

TOWNSHIP OF DELAWARE

COUNTY OF HUNTERDON

REPORT OF AUDIT

YEAR 2012

TOWNSHIP OF DELAWARE
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TOWNSHIP OF DELAWARE
PART I
REPORT OF EXAMINATION OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
YEARS ENDED DECEMBER 31, 2012 AND 2011

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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INDEPENDENT AUDITOR'S REPORT

May 31, 2013

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, 2012 and 2011, the related statement of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the 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, 2012 and 2011, 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, 2012 and 2011, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2012 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 31, 2013 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

FINANCIAL STATEMENTS-REGULATORY BASIS

TOWNSHIP OF DELAWARE
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
CURRENT FUND

	Ref.	Dec. 31, Year 2012	Dec. 31, Year 2011
ASSETS			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 5,092,197	\$ 4,623,219
Change Funds	A	175	175
		<u>5,092,372</u>	<u>4,623,394</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	397,912	375,395
Tax Title Liens Receivable	A-8	19,164	20,156
Revenue Accounts Receivable	A-9	3,336	5,210
Due from Other Trust Funds	A-11	26,589	
Due from Grant Fund	A-12	46,037	
		<u>493,038</u>	<u>400,761</u>
Deferred Charges:			
Special Emergency Authorizations	A-13	48,000	
Total Regular Fund		<u>5,633,410</u>	<u>5,024,155</u>
Federal & State Grant Fund:			
Cash:			
Treasurer	A-4	45,493	80,281
Grants Receivable	A-14	399,750	426,189
Due from Regular Fund	A-30		30,482
Total Federal & State Grant Fund		<u>445,243</u>	<u>536,952</u>
TOTAL ASSETS		<u>\$ 6,078,653</u>	<u>\$ 5,561,107</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Ref.	Dec. 31, Year 2012	Dec. 31, Year 2011
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;A-15	\$ 136,184	\$ 168,965
Encumbrances Payable	A-16	67,720	29,618
Due to State of NJ Veterans' & Senior Citizens' Deductions	A-6	18,938	22,396
Due to Federal & State Grant Fund	A-12		30,482
Due to Animal Control Fund	A-10	2,068	17
Due to Other Trust Funds	A-11		17,461
Due to General Capital Fund	A-25	718,003	1
Prepaid Taxes	A-17	129,694	176,312
Tax Overpayments	A-18	9,514	21,777
Regional High School Taxes Payable	A-19	1,482,105	1,454,460
Local School Tax Payable	A-20	1,554,954	1,431,791
County Tax Payable	A-21	14,237	14,845
Due County-Food Inspections	A-22	500	
Due NJ-State Training Fees	A-23	1,328	2,493
Due NJ-Marriage License and Domestic Ptrs Fees	A-24	225	100
Due to Open Space Trust Fund	A-26	515,925	778,194
Due to Other Trust Funds	A-27		500
Reserve for Revaluation	A-28	10,693	
Reserve for Garden State Preservation Trust	A-29	27,412	27,412
		<u>4,689,500</u>	<u>4,176,824</u>
Reserve for Receivables	A	493,038	400,761
Fund Balance	A-1	450,872	446,570
Total Regular Fund		<u>5,633,410</u>	<u>5,024,155</u>
Federal & State Grant Fund:			
Due to General Capital Fund	A-31	1,190	1,676
Due to Regular Fund	A-30	46,037	
Appropriated Reserves for Grants	A-32	383,266	535,276
Unappropriated Reserves for Grants	A-33	14,750	
Total Federal & State Grant Fund		<u>445,243</u>	<u>536,952</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 6,078,653</u>	<u>\$ 5,561,107</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, 2012	Dec. 31, 2011
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 414,000	\$ 518,000
Miscellaneous Revenue Anticipated	A-2	859,370	1,187,269
Receipts from Delinquent Taxes	A-2	340,483	447,890
Receipts from Current Taxes	A-2	18,796,219	18,465,116
Nonbudget Revenue	A-2	255,036	22,662
Other Credits to Income:			
Interfunds Returned-Net			20,184
Tax Overpayments Canceled	A-18	662	1,828
Unexpended Balance of Appropriation Reserves	A-15	116,312	84,622
Total Income		<u>20,782,082</u>	<u>20,747,571</u>
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	1,484,338	1,493,133
Other Expenses	A-3	1,538,464	1,370,070
Capital Improvements	A-3	25,000	543,083
Debt Service	A-3	157,444	153,695
Deferred Charges & Statutory Expenditures	A-3	323,259	317,702
County Taxes	A-21	3,384,782	3,383,355
County Share of Added Taxes	A-21	14,237	14,845
Regional High School Taxes	A-19	5,080,900	4,854,378
Local District School Taxes	A-20	7,732,399	7,642,622
Municipal Open Space Tax	A-26	549,289	550,359
Other Debits to Income:			
Interfunds Advanced-Net	A-2	72,626	
Prior Year Senior Citizen Deduction Disallowed	A-6	1,042	1,571
Refund of Prior Year Revenue			10,076
Total Expenditures		<u>20,363,780</u>	<u>20,334,889</u>
Regulatory Excess to Fund Balance		418,302	412,682
FUND BALANCE			
Balance January 1,	A	<u>446,570</u>	<u>551,888</u>
		864,872	964,570
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>414,000</u>	<u>518,000</u>
Balance December 31,	A	<u>\$ 450,872</u>	<u>\$ 446,570</u>

TOWNSHIP OF DELAWARE
STATEMENT OF REVENUES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Ref.	Anticipated		Realized	Excess or Deficit
		Budget	NJS 40.4-87		
Fund Balance Anticipated	A-1	\$ 414,000	\$ -	\$ 414,000	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverage	A-9	4,800		4,800	
Fees and Permits	A-2	19,000		20,082	1,082
Fines and Costs:					
Municipal Court	A-9	37,000		52,528	15,528
Interest on Investments and Deposits	A-2	10,000		5,658	(4,342)
Uniform Construction Code Fees	A-9	125,000		103,514	(21,486)
Interest & Cost on Taxes	A-4	75,000		79,587	4,587
Energy Receipts Tax	A-9	305,180		316,688	11,508
Consolidated Municipal Property Tax Relief Aid	A-9	28,825		17,317	(11,508)
Clean Communities Program	A-14	17,736		17,736	
NJ Division of Criminal Justice-Body Armor Grant	A-14		1,113	1,113	
NJ Environmental Grant	A-14		12,000	12,000	
NJ Department of Transportation-Grafton Road Project	A-14		200,935	200,935	
Garden State Trust Fund	A-29	27,412		27,412	
Receipts from Delinquent Taxes	A-1	649,953	214,048	859,370	(4,631)
Property Tax for Support of Municipal Budget Appropriations:	A-1;A-2	340,504		340,483	(21)
Local Tax for Municipal Purposes	A-2	2,310,000		2,383,379	73,379
Budget Totals		3,714,457	214,048	3,997,232	\$ 68,727
Nonbudget Revenues	A-1;A-2			255,036	
		\$ 3,714,457	\$ 214,048	\$ 4,252,268	
	Ref.	A-3	A-3		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
STATEMENT OF REVENUES REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012
(Continued)

<u>Allocation of Current Tax Collections</u>	<u>Ref.</u>			
Tax Collections	A-1;A-7			\$ 18,796,219
Allocated to:				
Local District School Taxes	A-7	\$ 7,732,399		
Regional High School Taxes	A-7	5,132,133		
County Taxes	A-7	3,399,019		
Municipal Open Space Tax	A-7	<u>549,289</u>		
				<u>16,812,840</u>
Balance for Support of Municipal Budget Appropriations				1,983,379
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3			<u>400,000</u>
Realized for Support of Municipal Budget	A-2			<u>\$ 2,383,379</u>
<u>Analysis of Delinquent Tax Collections</u>				
Taxes Receivable	A-7			\$ 336,079
Tax Title Liens Receivable	A-8			<u>4,404</u>
Total Delinquent Tax Collections	A-2			<u>\$ 340,483</u>
<u>Interfund Analysis</u>	<u>Ref.</u>	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>Increase (Decrease)</u>
Due from Other Trust Funds	A-11	\$ 26,589		\$ 26,589
Due from Grant Fund	A-12	<u>46,037</u>		<u>46,037</u>
		<u>\$ 72,626</u>	<u>\$ -</u>	<u>\$ 72,626</u>
	<u>Ref.</u>			A-1

TOWNSHIP OF DELAWARE
STATEMENT OF REVENUES REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012
(Continued)

<u>Analysis of Nonbudget Revenue</u>	<u>Ref.</u>		
Treasurer:			
Hotel Tax		\$ 317	
Municipal Court Security		4,181	
Police Moonlighting Fees		1,810	
Cable TV Franchise Fee		8,373	
Copies		21	
Veterans' & Seniors Citizens'-Administrative Fees		965	
Homestead Rebate Processing Fee		327	
Duplicate Tax Bills		130	
Mayor's Marriage Fee		150	
FEMA Prior Year Reimbursements		162,259	
Poll Rental		400	
Stockton Share of Court		2,025	
Bid Spec Fees		1,500	
Prior Year Payroll Excess		19,260	
Sale of Surplus Equipment		18,294	
Insurance Recovery		11,487	
Tax Sale Costs		609	
Miscellaneous Other		309	
Various Refunds		<u>612</u>	
	A-4		\$ 233,029
Refund Prior Year Expenditures-Grant Fund	A-12		<u>27,500</u>
Less:			260,529
Refunds and Costs	A-4		<u>5,493</u>
	A-2		<u>\$ 255,036</u>
<u>Interest Income Analysis</u>			
Due from Other Trust Funds	A-11	\$ 47	
Receipts	A-4	<u>5,611</u>	
	A-2		<u>\$ 5,658</u>
<u>Fees and Permits Analysis</u>			
Planning Board & Board of Adjustment		\$ 2,904	
Police Department		1,215	
Board of Health		9,730	
Clerk		3,378	
Assessor		150	
Roads		<u>3,030</u>	
	A-4		\$ 20,407
Less:			
Refunds	A-4		<u>325</u>
	A-2		<u>\$ 20,082</u>

