

*TOWNSHIP OF BOONTON*

*REPORT OF AUDIT*

*2012*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF BOONTON

COUNTY OF MORRIS

REPORT OF AUDIT

2012

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TOWNSHIP OF BOONTON

PART I

INDEPENDENT AUDITORS' REPORT

AND FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2012



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## Independent Auditors' Report

The Honorable Mayor and Members  
 of the Township Committee  
 Township of Boonton  
 Boonton, New Jersey

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

We have audited the financial statements – *regulatory basis* - of the various funds of the Township of Boonton, in the County of Morris (the "Township") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, as listed in the foregoing table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as described in Note 1 to the financial statements. 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 misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by 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 from material misstatement.

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Boonton  
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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, these financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to in the first paragraph do not present fairly in conformity with accounting principles generally accepted in the United States of America the financial position of the Township as of December 31, 2012 and 2011, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

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

In our opinion, the financial statements – *regulatory basis* - referred to above present fairly, in all material respects, the financial position of the various funds of the Township of Boonton as of December 31, 2012 and 2011, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the financial reporting provisions prescribed by the Division, as described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*; and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

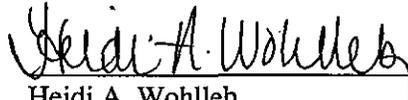
The Honorable Mayor and Members  
of the Township Committee  
Township of Boonton  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2013 on our consideration of the Township of Boonton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Boonton's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
March 15, 2013

NISIVOCCIA LLP



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Heidi A. Wohlleb  
Registered Municipal Accountant No. 481  
Certified Public Accountant

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
CURRENT FUND

TOWNSHIP OF BOONTON  
CURRENT FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 1,752,834.01	\$ 1,159,623.39
Change Fund		150.00	150.00
		<u>1,752,984.01</u>	<u>1,159,773.39</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	325,196.75	343,262.76
Tax Title Liens Receivable	A-7	16,330.49	13,616.09
Property Acquired for Taxes at Assessed Valuation		341,000.00	341,000.00
Revenue Accounts Receivable	A-8	4,188.14	2,434.32
Due from:			
Federal and State Grant Fund	A	9,063.03	12,382.87
Assessment Trust Fund	B		434.85
Animal Control Fund	B		0.02
Other Trust Funds	B	9.26	6.04
Public Assistance Fund	F		5,000.00
Payroll Accounts			1.55
Total Receivables and Other Assets With Full Reserves		<u>695,787.67</u>	<u>718,138.50</u>
Total Regular Fund		<u>2,448,771.68</u>	<u>1,877,911.89</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-11	<u>49,273.20</u>	<u>47,528.16</u>
Total Federal and State Grant Fund		<u>49,273.20</u>	<u>47,528.16</u>
<u>TOTAL ASSETS</u>		<u>\$ 2,498,044.88</u>	<u>\$ 1,925,440.05</u>

TOWNSHIP OF BOONTON  
CURRENT FUND  
COMPARATIVE BALANCE SHEET  
(Continued)

	Ref.	December 31,	
		2012	2011
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Encumbered	A-3;A-9	\$ 192,434.80	\$ 129,055.25
Unencumbered	A-3;A-9	375,140.70	176,816.38
		<u>567,575.50</u>	<u>305,871.63</u>
Prepaid Taxes		118,370.05	73,621.13
Accounts Payable - Vendors		440.91	56.00
Due to State of New Jersey:			
Marriage License Fees		25.00	100.00
DCA Training Fees		1,378.00	1,772.00
Veterans and Senior Citizens' Deductions		4,932.03	5,432.03
Due To Township of Denville			617.98
Due To Town of Boonton		66.33	321.25
Tax Overpayments		46,733.47	61,988.81
Due to Trust Assessment Fund	B	152.13	
Reserve for:			
Third Party Liens Payable			11,149.26
Pending Tax Appeals		183,126.63	125,000.00
		<u>922,800.05</u>	<u>585,930.09</u>
Reserve for Receivables and Other Assets	A	695,787.67	718,138.50
Fund Balance	A-1	830,183.96	573,843.30
		<u>2,448,771.68</u>	<u>1,877,911.89</u>
Federal and State Grant Fund:			
Due To Current Fund	A	9,063.03	12,382.87
Reserve for Encumbrances	A-12	6,381.30	4,847.00
Appropriated Reserves	A-12	17,492.08	18,353.77
Unappropriated Reserves	A-13	16,336.79	11,944.52
		<u>49,273.20</u>	<u>47,528.16</u>
Total Federal and State Grant Fund		<u>49,273.20</u>	<u>47,528.16</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,498,044.88</u>	<u>\$ 1,925,440.05</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31,	
		2012	2011
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 500,000.00	\$ 500,000.00
Miscellaneous Revenue Anticipated		887,945.54	894,419.64
Receipts from:			
Delinquent Taxes		309,882.41	280,821.70
Current Taxes		17,684,787.46	17,329,300.41
Nonbudget Revenue		289,754.77	148,036.73
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		169,155.69	177,945.25
Interfunds Returned		17,825.33	53,091.13
Cancellation of Federal and State Grant Fund Appropriated Reserves		1,306.36	15,782.43
Cancellation of Tax Overpayments		59.28	2,896.06
Total Income		<u>19,860,716.84</u>	<u>19,402,293.35</u>
<u>Expenditures</u>			
Municipal Purposes		4,461,003.02	4,355,717.30
Local School District Taxes		11,925,485.00	11,673,973.00
County Taxes		2,415,509.35	2,403,476.96
Municipal Open Space		289,524.41	290,083.87
Refund of Prior Year Taxes			14,571.00
Interfunds Advanced		9,072.29	17,825.33
Prior Year Senior Citizens and Veterans Deductions Disallowed			500.00
Refund of Revenue		3,615.15	833.26
Reserve for Pending Tax Appeals			125,000.00
Canceled Federal and State Grant Fund Receivable		166.96	14,447.09
Total Expenditures		<u>19,104,376.18</u>	<u>18,896,427.81</u>
Excess in Revenue		756,340.66	505,865.54
<u>Fund Balance</u>			
Balance January 1		<u>573,843.30</u>	<u>567,977.76</u>
		1,330,183.96	1,073,843.30
Decreased by:			
Utilized as Anticipated Revenue		<u>500,000.00</u>	<u>500,000.00</u>
Balance December 31	A	<u>\$ 830,183.96</u>	<u>\$ 573,843.30</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 500,000.00		\$ 500,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	4,800.00		4,800.00	
Fines and Costs:				
Municipal Court	35,000.00		38,223.70	\$ 3,223.70
Interest and Costs on Taxes	40,000.00		78,948.30	38,948.30
Consolidated Municipal Property Tax Relief Aid	12,820.00		12,820.00	
Energy Receipts Tax	228,051.00		228,051.00	
Construction Code Official	70,000.00		106,546.00	36,546.00
Shared Services of a Chief Financial Officer between the Township of Boonton and the Borough of Mountain Lakes	21,800.00		20,088.00	1,712.00 *
Public and Private Revenues Offset with Appropriations:				
Drunk Driving Enforcement Fund	565.76		565.76	
Clean Communities Program	9,378.73		9,378.73	
Alcohol Education Rehabilitation Fund	377.54		377.54	
Municipal Alliance Against Substance Abuse	7,533.00		7,533.00	
Police Donations	100.00		100.00	
Body Armor Grant	1,522.49		1,522.49	
Over the Limit, Under Arrest		\$ 4,400.00	4,400.00	
CTC Assisted Living Agreement	143,320.56		143,320.56	
Reserve for Open Space Trust to Offset Debt Service	178,015.00		178,015.00	
Trust Assessment Fund Balance	845.50		845.50	

TOWNSHIP OF BOONTON  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenues (Cont'd):				
Field Usage Revenue	\$ 10,000.00		\$ 21,800.00	\$ 11,800.00
Cell Tower Rental	30,648.50		30,609.96	38.54 *
Total Miscellaneous Revenue	<u>794,778.08</u>	<u>\$ 4,400.00</u>	<u>887,945.54</u>	<u>88,767.46</u>
Receipts from Delinquent Taxes	<u>268,550.00</u>		<u>309,882.41</u>	<u>41,332.41</u>
Amount to be Raised for Support of Municipal Budget:				
Local Tax for Municipal Purposes	<u>3,406,664.84</u>		<u>3,571,158.60</u>	<u>164,493.76</u>
Budget Totals	4,969,992.92	4,400.00	5,268,986.55	294,593.63
Nonbudget Revenue			<u>289,754.77</u>	<u>289,754.77</u>
	<u>\$ 4,969,992.92</u>	<u>\$ 4,400.00</u>	<u>\$ 5,558,741.32</u>	<u>\$ 584,348.40</u>

TOWNSHIP OF BOONTON  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012  
(continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes \$ 17,684,787.46

Allocated to:

Local School District Taxes \$ 11,925,485.00

County Taxes 2,415,509.35

Municipal Open Space Taxes 289,524.41

14,630,518.76

Balance for Support of Municipal Budget 3,054,268.70

Add: Appropriation "Reserve for Uncollected Taxes" 516,889.90

Realized for Support of Municipal Budget \$ 3,571,158.60

Receipts from Delinquent Taxes:

Delinquent Tax Collections \$ 304,752.78

Prior Year Tax Overpayments Applied 5,129.63

\$ 309,882.41

TOWNSHIP OF BOONTON  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012  
(continued)

Analysis of Nonbudget Revenue:

Treasurer:

Interest Earned on Investments and Deposits	\$ 5,318.94
PSE&G Temporary Access Road	137,236.00
FEMA Reimbursements	58,654.33
Interest on Assessments	17,642.96
Cable TV Franchise Fees	17,641.00
Legal Settlement	10,000.00
Police Outside Duty Administrative Fees	7,572.50
Sale of Municipal Assets	4,000.00
Sanitary Fees	3,850.00
Uniform Fire Safety Act - LEA	3,812.89
Fuel Reimbursements	3,256.18
Registrar	2,862.00
Planning Board	2,750.00
Borough of Rockaway:	
Qualified Purchasing Agent	2,708.33
Smoke Detectors	2,510.00
Food Licenses	1,310.00
Police Fees	1,252.25
Miscellaneous Reimbursements	983.60
Verizon Franchise Fee	909.56
DMV Fines	850.00
Senior Citizens and Veterans Deductions 2% Administrative Fee	815.00
Miscellaneous	800.07
Void Checks	750.00
Room Rental	728.00
Duplicate Tax Bills	582.00
Bid Specifications	450.00
NJ Sustainability Energy Meeting	126.30
200 Foot Listings	120.00

TOWNSHIP OF BOONTON  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012  
(continued)

Analysis of Nonbudget Revenue (Cont'd):

Gas Reimbursements	\$	72.24	
Wayside Permits		50.00	
Phone Reimbursements		28.93	
Postage Reimbursments		28.16	
Prior Year Reimbursements		27.90	
NSF Fees		25.00	
Copies and Tax Maps		21.37	
			\$ 289,745.51
 Interest on Investments: - Due from Other Trust Funds			 9.26
			\$ 289,754.77

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>GENERAL GOVERNMENT:</b>				
General Administration:				
Salaries & Wages	\$ 26,700.00	\$ 26,700.00	\$ 26,672.02	\$ 27.98
Other Expenses	4,000.00	4,000.00	1,203.05	2,796.95
Human Resources:				
Other Expenses	5,000.00	7,500.00	6,640.50	859.50
Mayor & Council:				
Other Expenses	4,000.00	4,000.00	2,875.90	1,124.10
Municipal Clerk:				
Salaries & Wages	48,246.00	48,246.00	48,246.00	
Other Expenses	8,150.00	8,150.00	7,579.91	570.09
Codification	5,000.00	5,000.00	2,511.71	2,488.29
Financial Administration:				
Salaries & Wages	24,494.00	27,294.00	25,497.00	1,797.00
Other Expenses	6,000.00	6,000.00	5,916.48	83.52
Audit	13,750.00	13,750.00	13,750.00	
Tax Assessment Administration:				
Salaries & Wages	22,300.00	22,300.00	22,300.00	
Other Expenses	38,000.00	8,000.00	2,688.87	5,311.13
Revenue Administration (Tax Collection):				
Salaries & Wages	32,436.00	32,436.00	32,436.00	
Other Expenses	4,825.00	4,825.00	4,114.04	710.96
Computer:				
Salaries & Wages	10,700.00	10,700.00	10,700.00	
Other Expenses	10,000.00	10,000.00	7,569.75	2,430.25

TOWNSHIP OF BOONTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
GENERAL GOVERNMENT (continued):				
Legal Services and Costs:				
Other Expenses - Fees	\$ 76,900.00	\$ 74,400.00	\$ 55,675.05	\$ 18,724.95
Municipal Prosecutor:				
Other Expenses	6,500.00	6,500.00	6,500.00	
Engineering Services:				
Other Expenses	35,000.00	40,000.00	37,029.40	2,970.60
Environmental Committee:				
Other Expenses	500.00	500.00	340.00	160.00
Historical Committee:				
Other Expenses	2,000.00	2,000.00	2,000.00	
Building and Grounds:				
Salaries & Wages	18,360.00	18,360.00	10,600.82	7,759.18
Other Expenses	27,000.00	31,500.00	30,969.23	530.77
Municipal Land Use Law (N.J.S.A. 40A:55D-1):				
Planning Board:				
Salaries and Wages	33,873.00	33,873.00	33,772.47	100.53
Other Expenses	26,300.00	26,300.00	10,934.65	15,365.35
Insurance (P.L. 2003, C.92):				
General Liability Insurance	76,600.00	76,600.00	76,600.00	
Workers' Compensation	36,200.00	36,200.00	32,527.01	3,672.99
Group Insurance Plan	214,500.00	214,500.00	214,500.00	
Health Benefit Waiver	20,000.00	20,000.00	19,494.60	505.40
PUBLIC SAFETY :				
Fire:				
Other Expenses	38,200.00	38,200.00	38,054.44	145.56

