

TOWNSHIP OF DELAWARE

COUNTY OF HUNTERDON

REPORT OF AUDIT

YEAR 2013

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TOWNSHIP OF DELAWARE
PART I
REPORT OF EXAMINATION OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
YEARS ENDED DECEMBER 31, 2013 AND 2012

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

May 15, 2014

Honorable Mayor and Members
of the Township Committee
Township of Delaware, New Jersey

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 Delaware (the Municipality), as of December 31, 2013 and 2012, the related statement of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Municipality'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.

Auditor's Responsibility

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Municipality 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 US 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 Municipality as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2013 and 2012, 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, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

William M. Colantano, Jr.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 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 and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are 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, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are 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 May 15, 2014 on our consideration of the Municipality'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 Municipality's internal control over financial reporting and compliance.



William M. Colantano, Jr.
Registered Municipal Accountant
No. 68

William M. Colantano, Jr.

FINANCIAL STATEMENTS-REGULATORY BASIS

TOWNSHIP OF DELAWARE
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
CURRENT FUND

	Ref.	Dec. 31, Year 2013	Dec. 31, Year 2012
ASSETS			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 3,864,343	\$ 5,092,197
Change Funds	A	825	175
		<u>3,865,168</u>	<u>5,092,372</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	415,485	397,912
Tax Title Liens Receivable	A-8	21,328	19,164
Revenue Accounts Receivable	A-9	10,166	3,336
Due from Other Trust Funds	A-11	31,017	26,589
Due from Grant Fund	A-12		46,037
		<u>477,996</u>	<u>493,038</u>
Deferred Charges:			
Special Emergency Authorizations	A-13	36,000	48,000
Overexpenditure Reserve for Revaluation	A-28	1,748	
		<u>37,748</u>	<u>48,000</u>
Total Regular Fund		<u>4,380,912</u>	<u>5,633,410</u>
Federal & State Grant Fund:			
Cash:			
Treasurer	A-4	19,466	45,493
Grants Receivable	A-14	289,991	399,750
Due from Regular Fund	A-30	70,556	
Total Federal & State Grant Fund		<u>380,013</u>	<u>445,243</u>
TOTAL ASSETS		<u>\$ 4,760,925</u>	<u>\$ 6,078,653</u>

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

	Ref.	Dec. 31, Year 2013	Dec. 31, Year 2012
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;A-15	\$ 104,573	\$ 136,184
Encumbrances Payable	A-16	53,670	67,720
Due to State of NJ Veterans' & Senior Citizens' Deductions	A-6	21,239	18,938
Due to Federal & State Grant Fund	A-12	70,556	
Due to Animal Control Fund	A-10		2,068
Due to General Capital Fund	A-25	4,995	718,003
Prepaid Taxes	A-17	129,784	129,694
Tax Overpayments	A-18	5,209	9,514
Regional High School Taxes Payable	A-19	1,422,003	1,482,105
Local School Tax Payable	A-20	1,624,277	1,554,954
County Tax Payable	A-21	15,941	14,237
Due County-Food Inspections	A-22	600	500
Due NJ-State Training Fees	A-23	2,154	1,328
Due NJ-Marriage License and Domestic Ptrs Fees	A-24	300	225
Due to Open Space Trust Fund	A-26	35,675	515,925
Due to Other Trust Funds	A-27	23,000	
Reserve for Revaluation	A-28		10,693
Reserve for Garden State Preservation Trust	A-29		27,412
		<u>3,513,976</u>	<u>4,689,500</u>
Reserve for Receivables	A	477,996	493,038
Fund Balance	A-1	<u>388,940</u>	<u>450,872</u>
Total Regular Fund		<u>4,380,912</u>	<u>5,633,410</u>
Federal & State Grant Fund:			
Due to General Capital Fund	A-31		1,190
Due to Regular Fund	A-30		46,037
Appropriated Reserves for Grants	A-32	380,013	383,266
Unappropriated Reserves for Grants	A-33		14,750
Total Federal & State Grant Fund		<u>380,013</u>	<u>445,243</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 4,760,925</u>	<u>\$ 6,078,653</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE-REGULATORY BASIS

	Ref.	For the Year Ending	
		Dec. 31, 2013	Dec. 31, 2012
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 395,000	\$ 414,000
Miscellaneous Revenue Anticipated	A-2	749,727	859,370
Receipts from Delinquent Taxes	A-2	335,487	340,483
Receipts from Current Taxes	A-2	18,649,706	18,796,219
Nonbudget Revenue	A-2	76,681	255,036
Other Credits to Income:			
Interfunds Returned-Net	A-2	34,109	
Tax Overpayments Canceled	A-18	280	662
Unexpended Balance of Appropriation Reserves	A-15	88,421	116,312
Total Income		<u>20,329,411</u>	<u>20,782,082</u>
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	1,545,283	1,484,338
Other Expenses	A-3	1,341,309	1,538,464
Capital Improvements	A-3	100,000	25,000
Debt Service	A-3	172,675	157,444
Deferred Charges & Statutory Expenditures	A-3	344,705	323,259
County Taxes	A-21	3,257,226	3,384,782
County Share of Added Taxes	A-21	15,941	14,237
Regional High School Taxes	A-19	5,011,929	5,080,900
Local District School Taxes	A-20	7,731,802	7,732,399
Municipal Open Space Tax	A-26	474,310	549,289
Other Debits to Income:			
Interfunds Advanced-Net			72,626
Prior Year Senior Citizen Deduction Disallowed	A-6	1,163	1,042
Total Expenditures		<u>19,996,343</u>	<u>20,363,780</u>
Regulatory Excess to Fund Balance		333,068	418,302
FUND BALANCE			
Balance January 1,	A	<u>450,872</u>	<u>446,570</u>
		783,940	864,872
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>395,000</u>	<u>414,000</u>
Balance December 31,	A	<u>\$ 388,940</u>	<u>\$ 450,872</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.	Anticipated		Realized	Excess or Deficit
		Budget	NJS 40:4-87		
Fund Balance Anticipated	A-1	\$ 395,000	\$ -	\$ 395,000	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverage	A-9	4,800		5,520	720
Fees and Permits	A-2	19,000		16,282	(2,718)
Fines and Costs:					
Municipal Court	A-9	45,000		43,372	(1,628)
Interest on Investments and Deposits	A-2	5,500		7,458	1,958
Uniform Construction Code Fees	A-9	103,000		119,760	16,760
Interest & Cost on Taxes	A-4	75,000		91,450	16,450
Energy Receipts Tax	A-9	316,688		323,337	6,649
Consolidated Municipal Property Tax Relief Aid	A-9	17,317		10,668	(6,649)
Reserve for Payment of Bonds	A-25	35,000		35,000	
Share of Court Costs-Franklin Township	A-9	30,000		29,500	(500)
Clean Communities Program	A-14		20,497	20,497	
NJ Division of Criminal Justice-Body Armor Grant	A-14		1,299	1,299	
Drunk Driving Enforcement Grant	A-14		422	422	
Department of Environmental Protection-Green Communities Grant	A-14	3,000		3,000	
Hunterdon County Historic Preservation Grant	A-14	14,750		14,750	
Garden State Trust Fund	A-29	27,412		27,412	
	A-1	696,467	22,218	749,727	31,042
Receipts from Delinquent Taxes	A-1;A-2	352,287		335,487	(16,800)
Property Tax for Support of Municipal Budget Appropriations:					
Local Tax for Municipal Purposes	A-2	2,438,000		2,558,498	120,498
Budget Totals		3,881,754	22,218	4,038,712	\$ 134,740
Nonbudget Revenues	A-1;A-2			76,681	
		\$ 3,881,754	\$ 22,218	\$ 4,115,393	
	Ref.	A-3	A-3		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
STATEMENT OF REVENUES REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

<u>Allocation of Current Tax Collections</u>	<u>Ref.</u>			
Tax Collections	A-1;A-7			\$ 18,649,706
Allocated to:				
Local District School Taxes	A-7		\$ 7,731,802	
Regional High School Taxes	A-7		5,011,929	
County Taxes	A-7		3,273,167	
Municipal Open Space Tax	A-7		<u>474,310</u>	
				<u>16,491,208</u>
Balance for Support of Municipal Budget Appropriations				2,158,498
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3			<u>400,000</u>
Realized for Support of Municipal Budget	A-2			<u>\$ 2,558,498</u>
<u>Analysis of Delinquent Tax Collections</u>				
Taxes Receivable	A-7			\$ 334,890
Tax Title Liens Receivable	A-8			<u>597</u>
Total Delinquent Tax Collections	A-2			<u>\$ 335,487</u>
<u>Interfund Analysis</u>				
	<u>Ref.</u>	<u>12/31/2013</u>	<u>12/31/2012</u>	<u>Increase (Decrease)</u>
Due from Other Trust Funds	A-11	\$ 31,017	\$ 26,589	\$ 4,428
Due from Grant Fund	A-12		46,037	(46,037)
Due from Franklin Township	A-9	<u>7,500</u>		<u>7,500</u>
		<u>\$ 38,517</u>	<u>\$ 72,626</u>	<u>\$ (34,109)</u>
	<u>Ref.</u>			A-1

TOWNSHIP OF DELAWARE
STATEMENT OF REVENUES REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

<u>Analysis of Nonbudget Revenue</u>	<u>Ref.</u>		
Treasurer:			
LOSAP Reimbursement		\$ 11,803	
Tax Collector Fees		80	
Cable TV Franchise Fee		8,165	
Veterans' & Seniors Citizens'-Administrative Fees		1,026	
Duplicate Tax Bills		70	
Mayor's Marriage Fee		50	
FEMA Prior Year Reimbursements		27,767	
Poll Rental		400	
Stockton Share of Court		1,480	
Public Assistance Close Out		6,221	
JIF Dividend		2,213	
Premium on Note Sale		168	
Tax Sale Costs		957	
Miscellaneous Other		1,864	
Various Refunds		<u>14,417</u>	
	A-2; A-4		<u>\$ 76,681</u>
<u>Interest Income Analysis</u>			
General Capital Fund	A-25	\$ 5	
Receipts	A-4	<u>7,453</u>	
	A-2		<u>\$ 7,458</u>
<u>Fees and Permits Analysis</u>			
Planning Board & Board of Adjustment		\$ 1,620	
Police Department		880	
Board of Health		10,480	
Clerk		1,147	
Assessor		135	
Other		490	
Roads		<u>1,530</u>	
	A-2; A-4		<u>\$ 16,282</u>

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

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS":						
General Government:						
Mayor and Committee:						
Salaries and Wages	\$ 11,187	\$ 11,187	\$ 11,187			
Municipal Clerk:						
Salaries and Wages	78,926	75,226	75,210	\$ 16		
Postage & Legal Advertising	15,000	15,000	11,486	3,514		
Other Expenses	41,150	41,150	40,077	1,073		
Elections:						
Other Expenses	3,600	3,600	2,911	689		
Financial Administration:						
Salaries and Wages	64,333	64,333	64,333			
Other Expenses	17,300	17,300	17,291	9		
Audit Services	26,250	26,250	26,250			
Assessment of Taxes:						
Salaries and Wages	34,679	34,679	34,679			
Maintenance of Tax Map	3,000	3,000	-	3,000		
Other Expenses	1,925	1,925	993	932		
Collection of Taxes:						
Salaries and Wages	32,358	30,158	30,140	18		
Other Expenses	8,550	3,150	3,062	88		
Legal Services and Costs:						
Other Expenses	50,000	37,700	33,064	4,636		
Municipal Prosecutor:						
Salaries and Wages	12,739	12,739	12,736	3		
Engineering Services & Costs:						
Other Expenses	10,500	10,500	8,127	2,373		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS": (Cont'd)						
General Government: (Cont'd)						
Public Buildings and Grounds:						
Salaries and Wages-Dilts Farm	\$ 13,029	\$ 13,029	\$ 12,633	\$ 396		
Salaries and Wages-Buildings & Grounds	10,119	4,319	4,096	223		
Expense of Dilts Farm	13,000	14,000	13,636	364		
Other Expenses	22,750	26,250	25,704	546		
Land Use Administration:						
Planning Board:						
Salaries and Wages	21,477	21,477	21,477			
Other Expenses	13,350	3,350	1,619	1,731		
Board of Adjustment:						
Salaries and Wages	18,403	18,403	18,403			
Other Expenses	700	1,000	894	106		
Zoning Board:						
Salaries and Wages	8,294	8,294	8,294			
Other Expenses	5,490	5,490	1,468	4,022		
Environmental Commission:						
Salaries and Wages	1,200	1,500	1,292	208		
Other Expenses	1,400	1,400	929	471		
Insurance:						
Other Insurance Premiums	430,500	430,500	430,500			
Surety Bond Premiums	1,800	1,800	1,800			
Employee Group Health	128,000	128,000	128,000			
Public Safety:						
Fire:						
Aid to Volunteer Fire Companies	49,000	49,000	48,200	800		
Supplemental Fire Service Program	2,520	2,520	2,520			