TOWNSHIP OF DELAWARE
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	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	\$ 10,860	\$ 11,022	\$ 11,022			
Municipal Clerk:						
Salaries and Wages	73,560	75,256	75,256			
Postage & Legal Advertising	15,000	15,000	13,582	\$ 1,418		
Other Expenses	37,400	40,400	37,376	3,024		
Elections:						
Other Expenses	3,600	3,600	3,600			
Financial Administration:						
Salaries and Wages	63,382	63,385	63,385			
Other Expenses	14,000	14,000	14,000			
Audit Services	25,000	25,000	25,000			
Assessment of Taxes:						
Salaries and Wages	31,703	31,703	31,703			
Maintenance of Tax Map	3,000	3,000		3,000		
Other Expenses	1,925	1,925	978	947		
Collection of Taxes:						
Salaries and Wages	35,000	31,500	31,025	475		
Other Expenses	8,550	8,550	5,731	2,819		
Legal Services and Costs:						
Other Expenses	60,000	52,000	45,382	6,618		
Municipal Prosecutor:						
Salaries and Wages	8,607	8,607	8,607			
Engineering Services & Costs:						
Other Expenses	10,500	5,000	4,700	300		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012
(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	\$ 11,918	\$ 12,143	\$ 12,135	\$ 8		
Salaries and Wages-Buildings & Grounds	6,029	6,029	6,029			
Expense of Dilts Farm	16,000	16,000	10,699	5,301		
Other Expenses	22,750	27,750	27,680	70		
Land Use Administration:						
Planning Board:						
Salaries and Wages	21,160	21,160	21,160			
Other Expenses	18,300	18,300	8,129	10,171		
Board of Adjustment:						
Salaries and Wages	8,171	8,171	8,115	56		
Other Expenses	8,790	8,790	1,048	7,742		
Zoning Board:						
Salaries and Wages	18,358	17,858	17,856	2		
Other Expenses	700	700	700			
Environmental Commission:						
Salaries and Wages	1,800	1,800	894	906		
Other Expenses	1,000	1,100	1,085	15		
Insurance:						
Other Insurance Premiums	430,000	430,000	430,000			
Surety Bond Premiums	1,800	1,800	1,120	680		
Employee Group Health	133,000	123,000	120,604	2,396		
Public Safety:						
Fire:						
Aid to Volunteer Fire Companies	49,000	49,000	49,000			
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, 2012
(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	\$ 575,000	\$ 586,932	\$ 586,931	\$ 1		
Purchase of Police Car	25,000	25,000	21,933	3,067		
Other Expenses	44,150	44,150	39,381	4,769		
Supplemental Safe Neighborhood Prog:						
Salaries and Wages	59,027	58,027	55,930	2,097		
Other Expenses	3,350	3,350	704	2,646		
First Aid Organization-Contribution	44,120	44,120	44,120			
Office of Emergency Management:						
Salaries and Wages	10,946	10,946	10,946			
Other Expenses	2,300	3,300	2,799	501		
Streets and Roads:						
Road Repairs and Maintenance:						
Salaries and Wages	408,000	408,000	401,315	6,685		
Other Expenses	98,100	98,100	92,397	5,703		
Health and Welfare:						
Board of Health:						
Salaries and Wages	13,639	10,639	10,030	609		
Other Expenses	1,500	1,500	239	1,261		
Expenses of Visiting Homemakers:						
Other Expenses	500	500	500			
Municipal Court:						
Salaries and Wages	36,793	35,793	35,773	20		
Other Expenses	16,900	18,400	17,953	447		
Public Defender:						
Salaries and Wages	1,199	1,199	1,199			
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, 2012
(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	\$ 9,812	\$ 3,488		
Historical Preservation Society:						
Other Expenses	3,000	3,000		3,000		
Construction Official:						
Salaries and Wages	62,796	60,596	60,573	23		
Other Expenses	5,275	5,275	3,560	1,715		
Sub Code Officials:						
Plumbing Inspector:						
Salaries and Wages	12,180	8,180	7,846	334		
Electrical Inspector:						
Salaries and Wages	15,392	15,392	15,379	13		
Unclassified:						
Gasoline & Diesel Fuel	70,000	92,000	89,449	2,551		
Fuel Oil	10,500	10,500	7,853	2,647		
Electricity	24,500	24,500	15,478	9,022		
Telephone	20,000	23,400	22,521	879		
Street Lighting	7,500	6,500	5,068	1,432		
Data Processing Services:						
Other Expenses	6,600	1,600	690	910		
Accumulated Sick Leave:						
Other Expenses	1,000	1,000		1,000		
Total Operations Within "CAPS"	2,750,150	2,755,468	2,654,700	100,768	\$ -	\$ -
Contingent	50	50		50		
Total Operations Including Contingent Within "CAPS"	2,750,200	2,755,518	2,654,700	100,818	-	-
Detail:						
Salaries and Wages	1,485,520	1,484,338	1,473,109	11,229	-	-
Other Expenses (Including Contingent)	1,264,680	1,271,180	1,181,591	89,589	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended by		Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Reserved		
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	\$ 94,947	\$ 94,947	\$ 94,947			
Social Security System (OASI)	118,000	112,682	112,682			
State Unemployment	50	50		\$ 50		
Police and Firemens Retirement System	103,580	103,580	103,508	72		
Total Deferred Charges & Statutory Expenditures- Municipal Within "CAPS"	<u>316,577</u>	<u>311,259</u>	<u>311,137</u>	<u>122</u>	\$ -	\$ -
Total General Appropriations for Municipal	<u>3,066,777</u>	<u>3,066,777</u>	<u>2,965,837</u>	<u>100,940</u>	-	-
Operations Excluded from "CAPS":						
LOSAP (Fire Company)						
Other Expenses	34,500	34,500		34,500		
NJPDES Stormwater Permit						
Street Division-Other Expenses	1,000	1,000	256	744		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012
(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		\$ 1,113	\$ 1,113			
Clean Communities Program:						
Other Expenses	\$ 17,736	17,736	17,736			
NJ Department of Transportation:						
Grafton Road Erosion Repair		200,935	200,935			
NJ Environmental Commission						
Other Expenses		12,000	12,000			
Total Operations Excluded from "CAPS"	53,236	267,284	232,040	\$ 35,244	\$ -	\$ -
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	53,236	267,284	232,040	35,244	-	-
Capital Improve-Excluded from "CAPS":						
Capital Improvement Fund	25,000	25,000	25,000			
Total Capital Improvements Excluded from "CAPS"	25,000	25,000	25,000	-	-	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF DELAWARE
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012
(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	\$ 30,000	\$ 30,000	\$ 30,000			
Interest on Bonds	127,444	127,444	127,444			
Total Dept Service Excluded from "CAPS"	157,444	157,444	157,444	\$ -	\$ -	\$ -
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"	12,000	12,000	12,000	-	-	-
Total General Approp for Municipal Purposes Excluded from "CAPS"	247,680	461,728	426,484	35,244	-	-
Subtotal General Appropriations	3,314,457	3,528,505	3,392,321	136,184	-	-
Reserve for Uncollected Taxes	400,000	400,000	400,000	-	-	0
Total General Appropriations	\$ 3,714,457	\$ 3,928,505	\$ 3,792,321	\$ 136,184	\$ -	\$ -
<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, 2012
(Continued)

<u>Paid or Charged</u>	<u>Ref.</u>	<u>Paid or Charged</u>
Cash Disbursed	A-4	\$ 3,084,810
Reserve for Encumbrances	A-16	67,720
Reserve for Uncollected Taxes	A-2	400,000
Special Emergency Authorization	A-13	12,000
Appropriated Reserve for State Grants	A-32	231,784
		<u>3,796,314</u>
Less: Budget Refunds	A-4	3,993
	A-3	<u>\$ 3,792,321</u>
 <u>Appropriations</u>		
Budget	A-2	\$ 3,714,457
Added by NJSA 40A:4-87	A-2	214,048
	A-3	<u>\$ 3,928,505</u>

TOWNSHIP OF DELAWARE
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
TRUST FUND

	Ref.	Balance Dec. 31, 2012	Balance Dec. 31, 2011
ASSETS			
Animal Control Fund:			
Cash-Treasurer	B-1	\$ 2,766	\$ 2,952
Due from Current Fund	B-4	2,068	17
		<u>4,834</u>	<u>2,969</u>
LOSAP (Unaudited):			
Investment	B-1	225,860	196,512
		<u>225,860</u>	<u>196,512</u>
Other Trust Funds:			
Cash-Treasurer	B-1	1,265,333	1,067,534
Due from Current Fund	B-6	515,925	803,694
Due from General Capital Fund	B-7	245,572	245,572
Loans Receivable	B-8	55,141	55,141
		<u>2,081,971</u>	<u>2,171,941</u>
TOTAL ASSETS		<u>\$ 2,312,665</u>	<u>\$ 2,371,422</u>

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

	Ref.	Balance Dec. 31, 2012	Balance Dec. 31, 2011
LIABILITIES AND RESERVES			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-3	\$ 4,826	\$ 2,969
Due to State of New Jersey	B-5	8	
		<u>4,834</u>	<u>2,969</u>
LOSAP (Unaudited):			
Reserve for LOSAP	B-34	225,860	196,512
		<u>225,860</u>	<u>196,512</u>
Other Trust Funds:			
Due to Current Fund	B-6	26,589	7,539
Reserve for Open Space	B-9	1,487,926	1,457,768
Reserve for Loans Receivable	B-8	55,141	55,141
Reserve for Road Improvements	B-10	65,176	80,176
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	112,298	118,142
Reserve for Unemployment	B-16	86,627	84,774
Reserve for Recreation	B-17	26,292	20,980
Reserve for Recycling	B-18	2,962	69
Reserve for Sutton Burial Ground	B-19	8,401	8,400
Reserve for Dilts Farm	B-20	917	12,941
Reserve for Municipal Alliance	B-21	269	(3,773)
Reserve for Developer's Deposits-COAH	B-22	47,021	151,787
Reserve for COAH-Interest	B-23	25,841	25,767
Reserve for Insurance	B-24	15,974	15,979
Reserve for Public Defender	B-25	2,097	1,359
Reserve for POAA	B-26	10	10
Reserve for Quarry Reclamation Fund	B-27	20,546	18,536
Reserve for Tax Premiums	B-28	16,800	40,900
Reserve for Farmer's Market	B-29	1,164	1,745
Reserve for Retirement	B-30	9,992	
Reserve for Snow Removal	B-31	11,777	4,277
Reserve for Payroll Withholdings	B-32	10,474	33,212
Reserve for Police Building	B-33	42,280	30,815
		<u>2,081,971</u>	<u>2,171,941</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 2,312,665</u>	<u>\$ 2,371,422</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2011</u>
ASSETS			
Cash	C-2	\$ 10,750	\$ 51,133
Due from Current Fund	C-5	718,003	1
Due from Grant Fund	C-7	1,190	1,676
Due from Delaware River Toll Bridge Commission	C-8	21,850	21,850
Deferred Charges to Future Taxation:			
Funded	C-9	7,477,000	7,757,000
Unfunded	C-10	<u>967,000</u>	<u>492,000</u>
TOTAL ASSETS		<u><u>\$ 9,195,793</u></u>	<u><u>\$ 8,323,660</u></u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds Payable	C-17	\$ 7,477,000	\$ 7,757,000
Bond Anticipation Notes Payable	C-18	798,000	
Improvement Authorizations:			
Funded	C-11	74,577	191,398
Unfunded	C-11	417,366	29,269
Due to Current Fund	C-5		
Due to Open Space Trust Fund	C-6	245,572	245,572
Capital Improvement Fund	C-12	69,756	74,953
Reserves For:			
Payment of Debt Service	C-13	105,000	
Expansion of Municipal Building	C-14	6,134	6,134
Guard Rails	C-15	2,325	2,325
Purchase of Police Equipment	C-16		15,000
Fund Balance	C-1	<u>63</u>	<u>2,009</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 9,195,793</u></u>	<u><u>\$ 8,323,660</u></u>
 Bonds and Notes Authorized But Not Issued	 C-19	 <u><u>\$ 199,000</u></u>	 <u><u>\$ 492,000</u></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, 2012	Dec. 31, 2011
Balance January 1	C	\$ 2,009	\$ 2,009
Increased by:			
Improvement Authorization Balances Canceled	C-11	68,054	
		<u>70,063</u>	<u>2,009</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-11	70,000	
		<u>70,000</u>	<u></u>
Balance December 31	C	<u>\$ 63</u>	<u>\$ 2,009</u>

