balance, December 31, 2012	C	\$ 8,627,000.00
Decreased by:		
2013 Budget Appropriation to Pay Bonds	C-11	<u>895,000.00</u>
Balance, December 31, 2013	C	<u>\$ 7,732,000.00</u>



"C-6"

TOWNSHIP OF WARREN  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2012 (Due From)	C	\$	183,589.92
Increased by:			
Disbursements	C-2		308,476.99
		\$	<u>492,066.91</u>
Decreased by:			
Receipts	C-2		<u>183,589.92</u>
Balance, December 31, 2013 (Due From)	C	\$	<u><u>308,476.99</u></u>

"C-7"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2012	C	\$	400,700.38
Increased by:			
Improvement Authorizations	C-10	\$	520,717.10
Capital Reserves	C-14		<u>55,819.75</u>
			<u>576,536.85</u>
		\$	<u>977,237.23</u>
Decreased by:			
Disbursements	C-2	\$	726,106.65
Canceled - Capital Reserves	C-14		13,817.50
Canceled - Improvement Authorizations	C-10		<u>21,125.00</u>
			<u>761,049.15</u>
Balance, December 31, 2013	C:C-3	\$	<u><u>216,188.08</u></u>

"C-8"

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2012	C		\$ 104,705.11
Increased by:			
2013 Budget Appropriation	C-2	\$ 25,000.00	
2012 Appropriation Reserves	C-2	98,400.00	
Improvement Authorizations Canceled	C-10	<u>6,980.00</u>	
			<u>130,380.00</u>
			\$ <u>235,085.11</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-10		<u>91,000.00</u>
Balance, December 31, 2013	C		\$ <u><u>144,085.11</u></u>

"C-9"

SCHEDULE OF DUE TRUST OTHER FUND

Balance December 31, 2012 and December 31, 2013 (Due To)	C		\$ <u><u>230,000.00</u></u>
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TOWNSHIP OF WARREN  
GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>DATE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2013</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
General Improvement Bonds of 2006	02/15/06	\$ 3,358,000.00	02/15/14	\$ 240,000.00	3.875%	\$	\$	
			02/15/15-02/15/16	250,000.00	3.875%			
			02/15/17-02/15/20	260,000.00	3.875%			
Open Space Bonds of 2006	02/15/06	900,000.00	02/15/21	258,000.00	3.875%		230,000.00	2,038,000.00
			02/15/14-02/15/16	60,000.00	3.875%			
General Improvement Bonds of 2009	04/15/09	4,364,000.00	02/15/17-02/15/21	70,000.00	3.875%	590,000.00	60,000.00	530,000.00
			04/15/14	230,000.00	3.000%			
			04/15/15	255,000.00	3.000%			
			04/15/16	295,000.00	3.000%			
			04/15/17	320,000.00	3.250%			
			04/15/18	360,000.00	3.375%			
			04/15/19-04/15/20	360,000.00	3.500%			
			04/15/21-04/15/22	360,000.00	3.750%			
			04/15/23	360,000.00	4.000%			
			04/15/24	359,000.00	4.000%			
General Obligation Refunding Bonds	11/10/10	2,350,000.00	05/01/14	395,000.00	3.000%	3,824,000.00	205,000.00	3,619,000.00
			05/01/15-05/01/16	385,000.00	4.000%			
			05/01/17	380,000.00	4.500%			
						1,945,000.00	400,000.00	1,545,000.00
						<u>\$ 8,627,000.00</u>	<u>\$ 895,000.00</u>	<u>\$ 7,732,000.00</u>
						C	C-4	C

REF.

"C-12"

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF DUE ASSESSMENT TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 311,739.00
Decreased by:		
Receipts	C-2	<u>104,471.01</u>
Balance December 31, 2013	C	\$ <u><u>207,267.99</u></u>



TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL RESERVES

	BALANCE DECEMBER 31, 2012	INCREASED	DECREASED	BALANCE DECEMBER 31, 2013
Purchase of Fire Equipment	\$ 108,642.24	\$ 13,400.00	\$ 27,935.50	\$ 94,106.74
Improvement of Parks and Recreation Facilities	21,815.39	2,500.00		24,315.39
Improvements to Municipal Building		4,000.00		4,000.00
Purchase of Police Equipment	12,461.03	1,500.00	12,779.13	1,181.90
Purchase of Office Equipment	50,000.00	11,900.00		61,900.00
Housing Rehabilitation Refunds	15,500.00	13,817.50		29,317.50
Purchase of Cable Advisory Committee Equipment	27,998.53		625.95	27,372.58
Reserve for Office of Emergency Management	26,797.11	8,000.00	1,449.17	33,347.94
Reserve for Overlay and Drainage	9,000.00	37,800.00	9,000.00	37,800.00
Improvement to Historic Buildings	10,866.50	3,000.00	3,100.00	10,766.50
Reserve for Public Works Equipment	16,700.00	3,500.00	930.00	19,270.00
	<u>\$ 299,780.80</u>	<u>\$ 99,417.50</u>	<u>\$ 55,819.75</u>	<u>\$ 343,378.55</u>

REF.