TOWNSHIP OF BOONTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>PUBLIC SAFETY (continued):</b>				
Police:				
Salaries & Wages	\$ 1,279,644.95	\$ 1,334,644.95	\$ 1,313,433.23	\$ 21,211.72
Other Expenses	110,650.00	110,650.00	107,044.89	3,605.11
First Aid Organization Contribution ( R.S. 40:5-2)	15,000.00	15,000.00	15,000.00	
Dispatch	16,000.00	16,000.00	16,000.00	
Uniform Fire Safety Act (P.L. 1983, Ch. 383):				
Fire Prevention Bureau:				
Salaries & Wages	5,100.00	5,100.00	4,465.00	635.00
Other Expenses	1,825.00	1,825.00	1,645.95	179.05
Office of Emergency Management:				
Salaries & Wages	3,060.00	3,060.00	3,060.00	
Other Expenses	2,850.00	2,850.00	2,850.00	
<b>STREETS AND ROADS:</b>				
Road Repair and Maintenance:				
Salaries & Wages	5,406.00	5,406.00	5,406.00	
Other Expenses	110,000.00	135,000.00	134,164.43	835.57
Other Public Works Function:				
Snow Plowing and Sanding - Other Expense	391,860.14	321,560.14	116,667.34	204,892.80
Vehicle Maintenance:				
Other Expenses	31,750.00	34,750.00	31,701.93	3,048.07
<b>HEALTH AND WELFARE:</b>				
Board of Health:				
Salaries & Wages	18,315.00	18,315.00	18,315.00	
Other Expenses	4,600.00	4,600.00	4,517.68	82.32
Contractual	10,000.00	10,000.00	9,593.00	407.00

TOWNSHIP OF BOONTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
HEALTH AND WELFARE (Cont'd):				
Animal Control:				
Other Expenses	\$ 15,000.00	\$ 15,000.00	\$ 11,602.42	\$ 3,397.58
RECREATION AND EDUCATION:				
Recreation:				
Salaries & Wages	6,885.00	6,885.00	6,885.00	
Other Expenses	1,000.00	1,000.00	488.00	512.00
Celebration of Public Events:				
Other Expenses	500.00	500.00	231.99	268.01
SANITATION:				
Solid Waste Collection:				
Recycling:				
Salaries & Wages	7,548.00	7,548.00	7,548.00	
Other Expenses	60,000.00	60,000.00	59,383.70	616.30
MUNICIPAL COURT:				
Municipal Court:				
Salaries & Wages	33,203.00	33,203.00	31,114.77	2,088.23
Other Expenses	4,500.00	4,500.00	2,884.21	1,615.79
Public Defender (P.L. 1997 C.256):				
Other Expenses	3,000.00	3,000.00	3,000.00	
Public Employees Occupational Safety & Hazards Act	3,000.00	3,000.00	105.81	2,894.19
UNIFORM CONSTRUCTION CODE:				
Construction Code Official:				
Salaries & Wages	87,075.80	87,075.80	83,065.97	4,009.83
Other Expenses	7,500.00	7,500.00	4,431.25	3,068.75

TOWNSHIP OF BOONTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
UNCLASSIFIED:				
Utilities:				
Electricity	\$ 16,000.00	\$ 16,000.00	\$ 12,655.58	\$ 3,344.42
Telephone	33,150.00	33,150.00	31,045.77	2,104.23
Water	1,200.00	1,200.00	745.62	454.38
Gas	14,000.00	14,000.00	4,374.44	9,625.56
Fuel Oil	7,000.00	7,000.00	5,069.44	1,930.56
Sewerage Processing	400.00	400.00	310.31	89.69
Gasoline	58,000.00	58,000.00	49,075.44	8,924.56
Total Operations Within "CAPS"	<u>3,240,556.89</u>	<u>3,235,556.89</u>	<u>2,887,581.07</u>	<u>347,975.82</u>
Contingent	<u>6,000.00</u>	<u>6,000.00</u>		<u>6,000.00</u>
Total Operations Including Contingent Within "CAPS"	<u>3,246,556.89</u>	<u>3,241,556.89</u>	<u>2,887,581.07</u>	<u>353,975.82</u>
Detail:				
Salaries & Wages	1,663,346.75	1,721,146.75	1,683,517.28	37,629.47
Other Expenses	<u>1,583,210.14</u>	<u>1,520,410.14</u>	<u>1,204,063.79</u>	<u>316,346.35</u>
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":				
Deferred Charges:				
Prior Year - Snow Removal - Brae Loch Association	8,139.86	8,139.86	8,139.86	
Statutory Expenditures:				
Social Security System (O.A.S.I.)	137,200.00	142,200.00	128,012.78	14,187.22
Contribution to Public Employees Retirement System	46,888.00	46,888.00	46,888.00	

TOWNSHIP OF BOONTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":				
Contribution to Police and Fireman's Retirement System	\$ 290,641.00	\$ 290,641.00	\$ 290,641.00	
Contribution to Unemployment Insurance	100.00	100.00		\$ 100.00
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>482,968.86</u>	<u>487,968.86</u>	<u>473,681.64</u>	<u>14,287.22</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>3,729,525.75</u>	<u>3,729,525.75</u>	<u>3,361,262.71</u>	<u>368,263.04</u>
Operations Excluded from "CAPS":				
911 Communication System - Other Expenses	85,000.00	85,000.00	84,701.33	298.67
Stormwater Tier A General Permit (N.J.S.A 40A:4-45.3(cc))	14,000.00	14,000.00	9,593.01	4,406.99
Reserve for Tax Appeals	75,000.00	75,000.00	75,000.00	
Shared Services Agreements:				
Chief Financial Officer Between Boonton Township & Borough of Mountain Lakes	21,800.00	21,800.00	19,628.00	2,172.00
State and Federal Programs Offset by Revenues:				
Drunk Driving Enforcement Fund	565.76	565.76	565.76	
Alcohol Education and Rehabilitation Fund	377.54	377.54	377.54	
Municipal Alliance Program :				
State	7,533.00	7,533.00	7,533.00	
Township	1,883.25	1,883.25	1,883.25	
Clean Communities Grant	9,378.73	9,378.73	9,378.73	
Police Donations	100.00	100.00	100.00	
Over The Limit, Under Arrest (N.J.S.A 40A:4-87, + \$4,400.00)		4,400.00	4,400.00	
Body Armor	1,522.49	1,522.49	1,522.49	

TOWNSHIP OF BOONTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Total Operations Excluded from "CAPS"	\$ 217,160.77	\$ 221,560.77	\$ 214,683.11	\$ 6,877.66
Detail:				
Other Expenses	217,160.77	221,560.77	214,683.11	6,877.66
Capital Improvements - Excluded from "CAPS":				
Capital Improvement Fund	170,000.00	170,000.00	170,000.00	
Total Capital Improvements - Excluded from "CAPS"	170,000.00	170,000.00	170,000.00	
Municipal Debt Service - Excluded from "CAPS":				
Payment of Bond Principal	200,000.00	200,000.00	200,000.00	
Payment of Bond Anticipation Notes	67,000.00	67,000.00	67,000.00	
Interest on Bonds	67,305.00	67,305.00	67,305.00	
Interest on Notes	5,611.50	5,611.50	5,611.50	
Total Municipal Debt Service - Excluded from "CAPS"	339,916.50	339,916.50	339,916.50	
Total General Appropriations - Excluded from "CAPS"	727,077.27	731,477.27	724,599.61	6,877.66
Subtotal General Appropriations	4,456,603.02	4,461,003.02	4,085,862.32	375,140.70
Reserve for Uncollected Taxes	516,889.90	516,889.90	516,889.90	
Total General Appropriations	<u>\$ 4,973,492.92</u>	<u>\$ 4,977,892.92</u>	<u>\$ 4,602,752.22</u>	<u>\$ 375,140.70</u>

Ref.

A

STATEMENT OF EXPENDITURES  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>
Adopted Budget		\$ 4,973,492.92	
Added by N.J.S.A. 40A:4-87		4,400.00	
		<u>\$ 4,977,892.92</u>	
Reserve for Uncollected Taxes			\$ 516,889.90
Reserve for Encumbrances	A		192,434.80
Reserve for Tax Appeals			75,000.00
Transfer to Appropriated Reserve:			
Due to Federal and State Grant Fund			23,877.52
Local Matching Funds			1,883.25
Cash Disbursed			3,826,146.67
			<u>4,636,232.14</u>
Less: Appropriation Refunds			33,479.92
			<u>\$ 4,602,752.22</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
TRUST FUNDS

TOWNSHIP OF BOONTON  
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Assessment Trust Fund:			
Cash and Cash Equivalents	B-4	\$ 102,908.53	\$ 114,178.83
Assessments Receivable	B-7	597,073.24	661,827.60
Due From Current Fund	A	152.13	
		<u>700,133.90</u>	<u>776,006.43</u>
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	292.80	308.75
Collector	B-4A		12.00
		<u>292.80</u>	<u>320.75</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,253,252.86	1,231,746.74
Change Fund		100.00	100.00
		<u>1,253,352.86</u>	<u>1,231,846.74</u>
<u>TOTAL ASSETS</u>		<u>\$ 1,953,779.56</u>	<u>\$ 2,008,173.92</u>

TOWNSHIP OF BOONTON  
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	Ref.	December 31,	
		2012	2011
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Trust Fund:			
Assessment Serial Bonds	B-8	\$ 600,000.00	\$ 675,000.00
Reserve for Assessments and Liens	B-9	97,976.33	99,726.08
Due to Current Fund	A		434.85
Due to Water Utility Operating Fund	D	330.32	
Due to Sewer Utility Operating Fund	E	77.50	
Fund Balance	B-1	1,749.75	845.50
		<u>700,133.90</u>	<u>776,006.43</u>
Animal Control Fund:			
Due to State of New Jersey			1.20
Due to Current Fund	A		0.02
Reserve for Animal Control Expenditures	B-6	292.80	319.53
		<u>292.80</u>	<u>320.75</u>
Other Trust Funds:			
Due to Current Fund	A	9.26	6.04
Escrow Deposits		10,975.96	26,302.13
Reserve for Encumbrances - Open Space		203.89	9,936.72
Reserve for Encumbrances - Recreation Trust		1,825.22	
Reserve for:			
Recreation		40,404.36	57,617.63
Tax Sale Premiums		21,700.00	34,900.00
Unemployment Insurance		38,758.53	36,449.88
Recycling		21,568.50	17,714.23
Law Enforcement Trust		4,671.01	4,661.63
Police Outside Duty		11,832.28	12,938.20
Housing Rehabilitation		25,780.95	25,729.16
Affordable Housing		260.21	259.70
Open Space Trust		1,067,868.82	998,860.06
Public Defender		2,820.78	1,620.78
Cash Bonds		3,804.14	3,796.48
Parking Offense Adjudication Act		26.76	2.76
High School Students Law Enforcement Training Program Donations		842.19	1,051.34
		<u>1,253,352.86</u>	<u>1,231,846.74</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 1,953,779.56</u>	<u>\$ 2,008,173.92</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE

Balance December 31, 2011	<u>Ref.</u> B	\$ 845.50
Increased by:		
Collection of Unpledged Assessments		1,749.75
		<hr/> 2,595.25
Decreased by:		
Realized as Anticipated Revenue in the Operating Fund Budget		845.50
		<hr/> 845.50
Balance December 31, 2012	B	<u>\$ 1,749.75</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012

	<u>Budget Revenue</u>	<u>Realized</u>
Assessment Cash	\$ 75,000.00	\$ 75,000.00
	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>

TOWNSHIP OF BOONTON  
ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Paid or Charged</u>
Payment of Bond Principal	\$ 75,000.00	\$ 75,000.00
	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
GENERAL CAPITAL FUND

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 474,342.38	\$ 315,099.00
Grants Receivable:			
New Jersey Department of Transportation:			
Improvement of North Main Street			49,311.37
Resurfacing of Rockaway Valley Road			104,459.50
Resurfacing Rockaway Valley Road - South Section		60,082.00	
Improvements to Oak Road		210,000.00	
Deferred Charges to Future Taxation:			
Funded		1,759,000.00	1,959,000.00
Unfunded	C-4	532,672.00	387,000.00
<u>TOTAL ASSETS</u>		<u>\$ 3,036,096.38</u>	<u>\$ 2,814,869.87</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	\$ 532,672.00	\$ 387,000.00
Serial Bonds Payable	C-8	1,759,000.00	1,959,000.00
Improvement Authorizations -			
Funded	C-5	226,192.24	88,345.04
Unfunded	C-5	146,854.76	
Capital Improvement Fund	C-6	220,404.14	193,633.60
Reserve for Encumbrances		30,430.14	66,348.13
Reserve for Preliminary Expenses - Powerville Dam		2,695.00	2,695.00
Reserve for Griffith Pond		117,848.10	117,848.10
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 3,036,096.38</u>	<u>\$ 2,814,869.87</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE  
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
WATER UTILITY FUND

TOWNSHIP OF BOONTON  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 265,132.00	\$ 210,115.92
Due from Trust Assessment Fund	B	330.32	
Due from Water Utility Assessment Trust Fund	D	0.15	
		<u>265,462.47</u>	<u>210,115.92</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	<u>27,316.34</u>	<u>24,528.64</u>
Total Operating Fund		<u>292,778.81</u>	<u>234,644.56</u>
Assessment Trust Fund:			
Cash and Cash Equivalents	D-4	720.43	699.41
Assessments Receivable	D-7	<u>9,339.52</u>	<u>10,059.80</u>
Total Assessment Trust Fund		<u>10,059.95</u>	<u>10,759.21</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	34,750.00	22,750.00
Fixed Capital	D-8	<u>144,330.75</u>	<u>143,209.23</u>
Total Capital Fund		<u>179,080.75</u>	<u>165,959.23</u>
<u>TOTAL ASSETS</u>		<u>\$ 481,919.51</u>	<u>\$ 411,363.00</u>

TOWNSHIP OF BOONTON  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET  
(Continued)

	Ref.	December 31,	
		2012	2011
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 82,708.94	\$ 13,184.01
Encumbered	D-3;D-9	5,493.05	45,897.15
		<u>88,201.99</u>	<u>59,081.16</u>
Accrued Interest on Bonds		850.21	914.38
Prepaid Rents		187.99	12.91
		<u>89,240.19</u>	<u>60,008.45</u>
Reserve for Receivables	D	27,316.34	24,528.64
Fund Balance	D-1	176,222.28	150,107.47
		<u>292,778.81</u>	<u>234,644.56</u>
Assessment Trust Fund:			
Due to Water Utility Operating Fund	D	0.15	
Reserve for Assessments and Liens	D-12	9,339.52	10,059.80
Fund Balance	D-1A	720.28	699.41
		<u>10,059.95</u>	<u>10,759.21</u>
Capital Fund:			
Serial Bonds Payable	D-11	67,000.00	74,000.00
Capital Improvement Fund	D-10	34,750.00	22,750.00
Reserve for Amortization	D-13	77,330.75	69,209.23
		<u>179,080.75</u>	<u>165,959.23</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 481,919.51</u>	<u>\$ 411,363.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Ref.	Year Ended December 31,	
		2012	2011
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 70,000.00	\$ 70,000.00
Rents		356,589.86	334,474.42
Miscellaneous Revenue		4,337.86	4,234.88
Water Capital Fund Balance			892.47
Water Assessment Trust Fund Balance		699.41	682.25
Additional Rents With Increased Rates			25,280.14
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		9,190.57	3,839.73
Total Income		<u>440,817.70</u>	<u>439,403.89</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		312,870.00	302,200.00
Capital Improvements		16,000.00	6,000.00
Debt Service		8,860.83	9,000.84
Deferred Charges			20,000.00
Statutory Expenditures		4,500.00	4,400.00
Refund of Prior Year Revenue		2,472.06	
Total Expenditures		<u>344,702.89</u>	<u>341,600.84</u>
Statutory Excess to Fund Balance		96,114.81	97,803.05
<u>Fund Balance</u>			
Balance January 1		150,107.47	122,304.42
		<u>246,222.28</u>	<u>220,107.47</u>
Decreased by:			
Utilized as Anticipated Revenue		70,000.00	70,000.00
Balance December 31	D	<u>\$ 176,222.28</u>	<u>\$ 150,107.47</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
WATER UTILITY ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2011		\$ 699.41
Increased by:		
Collection of Unpledged Assessments		720.28
		1,419.69
Decreased by:		
Realized as Anticipated Revenue in the Operating Fund Budget		699.41
		699.41
Balance December 31, 2012	D	\$ 720.28