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

	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2011</u>
ASSETS			
Cash	D-1	<u>\$ 6,220</u>	<u>\$ 6,220</u>
TOTAL ASSETS		<u><u>\$ 6,220</u></u>	<u><u>\$ 6,220</u></u>
RESERVES			
Reserve for Public Assistance	D-7	<u>\$ 6,220</u>	<u>\$ 6,220</u>
TOTAL RESERVES		<u><u>\$ 6,220</u></u>	<u><u>\$ 6,220</u></u>

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

	<u>Balance</u> <u>Dec. 31,2012</u>	<u>Balance</u> <u>Dec. 31,2011</u>
GENERAL FIXED ASSETS		
Land	\$ 1,860,804	\$ 1,860,804
Building & Building Improvements	178,143	178,143
Machinery & Equipment	2,579,613	2,693,853
Construction in Progress	<u>258,988</u>	<u>126,340</u>
	<u>\$ 4,877,548</u>	<u>\$ 4,859,140</u>

NOTES TO FINANCIAL STATEMENTS

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

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.

Public Assistance Fund – receipt and disbursement of Funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes. (Note: Administration of assistance was turned over to the County of Hunterdon on January 1, 1999)

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, 2012 AND 2011
(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, 2012 AND 2011
(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, 2012 AND 2011
(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, 2012 AND 2011
 (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, 2012, 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, 2012 AND 2011
 (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 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
Issued:			
General:			
Bonds and Notes	\$ 8,275,000	\$ 7,757,000	\$ 8,019,000
Authorized but not Issued:			
General:			
Bonds and Notes	<u>199,000</u>	<u>492,000</u>	<u>522,000</u>
Bonds and Notes Issued & Authorized but not Issued	<u>\$ 8,474,000</u>	<u>\$ 8,249,000</u>	<u>\$ 8,541,000</u>

TOWNSHIP OF DELAWARE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011
 (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 .88%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 3,568,739	\$ 3,568,739	
Regional School District	1,784,083	1,784,083	
General Debt	<u>8,474,000</u>	<u>135,000</u>	<u>\$ 8,339,000</u>
	<u>\$ 13,826,822</u>	<u>\$ 5,487,822</u>	<u>\$ 8,339,000</u>

Net Debt \$8,339,000 divided by Equalized Valuation Basis per NJS 40A:2-2 as amended, \$942,872,600 equals .88%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 33,000,541
Net Debt	<u>8,339,000</u>
Remaining Borrowing Power	<u>\$ 24,661,541</u>

Changes in Long-Term Debt

During the year ended December 31, 2012, the following changes occurred in Long-Term Debt.

	<u>Balance Jan. 01, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2012</u>
Issued Debt:				
General Capital:				
Bonds	\$ 7,757,000		\$ 280,000	\$ 7,477,000
Notes		\$ 798,000		798,000
Authorized But Not Issued Debt:				
General Capital:				
Bonds and Notes	<u>492,000</u>	<u>475,000</u>	<u>768,000</u>	<u>199,000</u>
Total	<u>\$ 8,249,000</u>	<u>\$ 1,273,000</u>	<u>\$ 1,048,000</u>	<u>\$ 8,474,000</u>

TOWNSHIP OF DELAWARE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(Continued)

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

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

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 297,000	\$ 364,665	\$ 661,665
2014	322,000	349,531	671,531
2015	332,000	335,751	667,751
2016	337,000	320,775	657,775
2017	342,000	305,549	647,549
2018-2022	1,805,000	1,265,205	3,070,205
2023-2027	875,000	918,027	1,793,027
2028-2032	1,180,000	683,005	1,863,005
2033-2037	1,605,000	353,630	1,958,630
2038	382,000	19,864	401,864
	<u>\$ 7,477,000</u>	<u>\$ 4,916,002</u>	<u>\$ 12,393,002</u>

General Obligation Bonds-General obligation bonds at December 31, 2012 with their outstanding balances are comprised of the following individual issues:

\$4,190,000-2002 general obligation bonds due in annual installments of \$152,000 to \$232,000 beginning April 15, 2003 through Oct 15, 2022, interest at 2.00% to 5.25%	\$ 2,315,000
\$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%	2,623,000
\$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%	<u>2,539,000</u>
	<u>\$ 7,477,000</u>

NOTE 5: FUND BALANCES APPROPRIATED

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

Current Fund	<u>\$ 395,000</u>
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TOWNSHIP OF DELAWARE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011
 (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>	
	Balance	Balance	Balance	Balance
	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2011</u>
Balance of Tax	\$ 3,606,031	\$ 3,482,868	\$ 2,566,012	\$ 2,487,134
Deferred	<u>2,051,077</u>	<u>2,051,077</u>	<u>1,083,907</u>	<u>1,032,674</u>
Tax Payable	<u>\$ 1,554,954</u>	<u>\$ 1,431,791</u>	<u>\$ 1,482,105</u>	<u>\$ 1,454,460</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:

	Balance	Balance
	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2011</u>
Prepaid Taxes	\$ 129,694	\$ 176,312
Less: Discount Allowed	<u>-0-</u>	<u>-0-</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 129,694</u>	<u>\$ 176,312</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, 2012 AND 2011
 (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, 2012, the rate increased to 6.64%. 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/annrprts.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 6.64% 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
2012	\$ 103,508	\$ 94,947
2011	104,516	85,136
2010	88,607	66,868

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, 2012 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, 2012, 2011, and 2010, were \$144,158, \$130,926, and \$79,490, 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, 2012 \$7,293, 2011 \$8,619, and 2010 \$7,467.

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 \$110,850. 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, 2012 AND 2011
 (Continued)

NOTE 11: FIXED ASSETS

The following schedule is a summarization of the changes in general fixed assets for the year ended December 31, 2012:

	Balance Dec. 31, 2011	Additions	Deletions	Balance Dec. 31, 2012
Sites	\$ 1,650,804	\$ 210,000		\$ 1,860,804
Building & Building Improvements	178,143			178,143
Furniture, Machinery & Equipment	2,247,505	446,348		2,693,853
Construction in Progress		126,340		126,340
	<u>\$ 4,076,452</u>	<u>\$ 782,688</u>	<u>\$ -0-</u>	<u>\$ 4,859,140</u>

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the various balance sheets at December 31, 2012:

Fund	Interfund Receivables	Interfund Payables
Current Fund:		
Due to Animal Control Fund		\$ 2,068
Due from Other Trust Fund	\$ 26,589	
Due to General Capital Fund		718,003
Due from Grant Fund	46,037	
Due to Open Space Trust Fund		515,925
Grant Fund:		
Due to Current Fund		46,037
Due to General Capital Fund		1,190
Other Trust Fund:		
Due to Current Fund		26,589
Open Space Trust Fund:		
Due from Current Fund	515,925	
Due from General Capital	245,572	
Animal Control Fund:		
Due from Current Fund	2,068	
General Capital Fund:		
Due to Open Space Trust Fund		245,572
Due from Current Fund	718,003	
Due from Grant Fund	1,190	
	<u>\$ 1,555,384</u>	<u>\$ 1,555,384</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, 2012 AND 2011
(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 31, 2013, 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 November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61 “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34”. The purpose of the statement is to amend the criteria for reporting and including component units with the primary government. This statement, which is effective for fiscal periods beginning after June 15, 2012, is not anticipated to have any effect on the Municipality’s financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 “Items Previously Reported as Assets and Liabilities”. This statement, which clarifies the reporting requirements related to deferred assets and liabilities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the Municipality’s financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 “Technical Corrections–2012—an amendment of GASB Statements No. 10 and No. 62”. This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the Municipality’s financial reporting.

TOWNSHIP OF DELAWARE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(Continued)

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

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.

SUPPLEMENTARY SCHEDULES

TOWNSHIP OF DELAWARE
COUNTY OF HUNTERDON
2012
CURRENT FUND

TOWNSHIP OF DELAWARE
SCHEDULE OF CURRENT FUND CASH-TREASURER

	Ref.	Regular Fund	Federal and State Grant Fund
Balance December 31, 2011	A	\$ 4,623,219	\$ 80,281
Increased by Receipts:			
Appropriation Refunds	A-3	\$ 3,993	
Interest on Investments & Deposits	A-2	5,611	
Non Budget Revenue	A-2	233,029	
Interest and Cost on Taxes	A-2	79,587	
Fees & Permits	A-2	20,407	
State of NJ-Veterans' & Senior Citizens' Deductions	A-6	47,000	
Taxes Receivable	A-7	18,883,162	
Tax Title Liens Receivale	A-8	4,404	
Revenue Accounts Receivable	A-9	494,847	
Due to Animal Control Fund	A-10	2,051	
Due to Other Trust Fund	A-11	4,800	
Due to Grant Fund	A-12	245,981	
Grants Receivable	A-14		\$ 12,000
Prepaid Taxes	A-17	129,694	
Tax Overpayments	A-18	15,302	
Due County-Food Inspection Fees	A-22	2,100	
Due NJ-State Training Fees	A-23	6,389	
Due NJ-Marriage Licenses & Domestic Partnership Fees	A-24	525	
Due to General Capital Fund	A-25	798,002	
Reserve for Garden State Preservation Trust Fund	A-29	27,412	
Due from Regular Fund	A-30		295,005
Unappropriated State Grants	A-33		14,750
		<u>21,004,296</u>	<u>321,755</u>
		25,627,515	402,036

