

REPORT OF AUDIT

TOWNSHIP OF WEST MILFORD

COUNTY OF PASSAIC

DECEMBER 31, 2012

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TOWNSHIP OF WEST MILFORD

TABLE OF CONTENTS

PART I

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheet - Regulatory Basis	5
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Statement of Revenues - Regulatory Basis	9
A-3	Statement of Expenditures - Regulatory Basis	13
	<u>TRUST FUND</u>	
B	Comparative Balance Sheet - Regulatory Basis	23
B-1	Schedule of Fund Balance - Regulatory Basis	25
B-2	Schedule of Revenues - Regulatory Basis	25
B-3	Schedule of Expenditures - Regulatory Basis	25
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	26
C-1	Statement of Fund Balance - Regulatory Basis	27
	<u>GENERAL FIXED ASSETS</u>	
F	Statement of General Fixed Assets - Regulatory Basis	28
	<u>GARBAGE DISTRICT</u>	
G	Comparative Balance Sheet - Regulatory Basis	29
G-1	Schedule of Fund Balance - Regulatory Basis	30
G-2	Statement of Revenues - Regulatory Basis	31
G-3	Statement of Expenditures - Regulatory Basis	31

TOWNSHIP OF WEST MILFORD

TABLE OF CONTENTS, (CONTINUED)

PART I. (CONTINUED)

<u>Exhibit</u>		<u>Page</u>
	NOTES TO FINANCIAL STATEMENTS	32
	SUPPLEMENTARY DATA	55
	<u>CURRENT FUND</u>	
A-4	Schedule of Cash - Treasurer	66
A-5	Schedule of Change Funds	67
A-6	Schedule of Cash - Collector	68
A-7	Schedule of Taxes Receivable and Analysis of Property Tax Levy	69
A-8	Schedule of Tax Title Liens	70
A-9	Schedule of Property Acquired for Taxes (At Assessed Valuation)	71
A-10	Schedule of Deferred Charges N.J.S.A. 40A:4-55 - Special Emergency	72
A-11	Schedule of Revenue Accounts Receivable	73
A-12	Schedule of Interfunds	74
A-13	Schedule of Appropriation Reserves	75
A-14	Schedule of Amount Due to State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976	79
A-15	Schedule of Encumbrances Payable	80
A-16	Schedule of Prepaid Taxes	80
A-17	Schedule of Local District School Tax	81
A-18	Schedule of County Taxes Payable	82
A-19	Schedule of Due to Garbage District	82
A-20	Schedule of Various Cash Liabilities and Reserves	83
A-21	Schedule of State Grants Receivable - Federal and State Grant Fund	84
A-22	Schedule of Appropriated Reserves Grants - Federal and State Grant Fund	86
A-23	Schedule of Unappropriated Reserves for Grants - Federal and State Grant Fund	88
A-24	Schedule of Interfunds	89

TOWNSHIP OF WEST MILFORD

TABLE OF CONTENTS, (CONTINUED)

PART I, (CONTINUED)

<u>Exhibit</u>		<u>Page</u>
 <u>TRUST FUND</u>		
B-4	Schedule of Cash	90
B-5	Analysis of Assessment Cash	91
B-6	Schedule of Assessment Trust Cash - Collector	91
B-7	Schedule of Assessments Receivable	92
B-8	Schedule of Assessment Liens	93
B-9	Schedule of Assessment Liens - Interest and Costs	94
B-10	Schedule of Prospective Assessments Funded	95
B-11	Schedule of Interfund - Current Fund	96
B-12	Schedule of Interfunds - General Capital	97
B-13	Schedule of Amount to be Raised By Taxation	98
B-14	Schedule of Assessment Bonds Notes Payable	99
B-15	Schedule of Bond Anticipation	100
B-16	Schedule of NJ DEP Loan Payable - Pinecliff Lake	101
B-17	Schedule of NJ DEP Loan Payable - Lindy Lake	102
B-18	Schedule of NJ DEP Loan Payable - Gordon Lake	103
B-19	Schedule of Reserve for Assessments and Liens	104
B-20	Reserve for Animal Control Trust Fund Expenditures	105
B-21	Schedule of Due to State Department of Health	105
B-22	Reserve for Municipal Open Space	106
B-23	Schedule of Due from Vendors - Outside Police Duty	107
B-24	Schedule of Various Reserves and Other Trust Funds	108
B-25	Schedule of Payroll Deductions - Payroll Fund	109
B-26	Statement of Contributions Receivable	110
B-27	Statement of Net Assets Available for Benefits	111
 <u>GENERAL CAPITAL FUND</u>		
C-2	Schedule of General Capital Cash - Treasurer	112
C-3	Analysis of Cash	113
C-4	Schedule of Various Receivables	114
C-5	Schedule of Prospective Assessments Raised by Taxation	115
C-6	Schedule of Deferred Charges to Future Taxation - Funded	116
C-7	Schedule of Deferred Charges to Future Taxation - Unfunded	117
C-8	Schedule of General Serial Bonds Payable	118
C-9	Schedule of Bond Anticipation Notes Payable	119
C-10	Schedule of Improvement Authorizations	120
C-11	Schedule of Capital Improvement Fund	122
C-12	Schedule of Various Reserves	123
C-13	Schedule of Interfunds	124
C-14	Schedule of Bonds and Notes Authorized But Not Issued	125

TOWNSHIP OF WEST MILFORD

TABLE OF CONTENTS, (CONTINUED)

PART I, (CONTINUED)

<u>Exhibit</u>		<u>Page</u>
<u>GARBAGE DISTRICT</u>		
G-4	Schedule of Commitments Payable	126
G-5	Schedule of Due from Current Fund	126
G-6	Schedule of Due from Federal and State Grant Fund	127
G-7	Schedule of Reserve for Recycling	128
G-8	Schedule of Reserve for Recycling Tonnage Grant	120

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	129
General Comments	131
Recommendations	134
Status of Prior Year Audit Recommendations	135

TOWNSHIP OF WEST MILFORD

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PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of West Milford
West Milford, New Jersey 07480

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of West Milford in the County of Passaic, as of December 31, 2012 and 2011, 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 funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 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.



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

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

The Length of Service Awards Program of the Township of West Milford has not been audited, and we were not engaged to audit the Length of Service Awards Program financial statements as part of our audit of the Township's financial statements.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of West Milford 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 each fund of the Township of West Milford as of December 31, 2012 and 2011, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

The Township records of fixed assets have not been updated for additions and deletions for several years as required by N.J.A.C. 5:30-5.6 and we were unable to satisfy ourselves as to the correct carrying value of the general fixed assets by other auditing procedures.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis Accounting Principles”, the financial statements referred to above, with the exception of the Length of Service Awards Program, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2012 and 2011, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2012 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of West Milford’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

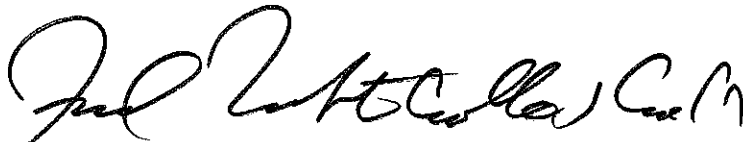
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2013 on our consideration of the Township of West Milford'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 West Milford's internal control over financial reporting and compliance.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

June 14, 2013

Township of West Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Current Fund:			
Cash	A-4	10,197,760.67	7,586,484.39
Change Funds	A-5	50.00	
Due to State of NJ:			
Senior Citizens and Veterans	A-14		3,920.66
		<u>10,197,810.67</u>	<u>7,590,405.05</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	1,397,152.21	1,087,352.23
Tax Title Liens Receivable	A-8	1,592,613.70	1,417,703.54
Property Acquired for Taxes -			
Assessed Valuation	A-9	2,764,000.00	2,764,000.00
Revenue Accounts Receivable	A-11	24,260.00	27,466.61
Interfund Receivables:			
Animal Control Trust Fund	A-12	15,036.94	13,235.72
Payroll Fund	A-12	27,427.15	24,764.76
		<u>5,820,490.00</u>	<u>5,334,522.86</u>
Deferred Charges:			
Special Emergency Authorizations	A-10	1,072,530.40	1,350,000.00
		<u>1,072,530.40</u>	<u>1,350,000.00</u>
		<u>17,090,831.07</u>	<u>14,274,927.91</u>
Federal and State Grant Fund:			
Grants Receivable	A-21	1,314,926.82	1,869,837.67
Interfund - General Capital Fund	A-24	27,583.27	9,940.97
Interfund - Current Fund	A-24	947,134.49	512,451.65
		<u>2,289,644.58</u>	<u>2,392,230.29</u>
		<u>19,380,475.65</u>	<u>16,667,158.20</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of West Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-13	1,613,511.76	699,099.41
Encumbrances Payable	A-15	1,020,463.28	723,105.60
Prepaid Taxes	A-16	428,807.04	367,834.97
Interfunds Payable			
Other Trust Fund	A-12	219,611.69	70,811.53
General Capital Fund	A-12	115,838.20	208,433.86
Assessment Trust Fund	A-12	689,511.06	709,560.07
Federal and State Grant Fund	A-12	947,134.49	512,451.65
County Taxes Payable	A-18	195,850.38	12,200.06
Due to Garbage District	A-19	540,305.20	518,252.60
Due to State of NJ:			
Senior Citizens and Veterans	A-14	1,239.19	
Marriage Surcharge	A-20	600.00	425.00
Building Surcharge	A-20	3,179.00	3,487.00
Accounts Payable	A-20	661.52	2,121.19
Special Emergency Note	A-20	800,000.00	1,000,000.00
Tax Overpayments	A-20	73,385.03	22,603.25
Deposits for the Redemption of Tax Sale Cert.	A-20	30,126.86	
Reserve for:			
Sale of Property	A-20	847,431.14	847,431.14
911	A-20	47.45	47.45
Revaluation of Real Property	A-20	118,303.55	386,923.79
FEMA	A-20	232,886.20	366,514.24
Tax Appeals	A-20	20,000.00	
Technology Improvements	A-20	27,600.00	22,800.00
Hurricane Damage	A-20		210,006.08
Hurricane Sandy	A-20	56,684.51	
Salary Negotiations	A-20	211,469.60	182,150.71
Senior Housing	A-20	6,130.09	6,130.09
Garden State Trust	A-20	81,090.00	81,090.00
Wetlands Study	A-20	15,583.00	15,583.00
Housing Standards	A-20	12,383.25	12,383.25
		<u>8,309,833.49</u>	<u>6,981,445.94</u>
Reserve for Receivables	Contra	5,820,490.00	5,334,522.86
Fund Balance	A-1	<u>2,960,507.58</u>	<u>1,958,959.11</u>
		<u>17,090,831.07</u>	<u>14,274,927.91</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-22	1,955,055.09	2,136,202.87
Unappropriated Reserve for Grants	A-23	203,277.95	124,715.88
Interfund - Garbage District	A-24	131,311.54	131,311.54
		<u>2,289,644.58</u>	<u>2,392,230.29</u>
		<u>19,380,475.65</u>	<u>16,667,158.20</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	1,600,000.00	1,900,000.00
Miscellaneous Revenue Anticipated	A-2	6,721,422.99	7,111,459.80
Receipts from Delinquent Taxes	A-2	996,748.76	769,115.59
Receipts from Current Taxes	A-2	93,427,272.91	91,365,226.00
Non-Budget Revenue	A-2	257,853.13	283,385.23
Other Credits to Income:			
Interfunds Returned	A-12	38,000.48	564,883.61
Canceled Tax Sale Premium	A-12	13,500.00	
Canceled Grant Reserves	A-12	56,278.71	
Unexpended Balance of Appropriation Reserves	A-13	842,880.87	932,306.61
Unexpended Balance of Accounts Payable	A-20	596.10	114,259.11
Total Revenues and Other Income		<u>103,954,553.95</u>	<u>103,040,635.95</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	12,390,667.19	12,275,615.87
Other Expenses	A-3	10,557,767.24	12,335,169.18
Capital Improvement Fund	A-3	573,175.00	
Municipal Debt Service	A-3	2,341,200.34	2,445,886.55
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	3,010,530.67	2,847,530.00
Refund of Prior Years Revenue			68,949.83
Interfund Advances	A-12	42,464.09	543,000.48
Canceled Grant Receivable	A-12	35,028.72	
Municipal Open Space Tax	A-12	161,946.01	149,385.57
Local District School Tax	A-17	51,304,750.00	50,396,165.00
County Taxes including Added Taxes	A-18	19,413,025.97	19,725,071.05
Garbage District Taxes	A-19	1,672,450.25	1,701,493.95
Total Expenditures		<u>101,503,005.48</u>	<u>102,488,267.48</u>

Township of West Milford, N.J.

Exhibit A-1

Page 2 of 2

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Excess (Deficit) Revenue Over Expenditures		2,451,548.47	552,368.47
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year	A-10	<u>150,000.00</u>	<u>1,350,000.00</u>
Statutory Excess to Fund Balance		2,601,548.47	1,902,368.47
Fund Balance, January 1,	A	<u>1,958,959.11</u>	<u>1,956,590.64</u>
		4,560,507.58	3,858,959.11
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-2	<u>1,600,000.00</u>	<u>1,900,000.00</u>
Fund Balance, December 31,	A	<u><u>2,960,507.58</u></u>	<u><u>1,958,959.11</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	A-1	<u>1,600,000.00</u>	<u>1,600,000.00</u>	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	16,000.00	17,685.00	1,685.00
Other	A-2	45,000.00	47,473.72	2,473.72
Fees and Permits	A-2	109,000.00	134,830.81	25,830.81
Fines and Costs:				
Municipal Court	A-11	248,000.00	258,497.26	10,497.26
Interest and Costs on Taxes	A-11	296,410.27	286,332.65	(10,077.62)
Interest and Costs on Assessments	A-11	31,000.00	48,911.18	17,911.18
Interest on Investments	A-11	357,000.00	262,075.92	(94,924.08)
Recreation Fees	A-11	526,000.00	529,122.20	3,122.20
Uniform Fire Safety Act (Local Fees)	A-11	43,000.00	41,459.00	(1,541.00)
Sequential Multiple Analysis Fees	A-11	26,000.00	22,916.29	(3,083.71)
Energy Receipts Tax	A-11	2,228,885.00	2,228,885.00	
Consolidated Municipal Property Tax Relief Aid	A-11	94,053.00	94,053.00	
Garden State Trust PILOT Funds	A-20	81,090.00	81,090.00	
Watershed Moratorium Aid	A-11	757,687.00	757,687.00	
Uniform Construction Code Fees	A-11	310,000.00	279,145.00	(30,855.00)
Interlocal Agreement-Borough of Ogdensburg-Finance	A-11	48,266.40	48,266.40	
Drunk Driving Enforcement Fund	A-21	7,943.52	7,943.52	
Clean Communities Program	A-21	55,639.94	55,639.94	
Handicapped Recreation Opportunities Grant	A-21	10,000.00	10,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-21	40,000.00	40,000.00	
Passaic County Cultural Heritage Grant	A-21	1,250.00	1,250.00	
Bullet Proof Vests Program	A-21	5,407.88	5,407.88	
Body Armor Replacement Fund	A-21	4,249.13	4,249.13	
Hepatitis B Grant	A-21	591.00	591.00	
Recycling Tonnage Grant	A-21	55,133.54	55,133.54	
Uniform Fire Safety Act	A-11	35,005.76	32,200.33	(2,805.43)
General Capital Surplus	A-11	472,200.00	472,200.00	
Assessment Trust Fund Surplus	A-11	65,200.00	65,200.00	
Interfund Animal Control Trust Fund	A-12	13,000.00		(13,000.00)
Cable TV Franchise Fees	A-11	108,096.88	108,096.88	
F.E.M.A. - Reimbursement	A-21	366,500.00	366,500.00	
F.E.M.A. - Reimbursement - Irene	A-11	70,000.00	70,000.00	
Cell Tower Lease Agreement	A-11	72,000.00	73,980.34	1,980.34
Police Athletic League Debt Service Contributions	A-11	72,000.00	72,000.00	
Reserve for Debt Service	A-11	<u>142,600.00</u>	<u>142,600.00</u>	
Total Miscellaneous Revenues	A-1	6,814,209.32	6,721,422.99	(92,786.33)

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
Receipts from Delinquent Taxes	A-1/A-2	956,000.26	996,748.76	40,748.50
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	<u>21,336,148.27</u>	<u>22,344,086.68</u>	<u>1,007,938.41</u>
Budget Totals		30,706,357.85	31,662,258.43	955,900.58
Non-Budget Revenue	A-1/A-2	<u> </u>	<u>257,853.13</u>	<u>257,853.13</u>
		<u>30,706,357.85</u>	<u>31,920,111.56</u>	<u>1,213,753.71</u>
Adopted Budget	A-3	30,696,357.85		
Appropriated by N.J.S. 40A:4-87	A-3	<u>10,000.00</u>		
		<u>30,706,357.85</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2012

Analysis of Realized Revenues

Revenue from Collections	Ref. A-1/A-7	93,427,272.91
Allocated to School and County Taxes	A-7	<u>72,973,186.23</u>
Balance for Support of Municipal Budget Appropriations		20,454,086.68
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>1,890,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>22,344,086.68</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-7	960,212.40
Tax Title Liens	A-8	<u>36,536.36</u>
	A-2	<u><u>996,748.76</u></u>
Licenses - Other:		
Clerk	A-11	12,958.08
Sanitary Inspector	A-11	20,599.64
Registrar	A-11	312.00
Cat Licenses	A-11	<u>13,604.00</u>
	A-2	<u><u>47,473.72</u></u>
Fees and Permits:		
Clerk	A-11	750.00
Police	A-11	10,647.56
Registrar	A-11	20,235.00
Sanitary Inspector	A-11	59,490.00
Board of Adjustment	A-11	10,544.80
Planning Board	A-11	31,438.45
Assessor	A-11	600.00
Building Inspector	A-11	<u>1,125.00</u>
	A-2	<u><u>134,830.81</u></u>

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2012

Analysis of Non-budget Revenues

	<u>Ref.</u>		
Miscellaneous Revenues Not Anticipated:			
Revenues Accounts Receivable:			
Clerk	A-11	898.62	
Sanitary Inspector	A-11	287.00	
Planning Board	A-11	296.16	
			1,481.78
Treasurer			
Old Void Checks		51,219.62	
NSF Check Fee		420.00	
Insurance Dividend		150,494.00	
Right of Entry Agreement		13,750.00	
DMV Fines		5,496.75	
Tax Collector		5,431.48	
Administration Fee		6,123.63	
Refunds / Miscellaneous Reimbursements		23,435.87	
	A-4		256,371.35
	A-2		257,853.13