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS": (Cont'd)						
General Government: (Cont'd)						
Public Safety: (Cont'd)						
Police:						
Salaries and Wages	\$ 594,422	\$ 606,472	\$ 605,954	\$ 518		
Purchase of Police Car	30,000	30,000	29,995	5		
Other Expenses	39,750	44,350	44,349	1		
Supplemental Safe Neighborhood Prog:						
Salaries and Wages	62,635	62,635	62,632	3		
Other Expenses	3,350	3,350	3,349	1		
Office of Emergency Management:						
Salaries and Wages	12,110	12,110	12,110			
Other Expenses	4,100	4,100	2,604	1,496		
First Aid Organization-Contribution	44,120	44,120	44,120			
Streets and Roads:						
Road Repairs and Maintenance:						
Salaries and Wages	415,100	414,750	408,549	6,201		
Other Expenses	111,311	121,311	121,311			
Health and Welfare:						
Board of Health:						
Salaries and Wages	11,496	11,496	10,696	800		
Other Expenses	1,500	1,500		1,500		
Expenses of Visiting Homemakers:						
Other Expenses	500	500		500		
Municipal Court:						
Salaries and Wages	50,300	50,300	45,106	5,194		
Other Expenses	18,900	18,900	18,550	350		
Public Defender:						
Salaries and Wages	1,717	1,717	1,717			
Contribution to Senior Citizens Center	4,000	4,000	4,000			
Senior Health Services	200	200		200		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within "CAPS": (Cont'd)						
Recreation and Education:						
Board of Recreation Commissioners:						
Other Expenses	\$ 13,300	\$ 13,300	\$ 5,368	\$ 7,932		
Historical Preservation Society:						
Other Expenses	3,000	3,000		3,000		
Construction Official:						
Salaries and Wages	64,686	64,686	59,787	4,899		
Other Expenses	5,275	5,275	3,602	1,673		
Sub Code Officials:						
Plumbing Inspector:						
Salaries and Wages	10,150	10,150	10,150			
Electrical Inspector:						
Salaries and Wages	15,623	15,623	15,623			
Unclassified:						
Gasoline & Diesel Fuel	80,000	77,900	71,233	6,667		
Fuel Oil	8,000	15,100	15,040	60		
Electricity	18,000	20,350	20,293	57		
Telephone	25,000	25,000	24,610	390		
Street Lighting	6,000	6,650	4,777	1,873		
Data Processing Services:						
Other Expenses	10,000	10,000	8,704	1,296		
Total Operations Within "CAPS"	2,817,074	2,817,074	2,747,240	69,834	\$ -	\$ -
Contingent	50	50		50		
Total Operations Including Contingent Within "CAPS"	2,817,124	2,817,124	2,747,240	69,884	-	-
Detail:						
Salaries and Wages	1,544,983	1,545,283	1,526,804	18,479	-	-
Other Expenses (Including Contingent)	1,272,141	1,271,841	1,220,436	51,405	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	\$ 90,213	\$ 90,213	\$ 90,213			
Social Security System (OASI)	122,000	122,000	116,569	\$ 5,431		
State Unemployment	50	50		50		
Police and Firemens Retirement System	120,442	120,442	120,442			
Total Deferred Charges & Statutory Expenditures- Municipal Within "CAPS"	<u>332,705</u>	<u>332,705</u>	<u>327,224</u>	<u>5,481</u>	\$ -	\$ -
Total General Appropriations for Municipal Purposes within "CAPS"	<u>3,149,829</u>	<u>3,149,829</u>	<u>3,074,464</u>	<u>75,365</u>	-	-
Operations Excluded from "CAPS":						
LOSAP (Fire Company)						
Other Expenses	28,500	28,500		28,500		
NJPDES Stormwater Permit						
Street Division-Other Expenses	1,000	1,000	292	708		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Excluded from "CAPS": (Cont'd)						
Other Operations Excluded from "CAPS": (Cont'd)						
Public & Private Programs Offset by Revenues:						
NJ Division of Criminal Justice-Body Armor Grant:						
Other Expenses		\$ 1,299	\$ 1,299			
Clean Communities Program:						
Other Expenses		20,497	20,497			
Drunk Driving Enforcement Grant:						
Other Expenses		422	422			
Hunterdon County Historic Preservation Grant						
Other Expenses	\$ 14,750	14,750	14,750			
Green Communities Grant:						
Other Expenses	3,000	3,000	3,000			
Total Operations Excluded from "CAPS"	<u>47,250</u>	<u>69,468</u>	<u>40,260</u>	\$ 29,208	\$ -	\$ -
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	<u>47,250</u>	<u>69,468</u>	<u>40,260</u>	<u>29,208</u>	<u>-</u>	<u>-</u>
Capital Improve-Excluded from "CAPS":						
Capital Improvement Fund	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>			
Total Capital Improvements Excluded from "CAPS"	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	-	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Municipal Debt Service Excluded from "CAPS":						
Payment of Bond Principal	\$ 35,000	\$ 35,000	\$ 35,000			
Interest on Bonds	125,944	125,944	125,944			
Interest on Notes	11,731	11,731	11,731			
Total Dept Service Excluded from "CAPS"	<u>172,675</u>	<u>172,675</u>	<u>172,675</u>	\$ -	\$ -	\$ -
Deferred Charges Excluded from "CAPS"						
Special Emergency Authorizations-5 Years (NJ 40A:4-55)	12,000	12,000	12,000			
Total Deferred Charges Excluded from "CAPS"	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	-	-	-
Total General Approp for Municipal Purposes Excluded from "CAPS"	<u>331,925</u>	<u>354,143</u>	<u>324,935</u>	29,208	-	-
Subtotal General Appropriations	3,481,754	3,503,972	3,399,399	104,573	-	-
Reserve for Uncollected Taxes	400,000	400,000	400,000	-	-	-
Total General Appropriations	<u>\$ 3,881,754</u>	<u>\$ 3,903,972</u>	<u>\$ 3,799,399</u>	<u>\$ 104,573</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Ref.</u>	A-2	A-3	A-1;A-3	A;A-1		A-14

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

<u>Paid or Charged</u>	<u>Ref.</u>	<u>Paid or Charged</u>
Cash Disbursed	A-4	\$ 3,194,330
Reserve for Encumbrances	A-16	53,670
Reserve for Uncollected Taxes	A-2	400,000
Special Emergency Authorization	A-13	12,000
Due to General Capital Fund	A-25	100,000
Appropriated Reserve for State Grants	A-32	39,968
		<hr/> 3,799,968
Less: Budget Refunds	A-4	569
	A-3	<hr/> <u>\$ 3,799,399</u>
 <u>Appropriations</u>		
Budget	A-2	\$ 3,881,754
Added by NJSA 40A:4-87	A-2	22,218
	A-3	<hr/> <u>\$ 3,903,972</u>

TOWNSHIP OF DELAWARE
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
TRUST FUND

	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2012</u>
ASSETS			
Animal Control Fund:			
Cash-Treasurer	B-1	\$ 873	\$ 2,766
Due from Current Fund	B-4		<u>2,068</u>
		<u>873</u>	<u>4,834</u>
LOSAP (Unaudited):			
Investment	B-1	<u>256,657</u>	<u>225,860</u>
		<u>256,657</u>	<u>225,860</u>
Other Trust Funds:			
Cash-Treasurer	B-1	1,256,263	1,265,333
Due from Current Fund	B-6	58,675	515,925
Due from General Capital Fund	B-7	632,021	245,572
Loans Receivable	B-8	<u>55,141</u>	<u>55,141</u>
		<u>2,002,100</u>	<u>2,081,971</u>
TOTAL ASSETS		<u>\$ 2,259,630</u>	<u>\$ 2,312,665</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
TRUST FUND
(Continued)

		Balance	Balance
	Ref.	Dec. 31, 2013	Dec. 31, 2012
LIABILITIES AND RESERVES			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-3	\$ 873	\$ 4,826
Due to State of New Jersey	B-5		8
		873	4,834
LOSAP (Unaudited):			
Reserve for LOSAP	B-34	256,657	225,860
		256,657	225,860
Other Trust Funds:			
Due to Current Fund	B-6	31,017	26,589
Reserve for Open Space	B-9	1,427,995	1,487,926
Reserve for Loans Receivable	B-8	55,141	55,141
Reserve for Road Improvements	B-10	65,176	65,176
Reserve for Road Opening Permits	B-11	1,000	1,000
Reserve for Quarry Ordinance	B-12	2,916	2,916
Reserve for Cash Bonds	B-13	1,019	1,019
Reserve for Miscellaneous Trust	B-14	462	462
Reserve for Escrow	B-15	94,279	112,298
Reserve for Unemployment	B-16	89,822	86,627
Reserve for Recreation	B-17	7,388	26,292
Reserve for Recycling	B-18	1,707	2,962
Reserve for Sutton Burial Ground	B-19	8,402	8,401
Reserve for Dilts Farm	B-20	248	917
Reserve for Municipal Alliance	B-21	1,275	269
Reserve for Developer's Deposits-COAH	B-22	80,848	47,021
Reserve for COAH-Interest	B-23	25,854	25,841
Reserve for Insurance	B-24	15,474	15,974
Reserve for Public Defender	B-25	2,612	2,097
Reserve for POAA	B-26	12	10
Reserve for Quarry Reclamation Fund	B-27	20,554	20,546
Reserve for Tax Premiums	B-28	23,800	16,800
Reserve for Farmer's Market	B-29	2,094	1,164
Reserve for Retirement	B-30	10,007	9,992
Reserve for Snow Removal	B-31		11,777
Reserve for Payroll Withholdings	B-32	7,412	10,474
Reserve for Police Building	B-33	25,586	42,280
		2,002,100	2,081,971
TOTAL LIABILITIES AND RESERVES		\$ 2,259,630	\$ 2,312,665

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
ASSETS			
Cash	C-2	\$ 470,650	\$ 10,750
Due from Current Fund	C-5	4,995	718,003
Due from Grant Fund	C-7		1,190
Due from Delaware River Toll Bridge Commission	C-8	21,850	21,850
Deferred Charges to Future Taxation:			
Funded	C-9	7,225,000	7,477,000
Unfunded	C-10	1,537,000	967,000
TOTAL ASSETS		<u>\$ 9,259,495</u>	<u>\$ 9,195,793</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds Payable	C-16	\$ 7,225,000	\$ 7,477,000
Bond Anticipation Notes Payable	C-17	798,000	798,000
Improvement Authorizations:			
Funded	C-11	82,840	74,577
Unfunded	C-11	388,377	417,366
Due to Open Space Trust Fund	C-6	632,021	245,572
Capital Improvement Fund	C-12	15,890	69,756
Reserves For:			
Payment of Debt Service	C-13	112,979	105,000
Expansion of Municipal Building	C-14		6,134
Guard Rails	C-15	2,325	2,325
Fund Balance	C-1	2,063	63
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 9,259,495</u>	<u>\$ 9,195,793</u>
 Bonds and Notes Authorized But Not Issued	 C-18	 <u>\$ 769,000</u>	 <u>\$ 199,000</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
COMPARATIVE STATEMENT OF FUND BALANCE-REGULATORY BASIS
GENERAL CAPITAL FUND

	Ref.	For the Year Ending	
		Dec. 31, 2013	Dec. 31, 2012
Balance January 1	C	\$ 63	\$ 2,009
Increased by:			
Improvement Authorization Balances Canceled	C-11	12,000	68,054
		<u>12,063</u>	<u>70,063</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-11	10,000	70,000
Balance December 31	C	<u>\$ 2,063</u>	<u>\$ 63</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
PUBLIC ASSISTANCE TRUST FUND

	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2012</u>
ASSETS			
Cash	D-1	<u>\$ -</u>	<u>\$ 6,220</u>
TOTAL ASSETS		<u>\$ -</u>	<u>\$ 6,220</u>
RESERVES			
Reserve for Public Assistance	D-7	<u>\$ -</u>	<u>\$ 6,220</u>
TOTAL RESERVES		<u>\$ -</u>	<u>\$ 6,220</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
 GENERAL FIXED ASSETS ACCOUNT GROUP
 COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS-REGULATORY BASIS

	<u>Balance</u> <u>Dec. 31,2013</u>	<u>Balance</u> <u>Dec. 31,2012</u>
GENERAL FIXED ASSETS		
Land	\$ 1,860,804	\$ 1,860,804
Building & Building Improvements	193,191	178,143
Machinery & Equipment	2,778,635	2,579,613
Construction in Progress	<u>391,636</u>	<u>258,988</u>
	<u>\$ 5,224,266</u>	<u>\$ 4,877,548</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements-Regulatory Basis of the Township of Delaware (the Municipality) include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Municipality, as required by NJS 40A:5-5. Component units are legally separate organizations for which the Municipality is financially accountable. The Municipality is financially accountable for an organization if the Municipality appoints a voting majority of the organization's governing board and (1) the Municipality is able to significantly influence the programs or services performed or provided by the organization; or (2) the Municipality is legally entitled to or can otherwise access the organization's resources; the Municipality is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Municipality is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Municipality in that the Municipality approves the budget, the issuance of debt or the levying of taxes. There are currently no component units of the Municipality.

B. Description of Funds

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

Governmental Funds:

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

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

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

Account Groups:

General Fixed Assets Account Group - to account for all fixed assets of the Municipality. Neither infrastructure or depreciation of assets of the municipality are recorded in the group.

TOWNSHIP OF DELAWARE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Basis of Accounting

The accounting policies of the Municipality conform to the accounting principles and practices prescribed for municipalities by the State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. The aforementioned policies differ in certain respects from accounting policies generally accepted in the United States of America (GAAP). The more significant differences, which may be material, are discussed further in part D of Note 1.

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

Budget and Budgetary Procedures - the State of New Jersey has promulgated the form and procedures for the municipality's cash basis budget in the Local Budget Law (NJSA 40A:4-1). The municipality is only required to adopt budgets for the Current Fund and Utility Funds, if applicable.