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 70,000.00	\$ 70,000.00	
Water Rents	270,770.59	356,589.86	\$ 85,819.27
Miscellaneous Revenue	1,000.00	4,337.86	3,337.86
Water Assessment Trust Fund Balance	699.41	699.41	
	<u>\$ 342,470.00</u>	<u>\$ 431,627.13</u>	<u>\$ 89,157.13</u>

Analysis of Realized Revenue

Rents:

Water Rents	\$ 356,246.63
Prepaid Rents Applied	12.91
Due from Trust Assessment Fund	<u>330.32</u>
	<u>\$ 356,589.86</u>

Miscellaneous Revenue:

Treasurer:

Interest on Investments	\$ 633.11
Interest on Delinquencies	2,083.15
Interest on Assessments	271.45
Other Miscellaneous	1,350.00
Due from Water Utility Trust Assessment Fund:	
Interest Earned	<u>0.15</u>
	<u>\$ 4,337.86</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modi- fication</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 30,470.00	\$ 30,820.00	\$ 29,801.29	\$ 1,018.71	
Other Expenses	282,400.00	282,050.00	203,358.41	78,691.59	
Capital Improvements:					
Capital Improvement Fund	12,000.00	12,000.00	12,000.00		
Capital Outlay	4,000.00	4,000.00	1,121.52	2,878.48	
Debt Service:					
Payment of Bond Principal	7,000.00	7,000.00	7,000.00		
Interest on Bonds	2,100.00	2,100.00	1,860.83		\$ 239.17
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	2,100.00	2,100.00	2,100.00		
Social Security System (O.A.S.I.)	2,400.00	2,400.00	2,279.84	120.16	
	<u>\$ 342,470.00</u>	<u>\$ 342,470.00</u>	<u>\$ 259,521.89</u>	<u>\$ 82,708.94</u>	<u>\$ 239.17</u>

Ref.

D

Analysis of Paid or Charged

Cash Disbursed	<u>Ref.</u>	\$ 252,168.01
Accrued Interest on Bonds		1,860.83
Encumbered	<u>D</u>	<u>5,493.05</u>
		<u>\$ 259,521.89</u>

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
SEWER UTILITY FUND

TOWNSHIP OF BOONTON  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 171,549.90	\$ 166,521.87
Due from Trust Assessment Fund	B	77.50	
Due from Sewer Utility Assessment Fund	E	85.30	
		<u>171,712.70</u>	<u>166,521.87</u>
Receivables with Full Reserve:			
Consumer Accounts Receivable	E-6	24,753.50	21,323.69
		<u>196,466.20</u>	<u>187,845.56</u>
Assessment Fund:			
Cash and Cash Equivalents	E-4	21,579.15	21,560.78
Assessment Receivable	E-7	163,484.44	183,404.09
		<u>185,063.59</u>	<u>204,964.87</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	59,989.69	53,989.69
Fixed Capital	E-8	324,406.74	324,406.74
		<u>384,396.43</u>	<u>378,396.43</u>
<u>TOTAL ASSETS</u>		<u>\$ 765,926.22</u>	<u>\$ 771,206.86</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-3;E-9	\$ 7,780.50	\$ 5,064.17
Unencumbered	E-3;E-9	43,060.42	30,670.92
		<u>50,840.92</u>	<u>35,735.09</u>
Prepaid Rents		126.16	10.45
Accrued Interest on Bonds		1,794.38	1,959.38
Reserve for Contingency		35,000.00	35,000.00
		<u>87,761.46</u>	<u>72,704.92</u>
Reserve for Receivables	E	24,753.50	21,323.69
Fund Balance	E-1	83,951.24	93,816.95
		<u>196,466.20</u>	<u>187,845.56</u>
Total Operating Fund			
Assessment Fund:			
Serial Bonds Payable	E-13	144,000.00	162,000.00
Due to Sewer Utility Operating Fund	E	85.30	
Reserve for Assessments Receivable	E-10	38,025.59	40,978.29
Fund Balance	E-1A	2,952.70	1,986.58
		<u>185,063.59</u>	<u>204,964.87</u>
Total Assessment Fund			
Capital Fund:			
Capital Improvement Fund	E-11	59,989.69	53,989.69
Reserve for Amortization	E-12	324,406.74	324,406.74
		<u>384,396.43</u>	<u>378,396.43</u>
Total Capital Fund			
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 765,926.22</u>	<u>\$ 771,206.86</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
SEWER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	<u>Year Ended December 31,</u>	
		<u>2012</u>	<u>2011</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated		\$ 37,000.00	\$ 37,451.03
Sewer Service Charges		163,516.22	174,317.31
Miscellaneous Revenue		5,829.01	5,892.14
Sewer Utility Assessment Trust Surplus		1,986.58	4,165.70
Sewer Utility Capital Surplus			1,983.27
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		27,657.48	33,254.47
Total Income		<u>235,989.29</u>	<u>257,063.92</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		190,725.00	184,329.24
Capital Improvements		10,000.00	10,000.00
Debt Service		3,930.00	4,290.00
Deferred Charges and Statutory Expenditures		4,200.00	9,870.76
Total Expenditures		<u>208,855.00</u>	<u>208,490.00</u>
Excess in Revenue		27,134.29	48,573.92
<u>Fund Balance</u>			
Balance January 1		93,816.95	82,694.06
		<u>120,951.24</u>	<u>131,267.98</u>
Decreased by:			
Utilized as Anticipated Revenue		37,000.00	37,451.03
Balance December 31	E	<u>\$ 83,951.24</u>	<u>\$ 93,816.95</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
SEWER UTILITY ASSESSMENT TRUST FUND  
STATEMENT OF ASSESSMENT FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 1,986.58
Increased by:		
Collection of Unpledged Assessments		<u>2,952.70</u>
		4,939.28
Decreased by:		
Anticipated as Revenue in Sewer Utility Operating Fund		<u>1,986.58</u>
Balance December 31, 2012	E	<u>\$ 2,952.70</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 37,000.00	\$ 37,000.00	
Sewer Service Charges	169,338.42	163,516.22	\$ 5,822.20 *
Miscellaneous Revenue	1,000.00	5,829.01	4,829.01
Sewer Utility Assessment Trust Surplus	1,986.58	1,986.58	
	<u>\$ 209,325.00</u>	<u>\$ 208,331.81</u>	<u>\$ 993.19 *</u>

Analysis of Realized Revenue:

Rents:

Collections	\$ 163,428.27
Prepaid Rents Applied	10.45
Due from Trust Assessment Fund	77.50
	<u>\$ 163,516.22</u>

Miscellaneous:

Treasurer:

Interest on Investments	\$ 371.89
Interest on Delinquencies	1,573.67
Interest on Assessments	3,798.15
Due from Sewer Utility Assessment Trust Fund	85.30
	<u>\$ 5,829.01</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
SEWER UTILITY ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2012

	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess/ Deficit*</u>
Assessment Cash	<u>\$ 18,000.00</u>	<u>\$ 18,000.00</u>	<u></u>
	<u>\$ 18,000.00</u>	<u>\$ 18,000.00</u>	<u>\$ -0-</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 26,625.00	\$ 26,975.00	\$ 26,501.46	\$ 473.54	
Other Expenses	164,100.00	163,750.00	125,235.74	38,514.26	
Capital Improvements:					
Capital Improvement Fund	6,000.00	6,000.00	6,000.00		
Capital Outlay	4,000.00	4,000.00		4,000.00	
Debt Service:					
Interest on Bonds	4,400.00	4,400.00	3,930.00		\$ 470.00
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	2,100.00	2,100.00	2,100.00		
Social Security System (O.A.S.I.)	2,100.00	2,100.00	2,027.38	72.62	
	<u>\$ 209,325.00</u>	<u>\$ 209,325.00</u>	<u>\$ 165,794.58</u>	<u>\$ 43,060.42</u>	<u>\$ 470.00</u>

Ref.

E

Analysis of Paid or Charged

Cash Disbursed		\$ 154,084.08
Accrued Interest on Bonds		3,930.00
Encumbered	E	<u>7,780.50</u>
		<u>\$ 165,794.58</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Paid or Charged</u>	<u>Unexpended Balance Cancelled</u>
Payment of Bond Principal	\$ 18,000.00	\$ 18,000.00	
	<u>\$ 18,000.00</u>	<u>\$ 18,000.00</u>	<u>\$ -0-</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
PUBLIC ASSISTANCE FUND

BOONTON TOWNSHIP  
PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 18,756.11	\$ 26,484.76
<u>TOTAL ASSETS</u>		<u>\$ 18,756.11</u>	<u>\$ 26,070.65</u>
 <u>RESERVES</u>			
Due to Current Fund	A		\$ 5,000.00
Reserve for:			
Public Assistance Trust Fund I		\$ 18,752.57	18,958.74
Public Assistance Trust Fund II		3.54	2,526.02
<u>TOTAL RESERVES</u>		<u>\$ 18,756.11</u>	<u>\$ 26,070.65</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF BOONTON  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET

	December 31,	
	2012	2011
<u>ASSETS</u>		
Land	\$ 8,749,332.75	\$ 6,709,966.00
Buildings and Improvements	1,035,396.88	1,035,396.88
Equipment and Vehicles	1,719,047.68	1,778,909.67
<u>TOTAL ASSETS</u>	<u>\$ 11,503,777.31</u>	<u>\$ 9,524,272.55</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 11,503,777.31</u>	<u>\$ 9,524,272.55</u>
<u>TOTAL RESERVES</u>	<u>\$ 11,503,777.31</u>	<u>\$ 9,524,272.55</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Boonton include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Boonton, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Boonton do not include the operations of the volunteer fire and first aid squads.

Governmental Accounting Standards Board publication Codification of Government Accounting and Financial Reporting Standards, Section 2100 "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of Government Accounting Standards Board's Codification, Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

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

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

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

Assessment Trust Fund - Resources and expenditures for the payment of Assessment Trust Fund debt.

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

Water Utility Operating, Assessment Trust and Capital Funds - Account for the operations, resources and expenditures for payment of assessment debt and acquisition of capital facilities of the municipally owned water utility.

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Sewer Utility Operating, Assessment Trust and Capital Funds - Account for the operations, resources and expenditures for payment of assessment debt and acquisition of capital facilities of the municipally owned sewer utility.

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. The operations of the State funded General Assistance Program were transferred to the County of Morris effective July 1, 2011.

General Fixed Assets Account Group- These accounts were established with estimated values of land, building and certain fixed assets of the Township as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting policies of the Township of Boonton conform to the accounting principles applicable to municipalities which have been prescribed by the Division which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Grant revenue is realized in the Operating Funds when budgeted, in the Trust Funds when received, and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
 (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; federal and state grants and assistance would be recognized when earned, not when awarded or budgeted; inventories would not be reflected as expenditures at the time of purchase; and fixed assets purchased by the Utility Capital Funds would be depreciated.

The cash basis of accounting is followed in the Trust Funds except for the Reserves for Open Space and Recreation.

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds, by loans or by capital lease purchase agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost or amortized cost, which approximates market.

Grants Receivable – Grants receivable represent total grants awarded less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amounts awarded.

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include (Cont'd):

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

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

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

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

General Fixed Assets Account Group- General fixed assets are recorded at historical cost or estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund, Water Utility Fund and Sewer Utility Fund. The values recorded in the General Fixed Assets Account Group and the Current, General Capital, Water Utility and Sewer Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Capital assets are reviewed for impairment.

Property and equipment purchased by the Water Utility Fund and Sewer Utility Fund, are recorded in the capital accounts at cost and are not adjusted for dispositions and abandonments. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represent charges to operations for the cost of acquisition of property, equipment and improvements. The utilities do not record depreciation on fixed assets.

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

F. Budget/Budgetary Controls

Annual appropriated budgets are prepared in the 1st quarter for the Current, Assessment Trust, Open Space, Water and Sewer Utility Operating and the Sewer Assessment Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bond to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2012	2011	2010
<u>Issued</u>			
General:			
Bonds and Notes	\$ 2,291,672.00	\$ 2,346,000.00	\$ 2,587,000.00
Green Trust Loan			1,193.54
Assessment:			
Bonds and Notes	600,000.00	675,000.00	750,000.00
Water Utility:			
Bonds and Notes - Capital	67,000.00	74,000.00	81,000.00
Sewer Utility:			
Bonds and Notes - Assessment	144,000.00	162,000.00	180,000.00
Total Issued	<u>3,102,672.00</u>	<u>3,257,000.00</u>	<u>3,599,193.54</u>
<u>Authorized but not Issued:</u>			
Sewer Utility - Bonds and Notes			5,770.76
Total Authorized but not Issued			<u>5,770.76</u>
Less:			
Funds Temporarily Held to Pay			
Bonds & Notes:			
Open Space Trust Fund	1,229,000.00	1,372,000.00	1,515,000.00
Assessment Trust Cash	100,903.09	112,898.48	109,950.16
Sewer Assessment Trust Cash	18,541.15	19,574.20	21,400.91
Total Deductions	<u>1,348,444.24</u>	<u>1,504,472.68</u>	<u>1,646,351.07</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 1,754,227.76</u>	<u>\$ 1,752,527.32</u>	<u>\$ 1,958,613.23</u>

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 2: 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 .159%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 1,733,000.00	\$ 1,733,000.00	
Water Utility Debt	67,000.00	67,000.00	
Sewer Utility Debt	144,000.00	144,000.00	
General Debt	<u>2,891,672.00</u>	<u>1,329,903.09</u>	<u>\$ 1,561,768.91</u>
	<u>\$ 4,835,672.00</u>	<u>\$ 3,273,903.09</u>	<u>\$ 1,561,768.91</u>

Net Debt \$1,561,768.91 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$983,002,427.67 = .159%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 34,405,084.97
Net Debt	<u>1,561,768.91</u>
Remaining Borrowing Power	<u>\$ 32,843,316.06</u>

Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 431,627.13
Deductions:	
Operating and Maintenance Costs	\$ 317,370.00
Debt Service	<u>8,860.83</u>
	<u>326,230.83</u>
Excess in Revenue	<u>\$ 105,396.30</u>

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 208,331.81
Deductions:		
Operating and Maintenance Costs	\$ 194,925.00	
Debt Service	<u>3,930.00</u>	
		<u>198,855.00</u>
Excess in Revenue		<u>\$ 9,476.81</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount.