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

<u>General Appropriations</u>		<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Operations - within "CAPS"							
Office of Township Manager							
Salaries and Wages			320,688.63	318,448.63	307,564.43	10,884.20	
Other Expenses			83,950.00	83,950.00	70,800.31	13,149.69	
Mayor and Council							
Salaries and Wages			34,000.00	34,000.00	33,871.44	128.56	
Other Expenses			850.00	850.00	760.00	90.00	
Office of Township Clerk							
Salaries and Wages			239,167.06	239,167.06	238,171.36	995.70	
Other Expenses			23,530.00	23,530.00	9,747.04	13,782.96	
Elections							
Salaries and Wages			1,200.00	1,200.00	1,200.00		
Other Expenses			16,400.00	16,400.00	9,813.84	6,586.16	
Division of Treasury							
Salaries and Wages			138,810.95	138,810.95	136,602.28	2,208.67	
Other Expenses			15,973.00	11,973.00	5,841.78	6,131.22	
Audit Services and Costs							
Annual Audit			40,000.00	40,000.00	40,000.00		
Additional Services			20,000.00	20,000.00	20,000.00		
Computerized Data Processing							
Salaries and Wages			90,130.65	86,130.65	84,221.32	1,909.33	
Other Expenses			34,675.00	34,675.00	26,480.48	8,194.52	
Division of Tax Collections							
Salaries and Wages			178,345.36	178,345.36	173,395.30	4,950.06	
Other Expenses			18,115.00	18,115.00	13,428.31	4,686.69	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Division of Assessment						
Salaries and Wages		282,344.44	282,344.44	281,092.88	1,251.56	
Other Expenses		9,535.00	9,535.00	7,614.35	1,920.65	
Office of Township Attorney						
Other Expenses		269,000.00	269,000.00	249,864.00	19,136.00	
Division of General Services						
Other Expenses		77,500.00	83,500.00	81,700.24	1,799.76	
Division of Engineering						
Salaries and Wages		292,600.04	292,600.04	291,729.67	870.37	
Other Expenses		40,400.00	40,400.00	39,121.59	1,278.41	
Autumn Lights Festival						
Other Expenses		3,000.00	3,000.00	265.39	2,734.61	
Veterans Bureau						
Salaries and Wages		1,350.00	1,350.00	1,250.04	99.96	
Other Expenses		150.00	150.00		150.00	
Historical Preservation Commission						
Salaries and Wages		1,600.00	1,600.00	780.00	820.00	
Other Expenses		800.00	800.00	84.01	715.99	
Planning Board						
Other Expenses		30,500.00	30,500.00	28,515.26	1,984.74	
Division of Comprehensive Planning						
Salaries and Wages		111,026.30	113,726.30	113,009.74	716.56	
Other Expenses		20,800.00	20,800.00	17,972.89	2,827.11	
Division of Zoning Administration						
Salaries and Wages		74,333.08	74,333.08	74,332.96	0.12	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Board of Adjustment						
Other Expenses		30,200.00	30,200.00	28,422.52	1,777.48	
Department of Police						
Division of Patrol						
Salaries and Wages		4,183,923.74	4,193,923.74	4,186,851.03	7,072.71	
Other Expenses		146,240.00	146,040.00	103,660.86	42,379.14	
Purchase of Police Cars		70,462.00	70,662.00	70,662.00		
Detective Division						
Salaries and Wages		620,059.34	620,059.34	618,489.80	1,569.54	
Division of Administration						
Salaries and Wages		488,346.34	488,346.34	487,104.29	1,242.05	
Special Police & Special Police Matrons						
Salaries and Wages		33,000.00	35,200.00	23,975.02	11,224.98	
Other Expenses		6,300.00	6,300.00	2,201.00	4,099.00	
Division of Communications						
Salaries and Wages		306,224.05	306,224.05	306,124.05	100.00	
Other Expenses		20,000.00	20,000.00	5,911.40	14,088.60	
Office of Municipal Disaster - Control Director						
Salaries and Wages		5,000.00				
Other Expenses		30,500.00	30,500.00	14,668.45	15,831.55	
Hurricane Damage			150,000.00	150,000.00		
Aid to Volunteer Fire Companies (6)		90,000.00	90,000.00	86,997.04	3,002.96	
First Aid Organization Contribution		120,000.00	120,000.00	28,741.00	91,259.00	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Fire Prevention Bureau						
Salaries and Wages		176,012.85	181,012.85	180,421.78	591.07	
Other Expenses		18,380.00	18,380.00	11,610.66	6,769.34	
Department of Fire						
Salaries and Wages		8,000.00	9,089.00	9,089.00		
Other Expenses		261,650.00	261,650.00	205,949.75	55,700.25	
Municipal Prosecutor						
Salaries and Wages		26,000.00	26,000.00	23,512.08	2,487.92	
Other Expenses		2,500.00	2,500.00		2,500.00	
Division of Streets and Roads						
Salaries and Wages		1,510,277.74	1,510,277.74	1,492,289.39	17,988.35	
Other Expenses		408,900.00	408,900.00	334,941.32	73,958.68	
Division of Public Property						
Salaries and Wages		92,071.65	92,071.65	91,575.28	496.37	
Other Expenses		37,600.00	37,600.00	23,188.87	14,411.13	
Division of Snow Removal						
Salaries and Wages		170,000.00	170,000.00	68,267.01	101,732.99	
Other Expenses		567,950.00	567,950.00	484,147.06	83,802.94	
Fleet Maintenance						
Salaries and Wages		256,257.76	263,457.76	256,843.62	6,614.14	
Other Expenses		280,500.00	280,500.00	194,696.10	85,803.90	
Division of Health						
Salaries and Wages		275,359.74	215,359.74	208,785.60	6,574.14	
Other Expenses		34,657.23	34,657.23	28,121.32	6,535.91	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

<u>General Appropriations</u>				<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Bureau of Vital Statistics									
Salaries and Wages		9,000.00	9,000.00				8,359.78	640.22	
Other Expenses		18,640.00	18,640.00				18,170.50	469.50	
Housing Standards Bureau									
Other Expenses		25,000.00	25,000.00				412.40	24,587.60	
Division of Environmental Health									
Salaries and Wages		193,156.90	193,156.90				192,729.46	427.44	
Other Expenses		73,670.00	73,670.00				66,475.16	7,194.84	
Environmental Commission									
Salaries and Wages		1,600.00	1,600.00				1,560.00	40.00	
Other Expenses		880.00	880.00				380.00	500.00	
Division of Pound Keeper									
Salaries and Wages		88,208.23	103,208.23				90,239.12	12,969.11	
Recreation Programs									
Salaries and Wages		380,230.75	380,230.75				377,230.51	3,000.24	
Other Expenses		132,000.00	132,000.00				121,373.21	10,626.79	
Department of Recreation									
Salaries and Wages		160,571.93	168,071.93				168,013.20	58.73	
Other Expenses		79,100.00	79,100.00				32,964.43	46,135.57	
Hillcrest Community Center									
Salaries and Wages		133,148.50	133,148.50				113,893.07	19,255.43	
Other Expenses		20,350.00	20,350.00				15,761.28	4,588.72	
Senior Services									
Salaries and Wages		83,831.00	83,831.00				83,707.78	123.22	
Other Expenses		12,125.00	12,125.00				11,568.81	556.19	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Division of Parks Maintenance						
Salaries and Wages		273,033.44	273,033.44	267,280.92	5,752.52	
Other Expenses		117,350.00	117,350.00	92,788.98	24,561.02	
Bubbling Springs Recreation						
Salaries and Wages		167,000.00	146,851.00	145,964.62	886.38	
Other Expenses		50,000.00	50,000.00	49,506.44	493.56	
Municipal Court						
Salaries and Wages		326,157.93	326,157.93	319,056.94	7,100.99	
Other Expenses		13,100.00	13,100.00	10,785.87	2,314.13	
Insurance:						
Other Insurance Premiums		894,770.00	894,770.00	791,277.71	103,492.29	
Group Insurance Plan for Employees		3,594,705.00	3,594,705.00	3,474,413.70	120,291.30	
Health Benefit Waiver		20,400.00	20,400.00	17,445.07	2,954.93	
Department of Building Safety						
Salaries and Wages		332,851.28	332,851.28	330,529.32	2,321.96	
Other Expenses		6,530.00	6,530.00	5,103.40	1,426.60	
Celebration of Public Events						
Other Expenses		6,550.00	6,550.00	6,287.60	262.40	
Mass Transportation						
Other Expenses		85,000.00	77,000.00	68,107.92	8,892.08	
Accumulated Absences		100,000.00	100,000.00	57,649.82	42,350.18	
Reserve for Salary Adjustment		218,181.11	218,181.11		218,181.11	
Street Lighting		49,000.00	53,400.00	48,896.91	4,503.09	
Electric		160,200.00	160,200.00	121,500.77	38,699.23	
Telephone		150,000.00	173,000.00	170,573.57	2,426.43	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Natural Gas		117,500.00	117,500.00	47,950.29	69,549.71	
Gasoline		410,000.00	425,300.00	421,298.47	4,001.53	
Total Operations within "CAPS"		<u>21,250,988.02</u>	<u>21,396,988.02</u>	<u>19,835,735.24</u>	<u>1,561,252.78</u>	
Detail:						
Salaries and Wages	A-1	12,383,100.79	12,342,400.79	11,846,763.91	495,636.88	
Other Expenses	A-1	8,867,887.23	9,054,587.23	7,988,971.33	1,065,615.90	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		834,204.00	834,204.00	834,204.00		
Social Security System (O.A.S.I.)		603,170.77	603,170.77	603,100.72	70.05	
Police and Firemen's Retirement System		1,242,649.00	1,242,649.00	1,242,649.00		
Defined Contributions Retirement Program		4,100.00	4,100.00	2,201.67	1,898.33	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>2,684,123.77</u>	<u>2,684,123.77</u>	<u>2,682,155.39</u>	<u>1,968.38</u>	
Total General Appropriations for Municipal Purposes within "CAPS"		<u>23,935,111.79</u>	<u>24,081,111.79</u>	<u>22,517,890.63</u>	<u>1,563,221.16</u>	
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		1,101,239.00	1,101,239.00	1,097,449.40	3,789.60	
Reserve for Tax Appeals		20,000.00	20,000.00	20,000.00		
Emergency Services Volunteer Length of Service Award Program (P.L. 1997,c388)		119,000.00	119,000.00	110,600.00	8,400.00	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Interlocal Municipal Service Agreements						
Borough of Ogdensburg						
Division of Treasury		48,266.40	48,266.40	48,266.40		
Salaries and Wages						
Township of Bloomfield						
Division of Health						
Other Expenses		32,000.00	32,000.00	32,000.00		
Public and Private Programs Offset by Revenues						
Municipal Alliance on Alcoholism and Drug Abuse						
State Share		40,000.00	40,000.00	40,000.00		
Local Share		10,000.00	10,000.00	10,000.00		
Handicapped Person's Recreational Opportunities Act						
State Share		10,000.00	10,000.00	10,000.00		
Local Share		2,000.00	2,000.00	2,000.00		
Recycling Tonnage Grant		55,133.54	55,133.54	55,133.54		
Bullet Proof Vests Program		5,407.88	5,407.88	5,407.88		
Hepatitis B Grant		591.00	591.00	591.00		
Drunk Driving Enforcement Fund		7,943.52	7,943.52	7,943.52		
Passaic County Cultural Heritage Grant						
County Share		1,250.00	1,250.00	1,250.00		
Local Share		625.00	625.00	625.00		
Clean Communities Program		55,639.94	55,639.94	55,639.94		
Body Armor Replacement Fund		4,249.13	4,249.13	4,249.13		
Matching Funds for Grants		34,101.00	38,101.00		38,101.00	
Total Operations - Excluded from "CAPS"		1,547,446.41	1,551,446.41	1,501,155.81	50,290.60	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

<u>General Appropriations</u>		<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Detail:							
Salaries & Wages		A-1	48,266.40	48,266.40	48,266.40		
Other Expenses		A-1	1,499,180.01	1,503,180.01	1,452,889.41	50,290.60	
Capital Improvements:							
Capital Improvement Fund			50,000.00	50,000.00	50,000.00		
Purchase of Fire Emergency Equipment			523,175.00	523,175.00	523,175.00		
Total Capital Improvements Excluded from "CAPS"		A-1	573,175.00	573,175.00	573,175.00		
Municipal Debt Service:							
Payment of Bond Principal			1,194,000.00	1,194,000.00	1,194,000.00		93,017.29
Payment of Bond Anticipation and Capital Notes			433,837.29	433,837.29	340,820.00		
Interest on Bonds			592,236.50	592,236.50	592,236.50		
Interest on Notes			173,570.14	173,570.14	173,570.12		0.02
NJDEP Loan Interest			40,573.72	40,573.72	40,573.72		
Total Municipal Debt Service-Excluded from "CAPS"		A-1	2,434,217.65	2,434,217.65	2,341,200.34		93,017.31
Deferred Charges:							
Emergency Authorization							
Special Emergency Authorizations			270,000.00	270,000.00	270,000.00		
Deferred Charges to Future Taxation Unfunded:							
Ord. #92-14 Improvements to Municipal Property			999.95	999.95	999.95		
Ord. #96-27 Acquisition of Land			25,452.05	25,452.05	25,452.05		
Amount to be Raised for Foreclosed Assessments			12,548.00	12,548.00	12,547.95		0.05

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>General Appropriations</u>						
Cash Deficit in 2004 Assessment Bonds		17,407.00	17,407.00	17,406.95		0.05
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	326,407.00	326,407.00	326,406.90		0.10
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		4,881,246.06	4,885,246.06	4,741,938.05	50,290.60	93,017.41
Subtotal General Appropriations		28,816,357.85	28,966,357.85	27,259,828.68	1,613,511.76	93,017.41
Reserve for Uncollected Taxes		1,890,000.00	1,890,000.00	1,890,000.00		
Total General Appropriations		30,706,357.85	30,856,357.85	29,149,828.68	1,613,511.76	93,017.41
					A	
Adopted Budget	A-2		30,696,357.85			
Appropriated by (N.J.S.A. 40A:4-87)	A-2		10,000.00			
Appropriated by (N.J.S.A. 40A:4-55)	A-10		150,000.00			
			30,856,357.85			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			1,890,000.00		
Cash Disbursed	A-4			25,712,465.88		
Deferred Charges: Special Emergency	A-10			270,000.00		
Encumbrances Payable	A-15			1,020,463.28		
Reserve for Hurricane Sandy	A-20			56,684.51		
Reserve for Tax Appeals	A-20			20,000.00		
Reserve for Grants	A-22			180,215.01		
				29,149,828.68		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of West Milford, N.J.

Page 1 of 2

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Assessment Fund:			
Cash - Treasurer	B-4/B-5	164,847.88	165,711.37
Assessments Receivable	B-7	1,449,745.05	1,728,662.46
Assessment Liens	B-8	51,818.69	51,818.69
Assessment Liens Interest and Costs	B-9	2,865.50	2,865.50
Prospective Assessments Funded	B-10	47,716.80	65,123.75
Interfund - Current Fund	B-11	689,511.06	709,560.07
Amount to be Raised by Taxation			
Canceled and Foreclosed Assessments	B-13		12,547.95
		<u>2,406,504.98</u>	<u>2,736,289.79</u>
Animal Control Trust Fund:			
Cash - Treasurer	B-4	81,322.31	65,719.92
		<u>81,322.31</u>	<u>65,719.92</u>
Other Trust Funds:			
Cash - Treasurer	B-4	2,296,516.18	2,268,648.80
Interfund - Current Fund	B-11	219,611.69	70,811.53
Interfund - General Capital Fund	B-12	14,961.25	14,961.25
Due from Vendors - Police Outside Service	B-23	32,913.01	66,054.33
		<u>2,564,002.13</u>	<u>2,420,475.91</u>
Payroll Fund:			
Cash	B-4	153,920.46	132,157.03
		<u>153,920.46</u>	<u>132,157.03</u>
Emergency Services Volunteer Length of Service Award Program - (Unaudited)			
Cash in Plan	B-4	1,236,512.62	1,167,750.97
Contributions Receivable	B-26	221,200.00	105,000.00
		<u>1,457,712.62</u>	<u>1,272,750.97</u>
		<u>6,663,462.50</u>	<u>6,627,393.62</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of West Milford, N.J.

Page 2 of 2

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Assessment Fund:			
Interfund - General Capital Fund	B-12	174,998.34	170,218.34
Assessment Bonds	B-14	30,000.00	154,000.00
Bond Anticipation Notes	B-15	85,920.00	90,700.00
Loan Payable - NJDEP - Pinecliff Lake	B-16	1,059,713.51	1,154,543.16
Loan Payable - NJDEP - Lindy Lake	B-17	114,486.65	125,987.37
Loan Payable - NJDEP - Gordon Lake	B-18	748,872.28	783,126.72
Reserve for Assessments and Liens	B-19	160,632.09	188,092.99
Reserve for Assess. Liens Interest and Costs	Contra	2,865.50	2,865.50
Fund Balance	B-1	29,016.61	66,755.71
		<u>2,406,504.98</u>	<u>2,736,289.79</u>
Animal Control Trust Fund:			
Interfund - Current Fund	B-11	15,036.94	13,235.72
Reserve for Dog Fund Expenditures	B-20	66,284.17	52,472.20
Due to State Department of Health	B-21	1.20	12.00
		<u>81,322.31</u>	<u>65,719.92</u>
Other Trust Fund:			
Municipal Open Space Tax	B-22	378,288.16	241,007.66
Various Deposits Payable	B-24	529,633.55	551,517.51
Various Reserves	B-24	1,656,080.42	1,627,950.74
		<u>2,564,002.13</u>	<u>2,420,475.91</u>
Payroll Fund:			
Interfund - Current Fund	B-11	27,427.15	24,764.76
Payroll Deductions Payable	B-25	126,493.31	107,392.27
		<u>153,920.46</u>	<u>132,157.03</u>
Emergency Services Volunteer Length of Service Award Program - (Unaudited)			
Net Assets Available for Benefits	B-27	1,457,712.62	1,272,750.97
		<u>1,457,712.62</u>	<u>1,272,750.97</u>
		<u>6,663,462.50</u>	<u>6,627,393.62</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Exhibit B-1**Township of West Milford, N.J.****Schedule of Fund Balance - Regulatory Basis****Assessment Trust Fund****Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	B	66,755.71
Increased by:		
Collection of Unpledged Assessments	B-19	<u>27,460.90</u>
		94,216.61
Decreased by:		
Payment to Current Fund as Anticipated Revenue	B-4	<u>65,200.00</u>
Balance - December 31, 2012	B	<u><u>29,016.61</u></u>

Exhibit B-2**Schedule of Revenues - Regulatory Basis**

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>
Assessment Cash		<u>269,364.82</u>	<u>269,364.82</u>
		B-3	

Exhibit B-3**Schedule of Expenditures - Regulatory Basis**

	<u>Ref.</u>	<u>Budget Appropriation</u>	<u>Expended</u>
Payment of Bond Principal	B-14	124,000.00	124,000.00
Payment of Bond Anticipation Note	B-15	4,780.00	4,780.00
Payment of Loans	B-16,17,18	<u>140,584.82</u>	<u>140,584.82</u>
Payment of Bond Principal	B-14	<u>269,364.82</u>	<u>269,364.82</u>
		B-2	

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

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Township of West Milford , N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Cash	C-2/C-3	2,231,406.85	3,343,424.31
Various Receivables	C-4	743,180.39	931,437.45
Prospective Assessments Raised by Taxation	C-5	500.00	500.00
Deferred Charges to Future Taxation:			
Funded	C-6	16,451,000.00	17,645,000.00
Deferred Charges to Future Taxation:			
Unfunded	C-7	13,453,015.42	12,375,248.38
Interfund - Assessment Trust	C-13	174,998.34	170,218.34
Interfund - Current Fund	C-13	115,838.20	208,433.86
		<u>33,169,939.20</u>	<u>34,674,262.34</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	16,451,000.00	17,645,000.00
Bond Anticipation Notes	C-9	11,866,003.00	11,706,823.00
Improvement Authorizations:			
Funded	C-10	1,429,667.47	1,690,496.27
Unfunded	C-10	2,568,778.16	2,716,698.70
Capital Improvement Fund	C-11	47,531.00	72,531.00
Various Reserves	C-12	665,617.34	295,100.96
Interfund - Other Trust Fund	C-13	14,961.25	14,961.25
Interfund - Federal and State Grant Fund	C-13	27,583.27	9,940.97
Reserve for:			
Prospective Assessments - Raised by Taxation	Contra	500.00	500.00
Receivables	Contra		50,000.00
Fund Balance	C-1	<u>98,297.71</u>	<u>472,210.19</u>
		<u>33,169,939.20</u>	<u>34,674,262.34</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on
December 31, 2012 of \$1,668,973.38 as shown on Exhibit C-14.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of West Milford , N.J.