The municipality must introduce and approve its annual budget no later than February 10th and adopt no later than March 20th of its budget year, unless extended by the Director of the Division of Local Government Services (the Director). All budgets shall be introduced, approved, amended and adopted by resolution passed by not less than a majority of the full membership of the governing body. The approved budget must be advertised and a public hearing must be held prior to adoption. No budget or amendment thereof shall be adopted unless the Director has certified his approval thereof.

Emergency and special emergency appropriations may be made by resolution adopted by a 2/3 vote of the full membership of the governing body. All emergency appropriations must be raised in full in the succeeding year's budget, while special emergency appropriations financed from surplus funds shall be raised in installments of a least 20% annually until fully provided for.

Transfers between current year appropriations are allowed only during the last two months of the fiscal year. Transfers between prior year appropriation reserves are allowed only during the first three months of the fiscal year.

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

TOWNSHIP OF DELAWARE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Basis of Accounting (Cont'd)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Municipality's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

Tax Title Liens - are taxes which have been put up for sale but not been purchased. The Municipality then accepts the lien which will earn 18% per annum until the lien is paid off by the property owner. The Municipality may choose to foreclose and return the property to the tax rolls.

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

Inventories of Supplies - the 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.

Deferred Charges to Future Taxation-Funded and Unfunded (Capital Fund) - upon authorization of capital projects, the Municipality establishes deferred charges for the costs of the projects that are to be raised by future taxation. Deferred charges that relate to permanent debt issued are shown as funded. All other deferred charges are shown as unfunded.

General Fixed Assets - in accordance with New Jersey Administrative Code Section 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the State of New Jersey, which differs in certain respects from generally accepted accounting principles, all local units are required to have and maintain a fixed assets accounting and reporting system. In accordance with this administrative code requirement, fixed assets acquired after December 31, 1985 shall be valued on the basis of actual cost; prior to that time, they may be valued at cost or estimated historical cost.

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.

No depreciation has been provided for in the financial statements.

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

TOWNSHIP OF DELAWARE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Departures from Generally Accepted Accounting Principles

As noted the accounting principles and practices used differ in some respects from generally accepted accounting principles (GAAP) for local governmental units. The more significant differences, which may be material, are as follows:

1. Financial Reporting Model-These statements are not based on the requirements as promulgated by GASB Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments." This statement made dramatic changes to the financial reporting requirements of state and local governments for GAAP purposes.
2. Revenues-GAAP records taxes, utility charges and other revenues as income when levied and there is no reserve for receivables for unpaid balances.
3. Expenditures-GAAP records expenditures when incurred and does not reflect appropriation reserve balances or deferred charges to future taxation.
4. Foreclosed Property-GAAP records the value of foreclosed property at the lower of cost or fair market value and would be recorded in the General Fixed Asset Account Group.
5. Interfunds-GAAP does not require offsetting reserves for Interfund receivables and resulting revenue recognition when interfunds are liquidated.
6. Inventories-GAAP requires inventories to be reported on the balance sheet at year end.
7. Fixed Assets-GAAP does not require the establishment of a reserve for amortization for utility fixed assets but does require the recording of depreciation as an operating expense of the utility.
8. Grant Accounting-GAAP requires that grants be recorded within a special revenue fund and revenues are not to be realized until earned.
9. Capital Funds-GAAP requires separate funds for the recording of capital projects and payment of debt service while New Jersey requirements incorporate these transactions within one fund.
10. Compensated absence liabilities for sick and vacation pay and for contributions to state administered pension plans are not recorded until paid
11. Losses arising from tax appeals and other contingencies are not recorded until paid.

It is not practicable to determine the effect of these differences on the financial statements.

TOWNSHIP OF DELAWARE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

State Requirements for Deposits and Investments

New Jersey statutes require each local unit to adopt a cash management plan and shall deposit and/or invest according to that plan, which shall include:

1. The designation of public depositories as defined in Section 1 of PL 1970 Ch 236 (C17:9-41) and permit deposits in designated depositories;
2. The designation of any fund that meets the requirements established pursuant to Section 8 PL 1977, Ch 396(C40A5-15.1);
3. The authorization for investments as permitted pursuant to Section 8 of PL 1977, Ch 396 (C.40A:5-15.1); or
4. Any combination of these designations or authorizations.

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:
 - Deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name.
 - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name.

As the municipality has no such investments, this disclosure is not applicable.

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the municipality has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the municipality has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the municipality has no such investments, this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the municipality may invest with any one issuer. As of December 31, 2013, the municipality had 100% of its investments in the New Jersey Cash Management Fund and with PNC Bank.

TOWNSHIP OF DELAWARE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 3: TAX ASSESSMENTS AND PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year, are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey Statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey Statutes.

NOTE 4: LONG-TERM DEBT

The Local Bond Law of the State of New Jersey governs the authorization of debt by municipalities to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded. Bond anticipation notes may also be issued to temporarily finance capital projects for periods not greater than one year and may be reissued in yearly installments not to exceed ten years. All bonds and notes issued by the municipality are general full faith and credit obligations.

Summary of Municipal Debt

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
Issued:			
General:			
Bonds and Notes	\$ 8,023,000	\$ 8,275,000	\$ 7,757,000
Authorized But Not Issued:			
General:			
Bonds and Notes	<u>769,000</u>	<u>199,000</u>	<u>492,000</u>
Bonds and Notes Issued & Authorized But Not Issued	<u>\$ 8,792,000</u>	<u>\$ 8,474,000</u>	<u>\$ 8,249,000</u>

TOWNSHIP OF DELAWARE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 4: LONG-TERM DEBT (Cont'd)

Summary of Statutory Debt Condition-Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .95%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 3,235,000	\$ 3,235,000	
Regional School District	1,622,838	1,622,838	
General Debt	<u>8,792,000</u>	<u>142,979</u>	<u>\$ 8,649,021</u>
	<u>\$ 13,649,838</u>	<u>\$ 5,000,817</u>	<u>\$ 8,649,021</u>

Net Debt \$8,649,021 divided by Equalized Valuation Basis per NJS 40A:2-2 as amended, \$909,626,362 equals .95%.

Borrowing Power Under NJS 40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal) Net Debt	<u>\$ 31,836,923</u> <u>8,649,021</u>
Remaining Borrowing Power	<u>\$ 23,187,902</u>

Changes in Long-Term Debt

During the year ended December 31, 2013, the following changes occurred in Long-Term Debt.

	<u>Balance</u> <u>Jan. 01, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Issued Debt:				
General Capital:				
Bonds	\$ 7,477,000	\$ 55,000	\$ 307,000	\$ 7,225,000
Notes	798,000			798,000
Authorized But Not Issued Debt:				
General Capital:				
Bonds and Notes	<u>199,000</u>	<u>570,000</u>		<u>769,000</u>
Total	<u>\$ 8,474,000</u>	<u>\$ 625,000</u>	<u>\$ 307,000</u>	<u>\$ 8,792,000</u>

TOWNSHIP OF DELAWARE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 4: LONG-TERM DEBT (Cont'd)

Schedule of Annual Debt Service for Principal and Interest for Outstanding Bonds

Year	General		Total
	Principal	Interest	
2014	\$ 347,000	\$ 297,691	\$ 644,691
2015	352,000	287,756	639,756
2016	357,000	277,420	634,420
2017	357,000	266,834	623,834
2018	352,000	256,084	608,084
2019-2023	1,573,000	1,114,352	2,687,352
2024-2028	930,000	875,793	1,805,793
2029-2033	1,255,000	626,295	1,881,295
2034-2038	1,702,000	272,500	1,974,500
	<u>\$ 7,225,000</u>	<u>\$ 4,274,725</u>	<u>\$ 11,499,725</u>

General Obligation Bonds-General obligation bonds at December 31, 2013 with their outstanding balances are comprised of the following individual issues:

\$4,190,000-2002 general obligation bonds due in annual installments of \$2,000 to \$232,000 beginning April 15, 2003 through Oct 15, 2022, interest at 2.00% to 5.25%	\$ 18,000
\$2,738,000-2010 general obligation bonds (Open Space Portion) due in annual installments of \$20,000 to \$191,000 beginning April 15, 2010 through Oct 15, 2038, interest at 4.55% to 5.20%	2,588,000
\$2,654-2010 general obligation bonds due in annual installments of \$20,000 to \$191,000 beginning April 15, 2010 through Oct 15, 2038, interest at 4.55% to 5.20%	2,504,000
\$2,350,000-2013 refunding bonds due in annual installments of \$235,000 to \$255,000 beginning Oct 15, 2013 through Oct 15, 2022, interest at 2.10%	<u>2,115,000</u>
	<u>\$ 7,225,000</u>

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 15, 2014, were as follows:

Current Fund	<u>\$ 350,000</u>
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TOWNSHIP OF DELAWARE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 6: SCHOOL TAXES

Local District Tax and Regional High School Tax have been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2012</u>
Balance of Tax	\$ 3,675,354	\$ 3,606,031	\$ 2,505,910	\$ 2,566,012
Deferred	<u>2,051,077</u>	<u>2,051,077</u>	<u>1,083,907</u>	<u>1,083,907</u>
Tax Payable	<u>\$ 1,624,277</u>	<u>\$ 1,554,954</u>	<u>\$ 1,422,003</u>	<u>\$ 1,482,105</u>

NOTE 7: TAXES COLLECTED IN ADVANCE

Taxes collected in advance, include discounts allowed for prepayments and the amount set forth as cash liabilities in the financial statements as follows:

	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2012</u>
	Prepaid Taxes	\$ 129,784
Less: Discount Allowed	<u>-0-</u>	<u>-0-</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 129,784</u>	<u>\$ 129,694</u>

NOTE 8: PENSIONS

Employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The three State-administered plans are:

- (1) The Public Employees' Retirement System
- (2) Defined Contribution Retirement Program
- (3) The Police and Firemen's Retirement System

The plans are considered cost sharing multiple-employer plans.

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established in January of 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 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 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

TOWNSHIP OF DELAWARE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 8: PENSIONS (Cont'd)

Significant legislation which became effective October 1, 2011 under Chapter 78, PL 2011 gradually increases the employee contribution rate for PERS members from 5.5% to 7.5% of annual compensation by July 2018. Effective July 1, 2013, the rate increased to 6.78%. After that, the rate increases each July 1st over the seven year phase-in period until reaching 7.5% effective July 1, 2018.

The State of New Jersey Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer contributory defined benefit plan which was established in July of 1944 under the provisions of NJSA 43:16A. Its designated purpose is to provide retirement, death and disability benefits to its members. Membership is mandatory for substantially all full-time county and municipal police or firemen, and state firemen or officer employees with police powers appointed after June 30, 1944. All benefits vest after ten years of service except disability benefits which vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of service up to 30 years plus 1% for years of service in excess of 30 years.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at www.nj.gov/treasury/pensions/annrpts.shtml.

The contribution policy for PERS and PFRS are set by New Jersey State Statutes and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are a percentage of annual compensation, as defined, and are currently 6.78% for PERS and 10.0% for PFRS. Funding by the municipality is at an actuarially determined rate. Three year trend information for PERS and PFRS contributions are as follows:

Year Funded	PFRS Annual Contribution	PERS Annual Contribution
2013	\$ 120,442	\$ 90,213
2012	103,508	94,947
2011	104,516	85,136

The Federal Insurance Contribution Act also covers township employees.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is available from the State Retirement System.

NOTE 9: POST-RETIREMENT BENEFITS

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

TOWNSHIP OF DELAWARE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2011
(Continued)

NOTE 9: POST-RETIREMENT BENEFITS (Cont'd)

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The Municipality adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/health-benefits.shtml>.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Municipality on a monthly basis. Premiums are funded entirely by the Municipality and are based on the type of coverage selected by the employee.

The Municipality's contributions to the SHBP for post retirement benefits for the years ended December 31, 2013, 2012, and 2011, were \$142,680, \$144,158, and \$130,926, which equaled the required benefit contribution for each year.

In addition, certain retirees were reimbursed for personally paid health benefits for the years ended December 31, 2013 \$6,630, 2012 \$7,293, and 2011 \$8,619.

NOTE 10: ACCRUED SICK AND VACATION BENEFITS

The Municipality has permitted employees to accrue vacation, sick and compensatory pay which may be taken off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$111,601. This amount, which is not considered material to the financial statements, is not reported either as an expenditure or liability.

TOWNSHIP OF DELAWARE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 11: FIXED ASSETS

The following schedule is a summarization of the changes in general fixed assets for the year ended December 31, 2013:

	Balance Dec.31, 2012	Additions	Deletions	Balance Dec.31, 2013
Sites	\$ 1,860,804			\$ 1,860,804
Building & Building Improvements	178,143	\$ 15,048		193,191
Furniture, Machinery & Equipment	2,693,853	84,782		2,778,635
Construction in Progress	126,340	265,296		391,636
	<u>\$ 4,859,140</u>	<u>\$ 365,126</u>	<u>\$ -0-</u>	<u>\$ 5,224,266</u>

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfund Receivables	Interfund Payables
Current Fund:		
Due from/to Other Trust Fund	\$ 31,017	\$ 23,000
Due to General Capital Fund		4,995
Due to Grant Fund		70,556
Due to Open Space Trust Fund		35,675
Grant Fund:		
Due from Current Fund	70,556	
Other Trust Fund:		
Due from/to Current Fund	23,000	
Open Space Trust Fund:		
Due from Current Fund	35,675	31,017
Due from General Capital	632,021	
General Capital Fund:		
Due to Open Space Trust Fund		632,021
Due from Current Fund	4,995	
	<u>\$ 797,264</u>	<u>\$ 797,264</u>

NOTE 13: LITIGATION

During the normal course of operations, lawsuits are occasionally brought against the municipality. There are presently no outstanding lawsuits that would result in a contingent liability to the Township.