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

	Ref.	Regular Fund	Federal and State Grant Fund
Decreased by Disbursements:			
2012 Budget Appropriations	A-3	\$ 3,084,810	
2011 Appropriation Reserves	A-15	82,271	
Construction Code Fees Refunded	A-9		
Due from Other Trust Fund	A-11	49,303	
Due from Grant Fund	A-12	295,000	
Tax Overpayments Refunded	A-18	5,579	
Regional High School Tax Payable	A-19	5,053,255	
Local School Tax Payable	A-20	7,609,236	
County Taxes Payable	A-21	3,399,627	
Due County-Food Inspection Fees	A-22	1,600	
Due NJ-State Training Fees	A-23	7,554	
Due NJ-Marriage Licenses & Domestic Partnership Fees	A-24	400	
Due to General Capital Fund	A-25	80,000	
Due to Open Space Trust Fund	A-26	811,558	
Reserve for Revaluation	A-28	49,307	
Due from Regular Fund	A-30		\$ 41
Due to General Capital Fund	A-31		12,486
Fees & Permits Refunded	A-2	325	
Refund Prior Year Revenue	A-1		
Refund Non Budget Revenue	A-2	5,493	
Appropriated Reserves for State Grants	A-32		344,016
		<u>\$ 20,535,318</u>	<u>\$ 356,543</u>
Balance December 31, 2012	A	<u>\$ 5,092,197</u>	<u>\$ 45,493</u>

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

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2012	A-4	\$ 5,092,197	\$ 45,493
Increased by:			
Receipts		4,947,417	33
		<u>10,039,614</u>	<u>45,526</u>
Decreased by:			
Disbursements		6,188,169	34,645
		<u>6,188,169</u>	<u>34,645</u>
Balance March 31, 2013		<u>\$ 3,851,445</u>	<u>\$ 10,881</u>
<u>Cash Reconciliation March 31, 2013</u>			
Balance Per Statement:			
NJ Cash Management		\$ 604,858	
PNC Bank		3,228,468	\$ 12,026
Petty Cash		650	
		<u>3,833,976</u>	<u>12,026</u>
Add: Deposit-in-Transit		25,230	
		<u>3,859,206</u>	<u>12,026</u>
Less: Outstanding Checks		7,761	1,145
		<u>7,761</u>	<u>1,145</u>
Book Balance		<u>\$ 3,851,445</u>	<u>\$ 10,881</u>

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

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 22,396
Increased by:			
Receipts	A-4	\$ 47,000	
2011 Senior Citizen Deductions Disallowed by Collector	A-1	<u>1,042</u>	
			<u>48,042</u>
			70,438
Decreased by:			
Veterans' Deductions per Tax Billings		\$ 6,500	
Veterans' Deductions Allowed by Tax Collector		1,000	
Senior Citizens' Deductions per Tax Billings		43,500	
Senior Citizens' Deductions Allowed by Tax Collector		<u>750</u>	
		51,750	
Less: Senior Citizen Deductions Disallowed by Collector		<u>250</u>	
	A-7		<u>51,500</u>
Balance December 31, 2012	A		<u><u>\$ 18,938</u></u>

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

Year	Balance	2012 Levy	Added 2012	Collected		Transferred to Tax Title Liens	Senior Citizens & Veterans' Deductions	Tax Overpayment Applied	Cancellations	Balance
	12/31/2011			2011	2012					12/31/2012
2009	\$ 8,650									\$ 8,650
2010	6,468									6,468
2011	360,277		\$ 738		\$ 336,079					24,936
2012		\$ 19,108,459	79,787	\$ 176,312	18,547,083	\$ 3,412	\$ 51,500	\$ 21,324	\$ 30,757	357,858
	\$ 375,395	\$ 19,108,459	\$ 80,525	\$ 176,312	\$ 18,883,162	\$ 3,412	\$ 51,500	\$ 21,324	\$ 30,757	\$ 397,912
<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 2012 Property Tax</u>			
Tax Yield:			
General Purpose Tax			\$ 19,108,459
Added and Omitted Taxes			<u>79,787</u>
	A-7		<u>\$ 19,188,246</u>
Tax Levy:			
Local District School Tax	A-2;A-20		\$ 7,732,399
Regional District School Tax	A-2;A-19		5,132,133
County Tax		\$ 2,814,818	
County Library Tax		281,213	
County Open Space Tax		288,751	
County Share of Added and Omitted Taxes		<u>14,237</u>	
Total County Taxes	A-2;A-21		3,399,019
Municipal Open Space Tax		547,000	
Municipal Open Space Share of Added and Omitted Taxes		<u>2,289</u>	
Total Municipal Open Space Tax	A-2;A-26		549,289
Municipal Purpose Tax	A-2	2,310,000	
Additional Tax Levied		<u>565,406</u>	
Total Municipal Purpose Tax			<u>2,875,406</u>
	A-7		<u>\$ 19,688,246</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 20,156
Increased by:		
Transferred from Taxes Receivable	A-7	<u>3,412</u>
		23,568
Decreased by:		
Collections	A-2; A-4	<u>4,404</u>
Balance December 31, 2012	A	<u><u>\$ 19,164</u></u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance Dec.31,2011</u>	<u>Accrued in 2012</u>	<u>Collected Treasurer</u>	<u>Balance Dec.31,2012</u>
Alcoholic Beverage Licenses	A-2		\$ 4,800	\$ 4,800	
Municipal Court	A-2	\$ 5,210	50,654	52,528	\$ 3,336
Energy Receipts Tax	A-2		316,688	316,688	
Consolidated Municipal Property Tax Relief Aid	A-2		17,317	17,317	
Uniform Construction Code Fees	A-2		103,514	103,514	
		<u>\$ 5,210</u>	<u>\$ 492,973</u>	<u>\$ 494,847</u>	<u>\$ 3,336</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, 2011	A	\$ 17
Increased by:		
Receipts	A-4	<u>2,051</u>
Balance December 31, 2012	A	<u>\$ 2,068</u>

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

	<u>Ref.</u>	
Balance December 31, 2011 (Due to)	A	\$ 17,461
Increased by:		
Inter Account Transfer	A-27	\$ 500
Receipts:		
Municipal Alliance	A-4	<u>4,800</u>
		<u>5,300</u>
		22,761
Decreased by:		
Interest Income	A-2	47
Disbursements:		
Payroll Account	A-4	24,303
Tax Sale Premiums	A-4	<u>25,000</u>
		<u>49,350</u>
Balance December 31, 2012 (Due from)	A	<u>\$ 26,589</u>

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

	<u>Ref.</u>		
Balance December 31, 2011 (Due to)	A	\$	30,482
Increased by:			
Receipts	A-4		<u>245,981</u>
			276,463
Decreased by:			
Prior Year Expenditures Chargeable to Grants	A-2	\$	27,500
Disbursements	A-4		<u>295,000</u>
			<u>322,500</u>
Balance December 31, 2012 (Due from)	A	\$	<u><u>46,037</u></u>

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

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance 12/31/2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance 12/31/2012</u>	
3/26/2012	Revaluation of Real Property	\$ 60,000	\$ 12,000		\$ 60,000	\$ 12,000	\$ 48,000	
				<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 12,000</u>	<u>\$ 48,000</u>	
				<u>Ref.</u>	A	A-28	A-3	A

TOWNSHIP OF DELAWARE
SCHEDULE OF GRANTS RECEIVABLE

Grant	Balance 12/31/2011	Revenue in 2012	Received	Balance Canceled	Balance 12/31/2012
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	246,191		\$ 120,500		125,691
NJ Department of Transportation-Meszaros Road Project	150,000		106,874		43,126
Clean Communities Program		\$ 17,736	17,458	\$ 278	
NJ Environmental Commission		12,000	12,000		
Body Armor Grant		1,113	1,113		
NJ Department of Transportation-Grafton Road Project		200,935			200,935
	<u>\$ 426,189</u>	<u>\$ 231,784</u>	<u>\$ 257,945</u>	<u>\$ 278</u>	<u>\$ 399,750</u>
Ref.	A	A-2	Below		A
Due from Regular Fund	A-30		\$ 245,945		
Receipts	A-4		<u>12,000</u>		
			<u>\$ 257,945</u>		

TOWNSHIP OF DELAWARE
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

	Balance Dec. 31, 2011	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Municipal Clerk:					
Salaries and Wages	\$ 2,760	\$ 2,760		\$ 2,760	
Other Expenses:					
Postage & Advertising	1,149	3,063	\$ 1,912	1,151	
Miscellaneous Other Expenses	3,674	5,059	1,323	3,736	
Elections:					
Other Expenses	734	734		734	
Financial Administration:					
Salaries and Wages	31	31		31	
Other Expenses	3,146	3,146		3,146	
Assessment of Taxes:					
Maintenance of Tax Map	1,479	2,664	1,185	1,479	
Other Expenses	660	660		660	
Revenue Administration:					
Other Expenses	605	605	63	542	
Legal Services and Costs:					
Other Expenses	21,528	22,953	1,425	21,528	
Engineering Service & Costs:					
Other Expenses	8	238	230	8	
Public Building and Grounds:					
Other Expenses:					
Expenses of Dilts Farm	5,281	5,281	2,500	2,781	
Miscellaneous Other Expenses	620	2,751	2,131	620	
Planning Board:					
Salaries and Wages				-	
Other Expenses	1,978	1,978	1,881	97	

TOWNSHIP OF DELAWARE
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Balance Dec. 31, 2011	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Board of Adjustment:					
Other Expenses	\$ 7,025	\$ 7,389	\$ 1,848	\$ 5,541	
Zoning Board:					
Other Expenses	157	257	100	157	
Environmental Commission (RS 40:56A:-1 et seq):					
Salaries and Wages	388	388		388	
Other Expenses	221	221		221	
Insurance:					
Other Insurance Premiums	4,539	4,539		4,539	
Surety Bond Premiums	3	3		3	
Employee Group Health	99	2,419	2,320	99	
Fire:					
Aid to Volunteer Fire Companies	1,100	1,100		1,100	
Police:					
Salaries and Wages	2,887	2,887		2,887	
Other Expenses:	16,905	17,476	588	16,888	
Purchase of Police Car	266	266		266	
Supplemental Safe Neighborhood Program:					
Salaries and Wages	2,983	2,983		2,983	
Other Expenses	1,397	1,397		1,397	
First Aid Organization-Contribution					
Public Defender:					
Salaries and Wages	51	333	282	51	
Construction Code Official:					
Salaries and Wages	1,150	2,025	875	1,150	
Office of Emergency Management:					
Other Expenses	219	219		219	
Road Repair and Maintenance:					
Salaries and Wages	115	115		115	
Other Expenses	8,953	15,319	14,837	482	
Board of Health:					
Salaries and Wages	7,325	7,325		7,325	
Other Expenses	22	22		22	
Sub Code Officials:					
Plumbing Inspector:					
Salaries and Wages	605	605		605	