Receipts	\$ 85,600.00			
Contracts Payable Canceled	13,817.50			
	<u>\$ 99,417.50</u>			

C

C-7

C

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>REF.</u>	
Increased by:		
Receipts	C-2	\$ <u>3,750.00</u>
Balance December 31, 2013	C	\$ <u><u>3,750.00</u></u>

TOWNSHIP OF WARREN

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE DECEMBER 31, 2013</u>
00-31	Purchase of Property and Improvements	\$	26,734.03
08-09	Acquisition of Various Equipment		343.00
08-12	Improvements to Mountainview Road		656.08
09-05	Improvements to Mountainview Road		30,052.00
09-18	Various Capital Improvements		254,611.00
09-26	Improvements to Dock Watch Hollow Road		73,342.77
10-19	Refunding of Certain General Obligation Bonds		400.00
10-21	Acquisition of Turnout Gear		98,384.87
10-22	Acquisition of Fire Truck		25,000.00
12-01	Refunding of Certain General Obligation Bonds		117,352.53
12-04	Acquisition of Public Works Dump Trucks		17,000.00
12-04	Various Capital Improvements		218,000.00
		\$	<u>861,876.28</u>

TOWNSHIP OF WARREN

PART II

INDEPENDENT AUDITOR'S 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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Warren  
County of Somerset  
Warren, New Jersey 07059

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the 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, the regulatory financial statements of the various individual funds and the account group of the Township of Warren, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated May 6, 2014. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Warren prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the regulatory financial statements, we considered the Township's 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 Township's internal control.

# SUPLEE, CLOONEY & COMPANY

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township of Warren'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 from 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 of Warren's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Warren's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 6, 2014



TOWNSHIP OF WARREN

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2013

STATE GRANTOR DEPARTMENT/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT AWARD AMOUNT	2013 RECEIPTS	2013 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2013
<u>DEPARTMENT OF LAW AND PUBLIC SAFETY</u>					
Drunk Driving Enforcement Fund - 2010	6400-100-078-6400-YYYY	\$ 1,863.37	\$	\$	\$ 1,281.49
Drunk Driving Enforcement Fund - 2013	6400-100-078-6400-YYYY	6,255.38	1,792.13	550.00	165.30
Alcohol Education Rehabilitation Fund - 2010	9735-760-098-Y900-001-X100-6020	278.46			
Alcohol Education Rehabilitation Fund - 2011	9735-760-098-Y900-001-X100-6020	201.09			
Alcohol Education Rehabilitation Fund - 2012	9735-760-098-Y900-001-X100-6020	1,672.52			
Alcohol Education Rehabilitation Fund - 2013	9735-760-098-Y900-001-X100-6020	580.52	580.52		2,679.18
Body Armor Replacement Program - 2010	1020-718-066-1020-001-YCJS-0120	2,786.56			
Body Armor Replacement Program - 2011	1020-718-066-1020-001-YCJS-0120	1,232.54			
Body Armor Replacement Program - 2012	1020-718-066-1020-001-YCJS-0120	2,885.81		2,145.60	2,145.60
Body Armor Replacement Program - 2013	1020-718-066-1020-001-YCJS-0120	2,951.84			
Body Armor Replacement Program - Unappropriated	1020-718-066-1020-001-YCJS-0120	3,810.79	3,810.79		
		\$ 1,750.00	\$ 6,183.44	\$ 2,695.60	\$ 6,271.57
		500.00			
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>					
Sustainable N.J. Planning Grant					
Domestic Violence Training Program			-0-	-0-	-0-
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>					
Clean Communities Grant	4900-765-042-4900-004-VCMC-6020	36,907.62	36,907.62	14,096.22	14,096.22
Recycling Tonnage Grant - 2011	4900-752-042-4900-001-V42Y-6020	22,847.90		6,109.97	7,594.99
Recycling Tonnage Grant - 2012	4900-752-042-4900-001-V42Y-6020	50,978.93			
Recycling Tonnage Grant - 2013	4900-752-042-4900-001-V42Y-6020	15,539.17	15,539.17		
		\$ 52,446.79	\$ 52,446.79	\$ 20,206.19	\$ 21,691.21
<u>DEPARTMENT OF TRANSPORTATION</u>					
Mount Horeb Road		597,000.00	597,000.00		597,000.00
Old Sterling Road - Phase IV	11-480-078-6320-AK3-6010	175,000.00	43,750.00		175,000.00
		\$ 640,750.00	\$ 640,750.00	\$ -0-	\$ 772,000.00
<u>PASS THROUGH COUNTY OF SOMERSET</u>					
Municipal Drug Alliance Program - 2012	12-ALL-07	34,392.00	25,639.56	20,385.13	34,392.00
Municipal Drug Alliance Program - 2013	13-ALL-07	33,358.00		20,385.13	20,385.13
		\$ 25,639.56	\$ 25,639.56	\$ 20,385.13	\$ 54,777.13
<b>TOTAL</b>		\$ 725,019.79	\$ 725,019.79	\$ 43,286.92	\$ 854,739.91