TOWNSHIP OF DELAWARE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 14: RISK MANAGEMENT

The Municipality is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster.

Property and Liability Insurance – The Municipality maintains commercial insurance coverage for property, liability, and surety bonds. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

NOTE 15: CONTINGENT LIABILITIES

The Township is not economically dependent on any one business or industry located within the municipality.

NOTE 16: SUBSEQUENT EVENTS

The Municipality has evaluated subsequent events through May 15, 2014, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 “Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25”. This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the Municipality’s financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 “Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27”. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Municipality’s financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 “Government Combinations and Disposals of Government Operations”. This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the Municipality’s financial reporting.

TOWNSHIP OF DELAWARE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE (Cont'd)

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the Municipality's financial reporting.

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB Statement No. 68". This statement, which is effective for fiscal periods beginning after June 30, 2014, is not expected to have an effect on the Municipality's financial reporting.

SUPPLEMENTARY SCHEDULES

TOWNSHIP OF DELAWARE
COUNTY OF HUNTERDON
2013
CURRENT FUND

TOWNSHIP OF DELAWARE
SCHEDULE OF CURRENT FUND CASH-TREASURER

	Ref.	Regular Fund	Federal and State Grant Fund
Balance December 31, 2012	A	\$ 5,092,197	\$ 45,493
Increased by Receipts:			
Appropriation Refunds	A-3	\$ 569	
Interest on Investments & Deposits	A-2	7,453	
Non Budget Revenue	A-2	76,681	
Interest and Cost on Taxes	A-2	91,450	
Fees & Permits	A-2	16,282	
State of NJ-Veterans' & Senior Citizens' Deductions	A-6	51,296	
Taxes Receivable	A-7	18,795,230	
Tax Title Liens Receivable	A-8	597	
Revenue Accounts Receivable	A-9	524,657	
Due to Other Trust Fund	A-11	25,713	
Due to Grant Fund	A-12	116,593	
Grants Receivable	A-14		\$ 22,220
Prepaid Taxes	A-17	129,784	
Tax Overpayments	A-18	13,827	
Due County-Food Inspection Fees	A-22	2,300	
Due NJ-State Training Fees	A-23	8,468	
Due NJ-Marriage Licenses & Domestic Partnership Fees	A-24	700	
Due to General Capital Fund	A-25	710,000	
Due to Open Space Trust Fund	A-26	33,364	
Due to Other Trust Funds	A-27	23,000	
Due from Regular Fund	A-30		35
Appropriated Reserves for State Grants	A-32		10,190
		<u>20,627,964</u>	<u>32,445</u>
		25,720,161	77,938

TOWNSHIP OF DELAWARE
SCHEDULE OF CURRENT FUND CASH-TREASURER
(Continued)

	Ref.	Regular Fund	Federal and State Grant Fund
Decreased by Disbursements:			
2013 Budget Appropriations	A-3	\$ 3,194,330	
2012 Appropriation Reserves	A-15	115,483	
Construction Code Fees Refunded	A-9		
Due to Animal Control Fund	A-10	2,068	
Due from Other Trust Funds	A-11	30,141	
Due from Grant Fund	A-12		
Tax Overpayments Refunded	A-18	8,338	
Regional High School Tax Payable	A-19	5,072,031	
Local School Tax Payable	A-20	7,662,479	
County Taxes Payable	A-21	3,271,463	
Due County-Food Inspection Fees	A-22	2,200	
Due NJ-State Training Fees	A-23	7,642	
Due NJ-Marriage Licenses & Domestic Partnership Fees	A-24	625	
Due to General Capital Fund	A-25	1,488,003	
Due to Open Space Trust Fund	A-26	987,924	
Reserve for Revaluation	A-28	12,441	
Due from Regular Fund	A-30		\$ 3,871
Due to General Capital Fund	A-31		1,190
Petty Cash Issued	A	650	
Appropriated Reserves for State Grants	A-32		53,411
		<u>\$ 21,855,818</u>	<u>\$ 58,472</u>
Balance December 31, 2013	A	<u>\$ 3,864,343</u>	<u>\$ 19,466</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF CURRENT FUND CASH AND RECONCILIATION
PER NJS 40A:5.5-TREASURER

	Ref.	Regular Fund	Federal and State Grant Fund
Balance December 31, 2013	A-4	\$ 3,864,343	\$ 19,466
Increased by:			
Receipts		4,963,145	-
		<u>8,827,488</u>	<u>19,466</u>
Decreased by:			
Disbursements		5,974,763	5,095
		<u>5,974,763</u>	<u>5,095</u>
Balance March 31, 2014		<u>\$ 2,852,725</u>	<u>\$ 14,371</u>
<u>Cash Reconciliation March 31, 2014</u>			
Balance Per Statement:			
NJ Cash Management		\$ 605,189	
PNC Bank		2,270,500	\$ 14,371
		<u>2,875,689</u>	<u>14,371</u>
Add: Deposit-in-Transit		54,459	
		<u>2,930,148</u>	<u>14,371</u>
Less: Outstanding Checks		77,423	
		<u>77,423</u>	
Book Balance		<u>\$ 2,852,725</u>	<u>\$ 14,371</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO STATE OF NEW JERSEY
VETERANS' AND SENIOR CITIZENS' DEDUCTIONS

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 18,938
Increased by:			
Receipts	A-4	\$ 51,296	
Prior Year Senior Citizen Deductions Disallowed by Collector	A-1	<u>1,163</u>	
			<u>52,459</u>
			71,397
Decreased by:			
Veterans' Deductions per Tax Billings		\$ 43,750	
Veterans' Deductions Allowed by Tax Collector			
Senior Citizens' Deductions per Tax Billings		6,750	
Senior Citizens' Deductions Allowed by Tax Collector		<u>50,500</u>	
Less: Senior Citizen Deductions Disallowed by Collector		<u>342</u>	
	A-7		<u>50,158</u>
Balance December 31, 2013	A		<u>\$ 21,239</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance 12/31/2012	2013 Levy	Added 2013	Collected		Transferred to Tax Title Liens	Senior Citizens & Veterans' Deductions	Tax Overpayment Applied	Cancellations	Balance 12/31/2013
				2012	2013					
2009	\$ 8,650									\$ 8,650
2010	6,468				\$ 251					6,217
2011	24,936		\$ 219		219					24,936
2012	357,858		943		334,420					24,381
2013		\$ 18,913,262	91,380	\$ 129,694	18,460,340	\$ 2,761	\$ 50,158	\$ 9,514	\$ 874	351,301
	<u>\$ 397,912</u>	<u>\$ 18,913,262</u>	<u>\$ 92,542</u>	<u>\$ 129,694</u>	<u>\$ 18,795,230</u>	<u>\$ 2,761</u>	<u>\$ 50,158</u>	<u>\$ 9,514</u>	<u>\$ 874</u>	<u>\$ 415,485</u>
<u>Ref.</u>	A	Reserve	Reserve	A-17	A-4	A-8	A-6	A-18	Reserve	A

TOWNSHIP OF DELAWARE
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS
OF PROPERTY TAX LEVY
(Continued)

	<u>Ref.</u>		
<u>Analysis of 2013 Property Tax</u>			
Tax Yield:			
General Purpose Tax		\$ 18,913,262	
Added and Omitted Taxes		<u>91,380</u>	
	A-7		<u>\$ 19,004,642</u>
Tax Levy:			
Local District School Tax	A-2;A-20		\$ 7,731,802
Regional District School Tax	A-2;A-19		5,011,929
County Tax		\$ 2,715,453	
County Library Tax		271,510	
County Open Space Tax		270,263	
County Share of Added and Omitted Taxes		<u>15,941</u>	
Total County Taxes	A-2;A-21		3,273,167
Municipal Open Space Tax		472,000	
Municipal Open Space Share of Added and Omitted Taxes		<u>2,310</u>	
Total Municipal Open Space Tax	A-2;A-26		474,310
Municipal Purpose Tax	A-2	2,438,000	
Additional Tax Levied		<u>75,434</u>	
Total Municipal Purpose Tax			<u>2,513,434</u>
	A-7		<u>\$ 19,004,642</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 19,164
Increased by:		
Transferred from Taxes Receivable	A-7	<u>2,761</u>
		21,925
Decreased by:		
Collections	A-2; A-4	<u>597</u>
Balance December 31, 2013	A	<u><u>\$ 21,328</u></u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance Dec.31,2012</u>	<u>Accrued in 2013</u>	<u>Collected Treasurer</u>	<u>Balance Dec.31,2013</u>
Alcoholic Beverage Licenses	A-2		\$ 5,520	\$ 5,520	
Municipal Court	A-2	\$ 3,336	42,702	43,372	\$ 2,666
Share of Court Costs-Franklin Township	A-2		29,500	22,000	7,500
Energy Receipts Tax	A-2		323,337	323,337	
Consolidated Municipal Property Tax Relief Aid	A-2		10,668	10,668	
Uniform Construction Code Fees	A-2		119,760	119,760	
		<u>\$ 3,336</u>	<u>\$ 531,487</u>	<u>\$ 524,657</u>	<u>\$ 10,166</u>
	<u>Ref.</u>	A	Reserve	A-4	A

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO ANIMAL CONTROL FUND

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 2,068
Decreased by:		
Disbursements	A-4	<u>2,068</u>
Balance December 31, 2013	A	<u><u>\$ -</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM OTHER TRUST FUNDS

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 26,589
Increased by:			
Disbursements:			
Payroll Account	A-4	\$ 29,139	
Other Trust	A-4	<u>1,002</u>	
			<u>30,141</u>
			56,730
Decreased by:			
Receipts:			
Payroll Account	A-4	24,303	
Other Trust	A-4	<u>1,410</u>	
			<u>25,713</u>
Balance December 31, 2013	A		<u><u>\$ 31,017</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM/TO FEDERAL & STATE GRANT FUND

	<u>Ref.</u>	
Balance December 31, 2012 (Due from)	A	\$ 46,037
Decreased by:		
Receipts	A-4	<u>116,593</u>
Balance December 31, 2013 (Due to)	A	<u><u>\$ 70,556</u></u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF DEFERRED CHARGES NJS 40A:4-55 SPECIAL EMERGENCY AUTHORIZATIONS

Date Authorized	Purpose	Amount Authorized	1/5 of Amount Authorized	Balance 12/31/2012	Increased	Decreased	Balance 12/31/2013
3/26/2012	Revaluation of Real Property	\$ 60,000	\$ 12,000	\$ 48,000		\$ 12,000	\$ 36,000
				<u>\$ 48,000</u>	<u>\$ -</u>	<u>\$ 12,000</u>	<u>\$ 36,000</u>
				Ref. A		A-3	A

TOWNSHIP OF DELAWARE
SCHEDULE OF GRANTS RECEIVABLE

Grant	Balance 12/31/2012	Revenue in 2013	Received	Balance Canceled	Balance 12/31/2013
OES Grant	\$ 390				\$ 390
Wild & Scenic River	4,000				4,000
Sidewalk Grant	1,044				1,044
Cool Cities	23,150				23,150
Recreation Trails Program	1,414				1,414
Deleware River Joint Toll Bridge Commission-Federal Twist Road Project	125,691		\$ 70,166		55,525
NJ Department of Transportation-Meszaros Road Project	43,126		42,593		533
NJ Department of Transportation-Grafton Road Project	200,935				200,935
Clean Communities Program		\$ 20,497	20,497		
NJ Division of Criminal Justice-Body Armor Grant		1,299	1,299		
Drunk Driving Enforcement Grant		422	422		
Department of Environmental Protection-Green Communities Grant		3,000			3,000
Hunterdon County Historic Preservation Grant		14,750	14,750		
	<u>\$ 399,750</u>	<u>\$ 39,968</u>	<u>\$ 149,727</u>	<u>\$ -</u>	<u>\$ 289,991</u>
	<u>Ref.</u>	A	A-2	Below	A
Due from Regular Fund	A-30		\$ 112,757		
Unappropriated Reserves	A-33		14,750		
Receipts	A-4		22,220		
			<u>\$ 149,727</u>		

TOWNSHIP OF DELAWARE
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	Balance Dec. 31, 2012	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Municipal Clerk:					
Other Expenses:					
Postage & Advertising	\$ 1,418	\$ 1,806	\$ 389	\$ 1,417	
Miscellaneous Other Expenses	3,024	3,860	836	3,024	
Financial Administration:					
Other Expenses		364	364		
Assessment of Taxes:					
Maintenance of Tax Map	3,000	3,000	2,006	994	
Other Expenses	947	947		947	
Revenue Administration:					
Salaries and Wages	475	475	475		
Other Expenses	2,819	3,100	282	2,818	
Legal Services and Costs:					
Other Expenses	6,618	7,612	995	6,617	
Engineering Service & Costs:					
Other Expenses	300	2,857	2,557	300	
Public Building and Grounds:					
Salaries and Wages	8	8		8	
Other Expenses:					
Expenses of Dilts Farm	5,301	8,581	3,955	4,626	
Miscellaneous Other Expenses	70	1,118	1,048	70	
Planning Board:					
Other Expenses	10,171	10,227	226	10,001	