Statement of Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	C	472,210.19
Increased by:		
Premium on Bonds and Bond Anticipation Notes	C-2	<u>98,287.52</u>
		570,497.71
Decreased by:		
Anticipated as 2012 Revenue	C-2	<u>472,200.00</u>
Balance - December 31, 2012	C,C-3	<u><u>98,297.71</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Exhibit F**Township of West Milford , N.J.****Statement of General Fixed Assets - Regulatory Basis****December 31,**

	<u>2012</u>	<u>2011</u>
<u>General Fixed Assets:</u>		
Land	11,779,300.00	11,779,300.00
Buildings	5,563,400.00	5,563,400.00
Machinery and Equipment	<u>13,988,493.00</u>	<u>13,988,493.00</u>
	<u>31,331,193.00</u>	<u>31,331,193.00</u>
 Investment in Fixed Assets	 <u>31,331,193.00</u>	 <u>31,331,193.00</u>

See accompanying notes to financial statements.

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Exhibit G**Township of West Milford , N.J.****Comparative Balance Sheet - Regulatory Basis****Garbage District****December 31,**

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Due from Current Fund	G-5	540,305.20	518,252.60
Due from Federal and State Grant Fund	G-6	<u>131,311.54</u>	<u>131,311.54</u>
		<u>671,616.74</u>	<u>649,564.14</u>
<u>Liabilities and Reserves</u>			
Fund Balance	G-1	97,081.29	142,463.27
Commitments Payable	G-4	334,804.80	210,534.44
Reserve for Recycling	G-7	181,521.22	225,872.69
Reserve for Recycling Tonnage Grant	G-8	<u>58,209.43</u>	<u>70,693.74</u>
		<u>671,616.74</u>	<u>649,564.14</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Exhibit G-1**Township of West Milford , N.J.****Schedule of Fund Balance - Regulatory Basis****Garbage District****Year Ended December 31, 2012**

	<u>Ref.</u>		
Balance - December 31, 2011	G		142,463.27
Increased by:			
Excess in Operating Revenues	G-2	17,449.83	
Unexpended Balance of Appropriations	G-3	20,365.91	
Canceled Encumbrances	G-4	<u>56,802.28</u>	
			<u>94,618.02</u>
			237,081.29
Decreased by:			
Operating Surplus Anticipated	G -2		<u>140,000.00</u>
Balance - December 31, 2012	G		<u><u>97,081.29</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Exhibit G-2

Township of West Milford , N.J.

Statement of Revenues - Regulatory Basis

Garbage District

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
Operating Surplus Anticipated	G-1	140,000.00	140,000.00	
Reserve for Recycling	G-7, G-8	238,357.00	238,357.00	
Amount to be Raised by Taxation	G-5	<u>1,655,000.42</u>	<u>1,672,450.25</u>	<u>17,449.83</u>
Total Garbage District Revenues		<u><u>2,033,357.42</u></u>	<u><u>2,050,807.25</u></u>	<u><u>17,449.83</u></u> G-1

Exhibit G-3

Statement of Expenditures - Regulatory Basis

Garbage District

Year Ended December 31, 2012

	<u>Budget</u>	<u>Modified by Transfers</u>	<u>Paid or Charged</u>	<u>Unexpended Balance to Surplus</u>
Salaries and Wages	93,302.42	101,062.42	95,780.66	5,281.76
Other Expenses	86,250.00	78,490.00	63,405.85	15,084.15
Contractual Services	1,148,805.00	1,148,805.00	1,148,805.00	
Disposal Fees	705,000.00	705,000.00	705,000.00	
Total Garbage District Expenditures	<u><u>2,033,357.42</u></u>	<u><u>2,033,357.42</u></u>	<u><u>2,012,991.51</u></u>	<u><u>20,365.91</u></u> G-1

	<u>Ref.</u>	
Encumbrances	G-4	334,804.80
Interfund Current Fund	G-5	<u><u>1,678,186.71</u></u>
		<u><u>2,012,991.51</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

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TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Township of West Milford have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Township of West Milford (the "Township") operates under a Mayor and Council administrative plan created by N.J.S.A. 40:69A-149.1 et.seq. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the Public Library, Volunteer Fire Department and the First Aid Squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Township has the following funds:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Assessment Trust - This fund deals with the handling of special assessment levies against property for the cost of an improvement, the whole or a part of which costs are levied against the property receiving the benefit.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Dog License Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Payroll Fund - Receipts and disbursements of payroll withholding that the Township collects on the behalf of various agencies as their agents.

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the participant's length of service awards.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes. Effective October 1, 2005, the Township transferred administration of the general assistance program to the Passaic County Board of Social Services.

Garbage District Fund - This fund is used to account for resources and expenditures for the collection and disposal of solid waste in the Township.

General Fixed Asset Account Group - To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Township of West Milford. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Property Tax Revenues, (continued) - Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

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

- General Capital Fund
- Trust Fund
- Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2012, the Township Council increased the original budget by \$160,000.00. This increase was funded by \$10,000.00 in additional aid allotted the Township and \$150,000.00 in special emergency appropriations. In addition, several budget transfers were approved by the governing body.

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

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

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.

Inventories - 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.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1(a).

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

General Fixed Assets - The Township of West Milford has developed a fixed assets accounting and reporting system as promulgated by the Division of Local Government Services which differs in certain respects from generally accepted accounting principles.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

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

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

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

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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

C. 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 which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2012, \$0- of the Township's bank balance of \$15,454,013.43 was exposed to custodial credit risk.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Investments

Investment Rate Risk

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Township places no limit on the amount the Township may invest in any one issuer.

Unaudited Investments

As more fully described in Note 16, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by AIG, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2012 and 2011 amounted to \$1,236,512.62 and \$1,167,750.97, respectively.

The following investments represent 5% or more of the total invested with AIG on December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Money Market Funds	\$75,166.47	\$91,306.50
Fixed Income	265,316.51	269,286.45
Growth and Income	303,084.10	270,654.22
Value Funds	159,945.36	145,152.15
Bond Funds	113,595.97	106,044.08
All Others	<u>319,404.21</u>	<u>285,307.57</u>
	<u>\$1,236,512.62</u>	<u>\$1,167,750.97</u>

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 3. LONG TERM DEBT

Long-term debt as of December 31, 2012 consisted of the following:

	Balance Dec. 31, 2011	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable:					
General Obligation Debt	\$17,645,000.00	\$	\$1,194,000.00	\$16,451,000.00	\$1,560,000.00
Trust Assessment	154,000.00		124,000.00	30,000.00	20,000.00
Other Liabilities:					
NJDEP Loan	2,063,657.25		140,584.81	1,923,072.44	143,410.56
Deferred Pension Obligation	890,136.00		38,645.00	851,491.00	43,914.00
Compensated Absences Payable	<u>1,156,118.86</u>	<u>140,344.23</u>	<u>85,214.34</u>	<u>1,211,248.75</u>	
	<u>\$21,908,912.11</u>	<u>\$140,344.23</u>	<u>\$1,582,444.15</u>	<u>\$20,466,812.19</u>	<u>\$1,767,324.56</u>

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
Issued:			
General:			
Bonds, Loans and Notes	\$28,317,003.00	\$29,351,823.00	\$28,652,604.66
Assessment:			
Bonds, Loans and Notes	<u>2,038,992.44</u>	<u>2,308,357.25</u>	<u>1,944,684.11</u>
Total Issued	<u>30,355,995.44</u>	<u>31,660,180.25</u>	<u>30,597,288.77</u>
Authorized But Not Issued			
General:			
Bonds and Notes	<u>1,668,973.38</u>	<u>705,425.38</u>	<u>2,596,425.38</u>
Total Authorized But Not Issued	<u>1,668,973.38</u>	<u>705,425.38</u>	<u>2,596,425.38</u>
Net Bonds and Notes Issued and			
Authorized But Not Issued	<u>\$32,024,968.82</u>	<u>\$32,365,605.63</u>	<u>\$33,193,714.15</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statements and indicates a statutory net debt of .955%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$2,359,687.14	\$2,359,687.14	\$0.00
General Debt	<u>32,024,968.82</u>	<u>732,304.95</u>	<u>31,292,663.87</u>
	<u>\$34,384,655.96</u>	<u>\$3,091,992.09</u>	<u>\$31,292,663.87</u>

Net Debt \$31,292,663.87 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$3,277,833,025.33 = .955%.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 3. LONG TERM DEBT, (continued)

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

3 ½% of Equalized Valuation Basis (Municipal)	\$114,724,155.89
Net Debt	<u>31,292,663.87</u>
Remaining Borrowing Power	<u>\$83,431,492.02</u>

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

Paid by Assessment Fund:

Assessment Bonds - Assessment Bonds of 2004 with an interest rate of 3%-3.45% issued February 15, 2004 due through February 15, 2014	\$30,000.00
Loan Payable - NJDEP - dated November 1, 2004 with an interest rate of 2% payable in installments through 2030	1,923,072.44

Paid by Current Fund:

General Bonds - General Bonds of 2004 with an interest rate of 3%-3.45% issued February 15, 2004 due through February 15, 2014	1,605,000.00
General Bonds - General Bonds of 2006 with an interest rate of 3.75%-3.80% issued January 15, 2006 due through January 15, 2017	5,166,000.00
General Bonds - General Bonds of 2010 with an interest rate of 2%-3.50% issued April 1, 2010 due through April 1, 2021	<u>9,680,000.00</u>
	<u>\$18,404,072.44</u>

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

In addition to the above, the Township had authorized but not issued debt as follows:

General Capital	<u>\$1,668,973.38</u>
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TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 3. LONG TERM DEBT, (continued)

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR
BONDED DEBT ISSUED AND OUTSTANDING**

General Bonds			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$1,560,000.00	\$542,475.50	\$2,102,475.50
2014	1,620,000.00	486,521.75	2,106,521.75
2015	1,700,000.00	433,120.50	2,133,120.50
2016	1,775,000.00	376,433.00	2,151,433.00
2017	1,841,000.00	311,304.00	2,152,304.00
2018-2021	7,955,000.00	562,887.50	8,517,887.50
	<u>\$16,451,000.00</u>	<u>\$2,712,742.25</u>	<u>\$19,163,742.25</u>

Assessment Bonds			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$20,000.00	\$675.00	\$20,675.00
2014	10,000.00	172.50	10,172.50
	<u>\$30,000.00</u>	<u>\$847.50</u>	<u>\$30,847.50</u>

NOTE 4. BOND ANTICIPATION NOTES

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

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2012, the Township had \$11,866,003.00 in outstanding general capital bond anticipation notes, \$8,804,003.00 maturing on April 12, 2013 at an interest rate of 1.50%, \$3,062,000.00 maturing on October 4, 2013 at an interest rate of 1.00% and \$85,920.00 in outstanding assessment trust bond anticipation notes maturing on April 12, 2013 at an interest rate of 1.50%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2012.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Janney Montgomery LLC	\$0.00	\$	\$	\$0.00
TD Securities	9,235,523.00	11,951,923.00	9,235,523.00	11,951,923.00
Jefferies & Co.	<u>2,562,000.00</u>		<u>2,562,000.00</u>	<u>0.00</u>
	<u>\$11,797,523.00</u>	<u>\$11,951,923.00</u>	<u>\$11,797,523.00</u>	<u>\$11,951,923.00</u>

NOTE 5. LOAN AGREEMENTS

The Township of West Milford has entered into loan agreements with the State of New Jersey Department of Environmental Protection. The loans are payable over 26 years from November 1, 2004, the date of the final drawdown payment, through November 1, 2030. The loans of \$2,702,000.00 are at an interest rate of 2.00%.

Following are the remaining maturities and debt schedules for the outstanding principal and interest on the loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$143,410.56	\$37,747.97	\$181,158.53
2014	146,293.12	34,865.41	181,158.53
2015	149,233.61	31,924.92	181,158.53
2016	152,233.20	28,931.32	181,164.52
2017	155,293.10	25,865.44	181,158.54
2018-2022	810,527.11	81,302.27	891,829.38
2023-2027	221,929.25	26,803.51	248,732.76
2028-2030	<u>144,152.49</u>	<u>5,087.17</u>	<u>149,239.66</u>
	<u>\$1,923,072.44</u>	<u>\$272,528.01</u>	<u>\$2,195,600.45</u>

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 6. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012 the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, <u>2012</u>	2013 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budget</u>
Current Fund:			
Special Emergency Appropriations	<u>\$1,072,530.40</u>	<u>\$268,506.08</u>	<u>\$804,024.32</u>

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

NOTE 7. LOCAL DISTRICT SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District.

The Township has elected to defer school taxes.

The calculation of the Local District School Tax balances and deferrals are as follows:

	Balance	
	<u>2012</u>	<u>2011</u>
Balance of Tax	\$25,862,877.00	\$25,441,863.00
Deferred	<u>25,862,877.00</u>	<u>25,441,863.00</u>
Taxes Payable	<u>\$0.00</u>	<u>\$0.00</u>

NOTE 8. PENSION PLANS

Description of Systems:

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS), (continued)

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

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

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Township's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2012	\$834,204.00	\$1,242,649.00
2011	837,116.00	1,301,632.00
2010	605,686.00	1,159,055.00

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 8. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

NOTE 9. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 7, the Township provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost, to all Township retirees who (1) have retired on disability pension, and (2) employees who have retired after twenty-five (25) years or more of service in a State or locally administered retirement system.

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During 2012, there were one hundred and one (101) retired employees who received this benefit at a cost of \$1,328,205.00.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)

Annual OPEB Cost

For 2012, the Township's annual OPEB cost (expense) of \$5,229,600.00 (based on actuarial valuation as of January 1, 2008) was equal to the ARC (Annual Required Contribution). The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012, 2011 and 2010 are as follows:

<u>Year</u>	<u>Actual OPEB Payments</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$973,920.00	\$5,229,600.00	18.62%	\$13,206,104.00
2011	1,104,684.00	5,229,600.00	21.12	17,331,020.00
2012	1,328,205.00	5,229,600.00	25.40	21,232,415.00

Funding Status and Funding Progress

The funded status of the plan as of December 31, 2010 (based on actuarial valuation as of January 1, 2008) was as follows:

Actuarial Accrued Liability (AAL)	\$5,349,840.00
Actuarial Value of Plan Assets	-0-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$5,349,840.00</u>
Funded Ratio (Actuarial Value of Plan Assets (AAL))	0.00%
Cover Payroll (Active Plan Members)	N/A
UAAL as a Percentage of Covered Payroll	N/A

N/A - Not Available

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)

Funding Status and Funding Progress, (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include economic assumptions; benefit assumptions and demographic assumptions. Economic assumptions include the discount rate and health care cost trend rates. Benefit assumptions encompass the initial per capita costs rates for medical coverage, and the face amount of employer-paid life insurance. Finally, demographic assumptions include probabilities concerning retirement, mortality, termination without receiving benefits; disability; recovery from disability; participation rates and coverage levels. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial valuation as of January 1, 2011 was not available at the time of this audit report.

NOTE 10. FUND BALANCES

Fund balances as of December 31, 2012 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2013 were as follows:

Current Fund	<u>\$2,200,000.00</u>
Garbage District	<u>\$90,0000.00</u>

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 11. FIXED ASSETS

The Township did not update their fixed assets for additions and deletions for the year. The balance as of December 31, 2012 and December 31, 2011 are as follows:

	Balance <u>Dec. 31, 2012</u>	Balance <u>Dec. 31, 2011</u>
Land	\$11,779,300.00	\$11,779,300.00
Buildings	5,563,400.00	5,563,400.00
Machinery and Equipment	<u>13,988,493.00</u>	<u>13,988,493.00</u>
	<u>\$31,331,193.00</u>	<u>\$31,331,193.00</u>

NOTE 12. ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. This amounted to \$1,211,248.75 as of December 31, 2012. It is expected that the payments will be budgeted as the amounts are used.

NOTE 13. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2012 consist of the following:

\$15,036.94	Due to Current Fund from Animal Control Trust Fund for interest earned on deposits, anticipated revenue and to reimburse expenditures.
27,427.15	Due to Current Fund from Payroll Fund for Current Fund receipts deposited in Payroll Fund.
219,611.69	Due to Other Trust Fund from Current Fund for Other Trust Fund receipts deposited in Current Fund.
14,961.25	Due to Other Trust Fund from General Capital Fund for Other Trust Fund receipts deposited in General Capital Fund.
115,838.20	Due to General Capital Fund from Current Fund for General Capital receipts deposited in Current Fund.
174,998.34	Due to General Capital Fund from Assessment Trust Fund for General Capital receipts deposited in Assessment Trust Fund.
947,134.49	Due to Federal and State Grant Fund from Current Fund for grant receipts deposited in Current Fund.
27,583.27	Due to Federal and State Grant Fund from General Capital Fund for grant receipts deposited in Other Trust Fund.
689,511.06	Due to Assessment Trust Fund from Current Fund for assessments collected by Current Fund.
540,305.20	Due to Garbage Fund from Current Fund for garbage tax levy.
<u>131,311.54</u>	Due to Garbage Fund from Federal and State Grant Fund for anticipated revenue.
<u>\$2,903,719.13</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 14. LEASES

The Township has not entered into any long-term agreements for any equipment purchases.

NOTE 15. RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2012 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township of West Milford is currently a member of the North Jersey Intergovernmental Insurance Fund (the "Fund"). The Fund provides their members with Liability, Property and Workers' Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of municipalities established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund is elected.

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial statements for the Fund is available at the office of the Fund's Administrator, Inservco, Inc.

The Township, along with eight (8) other municipalities, is enrolled in the North Jersey Municipal Employee Benefits Fund. The Plan, which is administered by the Insurance Design Administrators, had a limit of liability of \$125,000.00 per employee with an aggregate stop loss of \$5,000,000.00 per individual lifetime.

Financial statements of the Fund are available at the office of the Executive Director, PERMA, Inc.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 16. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance <u>Dec 31, 2012</u>	Balance <u>Dec 31, 2011</u>
Prepaid Taxes	<u>\$428,807.04</u>	<u>\$367,834.97</u>
Cash Liability for Taxes Collected in Advance	<u>\$428,807.04</u>	<u>\$367,834.97</u>

NOTE 17. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On September 24, 2001, the Division of Local Government Services approved the Township's LOSAP plan, provided by Variable Annuity Life Insurance Company (VALIC). The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

VALIC will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall have minimum and maximum contribution requirements as follows: the minimum contribution for each participating active volunteer member shall be \$100 per year of active emergency service and the maximum contribution for each active volunteer member shall be \$1,150 per year of active emergency service, subject to periodic increases as permitted. The Township's contribution shall be included in the current year's budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2012 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 18. SPECIAL EMERGENCY NOTE

On October 4, 2012, the Township issued a \$800,000.00 special emergency note for municipal revaluation. The note with an interest rate of 1.00% will mature on October 4, 2013.

NOTE 19. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by the Township Counsel that the Township is involved in several legal suits that are either covered by the Township's insurance carrier or normal for a Township this size. We are also advised of the following:

"Environmental Matters: The NJ DEP has sought clean up from the Township with respect to the Banker Road Depot. Accordingly, clean-up and fines may total in excess of \$1,000,000. The Township does not have insurance coverage for this claim. The Township has also been advised that the Wallisch property is subject to an environmental clean-up. At this time, an Environmental Engineer is reviewing the possible plans for remediation."