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/10	Additions	Retirements	Balance 12/31/11
Serial Bonds:				
General Capital	\$2,159,000.00		\$ 200,000.00	\$1,959,000.00
Assessment Trust	750,000.00		75,000.00	675,000.00
Water Utility Capital	81,000.00		7,000.00	74,000.00
Sewer Utility Assessment Trust	180,000.00		18,000.00	162,000.00
Bond Anticipation Notes:				
General Capital	428,000.00	\$ 387,000.00	428,000.00	387,000.00
Loans Payable:				
General Capital:				
Green Trust Loan Payable	1,193.54		1,193.54	
	<u>\$3,599,193.54</u>	<u>\$ 387,000.00</u>	<u>\$ 729,193.54</u>	<u>\$3,257,000.00</u>

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/11	Additions	Retirements	Balance 12/31/12
<b>Serial Bonds:</b>				
General Capital	\$1,959,000.00		\$ 200,000.00	\$1,759,000.00
Assessment Trust	675,000.00		75,000.00	600,000.00
Water Utility Capital	74,000.00		7,000.00	67,000.00
Sewer Utility Assessment Trust	162,000.00		18,000.00	144,000.00
<b>Bond Anticipation Notes:</b>				
General Capital	387,000.00	\$ 532,672.00	387,000.00	532,672.00
	<u>\$3,257,000.00</u>	<u>\$ 532,672.00</u>	<u>\$ 687,000.00</u>	<u>\$3,102,672.00</u>

The Township's debt issued and outstanding on December 31, 2012, is described as follows:

General Capital Bond Anticipation Notes

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
09/25/13	1.10%	<u>\$ 532,672.00</u>

General Capital Serial Bonds

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
01/15/20	2.00%- 3.50%	<u>\$ 1,759,000.00</u>

Assessment Trust Serial Bonds

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
01/15/20	2.00%- 3.50%	<u>\$ 600,000.00</u>

Water Utility Capital Serial Bonds

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
01/15/20	2.00%- 3.50%	<u>\$ 67,000.00</u>

Sewer Utility Assessment Trust Serial Bonds

<u>Final Maturity</u>	<u>Rate</u>	<u>Amount</u>
01/15/20	2.00%- 3.50%	<u>\$ 144,000.00</u>

Total Debt Issued and Outstanding	<u>\$ 3,102,672.00</u>
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TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years  
And Thereafter for Bonded Debt Issued and Outstanding

Year	General			Open Space Trust			Assessment Trust Fund		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 58,000	\$ 14,078	\$ 72,078	\$ 147,000	\$ 32,115	\$ 179,115	\$ 75,000	\$ 15,563	\$ 90,563
2014	60,000	12,898	72,898	149,000	29,155	178,155	75,000	14,063	89,063
2015	63,000	11,668	74,668	151,000	26,155	177,155	75,000	12,563	87,563
2016	65,000	10,144	75,144	154,000	22,528	176,528	75,000	10,781	85,781
2017	68,000	8,230	76,230	156,000	18,070	174,070	75,000	8,625	83,625
2018-2020	216,000	11,305	227,305	472,000	24,211	496,211	225,000	11,626	236,626
	<u>\$ 530,000</u>	<u>\$ 68,323</u>	<u>\$ 598,323</u>	<u>\$ 1,229,000</u>	<u>\$ 152,234</u>	<u>\$ 1,381,234</u>	<u>\$ 600,000</u>	<u>\$ 73,221</u>	<u>\$ 673,221</u>

Year	Water Utility Capital			Sewer Utility Assessment			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 7,000	\$ 1,785	\$ 8,785	\$ 18,000	\$ 3,735	\$ 21,735	\$ 305,000	\$ 35,161	\$ 340,161
2014	8,000	1,635	9,635	18,000	3,375	21,375	310,000	31,971	341,971
2015	8,000	1,475	9,475	18,000	3,015	21,015	315,000	28,721	343,721
2016	8,000	1,285	9,285	18,000	2,588	20,588	320,000	24,798	344,798
2017	8,000	1,055	9,055	18,000	2,070	20,070	325,000	19,980	344,980
2018-2020	28,000	1,483	29,483	54,000	2,790	56,790	995,000	27,204	1,022,204
	<u>\$ 67,000</u>	<u>\$ 8,718</u>	<u>\$ 75,718</u>	<u>\$ 144,000</u>	<u>\$ 17,573</u>	<u>\$ 161,573</u>	<u>\$ 2,570,000</u>	<u>\$ 167,835</u>	<u>\$ 2,737,835</u>

The Open Space debt service is expected to be paid by the Open Space Trust Fund. The principal due on the Assessment Trust and Sewer Utility Assessment Funds debt service is expected to be paid with Assessment Cash from the respective funds.

Note 3: Fund Balances Appropriated

The amount of fund balances at December 31, 2012, which are included in the introduced budget for the Current Fund, Water Utility Fund and Sewer Utility Fund for the year ending December 31, 2013, are as follows:

Current Fund	\$ 699,000.00
Water Utility Fund	93,150.00
Sewer Utility Fund	42,047.30

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 4: Local School District Taxes

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

The Township of Boonton has not elected to defer school taxes.

Note 5: Pension Plans

Township employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey. The State of New Jersey sponsors and administers these two plans which cover substantially all Township employees. As a general rule, all full-time employees are eligible to join one of these two public employees' retirement systems.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of credible service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above system funds and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.5% of base salary from October 1, 2011 thru June 30, 2012 and increased to 6.64% effective July 1, 2012. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

The Township's contributions to the plans amounted to \$51,088, \$49,140, and \$41,828, for 2012, 2011 and 2010, respectively, for PERS and \$290,641, \$338,663, and \$257,167 for 2012, 2011 and 2010, respectively, for PFRS.

Note 6: Accrued Vacation and Compensatory Time Benefits

The Township of Boonton has permitted certain employees to accrue unused vacation, sick, personal and compensatory time, which may be taken as time off or paid at a later date at an agreed-upon rate. This amount is not reported as an expenditure or a liability. The estimated current cost of such unpaid compensation is \$295,972. The cost of such unpaid compensation would be included in the Township of Boonton's budget operating expenditures in the year in which it is used.

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31.

Comparative Schedule of Tax Rate Information

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Tax Rate</u>	\$ 1.872	\$ 1.834	\$ 1.776
<u>Apportionment of Tax Rate</u>			
Municipal (Includes Open Space)	0.383	0.376	0.360
County	0.251	0.250	0.254
Local School	1.238	1.208	1.162
<u>Assessed Valuations</u>			
2012	\$ 963,549,199.00		
2011		\$ 966,092,599.00	
2010			\$ 967,601,335.00

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2012	\$ 18,045,381.31	\$ 17,684,787.46	98.00%
2011	17,733,793.32	17,329,300.41	97.71%
2010	17,185,253.82	16,871,776.93	98.17%

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

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012

(Continued)

Note 8: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed on the following page.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit; and

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

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

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012

(Continued)

Note 8: Cash and Cash Equivalents and Investments (Cont'd)

Investments:

New Jersey statutes permit the Township to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; and
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 8: Cash and Cash Equivalents and Investments (Cont'd)

Investments (Cont'd):

As of December 31, 2012, cash and cash equivalents of the Township of Boonton consisted of the following:

Fund	Cash on Hand	Checking Accounts	N.J. Cash Management Fund	Total
Current Fund	\$ 150.00	\$ 1,752,533.08	\$ 300.93	\$ 1,752,984.01
Animal Control Fund		292.80		292.80
Other Trust Funds	100.00	1,246,901.33	6,351.53	1,253,352.86
Assessment Trust Fund		102,908.53		102,908.53
General Capital Fund		474,342.38		474,342.38
Water Utility Operating Fund		265,132.00		265,132.00
Water Utility Assessment Fund		720.43		720.43
Water Utility Capital Fund		34,750.00		34,750.00
Sewer Utility Operating Fund		171,549.90		171,549.90
Sewer Utility Assessment Fund		21,759.15		21,759.15
Sewer Utility Capital Fund		59,989.69		59,989.69
Public Assistance Fund		18,756.11		18,756.11
	<u>\$ 250.00</u>	<u>\$ 4,149,635.40</u>	<u>\$ 6,652.46</u>	<u>\$ 4,156,537.86</u>

During the period ended December 31, 2012, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2012, was \$4,156,537.86, and the bank balance was \$4,021,650.83. The \$6,652.46 in the New Jersey Cash Management Fund is uninsured and unregistered.

During the period ended December 31, 2011, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2012, was \$3,323,341.14, and the bank balance was \$3,221,343.34. The \$6,648.75 in the New Jersey Cash Management Fund is uninsured and unregistered.

Note 9: Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to employees through the State of New Jersey health benefits plan.

The Township of Boonton is a member of the Morris County Municipal Joint Insurance Fund. This fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 9: Risk Management (Cont'd)

The following coverages are offered by the fund to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle
- e.) Environmental

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

This Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Auditing Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The December 31, 2012 audit report of the fund is not filed as of the date of this audit. Selected, summarized financial information of this Fund as of December 31, 2011 is as follows:

	<u>Morris County Municipal Joint Insurance Fund</u>
Total Assets	\$ 25,146,526
Net Position	\$ 11,920,742
Total Revenue	\$ 17,214,724
Total Expenses	\$ 16,582,186
Change in Net Position	\$ 632,538
Dividend Distribution to Participating Members	\$ -0-

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

PERMA Risk Management Services  
9 Campus Drive, Suite 16  
Parsippany, NJ 07054-4412  
(201) 881-7632

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 9: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township and employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous years:

Year	Township Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2012	\$ -0-	\$ 76.51	\$ 2,232.14	\$ -0-	\$ 38,758.53
2011	-0-	44.44	2,090.88	7,891.22	36,449.88
2010	-0-	121.79	2,241.43	1,320.00	42,205.78

Note 10: Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 9,072.29	\$ 152.13
Federal and State Grant Fund		9,063.03
Other Trust Funds		9.26
Assessment Trust Fund	152.13	407.82
Water Utility Operating Fund	330.47	
Water Utility Assessment Fund		0.15
Sewer Utility Operating Fund	162.80	
Sewer Utility Assessment Fund		85.30
	<u>\$ 9,717.69</u>	<u>\$ 9,717.69</u>

The interfund between the Current Fund and the Federal and State Grant Fund is the net of the prior year interfund as well as the current year unappropriated grants and grants receivable collections and appropriated grant expenditures in the Current Fund. The interfund between the Current Fund and the Other Trust Funds represents current year interest earnings not turned over to the Current Fund. The interfund between the Current Fund and the Trust Fund represents an interfund advanced to the Current Fund that is owed to Assessment Trust Fund. The interfund between the Assessment Trust Fund and the Water Utility and Sewer Utility Operating Funds represents a current year receipt that was posted to the Assessment Trust Fund in error. The interfund between the Water Utility Operating Fund and the Water Utility Assessment Fund represents current year interest earnings not turned over to the Water Utility Operating Fund. The interfund between the Sewer Utility Operating Fund and the Sewer Utility Assessment Fund represents current year interest earnings not turned over to the Sewer Utility Operating Fund.

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 11: Contingent Liabilities

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Township vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Various tax appeals have been filed against the Township. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. Potential refunds on tax appeals could be as much as \$269,319. The Township established a Reserve for Pending Tax Appeals at December 31, 2012 in the amount of \$183,126.63. Also, there is a 2013 budget appropriation in the Current Fund in the amount of \$75,000 in a line item for Pending Tax Appeals.

The City of Jersey City is currently a member of the Rockaway Valley Regional Sewerage Authority, as is the Township. Jersey City has filed a lawsuit disputing their obligation to pay certain costs and claiming they are entitled to certain credits and interest. If the lawsuit is successful and Jersey City is determined to no longer be responsible for certain costs and is due certain credits and interest the contributions by the Township to the RVRSA will be impacted. However, an estimate of the impact on future RVRSA contributions to be paid by the Township cannot be determined at this point. The Township has established a Reserve for Contingency of \$35,000 in the Sewer Utility Operating Fund to offset the costs of litigation related to this matter.

Note 12: Economic Dependency

The Township receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

Note 13: Deferred Compensation Plans

The Township of Boonton offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. The Plan, which is administered by VALIC, is available to all Township of Boonton employees and permits participants to defer a portion of their salary. The deferred compensation is not available until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

Note 14: Open Space Tax

The Township of Boonton created an Open Space Trust Fund with a Tax Levy of \$.020 per \$100 of assessed valuation in 1998. The funds collected are used to acquire and maintain open space property in the Township. As of December 31, 2012, the balance in the Open Space Trust Fund was \$1,067,868.82.