TOWNSHIP OF DELAWARE
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Balance Dec. 31, 2012	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Board of Adjustment:					
Salaries and Wages	\$ 56	\$ 56		\$ 56	
Other Expenses	7,742	7,868	\$ 296	7,572	
Zoning Board:					
Salaries and Wages	2	2		2	
Environmental Commission (RS 40:56A:-1 et seq):					
Salaries and Wages	906	906		906	
Other Expenses	15	15		15	
Insurance:					
Other Insurance Premiums	2,396	4,054	1,658	2,396	
Surety Bond Premiums	680	680		680	
Police:					
Salaries and Wages	1	1		1	
Other Expenses	4,769	20,780	16,158	4,622	
Purchase of Police Car	3,067	6,601	4,288	2,313	
Supplemental Safe Neighborhood Program:					
Salaries and Wages	2,097	2,097	271	1,826	
Other Expenses	2,646	2,646		2,646	
First Aid Organization-Contribution		5,630	5,630		
Public Defender:					
Other Expenses		300	300		
Construction Code Official:					
Salaries and Wages	23	23		23	
Other Expenses	1,715	2,590	918	1,672	
Office of Emergency Management:					
Other Expenses	501	501		501	
Road Repair and Maintenance:					
Salaries and Wages	6,685	6,685	6,684	1	
Other Expenses	5,703	28,288	28,201	87	
Board of Health:					
Salaries and Wages	609	609		609	
Other Expenses	1,261	1,261		1,261	
Sub Code Officials:					
Plumbing Inspector:					
Salaries and Wages	334	334	333	1	
Electrical Inspector:					
Salaries and Wages	13	13	13		

TOWNSHIP OF DELAWARE
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Balance Dec. 31, 2012	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Board of Recreation Commissioners:					
Other Expenses	\$ 3,488	\$ 5,794	\$ 2,306	\$ 3,488	
Historic Preservation Society:					
Other Expenses	3,000	3,000	3,000		
Unclassified:					
Utilities:					
Gasoline & Diesel Fuel	2,551	4,742	2,191	2,551	
Fuel Oil	2,647	2,647		2,647	
Electricity	9,022	10,344	1,800	8,544	
Telephone	879	2,235	1,356	879	
Street Lighting	1,432	1,454	497	957	
Data Processing Services	910	910		910	
Accumulated Sick Leave:					
Other Expenses	1,000	1,000		1,000	
Contingent	50	50		50	
Contribution to:					
State Unemployment	50	50		50	
Police and Firemens Retirement System	72	72		72	
LOSAP	34,500	34,500	26,450	8,050	
Municipal Court:					
Salaries and Wages	20	20		20	
Other Expenses	447	447		447	
NJPDES Stormwater Permit	744	744		744	
	<u>\$ 136,184</u>	<u>\$ 203,904</u>	<u>\$ 115,483</u>	<u>\$ 88,421</u>	<u>\$ -</u>
	Ref. A	Below	A-4	A-1	
Appropriation Reserves	A	\$ 136,184			
Encumbrances Payable	A-16	<u>67,720</u>			
		<u>\$ 203,904</u>			

TOWNSHIP OF DELAWARE
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 67,720
Increased by:		
2013 Budget Charges	A-3	<u>53,670</u>
		121,390
Decreased by:		
Applied to Appropriation Reserves	A-15	<u>67,720</u>
Balance December 31, 2013	A	<u><u>\$ 53,670</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 129,694
Increased by:		
Collection of 2014 Taxes	A-4	<u>129,784</u>
		259,478
Decreased by:		
Applied to 2013 Taxes Receivable	A-7	<u>129,694</u>
Balance December 31, 2013	A	<u><u>\$ 129,784</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 9,514
Increased by:		
Overpayments Received	A-4	<u>13,827</u>
		23,341
Decreased by:		
Refunded	A-4	\$ 8,338
Applied to 2013 Taxes	A-7	9,514
Overpayments Canceled	A-1	<u>280</u>
		<u>18,132</u>
Balance December 31, 2013	A	<u><u>\$ 5,209</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2012:			
School Tax Payable	A	\$ 1,482,105	
School Tax Deferred (21.12%)		<u>1,083,907</u>	\$ 2,566,012
Increased by:			
Levy-School Year July 1, 2013 to June 30, 2014	A-7		<u>5,011,929</u>
			7,577,941
Decreased by:			
Disbursements	A-4		<u>5,072,031</u>
Balance December 31, 2013:			
School Tax Payable	A	1,422,003	
School Tax Deferred (21.6%)		<u>1,083,907</u>	
			<u>\$ 2,505,910</u>
<u>2013 Liability for Regional High School Tax</u>			
Tax Paid			\$ 5,072,031
Add: Tax Payable December 31, 2013			<u>1,422,003</u>
			6,494,034
Less: Tax Payable December 31, 2012			<u>1,482,105</u>
Amount Charged to Operations	A-1		<u>\$ 5,011,929</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF LOCAL SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2012:			
School Tax Payable	A	\$ 1,554,954	
School Tax Deferred (26.52%)		<u>2,051,077</u>	
			\$ 3,606,031
Increased by:			
Levy-School Year July 1, 2013 to June 30, 2014	A-7		<u>7,731,802</u>
			11,337,833
Decreased by:			
Disbursements	A-4		<u>7,662,479</u>
Balance December 31, 2013:			
School Tax Payable	A	1,624,277	
School Tax Deferred (26.50%)		<u>2,051,077</u>	
			<u>\$ 3,675,354</u>
<u>2013 Liability for Local School Tax</u>			
Tax Paid			\$ 7,662,479
Add: Tax Payable December 31, 2013			<u>1,624,277</u>
			9,286,756
Less: Tax Payable December 31, 2012			<u>1,554,954</u>
Amount Charged to Operations	A-1		<u>\$ 7,731,802</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 14,237
Increased by:		
2013 Levy:		
County Taxes		\$ 2,715,453
County Library Tax		271,510
County Open Space Tax		270,263
County Share of Added & Omitted Taxes		<u>15,941</u>
	A-1;A-7	<u>3,273,167</u>
		3,287,404
Decreased by:		
Disbursements	A-4	<u>3,271,463</u>
Balance December 31, 2013	A	<u><u>\$ 15,941</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE COUNTY-FOOD INSPECTIONS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 500
Increased by:		
Receipts	A-4	<u>2,300</u>
		2,800
Decreased by:		
Disbursements	A-4	<u>2,200</u>
Balance December 31, 2013	A	<u><u>\$ 600</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE NJ-STATE TRAINING FEES

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 1,328
Increased by:		
Receipts	A-4	<u>8,468</u>
		9,796
Decreased by:		
Disbursements	A-4	<u>7,642</u>
Balance December 31, 2013	A	<u><u>\$ 2,154</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE NJ-MARRIAGE LICENSES & DOMESTIC PARTNERSHIP FEES

	<u>Ref.</u>		
Balance December 31, 2012	A	\$	225
Increased by:			
Receipts	A-4		700
			<u>925</u>
Decreased by:			
Disbursements	A-4		625
			<u>625</u>
Balance December 31, 2013	A	\$	<u>300</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO GENERAL CAPITAL FUND

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 718,003
Increased by:			
Receipts	A-4	\$ 710,000	
Budget Appropriation-Capital Improvement Fund	A-3	<u>100,000</u>	
			<u>810,000</u>
			1,528,003
Decreased by:			
Disbursements	A-4	1,488,003	
Interest Earned	A-2	5	
Budget Revenue-Reserve for Payment of Bonds	A-2	<u>35,000</u>	
			<u>1,523,008</u>
Balance December 31, 2013	A		<u><u>\$ 4,995</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO OPEN SPACE TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 515,925
Increased by:		
2013 Tax Levy	A-7	\$ 474,310
Receipts	A-5	<u>33,364</u>
		<u>507,674</u>
		1,023,599
Decreased by:		
Disbursements	A-4	<u>987,924</u>
Balance December 31, 2013	A	<u><u>\$ 35,675</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO OTHER TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ -
Increased by:		
Tax Premiums Received in Current Fund	A-4	<u>23,000</u>
Balance December 31, 2013	A	<u><u>\$ 23,000</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR REVALUATION

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 10,693
Increased by:		
Disbursements	A-4	<u>12,441</u>
Balance December 31, 2013 (Deferred Charge)	A	<u><u>\$ 1,748</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR GARDEN STATE
PRESERVATION TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 27,412
Decreased by:		
Anticipated as 2012 Miscellaneous Revenue	A-2	<u>27,412</u>
Balance December 31, 2013	A	<u>\$ -</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO/FROM REGULAR FUND

	<u>Ref.</u>	
Balance December 31, 2012 (Due to)	A	\$ 46,037
Increased by:		
Receipts	A-4	<u>35</u> 46,072
Decreased by:		
Grant Funds Received in Regular Fund	A14	\$ 112,757
Disbursements	A-4	<u>3,871</u>
		<u>116,628</u>
Balance December 31, 2013 (Due from)	A	<u>\$ 70,556</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO GENERAL CAPITAL FUND-GRANT FUND

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 1,190
Decreased by:		
Disbursements	A-4	<u>1,190</u>
Balance December 31, 2013	A	<u>\$ -</u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

Grant	Balance 12/31/2012	Transferred from 2013 Budget	Paid or Charged	Balance Canceled	Balance 12/31/2013
NJ Body Armor	\$ 2,572	\$ 1,299			\$ 3,871
Tree Planting	230		\$ 166		64
SLAHEOP	669		669		
Office of Emergency Management-2004	2,387		2,387		
Office of Emergency Management-2005	5,000		85		4,915
DWI	201				201
Stormwater Management	5,473				5,473
Delaware River Greenway	1,834				1,834
Cool Cities	23,150				23,150
Recreation Trails Program	1,165				1,165
Clean Communities Program-2012	14,853		12,680		2,173
Clean Communities Program-2013		20,497			20,497
Historic Preservation Grant	180		(5,707)		5,887
NJ Division of Highway Safety	3,100				3,100
NJ Forest Service-Business Stimulus Fund	7,000				7,000
FEMA Grant-Sanford Road Project	348				348
FEMA Grant-Sanford Road Project Matching Funds	1,769				1,769
FEMA Grant-Lower Creek Road Project	2,415		2,415		
FEMA Grant-Lower Creek Road Project Matching Funds	9,954		9,954		
Delaware River Joint Toll Bridge Commission-Federal Twist Road Project	119,476		514		118,962
NJ Department of Transportation-Grafton Road Project	181,490		17,058		164,432
Drunk Driving Enforcement Grant		422			422
Department of Environmental Protection-Green Communities Grant		3,000	3,000		
Hunterdon County Historic Preservation Grant		14,750			14,750
	<u>\$ 383,266</u>	<u>\$ 39,968</u>	<u>\$ 43,221</u>	<u>\$ -</u>	<u>\$ 380,013</u>
Ref.	A	A-3	Below		A
Disbursements	A-4		\$ 53,411		
Refunds	A-4		<u>10,190</u>		
			<u>\$ 43,221</u>		

TOWNSHIP OF DELAWARE
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 14,750
Decreased by:		
Applied to Grants Receivable	A-14	<u>14,750</u>
Balance December 31, 2013	A	<u>\$ -</u>

TOWNSHIP OF DELAWARE
COUNTY OF HUNTERDON
2013
TRUST FUND

TOWNSHIP OF DELAWARE
SCHEDULE OF TRUST FUND CASH-TREASURER

	Ref.	Animal Control Funds	Other Trust Funds
Balance December 31, 2012	B	\$ 2,766	\$ 1,491,193
Increased by Receipts:			
Animal Control Fund	B-3	\$ 12,100	
Animal Control Fund Contribution	B-3	200	
Due to Current Fund	B-4	4,119	
Due to State of New Jersey	B-5	2,024	
Due from Current Fund	B-6		\$ 989,895
Due from General Capital Fund	B-7		2,595,572
Reserve for Open Space	B-9		1,716
Developers' Deposits	B-15		28,663
Reserve for Unemployment	B-16		5,099
Reserve for Recreation	B-17		23,434
Reserve for Recycling	B-18		5,442
Reserve for Sutton Burial Ground	B-19		1
Reserve for Dilts Farm	B-20		1
Reserve for Municipal Alliance	B-21		24,337
Reserve for Developer's Deposits-COAH	B-22		44,514
Reserve for COAH-Interest	B-23		13
Reserve for Public Defender	B-25		515
Reserve for POAA	B-26		2
Reserve for Quarry Reclamation Fund	B-27		8
Reserve for Farmer's Market	B-29		930
Reserve for Retirement	B-30		15
Reserve for Snow Removal	B-31		8,200
Reserve for Payroll	B-32		1,882,356
Reserve for Police Building	B-33		1,175
Reserve for LOSAP	B-34		72,901
		<u>18,443</u>	<u>5,684,789</u>
		21,209	7,175,982

TOWNSHIP OF DELAWARE
SCHEDULE OF TRUST FUND CASH-TREASURER
(Continued)