NOTE 20. OTHER MATTERS

In 2002, the Township held an election to change the form of government. Effective January 1, 2004, the Township of West Milford changed its form of Government to the Mayor and Council administrator plan, created by N.J.S.A. 40:69A-149.1 et seq. Under this plan, the Mayor and six Councilmen are elected at partisan elections for terms of four years and three years, respectively. Council terms are staggered; therefore, an election is held annually in the Township.

Also, the Township entered into a lease agreement with the West Milford Township Board of Education for the transfer of property to the Township and the lease of the Hillcrest School. The Township must make a \$500,000 capital contribution and annual lease payments of \$68,000 per year.

NOTE 21. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through June 14, 2013, the date which the financial statements were available to be issued and no other items were noted for disclosure.

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SUPPLEMENTARY DATA

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COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2012*</u>	<u>2011</u>	<u>2010</u>
Tax Rate:	<u>3.382</u>	<u>6.232</u>	<u>6.117</u>
Apportionment of Tax Rate:			
Municipal	0.7273	1.27757	1.34112
Municipal Library	0.0396	0.07690	
Municipal Open Space	0.0058	0.01000	0.01000
County	0.6908	1.32043	1.31003
Local School	1.8590	3.40870	3.32870
Garbage District	0.0595	0.13840	0.12715

Assessed Valuations:

2012	\$2,782,811,262.00		
2011		\$1,492,786,795.00	
2010			\$1,499,382,315.00
*Revaluation			

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2012	\$95,062,100.74	\$93,427,272.91	98.28%
2011	93,097,493.64	91,365,226.00	98.14
2010	91,766,909.97	90,370,447.42	98.48

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Dec. 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$1,592,613.70	\$1,397,152.21	\$2,989,765.91	3.14%
2011	1,417,703.54	1,087,352.23	2,505,055.77	2.69
2010	1,353,126.64	751,221.40	2,104,348.04	2.29

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

Properties have been acquired in 2012 by foreclosure or deed, or as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2012	\$2,764,000.00
2011	2,764,000.00
2010	2,702,100.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2012	\$2,960,507.58	\$2,200,000.00
2011	1,958,959.11	1,600,000.00
2010	1,956,590.64	1,900,000.00
2009	2,043,816.16	2,010,000.00
2008	2,426,293.96	2,402,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
Bettina Bieri	Mayor
Luciano Signorino	Council President
Ada Erik	Councilwoman
Carla Horton	Councilwoman
Michael Ramaglia	Councilman
Edward Rosone	Councilman
Joseph Smolinski	Councilman
Nancy Gage	Township Administrator from 2/22/12
Monica Gosicki	Chief Financial Officer
Antionette Battaglia	Township Clerk
Rita DeNivo	Tax Collector and Tax Search Officer
Joseph Perconti	Judge
Michelle Rosenkrantz	Municipal Court Administrator
Gene Chiosie	Chief of Police to 6/30/12
Timothy Storbeck	Chief of Police from 7/1/12
Fred Semrau	Township Attorney
Brian Townsend	Assessor
Charles J. Ferraioli, C.P.A.	Auditor

All employees are covered under a \$1,000,000.00 Blanket Bond under the AIG Crime Policy in the NJIIF.

Adequacy of insurance coverage is the responsibility of the Township.

Schedule A

Township of West Milford

Page 1 of 3

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2012

<u>Federal Grantor Department</u>	<u>Program Title</u>	<u>Federal Account Number</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2012</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Balance Dec. 31, 2012</u>	<u>Cumulative Expenditures</u>
Department of Transportation	F T A	20.509	69,421.00 64,396.00	(6,691.87) (55,553.31)	17,730.57 55,553.31	29,239.41	(18,200.71)	35,931.28 64,396.00
Department of Housing and Urban Development (2)	Community Development Block Grant	14.218	100,000.00	(100,000.00)	100,000.00			100,000.00
H.U.D. (3)	Small Cities EDI	14.219 14.251	250,600.00 350,000.00	(12,867.00)			(12,867.00)	231,600.00 12,867.00
Department of Law & Public Safety	Drive Sober or Get Pulled Over	20.601	5,000.00		1,146.00	4,911.07	(3,765.07)	4,911.07
	Click It or Ticket	20.602	2,679.20	997.84			997.84	1,681.36
	Speed/Aggressive Driving	20.605	7,500.00	(1,311.80)			(1,311.80)	7,500.00
	Obey the Signs or Pay the Fines	20.600	4,000.00 4,000.00	2,783.23 377.20			2,783.23 377.20	1,216.77 3,622.80
	Over the Limit Under Arrest	20.601	2,476.10 8,082.10	2,476.10 8,082.10			2,476.10 8,082.10	

Schedule A

Township of West Milford

Page 2 of 3

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2012

<u>Federal Grantor Department of (1) Environmental Protection</u>	<u>Program Title</u>	<u>Federal Account Number</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2012</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Balance Dec. 31, 2012</u>	<u>Cumulative Expenditures</u>
	Pollution Control & Management	66.460	90,000.00	34,256.31			34,256.31	55,743.69
	Pollution Control & Management	66.460	144,872.00	(13,597.30)			(13,597.30)	122,982.71
	Pollution Control & Management	66.460	152,330.00	(56,050.73)	63,793.15	8,004.91	(262.49)	152,330.00
	Water Quality Management	66.460	108,217.00	(16,519.59)		13,670.03	(30,189.62)	80,412.50
	Greenwood Lake Anti-Phosphorous	66.460	913,600.00	(165,531.98)	148,498.25		(17,033.73)	287,060.77
	Municipal Stormwater Regulation	66.605	20,619.00	8,379.00			8,379.00	12,240.00
Department of Homeland Security	Assistance to Firefighters Grant	97.044	124,200.00	47,955.83			47,955.83	76,244.17
	Buffer Zone Protection Program	97.078	109,691.29	(25,744.96)	90,706.29	64,961.33		109,691.29
Department of Homeland Security	Public Assistance Grant Program	97.036					(93,315.49)	93,315.49
	Sandy		241,477.36	(154,050.88)	241,477.36	87,426.48		241,477.36
	Irene		51,190.66	(51,190.66)	51,190.66			51,190.66
	October Snow		45,093.94	(45,093.94)	45,093.94			45,093.94
	2010 Storm							

Township of West Milford

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2012

Federal Grantor Department	Program Title	Federal Account Number	Program Amount	Balance Jan. 1, 2012	Receipts/ Revenues	Expended	Balance Dec. 31, 2012	Cumulative Expenditures
U.S. Department of Justice	Juvenile Acct. Incentive Block Grant	16.523	5,381.00	(816.69)			(816.69)	816.69
	Justice Assistance	16.804	15,051.00 15,051.00	(0.30)			(0.30)	15,051.00
U.S. Department of Justice	Bulletproof Vest Partnership Program	16.607	7,800.00		7,800.00		7,800.00	
			5,407.88	5,407.88		5,407.88		
			2,585.00	2,585.00		2,585.00		
			25,892.88	13,412.88	4,680.00	8,732.88	17,160.00	
Health and Human Services	Pandemic Influenza Preparedness	93.069	91,044.00	(6,124.84)			(6,124.84)	69,703.09
				(584,432.48)	822,989.53	306,208.72	(67,651.67)	1,894,239.64

(1) Pass-Thru Grant - State of New Jersey

(2) Pass-Thru Grant - County of Passaic

(3) Accounted for in General Capital Fund

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

Schedule B

Township of West Milford

Page 1 of 5

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

State Grantor Department	Program Title	Program Amount	Balance Jan. 1, 2012	Receipts/ Revenues	Expended	Canceled	Audit Adjustment	Balance Dec. 31, 2012	Cumulative Expenditures
Department of Environmental Protection and Energy	Clean Communities Grant	55,006.54		55,006.54				55,006.54	
		55,639.94	55,639.94					55,639.94	
		57,145.32	57,145.32		38,545.97			18,599.35	38,545.97
		43,015.00	8,541.84		8,541.84				43,015.00
	Open Space Management	2,500.00							
		2,500.00							
		2,500.00	(126.97)					(126.97)	2,396.00
	Greenwood Lake Phase II	336,000.00	60,334.36	(3,974.45)	7,924.48			48,435.43	218,044.57
	NJDEP ESP Mapping Grant	2,500.00							
		2,500.00							
2,500.00									
Recreation Trails	20,000.00	(15,000.00)				(15,000.00)			
	30,000.00	(2,740.00)			(12,740.00)	10,000.00	15,000.00	(15,000.00)	10,000.00
NJDEP Storm Drain Infrastructure	2,500.00								
	Recycling Grant	61,059.52		61,059.52				61,059.52	
		55,133.54	55,133.54					55,133.54	
63,305.54		59,403.18		37,741.40			21,661.78	41,643.76	
14,843.26		14,843.26					14,843.26		
(3)	44,176.22	44,176.22		810.05			43,366.17	810.05	
(3)	21,731.73	11,674.26		11,674.26				21,731.73	

Schedule B

Township of West Milford

Page 2 of 5

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

<u>State Grantor Department</u>	<u>Program Title</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2012</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Canceled</u>	<u>Audit Adjustment</u>	<u>Balance Dec. 31, 2012</u>	<u>Cumulative Expenditures</u>
Department of Environmental Protection and Energy	NJDEP/Passaic County	6,120.00	(6,120.00)					(6,120.00)	6,120.00
	ANJEC Water Study	11,200.00	11,200.00					11,200.00	
	Waste Water Management	15,000.00 10,000.00	5,000.00 7,088.50	4,772.50	1,546.00		7,911.50 7,088.50	315.00	4,457.50
	Stormwater Management	41,238.00	12,333.50					12,333.50	28,904.50
	Black Bear-Proof Garbage Can Pilot Program	200,000.00	2,386.25					2,386.25	197,613.75
Division of Motor Vehicles	Belcher Creek Fecal Testing	2,500.00	(2,500.00)					(2,500.00)	2,500.00
	Drunk Driving Enforcement Fund	7,943.52 9,845.15 12,932.16	7,943.52 9,845.15 8,968.77		8,207.20			7,943.52 9,845.15 761.57	12,170.59
Department of Community Affairs	Handicapped Person Rec. Opportunities	10,000.00 20,000.00		10,000.00 3,958.98	10,000.00		(2,091.52)		10,000.00 20,000.00

Schedule B

Page 3 of 5

Township of West Milford

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

<u>State Grantor Department</u>	<u>Program Title</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2012</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Canceled</u>	<u>Audit Adjustment</u>	<u>Balance Dec. 31, 2012</u>	<u>Cumulative Expenditures</u>
Department of Community Affairs	Alcohol Education & Rehab	563.80	563.80					563.80	
		686.55	326.03					326.03	360.52
		107.09	107.09					107.09	
		682.16	682.16					682.16	
	Small Cities	2,380.00	2,380.00					2,380.00	
	Smart Growth	125,000.00	1,862.33		1,862.33				125,000.00
	PARIS Grant	37,000.00	(6,289.42)	9,249.99	2,960.58	(0.01)		(0.00)	37,000.00
NJ Division of Criminal Justice	Body Armor Replacement Fund	4,352.89		4,352.89				4,352.89	
		4,249.13		4,249.13				4,249.13	
		4,652.00	4,652.00					4,652.00	
		5,288.00	70.86					70.86	5,217.14
		983.20	23.00					23.00	960.20
	Domestic Violence	11,070.61	11,070.61					11,070.61	
	STOP Grant	5,000.00							
Department of Transportation	F T A	34,710.50		7,566.70				7,566.70	
		32,198.00	3,738.82	28,459.18	5,565.07			26,632.93	5,565.07
		32,014.50	9,854.65		9,854.65			(0.00)	32,014.50
Department of Transportation (2)	N.J. Transportation Trust Fund	200,000.00	(50,000.00)	50,000.00					200,000.00
		200,000.00	(50,000.00)	50,000.00					200,000.00
		198,084.93	(51,240.67)	73,841.99	22,601.32			0.00	198,084.93
		250,000.00		187,500.00	250,000.00			(62,500.00)	250,000.00
		200,000.00							
		300,000.00							240,819.61

Schedule B

Township of West Milford

Page 4 of 5

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

<u>State Grantor Department</u>	<u>Program Title</u>	<u>Program Amount</u>	<u>Balance Jan. 1, 2012</u>	<u>Receipts/ Revenues</u>	<u>Expended</u>	<u>Canceled</u>	<u>Audit Adjustment</u>	<u>Balance Dec. 31, 2012</u>	<u>Cumulative Expenditures</u>
Department of Health	Public Health Priority Funding	8,615.00	6,091.00					6,091.00	
		11,954.00	3,173.52					3,173.52	8,780.48
	Hepatitis B Grant	2,559.00		2,559.00				2,559.00	
		591.00	591.00					591.00	
		4,025.22	4,025.22					4,025.22	
		5,000.00	2,617.75					2,617.75	2,382.25
Highlands Council	Planning Assistance Pilot Grant	5,000.00	5,000.00		285.50			4,714.50	285.50
		5,000.00	683.50		683.50				5,000.00
		2,488.48	2,488.48					2,488.48	
		1,080.00	1,080.00					1,080.00	
		5,520.00	5,520.00					5,520.00	
		2,100.00	2,100.00					2,100.00	
Highlands Council	Planning Assistance COAH Third Round	1,980.00	1,980.00					1,980.00	
		2,557.50	2,557.50					2,557.50	
		8,433.02	6,279.02					6,279.02	2,154.03
		30,000.00	30,000.00					30,000.00	
		7,500.00	6,852.00					6,852.00	648.00
		178,700.00	29,071.88				29,071.88		50,000.00
Passaic County (1)	Water Protection								
	Planned Conformance	50,000.00	(43,078.36)				(41,980.36)	(1,098.00)	49,672.01
		40,000.00		24,107.47	38,569.55			(14,462.08)	38,569.55
	Municipal Drug Alliance	30,011.69	(876.15)	7,689.19	6,813.04				30,011.69

Township of West Milford

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

State Grantor Department	Program Title	Program Amount	Balance Jan. 1, 2012	Receipts/ Revenues	Expended	Canceled	Audit Adjustment	Balance Dec. 31, 2012	Cumulative Expenditures
Passaic County									
(1)	Tire Disposal Grant	11,600.00	(11,600.00)					(11,600.00)	11,600.00
(1)	Urban Forestry Grant Program	13,500.00 12,700.00	(6,360.00) (440.00)					(6,360.00) (440.00)	13,225.00 10,538.00
(1)	Hewitt Brook Study	2,500.00							
(1)	Polling Place Accessibility Grant	34,167.00	34,167.00					34,167.00	
(1)	Open Space and Farmland Trust	60,000.00							
(1)	Passaic County Cultural Heritage	1,250.00 1,250.00 980.00		625.00 1,250.00	187.81 471.27			625.00 1,062.19	187.81 980.00
(1) Pass-Thru Grant - County of Passaic									
(2) Accounted for in General Capital Fund									
(3) Accounted for in Garbage District									
			359,316.03	582,273.63	452,105.82	9,999.99		479,483.85	2,177,009.71

Note: This schedule was not subject to an audit in accordance with N.J. OMB Circular 04-04.

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Township of West Milford, N.J.

Schedule of Cash - Treasurer

Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2011	A		7,586,484.39
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	256,371.35	
Change Funds	A-5	1,430.00	
Collector	A-6	96,005,731.62	
Revenue Accounts Receivable	A-11	5,808,767.11	
Interfunds	A-12	1,755,326.47	
Due From State - Senior Citizen and Veteran Deductions	A-14	306,181.51	
Various Cash Liabilities and Reserves	A-20	<u>1,208,421.63</u>	
			<u>105,342,229.69</u>
			112,928,714.08
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	25,712,465.88	
Change Funds	A-5	1,480.00	
Interfunds	A-12	1,416,147.77	
Appropriation Reserves	A-13	578,662.62	
Local District School Taxes	A-17	51,304,750.00	
County Taxes Payable	A-18	19,229,375.65	
Garbage District Taxes	A-19	1,650,397.65	
Various Cash Liabilities and Reserves	A-20	<u>2,837,673.84</u>	
			<u>102,730,953.41</u>
Balance - December 31, 2012	A		<u><u>10,197,760.67</u></u>

Township of West Milford, N.J.

Schedule of Change Funds

Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	
Increased by:		
Cash Disbursements	A-4	1,480.00
Decreased by:		
Cash Receipts	A-4	<u>1,430.00</u>
Balance - December 31, 2012	A	<u><u>50.00</u></u>

Township of West Milford, N.J.

Schedule of Cash - Collector

Year Ended December 31, 2012

	<u>Ref.</u>		
Increased by Receipts:			
Taxes Receivable	A-7	93,718,628.68	
Tax Title Liens	A-8	36,536.36	
Interest and Costs on Taxes	A-11	286,332.65	
2013 Taxes Prepaid	A-16	428,807.04	
Tax Overpayments	A-20	486,337.70	
Deposits for Redemption of Tax Sale Certificates	A-20	<u>1,049,089.19</u>	
			<u>96,005,731.62</u>
Decreased by Disbursements:			
Receipts Turned Over to Treasurer	A-4		<u>96,005,731.62</u>

Township of West Milford, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund									
Year Ended December 31, 2012									
Year	Balance, Dec. 31, 2011	Levy	Added Taxes	Collected 2012	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2012	
prior 2012	1,087,352.23	94,114,675.09	6,973.61 947,425.65	975,299.39 92,743,329.29	(15,086.99) 316,108.65	17,395.93 170,858.84	100,291.37 83,242.92	16,426.14 1,380,726.07	
	<u>1,087,352.23</u>	<u>94,114,675.09</u>	<u>954,399.26</u>	<u>367,834.97</u>	<u>301,021.66</u>	<u>188,254.77</u>	<u>183,534.29</u>	<u>1,397,152.21</u>	
	A			A-2/A-16	A-2/A-14	A-8		A	
Analysis of Tax Levy									
Tax yield:									
General Property Tax						92,418,210.27			
Public Utility Tax						26,780.70			
Garbage Tax						1,669,684.12			
Added Tax (R.S. 54:4-63.1 et seq.)						947,425.65			
						<u>95,062,100.74</u>			
Tax Levy:									
Municipal Open Space Tax					160,272.00				
Added Municipal Open Space Tax					<u>1,674.01</u>	161,946.01			
				A-12		51,725,764.00			
Local District School Tax					19,217,175.59				
County Tax					<u>195,850.38</u>	19,413,025.97			
Added County Taxes				A-18					
Garbage District Taxes					1,655,000.42				
Added Garbage District Taxes					<u>17,449.83</u>	1,672,450.25			
				A-19		72,973,186.23			
				A-2					
Local Tax for Municipal Purposes					21,336,148.27				
Additional Taxes					<u>752,766.24</u>	22,088,914.51			
				A-2					
						<u>95,062,100.74</u>			

Exhibit A-8**Township of West Milford, N.J.****Schedule of Tax Title Liens****Current Fund****Year Ended December 31, 2012**

	<u>Ref.</u>		
Balance - December 31, 2011	A		1,417,703.54
Increased by:			
Transfer from Taxes Receivable	A-7	188,254.77	
Interest and Costs Accrued by Sale		<u>23,191.75</u>	
			<u>211,446.52</u>
			1,629,150.06
Decreased by:			
Collections	A-6		<u>36,536.36</u>
Balance - December 31, 2012	A		<u><u>1,592,613.70</u></u>

Township of West Milford, N.J.

Schedule of Property Acquired for Taxes

(At Assessed Valuation)

Current Fund

Year Ended December 31, 2012

Balance - December 31, 2011	<u>Ref.</u> A	<u>2,764,000.00</u>
Balance - December 31, 2012	A	<u>2,764,000.00</u>

Township of West Milford, N.J.