TOWNSHIP OF BOONTON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012  
(Continued)

Note 15: Fixed Assets

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

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Adjustments/ Deletions</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Land	\$ 6,709,966.00	\$ 2,068,965.75	\$ 29,599.00	\$ 8,749,332.75
Buildings and Building Improvements	1,035,396.88			1,035,396.88
Equipment	<u>1,778,909.67</u>	<u>90,430.13</u>	<u>150,292.12</u>	<u>1,719,047.68</u>
	<u>\$ 9,524,272.55</u>	<u>\$ 2,159,395.88</u>	<u>\$ 179,891.12</u>	<u>\$ 11,503,777.31</u>

The following schedule is a summarization of general fixed assets for the year ended December 31, 2011:

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Adjustments/ Deletions</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Land	\$ 6,705,801.00	\$ 4,165.00		\$ 6,709,966.00
Buildings and Building Improvements	1,035,396.88			1,035,396.88
Equipment	<u>1,706,212.97</u>	<u>72,696.70</u>		<u>1,778,909.67</u>
	<u>\$ 9,447,410.85</u>	<u>\$ 76,861.70</u>	<u>\$ - 0 -</u>	<u>\$ 9,524,272.55</u>

SUPPLEMENTARY DATA

TOWNSHIP OF BOONTON  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2012

Name	Title	Amount of Bond	Name of Corporate Surety
Michele Rankin	Township Committeeman and Chairperson		
Paul Allieri	Township Committeeman		
Thomas R. Donadio	Township Committeeman		
William Klingener	Township Committeeman		
Robert Rizzo	Township Committeeman		
Barbara Shepard	Township Clerk	(A)	
	Township Administrator		
	Personnel Director		
	Assessment Search Officer		
	Purchasing Agent		
	Registrar		
Norman Eckstein	Chief Financial Officer/Treasurer; Tax Collector	\$ 1,000,000	Municipal Excess Liability JIF
	Tax Search Officer		
	Water and Sewer Billing Collector		
Maureen D. Como	Deputy Municipal Clerk		
	Deputy Tax Collector		
	Planning Board Secretary		
	Water and Sewer Billing Clerk	1,000,000	Municipal Excess Liability JIF
Edward Bucceri	Construction Code Official	(A)	
	Building Inspector		
	Zoning Officer		
	Plumbing Sub-Code Official		
John J. Jansen	Attorney		
Mark Burek	Tax Assessor	(A)	
Andrew Wubbenhorst	Magistrate	(A)	
Joan Egan	Court Administrator	(A)	
Patricia Fichtner	Deputy Court Administrator; Violations Clerk	(A)	

All bonds were examined and were properly executed.

(A) - All employees, who are not specifically bonded, are covered under \$950,000 and \$50,000 Faithful Performance Blanket Bonds with the Municipal Excess Liability Joint Insurance Fund and Morris County Municipal Joint Insurance Fund, respectively.

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
CURRENT FUND

TOWNSHIP OF BOONTON  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 1,159,623.39
Increased by Receipts:		
Tax Collector		\$ 18,135,246.50
Petty Cash		100.00
Revenue Accounts Receivable		785,119.72
Miscellaneous Revenue Not Anticipated		289,745.51
Accounts Payable		1,454.00
Due Animal Control Trust Fund:		
Prior Year Interfund Returned		0.02
Due Other Trust Fund:		
Prior Year Interfund Returned		6.04
Due from Assessment Trust Fund:		
Prior Year Interfund Returned		434.85
Interfund Advanced		152.13
Due from Public Assistance Fund:		
Prior Year Interfund Returned		5,000.00
Due from Payroll Account		
Prior Year Interfund Returned		1.55
Appropriation Refunds		33,479.92
Due State of New Jersey:		
Marriage License Fees		300.00
DCA Training Fees		5,656.00
Veterans and Senior Citizens' Deductions		40,750.00
Due to Town of Boonton		66.33
Due to Federal and State Grant Fund:		
Grants Receivable		10,021.00
Unappropriated Grant Reserves		16,336.79
		19,323,870.36
		20,483,493.75

TOWNSHIP OF BOONTON  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Decreased by Disbursements		
2012 Appropriation Expenditures	\$ 3,826,146.67	
2011 Appropriation Reserves	136,715.94	
Accounts Payable - Vendors	1,069.09	
Petty Cash	100.00	
Local School Taxes	11,925,485.00	
County Taxes	2,415,509.35	
Due Other Trust Funds:		
Open Space Tax Levy	289,524.41	
Due from Federal and State Grant Fund:		
Appropriated Grant Reserves	23,781.80	
Due State of New Jersey:		
DCA Training Fees	6,050.00	
Marriage License Fees	375.00	
Due To Township of Denville	617.98	
Due To Town of Boonton	321.25	
Refund of Third Party Liens	81,826.78	
Reserve for Pending Tax Appeals	16,873.37	
Refund of Revenue	3,615.15	
Tax Overpayments	2,647.95	
	<hr/>	<u>\$ 18,730,659.74</u>
Balance December 31, 2012	A	<u><u>\$ 1,752,834.01</u></u>

TOWNSHIP OF BOONTON  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2012

Increased by Receipts:

Taxes Receivable	\$ 17,873,901.63
Redemption of Third Party Liens	70,677.52
Interest and Costs on Taxes	78,948.30
2013 Prepaid Taxes	109,400.73
Tax Overpayments	<u>2,318.32</u>

\$ 18,135,246.50

Paid to Treasurer

\$ 18,135,246.50



TOWNSHIP OF BOONTON  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 13,616.09
Increased by:		
Transfer from Taxes Receivable		<u>2,714.40</u>
Balance December 31, 2012	A	<u>\$ 16,330.49</u>

TOWNSHIP OF BOONTON  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued In</u> <u>2012</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Municipal Clerk:				
Alcoholic Beverage Licenses		\$ 4,800.00	\$ 4,800.00	
Municipal Court:				
Fines and Costs	\$ 2,434.32	39,977.52	38,223.70	\$ 4,188.14
Construction Code Official		106,546.00	106,546.00	
Energy Receipts Tax		228,051.00	228,051.00	
Consolidated Municipal Property Tax Relief Aid		12,820.00	12,820.00	
Shared Services of a Chief Financial Officer Between the Township of Boonton and the Borough of Mountain Lakes		20,088.00	20,088.00	
CTC Assisted Living Agreement		143,320.56	143,320.56	
Reserve for Open Space Trust to Offset Debt Service		178,015.00	178,015.00	
Trust Assessment Fund Balance		845.50	845.50	
Field Usage Revenue		21,800.00	21,800.00	
Cell Tower Rental		30,609.96	30,609.96	
	<u>\$ 2,434.32</u>	<u>\$ 786,873.54</u>	<u>\$ 785,119.72</u>	<u>\$ 4,188.14</u>

Ref.            A

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TOWNSHIP OF BOONTON  
CURRENT FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>GENERAL GOVERNMENT FUNCTIONS:</b>				
General Administration:				
Salaries & Wages	\$ 65.38	\$ 65.38		\$ 65.38
Other Expenses	2,941.66	2,941.66	\$ 2,529.00	412.66
Human Resources:				
Other Expenses	962.50	1,962.50	1,080.00	882.50
Mayor & Council:				
Other Expenses	269.81	269.81	56.99	212.82
Municipal Clerk:				
Other Expenses	861.13	861.13	390.81	470.32
Codification	1,571.97	1,571.97	717.00	854.97
Financial Administration:				
Other Expenses	16.44	16.44		16.44
Annual Audit	13,500.00	13,500.00	13,500.00	
Tax Assessment Administration:				
Other Expenses	7,077.10	7,077.10	6,735.68	341.42
Revenue Administration (Tax Collection):				
Salaries & Wages				
Other Expenses	226.62	226.62	191.25	35.37
Computer:				
Other Expense	885.50	885.50	787.50	98.00
Legal Services and Costs:				
Other Expenses	20,032.30	19,032.30	6,054.46	12,977.84
Environmental Committee:				
Other Expenses	160.00	160.00		160.00
Engineering Services:				
Other Expenses	1,325.00	1,325.00	780.00	545.00
Buildings and Grounds:				
Salaries & Wages	1,330.00	1,330.00	55.00	1,275.00
Other Expenses	5,368.53	6,868.53	5,755.50	1,113.03
Municipal Land Use Law (N.J.S.A. 40:55D-1):				
Planning Board:				
Salaries & Wages	0.77	0.77		0.77
Other Expenses	17,051.96	17,051.96	2,242.85	14,809.11
Insurance (P.L. 2003, C.92)				
Employee Group Insurance	50.00	50.00	50.00	
General Liability Insurance	781.71	781.71		781.71
Health Benefit Waiver	18.00	18.00		18.00
<b>PUBLIC SAFETY:</b>				
Aid to Volunteer Fire Companies:				
Other Expenses	10,882.46	12,882.46	11,995.14	887.32

TOWNSHIP OF BOONTON  
CURRENT FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b>PUBLIC SAFETY (Cont'd):</b>				
Dispatch				
Uniform Fire Safety Act (P.L. 1983, C.383)				
Fire Prevention Bureau:				
Salaries & Wages	\$ 515.00	\$ 515.00		\$ 515.00
Other Expenses	984.05	984.05	\$ 796.85	187.20
Police:				
Salaries & Wages	17,732.16	17,732.16		17,732.16
Other Expenses	15,695.18	15,695.18	14,449.07	1,246.11
Office of Emergency Management:				
Other Expenses	2,451.00	2,451.00	2,404.00	47.00
Municipal Court:				
Salaries & Wages	2,748.74	2,748.74		2,748.74
Other Expenses	1,648.14	1,648.14	64.06	1,584.08
Public Employees Occupational Safety & Hazards Act	2,688.00	2,688.00		2,688.00
<b>STREETS AND ROADS:</b>				
Road Repair and Maintenance:				
Other Expenses	16,286.84	16,286.84	6,202.84	10,084.00
Snow Removal	57,772.10	53,272.10	21,667.44	31,604.66
Vehicle Maintenance:				
Other Expenses	23,406.17	21,406.17	21,276.96	129.21
<b>SANITATION</b>				
Solid Waste Collection				
Recycling				
Other Expenses	7,448.15	7,448.15	5,558.20	1,889.95
<b>HEALTH AND WELFARE:</b>				
Animal Control:				
Other Expenses	3,908.25	3,908.25	849.48	3,058.77
Board of Health:				
Other Expenses	656.79	656.79	466.04	190.75
Contractual	7,542.27	10,542.27		10,542.27
Administration of Public Assistance:				
Salaries & Wages	1,251.77	1,251.77		1,251.77
Other Expenses	100.00	100.00		100.00
<b>RECREATION AND EDUCATION:</b>				
Parks and Playgrounds:				
Other Expenses	839.00	839.00		839.00
Celebration of Public Events:				
Other Expenses	339.00	339.00		339.00
<b>UNIFORM CONSTRUCTION CODE:</b>				
Construction Code Official:				
Salaries & Wages	3,759.49	3,759.49		3,759.49
Other Expenses	2,600.73	2,600.73	572.00	2,028.73

TOWNSHIP OF BOONTON  
CURRENT FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Unclassified:				
Utilities:				
Electricity	\$ 4,499.71	\$ 4,499.71	\$ 1,184.38	\$ 3,315.33
Telephone	3,785.70	3,785.70	2,552.32	1,233.38
Water	500.78	500.78		500.78
Gas	14,005.10	14,005.10	1,871.64	12,133.46
Fuel Oil	4,003.55	4,003.55	681.45	3,322.10
Sewerage Processing	88.75	88.75		88.75
Gasoline	10,138.89	10,138.89	3,193.82	6,945.07
Contingent				
STATUTORY EXPENDITURES:				
Contributions to Social Security System (O.A.S.I.)	11,754.04	11,754.04	4.21	11,749.83
Unemployment Insurance	100.00	100.00		100.00
OPERATIONS EXCLUDED FROM "CAPS":				
911 Communication System - Other Expenses	47.95	47.95		47.95
Stormwater Tier A General Permit (N.J.S.A. 40A:4-45.3(cc))	1,195.49	1,195.49		1,195.49
<b>TOTAL GENERAL APPROPRIATIONS</b>	<u>\$ 305,871.63</u>	<u>\$ 305,871.63</u>	<u>\$ 136,715.94</u>	<u>\$ 169,155.69</u>

Analysis of Balance at December 31, 2011:

	<u>Ref</u>
Encumbered	A \$ 129,055.25
Unencumbered	A 176,816.38
	<u>\$ 305,871.63</u>

TOWNSHIP OF BOONTON  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2012

Increased by:

Levy - Calendar Year 2012

\$ 11,925,485.00

Decreased by:

Payments to Local School District

\$ 11,925,485.00

TOWNSHIP OF BOONTON  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012 Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Received</u>	<u>Transfer From</u> <u>Unappropriated</u> <u>Reserves</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Alcohol Education and Rehabilitation Fund		\$ 377.54		\$ 377.54		
Body Armor Replacement Fund		1,522.49		1,522.49		
Municipal Alliance Against Substance Abuse:						
2011	\$ 583.16		\$ 416.20		\$ 166.96	
2012		7,533.00	5,204.80			\$ 2,328.20
Highlands - Initial Assessment	15,000.00					15,000.00
Highlands - Plan Conformance	31,945.00					31,945.00
Division of Highway Safety - Over the Limit, Under Arrest Grant:						
2012		4,400.00	4,400.00			
Clean Communities Grant		9,378.73		9,378.73		
Drunk Driving Enforcement Grant		565.76		565.76		
Police Donations		100.00		100.00		
	<u>\$ 47,528.16</u>	<u>\$ 23,877.52</u>	<u>\$ 10,021.00</u>	<u>\$ 11,944.52</u>	<u>\$ 166.96</u>	<u>\$ 49,273.20</u>

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TOWNSHIP OF BOONTON  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

	<u>Balance</u>	<u>Transferred</u> <u>from</u>	<u>Cash</u>	<u>Encumbrances</u>	<u>Cancelled</u>	<u>Balance</u>
	<u>Dec. 31, 2011</u>	<u>2012 Budget</u> <u>Appropriations</u>	<u>Disbursed</u>	<u>Payable</u>		<u>Dec. 31, 2012</u>
Clean Communities Program:						
2011	\$ 5,666.58		\$ 3,595.00	\$ 2,071.58		
2012		\$ 9,378.73		2,903.42		\$ 6,475.31
Drunk Driving Enforcement Fund:						
2009	579.87		579.87			
2010	1,308.04		215.18			1,092.86
2012		565.76				565.76
Alcohol Education and Rehabilitation Fund	1,452.30	377.54				1,829.84
Body Armor Replacement Fund:						
2009	514.53		514.53			
2010	2,342.44		265.47	926.25		1,150.72
2012		1,522.49				1,522.49
Municipal Alliance Against Substance Abuse Grant:						
State Share - 2011	2,872.36		1,566.00		\$ 1,306.36	
State Share - 2012		7,533.00	7,049.95	480.05		3.00
Township Share - 2011	34.00		34.00			
Township Share - 2012		1,883.25	1,883.25			
Highlands - Initial Assessment	40.00					40.00
Highlands - Plan Conformance	8,040.65		3,435.81			4,604.84
Over The Limit, Under Arrest 2012 Program		4,400.00	4,400.00			
Police Donations	350.00	100.00	242.74			207.26
	<u>\$ 23,200.77</u>	<u>\$ 25,760.77</u>	<u>\$ 23,781.80</u>	<u>\$ 6,381.30</u>	<u>\$ 1,306.36</u>	<u>\$ 17,492.08</u>
<u>Ref.</u>				A		A
Encumbered	A \$ 4,847.00					
Unencumbered	A <u>18,353.77</u>					
	<u>\$ 23,200.77</u>					
Federal, State and Local Grants		\$ 23,877.52				
Local Matching Funds		<u>1,883.25</u>				
		<u>\$ 25,760.77</u>				

TOWNSHIP OF BOONTON  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Transferred to</u> <u>2012 Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Clean Communities Grant	\$ 9,378.73	\$ 9,420.07	\$ 9,378.73	\$ 9,420.07
Police Donations	100.00		100.00	
Alcohol Education and Rehabilitation Fund	377.54	755.48	377.54	755.48
Drunk Driving Enforcement Fund	565.76	2,610.45	565.76	2,610.45
Body Armor Grant	1,522.49	1,550.79	1,522.49	1,550.79
Sustainable New Jersey		2,000.00		2,000.00
	<u>\$ 11,944.52</u>	<u>\$ 16,336.79</u>	<u>\$ 11,944.52</u>	<u>\$ 16,336.79</u>

Ref.