	Ref.	Animal Control Funds	Other Trust Funds
Decreased by Disbursements:			
Animal Control Fund	B-3	\$ 16,253	
Due to Current Fund	B-4	2,051	
Due to State of New Jersey	B-5	2,032	
Due from Current Fund	B-6		\$ 2,877
Due from General Capital Fund	B-7		2,982,021
Reserve for Open Space	B-9		569,322
Developers' Deposits	B-15		46,682
Reserve for Unemployment	B-16		1,904
Reserve for Recreation	B-17		42,338
Reserve for Recycling	B-18		6,697
Reserve for Dilts Farm	B-20		670
Reserve for Municipal Alliance	B-21		23,331
Reserve for Developer's Deposits-COAH	B-22		10,687
Reserve for Tax Sale Premiums	B-28		16,000
Reserve for Snow Removal	B-31		19,977
Reserve for Payroll	B-32		1,880,583
Reserve for Police Building	B-33		17,869
Reserve for LOSAP	B-34		42,104
		<u>\$ 20,336</u>	<u>\$ 5,663,062</u>
Balance December 31, 2013	B;B-2	<u>\$ 873</u>	<u>\$ 1,512,920</u>
Analysis of Other:			
Other Trust Funds Cash	B		\$ 1,256,263
LOSAP Investments	B		<u>256,657</u>
			<u>\$ 1,512,920</u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF TRUST FUND CASH AND RECONCILIATION
 PER NJS 40A:5-5-TREASURER

	Ref.	Animal Control Funds	Other Trust Funds
Balance December 31, 2013	B-1	\$ 873	\$ 1,512,920
Increased by:			
Receipts		10,985	427,684
		11,858	1,940,604
Decreased by:			
Disbursements		5,714	389,157
Balance March 31, 2014		\$ 6,144	\$ 1,551,447
 <u>Cash Reconciliation March 31, 2014</u>			
Balance Per Statement:			
PNC Bank		\$ 6,080	\$ 1,026,120
Lincoln Investments			281,323
New Jersey Cash Management			248,859
		6,080	1,556,302
Add: Deposit-in-Transit		64	
		6,144	1,556,302
Less: Outstanding Checks			4,855
Book Balance		\$ 6,144	\$ 1,551,447

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 4,826
Increased by Receipts:		
Animal Control Fees	B-1	\$ 12,100
Contributions	B-1	<u>200</u>
		<u>12,300</u>
		17,126
Decreased by:		
Expenditures Under RS 4:119.15.	B-1	<u>16,253</u>
Balance December 31, 2013	B	<u>\$ 873</u>
<u>Animal Control Collections</u>		
2011		\$ 12,518
2012		<u>15,512</u>
Maximum Allowable Reserve		<u>\$ 28,030</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM CURRENT FUND
ANIMAL CONTROL FUND

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 2,068
Increased by:		
Disbursements	B-1	<u>2,051</u>
		4,119
Decreased by:		
Receipts	B-1	<u>4,119</u>
Balance December 31, 2013	B	<u>\$ -</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 8
Increased by:		
State Fees Collected	B-1	<u>2,024</u>
		2,032
Increased by:		
Disbursements	B-1	<u>2,032</u>
Balance December 31, 2013	B	<u>\$ -</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM/TO CURRENT FUND
OTHER TRUST FUNDS

	<u>Ref.</u>		
Balance December 31, 2012	B		\$ 489,336
Increased by:			
Open Space Trust Tax Levy	B-9	\$ 474,310	
Open Space Trust Disbursements in Current	B-9	1,052,435	
Tax Sale Premiums Received in Current Fund	B-28	23,000	
Disbursements-Other Trust Funds	B-1	<u>2,877</u>	
			<u>1,552,622</u>
			2,041,958
Decreased by:			
Receipts-Open Space Trust	B-1	987,925	
Open Space Trust Receipts in Current	B-9	1,019,070	
Other Trust Funds Disbursed in Current	B-6	500	
Receipts-Other Trust Funds	B-1	1,970	
Payroll Withholdings	B-32	<u>4,835</u>	
			<u>2,014,300</u>
Balance December 31, 2013	B		<u><u>\$ 27,658</u></u>

<u>Analysis of Balance</u>	<u>Dec. 31,</u> <u>2013</u>	<u>Dec. 31,</u> <u>2012</u>
Open Space Trust-Due From	\$ 35,675	\$ 515,925
Other Trust Funds-Due From		500
Tax Premiums-Due From	23,000	
Other Trust Funds-Due To	(1,879)	(2,786)
Payroll Withholdings-Due to	<u>(29,138)</u>	<u>(24,303)</u>
	<u><u>\$ 27,658</u></u>	<u><u>\$ 489,336</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM GENERAL CAPITAL FUND

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 245,572
Increased by:		
Disbursements	B-1	<u>2,982,021</u>
		3,227,593
Decreased by:		
Receipts	B-1	<u>2,595,572</u>
Balance December 31, 2013	B	<u><u>\$ 632,021</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF LOANS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2012	B	<u>\$ 55,141</u>
Balance December 31, 2013	B	<u><u>\$ 55,141</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR OPEN SPACE

	<u>Ref.</u>		
Balance December 31, 2012	B		\$ 1,487,926
Increased by:			
2013 Municipal Open Space Tax Levy	B-6	\$ 474,310	
Receipts in Current Fund	B-6	1,052,435	
Receipts	B-1	<u>1,716</u>	
			<u>1,528,461</u>
			3,016,387
Decreased by:			
Disbursements	B-1	569,322	
Disbursements in Current Fund	B-6	<u>1,019,070</u>	
			<u>1,588,392</u>
Balance December 31, 2013	B		<u>\$ 1,427,995</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ROAD IMPROVEMENTS

	<u>Ref.</u>		
Balance December 31, 2012	B		<u>\$ 65,176</u>
Balance December 31, 2013	B		<u>\$ 65,176</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ROAD OPENING PERMITS

	<u>Ref.</u>	
Balance December 31, 2012	B	<u>\$ 1,000</u>
Balance December 31, 2013	B	<u><u>\$ 1,000</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR QUARRY ORDINANCE

	<u>Ref.</u>	
Balance December 31, 2012	B	<u>\$ 2,916</u>
Balance December 31, 2013	B	<u><u>\$ 2,916</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR CASH BONDS

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ <u>1,019</u>
Balance December 31, 2013	B	\$ <u><u>1,019</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ <u>462</u>
Balance December 31, 2013	B	\$ <u><u>462</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ESCROW

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 112,298
Increased by:		
Receipts	B-1	28,663
		<u>140,961</u>
Decreased by:		
Disbursements	B-1	46,682
		<u>46,682</u>
Balance December 31, 2013	B	<u>\$ 94,279</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR UNEMPLOYMENT

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 86,627
Increased by:		
Receipts	B-1	5,099
		<u>91,726</u>
Decreased by:		
Disbursements	B-1	1,904
		<u>1,904</u>
Balance December 31, 2013	B	<u>\$ 89,822</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR RECREATION

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 26,292
Increased by:		
Receipts	B-1	23,434
		<u>49,726</u>
Decreased by:		
Disbursements	B-1	42,338
		<u>42,338</u>
Balance December 31, 2013	B	<u>\$ 7,388</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR RECYCLING

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 2,962
Increased by:		
Receipts	B-1	5,442
		<u>8,404</u>
Decreased by:		
Disbursements	B-1	6,697
		<u>6,697</u>
Balance December 31, 2013	B	<u>\$ 1,707</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR SUTTON BURIAL GROUND

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 8,401
Increased by:		
Receipts	B-1	<u>1</u>
Balance December 31, 2013	B	<u>\$ 8,402</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR DILTS FARM

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 917
Increased by:		
Receipts	B-1	<u>1</u>
		918
Decreased by:		
Disbursements	B-1	<u>670</u>
Balance December 31, 2013	B	<u>\$ 248</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 269
Increased by:		
Receipts	B-1	<u>24,337</u>
		24,606
Decreased by:		
Disbursements	B-1	<u>23,331</u>
Balance December 31, 2013	B	<u><u>\$ 1,275</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR DEVELOPER'S DEPOSITS-COAH

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 47,021
Increased by:		
Receipts	B-1	<u>44,514</u>
		91,535
Decreased by:		
Disbursements	B-1	<u>10,687</u>
Balance December 31, 2013	B	<u><u>\$ 80,848</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR COAH-INTEREST

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 25,841
Increased by:		
Receipts	B-1	<u>13</u>
Balance December 31, 2013	B	<u>\$ 25,854</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR INSURANCE

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 15,974
Increased by:		
Expenditures in Current Fund	B-6	<u>500</u>
Balance December 31, 2013	B	<u>\$ 15,474</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 2,097
Increased by:		
Receipts	B-1	<u>515</u>
Balance December 31, 2013	B	<u><u>\$ 2,612</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR POAA

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 10
Increased by:		
Receipts	B-1	<u>2</u>
Balance December 31, 2013	B	<u><u>\$ 12</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR QUARRY RECLAMATION FUND

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 20,546
Increased by:		
Receipts	B-1	<u>8</u>
Balance December 31, 2013	B	<u>\$ 20,554</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR TAX PREMIUMS

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 16,800
Increased by:		
Premiums Received in Current Fund	B-6	<u>23,000</u>
		39,800
Decreased by:		
Disbursements	B-1	<u>16,000</u>
Balance December 31, 2013	B	<u>\$ 23,800</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR FARMER'S MARKET

	<u>Ref.</u>		
Balance December 31, 2012	B	\$	1,164
Increased by:			
Receipts	B-1		<u>930</u>
Balance December 31, 2013	B	\$	<u><u>2,094</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR RETIREMENT

	<u>Ref.</u>		
Balance December 31, 2012	B	\$	9,992
Increased by:			
Receipts	B-1		<u>15</u>
Balance December 31, 2013	B	\$	<u><u>10,007</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR SNOW REMOVAL

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 11,777
Increased by:		
Receipts	B-1	<u>8,200</u>
		19,977
Decreased by:		
Disbursements	B-1	<u>19,977</u>
Balance December 31, 2013	B	<u><u>\$ -</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PAYROLL WITHHOLDINGS

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 10,474
Increased by:		
Receipts	B-1	<u>1,882,356</u>
		1,892,830
Decreased by:		
Disbursements	B-1	\$ 1,880,583
Due to Current Fund	B-6	<u>4,835</u>
		<u>1,885,418</u>
Balance December 31, 2013	B	<u><u>\$ 7,412</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR POLICE BUILDING

	<u>Ref.</u>		
Balance December 31, 2012	B	\$	42,280
Increased by:			
Contributions Received	B-1		1,175
			<u>43,455</u>
Decreased by:			
Disbursements	B-1		17,869
			<u>17,869</u>
Balance December 31, 2013		\$	<u><u>25,586</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR LOSAP
(Unaudited)

	<u>Ref.</u>			
Balance December 31, 2012	B	\$		225,860
Increased by:				
Municipal Contributions	B-1	\$	26,450	
Appreciation of Assets	B-1		<u>46,451</u>	
				<u>72,901</u>
				298,761
Decreased by:				
Withdrawals	B-1		28,872	
Refunds	B-1		11,803	
Service Fees	B-1		<u>1,429</u>	
				<u>42,104</u>
Balance December 31, 2013	B	\$		<u><u>256,657</u></u>

**TOWNSHIP OF DELAWARE
COUNTY OF HUNTERDON
2013
GENERAL CAPITAL FUND**

TOWNSHIP OF DELAWARE
SCHEDULE OF GENERAL CAPITAL FUND CASH-TREASURER

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 10,750
Increased by Receipts:		
Due from Current Fund	C-5	\$ 1,488,016
Due to Open Space Trust Fund	C-6	675,000
Due from Grant Fund	C-7	<u>1,190</u>
		<u>2,164,206</u>
		2,174,956
Decreased by Disbursements:		
Due from Current Fund	C-5	710,008
Due to Open Space Trust Fund	C-6	245,572
Improvement Authorizations	C-11	<u>748,726</u>
		<u>1,704,306</u>
Balance December 31, 2013	C;C-3	<u><u>\$ 470,650</u></u>

C-3

TOWNSHIP OF DELAWARE
SCHEDULE OF GENERAL CAPITAL FUND CASH AND RECONCILIATION
PER NJS 40A:5-5 TREASURER

	<u>Ref.</u>	
Balance December 31, 2013	C-2	\$ 470,650
Increased by:		
Receipts		<u>11</u>
		470,661
Decreased by:		
Disbursements		<u>26,707</u>
Balance March 31, 2014		<u><u>\$ 443,954</u></u>
<u>Cash Reconciliation March 31, 2014</u>		
Balance Per Statement:		
PNC Bank		\$ 441,520
New Jersey Cash Management		<u>9,314</u>
		450,834
Less: Outstanding Checks		<u>6,880</u>
Book Balance		<u><u>\$ 443,954</u></u>

TOWNSHIP OF DELAWARE
ANALYSIS OF GENERAL CAPITAL FUND CASH

Description	Balance		Receipts	Disbursements	Transfers	Balance
	Dec. 31, 2012				(From)	Dec. 31, 2013
					To	
Fund Balance	\$ 63				\$ 2,000	\$ 2,063
Capital Improvement Fund	69,756				(53,866)	15,890
Due to/from Current Fund	(718,003)	\$ 1,488,016		\$ 710,008	(65,000)	(4,995)
Due to/from Open Space Trust Fund	245,572	675,000		245,572	(42,979)	632,021
Due from Grant Fund	(1,190)	1,190				
Due from Delaware River Toll Bridge Commission	(21,850)					(21,850)
<u>Reserves for</u>						
Payment of Debt Service	105,000				7,979	112,979
Expansion of Municipal Building	6,134				(6,134)	
Guard Rails	2,325					2,325
Excess Financing-Acquisition of a Fire Truck	30,000					30,000
<u>Improvement Authorizations</u>						
Acquisition of Development Rights and Purchase of Land	(199,000)					(199,000)
Codification of Ordinances	11,157					11,157
Various Capital Improvements	1,839					1,839
Legal & Financial Services for New Bond	1,250			1,250		
Road Improvements on Various Township Roads	156			156		
Survey & Engineering Services on Dogwood Dr	112					112
Engineering Services & Studies on Various Roads	912			696		216
Purchase of Various Road Equipment	7,786					7,786
Planning Services for Preparation of a Land Use Ordinance	12,000				(12,000)	
Acquisition of a Fire Truck	29,269					29,269
Purchase of Various Office Equipment	1,229			1,229		