Schedule of Deferred Charges N.J.S.A. 40A:4-55 - Special Emergency

Current Fund

Year Ended December 31, 2012

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2011</u>	<u>Added</u> <u>in 2012</u>	<u>Reduced</u> <u>in 2012</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2012</u>
3/16/2011	Revaluation of Real Property	1,000,000.00	200,000.00	1,000,000.00		200,000.00	800,000.00
12/7/2011	Hurricane Damage	192,530.40	38,506.08	350,000.00		227,469.60	122,530.40
12/5/2012	Hurricane Sandy	150,000.00	30,000.00		150,000.00		150,000.00
		<u>1,342,530.40</u>	<u>268,506.08</u>	<u>1,350,000.00</u>	<u>150,000.00</u>	<u>427,469.60</u>	<u>1,072,530.40</u>
			<u>A</u>	<u>A</u>	<u>A-3</u>		<u>A</u>
					<u>Ref.</u>		
			Budget Appropriation	A-3		270,000.00	
			Canceled	A-20		157,469.60	
						<u>427,469.60</u>	

Township of West Milford, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance Dec. 31, 2012</u>
Clerk:					
Licenses					
Alcoholic Beverages	A-2		17,685.00	17,685.00	
Other	A-2		12,958.08	12,958.08	
Fees and Permits	A-2		750.00	750.00	
Miscellaneous Revenue not Anticipated	A-2		898.62	898.62	
Construction Code Official - Fees	A-2		279,145.00	279,145.00	
Sanitarian					
Licenses	A-2		20,599.64	20,599.64	
Fees and Permits	A-2		59,490.00	59,490.00	
Miscellaneous Revenue not Anticipated	A-2		287.00	287.00	
Registrar					
Licenses	A-2		312.00	312.00	
Fees and Permits	A-2		20,235.00	20,235.00	
Planning Board					
Fees and Permits	A-2	170.20	31,268.25	31,438.45	
Miscellaneous Revenue not Anticipated	A-2		296.16	296.16	
Board of Adjustment					
Fees and Permits	A-2		10,544.80	10,544.80	
Police Department:					
Fees and Permits	A-2	605.85	10,041.71	10,647.56	
Building Inspector					
Fees and Permits	A-2		1,125.00	1,125.00	
Assessor					
Fees and Permits	A-2		600.00	600.00	
Uniform Fire Safety Act: Local Fees	A-2	255.00	41,204.00	41,459.00	
Municipal Court					
Fines and Costs	A-2	20,460.70	255,890.58	258,497.26	17,854.02
Interest and Costs on Taxes	A-2		286,332.65	286,332.65	
Interest and Costs on Assessments	A-2		48,911.18	48,911.18	
Interest on Investments	A-2		262,075.92	262,075.92	
Recreation Fees	A-2		529,122.20	529,122.20	
Cat Licenses	A-2		13,604.00	13,604.00	
Sequential Multiple Analysis Fees	A-2		22,916.29	22,916.29	
Energy Receipts Tax	A-2		2,228,885.00	2,228,885.00	
Consolidated Municipal Property Tax Relief Aid	A-2		94,053.00	94,053.00	
Watershed Moratorium Aid	A-2		757,687.00	757,687.00	
Interlocal Agreement-Borough of Ogdensburg-Financ	A-2		48,266.40	48,266.40	
Cell Tower Lease	A-2	5,974.86	74,411.46	73,980.34	6,405.98
Assessment Trust Fund Surplus	A-2		65,200.00	65,200.00	
General Capital Surplus	A-2		472,200.00	472,200.00	
Cable TV Franchise Fee	A-2		108,096.88	108,096.88	
F.E.M.A. - Reimbursement - Irene	A-2		70,000.00	70,000.00	
Police Athletic League Debt Service Contributions	A-2		72,000.00	72,000.00	
Reserve for Debt Service	A-2		142,600.00	142,600.00	
Life Hazard Use Fees	A-2		32,200.33	32,200.33	
		<u>27,466.61</u>	<u>6,091,893.15</u>	<u>6,095,099.76</u>	<u>24,260.00</u>
		A			A
Receipts	A-4			5,808,767.11	
Collector	A-6			286,332.65	
				<u>6,095,099.76</u>	

Township of West Milford, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2012

		Due From/(To) Balance Dec. 31, 2011	Increased	Decreased	Due From/(To) Balance Dec. 31, 2012
	Ref.				
Payroll Fund	A	24,764.76	2,662.39		27,427.15
Animal Control Trust Fund	A	13,235.72	1,801.22		15,036.94
Other Trust Fund	A	(70,811.53)	373,854.51	225,054.35	(219,611.69)
Assessment Trust Fund	A	(709,560.07)	45,862.22	65,911.23	(689,511.06)
General Capital Fund	A	(208,433.86)	678,968.02	771,563.68	(115,838.20)
State and Federal Grant Fund	A	(512,451.65)	853,616.45	418,933.61	(947,134.49)
		<u>(1,463,256.63)</u>	<u>1,956,764.81</u>	<u>1,481,462.87</u>	<u>(1,929,631.35)</u>
Due to Current Fund	A/A-1	38,000.48			42,464.09
Due From Current Fund	A	<u>(1,501,257.11)</u>			<u>(1,972,095.44)</u>
		<u>(1,463,256.63)</u>			<u>(1,929,631.35)</u>
Canceled Grant Receivable	A-1		35,028.72		
Canceled Grant Reserves	A-1			56,278.71	
Canceled Tax Sale Premium	A-1			13,500.00	
Cash Receipts	A-4		1,755,326.47		
Cash Disbursements	A-4		4,463.61	1,411,684.16	
Municipal Open Space Tax	A-1, A-7		<u>161,946.01</u>		
			<u>1,956,764.81</u>	<u>1,481,462.87</u>	

Township of West Milford, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Township Manager	34.83	239.83	239.83	
Mayor and Council	128.56	128.56	128.56	
Township Clerk	147.09	147.09	147.09	
Elections	668.36	668.36	668.36	
Division of Treasury	1,490.81	1,490.81	1,490.81	
Computerized Data Processing	0.22	67.22	67.22	
Division of Tax Collection	29.70	644.70	644.70	
Division of Assessment	392.30	667.30	667.30	
Division of Engineering	1,798.24	1,798.24	1,798.24	
Historical Preservation Commission	690.00	690.00	690.00	
Division of Comprehensive Planning	164.43	164.43	164.43	
Division of Zoning Administration	285.92	285.92	285.92	
Division of Patrol	41,213.02	41,213.02	41,213.02	
Detective Division	1,965.03	1,965.03	1,965.03	
Division of Police Administration	4,044.20	4,044.20	4,044.20	
Special Police & Special Police Matrons	2,581.94	2,581.94	2,581.94	
Division of Communications	678.73	1,868.73	1,868.73	
Office of Municipal Disaster	2,500.00	2,500.00	2,500.00	
Fire Prevention Bureau	2,781.48	2,781.48	2,542.40	239.08
Division of Streets and Roads	50.00	6,570.00	6,570.00	
Division of Public Property	166.74	166.74	166.74	
Division of Snow Removal	5,058.20	5,058.20	5,058.20	
Fleet Maintenance	100.93	590.93	590.93	
Division of Health	37.22	3,687.22	3,687.22	
Bureau of Vital Statistics	640.22	640.22	640.22	
Division of Environmental Health	1,651.85	1,651.85	1,651.85	
Environmental Commission	170.00	170.00	170.00	
Division of Pound Keeper	90.24	320.24	320.24	
Recreation Programs		3,250.00	3,250.00	
Department of Recreation	1,562.37	2,562.37	2,562.37	
Hillcrest Community Center	98.54	508.54	508.54	
Senior Services	4,513.49	4,513.49	4,513.49	
Division of Parks Maintenance	272.32	272.32	272.32	
Bubbling Springs	7.34	7.34	7.34	
Municipal Court	1,770.37	2,785.37	1,685.37	1,100.00

Township of West Milford, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Department of Building Safety	307.14	4,777.14	4,777.14	
Accumulated Absences	438.76	438.76		438.76
Total Salaries and Wages Within "CAPS"	78,530.59	101,917.59	100,139.75	1,777.84
Other Expenses Within "CAPS":				
Township Manager	30,624.81	55,694.19	16,091.61	39,602.58
Mayor and Council	164.17	196.17		196.17
Township Clerk	7,550.84	7,841.27	365.32	7,475.95
Elections	7,082.05	7,082.05		7,082.05
Division of Treasury	139.72	185.26	67.49	117.77
Audit Services and Costs				
Annual Audit		20,000.00	20,000.00	
Additional Audit Services	10.00	6,760.00	6,750.00	10.00
Computerized Data Processing	13,077.15	14,613.55	850.00	13,763.55
Division of Tax Collection	3,686.05	4,212.66	490.61	3,722.05
Division of Assessments	759.72	2,524.47	1,558.21	966.26
Township Attorney	1,143.50	78,714.50	34,298.38	44,416.12
Division of General Services	2,476.81	4,862.84	2,307.40	2,555.44
Division of Engineering	12,621.54	24,280.74	5,054.51	19,226.23
Autumn Lights Festival	863.69	863.69		863.69
Historical Preservation Commission	792.01	792.01		792.01
Planning Board	1,907.68	29,180.48	169.46	29,011.02
Division of Comprehensive Planning	2,659.25	19,226.25	300.00	18,926.25
Board of Adjustment	1,435.12	12,054.15	207.76	11,846.39
Division of Patrol	10,763.91	42,847.54	36,690.30	6,157.24
Purchase of Police Cars	210.60	1,660.60	1,450.00	210.60
Special Police & Matrons	5,056.25	5,056.25		5,056.25
Municipal Disaster - Control Director	9,830.56	19,985.90	19,856.20	129.70
Aid to Volunteer Fire Co.	1,912.32	1,912.32	1,912.32	
First Aid Organization Contribution	26,410.00	26,755.00	26,420.00	335.00
Bureau of Fire Prevention	3,223.00	7,076.93	5,953.05	1,123.88
Department of Fire	55,480.66	68,438.84	16,808.28	51,630.56
Municipal Prosecutor	3,391.75	3,391.75		3,391.75
Division of Streets and Roads	6,898.80	138,249.71	20,687.52	117,562.19
Division of Public Property	10,180.00	14,157.75	9,986.77	4,170.98
Division of Snow Removal	1,669.49	193,849.21	85,934.48	107,914.73
Fleet Maintenance	31,284.73	87,898.94	53,163.06	34,735.88
Division of Health	12,560.64	16,301.20	4,106.56	12,194.64

Township of West Milford, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2012

	Balance, Dec. 31, 2011	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Bureau of Vital Statistics	426.80	489.35	62.55	426.80
Housing Standards Bureau	173.97	173.97		173.97
Division of Environmental Health	6,777.10	26,019.81	2,028.14	23,991.67
Environmental Commission	500.00	500.00		500.00
Recreation Programs	967.68	15,106.38	13,072.53	2,033.85
Department of Recreation	3,316.69	3,316.69	2,544.88	771.81
Hillcrest Community Center	426.26	2,343.84	1,860.04	483.80
Senior Services	560.57	1,229.79		1,229.79
Division of Park Maintenance	826.84	20,216.58	19,864.04	352.54
Bubbling Springs Recreation	1,554.03	7,282.70	5,728.67	1,554.03
Municipal Court	5,315.88	5,535.48	219.60	5,315.88
Group Insurance Plan for Employees	179,317.89	156,623.29	16,892.90	139,730.39
Other Insurance Premiums	16,950.31	16,950.31	15.32	16,934.99
Department of Building Safety	2,193.34	2,193.34		2,193.34
Celebration of Public Events	23.03	23.03		23.03
Mass Transportation	37,895.70	43,468.37	9,185.24	34,283.13
Street Lighting	10.61	10.61		10.61
Electric	27,895.65	27,895.65	14,910.94	12,984.71
Telephone	62.65	62.65		62.65
Natural Gas	40,154.61	40,218.33	9,257.14	30,961.19
Gasoline	24,835.91	29,444.55	11,739.65	17,704.90
Total Other expenses Within "CAPS"	616,052.34	1,315,770.94	478,860.93	836,910.01
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security	4,238.05	4,238.05	117.14	4,120.91
Public Employees Retirement System	198.97	198.97	127.36	71.61
Total Deferred Charges and Statutory Expenditures Within "CAPS"	4,437.02	4,437.02	244.50	4,192.52
Total Reserves Within "CAPS"	699,019.95	1,422,125.55	579,245.18	842,880.37

Township of West Milford, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2012

	Balance, Dec. 31, 2011	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
Maintenance of Public Library	78.96	78.96	78.96	
Matching Funds for Grants	0.50	0.50		0.50
Total Other Expenses Excluded from "CAPS"	79.46	79.46	78.96	0.50
Total Reserves Excluded from "CAPS"	79.46	79.46	78.96	0.50
Total Reserves	699,099.41	1,422,205.01	579,324.14	842,880.87
	A			A-1
Appropriation Reserves	Ref. above	699,099.41		
Transfer from Reserve for Encumbrances	A-15	723,105.60		
		<u>1,422,205.01</u>		
Cash Disbursements	A-4		578,662.62	
Transferred to Accounts Payable	A-20		661.52	
			<u>579,324.14</u>	

Township of West Milford, N.J.

Schedule of Amount Due from/to State of New Jersey
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976

Current Fund

Year Ended December 31, 2012

		<u>Ref.</u>	
Balance - December 31, 2011	Due From	A	3,920.66
Increased by:			
Senior Citizens' and Veterans' Deductions			
Per Tax Billings			319,500.00
Senior Citizens' and Veterans' Deductions			
Allowed by Tax Collector			2,830.14
Decreased by:			
Senior Citizens' and Veterans' Deductions			
Disallowed by Tax Collector			<u>21,308.48</u>
		A-7	<u>301,021.66</u>
			304,942.32
Cash Receipts		A-4	<u>306,181.51</u>
Balance - December 31, 2012	Due To	A	<u><u>1,239.19</u></u>

Exhibit A-15**Township of West Milford, N.J.****Schedule of Encumbrances Payable****Current Fund****Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	A	723,105.60
Increased by:		
Transfer from Current Appropriations	A-3	<u>1,020,463.28</u>
		1,743,568.88
Decreased by:		
Transferred to Appropriation Reserves	A-13	<u>723,105.60</u>
Balance - December 31, 2012	A	<u><u>1,020,463.28</u></u>

Exhibit A-16**Schedule of Prepaid Taxes****Current Fund****Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	A	367,834.97
Increased by:		
Receipts - Prepaid 2013 Taxes	A-6	<u>428,807.04</u>
		796,642.01
Decreased by:		
Applied to 2012 Taxes	A-7	<u>367,834.97</u>
Balance - December 31, 2012	A	<u><u>428,807.04</u></u>

Township of West Milford, N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011		
School Tax Deferred	<u>25,441,863.00</u>	25,441,863.00
Increased by:		
Levy School Year - July 1, 2012		
to June 30, 2013	A-7	<u>51,725,764.00</u>
		77,167,627.00
Decreased by:		
Payments	A-4	<u>51,304,750.00</u>
Balance - December 31, 2012		
School Tax Deferred	<u>25,862,877.00</u>	<u>25,862,877.00</u>
2012 Liability for Local		
District School Tax:		
Tax Paid		<u>51,304,750.00</u>
Amount Charged to 2012 Operations	A-1	<u>51,304,750.00</u>

Exhibit A-18**Township of West Milford, N.J.****Schedule of County Taxes Payable****Current Fund****Year Ended December 31, 2012**

	<u>Ref.</u>		
Balance - December 31, 2011	A		12,200.06
Increased by:			
Tax Levy -2012	A-1/A-7	19,217,175.59	
Added and Omitted Taxes	A-1/A-7	<u>195,850.38</u>	
			<u>19,413,025.97</u>
			19,425,226.03
Decreased by:			
Payments	A-4		<u>19,229,375.65</u>
Balance - December 31, 2012	A		<u><u>195,850.38</u></u>

Exhibit A-19**Schedule of Due to Garbage District****Current Fund****Year Ended December 31, 2012**

	<u>Ref.</u>		
Balance - December 31, 2011	A		518,252.60
Increased by:			
Tax Levy -2012	A-1/A-7	1,655,000.42	
Added and Omitted Taxes	A-1/A-7	<u>17,449.83</u>	
			<u>1,672,450.25</u>
			2,190,702.85
Decreased by:			
Disbursements	A-4		<u>1,650,397.65</u>
Balance - December 31, 2012	A		<u><u>540,305.20</u></u>

Township of West Milford, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2012

<u>Liabilities and Reserves</u>	<u>Balance Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2012</u>
<u>Liabilities:</u>				
Tax Overpayments	22,603.25	486,337.70	435,555.92	73,385.03
Deposits for Redemption of Tax Sale Certificates		1,049,089.19	1,018,962.33	30,126.86
Due to State of N.J. Marriage Surcharge	425.00	2,600.00	2,425.00	600.00
Due to State of N.J. Building Surcharge	3,487.00	13,459.00	13,767.00	3,179.00
Due to State of N.J. Burial Permits		10.00	10.00	
Accounts Payable	2,121.19	661.52	2,121.19	661.52
Special Emergency Note	1,000,000.00	800,000.00	1,000,000.00	800,000.00
<u>Reserves for:</u>				
FEMA	366,514.24	267,761.96	401,390.00	232,886.20
Tax Appeals		20,000.00		20,000.00
Sale of Property	847,431.14			847,431.14
911	47.45			47.45
Revaluation of Real Property	386,923.79		268,620.24	118,303.55
Technology Improvements	22,800.00	4,800.00		27,600.00
Hurricane Sandy		56,684.51		56,684.51
Hurricane Damage	210,006.08		210,006.08	
Salary Negotiations	182,150.71	38,700.67	9,381.78	211,469.60
Senior Housing	6,130.09			6,130.09
Wetlands Study	15,583.00			15,583.00
Housing Standards	12,383.25			12,383.25
Garden State Trust	81,090.00	81,090.00	81,090.00	81,090.00
	<u>3,159,696.19</u>	<u>2,821,194.55</u>	<u>3,443,329.54</u>	<u>2,537,561.20</u>
	A			A
	<u>Ref.</u>			
Lapsed to Fund Balance	A-1		596.10	
2012 Anticipated Revenue	A-2		447,590.00	
Transfer from Current Year Appropriations	A-3	76,684.51		
Receipts	A-4	1,208,421.63		
Disbursed	A-4		2,837,673.84	
Collector	A-6	1,535,426.89		
Canceled Special Emergency	A-10		157,469.60	
Transferred from Appropriation Reserves	A-13	661.52		
		<u>2,821,194.55</u>	<u>3,443,329.54</u>	

Township of West Milford, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2012