TOWNSHIP OF DELAWARE
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Balance Dec. 31, 2011	Balance After Transfer	Expended	Balance Lapsed	Overexpended
Senior Health Services:					
Other Expenses					
Board of Recreation Commissioners:					
Other Expenses	\$ 2,308	\$ 4,200	\$ 1,892	\$ 2,308	
Historic Preservation Society:					
Other Expenses	3,000	3,000	3,000		
Unclassified:					
Utilities:					
Gasoline & Diesel Fuel	1,770	4,718	2,949	1,769	
Fuel Oil	957	957		957	
Electricity	13	3,672	3,659	13	
Telephone	12	1,048	1,036	12	
Street Lighting	603	1,538	935	603	
Data Processing Services	433	433		433	
Accumulated Sick Leave:					
Other Expenses	10,000	10,000	10,000		
Contingent	50	50		50	
Contribution to:					
Social Security System	13,684	13,684		13,684	
State Unemployment	50	50		50	
LOSAP	34,500	34,500	25,300	9,200	
Municipal Court:					
Salaries and Wages	149	149		149	
Other Expenses	593	593		593	
NJPDES Stormwater Permit	780	780		780	
	\$ 168,965	\$ 198,583	\$ 82,271	\$ 116,312	\$ -
Ref.	A	Below	A-4	A-1	
Appropriation Reserves	A	\$ 168,965			
Encumbrances Payable	A-16	29,618			
		\$ 198,583			

TOWNSHIP OF DELAWARE
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 29,618
Increased by:		
2012 Budget Charges	A-3	<u>67,720</u>
		97,338
Decreased by:		
Applied to Appropriation Reserves	A-15	<u>29,618</u>
Balance December 31, 2012	A	<u><u>\$ 67,720</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 176,312
Increased by:		
Collection of 2013 Taxes	A-4	<u>129,694</u>
		306,006
Decreased by:		
Applied to 2012 Taxes Receivable	A-7	<u>176,312</u>
Balance December 31, 2012	A	<u><u>\$ 129,694</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 21,777
Increased by:			
Overpayments Received	A-4		<u>15,302</u>
			37,079
Decreased by:			
Refunded	A-4	\$ 5,579	
Applied to 2012 Taxes	A-7	21,324	
Overpayments Canceled	A-1	<u>662</u>	
			<u>27,565</u>
Balance December 31, 2012	A		<u><u>\$ 9,514</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2011:			
School Tax Payable	A	\$ 1,454,460	
School Tax Deferred (20.76%)		<u>1,032,674</u>	\$ 2,487,134
Increased by:			
Levy-School Year July 1, 2012 to June 30, 2013	A-7		<u>5,132,133</u>
			7,619,267
Decreased by:			
Disbursements	A-4		<u>5,053,255</u>
Balance December 31, 2012:			
School Tax Payable	A	1,482,105	
School Tax Deferred (21.12%)		<u>1,083,907</u>	
			<u>\$ 2,566,012</u>
<u>2012 Liability for Regional High School Tax</u>			
Tax Paid			\$ 5,053,255
Add: Tax Payable December 31, 2012			<u>1,482,105</u>
			6,535,360
Less: Tax Payable December 31, 2011			<u>1,454,460</u>
Amount Charged to Operations	A-1		<u>\$ 5,080,900</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF LOCAL SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2011:			
School Tax Payable	A	\$ 1,431,791	
School Tax Deferred (26.84%)		<u>2,051,077</u>	
			\$ 3,482,868
Increased by:			
Levy-School Year July 1, 2012 to June 30, 2013	A-7		<u>7,732,399</u>
			11,215,267
Decreased by:			
Disbursements	A-4		<u>7,609,236</u>
Balance December 31, 2012:			
School Tax Payable	A	1,554,954	
School Tax Deferred (26.52%)		<u>2,051,077</u>	
			<u>\$ 3,606,031</u>
<u>2012 Liability for Regional High School Tax</u>			
Tax Paid			\$ 7,609,236
Add: Tax Payable December 31, 2012			<u>1,554,954</u>
			9,164,190
Less: Tax Payable December 31, 2011			<u>1,431,791</u>
Amount Charged to Operations	A-1		<u>\$ 7,732,399</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 14,845
Increased by:		
2012 Levy:		
County Taxes		\$ 2,814,818
County Library Tax		281,213
County Open Space Tax		288,751
County Share of Added & Omitted Taxes		<u>14,237</u>
	A-1;A-7	<u>3,399,019</u>
		<u>3,413,864</u>
Decreased by:		
Disbursements	A-4	<u>3,399,627</u>
Balance December 31, 2012	A	<u><u>\$ 14,237</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE COUNTY-FOOD INSPECTIONS

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ -
Increased by:		
Receipts	A-4	<u>2,100</u>
		2,100
Decreased by:		
Disbursements	A-4	<u>1,600</u>
Balance December 31, 2012	A	<u><u>\$ 500</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE NJ-STATE TRAINING FEES

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 2,493
Increased by:		
Receipts	A-4	<u>6,389</u>
		8,882
Decreased by:		
Disbursements	A-4	<u>7,554</u>
Balance December 31, 2012	A	<u><u>\$ 1,328</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 100
Increased by:		
Receipts	A-4	<u>525</u>
		625
Decreased by:		
Disbursements	A-4	<u>400</u>
Balance December 31, 2012	A	<u><u>\$ 225</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO GENERAL CAPITAL FUND

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 1
Increased by:		
Receipts	A-4	<u>798,002</u>
		798,003
Decreased by:		
Disbursements	A-4	<u>80,000</u>
Balance December 31, 2012	A	<u><u>\$ 718,003</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO OPEN SPACE TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 778,194
Increased by:		
2012 Tax Levy	A-7	<u>549,289</u>
		1,327,483
Decreased by:		
Disbursements	A-4	<u>811,558</u>
Balance December 31, 2012	A	<u>\$ 515,925</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO OTHER TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 500
Decreased by:		
Inter Account Transfer	A-11	<u>500</u>
Balance December 31, 2012	A	<u>\$ -</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR REVALUATION

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ -
Increased by:		
2012 Revaluation Ordinance	A-13	<u>60,000</u>
		60,000
Increased by:		
Disbursements	A-4	<u>49,307</u>
Balance December 31, 2012	A	<u><u>\$ 10,693</u></u>

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

	<u>Ref.</u>		
Balance December 31, 2011	A	\$	27,412
Increased by:			
Receipts	A-4		27,412
			<u>54,824</u>
Decreased by:			
Anticipated as 2011 Miscellaneous Revenue	A-2		27,412
			<u>27,412</u>
Balance December 31, 2012	A	\$	<u>27,412</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM/TO REGULAR FUND

	<u>Ref.</u>			
Balance December 31, 2011 (Due from)	A	\$		30,482
Increased by:				
Grant Funds Received in Regular Fund	A-14	\$	245,945	
Disbursements	A-4		<u>41</u>	
				<u>245,986</u>
				276,468
Decreased by:				
Receipts	A-4		295,005	
Grant Reimbursement of Prior Year Expenditures	A-32		<u>27,500</u>	
				<u>322,505</u>
Balance December 31, 2012 (Due to)	A	\$		<u>46,037</u>

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

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 1,676
Increased by:		
Grant Expenditures in General Capital Fund	A-32	<u>12,000</u>
		13,676
Decreased by:		
Disbursements	A-4	<u>12,486</u>
Balance December 31, 2012	A	<u><u>\$ 1,190</u></u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

Grant	Balance 12/31/2011	Transferred from 2012 Budget	Paid or Charged	Balance Canceled	Balance 12/31/2012
NJ Body Armor	\$ 1,459				\$ 1,459
Tree Planting	230				230
SLAHEOP	669				669
Office of Emergency Management-2004	2,387				2,387
Office of Emergency Management-2005	5,000				5,000
DWI	201				201
Green Communities	63		\$ 63		
Stormwater Management	5,473				5,473
Delaware River Greenway	1,834				1,834
Cool Cities	23,150				23,150
DCA-Smart Future Planning Grant	27,500		27,500		
Recreation Trails Program	1,165				1,165
Clean Communities Program-2011	783		783		
Clean Communities Program-2012		\$ 17,736	2,605	\$ 278	14,853
Historic Preservation Grant	8,300		8,120		180
Historic Preservation Grant-2010 Reserve	5,555		5,555		
NJ Division of Highway Safety	3,100				3,100
NJ Forest Service-Business Stimulus Fund	7,000				7,000
NJ DOT-Meszaros Road Project	150,000		150,000		
FEMA Grant-Sanford Road Project	5,307		4,959		348
FEMA Grant-Sanford Road Project Matching Funds	1,769				1,769
FEMA Grant-Lower Creek Road Project	29,862		27,447		2,415
FEMA Grant-Lower Creek Road Project Matching Funds	9,954				9,954
Delaware River Joint Toll Bridge Commission-Federal Twist Road Project	244,515		125,039		119,476
NJ Environmental Commission		12,000	12,000		
Body Armor Grant		1,113			1,113
NJ Department of Transportation-Grafton Road Project		200,935	19,445		181,490
	<u>\$ 535,276</u>	<u>\$ 231,784</u>	<u>\$ 383,516</u>	<u>\$ 278</u>	<u>\$ 383,266</u>

Ref.	A	A-3	Below	A-14	A
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Disbursements	A-4	\$ 344,016
Due to Regular Fund	A-30	27,500
Due to General Capital Fund	A-31	12,000
		<u>\$ 383,516</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ -
Increased by:		
Receipts	A-4	<u>14,750</u>
Balance December 31, 2012	A	<u><u>\$ 14,750</u></u>

TOWNSHIP OF DELAWARE
COUNTY OF HUNTERDON
2012
TRUST FUND

TOWNSHIP OF DELAWARE
SCHEDULE OF TRUST FUND CASH-TREASURER

	Ref.	Animal Control Funds	Other Trust Funds
Balance December 31, 2011	B	\$ 2,952	\$ 1,264,046
Increased by Receipts:			
Animal Control Fund	B-3	\$ 15,512	
Due to Current Fund	B-4	1	
Due to State of New Jersey	B-5	2,207	
Due from Current Fund	B-6		\$ 803,379
Reserve for Open Space	B-9		32,242
Developers' Deposits	B-15		47,709
Reserve for Unemployment	B-16		2,424
Reserve for Recreation	B-17		16,612
Reserve for Recycling	B-18		6,565
Reserve for Sutton Burial Ground	B-19		1
Reserve for Dilts Farm	B-20		1
Reserve for Municipal Alliance	B-21		38,991
Reserve for Developer's Deposits-COAH	B-22		35,805
Reserve for COAH-Interest	B-23		74
Reserve for Insurance	B-24		71
Reserve for Public Defender	B-25		738
Reserve for Quarry Reclamation Fund	B-27		2,010
Reserve for Farmer's Market	B-29		1,777
Reserve for Retirement	B-30		9,992
Reserve for Snow Removal	B-31		7,500
Reserve for Payroll	B-32		1,804,765
Reserve for Police Building	B-33		11,465
Reserve for LOSAP	B-34		46,817
		<u>17,720</u>	<u>2,868,938</u>
		20,672	4,132,984