TOWNSHIP OF WARREN

NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2013

NOTE 1. GENERAL

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state financial assistance programs of the Township of Warren, County of Somerset, New Jersey. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules of expenditures agree with amounts reported in the Township's regulatory basis financial statements. These amounts are reported in either the Current Fund, Grant Fund, the Open Space Trust Fund or the General Capital Fund.

Receipts:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 189,249.21	\$	\$	\$ 189,249.21
Grant Fund	75,000.00	84,269.79	159,842.35	319,112.14
General Capital Fund	<u>                    </u>	<u>640,750.00</u>	<u>                    </u>	<u>640,750.00</u>
	<u>\$ 264,249.21</u>	<u>\$ 725,019.79</u>	<u>\$ 159,842.35</u>	<u>\$ 1,149,111.35</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 247,638.43	\$	\$	\$ 247,638.43
Grant Fund	<u>60,060.81</u>	<u>43,286.92</u>	<u>196,684.92</u>	<u>300,032.65</u>
	<u>\$ 307,699.24</u>	<u>\$ 43,286.92</u>	<u>\$ 196,684.92</u>	<u>\$ 547,671.08</u>

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules.

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PART III

TOWNSHIP OF WARREN

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

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

	YEAR 2013		YEAR 2012	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,000,000.00	1.12%	\$ 975,000.00	1.13%
Miscellaneous - From Other Than Local Property Tax Levies	4,425,704.19	4.97%	4,482,136.89	5.21%
Collection of Delinquent Taxes and Tax Title Liens	988,624.05	1.11%	948,181.47	1.10%
Collections of Current Tax Levy	82,630,619.81	92.80%	79,606,090.03	92.56%
<u>Total Revenue</u>	<u>\$ 89,044,948.05</u>	<u>100.00%</u>	<u>\$ 86,011,408.39</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 16,669,248.36	19.01%	\$ 16,311,776.52	18.61%
County Taxes	16,052,511.54	18.31%	15,356,501.71	17.52%
Local and Regional School Taxes	54,077,939.00	61.68%	52,996,981.56	60.45%
Municipal Open Space Taxes	828,365.85	0.94%	808,282.26	0.92%
Other Expenditures	45,938.71	0.06%	7,755.23	0.01%
<u>Total Expenditures</u>	<u>\$ 87,674,003.46</u>	<u>100.00%</u>	<u>\$ 85,481,297.28</u>	<u>97.51%</u>
Excess in Revenue	\$ 1,370,944.59		\$ 530,111.11	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year			810,000.00	
Statutory Excess to Fund Balance	\$ 1,370,944.59		\$ 1,340,111.11	
Fund Balance - January 1	\$ 1,795,632.46		\$ 1,430,521.35	
	\$ 3,166,577.05		\$ 2,770,632.46	
Less: Utilization as Anticipated Revenue	1,000,000.00		975,000.00	
Fund Balance, December 31	<u>\$ 2,166,577.05</u>		<u>\$ 1,795,632.46</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	\$ <u>2.017</u>	\$ <u>2.007</u>	\$ <u>2.045</u>
Municipal	\$ 0.294	\$ 0.275	\$ 0.275
Municipal Open Space	0.020	0.019	0.020
County	0.389	0.378	0.394
Local School	0.923	0.940	0.945
Regional High School	<u>0.391</u>	<u>0.395</u>	<u>0.411</u>

Assessed Valuations:

2013	\$ <u>4,112,508,628.00</u>		
2012		\$ <u>4,077,517,982.00</u>	
2011			\$ <u>3,948,840,098.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2013	\$83,557,362.82	\$82,630,619.81	98.89%
2012	\$80,568,034.06	\$79,606,090.03	98.80%
2011	\$79,721,195.28	\$78,685,398.21	98.70%

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>Year</u>	<u>Tax Title Leins</u>	<u>Delinquent Taxes</u>	<u>Delinquent</u>	<u>Tax Levy</u>
2013	\$52,206.49	\$809,924.96	\$862,131.45	1.03%
2012	\$44,604.41	\$990,026.50	\$1,034,630.91	1.28%
2011	\$38,583.08	\$1,058,653.46	\$1,097,236.54	1.38%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2013	\$900,149.00
2012	\$900,149.00
2011	\$900,149.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>YEAR ENDED DECEMBER 31st</u>	<u>CURRENT FUND</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
2013	\$2,166,577.05	\$ 640,000.00*
2012	1,795,632.46	1,000,000.00
2011	1,430,521.35	975,000.00
2010	1,313,704.52	850,000.00
2009	756,546.64	450,000.00