<u>Grant</u>	<u>Balance, Dec. 31, 2011</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Audit Adjustment</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2012</u>
Local Grants:						
Open Space and Farmland Trust	60,000.00					60,000.00
	60,000.00					60,000.00
Federal Grants:						
F T A	124,974.31		73,283.88			51,690.43
Greenwood Lake Anti-Phosphorous Grant	792,071.21		148,498.25			643,572.96
Greenwood Lake Characterization & Restoration	64,055.64		63,793.15			262.49
Passaic County Hewitt Brook Study	35,486.59					35,486.59
Drive Sober or Get Pulled Over	5,000.00		1,146.00			3,854.00
Juvenile Account Incentive Block Grant	5,381.00					5,381.00
Justice Assistance Grant	15,051.30					15,051.30
Buffer Zone Protection Program	90,715.00		90,706.29		8.71	0.00
Pandemic Influenza Preparedness	27,425.75					27,425.75
Police Speeding/Aggressive Driving	1,311.80					1,311.80
Obey the Signs or Pay the Fines	5,216.77					5,216.77
CDBG - Road Resurfacing	100,000.00		100,000.00			
Bullet Proof Vest Program		5,407.88	5,407.88			
Water Quality Management Grant	57,994.12					57,994.12
	1,324,683.49	5,407.88	482,835.45		8.71	847,247.21
State Grants:						
Public Health Priority Funding - 1977	2,524.00					2,524.00
NJDEP Belchers Creek Fecal Testing	2,500.00					2,500.00
Drunk Driving Enforcement Fund		7,943.52	7,943.52			
Clean Communities Program		55,639.94	55,639.94			
Handicapped Recreation Opportunities Grant	6,050.50	10,000.00	13,958.98	2,091.52		0.00
F T A	63,169.68		36,025.88			27,143.80
NJDEP Greenwood Lake Phase II	65,545.55		(3,974.45)			69,520.00
Municipal Alliance on Alcoholism and Drug Abuse	7,689.19	40,000.00	31,796.66			15,892.53
Passaic County Urban Forestry Grant						
Town Center Landscaping	2,602.00					2,602.00
Interpretive Trail Network	6,635.00					6,635.00
Passaic County / NJDEP Grant	6,120.00					6,120.00
Wonder Lake Water System Improvements	15,000.00					15,000.00
Passaic County Hewitt Brook Study	2,500.00					2,500.00
Passaic County Tire Disposal Grant	11,600.00					11,600.00
Passaic County NJ EASE	16,000.00					16,000.00
Open Space	5,230.97					5,230.97
NJDEP Grant - Recreation Trails	55,000.00				25,000.00	30,000.00
NJDEP - Storm Drain Infrastructure Inventory	2,500.00					2,500.00
NJDEP ESP Mapping	7,500.00					7,500.00
NJDEP Waste Water Management	10,000.00		4,772.50	(15,000.00)	10,000.00	10,227.50
NJ Highlands Water Protection	118,060.94			(10,639.06)		128,700.00

Township of West Milford, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2012

<u>Grant</u>	<u>Balance, Dec. 31, 2011</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Audit Adjustment</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2012</u>
State Grants: (cont.)						
PARIS Grant	9,250.00		9,249.99		0.01	0.00
Body Armor Replacement Fund		4,249.13	4,249.13			
Passaic County Cultural Heritage Grant	1,270.00	1,250.00	1,875.00		20.00	625.00
Division of Criminal Justice - Stop Grant	5,000.00					5,000.00
Hepatitis B Grant		591.00	591.00			
Recreation Program Trails Grant	20,000.00					20,000.00
Recycling Tonnage Grant		55,133.54	55,133.54			
Highland Council 2009 Planned Conf.	43,406.35			23,547.54		19,858.81
	<u>485,154.18</u>	<u>174,807.13</u>	<u>217,261.69</u>		<u>35,020.01</u>	<u>407,679.61</u>
	<u>1,869,837.67</u>	<u>180,215.01</u>	<u>700,097.14</u>		<u>35,028.72</u>	<u>1,314,926.82</u>
	A	A-2			A-24	A
		<u>Ref.</u>				
Transfer from Unappropriated Reserve for Grants		A-23	124,715.88			
Receipts		A-24	575,381.26			
			<u>700,097.14</u>			

Township of West Milford, N.J.
Schedule of Appropriated Reserves for Grants
Federal and State Grant Fund
Year Ended December 31, 2012

<u>Grant</u>	<u>Balance, Dec. 31, 2011</u>	<u>Transfer From 2012 Budget</u>	<u>Expended</u>	<u>Audit Adjustment</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2012</u>
Local Grants:						
Handicapped Recreation Opportunities Grant		2,000.00	2,000.00			
F T A	97,964.02		15,419.72			82,544.30
Municipal Alliance on Alcoholism and Drug Abuse	62,578.10	10,000.00	7,452.42			65,125.68
Open Space Grant	7,500.00					7,500.00
NJDEP ESP Mapping Grant	7,500.00					7,500.00
NJDEP Greenwood Lake Phase II	48,760.00					48,760.00
Passaic County / NJ EASE	4,000.00					4,000.00
NJDEP Grant - Recreation Trails	16,250.00			5,000.00	6,250.00	5,000.00
Recreation Trails Program Grant	10,000.00			(5,000.00)	5,000.00	10,000.00
NJDEP Grant - Storm Drain Infrastructure Inventor	2,500.00					2,500.00
NJ Health Officers Grant	2,488.48					2,488.48
West Milford Lake Infrastructure Study	1,040.00					1,040.00
Wonder Lake Water System	5,000.00					5,000.00
Passaic County Cultural Heritage Grant	5,659.00	625.00	350.00			5,934.00
Passaic County Hewitt Brook Study	2,500.00					2,500.00
Juvenile Acct. Incentive Block Grant	1,197.00					1,197.00
Open Space and Farmland Trust	60,000.00					60,000.00
	<u>334,936.60</u>	<u>12,625.00</u>	<u>25,222.14</u>		<u>11,250.00</u>	<u>311,089.46</u>
Federal Grants:						
F T A	62,729.13		29,239.41			33,489.72
Pollution Control and Management	34,256.31					34,256.31
Passaic County Hewitt Brook Study	21,889.29					21,889.29
Greenwood Lake Characterization & Restoration	8,004.91		8,004.91			
Juvenile Acct. Incentive Block Grant	4,564.31					4,564.31
Justice Assistance Grant	15,051.00					15,051.00
Water Quality Management Grant	41,474.53		13,670.03			27,804.50
Stormwater Grant	8,379.00					8,379.00
Fire Grant	47,955.83					47,955.83
Click It or Ticket	997.84					997.84
Over the Limit Under Arrest	10,558.20					10,558.20
Obeys the Signs or Pay the Fines	8,377.20					8,377.20
Drive Sober or Get Pulled Over	5,000.00		4,911.07			88.93
Greenwood Lake Anti-Phosphorous Grant	626,539.23					626,539.23
Bullet Proof Vest Program	15,997.88	5,407.88	4,680.00			16,725.76
Buffer Zone Protection Grant	64,970.04		64,961.33		8.71	
Pandemic Influenza Preparedness	21,300.91					21,300.91
	<u>998,045.61</u>	<u>5,407.88</u>	<u>125,466.75</u>		<u>8.71</u>	<u>877,978.03</u>
State Grants:						
Public Health Priority Funding - 1977	11,788.52					11,788.52
Hepatitis B Grant	12,326.47	591.00	969.00			11,948.47
Drunk Driving Enforcement Fund	18,813.92	7,943.52	8,207.20			18,550.24
Clean Communities Program	65,687.16	55,639.94	47,087.81			74,239.29
Handicapped Recreation Opportunities Grant		10,000.00	10,000.00			
Highlands Redevelopment & Tourism Grant	30,000.00					30,000.00
Highlands COAH Grant	6,852.00					6,852.00
Highlands Water Protection	147,132.82			18,432.82		128,700.00
Highland Council 2009 Planned Conformance	327.99			(18,432.82)		18,760.81
Polling Place Accessibility Grant	34,167.00					34,167.00
Tobacco Age of Sale Grant	1,080.00					1,080.00
F T A	76,763.15		15,419.72			61,343.43
Municipal Alliance on Alcoholism and Drug Abuse	6,813.04	40,000.00	45,382.59			1,430.45

Township of West Milford, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2012

Grant	Balance, Dec. 31, 2011	Transfer From 2012 Budget	Expended	Audit Adjustment	Canceled	Balance, Dec. 31, 2012
State Grants: (cont.)						
Open Space Grant	5,104.00					5,104.00
NJDEP - Bear Proof Garbage Can Study	2,386.25					2,386.25
N.J. Alcohol and Rehab	1,679.08					1,679.08
NJDOT Smart Growth Grant	1,862.33		1,862.33			
NJDEP ESP Mapping Grant	7,500.00					7,500.00
NJDEP - Postbrook S.W. Study	12,333.50					12,333.50
Passaic County Urban Forestry Grant						
Town Center Landscaping	2,162.00					2,162.00
Interpretive Trail Network	275.00					275.00
NJDEP Greenwood Lake Phase II	125,879.91		7,924.48			117,955.43
Body Armor Replacement Fund	4,745.86	4,249.13				8,994.99
Passaic County / NJ EASE	16,000.00					16,000.00
PARIS Grant	2,960.58		2,960.58			
NJDEP Grant - Recreation Trails	52,260.00		(12,740.00)	15,000.00	35,000.00	15,000.00
Recreation Trails Program Grant	5,000.00			(15,000.00)		20,000.00
NJDEP Waste Water Management	22,088.50		1,546.00		10,000.00	10,542.50
NJDEP Grant - Storm Drain Infrastructure Inventor	2,500.00					2,500.00
Small Cities	2,380.00					2,380.00
Domestic Violence	11,070.61					11,070.61
ANJEC	11,200.00					11,200.00
Tobacco Age of Sale Grant	18,436.52					18,436.52
Recycling Tonnage Grant	59,403.18	55,133.54	37,741.40			76,795.32
Wonder Lake Water System	15,000.00					15,000.00
Passaic County Cultural Heritage Grant	1,741.27	1,250.00	659.08		20.00	2,312.19
Division of Criminal Justice - Stop Grant	5,000.00					5,000.00
Passaic County Hewitt Brook Study	2,500.00					2,500.00
	<u>803,220.66</u>	<u>174,807.13</u>	<u>167,020.19</u>		<u>45,020.00</u>	<u>765,987.60</u>
	<u>2,136,202.87</u>	<u>192,840.01</u>	<u>317,709.08</u>		<u>56,278.71</u>	<u>1,955,055.09</u>
	A				A-22	A
	Ref.					
Federal and State Grants	A-3	180,215.01				
Matching Funds for Grants	A-24	12,625.00				
		<u>192,840.01</u>				
Interfund - General Capital	A-24		(17,642.30)			
Interfund - Current Fund	A-24		335,351.38			
			<u>317,709.08</u>			

Township of West Milford, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2012

<u>Grant</u>	<u>Balance, Dec. 31, 2011</u>	<u>Transfer To 2012 Budget</u>	<u>Received</u>	<u>Balance, Dec. 31, 2012</u>
Local Grants:				
Open Space and Farmland Trust			72,500.00	72,500.00
Westbrook Park			72,500.00	72,500.00
Federal Grants:				
Bulletproof Vest Grant	5,407.88	5,407.88	7,800.00	7,800.00
	5,407.88	5,407.88	7,800.00	7,800.00
State Grants:				
Recycling Tonnage Grant	55,133.54	55,133.54	61,059.52	61,059.52
Body Armor Replacement			4,352.89	4,352.89
Hepatitis B Grant	591.00	591.00	2,559.00	2,559.00
Clean Communities	55,639.94	55,639.94	55,006.54	55,006.54
Drunk Driving Enforcement Fund	7,943.52	7,943.52		
	119,308.00	119,308.00	122,977.95	122,977.95
	124,715.88	124,715.88	203,277.95	203,277.95
	A	A-21	A-24	A

Township of West Milford, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2012

		Due From/(To) Balance			Due From/(To) Balance
	<u>Ref.</u>	<u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2012</u>
Current Fund	A	512,451.65	826,312.93	391,630.09	947,134.49
General Capital Fund	A	9,940.97	17,642.30		27,583.27
Garbage District	A	<u>(131,311.54)</u>			<u>(131,311.54)</u>
		<u>391,081.08</u>	<u>843,955.23</u>	<u>391,630.09</u>	<u>843,406.22</u>
Grant Receipts	A-21		575,381.26		
Canceled Grants Receivable	A-21		35,028.72		
Matching Funds Grants	A-22		12,625.00		
Grant Expenditures	A-22		17,642.30	335,351.38	
Canceled Grant Reserves	A-22			56,278.71	
Unappropriated Reserves	A-23		<u>203,277.95</u>		
			<u>843,955.23</u>	<u>391,630.09</u>	

Township of West Milford, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2012

	Ref.	Assessment Trust Fund	Animal Control Trust Fund	Other Trust Funds	Payroll Fund	L.O.S.A.P.
Balance - December 31, 2011	B	165,711.37	65,719.92	2,268,648.80	132,157.03	1,167,750.97
Increase by Receipts:						
Prospective Assessments	B-10	17,406.95				
Interfund - Current Fund	B-11	347,235.78	1,801.22	540,389.85	7,047.82	
Interfund - General Capital	B-12	90,700.00				
Canceled and Foreclosed Assessment	B-13	12,547.95				
Bond Anticipation Notes	B-15	85,920.00				
Dog License Fees	B-20		47,252.40			
Due to State of NJ	B-21		6,909.60			
Municipal Open Space Tax	B-22			167,655.50		
Due from Vendors - Police Service	B-23			41,519.59		
Other Trust Funds	B-24			890,440.45		
Payroll Deductions Payable	B-25				15,922,922.81	
Net Assets Available for Benefits	B-27					110,352.41
Total Receipts		553,810.68	55,963.22	1,640,005.39	15,929,970.63	110,352.41
		719,522.05	121,683.14	3,908,654.19	16,062,127.66	1,278,103.38
Decreased by Disbursements:						
Payment to Current Fund -						
Anticipated Revenue	B-1	65,200.00				
Interfund - Current Fund	B-11	48,269.36		689,190.01	4,385.43	
Interfund - General Capital	B-12	85,920.00				
Assessment Bonds	B-14	124,000.00				
Bond Anticipation Notes	B-15	90,700.00				
NJDEP Loan - Pinecliff Lake	B-16	94,829.65				
NJDEP Loan - Lindy Lake	B-17	11,500.72				
NJDEP Loan - Gordon Lakes	B-18	34,254.44				
Reserve for Dog Expenditures	B-20		33,440.43			
Due to State of NJ	B-21		6,920.40			
Municipal Open Space Tax	B-22			30,375.00		
Other Trust Funds	B-24			892,573.00		
Payroll Deductions Payable	B-25				15,903,821.77	
Net Assets Available for Benefits	B-27					41,590.76
Total Disbursements		554,674.17	40,360.83	1,612,138.01	15,908,207.20	41,590.76
Balance - December 31, 2012	B	164,847.88	81,322.31	2,296,516.18	153,920.46	1,236,512.62

Exhibit B-5**Township of West Milford, N.J.****Analysis of Assessment Cash****Assessment Trust Fund****Year Ended December 31, 2012**

	<u>Ref.</u>	
Due from Current Fund	B-11	(689,511.06)
Due to General Capital	B-12	174,998.34
Pledged to Assessment Serial		
Bonds of 2004		(17,216.80)
Pledged to Bond Anticipation Notes		57,084.51
Pledged to NJDEP Loan Payable		610,476.28
Fund Balance	B-1	<u>29,016.61</u>
		<u>164,847.88</u>
		B

Exhibit B-6**Schedule of Assessment Trust Cash - Collector****Year Ended December 31, 2012**

	<u>Ref.</u>	
Received:		
Assessments Receivable	B-7	<u>278,917.41</u>
Decreased by:		
Interfund Current	B-11	<u>278,917.41</u>

Township of West Milford, N.J.

Schedule of Assessments Receivable

Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confir- mation</u>	<u>Balance Dec. 31, 2011</u>	<u>Collected</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Pledged to</u>	
						<u>BANs</u>	<u>NJ DEP Loan Reserve</u>
2001-32	Improvements to Forest Hill Park	6/18/2003	15,307.95	15,307.95			
2001-34	Improvements to Greenwich Road	10/9/2003	2,783.20	2,783.20			
2002-20	Pinecliff Lake Dam Rehabilitation	11/10/2004	645,860.80	103,926.13	541,934.67		541,934.67
2002-34	Lindy Lake Dam	2008	53,542.80	10,337.07	43,205.73		43,205.73
2003-20/							
2008-49	Improvements to Gordon Lakes Dam	11/10/2010	903,184.89	125,415.73	777,769.16		717,769.16
2008-45	Improvements to Magnolia Road	11/10/2010	107,982.82	21,147.33	86,835.49	26,835.49	60,000.00
			<u>1,728,662.46</u>	<u>278,917.41</u>	<u>1,449,745.05</u>	<u>26,835.49</u>	<u>1,302,909.56</u>
			<u>B</u>	<u>B-6</u>	<u>B</u>		<u>120,000.00</u>

Township of West Milford, N.J.

Schedule of Assessments Liens

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance		Balance Pledged to		
		Dec. 31, 2011	Dec. 31, 2012	NJ DEP Loan	BAN	Reserve
1972-04	Mt. Glen Lakes Road Improvement	3,529.20	3,529.20			3,529.20
1980-20	Improv. to Pinecliff Lake	694.50	694.50			694.50
1981-11	Improv. to Streets - Gordon Lakes	450.00	450.00			450.00
1985-20	Improv. to Papscoe, Riverside Streets	7,672.50	7,672.50			7,672.50
1987-27	Improv. to Wayside/Shadyside	299.00	299.00			299.00
1998-07	Improv. to Paterson / Hewitt	19,828.00	19,828.00			19,828.00
2001-32	Improv. To Forest Hill Park	7,658.89	7,658.89			7,658.89
2002-20	Pinecliff Lake Dam Rehabilitation	3,636.60	3,636.60	3,636.60		
2008-45	Magnolia Road	2,000.00	2,000.00		2,000.00	
2003-20/						
2008-49	Gordon Lakes Dam	6,050.00	6,050.00	6,050.00		
		51,818.69	51,818.69	9,686.60	2,000.00	40,132.09
		B	B			

Exhibit B-9

Township of West Milford, N.J.

Schedule of Assessment Liens - Interest and Costs

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	B	<u>2,865.50</u>
Balance - December 31, 2012	B	<u>2,865.50</u>

Township of West Milford, N.J.
Schedule of Prospective Assessments Funded
Year Ended December 31, 2012

<u>Improvement Description</u>	Ord. Number	Balance <u>Dec. 31, 2011</u>	Budget <u>Appropriation</u>	Balance <u>Dec. 31, 2012</u>	Balance Pledged to	
					<u>Bonds</u>	<u>Reserve</u>
Construction of Sidewalks Improvement to Greenwich Rd	1992-39	500.00		500.00		500.00
	2001-34	64,623.75	17,406.95	47,216.80	47,216.80	
		<u>65,123.75</u>	<u>17,406.95</u>	<u>47,716.80</u>	<u>47,216.80</u>	<u>500.00</u>
		B	B-4	B		

Township of West Milford, N.J.

Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2012

	Due to/(from) Balance <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2012</u>
Assessment Trust	(709,560.07)	327,186.77	347,235.78	(689,511.06)
Animal Control Trust	13,235.72	1,801.22		15,036.94
Other Trust	(70,811.53)	689,190.01	540,389.85	(219,611.69)
Payroll Fund	<u>24,764.76</u>	<u>7,047.82</u>	<u>4,385.43</u>	<u>27,427.15</u>
	<u>(742,371.12)</u>	<u>1,025,225.82</u>	<u>892,011.06</u>	<u>(866,658.66)</u>
	B			B
	<u>Ref.</u>			
Receipts - Assessment Trust	B-4		347,235.78	
Receipts - Other Trust Fund	B-4		540,389.85	
Receipts - Animal Control Trust Fund	B-4	1,801.22		
Receipts - Payroll Fund	B-4	7,047.82		
Disbursed - Assessment Trust	B-4	48,269.36		
Disbursed - Other Trust Fund	B-4	689,190.01		
Disbursed - Payroll Fund	B-4		4,385.43	
Assessment Receipts Deposited in Current	B-6	<u>278,917.41</u>		
		<u>1,025,225.82</u>	<u>892,011.06</u>	

Township of West Milford, N.J.