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	\$ 15,706	
Due to Current Fund	B-4	1	
Due to State of New Jersey	B-5	2,199	
Due from Current Fund	B-6		\$ 4,938
Reserve for Open Space	B-9		518,009
Reserve for Road Improvements	B-10		15,000
Developers' Deposits	B-15		53,553
Reserve for Unemployment	B-16		571
Reserve for Recreation	B-17		11,300
Reserve for Recycling	B-18		3,672
Reserve for Dilts Farm	B-20		12,025
Reserve for Municipal Alliance	B-21		34,949
Reserve for Developer's Deposits-COAH	B-22		140,571
Reserve for Insurance	B-24		76
Reserve for Tax Sale Premiums	B-28		24,100
Reserve for Farmer's Market	B-29		2,358
Reserve for Payroll	B-32		1,803,200
Reserve for LOSAP	B-34		17,469
		<u>\$ 17,906</u>	<u>\$ 2,641,791</u>
Balance December 31, 2012	B;B-2	<u>\$ 2,766</u>	<u>\$ 1,491,193</u>
Analysis of Other:			
Other Trust Funds Cash	B		\$ 1,265,333
LOSAP Investments	B		<u>225,860</u>
			<u>\$ 1,491,193</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, 2012	B-1	\$ 2,766	\$ 1,491,193
Increased by:			
Receipts		11,654	78,366
		<u>14,420</u>	<u>1,569,559</u>
Decreased by:			
Disbursements		4,599	117,887
Balance March 31, 2013		<u>\$ 9,821</u>	<u>\$ 1,451,672</u>

Cash Reconciliation March 31, 2013

Balance Per Statement:

TD Bank			\$ 104,295
PNC Bank	\$	9,825	869,463
Lincoln Investments			241,885
New Jersey Cash Management			248,725
		<u>9,825</u>	<u>1,464,368</u>
Add: Deposit-in-Transit		274	
		<u>10,099</u>	<u>1,464,368</u>
Less: Outstanding Checks		278	12,696
Book Balance		<u>\$ 9,821</u>	<u>\$ 1,451,672</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2011	B	\$	2,969
Increased by Receipts:			
Animal Control Fees	B-1	\$	15,512
Sale of Animal Control Vehicle	B-4		<u>2,051</u>
			<u>17,563</u>
			20,532
Decreased by:			
Expenditures Under RS 4:119.15.	B-1		<u>15,706</u>
Balance December 31, 2012	B	\$	<u><u>4,826</u></u>
<u>Animal Control Collections</u>			
2010		\$	15,904
2011			<u>12,518</u>
Maximum Allowable Reserve		\$	<u><u>28,422</u></u>

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

	<u>Ref.</u>		
Balance December 31, 2011	B	\$	17
Increased by:			
Disbursements	B-1	\$	1
Sale of Animal Control Vehicle in Current Fund	B-3		<u>2,051</u>
			<u>2,052</u>
			2,069
Decreased by:			
Interest on Investments	B-1		<u>1</u>
Balance December 31, 2012	B	\$	<u><u>2,068</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>		
Balance December 31, 2011	B	\$	-
Increased by:			
State Fees Collected	B-1		<u>2,207</u>
			2,207
Increased by:			
Disbursements	B-1		<u>2,199</u>
Balance December 31, 2012	B	\$	<u><u>8</u></u>

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

	Ref.		
Balance December 31, 2011	B		\$ 796,155
Increased by:			
Open Space Trust Tax Levy	B-9	\$ 549,289	
Disbursements-Other Trust Funds	B-1	4,938	
			554,227
			1,350,382
Decreased by:			
Receipts-Open Space	B-1	778,194	
Open Space Trust Disbursements in Current	B-9	33,364	
Payroll Withholdings	B-32	24,303	
Receipts-Other Trust Funds	B-1	25,185	
			861,046
Balance December 31, 2012	B		\$ 489,336

	Dec. 31, 2012	Dec. 31, 2011
<u>Analysis of Balance</u>		
Open Space Trust-Due From	\$ 515,925	\$ 778,194
Other Trust Funds-Due From	500	500
Tax Premiums-Due From		25,000
Other Trust Funds-Due To	(2,786)	(2,739)
Municipal Alliance-Due To		(4,800)
Payroll Withholdings-Due to	(24,303)	
	\$ 489,336	\$ 796,155

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM GENERAL CAPITAL FUND

	<u>Ref.</u>	
Balance December 31, 2011	B	<u>\$ 245,572</u>
Balance December 31, 2012	B	<u><u>\$ 245,572</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF LOANS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2011	B	<u>\$ 55,141</u>
Balance December 31, 2012	B	<u><u>\$ 55,141</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR OPEN SPACE

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 1,457,768
Increased by:		
2012 Municipal Open Space Tax Levy	B-6	\$ 549,289
Receipts	B-1	<u>32,242</u>
		<u>581,531</u>
		2,039,299
Decreased by:		
Disbursements	B-1	518,009
Disbursements in Current Fund	B-6	<u>33,364</u>
		<u>551,373</u>
Balance December 31, 2012	B	<u><u>\$ 1,487,926</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ROAD IMPROVEMENTS

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 80,176
Decreased by:		
Disbursements	B-1	<u>15,000</u>
Balance December 31, 2012	B	<u><u>\$ 65,176</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ROAD OPENING PERMITS

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 1,000
Balance December 31, 2012	B	<u>\$ 1,000</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR QUARRY ORDINANCE

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 2,916
Balance December 31, 2012	B	<u>\$ 2,916</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR CASH BONDS

	<u>Ref.</u>	
Balance December 31, 2011	B	<u>\$ 1,019</u>
Balance December 31, 2012	B	<u><u>\$ 1,019</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST

	<u>Ref.</u>	
Balance December 31, 2011	B	<u>\$ 462</u>
Balance December 31, 2012	B	<u><u>\$ 462</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR ESCROW

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 118,142
Increased by:		
Receipts	B-1	<u>47,709</u>
		165,851
Decreased by:		
Disbursements	B-1	<u>53,553</u>
Balance December 31, 2012	B	<u>\$ 112,298</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR UNEMPLOYMENT

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 84,774
Increased by:		
Receipts	B-1	<u>2,424</u>
		87,198
Decreased by:		
Disbursements	B-1	<u>571</u>
Balance December 31, 2012	B	<u>\$ 86,627</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR RECREATION

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 20,980
Increased by:		
Receipts	B-1	16,612
		<u>37,592</u>
Decreased by:		
Disbursements	B-1	11,300
		<u>11,300</u>
Balance December 31, 2012	B	<u>\$ 26,292</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR RECYCLING

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 69
Increased by:		
Receipts	B-1	6,565
		<u>6,634</u>
Decreased by:		
Disbursements	B-1	3,672
		<u>3,672</u>
Balance December 31, 2012	B	<u>\$ 2,962</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR SUTTON BURIAL GROUND

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 8,400
Increased by:		
Receipts	B-1	<u>1</u>
Balance December 31, 2012	B	<u>\$ 8,401</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR DILTS FARM

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 12,941
Increased by:		
Receipts	B-1	<u>1</u>
		12,942
Decreased by:		
Disbursements	B-1	<u>12,025</u>
Balance December 31, 2012	B	<u>\$ 917</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE

	<u>Ref.</u>	
Balance December 31, 2011 (Deficit)	B	\$ (3,773)
Increased by:		
Receipts	B-1	<u>38,991</u>
		35,218
Decreased by:		
Disbursements	B-1	<u>34,949</u>
Balance December 31, 2012	B	<u><u>\$ 269</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 151,787
Increased by:		
Receipts	B-1	<u>35,805</u>
		187,592
Decreased by:		
Disbursements	B-1	<u>140,571</u>
Balance December 31, 2012	B	<u><u>\$ 47,021</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR COAH-INTEREST

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 25,767
Increased by:		
Receipts	B-1	<u>74</u>
Balance December 31, 2012	B	<u>\$ 25,841</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR INSURANCE

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 15,979
Increased by:		
Receipts	B-1	<u>71</u>
		16,050
Decreased by:		
Disbursements	B-1	<u>76</u>
Balance December 31, 2012	B	<u>\$ 15,974</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 1,359
Increased by: Receipts	B-1	<u>738</u>
Balance December 31, 2012	B	<u>\$ 2,097</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR POAA

	<u>Ref.</u>	
Balance December 31, 2011	B	<u>\$ 10</u>
Balance December 31, 2012	B	<u>\$ 10</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR QUARRY RECLAMATION FUND

	<u>Ref.</u>		
Balance December 31, 2011	B	\$	18,536
Increased by:			
Receipts	B-1		<u>2,010</u>
Balance December 31, 2012	B	\$	<u><u>20,546</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR TAX PREMIUMS

	<u>Ref.</u>		
Balance December 31, 2011	B	\$	40,900
Decreased by:			
Disbursements	B-1		<u>24,100</u>
Balance December 31, 2012	B	\$	<u><u>16,800</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR FARMER'S MARKET

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 1,745
Increased by:		
Receipts	B-1	<u>1,777</u>
		3,522
Decreased by:		
Disbursements	B-1	<u>2,358</u>
Balance December 31, 2012	B	<u><u>\$ 1,164</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR RETIREMENT

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ -
Increased by:		
Receipts	B-1	<u>9,992</u>
Balance December 31, 2012	B	<u><u>\$ 9,992</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR SNOW REMOVAL

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 4,277
Increased by:		
Receipts	B-1	<u>7,500</u>
Balance December 31, 2012	B	<u>\$ 11,777</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PAYROLL WITHHOLDINGS

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 33,212
Increased by:		
Receipts	B-1	<u>1,804,765</u>
		1,837,977
Decreased by:		
Disbursements	B-1	\$ 1,803,200
Due to Current Fund	B-6	<u>24,303</u>
		<u>1,827,503</u>
Balance December 31, 2012	B	<u>\$ 10,474</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR POLICE BUILDING

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 30,815
Increased by:		
Contributions Received	B-1	<u>11,465</u>
		<u>\$ 42,280</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR LOSAP
(Unaudited)