\*per introduced budget

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Victor Sordillo	Mayor	*
Gary DiNardo	Deputy Mayor	*
Carolann Garafola	Committee Person	*
George K. Lazo	Committee Person	*
Michael C. Marion	Committee Person	*
Mark Krane	Administrator	*
Jeffery Lehrer	Attorney	*
Patricia DiRocco	Township Clerk/ Assessment Search Officer	*
S. Shaw Boswell	Chief Financial Officer	*
Loree Saums	Tax Collector/Tax Search Officer	*
Edward L. Kerwin Jr.	Tax Assessor	*
Scott Mitzner	Public Defender	*
Michael Cresitello	Municipal Prosecutor	*
Mark S. Adler	Magistrate	*
Lisa Reuter	Court Administrator	*
Deborah Campanelli	Deputy Court Administrator	*
Russell Leffert	Police Chief	*
Michael Losapio	Fire Chief	*
John T. Chadwick IV	Zoning Officer	*
Christian M. Kastrud of DPK Consulting	Engineer	*
Jeffrey Heiss	Construction Code Official/ Building Subcode Official	*
Michael L. Janoski	Electrical Subcode Official	*

OFFICIALS IN OFFICE AND SURETY BONDS (CONTINUED)

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
EIC Inspection Agency	Fire Subcode Official/ Plumbing Subcode Official	*
Elevator Inspections Agency	Elevator Subcode Official	*
Thomas Byrne	Fire Marshal	*
Douglas Buro	Superintendent of Public Works	*
Brian Cooke	Animal Control Officer	*
Kevin Sumner	Health Officer	*
Barbara Streker	Registrar	*
Jane Asch	Emergency Management Coordinator	*
Eleanor M. Hermann	Recreation Director	*

\*All officials and employees handling and collecting Township funds are covered by a blanket position bond for faithful performance for \$1,000,000.00 through a Joint Insurance Fund. The blanket position bond is written by the Fidelity and Deposit Company of MD.

All of the bonds were examined and were properly executed.

GENERAL COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

### CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c. 198 (C.40A:11-3), except by contract or agreement.

Effective January 1, 2011, municipalities that had not appointed a Qualified Purchasing Agent had the bid threshold reduced to \$17,500.00. The Township of Warren has appointed a Qualified Purchasing Agent and, therefore, during 2013, their bid threshold was \$36,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 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 indicated that bids were requested by public advertising for the following items:

- Municipal Complex ADA Path
- Road Overlay and Improvements
- Kirch Ford Terrill House Structural Stabilization  
and Window Restoration
- Roof Replacement Public Works Garage
- Improvements to Municipal Tennis Courts
- One Cab and Chassis and Body Refurbishment
- Plumbing Subcode third Party Inspection Services

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring or any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 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.A. 40A:11-6.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 3, 2013 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

WHEREAS, R.S. 54:4-67 as amended by Chapter 435, P.L. 1979 (approved February 14, 1980) allows the governing body to modify the rate of interest on delinquent taxes.

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Warren, County of Somerset, that the interest rate for delinquent taxes shall be 0% if payment is made within ten (10) days after due date, 8% per annum on first \$1,500.00 of delinquency and 18% per annum on any amount in excess on \$1,500.00, said interest to be calculated from the date the tax was payable until the date of actual payment.

WHEREAS, Chapter 75 of P.L. 1991, effective March 29, 1991, also known as N.J.S.A. 54:5-67 provides that the governing body may provide a penalty to a taxpayer with a delinquency in excess of \$10,000.00, who fails to pay that delinquency prior to the end of the calendar year, said penalty not to exceed 6% of the amount of the delinquency; and

WHEREAS, said penalty shall be applied to all taxes owned by an individual taxpayer regardless of the number of parcels involved; and

WHEREAS, the Township Committee has reviewed this statute.

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Warren, in the County of Somerset, New Jersey that the Tax Collector is hereby authorized and directed to charge a penalty of 6% of the amount of the delinquency in excess of \$10,000.00 due at the end of the calendar year.

BE IT FURTHER RESOLVED that this resolution shall be renewed by the Township Committee on an annual basis at the reorganization meeting.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 5, 2013 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates 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>NUMBER OF LIENS</u>
2013	21
2012	21
2011	21

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 tax paying basis.

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

	<u>TYPE</u>
Payment of 2014 Taxes	50
Payment of 2013 Taxes	50
Delinquent Taxes	25

OTHER COMMENTS

Interfund Balances

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. Reference to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

NONE