Schedule of Interfunds - General Capital

Trust Funds

Year Ended December 31, 2012

	Due to/(from) Balance <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2012</u>
Other Trust Fund	(14,961.25)			(14,961.25)
Assessment Trust Fund	<u>170,218.34</u>	<u>90,700.00</u>	<u>85,920.00</u>	<u>174,998.34</u>
	<u>155,257.09</u>	<u>90,700.00</u>	<u>85,920.00</u>	<u>160,037.09</u>
	B			B
	<u>Ref.</u>			
Disbursements - Assessment Trust Fund	B-4		85,920.00	
Receipts - Assessment Trust Fund	B-4	90,700.00		
		<u>90,700.00</u>	<u>85,920.00</u>	

Township of West Milford, N.J.

Schedule of Amount to be Raised By Taxation

For Canceled and Foreclosed Assessments

Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>2012</u>		<u>Balance</u>		<u>Balance</u>	
			<u>Budget</u>	<u>Appropriation</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2012</u>	<u>Loan</u>	<u>Reserves</u>
1976-25	Wonder Lakes Road Improvement	2,051.25	2,051.25					
1985-20	Improv. to Papscoe, Riverside Streets	3,622.50	3,622.50					
1998-07	Improv. to Paterson / Hewitt	6,479.20	6,479.20					
2002-20	Pinecliff Lake Dam Rehabilitation	395.00	395.00					
		<u>12,547.95</u>	<u>12,547.95</u>					
		B	B-4			B		

Township of West Milford, N.J.

Schedule of Assessment Bonds

Year Ended December 31, 2012

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding</u> <u>Dec. 31, 2012</u>	<u>Interest Rate</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Assessment Bonds of 2002	01/01/02	1,229,000.00		4.40%	104,000.00	104,000.00	
Assessment Bonds of 2004	02/15/04	190,000.00	02/15/13 02/15/14	3%-3.45%	50,000.00	20,000.00	30,000.00
					<u>154,000.00</u>	<u>124,000.00</u>	<u>30,000.00</u>
					<u>B</u>	<u>B-4</u>	<u>B</u>

Township of West Milford, N.J.

Schedule of Bond Anticipation Notes Payable

Assessment Trust Fund

Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2011	Increased	Decreased	Balance, Dec. 31, 2012
2008-45	Impr to Magnolia Road	04/17/09	04/12/13	1.50%	90,700.00	85,920.00	90,700.00	85,920.00
					<u>90,700.00</u>	<u>85,920.00</u>	<u>90,700.00</u>	<u>85,920.00</u>
					B	B-4	B-4	B

Township of West Milford, N.J.

Schedule of NJ DEP Loan Payable - Pinecliff Lake

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	B	1,154,543.16
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	B-4	<u>94,829.65</u>
Balance - December 31, 2012	B	<u><u>1,059,713.51</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
05/03/13	10,597.14	48,127.22	1,011,586.29
11/03/13	10,115.86	48,608.50	962,977.79
05/03/14	9,629.78	49,094.58	913,883.21
11/03/14	9,138.83	49,585.53	864,297.68
05/03/15	8,642.98	50,081.38	814,216.30
11/03/15	8,142.16	50,582.20	763,634.10
05/03/16	7,636.34	51,088.02	712,546.08
11/03/16	7,125.46	51,598.90	660,947.18
05/03/17	6,609.47	52,114.89	608,832.29
11/03/17	6,088.32	52,636.04	556,196.25
05/03/18	5,561.96	53,162.40	503,033.85
11/03/18	5,030.34	53,694.02	449,339.83
05/03/19	4,493.40	54,230.96	395,108.87
11/03/19	3,951.09	54,773.27	340,335.60
05/03/20	3,403.36	55,321.00	285,014.60
11/03/20	2,850.15	55,874.21	229,140.39
05/03/21	2,291.40	56,432.96	172,707.43
11/03/21	1,727.07	56,997.29	115,710.14
05/03/22	1,157.10	57,567.26	58,142.88
11/03/22	581.43	58,142.88	(0.00)
	<u>114,773.64</u>	<u>1,059,713.51</u>	

Township of West Milford, N.J.

Schedule of NJ DEP Loan Payable - Lindy Lake

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	B	125,987.37
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	B-4	<u>11,500.72</u>
Balance - December 31, 2012	B	<u><u>114,486.65</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
04/30/13	1,144.87	5,836.76	108,649.89
10/30/13	1,086.50	5,895.13	102,754.76
04/30/14	1,027.55	5,954.08	96,800.68
10/30/14	968.01	6,013.62	90,787.06
04/30/15	907.87	6,073.76	84,713.30
10/30/15	847.13	6,134.50	78,578.80
04/30/16	785.79	6,195.84	72,382.96
10/30/16	723.83	6,257.80	66,125.16
04/30/17	661.25	6,320.38	59,804.78
10/30/17	598.05	6,383.58	53,421.20
04/30/18	534.21	6,447.42	46,973.78
10/30/18	469.74	6,511.89	40,461.89
04/30/19	404.62	6,577.01	33,884.88
10/30/19	338.85	6,642.78	27,242.10
04/30/20	272.42	6,709.21	20,532.89
10/30/20	205.33	6,776.30	13,756.59
04/30/21	137.57	6,844.06	6,912.53
10/30/21	69.13	6,912.53	0.00
	<u>11,182.72</u>	<u>114,486.65</u>	

Township of West Milford, N.J.

Schedule of NJ DEP Loan Payable - Gordon Lake

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	B	783,126.72
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	B-4	<u>34,254.44</u>
Balance - December 31, 2012	B	<u>748,872.28</u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
04/10/13	7,488.72	17,384.55	731,487.73
10/10/13	7,314.88	17,558.40	713,929.33
04/10/14	7,139.29	17,733.98	696,195.35
10/10/14	6,961.95	17,911.32	678,284.03
04/10/15	6,782.84	18,090.44	660,193.59
10/10/15	6,601.94	18,271.34	641,922.25
04/10/16	6,419.22	18,454.05	623,468.20
10/10/16	6,234.68	18,638.59	604,829.61
04/10/17	6,048.30	18,824.98	586,004.63
10/10/17	5,860.05	19,013.23	566,991.40
04/10/18	5,669.91	19,203.36	547,788.04
10/10/18	5,477.88	19,395.40	528,392.64
04/10/19	5,283.93	19,589.35	508,803.29
10/10/19	5,088.03	19,785.24	489,018.05
04/10/20	4,890.18	19,983.10	469,034.95
10/10/20	4,690.35	20,182.93	448,852.02
04/10/21	4,488.52	20,384.76	428,467.26
10/10/21	4,284.67	20,588.60	407,878.66
04/10/22	4,078.79	20,794.49	387,084.17
10/10/22	3,870.84	21,002.43	366,081.74
04/10/23	3,660.82	21,212.46	344,869.28
10/10/23	3,448.69	21,424.58	323,444.70
04/10/24	3,234.45	21,638.83	301,805.87
10/10/24	3,018.06	21,855.22	279,950.65
04/10/25	2,799.51	22,073.77	257,876.88
10/10/25	2,578.77	22,294.51	235,582.37
04/10/26	2,355.82	22,517.45	213,064.92
10/10/26	2,130.65	22,742.63	190,322.29
04/10/27	1,903.22	22,970.05	167,352.24
10/10/27	1,673.52	23,199.75	144,152.49
04/10/28	1,441.52	23,431.75	120,720.74
10/10/28	1,207.21	23,666.07	97,054.67
04/10/29	970.55	23,902.73	73,151.94
10/10/29	731.52	24,141.76	49,010.18
04/10/30	490.10	24,383.17	24,627.01
10/10/30	246.27	24,627.01	0.00
	<u>146,565.65</u>	<u>748,872.28</u>	

Exhibit B-19

Township of West Milford, N.J.

Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>Collections to Surplus</u>	<u>Balance Dec. 31, 2012</u>
<u>Assessments Receivable</u>				
2001-32	Forest Hill Park	15,307.95	15,307.95	
2003-20/ 2008-49	Gordon Lakes Dam	60,000.00		60,000.00
2008-45	Magnolia Road	60,000.00		60,000.00
		<u>135,307.95</u>	<u>15,307.95</u>	<u>120,000.00</u>
<u>Foreclosed/Canceled Assessments</u>				
1976-25	Wonder Lakes Road	2,051.25	2,051.25	
1985-20	Papscoe / River	3,622.50	3,622.50	
1998-07	Paterson / Hewitt Roads	6,479.20	6,479.20	
		<u>12,152.95</u>	<u>12,152.95</u>	
<u>Assessment Liens</u>				
1972-04	Mt Glen Lakes Road	3,529.20		3,529.20
1980-20	Mt Laurel Lakes	694.50		694.50
1981-11	Gordon Lakes	450.00		450.00
1985-20	Papscoe / River	7,672.50		7,672.50
1987-27	Wayside / Shadyside	299.00		299.00
1998-07	Paterson / Hewitt Roads	19,828.00		19,828.00
2001-32	Forest Hill Park	7,658.89		7,658.89
		<u>40,132.09</u>		<u>40,132.09</u>
<u>Prospective Assessments Funded</u>				
1992-39	Construction of Sidewalks	500.00		500.00
		<u>500.00</u>		<u>500.00</u>
		<u>188,092.99</u>	<u>27,460.90</u>	<u>160,632.09</u>
		B	B-1	B

Township of West Milford, N.J.

Reserve for Animal Control Trust Fund Expenditures

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	B	52,472.20
Increased by:		
Collections		
Dog License Fees -2012		40,410.40
Late Charge Fees		6,808.00
Miscellaneous		34.00
	B-4	<u>47,252.40</u>
		99,724.60
Decreased by:		
Expenditures R.S. 4:19-1511	B-4	<u>33,440.43</u>
Balance - December 31, 2012	B	<u><u>66,284.17</u></u>

License Fees Collected

<u>Year</u>	
2011	39,633.00
2010	<u>40,159.20</u>
	<u><u>79,792.20</u></u>

Schedule of Due to State Department of Health

	<u>Ref.</u>	
Balance - December 31, 2011	B	12.00
Increased by:		
State Fees Collected	B-4	<u>6,909.60</u>
		6,921.60
Decreased by:		
Paid to State	B-4	<u>6,920.40</u>
Balance - December 31, 2012	B	<u><u>1.20</u></u>

Township of West Milford, N.J.

Reserve for Municipal Open Space

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	B	241,007.66
Increased by:		
2012 Tax Levy		160,272.00
2012 Added Taxes		1,674.01
Interest Earned		<u>5,709.49</u>
	B-4	<u>167,655.50</u>
		408,663.16
Decreased by:		
Expenditures	B-4	<u>30,375.00</u>
Balance - December 31, 2012	B	<u><u>378,288.16</u></u>

Exhibit B-23

Township of West Milford, N.J.

Schedule of Due from Vendors - Outside Police Duty

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	B	66,054.33
Increased by:		
Charges to Vendors	B-24	<u>8,378.27</u>
		74,432.60
Decreased by:		
Cash Receipts	B-4	<u>41,519.59</u>
Balance - December 31, 2012	B	<u><u>32,913.01</u></u>

Township of West Milford, N.J.

Schedule of Various Reserves and Other Trust Funds

Year Ended December 31, 2012

	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
Improvement Guarantees	551,517.51	26,811.25	48,695.21	529,633.55
Reserve for:				
Unemployment	396,783.55	18,135.31	22,677.57	392,241.29
Environmental Commission	1,035.85			1,035.85
Development Application Review Escrow	158,232.91	98,375.38	101,050.00	155,558.29
Scalla Escrow		2,039.07		2,039.07
Fire Trust		35,037.77		35,037.77
Developers Contributions	12,082.75	16,348.25		28,431.00
Heritage Committee	46,710.79	7,170.04	7,012.99	46,867.84
Premium on Tax Sale	518,450.00	651,000.00	479,370.00	690,080.00
Beautification Committee	1,300.52			1,300.52
Forest Hill Park Project	30,657.35		600.00	30,057.35
Parking Offenses Adjudication Act	824.00	62.00		886.00
Creative Playground	768.60			768.60
D.A.R.E.	13,377.72			13,377.72
Recreation	82,521.58	22,174.43	10,973.43	93,722.58
Tennis Association Fund Raiser	311.89			311.89
NJ Shares	454.00			454.00
Police Outside Services	61,436.81	8,378.27	38,551.53	31,263.55
Damaged Property	4,909.32			4,909.32
Public Defender	25,496.00	12,230.00	15,200.00	22,526.00
Tree Planting	14,950.00		14,950.00	
Forfeited Funds	2,660.04			2,660.04
Snow Removal	16,789.55			16,789.55
Fire Tower	16,127.17		16,127.17	
Sunny Blue	33,220.00			33,220.00
COAH	67,475.01	1,056.95	27,365.10	41,166.86
Future Liabilities	121,375.33		110,000.00	11,375.33
	<u>2,179,468.25</u>	<u>898,818.72</u>	<u>892,573.00</u>	<u>2,185,713.97</u>
	B		B-4	B
	Ref.			
Cash Receipts	B-4	890,440.45		
Due from Vendors - Police Outside Service	B-23	<u>8,378.27</u>		
		<u>898,818.72</u>		

Township of West Milford, N.J.

Schedule of Payroll Deductions

Payroll Fund

Year Ended December 31, 2012

	Balance <u>Dec. 31, 2011</u>	<u>Receipts</u>	<u>Disbursed</u>	Balance <u>Dec. 31, 2012</u>
Federal Withholding		1,772,489.26	1,772,489.26	
Social Security / Medicare		1,156,732.18	1,156,732.18	
State Withholding		477,204.30	477,204.30	
Unemployment Insurance	1,806.07	42,423.04	37,037.40	7,191.71
Union Dues	1,125.00	61,623.67	62,748.67	
P.E.R.S.	52,839.68	1,410,690.22	1,414,721.80	48,808.10
P.E.R.S. Contributory Insurance	3,031.26	32,611.53	33,037.51	2,605.28
P.F.R.S.	48,341.46	1,851,051.75	1,848,406.29	50,986.92
D.C.R.P.		6,628.44	6,855.16	(226.72)
Credit Union		61,221.78	61,221.78	
Insurance		50,731.51	47,099.65	3,631.86
Miscellaneous		5,947.50	5,947.50	
Garnishment	248.80	21,438.54	21,687.34	
VALIC		301,109.84	288,413.68	12,696.16
Employee Share of Medical Ins.		209,159.87	209,159.87	
Lincoln National		19,600.00	18,800.00	800.00
Net Payroll		8,442,259.38	8,442,259.38	
	<u>107,392.27</u>	<u>15,922,922.81</u>	<u>15,903,821.77</u>	<u>126,493.31</u>
	B	B-4	B-4	B

Township of West Milford, N.J.

Statement of Contributions Receivable

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	B	105,000.00
Increased by:		
Borough Contributions	B-27	<u>116,200.00</u>
Balance - December 31, 2012	B	<u><u>221,200.00</u></u>

Township of West Milford, N.J.

Statement of Net Assets Available for Benefits

Year Ended December 31, 2012

	<u>Ref.</u>		
Balance - December 31, 2011	B		1,272,750.97
Increased by:			
Township Contributions	B-26	116,200.00	
Gain/(Loss)	B-4	<u>110,352.41</u>	
			<u>226,552.41</u>
			1,499,303.38
Decreased by:			
Distributions		41,440.43	
Administrative Charges		<u>150.33</u>	
	B-4		<u>41,590.76</u>
Balance - December 31, 2012	B		<u><u>1,457,712.62</u></u>

Township of West Milford , N.J.

Schedule of General Capital Cash - Treasurer

General Capital Fund

Year Ended December 31, 2012

	<u>Ref.</u>		
Balance - December 31, 2011	C		3,343,424.31
Increased by Receipts:			
Premium on Sale of BANs	C-1	98,287.52	
Various Receivables	C-4	311,341.99	
Deferred Charges Unfunded	C-7	367,272.00	
Bond Anticipation Notes	C-9	11,866,003.00	
Capital Improvement Fund	C-11	50,000.00	
Various Reserves	C-12	573,175.00	
Interfunds	C-13	<u>905,955.47</u>	
			<u>14,172,034.98</u>
			17,515,459.29
Decreased by Disbursements:			
Fund Balance	C-1	472,200.00	
Bond Anticipation Notes	C-9	11,706,823.00	
Improvement Authorizations	C-10	2,101,873.31	
Various Reserves	C-12	202,658.62	
Interfunds	C-13	<u>800,497.51</u>	
			<u>15,284,052.44</u>
Balance - December 31, 2012	C		<u><u>2,231,406.85</u></u>

Township of West Milford , N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2012

	<u>Ref.</u>	
Fund Balance	C-1	98,297.71
Various Receivables	C-4	(743,180.39)
Capital Improvement Fund	C-11	47,531.00
Various Reserves	C-12	665,617.34
Interfund Current Fund	C-13	(115,838.20)
Interfund Other Trust Fund	C-13	14,961.25
Interfund - Assessment Trust Fund	C-13	(174,998.34)
Interfund Federal and State Grant Fund	C-13	27,583.27
Cash on Hand		81,960.96

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
1992-39	Construction of Sidewalks	(2,838.97)
1996-27	Acquisition of Land	(95,754.65)
2000-08	Various Improvements	36,325.32
2000-09	Construction of Recreation Facility	(36,034.55)
2001-21	Various Improvements	64,678.04
2002-27	Various Improvements	2,892.00
2004-07	Various Improvements	64,319.63
2005-12	Various Improvements	291,034.00
2006-17	Various Improvements	10,061.92
2007-06	Various Road Improvements	(318,951.60)
2007-18	Various Improvements	257,276.30
2008-25	Streetscape Improvements	210,960.74
2008-26	Various Facilities Improvements	202,590.12
2008-40	Various Improvements	(36,800.98)
2008-41	Various Improvements	652.63
2009-17	Various Improvements	464,093.75
2009-18	Various Improvements	32,647.43
2010-16/		
2011-04	Various Improvements	50,313.96
2010-17	Acquisition of Vehicles	2,615.00
2011-07	Improvement of Otterhole Road	(13,895.68)
2011-15	Various Improvements	427,803.15
2011-19	Various Improvements	236,014.34
2012-15	Various Improvements	479,470.35

C,C-2 2,231,406.85

Township of West Milford, N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2012

	Balance, Dec. 31, 2011	Increased by Grant Awards	Cash Received	Canceled	Balance, Dec. 31, 2012
Due from State of NJ ADA (Ord #2002-27)	52,500.00				52,500.00
Wonder Lake Water System Improvements Grant	19,000.00				19,000.00
Due from HUD - EDI Grant (Ord #2008-25)	350,000.00				350,000.00
Due from State of NJ Transportation Trust Fund					
Bikeway	59,180.39				59,180.39
Marshall Hill Road Sidewalks (Ord #2005-12)	200,000.00				200,000.00
Bike Path (Ord #2010-16)	50,000.00		50,000.00		
Traffic Signal (Ord #2010-16)	150,757.06		73,841.99	76,915.07	
Otterhole Road (Ord #2011-07)	50,000.00		50,000.00		
LaRue Road (Ord #2012-10)		250,000.00	187,500.00		62,500.00
	<u>931,437.45</u>	<u>250,000.00</u>	<u>361,341.99</u>	<u>76,915.07</u>	<u>743,180.39</u>
	C	C-11		C-11	C, C-3
Reserve for Receivables		Ref. contra	50,000.00		
Cash Receipts		C-2	311,341.99		
			<u>361,341.99</u>		

Exhibit C-5**Township of West Milford , N.J.****Schedule of Prospective Assessments****Raised by Taxation****General Capital Fund****Year Ended December 31, 2012**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2011</u>	<u>Balance, Dec. 31, 2012</u>
1992-39	Construction of Sidewalks	500.00	500.00
		<hr/>	<hr/>
		500.00	500.00
		<hr/> <hr/>	<hr/> <hr/>
		C	C

Township of West Milford , N.J.