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 196,512
Increased by:		
Municipal Contributions	B-1	\$ 25,300
Appreciation of Assets	B-1	<u>21,517</u>
		<u>46,817</u>
		243,329
Decreased by:		
Withdrawals	B-1	16,719
Service Fees	B-1	<u>750</u>
		<u>17,469</u>
Balance December 31, 2012	B	<u>\$ 225,860</u>

TOWNSHIP OF DELAWARE
COUNTY OF HUNTERDON
2012
GENERAL CAPITAL FUND

TOWNSHIP OF DELAWARE
SCHEDULE OF GENERAL CAPITAL FUND CASH-TREASURER

	Ref.			
Balance December 31, 2011	C		\$	51,133
Increased by Receipts:				
Due from Current Fund	C-5	\$		105,004
Reserve for Payment of Debt Service	C-13			105,000
Due from Grant Fund	C-7			1,676
				211,680
				262,813
Decreased by Disbursements:				
Due from Current Fund	C-5			6
Improvement Authorizations	C-11			252,057
				252,063
Balance December 31, 2012	C,C-3		\$	10,750

C-3

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

	Ref.			
Balance December 31, 2012	C-2		\$	10,750
Increased by:				
Receipts				200,001
				210,751
Decreased by:				
Disbursements				181,498
Balance March 31, 2013			\$	29,253
<u>Cash Reconciliation March 31, 2013</u>				
Balance Per Statement:				
PNC Bank			\$	34,914
New Jersey Cash Management				9,314
				44,228
Less: Outstanding Checks				14,975
Book Balance			\$	29,253

TOWNSHIP OF DELAWARE
ANALYSIS OF GENERAL CAPITAL FUND CASH

Description	Balance Dec. 31, 2011	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2012
Fund Balance	\$ 2,009			\$ (1,946)	\$ 63
Capital Improvement Fund	74,953			(5,197)	69,756
Due to/from Current Fund	(1)	\$ 105,004	\$ 6	(823,000)	(718,003)
Due to/from Open Space Trust Fund	245,572				245,572
Due from Grant Fund	(1,676)	1,676		(1,190)	(1,190)
Due from Delaware River Toll Bridge Commission	(21,850)				(21,850)
<u>Reserves for</u>					
Payment of Bonds		105,000			105,000
Expansion of Municipal Building	6,134				6,134
Guard Rails	2,325				2,325
Purchase of Police Equipment	15,000			(15,000)	
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)
Acquisition of Development Rights	58,439			(58,439)	
Recording System for Township Meeting Room	1,621			(1,621)	
Acquisition of Fire Truck	7,949			(7,949)	
Codification of Ordinances	11,157				11,157
Engineering Services, Materials and Labor for Township Garage Roof and Engineering Services for Lower Creek Rd	2,575		2,575		
Purchase of Conveyor for Road Dept and Environmental Consultant for Wetlands Permit	7,074			(7,074)	
Acquisition of Property-BI 25, Lot 20	45			(45)	

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

Description	Balance Dec. 31, 2011	Receipts	Disbursements	Transfers (From) To	Balance Dec. 31, 2012
Various Capital Improvements	\$ 1,839				\$ 1,839
Legal & Financial Services for New Bond	2,225		\$ 975		1,250
Road Improvements on Various Township Roads	268		112		156
Survey & Engineering Services on Dogwood Dr	517		405		112
Engineering Services & Studies on Various Roads	1,062		150		912
Purchase of Various Road Equipment	7,786				7,786
Planning Services for Preparation of a Land Use Ordinance	8,629			\$ 3,371	12,000
Acquisition of a Fire Truck	(263,731)			293,000	29,269
Purchase of Various Office Equipment	5,544		4,315		1,229
Purchase and Install Two Legend Basketball Systems Purchase of a Mack Roll Off Container Truck	8,100			(8,100)	
Purchase of Body Armor Vests	1,340				1,340
Renovations & Improvements to the Delaware Township Police Building	20,745		20,745		
Materials & Labor for Road Improvements	44,483		44,483		
Renovating, Equipping & Furnishing a Police Building			111,903	500,000	388,097
Rep & Maint of the Tennis & Basketball Courts at Dilts Park			3,796	4,000	204
Purchase of Various Equipment for the Police Department			7,625	15,000	7,375
Repairs to the Municipal Building				5,000	5,000
Improvements on Various Township Roads			54,973	59,190	4,217
Purchase of Cameras for Police Cars				20,000	20,000
	<u>\$ 51,133</u>	<u>\$ 211,680</u>	<u>\$ 252,063</u>	<u>\$ -</u>	<u>\$ 10,750</u>
Ref.	C	C-2	C-2		C

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM CURRENT FUND

	<u>Ref.</u>		
Balance December 31, 2011	C	\$	1
Increased by:			
Disbursements	C-2	\$	6
Proceeds of Bond Anticipation Notes	C-18		798,000
2012 Municipal Budget Appropriations:			
Capital Improvement Fund	C-12		<u>25,000</u>
			<u>823,006</u>
			823,007
Decreased by:			
Receipts	C-2		<u>105,004</u>
Balance December 31, 2012	C	<u>\$</u>	<u>718,003</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE TO OPEN SPACE TRUST FUND

	<u>Ref.</u>		
Balance December 31, 2011	C	<u>\$</u>	<u>245,572</u>
Balance December 31, 2012	C	<u>\$</u>	<u>245,572</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF DUE FROM GRANT FUND

	<u>Ref.</u>		
Balance December 31, 2011	C	\$	1,676
Increased by:			
Improvement Authorization Expenditures Chargeable to Grant Fund	C-11		<u>12,000</u>
			13,676
Decreased by:			
Receipts	C-2	\$	1,676
Improvement Authorization Expenditures in Grant Fund	C-11		<u>10,810</u>
			<u>12,486</u>
Balance December 31, 2012	C	\$	<u><u>1,190</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2011	C	<u>\$ 21,850</u>
Balance December 31, 2012	C	<u><u>\$ 21,850</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 7,757,000
Decreased by:		
2012 Budget Appropriation:		
Payment of Bonds	C-17	<u>280,000</u>
Balance December 31, 2012	C	<u><u>\$ 7,477,000</u></u>

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

Improvement Description	Balance 12/31/2011	2012 Authorization	2012 Note Payments	Cash Received	2012 Budget Appropriation	Balance 12/31/2011	Analysis of Balance Dec 31, 2012		
							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 Renovating, Equipping and Furnishing a Police Building #2012-03	293,000					293,000			\$ 293,000
		\$ 475,000				475,000			475,000
	<u>\$ 492,000</u>	<u>\$ 475,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 967,000</u>	<u>\$ 199,000</u>	<u>\$ -</u>	<u>\$ 768,000</u>
<u>Ref.</u>	C	C-11; C-C-19		C-2, C-21		C	C-4	C-11	Below
								<u>Ref</u>	
						Bond Anticipation Notes		C-18	\$ 798,000
						Excess Financing		C-4	30,000
									<u>\$ 768,000</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec 31, 2011		2012 Authorization	Paid or Charged	Unexpended Balance Canceled	Balance Dec 31, 2012	
	Number	Amount	Funded	Unfunded				Funded	Unfunded
Acquisition of Development Rights	99-16	\$ 58,439	\$ 58,439				\$ 58,439		
Recording System for Township Meeting Room	05-10	4,500	1,621				1,621		
Acquisition of Fire Truck	06-10	450,000	7,949				7,949		
Codification of Ordinances	06-22	28,000	11,157					\$ 11,157	
Engineering Services, Materials and Labor for Township Garage Roof and Engineering Services for Lower Creek Rd	07-14	45,000	2,575			\$ 2,575			
Purchase of Conveyor for Road Dept and Environmental Consultant for Wetlands Permit	07-16	20,000	7,074				7,074		
Acquisition of Property-BI 25, Lot 20	07-32	425,000	45				45		
Various Capital Improvements	08-19	609,285	1,839						1,839
Legal & Financial Services for New Bond	08-26	60,000	2,225			975			1,250
Road Improvements on Various Township Roads	09-13	200,000	268			112			156
Survey & Engineering Services on Dogwood Dr	09-15	10,000	517			405			112
Engineering Services & Studies on Various Roads	09-23	20,000	1,062			150			912
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	8,629			(12,000)	8,629	12,000	
Acquisition of a Fire Truck	10-13	350,000		\$ 29,269					\$ 29,269
Purchase of Various Office Equipment	10-14	10,000	5,544			4,315		1,229	
Purchase of a Mack Roll Off Container Truck	10-22	8,100	8,100				8,100		
Purchase of Body Armor Vests	11-01	4,200	1,340					1,340	
Renovations & Improvements to the Delaware Township Police Building	11-04	30,000	20,745			20,745			
Materials & Labor for Road Improvements	11-07	140,000	44,483			44,483			
Renovating, Equipping & Furnishing a Police Building	12-03	500,000			\$ 500,000	111,903			388,097
Rep & Maint of the Tennis & Basketball Courts at Dilts Park	12-06	4,000			4,000	3,796		204	
Purchase of Various Equipment for the Police Department	12-12	15,000			15,000	7,625		7,375	
Repairs to the Municipal Building	12-14	5,000			5,000			5,000	
Improvements on Various Township Roads	12-16	70,000			70,000	65,783		4,217	
Purchase of Cameras for Police Cars	12-20	20,000			20,000			20,000	
			<u>\$ 191,398</u>	<u>\$ 29,269</u>	<u>\$ 614,000</u>	<u>\$ 250,867</u>	<u>\$ 91,857</u>	<u>\$ 74,577</u>	<u>\$ 417,366</u>

	Ref.	C	C	Below	Below	C	C
Capital Improvement Fund	C-12			\$ 54,000			
Capital Fund Balance	C-1			70,000			
Deferred Charges to Future Taxation Unfunded	C-10			475,000			
Reserve for Purchase of Police Equipment	C-16			15,000			
				<u>\$ 614,000</u>			
Improvement Authorization Expenditures Applied to Grants	C-7				\$ (12,000)		
Improvement Authorization Expenditures in Grant Fund Disbursements	C-7				10,810		
	C-2				252,057		
					<u>\$ 250,867</u>		
Capital Improvement Fund	C-12					\$ 23,803	
Capital Fund Balance	C-1					68,054	
						<u>\$ 91,857</u>	

TOWNSHIP OF DELAWARE
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 74,953
Increased by:		
2012 Budget Appropriation	C-5	\$ 25,000
Improvement Authorizations Canceled	C-11	<u>23,803</u>
		<u>48,803</u>
		123,756
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<u>54,000</u>
Balance December 31, 2012	C	<u>\$ 69,756</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ -
Increased by:		
Reimbursement of Funded Expenditures	C-2	<u>105,000</u>
Balance December 31, 2012	C	<u>\$ 105,000</u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR EXPANSION OF MUNICIPAL BUILDING