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TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
TRUST FUNDS

TOWNSHIP OF BOONTON  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

Ref.	<u>Assessment Trust Fund</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2011	B \$ 114,178.83	\$ 308.75	\$ 1,231,746.74
Increased by Receipts:			
Due Current Fund:			
Interest on Investments			\$ 9.26
Assessment Receivable	\$ 64,754.36		
Due to Sewer Utility Operating Fund - Sewer Rents	77.50		
Due to Water Utility Operating Fund - Water Rents	330.32		
Animal Control Collector		\$ 7,078.50	
Escrow Deposits			15,505.69
Recreation Deposits			61,575.87
Tax Sale Premiums			3,000.00
Unemployment Insurance			2,308.65
Public Defender			1,200.00
Recycling			14,641.60
Law Enforcement Trust			9.38
Police Outside Duty			48,422.54
Housing Rehabilitation			51.79
Affordable Housing			0.51
Open Space Tax Levy			289,524.41
Interest Earned on Open Space Trust			1,398.77
Open Space Canceled Improvement Authorization			753.67
High School Law Enforcement Training Program Donations			1.80
Cash Bonds			7.66
Parking Offense Adjudication Act			24.00
	<u>65,162.18</u>	<u>7,078.50</u>	<u>438,435.60</u>
	179,341.01	7,387.25	1,670,182.34

TOWNSHIP OF BOONTON  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER  
(Continued)

<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Due Current Fund:			
Assessment Trust Surplus	\$ 845.50		
Prior Year Interfund Returned	434.85	\$ 0.02	\$ 6.04
Due to Current Fund	152.13		
Serial Bonds	75,000.00		
Reserve for Encumbrances - Open Space Trust			9,604.07
Expenditures Under R.S. 4:19-15.11		7,094.43	
Escrow Expenditures			30,831.86
Tax Sale Premiums			16,200.00
Recreation Expenditures			76,963.92
Recycling			10,787.33
High School Law Enforcement Training Program Donations			210.95
Police Outside Duty			49,528.46
Open Space Trust			222,796.85
	<u>\$ 76,432.48</u>	<u>\$ 7,094.45</u>	<u>\$ 416,929.48</u>
Balance December 31, 2012	B <u>\$ 102,908.53</u>	<u>\$ 292.80</u>	<u>\$ 1,253,252.86</u>

TOWNSHIP OF BOONTON  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 12.00
Increased by:		
Animal Control License Fees:		
Municipal		\$ 6,091.20
State		862.80
Impounding, Boarding, Late Fees and Penalties		976.50
		7,930.50
		7,942.50
Decreased by:		
Disbursed to:		
Treasurer - Animal Control Fund		7,078.50
State of New Jersey		864.00
		7,942.50
Balance December 31, 2012	B	\$ -0-

TOWNSHIP OF BOONTON  
TRUST FUND  
ANALYSIS OF ASSESSMENT CASH

Improvement Description	Balance Dec. 31, 2011	Receipts		Disbursements		Balance/ (Deficit) Dec. 31, 2012
		Assessments Receivable	Miscellaneous	Serial Bonds	Miscellaneous	
Due to/from Current Fund	\$ 434.85				\$ 586.98	\$ (152.13)
Due to Sewer Utility Fund			\$ 77.50			77.50
Due to Water Utility Fund			330.32			330.32
Fund Balance	845.50	\$ 1,749.75			845.50	1,749.75
Assessments Receivable:						
Sanitary Sewerage and Water System:						
Elcock Avenue / Grove Street	90,615.90	51,448.91		\$ 52,717.42		89,347.39
Sanitary Sewerage System:						
Kent Avenue / Janet Road	22,282.58	11,555.70		22,282.58		11,555.70
	<u>\$ 114,178.83</u>	<u>\$ 64,754.36</u>	<u>\$ 407.82</u>	<u>\$ 75,000.00</u>	<u>\$ 1,432.48</u>	<u>\$ 102,908.53</u>

TOWNSHIP OF BOONTON  
ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2011	B	\$	319.53
Increased by:			
Dog License Fees:			
Collected in Current Year		\$	6,091.20
Miscellaneous Fees			<u>976.50</u>
			<u>7,067.70</u>
			<u>7,387.23</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11			<u>7,094.43</u>
Balance December 31, 2012	B	\$	<u><u>292.80</u></u>

<u>License Fees Collected</u>			<u>Amount</u>
<u>Year</u>			
2010		\$	5,756.40
2011			<u>6,015.60</u>
Maximum Allowable Reserve		\$	<u><u>11,772.00</u></u>

TOWNSHIP OF BOONTON  
ASSESSMENT TRUST FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>Ord Number</u>	<u>Improvement Description</u>	<u>Balance</u>	<u>Collected</u>	<u>Balance</u>	<u>Balance Pledged to</u>	
		<u>Dec. 31, 2011</u>		<u>Dec. 31, 2012</u>	<u>Serial Bonds</u>	<u>Reserve</u>
593	Sanitary Sewerage and Water System: Elcock Avenue / Grove Street	\$ 509,175.92	\$ 51,448.91	\$ 457,727.01	\$ 373,636.27	\$ 84,090.74
638	Sanitary Sewerage System: Kent Avenue / Janet Road	137,016.34	11,555.70	125,460.64	125,460.64	
645	Sanitary Sewerage and Water System: Elcock Avenue / Grove Street #2	<u>15,635.34</u>	<u>1,749.75</u>	<u>13,885.59</u>		<u>13,885.59</u>
		<u>\$ 661,827.60</u>	<u>\$ 64,754.36</u>	<u>\$ 597,073.24</u>	<u>\$ 499,096.91</u>	<u>\$ 97,976.33</u>
	<u>Ref.</u>	B		B		



TOWNSHIP OF BOONTON  
ASSESSMENT TRUST FUND  
SCHEDULE OF RESERVE FOR ASSESSMENTS

<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>Transfer To To Trust Surplus</u>	<u>Balance Dec. 31, 2012</u>
Assessments Receivable:			
Sanitary Sewerage and Water System:			
Elcock Avenue / Grove Street	\$ 84,090.74		\$ 84,090.74
Sanitary Sewerage and Water System:			
Elcock Avenue / Grove Street #2	<u>15,635.34</u>	<u>\$ 1,749.75</u>	<u>13,885.59</u>
	<u>\$ 99,726.08</u>	<u>\$ 1,749.75</u>	<u>\$ 97,976.33</u>
<u>Ref.</u>	B		B

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
GENERAL CAPITAL FUND

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2011	C		\$ 315,099.00
Increased by Receipts:			
New Jersey Department of Transportation Grant Receivables:			
Resurfacing Rockaway Valley Road		\$ 89,938.84	
Resurfacing Rockaway Valley Road - South Section		180,246.00	
Grant Proceeds - Funding of Ordinance No. 803:			
New Jersey Green Acres Program Local Unit Planning Incentive		200,000.00	
Bond Anticipation Notes		532,672.00	
2012 Budget Appropriation:			
Deferred Charges to Future Taxation - Unfunded		67,000.00	
Capital Improvement Fund		<u>170,000.00</u>	
			<u>1,239,856.84</u>
			1,554,955.84
Decreased by Disbursements:			
Reserve for Encumbrances		48,842.73	
Bond Anticipation Notes		387,000.00	
Improvement Authorizations		644,017.06	
Due to Open Space Trust Fund		<u>753.67</u>	
			<u>1,080,613.46</u>
Balance December 31, 2012	C		<u>\$ 474,342.38</u>

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Receipts				Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2012
	Balance/ (Deficit) Dec. 31, 2011	Budget Appropriations	Miscellaneous	Bond Anticipation Notes	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	To	From	
	Capital Improvement Fund	\$ 193,633.60	\$ 170,000.00						\$ 26,092.54	
Reserve for Encumbrances	66,348.13				\$ 48,842.73			30,430.14	17,505.40	30,430.14
Reserve for Preliminary Expenses - Powerville Dam	2,695.00									2,695.00
Reserve for Griffith Pond	117,848.10									117,848.10
Morris County Open Space Trust Grant								1,200,000.00	1,200,000.00	
Morris County Utility Authorities Grant								150,000.00	150,000.00	
New Jersey Green Acres Program:										
Local Unit Planning Incentive Grant Receivable			\$ 200,000.00							200,000.00
New Jersey Department of Environmental Protection								125,000.00	125,000.00	
New Jersey Department of Transportation Grants Receivable:										
Improvement and Repair of North Main Street	(49,311.37)							49,311.37		
Resurfacing Rockaway Valley Road	(104,459.50)		89,938.84					14,520.66		
Resurfacing Rockaway Valley Road - South Section			180,246.00						240,328.00	(60,082.00)
Improvements to Oak Road									210,000.00	(210,000.00)
Johanette Wallerstein Institute								65,000.00	65,000.00	
Due to Open Space Trust Fund					753.67			753.67		
<u>Improvement Authorizations</u>										
Ord. No. 667 Acquisition of New and Additional Fire Equipment		32,000.00		\$ 31,000.00		\$ 63,000.00				
Ord. No. 767 Various Improvements		12,000.00		84,000.00		96,000.00				
Ord. No. 779 & 799 North Main Street Improvement / Repair	49,311.37						\$ 935.50	935.50	49,311.37	
Ord. No. 787 Energy Efficient Lighting, Air Conditioning & Boilers at the Municipal Building	26,092.54								26,092.54	
Ord. No. 791 Police and Fire Department Equipment	4,600.66						319.60		4,281.06	
Ord. No. 793 Improvements of Various Roads		23,000.00		205,000.00		228,000.00				
Ord. No. 796 Resurfacing Rockaway Valley Road	7,586.80						9,636.04	16,569.90	14,520.66	
Ord. No. 801 Acquisition of Property Block 40307 Lot 21	753.67								753.67	
Ord. No. 803 Acquisition of Property, Block 10501 Lot 2							200,000.00	1,740,000.00	1,540,000.00	
Ord. No. 807 Fire Equipment							14,147.00	14,147.00		
Ord. No. 807 Police Equipment							41,040.99	73,175.00	17,699.08	14,434.93
Ord. No. 807 East Glen Road Drainage							23,823.81	25,000.00		1,176.19
Ord. No. 807 Catch Basin Repairs							12,916.38	25,000.00		12,083.62
Ord. No. 810 Improvements to Rockaway Valley Road - South Section				132,672.00			313,145.24	247,328.00		66,854.76
Ord. No. 810 Improvements to Oak Road				80,000.00			27,552.50	215,000.00		267,447.50
Ord. No. 814 Police & Fire Department Equipment							500.00	20,000.00	8,450.00	11,050.00
	<u>\$ 315,099.00</u>	<u>\$ 237,000.00</u>	<u>\$ 470,184.84</u>	<u>\$ 532,672.00</u>	<u>\$ 49,596.40</u>	<u>\$ 387,000.00</u>	<u>\$ 644,017.06</u>	<u>\$ 4,038,263.78</u>	<u>\$ 4,038,263.78</u>	<u>\$ 474,342.38</u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2012	Analysis of Balance Dec. 31, 2012
						Financed by Bond Anticipation Notes
667	Acquisition of New and Additional Fire Equipment	\$ 63,000.00		\$ 32,000.00	\$ 31,000.00	\$ 31,000.00
767	Various Improvements	96,000.00		12,000.00	84,000.00	84,000.00
793	Improvements of Various Roads	228,000.00		23,000.00	205,000.00	205,000.00
810	Improvements to Rockaway Valley Road - South Section		\$ 132,672.00		132,672.00	132,672.00
810	Improvements to Oak Road		80,000.00		80,000.00	80,000.00
		<u>\$ 387,000.00</u>	<u>\$ 212,672.00</u>	<u>\$ 67,000.00</u>	<u>\$ 532,672.00</u>	<u>\$ 532,672.00</u>
	<u>Ref.</u>	C			C	

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations - Unfunded	\$ 146,854.76
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:	
Ord. #810 - Improvements to Rockaway Valley Road - South Section	\$ 66,854.76
Ord. #810 - Improvements to Oak Road	<u>80,000.00</u>
	<u>146,854.76</u>
	<u>\$ -0-</u>

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Amount	2012 Authorizations				Encumbrances Canceled	Authorizations Canceled	Balance Dec. 31, 2012	
				Balance Dec. 31, 2011 Funded	Other Financing Sources	Deferred Charges to Future Taxation - Unfunded	Expended			Encumbered	Funded
779, 799	Improvement and Repair of North Main Street	06/14/10	\$ 240,000.00	\$ 49,311.37			\$ 935.50	\$ 935.50	\$ 49,311.37		
787	Energy Efficient Lighting, Air Conditioning & Boilers at the Municipal Building	12/13/10	33,000.00	26,092.54					26,092.54		
791	Police and Fire Department Equipment	05/09/11	60,000.00	4,600.66		319.60	\$ 4,281.06				
796	Resurfacing Rockaway Valley Road	06/13/11	300,000.00	7,586.80		9,636.04		16,569.90	14,520.66		
801	Acquisition of Property, Block 40307 Lot 21	10/11/11	7,500.00	753.67					753.67		
803	Acquisition of Property, Block 10501 Lot 2	03/12/12	1,740,000.00		\$ 1,740,000.00	1,740,000.00					
807	Fire Equipment	05/14/12	14,147.00		14,147.00	14,147.00					
807	Police Equipment	05/14/12	73,175.00		73,175.00	41,040.99	17,699.08			\$ 14,434.93	
807	East Glen Road Drainage	05/14/12	25,000.00		25,000.00	23,823.81				1,176.19	
807	Catch Basin Repairs	05/14/12	25,000.00		25,000.00	12,916.38				12,083.62	
810	Improvements to Rockaway Valley Road - South Section	06/11/12	380,000.00		247,328.00	\$ 132,672.00	313,145.24			\$ 66,854.76	
810	Improvements to Oak Road	06/11/12	295,000.00		215,000.00	80,000.00	27,552.50			187,447.50	
814	Police & Fire Department Equipment	10/09/12	20,000.00		20,000.00	500.00	8,450.00			11,050.00	
			<u>\$ 88,345.04</u>	<u>\$ 2,359,650.00</u>	<u>\$ 212,672.00</u>	<u>\$ 2,184,017.06</u>	<u>\$ 30,430.14</u>	<u>\$ 17,505.40</u>	<u>\$ 90,678.24</u>	<u>\$ 226,192.24</u>	<u>\$ 146,854.76</u>