TOWNSHIP OF DELAWARE
ANALYSIS OF GENERAL CAPITAL FUND CASH
(Continued)

Description	Balance Dec. 31, 2012	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2013
Purchase of Body Armor Vests	\$ 1,340				\$ 1,340
Renovating, Equipping & Furnishing a Police Building	388,097		\$ 387,805		292
Rep & Maint of the Tennis & Basketball Courts at Dilts Park	204				204
Purchase of Various Equipment for the Police Department	7,375		7,375		
Repairs to the Municipal Building	5,000		4,990		10
Improvements on Various Township Roads	4,217		4,217		
Purchase of Cameras for Police Cars	20,000		20,000		
Improvements to Various Roads			241,184	\$ 30,000	(211,184)
Lease Purchase of a Police Vehicle			10,000	10,000	
Purchase and Installation of New Gutters for the Municipal Building, Purchase and Installation of a Key Card System for the Gas/Fuel Tanks at the Township Road Department and for the Repairs to the Municipal Building			2,132	25,000	22,868
Payment of Services and Materials for the Police Building			35,000	35,000	
Road Construction and Improvements on Various Roads			32,692	70,000	37,308
	<u>\$ 10,750</u>	<u>\$ 2,164,206</u>	<u>\$ 1,704,306</u>	<u>\$ -</u>	<u>\$ 470,650</u>
Ref.	C	C-2	C-2		C

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM CURRENT FUND

	<u>Ref.</u>		
Balance December 31, 2012	C		\$ 718,003
Increased by:			
Disbursements	C-2	\$ 710,008	
2013 Municipal Budget Appropriations:			
Capital Improvement Fund	C-12	<u>100,000</u>	
			<u>810,008</u>
			1,528,011
Decreased by:			
Receipts	C-2	1,488,016	
Reserve to Pay Debt Service Anticipated as 2013 Revenue	C-13	<u>35,000</u>	
			<u>1,523,016</u>
Balance December 31, 2013	C		<u>\$ 4,995</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO OPEN SPACE TRUST FUND

	<u>Ref.</u>		
Balance December 31, 2012	C		\$ 245,572
Increased by:			
Receipts	C-2		<u>675,000</u>
			920,572
Decreased by:			
Disbursements	C-2	\$ 245,572	
Excess Refinancing Received in Open Space Trust	C-13	<u>42,979</u>	
			<u>288,551</u>
Balance December 31, 2013	C		<u>\$ 632,021</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM GRANT FUND

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 1,190
Decreased by:		
Receipts	C-2	<u>1,190</u>
Balance December 31, 2013	C	<u><u>\$ -</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM DELAWARE RIVER TOLL BRIDGE COMMISSION

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ <u>21,850</u>
Balance December 31, 2013	C	\$ <u><u>21,850</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 7,477,000
Increased by:		
2013 Refunding Bond Issue	C-16	<u>2,350,000</u>
		9,827,000
Decreased by:		
2013 Budget Appropriation:		
Payment of Bonds	C-16	\$ 307,000
Bonds Refunded	C-16	<u>2,295,000</u>
		<u>2,602,000</u>
Balance December 31, 2013	C	\$ <u><u>7,225,000</u></u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

Improvement Description	Balance 12/31/2012	2013 Authorization	2013 Note Payments	Cash Received	2013 Budget Appropriation	Balance 12/31/2013	Analysis of Balance Dec 31, 2013		
							Expendi- tures	Unexpended Improvement Authorizations	Bond Anticipation Notes
Acquisition of Development Rights and Purchase of Land #00-25	\$ 199,000					\$ 199,000	\$ 199,000		
Acquisition of a Fire Truck #10-13	293,000					293,000			\$ 293,000
Renovating, Equipping and Furnishing a Police Building #2012-03	475,000					475,000			475,000
Improvements to Various Roads #13-03		\$ 570,000				570,000	211,185	\$ 358,815	
	<u>\$ 492,000</u>	<u>\$ 570,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,537,000</u>	<u>\$ 410,185</u>	<u>\$ 358,815</u>	<u>\$ 768,000</u>
<u>Ref.</u>	C	C-11; C-C-18				C	C-4	C-11	Below
								<u>Ref</u>	
							Bond Anticipation Notes	C-17	\$ 798,000
							Excess Financing	C-4	<u>30,000</u>
									<u>\$ 768,000</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec 31, 2012		2013 Authorization	Paid or Charged	Unexpended Balance Canceled	Balance Dec 31, 2013	
	Number	Amount	Funded	Unfunded				Funded	Unfunded
Codification of Ordinances	06-22	\$ 28,000	\$ 11,157					\$ 11,157	
Various Capital Improvements	08-19	609,285	1,839					1,839	
Legal & Financial Services for New Bond	08-26	60,000	1,250			\$ 1,250			
Road Improvements on Various Township Roads	09-13	200,000	156			156			
Survey & Engineering Services on Dogwood Dr	09-15	10,000	112					112	
Engineering Services & Studies on Various Roads	09-23	20,000	912			696		216	
Purchase of Various Road Equipment	09-26	12,000	7,786					7,786	
Planning Services for Preparation of a Land Use Ordinance	09-29	20,000	12,000				\$ 12,000		
Acquisition of a Fire Truck	10-13	350,000		\$ 29,269					\$ 29,269
Purchase of Various Office Equipment	10-14	10,000	1,229			1,229			
Purchase of Body Armor Vests	11-01	4,200	1,340					1,340	
Renovating, Equipping & Furnishing a Police Building	12-03	500,000		388,097		387,805			292
Rep & Maint of the Tennis & Basketball Courts at Dilts Park	12-06	4,000	204					204	
Purchase of Various Equipment for the Police Department	12-12	15,000	7,375			7,375			
Repairs to the Municipal Building	12-14	5,000	5,000			4,990		10	
Improvements on Various Township Roads	12-16	70,000	4,217			4,217			
Purchase of Cameras for Police Cars	12-20	20,000	20,000			20,000			
Improvements to Various Roads	13-03	600,000			\$ 600,000	241,184			358,816
Lease Purchase of a Police Vehicle	13-06	10,000			10,000	10,000			
Purchase and Installation of New Gutters for the Municipal Building, Purchase and Installation of a Key Card System for the Gas/Fuel Tanks at the Township Road Department and for the Repairs to the Municipal Building	13-09	25,000			25,000	2,132		22,868	
Payment of Services and Materials for the Police Building	13-10	35,000			35,000	35,000			
Road Construction and Improvements on Various Roads	13-12	70,000			70,000	32,692		37,308	
			<u>\$ 74,577</u>	<u>\$ 417,366</u>	<u>\$ 740,000</u>	<u>\$ 748,726</u>	<u>\$ 12,000</u>	<u>\$ 82,840</u>	<u>\$ 388,377</u>
	Ref.		C	C	Below	C-2	Below	C	C
Capital Improvement Fund	C-12				\$ 153,866				
Capital Fund Balance	C-1				10,000				
Deferred Charges to Future Taxation Unfunded	C-10				570,000				
Reserve for Expansion of Municipal Building	C-14				6,134				
					<u>\$ 740,000</u>				
Capital Fund Balance	C-1						\$ 12,000		
							<u>\$ 12,000</u>		

TOWNSHIP OF DELAWARE
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 69,756
Increased by:		
2013 Budget Appropriation	C-5	<u>100,000</u>
		169,756
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<u>153,866</u>
Balance December 31, 2013	C	<u>\$ 15,890</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 105,000
Increased by:		
Excess Refinancing Received in Open Space Trust	C-6	<u>42,979</u>
		147,979
Decreased by:		
Anticipated as a Revenue in Current Fund	C-5	<u>35,000</u>
Balance December 31, 2013	C	<u>\$ 112,979</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR EXPANSION OF MUNICIPAL BUILDING

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 6,134
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<u>6,134</u>
Balance December 31, 2013	C	<u>\$ -</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR GUARD RAILS

	<u>Ref.</u>	
Balance December 31, 2012	C	<u>\$ 2,325</u>
Balance December 31, 2013	C	<u>\$ 2,325</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2013		Interest Rate	Balance 12/31/2012	Increased	Decreased	Balance 12/31/2013
			Date	Amount					
General Improvements	12/4/2002	\$ 4,190,000	10/15/2014	\$ 2,000	4.00%	\$ 2,315,000		\$ 2,297,000	\$ 18,000
			10/15/2015	2,000	4.30%				
			10/15/2016	2,000	4.30%				
			10/15/2017	2,000	5.25%				
			10/15/2018	2,000	5.25%				
			10/15/2019	2,000	4.63%				
			10/15/2020	2,000	4.63%				
			10/15/2021	2,000	4.75%				
			10/15/2022	2,000	4.75%				
			Open Space Acquisition	11/15/2008	2,738,000				
10/15/2015									
to 10/15/1938	2,543,000								
General Improvements	11/15/2008	2,654,000	10/15/2014	45,000	5.20%	2,539,000		35,000	2,504,000
			10/15/2015						
			to 10/15/1938	2,459,000					
Refunding Bond Issue	08/07/13	2,350,000	10/15/2014	255,000	2.10%		\$ 2,350,000	235,000	2,115,000
			10/15/2015	250,000	2.10%				
			10/15/2016	250,000	2.10%				
			10/15/2017	245,000	2.10%				
			10/15/2018	235,000	2.10%				
			10/15/2019	230,000	2.10%				
			10/15/2020	225,000	2.10%				
			10/15/2021	215,000	2.10%				
			10/15/2022	210,000	2.10%				

Ref. C Below Below C

Analysis

Bonds Refunded	C-9		\$ 2,295,000
Bonds Issued	C-9	\$ 2,350,000	
Bonds Retired	C-9		307,000
		<u>\$ 2,350,000</u>	<u>\$ 2,602,000</u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Improvement Description	Original Note	Date of		Interest Rate	Balance 12/31/2012	Increased	Decreased	Balance 12/31/2013
		Issue	Maturity					
General Purposes	12/5/2013	12/5/2012	12/5/2013	1.47%	\$ 798,000		\$ 798,000	
General Purposes	12/5/2013	12/5/2013	12/5/2014	1.00%		\$ 798,000		\$ 798,000
					<u>\$ 798,000</u>	<u>\$ 798,000</u>	<u>\$ 798,000</u>	<u>\$ 798,000</u>
				<u>Ref.</u>	C	C-18	C-18	C

TOWNSHIP OF DELAWARE
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord #	Improvement Description	Balance 12/31/2012	Increased in 2013	Decreased in 2013	Balance 12/31/2013
00-25	Acquisition of Development Rights and Purchase of Land	\$ 199,000			\$ 199,000
13-03	Improvement fo Various Roads		\$ 570,000		570,000
		<u>\$ 199,000</u>	<u>\$ 570,000</u>	<u>\$ -</u>	<u>\$ 769,000</u>
	<u>Ref.</u>	C	C-10		C

TOWNSHIP OF DELAWARE
COUNTY OF HUNTERDON
2013
PUBLIC ASSISTANCE TRUST FUND

TOWNSHIP OF DELAWARE
SCHEDULE OF PUBLIC ASSISTANCE TRUST FUND
CASH-TREASURER

	<u>Ref.</u>	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance December 31, 2012	D	\$ 6,220		\$ 6,220
Decreased by:				
Funds Transferred to Operating	D-7	<u>6,220</u>		<u>6,220</u>
Balance December 31, 2013	D, D-2	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF PUBLIC ASSISTANCE TRUST FUND
CASH-TREASURER

	<u>Ref.</u>	
Balance December 31, 2013	D-1	\$ -
Increased by:		
Receipts		<u>-</u>
Decreased by:		
Disbursements		<u>-</u>
Balance March 31, 2014		<u>\$ -</u>

<u>Cash Reconciliation March 31, 2014</u>	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance on Deposit:			
PNC Bank	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Book Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF PUBLIC ASSISTANCE TRUST FUND
 CASH AND RECONCILIATION-TREASURER

	Ref.	
Balance December 31, 2012	D-1	\$ 6,220
Decreased by:		
Funds Transferred to Operating	D-7	6,220
Balance December 31, 2013	D-1	\$ -
Reconciliation December 31, 2013	PATF I	PATF II
Balance on Deposit:		Total
PNC Bank	\$ -	\$ -
Balance December 31, 2013	\$ -	\$ -

TOWNSHIP OF DELAWARE
 SCHEDULE OF PUBLIC ASSISTANCE REVENUES
 YEAR ENDED DECEMBER 31, 2013

	PATF I	PATF II	Total
Revenues:			
Interest Income	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Ref.			D-1;D-7

TOWNSHIP OF DELAWARE
SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

(NOT APPLICABLE TO THIS REPORT)

TOWNSHIP OF DELAWARE
SCHEDULE OF ASSISTANCE COMMITMENTS PAYABLE
PUBLIC ASSISTANCE TRUST FUND

(NOT APPLICABLE TO THIS REPORT)

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

	<u>Ref.</u>		
Balance December 31, 2012	D	\$	6,220
Decreased by:			
Funds Transferred to Operating	D-1		<u>6,220</u>
Balance December 31, 2013	D	<u>\$</u>	<u>-</u>