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	C	17,645,000.00
Decreased by:		
2012 Budget Appropriation		
General Serial Bonds	C-8	<u>1,194,000.00</u>
Balance - December 31, 2012	C	<u><u>16,451,000.00</u></u>

Township of West Milford, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2012

Analysis of Balance - Dec. 31, 2012									
Ordinance Number	Improvement Description	Balance, Dec. 31, 2011	2012 Authorizations	Funded by Budget Appropriation	Authorizations Canceled	Balance, Dec. 31, 2012	Financed by		
							Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
General Improvements:									
1992-14	Improvement of Municipal Property	999.95		999.95		95,754.65		95,754.65	
1996-27	Acquisition of Land	121,206.70		25,452.05		77,576.73		36,034.55	41,542.18
2000-09	Construction Of Recreation Facility	77,576.73							
2007-06	Improvement of Various Roads	4,207,624.60		204,670.00		4,002,954.60	3,684,003.00	318,951.60	
2008-40	Various Improvements	2,465,151.43		132,920.00		2,332,231.43	2,198,380.00	36,800.98	97,050.45
2009-17	Various Improvements	2,863,550.00				2,863,550.00	2,863,550.00		
2010-16/					44,960.96				
2011-04	Various Improvements	1,142,000.00				1,097,039.04	1,097,039.04		
2011-07	Improvement of Otterhole Road	397,000.00				397,000.00	347,000.00	13,895.68	36,104.32
2011-15	Various Improvements	1,073,000.00				1,073,000.00	1,073,000.00		
2012-15	Various Improvements		1,490,000.00			1,490,000.00	500,000.00		990,000.00
Local Improvements									
1992-39	Construction of Sidewalks	2,838.97				2,838.97		2,838.97	
2008-45	Improvements to Magnolia Road	24,300.00		3,230.00		21,070.00	21,070.00		
		C	C-10,C-14	C-2	C-10	C			
		12,375,248.38	1,490,000.00	367,272.00	44,960.96	13,453,015.42	11,784,042.04	504,276.43	1,164,696.95

Township of West Milford, N.J.
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2012</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2011</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
General Bonds of 2002	01/01/02	7,409,000.00			4.40%	209,000.00	209,000.00	
General Bonds of 2004	02/15/04	2,860,000.00	02/15/13	810,000.00				
			02/15/14	795,000.00	3%-3.45%	2,390,000.00	785,000.00	1,605,000.00
General Bonds of 2006	01/15/06	5,166,000.00	01/15/13	700,000.00				
			01/15/14	800,000.00				
			01/15/15	850,000.00				
			01/15/16	1,500,000.00				
			01/15/17	1,316,000.00	3.75%-3.80%	5,166,000.00		5,166,000.00
General Bonds of 2010	04/01/10	9,880,000.00	04/01/13	50,000.00				
			04/01/14	25,000.00				
			04/01/15	850,000.00				
			04/01/16	275,000.00				
			04/01/17	525,000.00				
			04/01/18	1,900,000.00				
			04/01/19	2,005,000.00				
			04/01/20	2,050,000.00				
			04/01/21	2,000,000.00	2%-3.50%	9,880,000.00	200,000.00	9,680,000.00
						<u>17,645,000.00</u>	<u>1,194,000.00</u>	<u>16,451,000.00</u>
						<u>C</u>	<u>C-6</u>	<u>C</u>

Township of West Milford, N.J.
Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2011	Increased	Decreased	Balance, Dec. 31, 2012
2007-06	Various Improvements	04/17/09	04/12/13	1.50%	3,888,673.00	3,684,003.00	3,888,673.00	3,684,003.00
2008-40	Various Improvements	04/17/09	04/12/13	1.50%	2,331,300.00	2,198,380.00	2,331,300.00	2,198,380.00
2008-45	Impr to Magnolia Road	04/17/09	04/12/13	1.50%	61,300.00	58,070.00	61,300.00	58,070.00
2009-17	Various Improvements	04/15/10	04/12/13	1.50%	2,863,550.00	2,863,550.00	2,863,550.00	2,863,550.00
2010-16/								
2011-04	Various Improvements	10/07/11	10/04/13	1.00%	1,142,000.00	1,142,000.00	1,142,000.00	1,142,000.00
2011-07	Improvement to Otterhole Rd	10/07/11	10/04/13	1.00%	347,000.00	347,000.00	347,000.00	347,000.00
2011-15	Various Improvements	10/07/11	10/04/13	1.00%	1,073,000.00	1,073,000.00	1,073,000.00	1,073,000.00
2012-15	Various Improvements	10/04/12	10/04/13	1.00%		500,000.00		500,000.00
					C	C-2	C-2	C
					11,706,823.00	11,866,003.00	11,706,823.00	11,866,003.00

Township of West Milford, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2011		2012 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2012		
		Date	Amount	Funded	Unfunded				Funded	Unfunded	
General Improvements:											
2000-08	Various Improvements	06/21/00	1,176,200.00	36,325.32					36,325.32	41,542.18	
2000-09	Construction of Recreation Facility	06/21/00	120,000.00		42,667.18		1,125.00		64,678.04		
2001-21	Various Improvements	09/05/01	1,578,000.00	139,779.88			75,101.84		2,892.00		
2002-27	Various Improvements	08/21/02	1,604,000.00	2,892.00							
2004-07	Various Improvements	09/01/04	3,655,000.00	65,852.99			1,533.36		64,319.63		
2005-12	Various Improvements	09/07/05	3,783,225.00	292,584.00			1,550.00		291,034.00		
2006-17	Various Improvements	10/11/06	3,459,500.00	12,421.92			2,360.00		10,061.92		
2007-06	Improvement of Various Roads	03/28/07	4,688,250.00		6,354.19		6,354.19				
2007-18	Various Improvements	07/25/07	3,861,238.00	298,789.87			41,513.57		257,276.30		
2008-25	Streetscape Improvements	05/28/08	234,705.41	221,838.41			10,877.67		210,960.74		
2008-26	Various Facilities Improvements	05/28/08	320,980.80	216,972.43			14,382.31		202,590.12		
2008-40	Various Improvements	07/30/08	3,342,360.00		350,754.54		253,704.09			97,050.45	
2008-41	Various Improvements	07/30/08	89,413.00	4,425.63			3,773.00		652.63		
2009-17	Various Improvements	08/26/09	3,322,778.00								
	Acquisition of Vehicles				89,034.35		24,338.69		64,695.66		
	Purchase of Equipment				13,931.58		325.00		13,606.58		
	Improvement of Facilities				148,667.80				148,667.80		
	Improvement of Various Streets				628,756.65		492,632.94		136,123.71		
	Streetscaping			1,000.00	100,000.00				1,000.00		
				32,647.43					32,647.43		
2009-18	Various Improvements										
2010-16/	Various Improvements	12/15/10	33,000.00	1,900.00	31,100.00		30,224.00		2,776.00		
2011-04	Acquisition of Vehicles		847,000.00		47,537.96				47,537.96		
	Construction of Bike Path		388,000.00	105,016.39	107,500.00		90,640.36	121,876.03			
	Installation of Traffic Signal		27,000.00		1,400.00		1,400.00				
	Improvement of Facilities		44,750.00	44,750.00			42,135.00		2,615.00		
2010-17	Acquisition of Vehicles	12/15/10	565,000.00		86,124.45		50,020.13		36,104.32		
2011-07	Improvement to Otterhole Road	05/18/11									
2011-15	Various Improvements	07/20/11									
	Acquisition of Vehicles		486,000.00	23,300.00	462,700.00		209,101.84		276,898.16		
	Purchase of Equipment		104,000.00		88,870.00		73,133.79		15,736.21		
	Purchase of Communication Equipment		25,000.00	1,200.00	23,800.00		10,767.22		14,232.78		
	Improvement of Facilities		73,000.00	3,500.00	69,500.00		2,600.00		69,500.00		
	Purchase of Fire Department Equipment		439,000.00	21,000.00	418,000.00		388,464.00		50,536.00		

Township of West Milford, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2011		2012 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2012	
				Funded	Unfunded				Funded	Unfunded
2011-19	Various Improvements	11/09/11	318,000.00	164,300.00			(71,714.34)		236,014.34	
2012-10	Resurfacing of LaRue Road	07/17/12	250,000.00			250,000.00	250,000.00			
2012-15	Various Improvements	08/15/12	235,000.00							
	Acquisition of Vehicles		1,100,000.00			235,000.00	88,629.65		11,500.00	223,500.00
	Improvement of Various Streets		50,000.00			1,100,000.00			2,400.00	1,011,370.35
	Improvement of Drainage System		150,000.00			50,000.00			300.00	47,600.00
	Improvement of Drainage System		30,000.00			150,000.00	6,900.00		1,500.00	142,800.00
	Acquisition of First Aid Equipment					30,000.00				28,500.00
				<u>1,690,496.27</u>	<u>2,716,698.70</u>	<u>1,815,000.00</u>	<u>2,101,873.31</u>	<u>121,876.03</u>	<u>1,429,667.47</u>	<u>2,568,778.16</u>
				C	C		C-2		C	C
				Grant Award						
				Ref.						
				C-4						
				C-7						
				C-11						
				<u>75,000.00</u>						
				<u>1,815,000.00</u>						
				Deferred Charges to Future Taxation - Unfunded						
				Capital Improvement Fund						
				Ref.						
				Grants Receivable						
				C-4						
				C-7						
				<u>76,915.07</u>						
				<u>44,960.96</u>						
				<u>121,876.03</u>						

Township of West Milford , N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	C	72,531.00
Increased by:		
Budget Appropriation	C-2	<u>50,000.00</u>
		122,531.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>75,000.00</u>
Balance - December 31, 2012	C, C-3	<u><u>47,531.00</u></u>

Township of West Milford , N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2012

	Balance, <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance, <u>Dec. 31, 2012</u>
Debt Service	142,687.14	50,000.00	142,600.00	50,087.14
Various Recreation Improvements	3,500.00		3,500.00	
First Aid Equipment	3,913.00			3,913.00
Fire Emergency Equipment	34,334.12	523,175.00	36,562.46	520,946.66
Computer Equipment	27,103.16		11,885.00	15,218.16
Police Equipment	8,559.25		7,295.16	1,264.09
Fire Equipment	15,823.90		816.00	15,007.90
NJ Transportation Trust Fund				
Bikeway	<u>59,180.39</u>			<u>59,180.39</u>
	<u>295,100.96</u>	<u>573,175.00</u>	<u>202,658.62</u>	<u>665,617.34</u>
	C			C, C-3

	<u>Ref.</u>		
Cash Receipts	C-2	573,175.00	
Cash Disbursements	C-2		<u>202,658.62</u>
		<u>573,175.00</u>	<u>202,658.62</u>

Township of West Milford , N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2012

		Due From/(To) Balance			Due From/(To) Balance
	<u>Ref.</u>	<u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2012</u>
Current Fund	C	208,433.86	709,797.51	802,393.17	115,838.20
Other Trust Fund	C	(14,961.25)			(14,961.25)
Assessment Trust Fund	C	170,218.34	90,700.00	85,920.00	174,998.34
State and Federal Grant Fund	C	(9,940.97)	17,642.30		(27,583.27)
		<u>353,749.98</u>	<u>818,139.81</u>	<u>888,313.17</u>	<u>248,292.02</u>
Cash Receipts	C-2		17,642.30	888,313.17	
Cash Disbursements	C-2		<u>800,497.51</u>		
			<u>818,139.81</u>	<u>888,313.17</u>	

Township of West Milford, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2011</u>	<u>2012 Authorizations</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012 Capital Fund</u>
<u>General Improvements:</u>					
1992-14	Improvement to Municipal Property	999.95		999.95	
1996-27	Acquisition of Land	121,206.70		25,452.05	95,754.65
2000-09	Construction of Recreation Facility	77,576.73			77,576.73
2007-06	Improvement of Various Roads	318,951.60			318,951.60
2008-40	Various Improvements	133,851.43			133,851.43
2011-07	Improvement to Otterhole Rd	50,000.00			50,000.00
2012-15	Various Improvements		1,490,000.00	500,000.00	990,000.00
<u>Local Improvements:</u>					
1992-39	Construction of Sidewalks	2,838.97			2,838.97
		<u>705,425.38</u>	<u>1,490,000.00</u>	<u>526,452.00</u>	<u>1,668,973.38</u>
		<u>C-7</u>		<u>Footnote C</u>	

Exhibit G-4

Township of West Milford , N.J.

Schedule of Commitments Payable

Year Ended December 31, 2012

	<u>Ref.</u>		
Balance - December 31, 2011	G		210,534.44
Increased by:			
Encumbrances	G-3		<u>334,804.80</u>
			545,339.24
Decreased by:			
Lapse to Fund Balance	G-1	56,802.28	
Expenditures	G-5	<u>153,732.16</u>	
			<u>210,534.44</u>
Balance - December 31, 2012	G		<u><u>334,804.80</u></u>

Exhibit G-5

Schedule of Due from Current Fund

Year Ended December 31, 2012

	<u>Ref.</u>		
Balance - December 31, 2011	G		518,252.60
Increased by:			
Tax Levy	G-2	1,672,450.25	
Recycling Receipts	G-7	<u>181,521.22</u>	
			<u>1,853,971.47</u>
			2,372,224.07
Decreased by:			
Expenditures	G-3	1,678,186.71	
Commitments Payable	G-4	<u>153,732.16</u>	
			<u>1,831,918.87</u>
Balance - December 31, 2012	G		<u><u>540,305.20</u></u>

Exhibit G -6**Township of West Milford , N.J.****Schedule of Due from Federal and State Grant Fund****Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	G	<u>131,311.54</u>
Balance - December 31, 2012	G	<u>131,311.54</u>

Exhibit G -7**Schedule of Reserve for Recycling****Year Ended December 31, 2012**

	<u>Ref.</u>	
Balance - December 31, 2011	G	225,872.69
Increased by:		
Recycling Receipts	G -5	<u>181,521.22</u>
		407,393.91
Decreased by:		
2012 Anticipated Revenue	G -2	<u>225,872.69</u>
Balance - December 31, 2012	G	<u>181,521.22</u>

Township of West Milford , N.J.

Schedule of Reserve for Recycling Tonnage Grant

Year Ended December 31, 2012

	<u>Ref.</u>	
Balance - December 31, 2011	G	70,693.74
Decreased by:		
2012 Anticipated Revenue	G-2	<u>12,484.31</u>
Balance - December 31, 2012	G	<u><u>58,209.43</u></u>

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TOWNSHIP OF WEST MILFORD

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PART II

LETTER ON COMPLIANCE AND INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

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Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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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

Honorable Mayor and
Members of the Township Council
Township of West Milford
County of Passaic, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Township of West Milford in the County of Passaic as of and for the year ended December 31, 2012 and the related notes to the financial statements, and have issued our report thereon dated June 14, 2013, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



Honorable Mayor and
Members of the Township Council
Page 2.

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.

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Township of West Milford in the accompany comments and recommendations section of this report.

Compliance and Other Matters

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

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township of West Milford in the accompanying comments and recommendations section of this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of West Milford'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 West Milford's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

June 14, 2013



GENERAL COMMENTS

Contracts and Agreements

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

Effective April 17, 2000 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500. On July 1, 2010 the bid threshold was increased to \$36,000 with a qualified purchasing agent.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

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

The minutes indicate that bids were requested by public advertising for the following items:

Tanker/Pumper Fire Truck	La Rue Road Resurfacing
Road Materials	Rock Salt
Emergency Medical Vehicle	Ice Control Aggregates
Teen Center Video & Arcade Games	Snow Plowing

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

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

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

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

The statute provides the method 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 7, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"Be it Resolved by the Council of the Township of West Milford in the County of Passaic that the rate of interest to be charged and collected by the Tax Collector and her department on all unpaid and delinquent taxes be and hereby is fixed at the rate of eight per cent per annum on the first \$1,500 of the delinquency and eighteen per cent per annum on any amount, in excess of \$1,500 on all unpaid and delinquent improvement assessments, the rate of eight percent per annum on the first \$1,500 of the delinquency and twelve percent per annum on any amount in excess of \$1,500; no interest shall be charged if payment of any installment is made within 10 days after the date upon which the same become payable."

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on Marcy 27, 2012.

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>Year</u>	<u>Number of Liens</u>
2012	171
2011	154
2010	171

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens and foreclosed property 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. In addition, we used analytical review procedures to satisfy the validity of the receivables.

The result of the test, which was made as of December 31, 2012, is not yet known, but a separate report will be rendered if any irregularities develop.

The foreclosed property list should be reviewed for a possible sale of property so such properties can be added to the tax rolls.

SCHOOL TAXES PAYABLE

The amount due to the local school district, as of December 31, 2012, was verified by the school secretary.

REVENUE

Receipts from licenses, fees, permits, etc., for all departments, including the Municipal Court, were checked to the extent deemed appropriate to the records maintained.

EXPENDITURES

In connection with the expenditures, vouchers were examined to the extent deemed necessary to determine that the vouchers carried properly executed certifications as required by statute.

An examination was made of the employees' compensation records to determine that salaries were paid in conformity with amounts of salaries and wages authorized in the ordinance.

In one case, a payroll handcheck was not entered into the payroll system.

Our review of the fixed asset recording and reporting system revealed that the fixed asset report was not updated for additions and deletions during 2012. Properly maintaining the fixed asset accounting system will safeguard the Township's assets from misuse or theft.

OTHER COMMENTS

The analysis of general capital cash includes cash deficits for ordinances over five years old and there are deferred charges to future taxation - unfunded balances as of December 31 over 5 years old, where the projects have been completed. The Township has been and will continue funding these ordinances through future budget appropriations.

There are numerous old escrow and trust reserve balances that are inactive and should be returned or cancelled.

OTHER COMMENTS, (continued)

There are individual escrow balances that exceed \$5,000.00 that are not deposited in a separate bank account.

There are numerous old grant receivables and grant reserve balances that are inactive and should be spent or cancelled.

There are old receivable balances in the General Capital Fund that should be reviewed and the proper action taken.

A formal general ledger accounting system is not being maintained with the proper balances.

The actuarial report for the Township's Other Post Employment Benefits contribution was not available for audit.

Police outside duty escrow money is not being collected prior to the start of the job.

RECOMMENDATIONS

1. That all payroll handchecks be entered into the payroll system.
- 2.* That the Township's General Fixed Assets be updated for additions and deletions.
- 3.* That the cash deficits for ordinances over five years old and deferred charges to future taxation - unfunded balances over 5 years old, where the projects have been completed continue to be funded in future budgets.
- 4.* That old escrow and trust reserve balances be returned or canceled.
- 5.* That separate bank accounts be opened for escrow accounts with balances over \$5,000.
- 6.* That old grant receivable and reserve balances be reviewed and be collected, spent or canceled.
- 7.* That receivable balances in the General Capital Fund be reviewed and the proper action be taken.
- 8.* That a functioning formal general ledger be maintained.
9. That the actuarial report for the Township's Other Post Employment Benefits contribution be available for audit.
10. That a policy be put in place to collect Police outside duty escrow before the start of the job.

STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all with the exception of those marked with an "*".

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call us.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

June 14, 2013