Ref.	C	Cash Disbursed	C	C
		\$ 644,017.06		
		Paid by Grantors Directly	1,540,000.00	
			<u>\$2,184,017.06</u>	
	Capital Improvement Fund	\$ 169,322.00		
	Morris County Open Space Grant	1,200,000.00		
	Local Unit Planning Incentive Grant, Green Acres Program	200,000.00		
	Morris County Municipal Utilities Authorities Grant	150,000.00		Capital Improvement Fund \$ 26,092.54
	New Jersey Department of Environmental Protection, Green Acres Program	125,000.00		Due to Open Space Trust Fund 753.67
	Johannee Wallerstein Institute	65,000.00		New Jersey Department of Transportation Grant 63,832.03
	New Jersey Department of Transportation Grant	450,328.00		<u>\$ 90,678.24</u>
		<u>\$ 2,359,650.00</u>		

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 193,633.60
Increased by:		
2012 Budget Appropriation	\$ 170,000.00	
Improvement Authorizations Canceled	<u>26,092.54</u>	
		<u>196,092.54</u>
		389,726.14
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>169,322.00</u>
Balance December 31, 2012	C	<u>\$ 220,404.14</u>

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Purpose of Issue	Date of Original Issue	Original Amount Issued	Issue Date	Maturity Date	Interest Rate	Balance Dec. 31, 2011	Issued	Matured	Balance Dec. 31, 2012	
667	Acquisition of New and Additional Fire Equipment	01/28/04	\$ 310,000.00	09/26/11 09/25/12	09/26/12 09/25/13	1.45% 1.10%	\$ 63,000.00	\$ 31,000.00	\$ 63,000.00	\$ 31,000.00	
767	Various Improvements	10/02/09	333,000.00	09/26/11 09/25/12	09/26/12 09/25/13	1.45% 1.10%	96,000.00	84,000.00	96,000.00	84,000.00	
793	Improvements of Various Roads	09/26/11	228,000.00	09/26/11 09/25/12	09/26/12 09/25/13	1.45% 1.10%	228,000.00	205,000.00	228,000.00	205,000.00	
810	Improvements to Rockaway Valley Road - South Section	09/25/12	132,672.00	09/25/12	09/25/13	1.10%		132,672.00		132,672.00	
810	Improvements to Oak Road	09/25/12	80,000.00	09/25/12	09/25/13	1.10%		80,000.00		80,000.00	
							<u>\$ 387,000.00</u>	<u>\$ 532,672.00</u>	<u>\$ 387,000.00</u>	<u>\$ 532,672.00</u>	
							Ref. C			C	
								Renewed	\$ 320,000.00	\$ 320,000.00	
								New Issues	212,672.00		
								Budget Appropriation		67,000.00	
								<u>\$ 532,672.00</u>	<u>\$ 387,000.00</u>		

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose of Issue	Date of Issue	Amount of Issue	Maturities Of Bonds Outstanding December 31, 2012		Interest Rate	Balance Dec. 31, 2011	Matured	Balance Dec. 31, 2012
			Date	Amount				
General Bonds Payable of 2010	01/15/10	\$ 644,000.00	01/15/13	\$ 58,000.00	2.00%	\$ 587,000.00	\$ 57,000.00	\$ 530,000.00
			01/15/14	60,000.00	2.00%			
			01/15/15	63,000.00	2.00%			
			01/15/16	65,000.00	2.75%			
			01/15/17	68,000.00	3.00%			
			01/15/18	70,000.00	3.00%			
			01/15/19	72,000.00	3.50%			
			01/15/20	74,000.00	3.50%			
Open Space Bonds Payable of 2010	01/15/10	1,515,000.00	01/15/13	147,000.00	2.00%	1,372,000.00	143,000.00	1,229,000.00
			01/15/14	149,000.00	2.00%			
			01/15/15	151,000.00	2.00%			
			01/15/16	154,000.00	2.75%			
			01/15/17	156,000.00	3.00%			
			01/15/18	158,000.00	3.00%			
			01/15/19	161,000.00	3.50%			
			01/15/20	153,000.00	3.50%			
						\$ 1,959,000.00	\$ 200,000.00	\$ 1,759,000.00
Ref.						C		C

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2012

Ord. Number	Ord. Date	Improvement Description	2012 Authorizations	Funded by Budget Appropriation	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed
667	09/22/03	Acquisition of New and Additional Fire Equipment		\$ 32,000.00	\$ 31,000.00	\$ 63,000.00
767	06/08/09	Various Improvements		12,000.00	84,000.00	96,000.00
793	05/19/11	Improvements of Various Roads		23,000.00	205,000.00	228,000.00
810	06/11/12	Improvements to Rockaway Valley Road - South Section	\$ 132,672.00		132,672.00	
810	06/11/12	Improvements to Oak Road	80,000.00		80,000.00	
			<u>\$ 212,672.00</u>	<u>\$ 67,000.00</u>	<u>\$ 532,672.00</u>	<u>\$ 387,000.00</u>

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
WATER UTILITY FUND

TOWNSHIP OF BOONTON  
WATER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Assessment</u>	<u>Capital</u>
Balance December 31, 2011	D	\$ 210,115.92	\$ 699.41	\$ 22,750.00
Increased by Receipts:				
Consumer Accounts Receivable		\$ 356,246.63		
Interest on Investments		633.11		
Interest on Assessments		271.45		
Interest on Delinquencies		2,083.15		
Other Miscellaneous		1,350.00		
Assessment Trust Fund Surplus Anticipated as Revenue		699.41		
Due to Water Utility Operating Fund :				
Interest Earned			\$ 0.15	
Prepaid Rents		187.99		
Assessments Receivable			720.28	
Capital Improvement Fund:				
2012 Budget Appropriation				\$ 12,000.00
		<u>361,471.74</u>	<u>720.43</u>	<u>12,000.00</u>
		571,587.66	1,419.84	34,750.00
Decreased by Disbursements:				
2012 Appropriation Expenditures		252,168.01		
2011 Appropriation Reserves		49,890.59		
Accrued Interest on Bonds		1,925.00		
Refund of Prior Year Revenues		2,472.06		
Due to Water Utility Operating Fund:				
Fund Balance Anticipated			699.41	
		<u>306,455.66</u>	<u>699.41</u>	
Balance December 31, 2012	D	<u>\$ 265,132.00</u>	<u>\$ 720.43</u>	<u>\$ 34,750.00</u>

TOWNSHIP OF BOONTON  
WATER UTILITY ASSESSMENT TRUST FUND  
ANALYSIS OF CASH

	Balance	Receipts		Disbursements	Transfers		Balance
	Dec. 31, 2011	Assessments Receivable	Miscellaneous	Miscellaneous	To	From	Dec. 31, 2012
Due to Water Utility Operating Fund			\$ 0.15				\$ 0.15
Fund Balance	\$ 699.41			\$ 699.41	\$ 720.28		720.28
<u>Assessment Receivable:</u>							
Ord.							
No.	<u>Improvement Description</u>						
653	Water Supply and Distribution System: McCaffrey Lane						
		\$ 720.28				\$ 720.28	
	\$ 699.41	\$ 720.28	\$ 0.15	\$ 699.41	\$ 720.28	\$ 720.28	\$ 720.43

TOWNSHIP OF BOONTON  
WATER UTILITY CAPITAL FUND  
ANALYSIS OF WATER CAPITAL CASH

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Receipts</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Capital Improvement Fund	<u>\$ 22,750.00</u>	<u>\$ 12,000.00</u>	<u>\$ 34,750.00</u>
	<u><u>\$ 22,750.00</u></u>	<u><u>\$ 12,000.00</u></u>	<u><u>\$ 34,750.00</u></u>

TOWNSHIP OF BOONTON  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 24,528.64
Increased by:		
Water Rents Levied		<u>359,377.56</u>
		383,906.20
Decreased by:		
Water Rents Collections	\$ 356,246.63	
Prepaid Rents Applied	12.91	
Due from Trust Assessment Fund	<u>330.32</u>	
		<u>356,589.86</u>
Balance December 31, 2012	D	<u>\$ 27,316.34</u>

TOWNSHIP OF BOONTON  
WATER UTILITY ASSESSMENT TRUST FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2011</u>	<u>Collections</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Pledged To Reseve</u>
Water Supply and Distribution System: McCaffrey Lane	653	<u>\$ 10,059.80</u>	<u>\$ 720.28</u>	<u>\$ 9,339.52</u>	<u>\$ 9,339.52</u>
	<u>Ref.</u>	D		D	

TOWNSHIP OF BOONTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions by</u> <u>Capital Outlay</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Fire Hydrants	\$ 5,491.39	\$ 1,121.52	\$ 6,612.91
Water Meters	8,820.00		8,820.00
McCaffrey Lane Water Supply and Distribution System	108,897.84		108,897.84
Installation of New Water Valve; Repairs of Water Meters & Fire Hydrants	<u>20,000.00</u>		<u>20,000.00</u>
	<u>\$ 143,209.23</u>	<u>\$ 1,121.52</u>	<u>\$ 144,330.75</u>
<u>Ref.</u>	D	D	D

TOWNSHIP OF BOONTON  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 754.91	\$ 754.91		\$ 754.91
Other Expenses	58,202.31	58,202.31	\$ 49,890.59	8,311.72
Statutory Expenditures:				
Contribution to:				
Social Security System	123.94	123.94		123.94
	<u>\$ 59,081.16</u>	<u>\$ 59,081.16</u>	<u>\$ 49,890.59</u>	<u>\$ 9,190.57</u>

Analysis of Balance December 31, 2011

	<u>Ref.</u>	
Unencumbered	D	\$ 13,184.01
Encumbered	D	<u>45,897.15</u>
		<u>\$ 59,081.16</u>

TOWNSHIP OF BOONTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 22,750.00
Increased by:		
Budget Appropriation		<u>12,000.00</u>
Balance December 31, 2012	D	<u>\$ 34,750.00</u>



TOWNSHIP OF BOONTON  
WATER UTILITY ASSESSMENT TRUST FUND  
SCHEDULE OF RESERVE FOR ASSESSMENTS AND RESERVE FOR ASSESSMENT LIENS

<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Assessment Receivable:			
Water Supply and Distribution System:			
McCaffrey Lane	\$ 10,059.80	\$ 720.28	\$ 9,339.52
	<u>Ref.</u>		D

TOWNSHIP OF BOONTON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 69,209.23
Increased by:		
Capital Outlay Expenditures in Operating Budget		\$ 1,121.52
Serial Bonds Paid by Operating Budget		<u>7,000.00</u>
		<u>8,121.52</u>
Balance December 31, 2012	D	<u>\$ 77,330.75</u>

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
SEWER UTILITY FUND

TOWNSHIP OF BOONTON  
SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>Operating</u>	<u>Assessment</u>	<u>Capital</u>
Balance December 31, 2011	\$ 166,521.87	\$ 21,560.78	\$ 53,989.69
Increased by Receipts:			
Consumer Accounts Receivable	\$ 163,428.27		
Interest on Investments	371.89		
Interest on Assessments	3,798.15		
Interest on Delinquencies	1,573.67		
Prepaid Sewer Rents	126.16		
Assessments Receivable		\$ 19,919.65	
Assessment Trust Fund Surplus Anticipated	1,986.58		
Due to Sewer Utility Operating Fund:			
Interest on Delinquent Assessments		85.30	
2012 Budget Appropriations:			
Capital Improvement Fund			\$ 6,000.00
	<u>171,284.72</u>	<u>20,004.95</u>	<u>6,000.00</u>
	337,806.59	41,565.73	59,989.69
Decreased by Disbursements:			
2012 Budget Appropriations	154,084.08		
2011 Appropriation Reserves	8,077.61		
Accrued Interest on Bonds	4,095.00		
Due to Sewer Utility Operating Fund:			
Anticipated as Current Year Revenue:			
Assessment Surplus		1,986.58	
Serial Bonds Payable		18,000.00	
	<u>166,256.69</u>	<u>19,986.58</u>	
Balance December 31, 2012	<u>\$ 171,549.90</u>	<u>\$ 21,579.15</u>	<u>\$ 59,989.69</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY ASSESSMENT TRUST FUND  
ANALYSIS OF CASH

	Balance Dec. 31, 2011	Receipts		Disbursements		Balance Dec. 31, 2012
		Assessments Receivable	Miscellaneous	Serial Bonds	Miscellaneous	
Due to Sewer Utility Operating Fund Fund Balance	\$ 1,986.58	\$ 2,952.70	\$ 85.30		\$ 1,986.58	\$ 85.30 2,952.70
<u>Assessment Receivable:</u>						
Ord. No.	Improvement Description					
654	12,807.92	13,264.77		\$ 14,072.41		12,000.28
727,745	6,766.28	3,702.18		3,927.59		6,540.87
	<u>\$ 21,560.78</u>	<u>\$ 19,919.65</u>	<u>\$ 85.30</u>	<u>\$ 18,000.00</u>	<u>\$ 1,986.58</u>	<u>\$ 21,579.15</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH

	Balance Dec. 31, 2011	<u>Receipts</u> Budget Appropriation	Balance Dec. 31, 2012
Capital Improvement Fund	\$ 53,989.69	\$ 6,000.00	\$ 59,989.69
	<u>\$ 53,989.69</u>	<u>\$ 6,000.00</u>	<u>\$ 59,989.69</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 21,323.69
Increased by:		
Sewer Rents Levied		166,946.03
		<u>188,269.72</u>
Decreased by Collections:		
Sewer Rents	\$	163,428.27
Prepaid Sewer Rents Applied		10.45
Due from Trust Assessment Fund		77.50
		<u>163,516.22</u>
Balance December 31, 2012	E	<u><u>\$ 24,753.50</u></u>

TOWNSHIP OF BOONTON  
SEWER UTILITY ASSESSMENT TRUST FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLE

Ord. No.	Improvement Description	Balance	Collected	Balance	Balance Pledged To	
		Dec. 31, 2011		Dec. 31, 2012	Reserve	Serial Bonds
654	Sanitary Sewerage System: McCaffrey Lane	\$ 68,496.81	\$ 13,264.77	\$ 55,232.04		\$ 55,232.04
680	Sanitary Sewerage System: North Main Street	40,978.29	2,952.70	38,025.59	\$ 38,025.59	
727,745	Sanitary Sewerage System: Sylvan Lane	73,928.99	3,702.18	70,226.81		70,226.81
		<u>\$ 183,404.09</u>	<u>\$ 19,919.65</u>	<u>\$ 163,484.44</u>	<u>\$ 38,025.59</u>	<u>\$ 125,458.85</u>
	Ref.	E		E		