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ <u>6,134</u>
Balance December 31, 2012	C	\$ <u><u>6,134</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR GUARD RAILS

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ <u>2,325</u>
Balance December 31, 2012	C	\$ <u><u>2,325</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF RESERVE FOR PURCHASE OF POLICE EQUIPMENT

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 15,000
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<u>15,000</u>
Balance December 31, 2012	C	<u><u>\$ -</u></u>

TOWNSHIP OF DELAWARE
 SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance 12/31/2011	Increased	Decreased	Balance 12/31/2012
			Date	Amount					
General Improvements	12/4/2002	\$ 4,190,000	10/15/2013	\$ 227,000	4.75%	\$ 2,535,000		\$ 220,000	\$ 2,315,000
			10/15/2014	232,000					
			10/15/2015						
			to						
			10/15/2022	1,856,000					
Open Space Acquisition	11/15/2008	2,738,000	10/15/2013	35,000	5.20%	2,653,000		30,000	2,623,000
			10/15/2014	45,000					
			10/15/2015						
			to						
			10/15/1938	2,543,000					
General Improvements	11/15/2008	2,654,000	10/15/2013	35,000	5.20%	2,569,000		30,000	2,539,000
			10/15/2014	45,000					
			10/15/2015						
			to						
			10/15/1938	2,459,000					
						<u>\$ 7,757,000</u>	<u>\$ -</u>	<u>\$ 280,000</u>	<u>\$ 7,477,000</u>
<u>Ref.</u>						C		C-9	C

TOWNSHIP OF DELAWARE
 SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Improvement Description	Original Note	Date of		Interest Rate	Balance 12/31/2011	Increased	Decreased	Balance 12/31/2012
		Issue	Maturity					
General Purposes	12/5/2012	12/5/2012	12/5/2013	1.47%		\$ 798,000		\$ 798,000
					\$ -	\$ 798,000	\$ -	\$ 798,000
				Ref.	C	C-5; C-19		C

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

Ord #	Improvement Description	Balance 12/31/2011	Increased in 2012	Decreased in 2012	Balance 12/31/2012
00-25	Acquisition of Development Rights and Purchase of Land	\$ 199,000			\$ 199,000
10-13	Acquisition of a Fire Truck	293,000		\$ 293,000	
12-03	Renovating, Equipping and Furnishing a Police Building		\$ 475,000	475,000	
		<u>\$ 492,000</u>	<u>\$ 475,000</u>	<u>\$ 768,000</u>	<u>\$ 199,000</u>
	<u>Ref.</u>	C	C-10	C-10	C

TOWNSHIP OF DELAWARE
COUNTY OF HUNTERDON
2012
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, 2011	D	\$ 6,220		\$ 6,220
Increased by:				
Interest Earned	D-4	1		1
		<u>6,221</u>	<u>\$ -</u>	<u>6,221</u>
Decreased by:				
Interest Transferred to Operating	D-7	1		1
		<u>1</u>		<u>1</u>
Balance December 31, 2012	D	<u>\$ 6,220</u>	<u>\$ -</u>	<u>\$ 6,220</u>

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

	<u>Ref.</u>		
Balance December 31, 2012	D-1	\$	6,220
Increased by:			
Receipts			-
			<u>6,220</u>
Decreased by:			
Disbursements			-
			<u>-</u>
Balance March 31, 2013		<u>\$</u>	<u>6,220</u>

	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
<u>Cash Reconciliation March 31, 2013</u>			
Balance on Deposit:			
PNC Bank	\$ 6,220		\$ 6,220
Book Balance	<u>\$ 6,220</u>	<u>\$ -</u>	<u>\$ 6,220</u>

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

	<u>Ref.</u>		
Balance December 31, 2011	D-1	\$ 6,220	
Increased by:			
Interest Earned	D-4,D-7	<u>1</u>	
		6,221	
Decreased by:			
Interest Transferred to Operating	D-7	<u>1</u>	
Balance December 31, 2012	D-1	<u><u>\$ 6,220</u></u>	
<u>Reconciliation December 31, 2012</u>	<u>PATF I</u>	<u>PATF II</u>	<u>Total</u>
Balance on Deposit:			
PNC Bank	<u>\$ 6,220</u>		<u>\$ 6,220</u>
Balance December 31, 2012	<u><u>\$ 6,220</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,220</u></u>

TOWNSHIP OF DELAWARE
SCHEDULE OF PUBLIC ASSISTANCE REVENUES
YEAR ENDED DECEMBER 31, 2012

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

TOWNSHIP OF DELAWARE
SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
YEAR ENDED DECEMBER 31, 2012

(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, 2011	D	\$ 6,220
Increased by:		
Receipts	D-3	<u>1</u>
		6,221
Increased by:		
Disbursements	D-1	<u>1</u>
Balance December 31, 2012	D	<u><u>\$ 6,220</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 31, 2013

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, 2012 and 2011, 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 31, 2013, 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, 2012

Grant	Balance 12/31/2011	Receipts	Expended	Over- Expended/ Canceled	Balance 12/31/2012
NJ Body Armor-2011	\$ 1,459				\$ 1,459
NJ Body Armor-2012		\$ 1,113			1,113
Tree Planting	230				230
SLAHEOP	669				669
Office of Emergency Management-2004	2,387				2,387
Office of Emergency Management-2005	5,000				5,000
DWI	201				201
Green Communities	63		\$ 63		
Stormwater Management	5,473				5,473
Delaware River Greenway	1,834				1,834
Cool Cities	23,150				23,150
DCA-Smart Future Planning Grant	27,500		27,500		
Recreation Trails Program	1,165				1,165
Clean Communities Program-2011	783		783		
Clean Communities Program-2012		17,458	2,605		14,853
Historic Preservation Grant	8,300		8,120		180
Historic Preservation Grant-2011	5,555		5,555		
NJ Division of Highway Safety	3,100				3,100
NJ Forest Service-Business Stimulus Fund	7,000				7,000
FEMA Grant-Sanford Road Project	5,307		4,959		348
FEMA Grant-Sanford Road Project-Matching Funds	1,769				1,769
FEMA Grant-Lower Creek Road Project	29,862		27,447		2,415
FEMA Grant-Lower Creek Road Project-Matching Funds	9,954				9,954
Delaware River Joint Toll Bridge Commission-Federal Twist Road Project	(1,676)	120,500	125,039		(6,215)
NJ Dept of Transportation-Meszaros Road Project		106,874	150,000		(43,126)
NJ Dept of Transportation-Grafton Road Project			19,445		(19,445)
NJ Environmental Commission		12,000	12,000		
Hunterdon County Historic Preservation Grant		14,750			14,750
	<u>\$ 139,085</u>	<u>\$ 272,695</u>	<u>\$ 383,516</u>	<u>\$ -</u>	<u>\$ 28,264</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

	2012		2011	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 414,000	1.99	\$ 518,000	2.50
Miscellaneous-From Other Than Local Property Tax Levied	1,316,827	6.34	1,316,565	6.35
Collection of Delinquent Taxes & Tax Title Liens	255,036	1.23	447,890	2.16
Collection of Current Tax Levy	<u>18,796,219</u>	<u>90.44</u>	<u>18,465,116</u>	<u>89.00</u>
Total Income	<u>20,782,082</u>	<u>100.00</u>	<u>20,747,571</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	3,528,505	17.33	3,877,683	19.07
County Taxes	3,399,019	16.69	3,398,200	16.71
Local School Taxes	7,732,399	37.97	7,642,622	37.58
Regional School Taxes	5,080,900	24.95	4,854,378	23.87
Municipal Open Space Tax	549,289	2.70	550,359	2.71
Other Debits to Income	<u>73,668</u>	<u>0.06</u>	<u>11,647</u>	<u>0.06</u>
Total Expenditures	<u>20,363,780</u>	<u>99.70</u>	<u>20,334,889</u>	<u>100.00</u>
Regulatory Excess to Fund Balance	418,302		412,682	
<u>Fund Balance</u>				
Fund Balance January 1,	<u>446,570</u>		<u>551,888</u>	
	864,872		964,570	
Less: Utilization as Anticipated Revenue	<u>414,000</u>		<u>518,000</u>	
Fund Balance December 31,	<u>\$ 450,872</u>		<u>\$ 446,570</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	
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
2003	0.20	0.41	0.74	0.55	1.90
2002	0.22	0.49	0.81	0.59	2.11

* 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
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%
2003	722,512,441	686,301,956	105.28%
2002	608,547,042	663,266,530	91.75%

* 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
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%
2003	13,945,444	13,760,382	98.67%
2002	13,077,781	12,871,588	98.42%

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
2003	\$ 12,164,600	\$ 468,288,400	\$ 1,892,400	\$ 15,693,500	\$ 215,703,000	\$ 6,976,800	\$ 720,718,700
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

(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 four 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%

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>
2012	None
2011	None
2010	None
2009	None
2008	None
2007	None
2006	None
2005	None
2004	None
2003	None
2002	None

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	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, 2012
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
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	
Deputy 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:

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

* * * * *

Name	Title
Judith Allen	Municipal Clerk
Linda Zengel	Treasurer & Chief Financial Officer
Donna Griffiths	Tax Collector (To 05/31/12)
Danene Gooding	Tax Collector (From 05/31/12)
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
In Car Police Cameras
Meszaros Road Improvements
Renovations of Police Headquarters

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 3, 2012, 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 2012 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>
2012	8
2011	10
2010	4

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

Technical Accounting Directives The Municipality, as a requirement of directives issued by the Division of Local Government Services, is required to maintain the following accounting systems and records:

1. Encumbrance Accounting System
2. Fixed Asset Accounting System
3. General Ledger

The fixed asset accounting system has not been updated for a period of years.

The general ledger was not maintained in a current manner.

Municipal Expenditures

1. Receiving signatures acknowledging receipt of goods or services not evident on all payment forms.

Other

As reflected on the various balance sheets there are interfund balances receivable and payable that are to be liquidated prior to the end of the year.

TOWNSHIP OF DELAWARE
RECOMMENDATIONS

It is recommended that:

1. A current fixed asset inventory is to be taken.
2. Interfunds are to be liquidated prior to the end of the year to guarantee that cash resources are properly allocated.
3. The general ledger is to be maintained in a current manner.
4. Receiving signatures are to be evident on all payment forms.

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. Interfunds are to be liquidated prior to the end of the year.
2. A current fixed asset inventory is to be taken.
3. The general ledger is to be maintained in a timely manner.

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 31, 2013.

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.



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Registered Municipal Accountant
No. 68