TOWNSHIP OF DELAWARE

PART II

**REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING**

SCHEDULE OF STATE FINANCIAL ASSISTANCE

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

May 15, 2014

Honorable Mayor and Members
of the Township Committee
Township of Delaware
County of Hunterdon, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Township of Delaware (the Municipality's) basic financial statements, and have issued our report thereon dated May 15, 2014, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



William M. Colantano, Jr.
Registered Municipal Accountant
No. 68

TOWNSHIP OF DELAWARE
SCHEDULE OF STATE AND FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

Grant	Balance 12/31/2012	Receipts	Expended	Over- Expended/ Canceled	Balance 12/31/2013
NJ Body Armor-2011	\$ 1,459				\$ 1,459
NJ Body Armor-2012	1,113				1,113
NJ Body Armor-2013		\$ 1,299			1,299
Tree Planting	230		\$ 166		64
SLAHEOP	669		669		
Office of Emergency Management-2004	2,387		2,387		
Office of Emergency Management-2005	5,000		85		4,915
DWI-Prior Years	201				201
DWI-Prior 2013		422			422
Stormwater Management	5,473				5,473
Delaware River Greenway	1,834				1,834
Cool Cities	23,150				23,150
Recreation Trails Program	1,165				1,165
Clean Communities Program-2012	14,853		12,680		2,173
Clean Communities Program-2013		20,497			20,497
Historic Preservation Grant	180		(5,707)		5,887
NJ Division of Highway Safety	3,100				3,100
NJ Forest Service-Business Stimulus Fund	7,000				7,000
FEMA Grant-Sanford Road Project	348				348
FEMA Grant-Sanford Road Project-Matching Funds	1,769				1,769
FEMA Grant-Lower Creek Road Project	2,415		2,415		
FEMA Grant-Lower Creek Road Project-Matching Funds	9,954		9,954		
Delaware River Joint Toll Bridge Commission-Federal Twist Road Project	(6,215)	70,166	514		63,437
NJ Dept of Transportation-Meszaros Road Project	(43,126)	42,593			(533)
NJ Dept of Transportation-Grafton Road Project	(19,445)		17,058		(36,503)
Hunterdon County Historic Preservation Grant	14,750				14,750
Department of Environmental Protection-Green Communities Grant			3,000		(3,000)
	<u>\$ 28,264</u>	<u>\$ 134,977</u>	<u>\$ 43,221</u>	<u>\$ -</u>	<u>\$ 120,020</u>

TOWNSHIP OF DELAWARE

PART III

STATISTICAL DATA

INSURANCE SCHEDULE

LIST OF OFFICIALS

GENERAL COMMENTS

RECOMMENDATIONS

**TOWNSHIP OF DELAWARE
STATISTICAL DATA**

TOWNSHIP OF DELAWARE
 STATISTICAL DATA
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
 IN FUND BALANCE-REGULATORY BASIS

	2013		2012	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 395,000	1.94	\$ 414,000	1.99
Miscellaneous-From Other Than Local Property Tax Levied	949,218	4.67	1,316,827	6.34
Collection of Delinquent Taxes & Tax Title Liens	335,487	1.65	255,036	1.23
Collection of Current Tax Levy	<u>18,649,706</u>	<u>91.74</u>	<u>18,796,219</u>	<u>90.44</u>
Total Income	<u>20,329,411</u>	<u>100.00</u>	<u>20,782,082</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	3,503,972	17.52	3,528,505	17.33
County Taxes	3,273,167	16.37	3,399,019	16.69
Local School Taxes	7,731,802	38.67	7,732,399	37.97
Regional School Taxes	5,011,929	25.06	5,080,900	24.95
Municipal Open Space Tax	474,310	2.37	549,289	2.70
Other Debits to Income	<u>1,163</u>	<u>0.01</u>	<u>73,668</u>	<u>0.36</u>
Total Expenditures	<u>19,996,343</u>	<u>100.00</u>	<u>20,363,780</u>	<u>100.00</u>
Regulatory Excess to Fund Balance	333,068		418,302	
<u>Fund Balance</u>				
Fund Balance January 1,	<u>450,872</u>		<u>446,570</u>	
	783,940		864,872	
Less: Utilization as Anticipated Revenue	<u>395,000</u>		<u>414,000</u>	
Fund Balance December 31,	<u>\$ 388,940</u>		<u>\$ 450,872</u>	

TOWNSHIP OF DELAWARE
STATISTICAL DATA
(Continued)

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

Year	Apportionment				Total Tax Rate
	Municipal & Open Space	County	Local School	Regional High School	
2013*	\$ 0.37	\$ 0.42	\$ 0.98	\$ 0.64	\$ 2.41
2012	0.31	0.38	0.85	0.56	2.10
2011	0.30	0.37	0.84	0.55	2.06
2010	0.30	0.39	0.84	0.54	2.07
2009	0.29	0.38	0.81	0.58	2.06
2008	0.29	0.39	0.78	0.60	2.06
2007	0.28	0.39	0.77	0.60	2.04
2006	0.25	0.37	0.69	0.58	1.89
2005*	0.22	0.36	0.69	0.53	1.80
2004	0.22	0.41	0.78	0.59	2.00

* Revalued/Reassessed

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Year	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
2013*	\$ 787,068,690	\$ 897,256,328	87.72%
2012	911,663,133	957,931,211	95.17%
2011	910,694,220	984,321,465	92.52%
2010	908,222,212	1,014,206,825	89.55%
2009	904,532,341	1,003,974,575	90.10%
2008	897,994,980	1,043,088,417	86.09%
2007	891,383,319	1,045,979,504	85.22%
2006	888,197,519	916,467,168	96.92%
2005*	876,960,532	845,415,989	103.73%
2004	732,200,010	736,633,027	99.40%

* Revalued/Reassessed

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

Year	Tax Levy	Cash Collections	Percentage of Collections
2013	\$ 19,004,642	\$ 18,649,706	98.13%
2012	19,188,246	18,796,219	97.96%
2011	18,850,610	18,465,116	97.96%
2010	18,887,078	18,422,195	97.54%
2009	18,706,104	18,466,104	98.72%
2008	18,647,744	18,435,074	98.86%
2007	18,370,000	18,160,970	98.86%
2006	16,943,988	16,706,439	98.60%
2005	15,957,364	15,763,044	98.78%
2004	14,858,137	14,687,428	98.85%

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

TOWNSHIP OF DELAWARE
STATISTICAL DATA
(Continued)

ASSESSED VALUES DISTRIBUTION

Year	Vacant Land	Residential	Apartments	Commercial	Farmland	Industrial	Total Real Property
2004	\$ 10,477,600	\$ 477,793,300	\$ 864,600	\$ 15,913,100	\$ 218,412,200	\$ 6,976,800	\$ 730,437,600
2005 (1)	12,665,020	571,992,300	1,065,700	17,992,600	262,885,500	8,602,300	875,203,420
2006	11,581,520	576,921,700	1,065,700	18,552,800	269,759,200	8,724,800	886,605,720
2007	11,832,320	580,165,800	1,065,700	18,552,800	269,586,500	8,724,800	889,927,920
2008	13,593,120	586,282,500	1,065,700	18,483,500	268,458,700	8,742,900	896,626,420
2009	12,155,120	592,543,500	1,065,700	19,279,100	269,345,100	8,742,900	903,131,420
2010	10,571,520	595,297,600	1,065,700	18,830,500	272,201,900	8,742,900	906,710,120
2011	12,373,520	594,251,900	1,065,700	18,597,500	274,268,500	8,742,900	909,300,020
2012	11,155,520	598,887,800	1,065,700	19,047,700	271,316,300	8,740,600	910,213,620
2013 (1)	8,649,620	515,755,700	939,500	17,203,300	235,828,100	7,270,600	785,646,820

(1) Revalued/Reassessed

DELINQUENT TAXES AND 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 eight years.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2006	\$ 4,064	\$ 231,684	\$ 235,748	1.39%
2007	4,289	208,445	212,734	1.16%
2008	4,515	206,836	211,351	1.13%
2009	6,286	238,639	244,925	1.31%
2010	10,270	463,423	473,693	2.51%
2011	20,156	375,395	395,551	2.10%
2012	19,164	397,912	417,076	2.00%
2013	21,328	415,485	436,813	2.00%

TOWNSHIP OF DELAWARE
STATISTICAL DATA
(Continued)

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2013	None
2012	None
2011	None
2010	None
2009	None
2008	None
2007	None
2006	None
2005	None
2004	None

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2013	\$ 388,940	\$ 350,000
	2012	450,872	395,000
	2011	446,570	414,000
	2010	551,888	518,000
	2009	772,652	742,199
	2008	832,961	658,000
	2007	564,301	500,000
	2006	421,092	350,000
	2005	344,506	272,686
	2004	442,614	347,500

TOWNSHIP OF DELAWARE
 SCHEDULE OF INSURANCE
 YEAR ENDED DECEMBER 31, 2013
 (Unaudited)

	Coverage	Deductible
Workers Compensation Somerset County Joint Insurance Fund: Policy Limit	Statutory	
Package Policy-Somerset County Joint Insurance Fund:		
Property-Buildings & Contents-Fund Limit	\$ 100,000,000	
Liability Coverage Casualty per Occurrence	5,000,000	
Auto Liability	5,000,000	
Public Officials & Employment Practices	2,000,000	\$ 25,000
Excess Liability	15,000,000	
Crime	1,000,000	
Pollution Legal Liability-Somerset County Joint Insurance Fund: Each Incident	1,000,000	25,000
Surety Bonds:		
Tax Collector	175,000	
Treasurer	100,000	
Payroll Clerk	100,000	

The Somerset County Joint Insurance Fund is responsible for the first \$25,000 deductible per occurrence (other than flood). No per member specific deductible applies to the entity.

Adequacy of Insurance Coverage is the Responsibility of the Municipality.

TOWNSHIP OF DELAWARE
LIST OF OFFICIALS

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
Donald Scholl	Mayor
Kenneth J. Novak	Deputy Mayor
Roger R. Locandro	Committeeperson
Susan D. Lockwood	Committeeperson
Kristin McCarthy	Committeeperson

* * * * *

<u>Name</u>	<u>Title</u>
Judith Allen	Municipal Clerk
Linda Zengel	Treasurer & Chief Financial Officer
Danene Gooding	Tax Collector
Michelle Trivigno	Assessor
Kristina Hadinger	Attorney
John Lanza	Labor Attorney & Special Counsel
C. Richard Roseberry	Engineer
Caroline Armstrong	Planner
Elizabeth McKenzie	Planner

TOWNSHIP OF DELAWARE
GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR NJS 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding the aggregate, (\$17,000 effective July 1, 2011) except by contract or agreement."

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

The minutes indicated that contracts were awarded for the following items:

Road Materials
Window Repairs Project
Grafton Road improvements
Grind Vegetative Storm Debris
Lower Creek Road Improvements
Computers for New police Building

The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per NJS 40A:11-5 as follows:

Auditor
Engineer
Architect
Labor Attorney
Hydrogeologist
Risk Consultant
Municipal Attorney
Planning Consultants
Special Projects Engineers
Finance Office Consultant
Environmental Consultant

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

From our examination of expenditures, it appears that there were no individual payments, contracts or agreements in excess of \$17,000 "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 NJS 40A:11-6.

TOWNSHIP OF DELAWARE
GENERAL COMMENTS
(Continued)

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.

On January 2, 2013, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED that the rate of interest to be charged by the Township of Delaware for nonpayment of taxes or assessments on or before the date they would become delinquent, shall be 8% on the first \$1,500 and 18% per annum on the balance over \$1,500 provided however that no interest shall be charged if payment of any installment is made within ten days after the date upon which the same became payable. Any installment received after the expiration of the said ten day grace period, shall bear interest from the due date.

It appears from a test examination of the Collector's records that interest was generally collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

A tax sale was held in the year 2013 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2013	4
2012	8
2011	10

TOWNSHIP OF DELAWARE
GENERAL COMMENTS
(Continued)

CONTROL DEFICIENCIES

Segregation of Duties-The Municipality does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. This is due to the limited number of personnel of the Municipality. Accordingly, management of the Municipality should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control. We do not believe that the significant deficiencies described above are to be considered material weaknesses.

OTHER COMMENTS

Municipal Expenditures

1. Receiving signatures acknowledging receipt of goods or services not evident on all payment forms.
2. Vendor's signatures not evident on all appropriate payment forms.

Farmer's Market

1. Deposit of Farmer's Market receipts were not made in a timely manner.
2. Farmer's Market expenditures were not confirmed by a properly completed payment invoice with appropriate documentation.

TOWNSHIP OF DELAWARE
RECOMMENDATIONS

It is recommended that:

1. Receiving signatures are to be evident on all payment forms.
2. Vendor's signatures are to be evident on all appropriate payment forms.
3. Deposits of Farmer's Market receipts are to be made in a timely manner.
4. Farmer's Market expenditures are to be supported by a properly completed payment invoice with appropriate documentation.

STATUS OF PRIOR YEAR'S AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on prior year recommendations and corrective action was taken on all except for the following:

1. Receiving signatures are to be evident on all payment forms.

The foregoing conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our examination of the financial statements and this report of such conditions does not modify our report dated May 15, 2014.

We would be pleased to confer on questions that might arise with respect to any matter in this report.

We wish to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the examination.



William M. Colantano, Jr.
Registered Municipal Accountant
No. 68