TOWNSHIP OF BOONTON  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

Description	Balance Dec. 31, 2011	Balance Dec. 31, 2012
North Main Street Line:		
Pipe Line	\$ 10,931.62	\$ 10,931.62
Glenbourne Drive Pumping Station	3,075.00	3,075.00
McCaffrey Lane Sewer	125,000.00	125,000.00
North Main Street Sanitary Sewer	75,000.00	75,000.00
Sylvan Lane Sanitary Sewer	110,400.12	110,400.12
<b>Total</b>	<b>\$ 324,406.74</b>	<b>\$ 324,406.74</b>
<u>Ref.</u>	E	E

TOWNSHIP OF BOONTON  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2012

	Balance Dec. 31, 2011	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 204.91	\$ 204.91		\$ 204.91
Other Expenses	31,461.44	31,461.44	\$ 8,077.61	23,383.83
Capital Improvements:				
Capital Outlay	4,000.00	4,000.00		4,000.00
Statutory Expenditures:				
Social Security	68.74	68.74		68.74
	<u>\$ 35,735.09</u>	<u>\$ 35,735.09</u>	<u>\$ 8,077.61</u>	<u>\$ 27,657.48</u>

Ref.Analysis of Balance at December 31, 2011:

Unencumbered	E \$ 30,670.92
Encumbered	E <u>5,064.17</u>
	<u>\$ 35,735.09</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY ASSESSMENT TRUST FUND  
SCHEDULE OF RESERVE FOR ASSESSMENTS

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 40,978.29
Decreased by:		
Collection of Unpledged Assessments		<u>2,952.70</u>
Balance December 31, 2012	E	<u>\$ 38,025.59</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 53,989.69
Increased by:		
2012 Budget Appropriation		<u>6,000.00</u>
Balance December 31, 2012	E	<u>\$ 59,989.69</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2011	E	<u>\$ 324,406.74</u>
Balance December 31, 2012	E	<u><u>\$ 324,406.74</u></u>

TOWNSHIP OF BOONTON  
SEWER UTILITY ASSESSMENT FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose of Issue	Date of Issue	Amount of Issue	Maturities Of Bonds Outstanding December 31, 2012		Interest Rate	Balance		Balance
			Date	Amount		Dec. 31, 2011	Matured	Dec. 31, 2012
Sewer Assessment Bonds	01/15/10	\$ 180,000.00	01/15/13	\$ 18,000.00	2.00%			
			01/15/14	18,000.00	2.00%			
			01/15/15	18,000.00	2.00%			
			01/15/16	18,000.00	2.75%			
			01/15/17	18,000.00	3.00%			
			01/15/18	18,000.00	3.00%			
			01/15/19	18,000.00	3.50%			
			01/15/20	18,000.00	3.50%			
						\$ 162,000.00	\$ 18,000.00	\$ 144,000.00
						\$ 162,000.00	\$ 18,000.00	\$ 144,000.00
				Ref.		E		E

TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
2012  
PUBLIC ASSISTANCE FUND

BOONTON TOWNSHIP  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Fund Total</u>	<u>Public Assistance Trust Fund I</u>	<u>Public Assistance Trust Fund II</u>
Balance December 31, 2011	F	\$ 26,484.76	\$ 18,958.74	\$ 7,526.02
Increased by Receipts:				
Interest Earned on Investments		37.97	34.45	3.52
		<u>26,522.73</u>	<u>18,993.19</u>	<u>7,529.54</u>
Decreased by Disbursements:				
Due to Current Fund:				
Interfund Returned		5,000.00		5,000.00
Due to State of New Jersey:				
Excess General Assistance Returned		2,526.00		2,526.00
Ineligible Assistance		240.62	240.62	
		<u>7,766.62</u>	<u>240.62</u>	<u>7,526.00</u>
Balance December 31, 2012	F	<u>\$ 18,756.11</u>	<u>\$ 18,752.57</u>	<u>\$ 3.54</u>

TOWNSHIP OF BOONTON

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2012

TOWNSHIP OF BOONTON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2012

Name of Federal Agency or Department	Name of Program	C.F.D.A Account Number	Pass Through Entity ID	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
				From	To				
U.S. Department of Homeland Security: (Passed through New Jersey Department of Law and Public Safety)	Disaster Assistance - Public Assistance	97.036	100-066-1200-979-YEMR	01/01/11	12/31/12	\$ 63,554.33	\$ 63,554.33	\$ 63,554.33 *	\$ 63,554.33
Total Department of Homeland Security							<u>63,554.33</u>	<u>63,554.33</u>	<u>63,554.33</u>
U.S. Department of Transportation: (Passed through the Department of Law and Public Safety)	Over the Limit, Under Arrest	20.609	1160-116-6120	01/01/12	12/31/12	4,400.00	4,400.00	4,400.00	4,400.00
(Passed through New Jersey Department of Transportation)	Highway Planning and Construction Cluster:								
	Resurfacing Rockaway Valley Road	20.205	10-480-078-6320-AKN-6010	01/01/11	12/31/13	250,000.00	89,938.84	30,385.30	235,479.34
	Resurfacing Rockaway Valley Road South	20.205	10-480-078-6320-AK3-6010	01/01/12	12/31/13	240,328.00	180,246.00	240,328.00	240,328.00
	Improvements to Oak Road	20.205	10-480-078-6320-AK3-6010	01/01/12	12/31/13	210,000.00		27,552.50	27,552.50
Total Department of Transportation							<u>274,584.84</u>	<u>302,665.80</u>	<u>507,759.84</u>
Total Federal Awards							<u>\$ 338,139.17</u>	<u>\$ 366,220.13</u>	<u>\$ 571,314.17</u>

\* - Expended in Prior Year

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF BOONTON  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012

Name of State Agency or Department	Name of Program	State Grant Award Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
			From	To				
Department of Environmental Protection	Clean Communities	765-042-4900- 004-178910	01/01/10 01/01/12	12/31/13 12/31/13	\$ 9,481.58 9,420.07	\$ 9,420.07	\$ 3,595.00	\$ 7,410.00
	Total Clean Communities					9,420.07	3,595.00	7,410.00
	Green Acres Trust	N/A	01/01/12	12/31/12	200,000.00	200,000.00	200,000.00	200,000.00
	Total Green Acres Trust					200,000.00	200,000.00	200,000.00
	Total Department of Environmental Protection					209,420.07	203,595.00	207,410.00
Department of Law and Public Safety	Body Armor Grant	718-066-1020- 001-6120	01/01/09 01/01/10 01/01/12	12/31/12 12/31/13 12/31/13	2,189.18 2,342.44 1,550.79	1,550.79	514.53 265.47	2,189.18 265.47
	Total Body Armor Grant					1,550.79	780.00	2,454.65
	Drunk Driving Enforcement Fund	100-078-6400- 260-6010	01/01/09 01/01/10 01/01/12	12/31/12 12/31/13 12/31/13	579.87 1,308.04 2,610.45	2,610.45	579.87 215.18	579.87 215.18
	Total Drunk Driving Enforcement					2,610.45	795.05	795.05
	Total Department of Law and Public Safety					4,161.24	1,575.05	3,249.70
Department of Health and Senior Services	Alcohol Education Rehabilitation Fund	760-098-9735- 789-XXXX	01/01/12	12/31/13	755.48	755.48		
	Total Alcohol Education Rehabilitation Fund					755.48		
Total Department of Health and Senior Services						755.48		

TOWNSHIP OF BOONTON  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012

Name of State Agency or Department	Name of Program	State Grant Award Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
			From	To				
Department of Treasury (Passed through the County of Morris)	Governor's Council on Alcoholism and Drug Abuse	100-082-2000- 044-995120	01/01/11 01/01/12	12/31/12 12/31/13	\$ 7,533.00 7,533.00	\$ 416.20 5,204.80	\$ 1,566.00 7,049.95	\$ 6,226.64 7,049.95
Total Department of Treasury						5,621.00	8,615.95	13,276.59
New Jersey Highlands Council	Plan Conformance Grant	N/A	01/01/10	12/31/13	50,000.00		3,435.81	45,395.16
Total Department of State							3,435.81	45,395.16
Total State Awards						\$ 219,957.79	\$ 217,221.81	\$ 269,331.45

N/A - Not Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF BOONTON  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2012

Note A. GENERAL

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

Note B. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal and state awards are presented using the cash basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

Note C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

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

Independent Auditor's Report

The Honorable Mayor and Members  
 of the Township Committee  
 Township of Boonton  
 Boonton, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Township of Boonton, in the County of Morris (the "Township") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated March 15, 2013. These financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that

The Honorable Mayor and Members  
of the Township Committee  
Township of Boonton  
Page 2

we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2012-01, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

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

### **The Township's Response to the Finding**

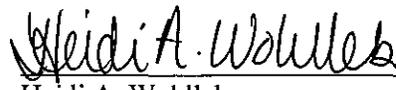
The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Mount Arlington, New Jersey  
March 15, 2013

NISIVOCCIA LLP



Heidi A. Wohlleb  
Certified Public Accountant  
Registered Municipal Accountant No. 481

TOWNSHIP OF BOONTON  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2012

Summary of Auditors' Results:

- An unqualified report was issued on the Township's financial statements prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.
- The audit did not disclose any material weaknesses in the internal controls of the Township.
- The audit did not disclose any noncompliance which is material in relation to the financial statements of the Township.
- The Township was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grant, State Grants and State Aid* for 2012 as grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

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

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2012-1

The Township 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. The various departments/offices of the Township are responsible for the issuance of permits and licenses, collection of taxes, utility charges and permit and license fees and recording of collections. Also, the reconciliation of bank accounts and the preparation of the general ledger are performed by one person, the Chief Financial Officer. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. Accordingly, management and the Township Committee 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.

Management's Response

The Township made a continuing effort in 2012 to segregate and reassign duties in the Finance Office to provide for a more adequate segregation of the Finance Office duties. In 2013, the bank reconciliations will be reviewed and approved by the Township Administrator.

Findings and Questioned Costs for Federal Awards:

- Not Applicable – Grant expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not Applicable – Grant expenditures were below the single audit threshold.

TOWNSHIP OF BOONTON  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2012

The Township's prior year audit finding regarding segregation of duties has not been fully resolved and is included as finding 2012-1.

TOWNSHIP OF BOONTON

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

TOWNSHIP OF BOONTON  
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A: 11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (C.40A11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000.

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

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per N.J.S. 40A:11-5.

TOWNSHIP OF BOONTON  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4 (Cont'd)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any 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. None were noted.

Collection of Interest on Delinquent Taxes and Water and Sewer Rents

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes, water and sewer rents 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 and water and sewer rents as follows:

Be it resolved, by the Township Committee of the Township of Boonton, in the County of Morris, State of New Jersey, that for the year 2012, the Tax Collector be authorized and he/she is hereby directed to collect interest on delinquent taxes and water and sewer rents at the rate of eight percent (8%) per annum on the first \$1,500 for the delinquency, and eighteen percent (18%) per annum on any amount in excess of \$1,500 for non-payment of taxes in accordance with Chapter 435 of the laws of 1979, 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, and that no discount be allowed on taxes paid in advance.

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 26, 2012 and all eligible properties were included. Inspection of tax sale certificates revealed that 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:

Year	Number of Liens
2012	3
2011	3
2010	3

Verification of Delinquent Taxes and Other Charges

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

Type	Number Mailed
Payments of 2013 Taxes	15
Payments of 2012 Taxes	15
Delinquent Taxes Receivable	15
Tax Title Liens Receivable	1
Payments of 2012 Water Utility Rents	10
Payments of 2012 Sewer Utility Rents	10
Delinquent Water Utility Rents	10
Delinquent Sewer Utility Rents	10

TOWNSHIP OF BOONTON  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Verification of Delinquent Taxes and Other Charges (Cont'd)

<u>Type</u>	<u>Number Mailed</u>
Water Utility Assessments	1
Sewer Utility Assessments	3
Trust Assessments	5

Verification notices were mailed to confirm balances receivables as of December 31, 2012. The items that were returned were compared to, and are in agreement with, the Township's records. For receivable items not returned, alternative procedures were performed.

Tax, Utility and Assessments Records

During our review of the tax collector's records, we noted that the Township's tax overpayments from older years had not been fully resolved as of December 31, 2012. However, as of the date of this report, all tax overpayment balances have been fully resolved; therefore, no formal action is judged to be warranted.

Technical Accounting Directives

The Division of Local Government Services has established three (3) technical accounting directives which are prescribed by the 1987 draft "Requirements of Audit and Accounting". They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed assets accounting and reporting system.
3. General ledger accounting and recording system.

The Township is currently in compliance with all three Technical Accounting Directives. However, while we were able to locate individual fixed assets per the identifying information in the fixed assets records, these assets are not tagged. Consideration should be given to tagging the fixed assets. No formal recommendation is judged to be warranted.

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected on the following page is a summary of receipts and disbursements for the year ended December 31, 2012.

TOWNSHIP OF BOONTON  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Municipal Court (Cont'd)

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance Dec. 31, 2011	Receipts	Disbursements	Balance Dec. 31, 2012
State of New Jersey	\$ 517.68	\$ 26,448.20	\$ 24,256.02	\$ 2,709.86
County of Morris	1,128.00	20,683.00	19,871.00	1,940.00
Municipality	2,434.32	39,977.52	38,223.70	4,188.14
Municipality - POAA	2.00	26.00	24.00	4.00
Local Park		250.00	250.00	
Conditional Discharge		500.00	500.00	
Restitution		175.50	175.50	
Public Defender		1,200.00	1,200.00	
Miscellaneous		60.08	190.08	(130.00)
Interest	0.18	13.47	12.43	1.22
	<u>\$ 4,082.18</u>	<u>\$ 89,333.77</u>	<u>\$ 84,702.73</u>	<u>\$ 8,713.22</u>

Management Suggestion:

Consideration is given to requiring that prenumbered receipts be issued for all collections in order to strengthen controls over collections.

Corrective Action Plan:

The Township has initiated a corrective action plan to resolve comments and recommendation from the 2011 audit report. Recommendations 2 and 3 were resolved in the current year. Recommendation 1 with regards to segregation of duties is included as a current year recommendation and corrective action is in the process of being implemented with respect to this recommendation.

TOWNSHIP OF BOONTON  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. A continuing effort be made to provide for a further segregation of duties with respect to the recording and treasury functions.

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